



CGAP 2008 MIV Survey Main Findings

September 2008

Survey Highlights

- » 91 MIVs are currently active with Assets Under Management (AUM) of USD 5.4 billion as of December 31 2007, which represents a 78% increase from 2006.
 - » Average Total Assets has increased significantly from USD 66 million (2006) to USD 81 million (2007).
 - » MIV's preferred instrument is still Debt (78% of Microfinance Portfolio) but Equity investments are growing rapidly (+ 95% in 2007).
 - » Investments are still concentrated in ECA (45%) and LAC (32%) but investments in South Asia and Africa are on the rise (+ 164% and 119% respectively).
 - » The microfinance fund industry is very concentrated with the top 5 assets managers (all European) accounting for 52% of the total AUM.
 - » Returns are improving: average USD net return for Registered Mutual Funds is at 6.3% and 12.5% for Private Equity Funds (gross IRR for 2002/2003 vintage years).
 - » MIV investments remain concentrated in a few tier 1 MFIs, with average top five investment exposure accounting for 43% of MIV investments.
 - » Institutional investors are now the first providers of capital with a 41% share, followed by retail investors (30%) and DFIs (only 19%).
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Methodology

Survey

- » Participation of 58 MIVs, including 28 MIVs providing audited financial statements
- » Total Assets of 4.7 billion USD* accounting for 86% of the MIV universe**

Output

- » 2 benchmark tables (MIV Balance Sheet and Performance)
- » 7 peer groups: Registered Mutual Funds, Commercial Investment Funds, Structured Finance Vehicles actively managed (New), Structured Finance Vehicles passively managed, Blended Value Funds, Private Equity Funds, Holding Companies***

* FX Rate EUR/USD: 1.47, 31 Dec. 2007

** 5.4 billion USD (CGAP dataset, 91 MIVs, estimated)

*** Peer group definition and composition in Appendix

Main Indicators, All MIVs

Indicator	Value
Average MIV Assets (\$ Million)	80.6
Nb of Years Since Inception	4.4
Annual Total Asset Growth of all 58 MIVs (2006-2007)	71.7%
Financial Instruments (% Microfinance Portfolio)	
Microfinance Portfolio in Debt	77.5%
Microfinance Portfolio in Equity	21.0%
Geographic Distribution (% Microfinance Portfolio)	
Eastern Europe and Central Asia	44.5%
Latin America	31.8%
Funders (% Investor Type)	
Public Investors	18.8%
Institutional Investors	40.6%
Retail Investors	29.8%
MIV Jurisdiction (%Total Assets)	
Western Europe	81.4%
North America	11.5%

Top Five Asset Managers

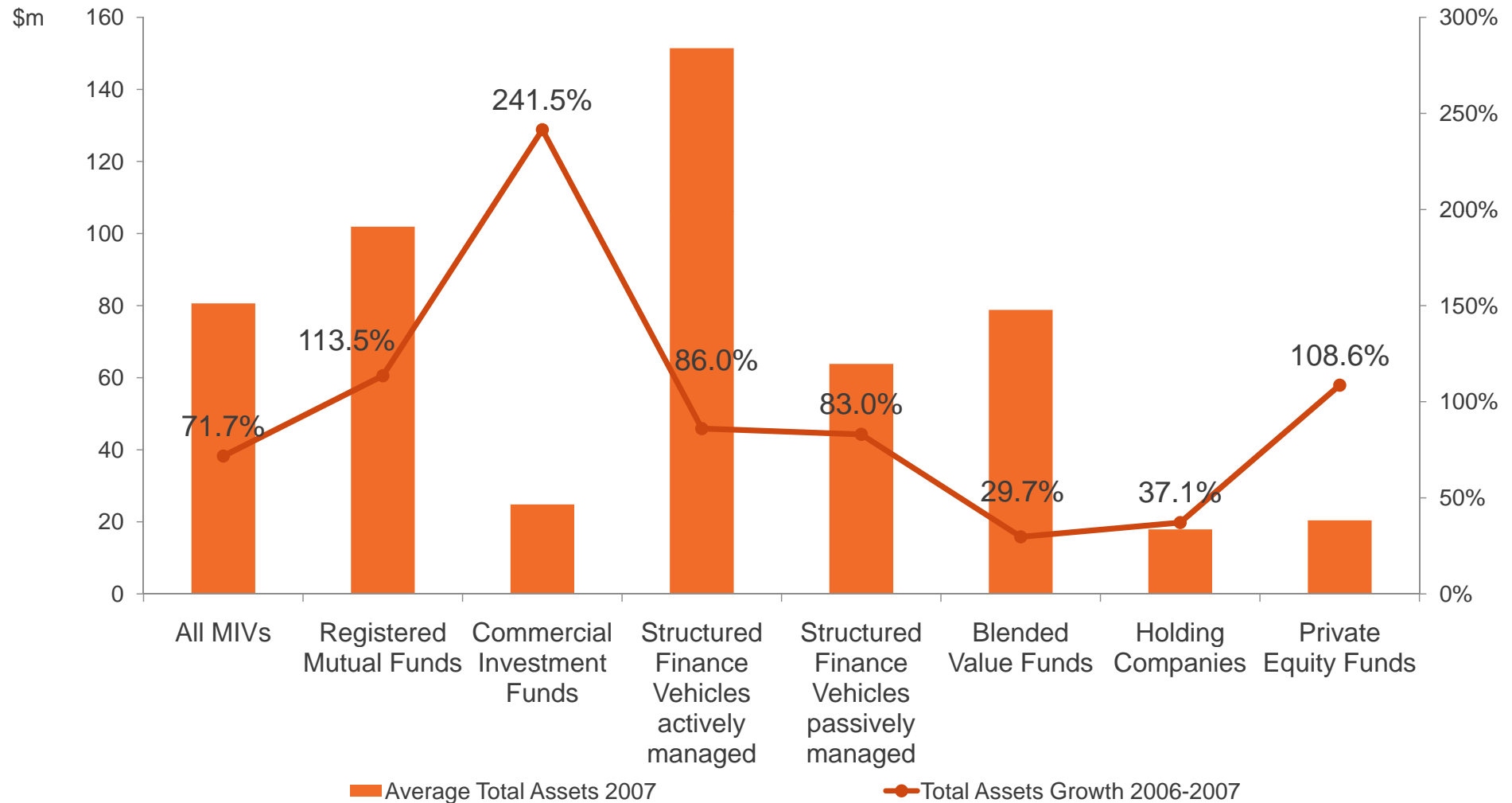


Source: Public available information/CGAP MIV survey

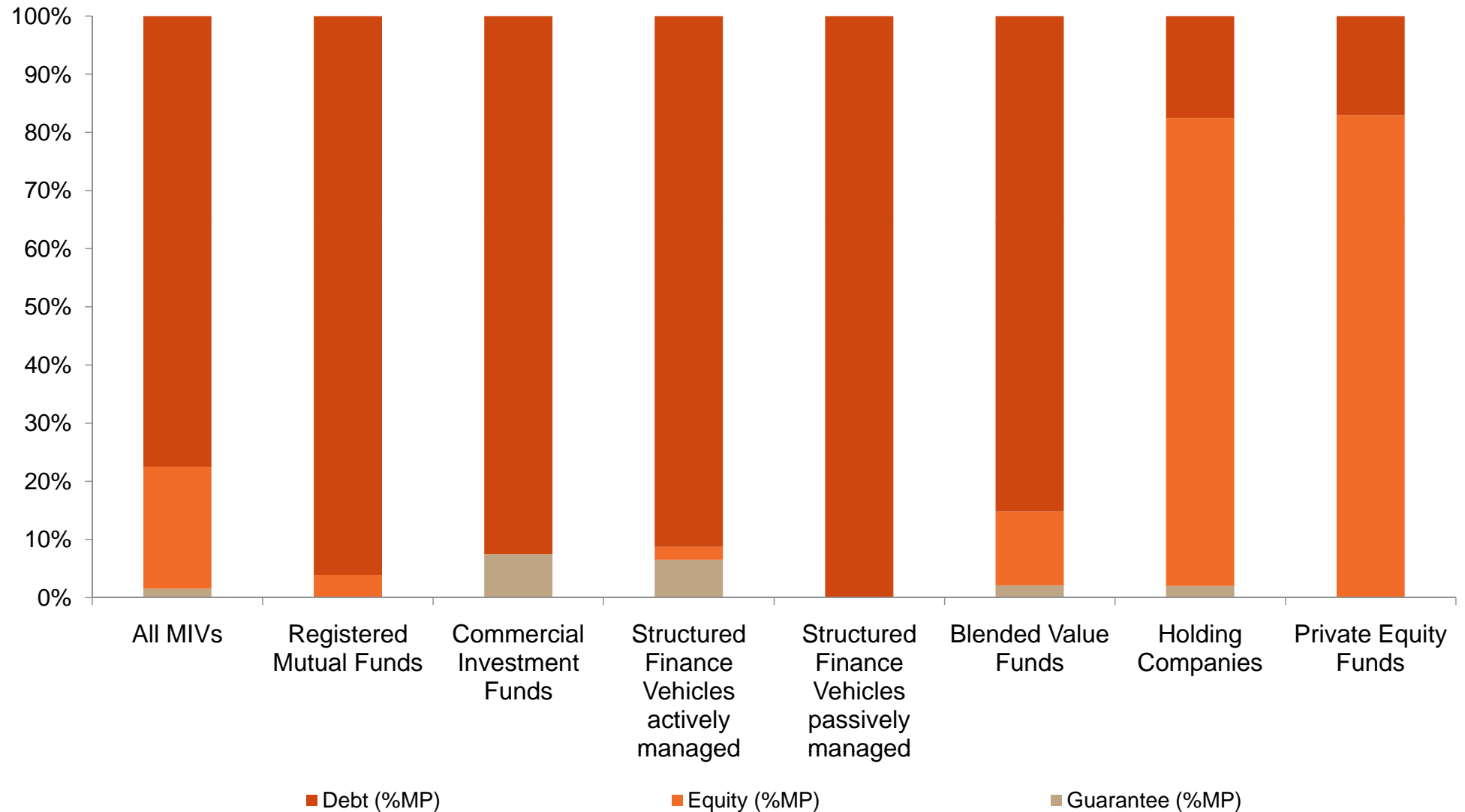
■ Total Microfinance Portfolio

■ Total Assets

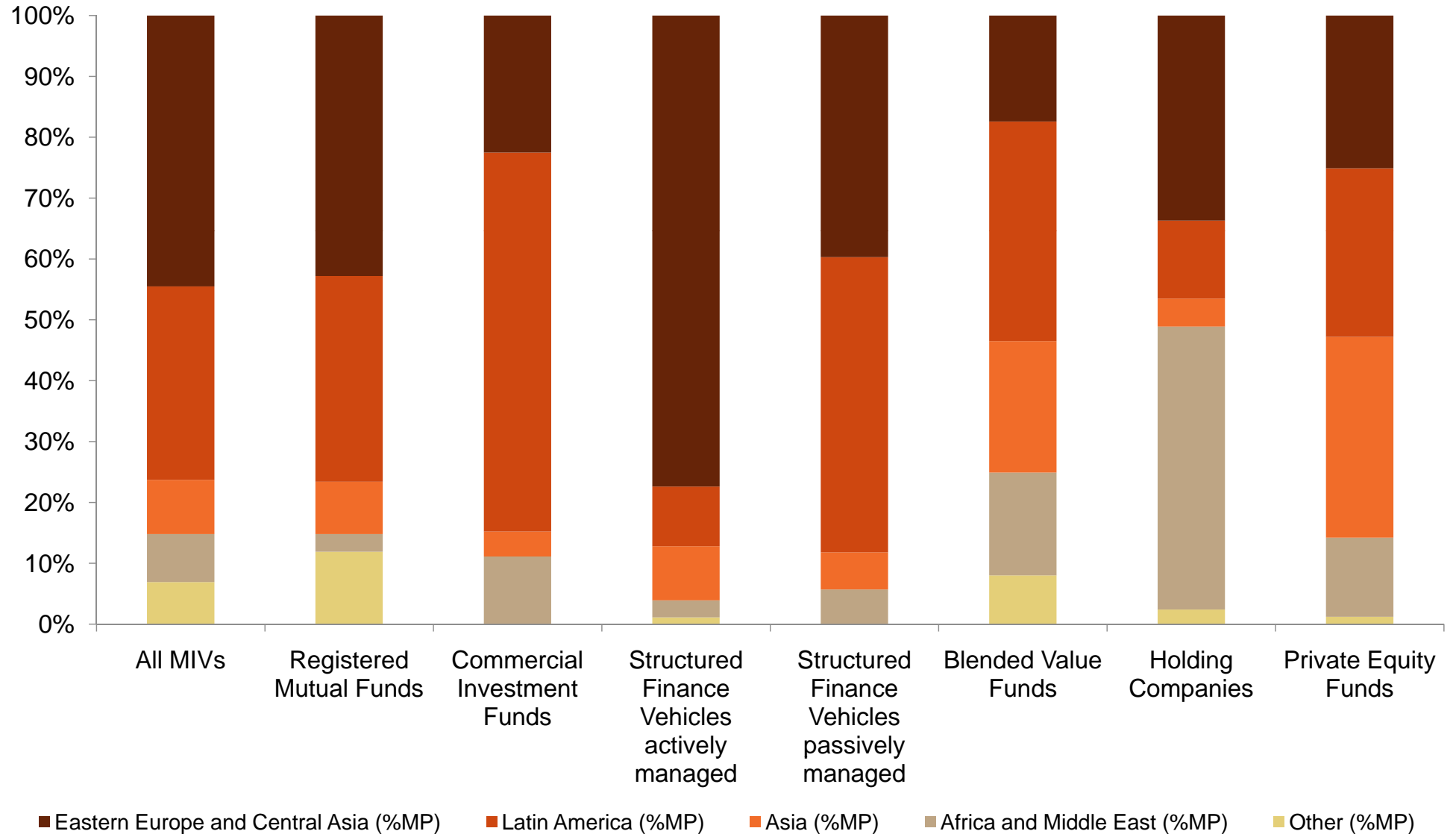
Total Assets, Average and Growth



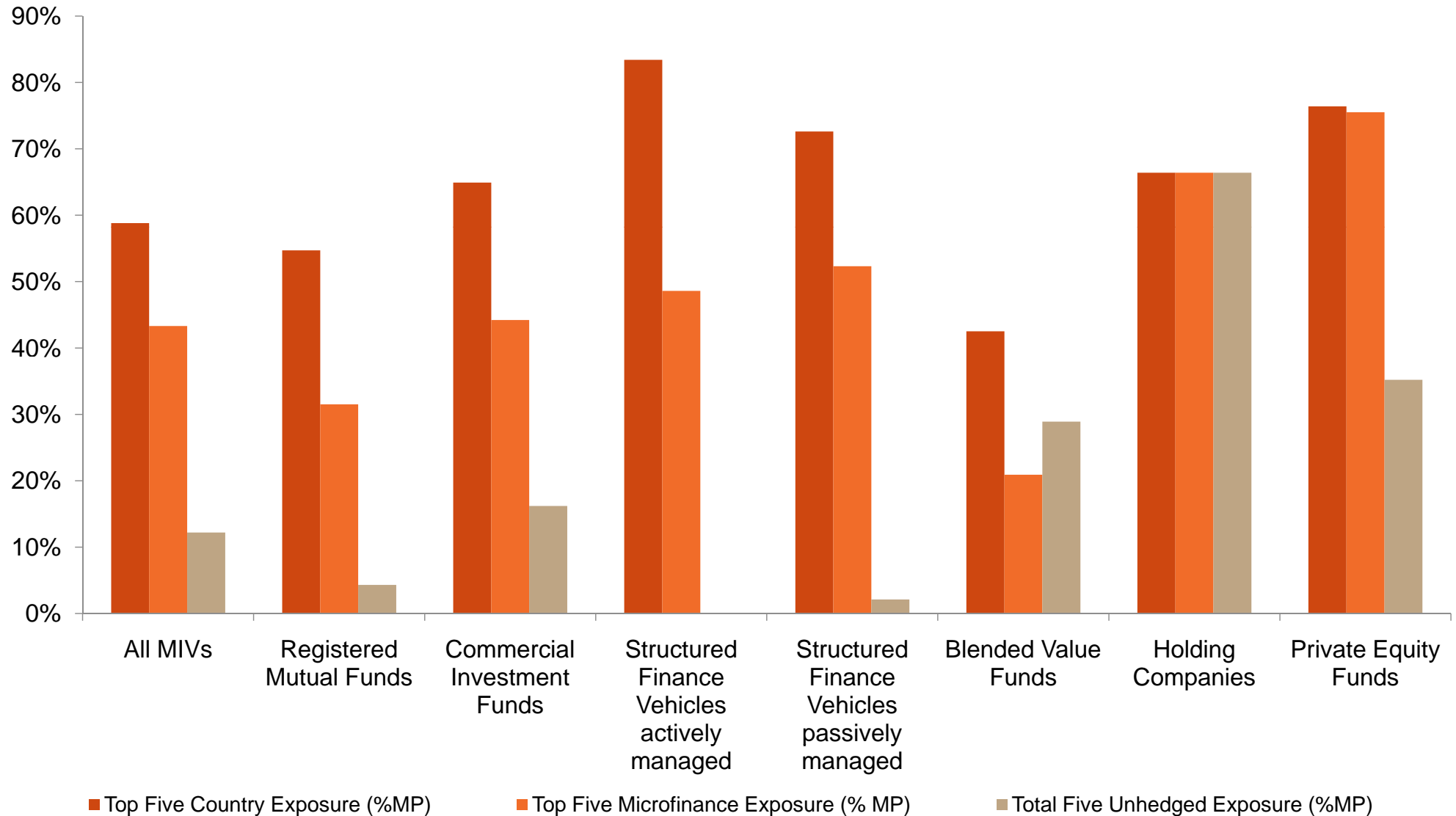
Microfinance Portfolio, Instruments



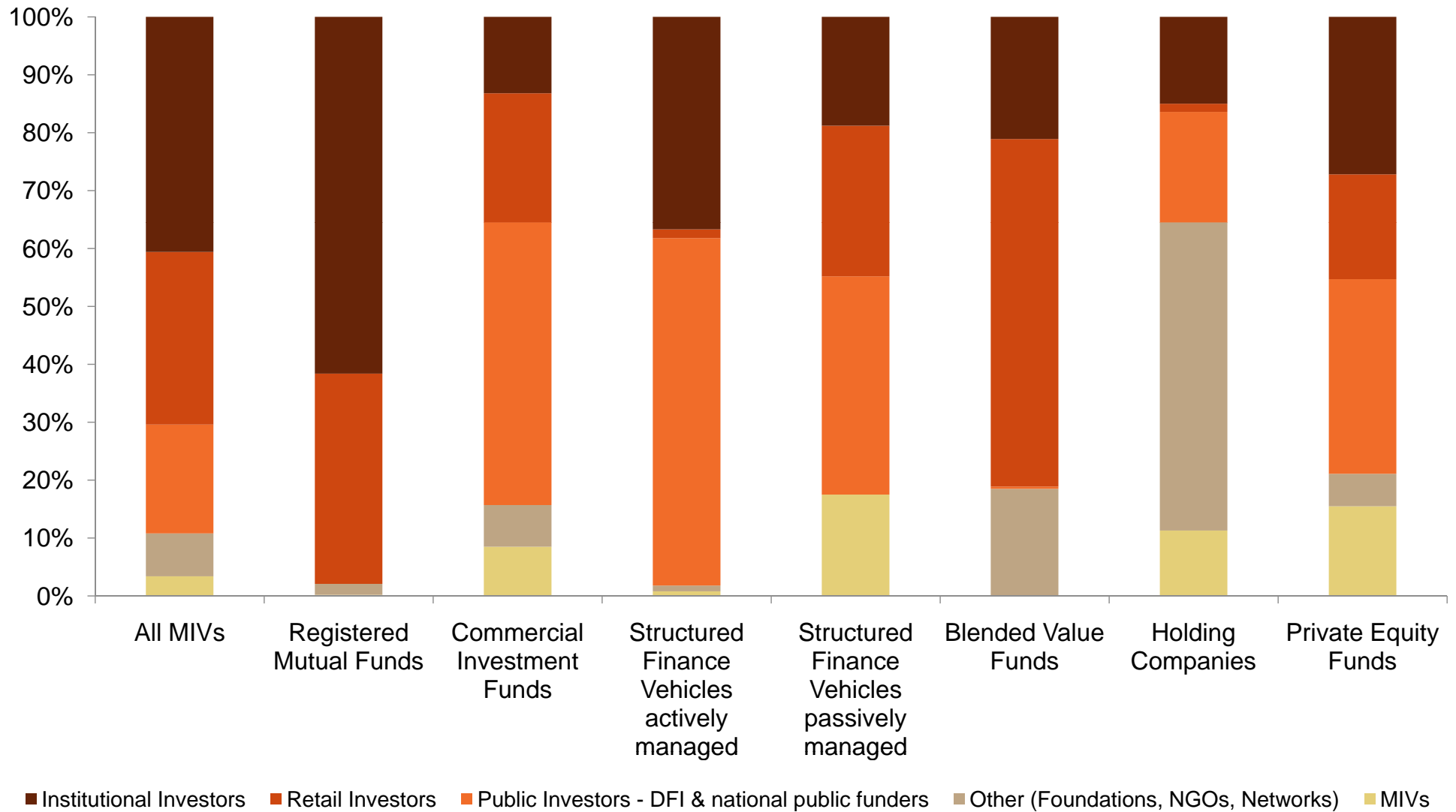
Microfinance Portfolio, Main Regions



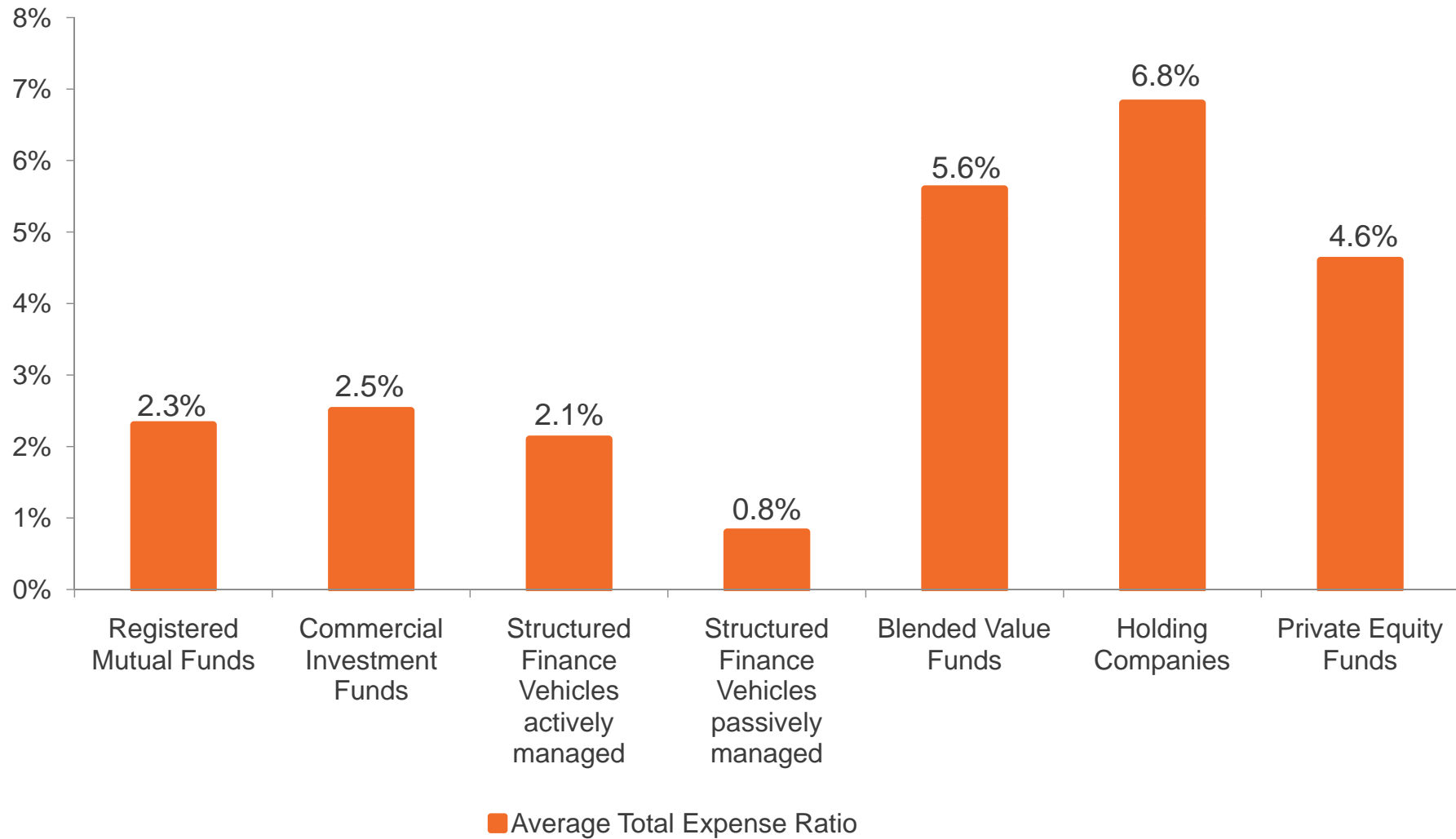
Microfinance Portfolio, Top Five Exposures



Subscriber Type



Total Expense Ratio



Average Returns

Registered Mutual Funds	Commercial Investment Funds	Structured Finance Vehicles actively managed	Structured Finance Vehicles passively managed	Blended Value Funds	Holding Companies	Private Equity Funds
<p><u>EUR</u></p> <p>Annual Return: 3.9% (7)</p> <p>Annualized Return since inception: 2.7% (7)</p>		<p><u>Senior</u></p> <p>% of tranches below (avg): 50.7% (3)</p> <p>Spread: 104 bps (3)</p>	<p><u>Senior</u></p> <p>% of tranches below (avg): 46.6% (8)</p> <p>Spread 54 bps (8)</p>	<p><u>EUR</u></p> <p>Annual Return: 3.4% (3)</p>		
<p><u>USD</u></p> <p>Annual Return: 6.3% (5)</p> <p>Annualized Return since inception: 5.3% (5)</p>			<p><u>Junior</u></p> <p>% of tranches above (avg): 70.1% (8)</p> <p>% of tranches below (avg): 4.6% (7)</p> <p>Spread 414 bps (8)</p>	<p><u>USD</u></p> <p>Annual Return: 1.1% (3)</p>		<p><u>USD</u></p> <p>Gross IRR: 12.5% (2)</p>

Appendix 1: Peer Group Definitions

Registered mutual funds seek a close to money market return primarily from fixed income investments.

They publish their NAV on a monthly basis and are regulated by market authorities (undertakings for collective investment regulations).

Commercial fixed income investment funds seek a close to money market return from fixed income investments. As private investments companies they are not subject to UCI regulations.

Structured finance vehicles actively managed offer different risk and return classes to microfinance investors. The pool of assets is actively managed and includes mainly fixed income investments.

Structured finance vehicles passively managed offer a range of asset-backed securities with different risk and return profiles to microfinance investors. Generally classified as CDOs, the assets only include a static pool of fixed income investments (pool of loans to MFIs).

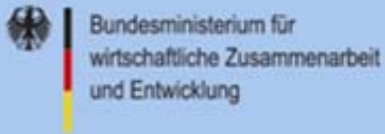
Blended value funds offer below market returns to socially-focused investors and provide a mix of debt and equity finance to MFIs. These funds are generally managed by not-for-profit organizations.

Private equity funds provide mainly equity finance and seek a market return with a long time horizon. Most funds are driven by commercial organizations with a strong development emphasis.

Holding companies provide mainly equity finance and technical assistance to start-up microfinance banks. They usually hold a predominant stake in their investees and are generally accessible by private invitation only.

Appendix 2: Peer Group Composition

All MIVs (58)	Registered Mutual Funds (11)	Commercial Investment Funds (4)	Structured Finance Vehicles actively managed (5)	Structured Finance Vehicles passively managed (8)	Blended Value Funds (12)	Holding Companies (5)	Private Equity Funds (9)
All peer groups' MIVs and MicroAccess Trust 2007, Micro Finance Bank of Azerbaijan (MFBA) Bond I, ProCredit Holding AG, Omidyar -Tufts Microfinance Fund.	ASN-Novib Fonds, BBVA Codespa Microfinanzas, responsAbility Microfinanzas-Fonds, Dexia Microcredit Fund, Dual Return Fund SICAV, Finethic Microfinance SCA SICAR USD, responsAbility Global Microfinance Fund, responsAbility SICAV (Lux) Microfinance Leaders Fund, St. Honoré Microfinance, SNS Institutional Microfinance Fund, Triodos Fair Share Fund.	Impulse Microfinance Investment Fund NV, LocFund, Minlam Microfinance Fund, The Dignity Fund, L.P.	European Fund for South East Europe, Global Microfinance Consortium, JAIDA, MicroVest I, LP, Rural Impulse Microfinance Fund.	BlueOrchard Loans for Development - 2007, BlueOrchard Loans for Development 2006-1, BlueOrchard Microfinance Securities-1 (BOMS1), Microfinance Loan Obligations : Compartment LC, Microfinance Loan Obligations Compartment Sub Debt, Microfinance Securities XXEB, db Microfinance-Invest Nr. 1, Microfinance Loan Obligations SA - Compartment Opportunity Eastern Europe 2005-1.	ADA - Luxmint, Calvert Social Investment Foundation, DID - Partnership Fund, Emergency Liquidity Fund, Fonds International de Garantie, Hivos-Triodos Fund Foundation, Incofin cvso, MicroCredit Enterprises, Oikocredit, Opportunity Loan Guarantee Fund I, LLC, International Solidarity For Development and Investment, Triodos-Doen Foundation.	Access Holding, Advans, MicroCred, Opportunity Transformation Investments, Inc., Global Microfinance Group SA.	Accion Investments in Microfinance SPC, Africap Microfinance Fund Ltd, Aavishkaar Goodwell India Microfinance Development Company, Bellwether Microfinance Fund, Balkan Financial Sector Equity Fund C.V., FONIDI, Investisseur et Partenaire pour le Développement (I&P), ShoreCap International, Ltd., Unitus Equity Fund, LP.



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