

**PRESS RELEASE**

**8 May 2008**

**LuxFLAG grants new MIV labels**

**The Luxembourg Fund Labeling Agency (LuxFLAG), created in July 2006, has granted its microfinance label to two new applicants and has renewed the labels delivered in 2007 to three microfinance investment vehicles (MIVs).**

Since its creation in July 2006, LuxFLAG has granted its Label to five microfinance investment vehicles (MIVs).

The following three MIVs applied in early 2007 and their label has been renewed by LuxFLAG:

- Dexia Micro-Credit Fund
- European Fund for Southeast Europe (EFSE)
- responsAbility Global Microfinance Fund

Two new MIVs have been added to the list that now comprises five MIVs that may use the label delivered by LuxFLAG. The new labels have been granted to:

- Dual Return Fund – Vision Microfinance
- responsAbility SICAV(Lux) (with its two sub-funds, responsAbility Mikrofinanz-Fonds and responsAbility Microfinance Leaders Fund)

Details of the five funds, which are promoted by major European financial institutions, are available on LuxFLAG's website: [www.luxflag.org](http://www.luxflag.org). This site also contains details of eligibility criteria to obtain a label and a form that can be downloaded by entities wishing to apply for the Label.

The MIV market increased significantly in size during 2007 to reach USD 3.5 billion and is projected also to grow strongly this year. Over 93 microfinance investment vehicles exist, using widely varying legal structures (source: CGAP, February 2008).

Over half of the MIVs are domiciled in Luxembourg with a total microfinance portfolio of EUR 1.2 billion.

At 31 December 2007, MIVs with the LuxFLAG label hold assets under management of EUR 904 mio, whereof the microfinance portfolio amounts to EUR 651 mio.

LuxFLAG will be actively approaching MIVs over the months to come and encouraging fund managers to make contact with the Agency. Eligible MIVs may be domiciled in any jurisdiction that has supervision equivalent to that which is available in EU countries.

The purpose of the Label is to promote the raising of capital in microfinance by reassuring investors that the MIV really invests in microfinance. It is not a guarantee of performance nor does it constitute a recommendation to invest.

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### Editorial notes

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The Luxembourg Fund Labeling Agency is an independent entity whose Charter Members represent the private sector, the NGO sector 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

### Funds granted a LuxFLAG Label in Q2 2008

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 International 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 Blue Orchard, a Geneva based investment manager specialising in microfinance.

The **European Fund for Southeast Europe**, known as EFSE, has been launched on 15<sup>th</sup> December 2005 and represents a public private partnership initiative led by KfW in Germany and is among the three largest microfinance investment vehicles in the world. The fund manager is Oppenheim Pramerica Asset Management in Luxembourg together with Bankakademie Frankfurt as investment adviser. Citigroup Luxembourg acts as fund administrator and custodian.

The **responsAbility Global Microfinance Fund** is promoted by the Credit Suisse Group, managed by the Credit Suisse Microfinance Fund Management Company, Luxembourg, and administrated by the Credit Suisse Asset Management Fund Service (Luxembourg) S.A. Credit Suisse (Luxembourg) SA is custodian of the fund. The fund invests mainly in debt and to a limited extent in equity. The investment advisor is responsAbility Social Investment Services AG, a Zürich based company, specialised in social investments in developing and transition countries. The fund started its operations on 25<sup>th</sup> November 2003.

The **Dual Return Fund– Vision Microfinance** is a Luxembourg part II SICAV launched on 25<sup>th</sup> April 2006, promoted by the German PEH Wertpapier AG, managed by the 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 promoted by the Credit Suisse Group, administrated by the Credit Suisse Asset Management Fund Service (Luxembourg) S.A. and Credit Suisse (Luxembourg) S.A. is its custodian. The investment advisor is responsAbility Social Investment Services AG, Switzerland. The responsAbility SICAV is the most recent MIV registered on 15<sup>th</sup> November 2006 on the official list of investment funds.

### **The principle eligibility criteria**

In order to obtain the Luxflag Microfinance Label, the investment vehicle 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.