

Communiqué de presse

6 June 2007

LuxFLAG launches its website

At the first Annual General Meeting of the Luxembourg Fund Labeling Agency (LuxFLAG), created in July 2006 to grant a distinctive label to microfinance investment funds, the Charter Members were informed of the launch of its new website.

Since its creation in July 2006, LuxFLAG has established a set of criteria and granted its Label to three microfinance investment vehicles (MIV):

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

Details of the three funds, which are promoted by major European financial institutions, are available on the recently launched LuxFLAG website: www.luxflag.org. This site also contains details of the eligibility criteria and a form that can be downloaded by entities wishing to apply for the Label.

The Charter Members of LuxFLAG noted that the MIV market doubled in size during 2006 to reach USD 2 billion and is projected to grow by 80% this year. Over 60 investment vehicles exist, using widely varying legal structures (source: PlaNet Finance).

LuxFLAG will be actively approaching MIVs over the months to come and encourages 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 is really invested in microfinance. It is not a guarantee of performance nor does it constitute a recommendation to invest.

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Editorial notes

The Luxembourg Fund Labelling Agency is an independent entity whose founder 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 Q1 2007

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, 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 managed by the Credit Suisse Microfinance Fund Management Company, Luxembourg and Credit Suisse (Luxembourg) SA is custodian of the fund. The fund invests mainly in debt and to a limited extent in equity. The investment adviser is responsAbility, a Zürich based company, specialised in social investments in developing and transition countries.

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 will not be granted to donor entities.