



Investing in SMEs at the heart of agricultural transformation

The Agricultural Commodities Transformation (ACT) Fund is a USD 75 million private credit impact fund that invests in SMEs located in Africa, Latin America and Asia that drive global agricultural commodity value chains. Addressing a substantial unmet demand for financing, the ACT Fund finances these businesses and connects millions of smallholder farmers to high-value markets, creating local economic value and supporting formal jobs in rural areas while preserving nature through regenerative agricultural practices.

ACT Fund channels capital into the backbone of global agricultural trade, transforming high-potential but hard-to-reach markets into investable opportunities. This gives investors access to a resilient, diversified portfolio while driving measurable impact across inclusive, regenerative agricultural value chains.

The fund has a strong active pipeline and will:

- Provide value chain finance (mainly trade finance) to **high-potential SMEs**, connecting smallholders to lucrative markets;
- Build on the Common Fund for Commodities (CFC) **three-decade track record** in agri-SME impact investing and technical assistance management across **20+ countries** in Africa, Latin America and Asia;
- Leverage the benefits of **inclusive regenerative agriculture** to empower smallholder farmers and create resilient futures for generations to come;
- Benefit from a **USD 20 million first-loss sponsor commitment** by CFC as cornerstone investor;
- Draw on a separate **USD 10 million Technical Assistance facility** to strengthen climate-resilience and biodiversity and reduce risks by enhancing operational capacity of investees.

The opportunity

The combined value of export-oriented agricultural commodity markets across emerging markets is **USD 166 billion** and is growing annually at double digit rates, providing attractive investment opportunities. Small and Medium-sized Enterprises (SMEs) play a critical role in these value chains by linking millions of smallholder farmers to high-value markets. They are engines of growth, creating formal employment and adding value to local economies. These agri-SMEs are hungry for well-tailored debt from investors who understand their liquidity needs and how international commodity markets work. ►



Our approach - a tried-and-tested investment model

ACT Fund's investment strategy is to provide trade finance loans to agri-SMEs targeting mainly export-oriented markets that depend heavily on smallholder farmers for the supply of commodities. These loans are typically backed by cashflows from offtake contracts with reputable international buyers. The Fund builds on CFC's track record in trade finance, supported by a curated database documenting transactions with over 40 international buyers, providing valuable insights to inform ACT Fund investment decisions. Beyond trade finance loans, investees that demonstrate strong repayment performance can seamlessly graduate to a broader suite of tailored financial instruments, such as working capital lines and longer term capex loans.

ACT benefits from having exclusive access to CFC's proprietary and established deal flow which typically includes more than 400 loan requests from agri-SMEs per year.

At the heart of its transformative investment thesis ACT's financing generates impact by supporting the transition of smallholder farmers to climate-resilient, **inclusive regenerative agriculture**. This holistic farming approach regenerates soil health, strengthens climate resilience, and ensures biodiversity conservation.

While the portfolio of investees will be diversified over regions and value chains, around 70% of the fund will be invested in Africa, 20% in Latin America, and 10% in Asia. This will help to ensure stability over the various crop seasons and climatic circumstances.

Where we work



A blended capital structure designed to protect and perform

The ACT Fund is structured as a Dutch private fund partnership, a well-recognized legal framework for funds of this nature. Its innovative blended capital structure provides investors with strong downside protection and attractive, risk-adjusted returns via a substantial first-loss equity layer of USD 25 million. CFC has already committed USD 20 million to the first loss layer which offers protection to the mezzanine equity and debt layers throughout the lifetime of the fund. The four-tier structure allows different types of capital to be mobilized into underserved agri-SMEs at scale.



Continued downside protection from the First Loss Equity throughout the fund life

ACT Fund

US\$ 75 M
at Final Close

US\$ 5 M

US\$ 20 M

US\$ 25 M

US\$ 25 M

Senior debt - Open for Commitments

First repayment after 60 months (10 instalments) - 3% interest coupon

Mezzanine debt - Fully funded InvestInternational

First repayment after 60 months (10 instalments) / 5% interest coupon*

Mezzanine equity - Open for Commitments

7.5% target IRR (with catch-up to reach minimum 6.25%)
Surplus share 60% after 20% impact linked carry to GP at final distribution

First Loss equity - Partially funded / Open (USD 20 million committed at First Close)



Capital preservation

Surplus share 20% after 20% impact linked carry to GP at final distribution

* interest rate includes a step-down feature



275,000

smallholder farmers reached



80,000

female farmers supported



US \$ 216 million

payment to farmers

23,000

jobs supported



1.6 million Mt

CO2 sequestered



~80,000

smallholders trained on regenerative agriculture

Impact Targets

ACT Fund delivers measurable impact by financing agri-SMEs that drive inclusive and regenerative agriculture. Investments directly support SDGs 1, 5, 8, 13 and 15. With its financing the ACT Fund aims to sustain more than 23,000 jobs at agri-SMEs, reach over 275,000 farmers, support USD 216 million in farmer payments, and advance climate resilience through the implementation of 250,000 hectares of regenerative smallholder agriculture. As an SFDR Article 8 fund, ACT provides investors with assurance that sustainability is embedded in its strategy, governance, and reporting.

Experienced Investment and Technical Assistance Management

The ACT Fund builds on CFC's 30-year experience in financing agricultural commodity value chains. Over the past decade, CFC's investment team has successfully made direct loans to agri-SMEs, executing more than 60 loans totaling over USD 100 million across diverse value chains and countries. This portfolio has supported over

500,000 smallholder farmer beneficiaries and sustained more than 12,000 jobs at agri-SMEs across Africa, Asia, and Latin America. Beyond this direct lending track record, CFC gathered deep experience of agricultural value chains during a prior phase, financing and implementing more than 500 grant-funded projects strengthening the position of smallholder farmers in Africa, Latin America and Asia.

The ACT Fund further benefits from CFC's extensive experience as an LP investor in agriculture and biodiversity impact funds with complementary investment strategies, as well as its long-standing role in managing TA facilities. CFC's dedicated in-house TA Team has developed and delivered more than 150 tailored interventions with agri-SMEs. These capacity building projects ensure that investment capital is paired with practical, value-adding capacity building, ranging from supporting SMEs with their smallholder outgrower schemes to developing climate-smart production practices by farmers, and compliance of SMEs with best practices in S&E risk management.

ACT's Fund Management Team

The ACT General Partner and Fund Management team includes key members of the team that have been responsible for developing the CFC track record in similar transactions:

- **Michaël van den Berg** – ACT General Partner Director. Michaël comes with two decades of experience in emerging market fund management and impact investing, including previously as fund manager at Triodos, managing investment teams at Triple Jump and as CFO of an agri-social enterprise in Myanmar.
- **Nicolaus Cromme** – Fund Management Director. Nicolaus has 25 years experience in development finance across emerging markets. Before joining the CFC, Nicolaus worked at KfW. At CFC he was responsible for the transition to direct SME investing. Currently, Nicolaus leads the CFC investment and TA teams.
- **Elizabeth Espinar** – Investment Manager. Before joining the CFC, Elizabeth spent over 10 years in the financial sector, working in both the U.S. and Southeast Asia, including managing a debt portfolio at an agri-focused financial institution.

- **Ernesto Daza-Lacouture** – Investment Manager. Ernesto has 10 years experience in impact investment, previously worked at Yunus Business Fund, and since 3 years at the CFC investment team. Expertise in SME lending in Latin America and East-Africa.
- **Eva Johansson** – TA Manager. Eva leads the CFC TA Team that manages TA facilities. Before joining CFC Eva managed multi-country development programs for USAID and Sida.
- **Hector Besong** – Risk Manager. Hector is a seasoned investment and risk management expert. Prior to joining CFC he worked for over a decade in corporate risk management at Siemens, Germany and project finance in the U.S.

In addition to the core team, a range of seasoned CFC team members will provide ACT with access to specialists in cross-commodity issues including climate finance, carbon markets and supply chain management as well as broader management support.

ACT has also established a strong Investment Committee consisting principally of independents with long and successful investment careers. ■

Offering Tailored Debt and Technical Assistance

- **Trade finance** is crucial but rarely available for agri-SMEs. It bridges the gap between paying farmers at harvest time and the moment payments from exports are made by international buyers. Typically an unsecured one-year loan backed by the strength of the commercial agreement and credit worthiness of the investee's customers, renewable up to five years.
- **Working capital loans** provide flexibility in the timing and use of funds, vital for boosting the often unpredictable cashflows of SMEs. Offered as a revolving credit facility with a one-year loan renewable up to five years.
- **Capex loans** to finance capital investments for expansion and enhanced value addition (e.g., for processing equipment). These will be structured to cover the build-up phase with a reasonable repayment period. Typically term loan with tenor of up to five years including a grace period of one year.
- **Quasi-equity** and convertible loans will be deployed to mature SMEs with low-risk profiles, offering medium term investment capital with an upside to investors.
- **Technical Assistance** of initially USD 10 million will be raised alongside ACT to maximize the return on impact through innovative, targeted TA that is beneficiary led and co-funded. This will include carbon mapping of our investees' primary process, leading to mitigation approaches and the establishment of regenerative agricultural practices for SME suppliers and smallholders.

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