

Triple Jump

Microfinance (MF) as a viable social business has been around for decades, providing both social impact and reasonable returns to investors. The industry has been a major success in terms of scalability and outreach. Over the years, MFIs progressively improved their product offering and despite its connection to one of life's most basic necessities (adequate shelter), housing MF only recently started to take off.

MFIs worldwide voice the following key reasons why housing MF only recently picked up pace:

- Lack of tailored external funding for housing loan products
- Lack of specific HMF expertise within MFIs
- Lack of security from clients

Perceiving this need, in 2012 Triple Jump and Habitat for Humanity (HFH) created the MicroBuild Fund (MBF). The fund's aim is to demonstrate the viability of a return and impact driven low-income housing fund. A USD 100M fund, MBF provides medium-long tenor senior loans to MFIs to finance housing MF portfolio growth and provides tailor-made technical assistance packages to MFIs (Habitat for Humanity committed TA of up to 10% of total fund size). The fund is managed by Triple Jump, a Dutch impact investment manager based in Amsterdam with more than 10 years' experience in managing Microfinance Funds.

MBF starts working with partners when their HMF product is still in a nascent stage. An example is Al Majmoua, Lebanon's leading MFI and MBF's first client.



MicroBuild Fund client in India

Following a war in 2006, displacing a million people and damaging > 100,000 houses in Lebanon, the country faced a substantial demand for renovation and construction of houses. Al Majmoua created a home improvement product shortly after and was MBF's first client. In 2012, MBF provided a housing-specific financing facility of USD 500K, along with TA from a Habitat engineer. Growth of the product stagnated between 2013-14, following the influx of over 1 million refugees from Syria, and an economic deterioration in Lebanon. Al Majmoua increased management attention to the HMF product and agreed on a new MBF facility in 2016. With TA from HFH, Al Majmoua was able to redefine its product and improve its methodology. Since,

portfolio was doubled to around 1.4M, serving well over 1,000 clients, achieving an excellent PAR30 of 0.6% and with a good growth prospective.

MBF currently finances nearly 40 MFIs in 33 countries, with a GLP of >USD 60M. The investment into Al Majmoua clearly shows that Triple Jump and HFH target MFIs with a history of robust operational performance, solid financial results and capable management teams with a clear dedication to housing microfinance. MBF aims to play a catalyst role, being an example to and ideally bringing in new players into this investment segment.