

PRESS RELEASE

December 2009

The Luxembourg Fund Labelling Agency (LuxFLAG), created in June 2006, has published a report on the performance of LuxFLAG-labelled MIVs during the economic crisis

LuxFLAG has carried out a study to determine the effects of the recent economic crisis on the labelled Microfinance Investment Vehicles (MIVs) by tracking the evolution of these MIVs over LuxFLAG's life (June 06 to June 09). The main findings highlighted that:

- Despite some growth deceleration during the economic crisis, the consistent rise in MIVs' total assets has demonstrated the extraordinary expansion and continued investor interest in this sector;
- The results of the study also support the contention that MIVs remain largely de-correlated from other sectors of the capital markets and provide an efficient diversification tool to investors. Although demand for funding from the underlying MFIs slowed down, leading to a decrease in their Microfinance Portfolios and an increase in cash positions, the LuxFLAG labelled MIVs have demonstrated resilience, posting relatively lower but still positive monthly returns during the worst global financial crisis since the 1920s.
- It seems that LuxFLAG labelled MIVs avoided requests for major redemptions during the crisis. Investors remained committed to the labelled MIVs, reinforcing the assumption that Microfinance investors are more willing to take a longer term and holistic approach to investment.

LuxFLAG, for further details please contact:
Daniel Dax, General Manager
Laëtitia Hamon, Business Development Officer
daniel.dax@luxflag.org / Laetitia.hamon@luxflag.org
or www.luxflag.org




Tel : +352 22 30 26 – 1

Editorial notes

The Luxembourg Fund Labelling Agency is an independent entity whose Charter Members represent the private sector, the NGOs and the State of Luxembourg. The Charter Members are the:


- State of the Grand Duchy of Luxembourg
- European Investment Fund (EIF - member of the European Investment Bank Group)
- Luxembourg Bankers' Association (ABBL)
- Appui au Développement Autonome (ADA)
- Association of the Luxembourg Fund Industry (ALFI)
- Financial Technology Transfer Agency (ATTF)
- Luxembourg Stock Exchange

LuxFLAG Labels granted in 2009

The **Dexia Micro-Credit Fund**  is the oldest microfinance fund in Luxembourg, with a track record going back to 1998. It is promoted by Dexia Banque Internationale in Luxembourg (BIL) with RBC-Dexia as custodian of the fund and Dexia Asset Management as manager of the fund for liquidities. The microfinance portfolio manager is BlueOrchard, a Geneva based investment manager specialising in microfinance.

The **European Fund for Southeast Europe**  known as EFSE, was launched on 15th December 2005 and represents the first public-private partnership of its kind. Led by KfW, EFSE is among the three largest microfinance investment vehicles in the world. The fund manager is Oppenheim Asset Management Services in Luxembourg and fund advisor is ConCap Connective Capital, based in Frankfurt am Main. Citibank Luxembourg acts as fund administrator and custodian.

The **responsAbility Global Microfinance Fund**  is managed by the Credit Suisse Microfinance Fund Management Company, Luxembourg, and the investment advisor is responsAbility Social Investments AG, a Zürich based company, specialised in social investments in developing countries and emerging markets. The fund is administered by Credit Suisse Asset Management Fund Service (Luxembourg) S.A. Credit Suisse (Luxembourg) SA is custodian of the fund. The fund, which started its operations on 25th November 2003, invests mainly in debt and to a limited extent in equity .

The **Dual Return Fund– Vision Microfinance**  is a Luxembourg part II SICAV launched on 25th April 2006, promoted by the German PEH Wertpapier AG, managed by Absolute Portfolio Management GmbH, based in Vienna, and advised by Geneva based Symbiotics S.A. UBS Funds Services Luxembourg S.A. acts as fund administrator and UBS (Luxembourg) S.A. as custodian to the fund.



The **responsAbility SICAV (Lux)** is an umbrella structure and consists of the two subfunds responsAbility Mikrofinanz-Fonds and responsAbility Microfinance Leaders Fund. It is a self managed investment company administrated by Credit Suisse Asset Management Fund Service (Luxembourg) S.A. The investment advisor is responsAbility Social Investments AG, Switzerland. Credit Suisse (Luxembourg) S.A. is its custodian. The responsAbility SICAV is the most recent MIV registered on 15th November 2006 on the official list of investment funds.



The **Rural Impulse Fund SA, SICAV-FIS (RIF)** is a microfinance investment fund that contributes to the alleviation of poverty in rural areas in developing countries. The Fund seeks to close the gap in the supply of rural microfinance by extending commercial funding to those MFIs which are successful in providing financial services to rural poor, while being financially sustainable. The investors include both development finance institutions (the European Investment Bank, FMO from the Netherlands, the International Finance Corporation (IFC), and BIO from Belgium) as well as a group of private investors. RIF has been developed and promoted by Incofin, which also acts as fund advisor to the Fund.



Advans SA SICAR is a Venture Capital Investment Company headquartered in Luxembourg launched in December 2005. With a share capital of EUR 17.1 million, Advans' mission is to build a network of microfinance institutions in developing and emerging countries to cater to the financial needs of micro, small, and medium sized enterprises, which have limited or no access to formal banking services.

The principal eligibility criteria

In order to obtain the LuxFLAG Microfinance Label, the Microfinance Investment Vehicle (MIV) must meet a number of criteria, the principal of which are that it must:

- be subject to supervision by a national regulator;
- have a microfinance portfolio corresponding to at least 50% of total assets;
- have at least 25% of its microfinance portfolio invested in MFIs rated by a microfinance rating agency recognised by LuxFLAG.

The LuxFLAG Label is intended for MIVs which have a commercial objective; the Label is currently not granted to donor entities.