

leading social investments

responsAbility

European Microfinance Week eMFP

MIV Distribution
Workshop 12.11.08



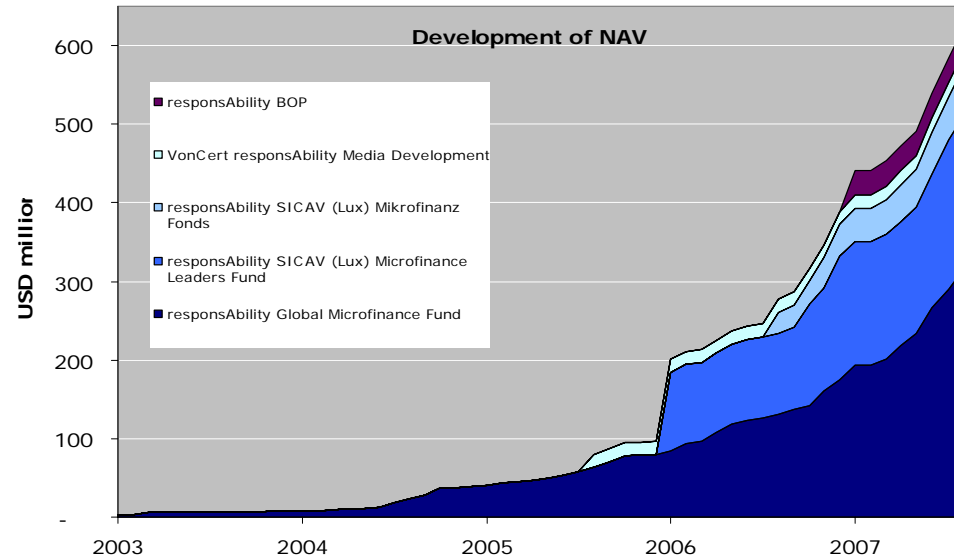
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responsAbility Social Investments AG

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Investment Advisor at the Bottom of the Pyramid

- Founded in 2003
- Team with unique accumulation of experience in microfinance, banking and field work
- Collaboration with well-known partners of the financial industry
- Business success: more than USD 650m assets under management
- Innovative investment products – all characterised by sustainable and socially responsible objectives



responsAbility Investment Products

Product	Type	Date of Launch	Target Investors	MIV	Reason
responsAbility Global Microfinance Fund	MF loans, 10% Private Equity	2003	Retail (Institutional)	FCP Part II	Lux domicile Constraints by investment focus
responsAbility Microfinance Leaders Fund	MF loans, 20% PE	2006	Institutional	SICAV	Umbrella
responsAbility Mikrofinanz Fonds	MF loans	2007	Retail (Institutional)	SICAV	Umbrella
Voncert responsAbility Media Development	loans	2007	Private Clients	Structured Product	Capital protection
responsAbility BOP Fund	MF and SME Private Equity	2007	Institutional	SICAR	Flexibility Reputation

➔ Luxembourg with a solid and proved regulation and reputation for fund vehicles

Challenges in Distributing MIV

Challenges

1. New investment topic
education of investor groups, distribution partners and authorities
2. Product fit
product ↔ investors: does offer create demand or vice versa?
3. Access to investor groups
geographical reach, different segments
4. Legal restrictions for MIV and tax implications

Strategies

1. New investment topic

- education through marketing and media
- collaboration with effective partners

2. Product fit

- offer creates demand and vice versa.
- determine target investment segment(s)
- mixture of new elements (investment topic) and known elements (investment vehicle)

3. Access to investor groups

- direct sales: marketing (legal restrictions), personal contacts (geographical restrictions)
- indirect sales: distributors (labeling, market presence, costs)

4. Legal restrictions for MIV and tax implications

- depending on target market and product fit

Recommendations

1. New investment topic

- Common efforts to promote microfinance: collaboration within 'the community'
- Quality and performance

2. Product fit

- 'MIV Information Platform', but competition and legal constraints
- Transparency

3. Access to investor groups

- direct sales: 'European passport' for marketing
- indirect sales: open platform by distributors

4. Legal restrictions for MIV and tax implications

- Reduction of legal barriers at least within the EU

From Experience

To whom may MIV be presented?

To all SRI oriented customers with a long investment horizon:

- Private Banking Customers
- HNWI
- Foundations
- Institutional Investors, i.e. Pension Funds, Insurance Companies
- NGO's, Public Aid Organisations

Expectations by different investors:

Institutional Investors

- Fundvolume must be over \$ 100m
- Return oriented, social aspects subordinated
- Need track record
- Professional and skilled Fund Managers

Private Investors

- Social return aspect important
- Well known Management Company
- Transparency, money flow must be clear and ethically worthwhile
- No direct links to other Money Managers

Collaboration with a Commercial Bank

- Advantages

- External support on various research topics
- Sales multiplier through professional network
- Additional marketing activities
- Door opener
- increased investor confidence

- Disadvantages

- High know-how transfer
- Not considered as an independent asset manager by investors
- Closed doors at main competitors network
- Microfinance used as their marketing tool
- Risk of cannibalism of the product