

PRESS RELEASE

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RURAL IMPULSE FUND RECEIVES LUXFLAG LABEL

The Luxembourg Fund Labelling Agency (LuxFLAG), created in July 2006, has granted on 7 July 2008 its microfinance Label to



- ***Rural Impulse Fund SA SICAV-FIS***

“Rural Impulse Fund SA, SICAV-FIS” (RIF) is a USD 38 million microfinance investment fund, that contributes to the alleviation of poverty in rural areas in developing countries.

The Fund leads the way in closing the gap in the supply of rural microfinance by extending commercial funding to those Microfinance Institutions (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.

The purpose of the Label is to promote the raising of capital in microfinance by reassuring investors that the Microfinance Investment Vehicle (MIV) really invests in microfinance and hence to contribute to responsible financing. It is not a guarantee of performance nor does it constitute a recommendation to invest.

Since its creation in July 2006, LuxFLAG has granted its Label to five other MIVs.

The LuxFLAG list of labelled MIVs now comprises six MIVs that may use the Label delivered by LuxFLAG.

Details of the six funds, which are promoted by major European financial institutions, are available on LuxFLAG’s website: www.luxflag.org.

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Editorial notes

The Luxembourg Fund Labelling 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



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



The **European Fund for Southeast Europe**, known as EFSE, has been launched on 15th December 2005 and represents a public private partnership initiative led by KfW in Germany and is among the three largest MIVs in the world. The fund manager is Oppenheim Asset Management Services S.à r.l. in Luxembourg together with Bankakademie Frankfurt as investment advisor. 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 25th November 2003.



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 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 was registered on 15th November 2006 on the official list of investment funds.



The **Rural Impulse Fund SA SICAV-FIS** is a SICAV-FIS created in August 2007, developed and promoted by Incofin (Belgium), which also acts as fund advisor to the fund. KBL/KTL (Luxembourg) acts as fund administrator and as the custodian bank to the fund.

The MIV market increased significantly in size during the first half year of 2008 to reach EUR 5.5 billion and is projected also to grow strongly this year. Over 93 MIVs exist, using widely varying legal structures (source: CGAP, February 2008) out of which more than 50 % are regulated investment vehicles.

Over half of the regulated and supervised MIVs are domiciled in Luxembourg with a total microfinance portfolio of USD 1.32 billion.

At 30 June 2008, MIVs with the LuxFLAG Label hold assets under management of USD 1.3 billion, whereof the microfinance portfolio amounts to more than USD 1 billion.

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.