



# responsAbility Equity Strategy

**Global Microfinance Investment  
Congress, Paris, 21 January 2008**

# responsAbility Social Investment Services AG

Who we are

- Switzerland based investment advisor
- Development and management of funds with financial and social performance
- Assets under management approx. USD 500m
- Main exposure in microfinance debt as of today
- Funding from private investors - individuals and institutionals
- Typical responsAbility investor has a long-term investment horizon and a social mission



# responsAbility equity investments

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Equity investments with several funds possible

- Microfinance equity investments are already possible with different funds
- Two debt funds have a small allocation in equity
- responsAbility BOP Investments S.C.A. SICAR:
  - Private equity and similar instruments only
  - 60% allocation to private equity funds investing in SME
  - 40% allocation to microfinance
- Currently USD 43m invested in microfinance equity with 3 different funds
- Target IRR 15 – 20%
- Mid-term target for equity investments: USD 150m

# Core characteristics of responsAbility's equity investment

- Open ended funds
  - Reaction to the uncertainties of MFIs' future
  - Ready for future issues with exits, especially with greenfielding
- Specialised microfinance private equity investor
  - Provision of microfinance know how where needed
  - Balancing the demand of public investors and classic private equity investors
- Commercial investor with a social mission
  - Supporting the mission of MFIs
  - Striving for profits, BUT not at any price

# responsAbility BOP Investments S.C.A. SICAR

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## Investment strategy

1. Start with Funds and Holding Companies
  2. Co-Investments
    - In funds and holding companies
    - With other microfinance investors and/or strong partners
  3. Direct investments
    - Mostly in cooperation with originator
- Choosing the appropriate approach
- Being a non-dogmatic investor