



EUROPEAN
MICROFINANCE WEEK 2014
DEVELOPING BETTER MARKETS

ALFI panel

Investing in microfinance as a channel for other impact finance themes – challenges and opportunities

Moderator:

- Patrick Goodman – Innpact and representative of the ALFI Microfinance and Inclusive Finance Working Group

Panelists:

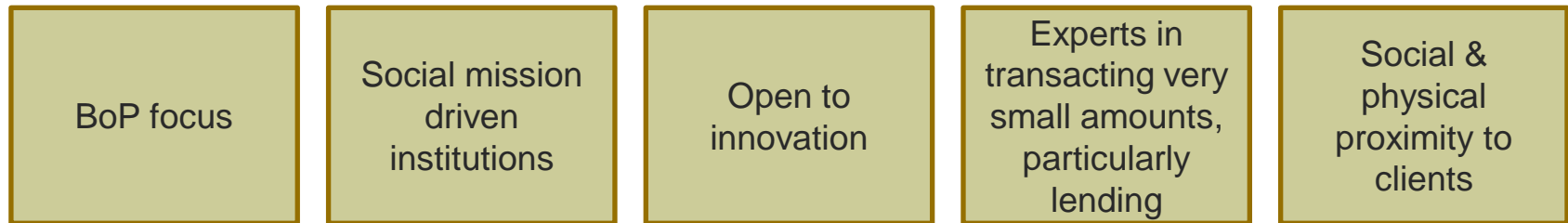
- Sylvia Wisniwski – Finance in Motion
- Frederik Jan van den Bosch – FMO
- Tim Radjy – AlphaMundi
- Guillaume Bonnel – Lombard Odier
- Sachin Vankalas – LuxFlag



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Sylvia Wisniwski – Finance in Motion (1/2)

MFI competences and skill-set



Premier lender to micro and small businesses and low-income population

In principle potentially interesting **counterpart for addressing other social topics:**



...but...



...addressing other social topics often...

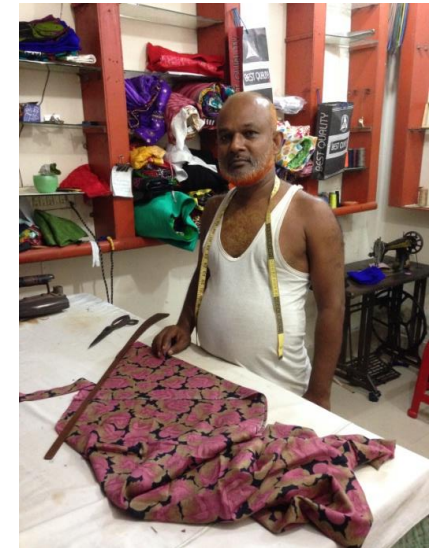
- ...requires **different financial investments** than traditional cash-flow-based lending
 - Renewable energy project finance
 - Savings-cum-long term credit student loan
 - Insurance products
- ...is **not fully matching** with MFIs' traditional clientele
- ...can be **politically sensitive** and bear reputational risks
- ...be associated with **subsidies** → cannibalization of existing products?
- ...may require **new partnerships** – engagement with new stakeholders, e.g. with (re-)insurance companies, state guarantee systems, etc.



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Frederik J. van den Bosch – Netherlands Development Bank FMO (1/2)

- By 2020, FMO aims to Double our Impact and Halve our (eco) Footprint, by supporting Green, Inclusive, (Economic) Growth
- MFIs have good knowledge of their markets and great networks - of value to other players (Energy, Agri, ...)
- Crucial is to combine new techniques of Renewable Energy and Energy Efficiency with available knowledge, networks and new regulation
- Increased demand for Fair Trade / Responsible products impacts the producers of raw materials
- On more 'social' side of (health, education, etc.) still huge dependency on grant funding (sometimes too much)





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Frederik J. van den Bosch – Netherlands Development Bank FMO (2/2)

- FMO can support our clients to improve their
 - business Knowledge (for professional development, E/S/G topics, Risk Management, etc.)
 - and Networks (client exchanges, leadership courses, sector wide initiatives, etc.)
- Important to properly Target, Measure, Disclose and Report what we finance (also non-financials), including Evaluation and Lessons Learned

Thank you !

Manager Micro & Small Enterprise Finance
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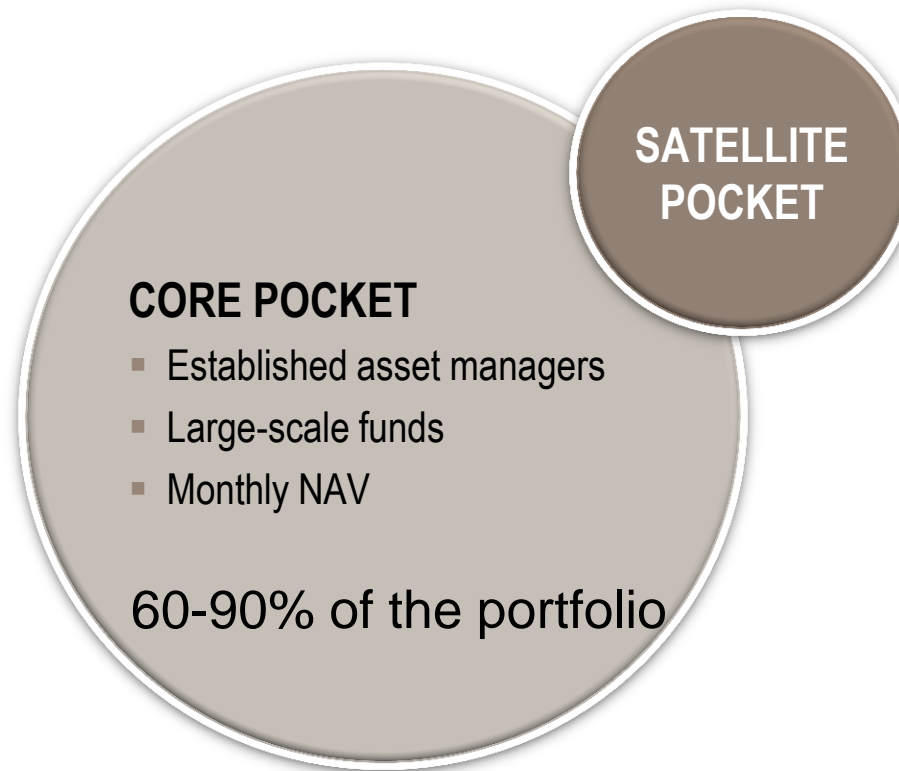


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Guillaume Bonnel, Lombard Odier
(1/2)

■ How?

- An open ended fund of funds
- with a monthly liquidity
- Available in USD, EUR and CHF share classe
- Built around two pockets



- Innovative strategies
- Smaller AuM
- Less liquid instruments
- Higher perf potential

10-40% of
the portfolio

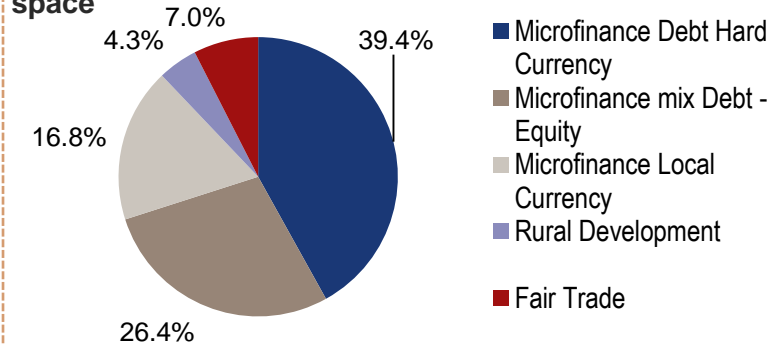


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**Guillaume Bonnel, Lombard Odier
(2/2)**

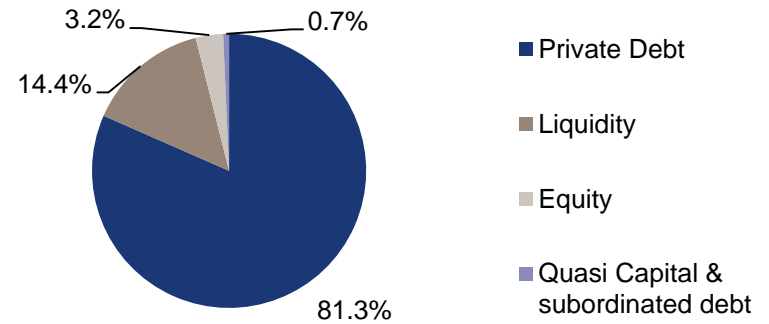
THEMATIC DISTRIBUTION

Diversified strategies within the Development Finance space



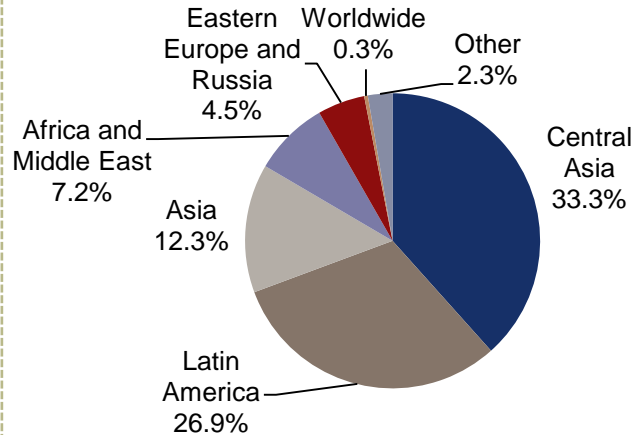
ASSET CLASS DISTRIBUTION

Predominantly a Private Debt fund



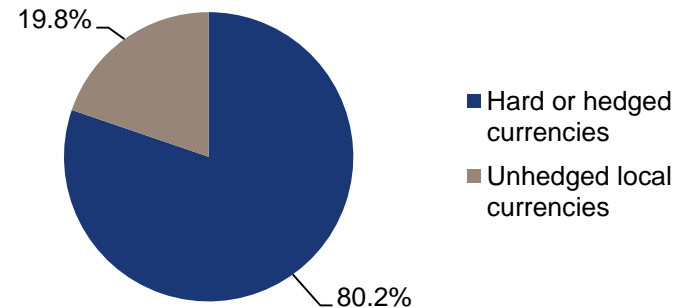
GEOGRAPHIC DISTRIBUTION OF INVESTMENTS

No single country weight over 10% of the portfolio



LOCAL CURRENCY EXPOSURE

No hedging of local currencies (max. 30% of portfolio), but managed through diversified basket strategy - see Appendix.





LuxFLAG Microfinance Label



Sachin S VANKALAS
Head of Operations and Sustainability



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- About LuxFLAG
- LuxFLAG Microfinance Label
- Eligibility Criteria
- Why a Label?



LuxFLAG Microfinance Label

- Launched in 2007
- 28 labelled MIVs representing approx. USD 3.9 billion AuM
- More than 50% of worldwide AuM are covered by the labelled MIVs
- 7/10 largest MIVs hold the Label



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Microfinance Labelled funds

Access Africa Fund
 Advans SA
 Azure Global Microfinance Fund
 Capital Gestion Microfinance Fund
 Dexia Micro-Credit Fund- Blue Orchard Debt sub-fund
 Dual Return Fund-Vision Microfinance
 Dual Return Fund - Vision Microfinance Local Currency
 Etimos Fund – Global Microfinance Debt
 European Microfinance Platform Fund
 Finethic Microfinance SCA
 Fonds Européen de Financement Solidaire (FEFISOL), S.A.
 KCD Mikrofinanzfonds I
 KCD Mikrofinanzfonds II
 Luxembourg Microfinance and Development Fund
 Microfinance Enhancement Facility SA
 Microfinance Initiative for Asia
 Regional MSME Investment Fund for Sub-Saharan Africa SA

responsAbility Global Microfinance Fund
 responsAbility Financial Inclusion Fund
 responsAbility – Mikrofinanz-Fonds
 responsAbility – Microfinance Leaders
 Rural Impulse Fund SA
 Rural Impulse Fund II SA
 Symbiotics (SICAV) SEB Microfinance Fund I
 Symbiotics (SICAV) SEB Microfinance Fund II (new label)
 The European Fund for Southeast Europe SA
 Triodos Microfinance Fund
 Wallberg Global Microfinance Fund



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LuxFLAG Label offers

To Investors:

- LuxFLAG Labels help investors identify investment funds that are active in Responsible Investment
- LuxFLAG seeks to encourage transparency by investment funds on environmental, social and governance (ESG) performance
- LuxFLAG regularly shares with investors relevant information on investment funds active in Responsible Investment

To Asset Managers:

- LuxFLAG Labels enhance the visibility of investment funds and reflect the asset managers commitment to Responsible Investment
- The LuxFLAG Labels help managers to demonstrate that they are committed to investing in Responsible Investment
- The LuxFLAG Labels help managers to attract investors interested in Responsible Investment



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Thank you