

## PRESS RELEASE

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### LuxFLAG reinforcing and adapting its strategy

Since its inception in July 2006, LuxFLAG's focus had been upon the establishment of a microfinance Label with a solid reputation and image. LuxFLAG is now ready to build upon its success in achieving this objective and has already started to take actions in that view.

In 2008 LuxFLAG established a Strategic Opportunities Working Group which presented its report and recommendations to the Board in October 2008.

The recommendations included:

- Developing the LuxFLAG label to make it more meaningful;
- Actively promoting the LuxFLAG label to a broad audience;
- Improving LuxFLAG's overall visibility;
- Offering more added value services to labeled funds and associate members.

The implementation of these recommendations has already started:

1. The criteria for qualification for the label are being reconsidered to make them more flexible and more attractive to international promoters of microfinance investments, while maintaining the high standard of integrity of the label
2. A new criterion will be introduced requiring labeled MIVs to demonstrate a commitment to the "double bottom line" i.e. a social as well as a financial return
3. Diversification of the product offer to include a new Socially Responsible Investment ("SRI") label or labels is under active consideration
4. The first newsletter of LuxFLAG has been launched at the Annual General Meeting on 8 June 2009. (The newsletter can be found on the LuxFLAG's website [www.luxflag.org](http://www.luxflag.org)).

The realm of microfinance and socially responsible investment is relatively young and evolving rapidly. LuxFLAG is well placed to lead in its chosen role and will continue to review its strategy and adapt accordingly in order to maintain a leadership position and continue to serve this growing sector of the investment community.

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