



MICROVEST NEWS

As of September 30, 2007

A Message from the Chief Executive Officer



MicroVest I, LP (MV I) engaged in two new joint ventures during the first quarter of the 2007 fiscal year: acting as a subadvisor to eBay's **MicroPlace** and partnering with Mennonite Mutual Aid (MMA) and MEDA to develop the **OneWorld Community Investment Program**.

In addition, the Fund increased the diversification of its portfolio by placing loans with several new microfinance institutions (MFIs) in Ghana, Peru, Bolivia and Nicaragua while maintaining low sovereign risk exposure.

MV I is highly diversified with investments in 23 MFIs in 14 different countries, plus additional indirect exposure via two regional facilities.

Despite volatility in the sub-prime credit markets, many current investors renewed or raised their subscriptions. One investor who uses his MV Note for liquidity management said, "At least with MicroVest, I know what I'm investing in."

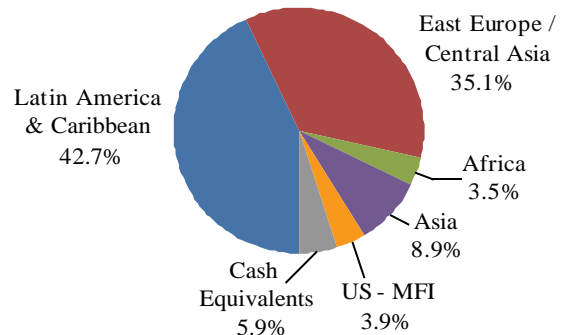
MicroVest Leverages New Relationship for eBay's MicroPlace



PRESTANIC is a moderate-sized, quickly growing, well-managed MFI in Nicaragua substantially focused on the less-served rural and agricultural markets. Their mission is to build entrepreneurial capacity and diminish vulnerability for rural families and communities.

In August 2007, MicroVest I, LP approved funding to new client, PRESTANIC, in the form of a USD 750,000 medium-term, senior loan. Two weeks later, MicroVest presented PRESTANIC to MicroPlace, an online brokerage owned and backed by eBay that raises capital for MFIs, who approved a second loan for the same amount.

MVI Total Exposure by Region



MV I, LP Investment Exposure by Country

Country	Total Exposure	% of Total Portfolio
Peru	3,513,836	12.5%
El Salvador	3,500,000	12.4%
Mongolia	2,524,816	8.9%
Kazakhstan	2,500,000	8.9%
Ecuador	2,500,000	8.9%
Nicaragua	2,165,836	7.7%
Kyrgystan	2,000,000	7.1%
Regional	1,850,540	6.6%
Azerbaijan	1,500,000	5.3%
Bosnia	1,414,450	5.0%
US - MFI	1,100,000	3.9%
Ghana	1,000,000	3.5%
Georgia	583,587	2.1%
Bolivia	500,000	1.8%
Romania	187,500	0.7%
US (cash equivalents)	1,656,849	5.9%
Hedge Instruments	-277,065	-1.0%
Total Carrying Value	28,220,348	100%

MicroVest I, LP Financial Summary

Balance Sheet	as of		Income Statement	Year ending	
	6/30/07	9/30/07		6/30/07	3 Months ending 9/30/07
Cash & Equivalents	1,153,406	1,656,849	Investment Portfolio Income	2,330,187	793,897
MFI Investments at Fair Value (net of reserves)	26,979,175	26,620,027	Other Income	178,117	30,467
Other Assets	242,911	303,672	Total Income	2,508,304	824,364
Total Assets	28,375,492	28,580,548	Mgmt Fees and Other Oper Exp	978,167	264,331
Borrowings	11,400,000	11,300,000	Cost of Borrowing	510,826	157,643
Accts Payable & Other Liabilities	445,164	599,700	Net Investment Income	1,019,311	402,390
Limited Partners' Capital	16,530,328	16,680,848	Unrealized Gains/Losses	1,429,493	(251,871)
Total Liabilities and Partners' Capital	28,375,492	28,580,548	Total Net Income	2,448,804	150,519

Board of Directors

Kenneth Hochstetler



MicroVest is pleased to welcome Kenneth Hochstetler to its Board of Directors. Mr. Hochstetler is the Executive Vice President for Univest Corporation, a bank holding company based in southeastern Pennsylvania where he serves as President of its brokerage and insurance subsidiaries and founded its wealth management function.

Prior to joining Univest in 1992, Mr. Hochstetler held positions in corporate banking, systems development and consulting. In addition to his professional duties, Mr. Hochstetler serves as Chair of Souderton (PA) Industrial Development Authority and as Treasurer of MEDA's Board of Directors, one of MicroVest's founding institutions

His service on MicroVest's Board of Directors is "an opportunity to integrate life values and business experience to help the poor in practical and sustainable ways that maintain their personal dignity and self-sufficiency."



MicroVest Staff (L-R): Front Row- Susan Blake, Lauren Clark, Tiffany Yep, Cecelia Beirne, Monica Slovik, Daniel Yawitz. Second Row: Rita Bettiol, Moya Connelly, Bradford Martin, Lori Atwood, Christopher Laurent. Third Row- Candace Smith, Douglas Young, Gil Crawford, Sasidhar Thumuluri.

MicroVest gained four new talented staff members this quarter including **Rita Bettiol**, Director of Investments, **Cecelia Beirne**, Risk and Portfolio Manager, **Brad Martin**, Investment Officer, and **Tiffany Yep**, Finance and Administration Associate. We welcome the professional experiences and skills they bring with them.

Industry News

Two recent publications from CGAP and The Economist Intelligence Unit shed light on the investment trends and decision making processes of MFIs:



In August 2007, the Consultative Group to Assist the Poor (CGAP) released a survey-based brief titled, **MFI Capital Structure Decision Making: A Call for Greater Awareness**. The paper touches on MFI manager's thought processes when selecting funding sources and concludes:

- MFIs do not always calculate the all-in cost of debt, and many prefer hard currency debt because it seems cheaper based on lower nominal rates
- Longer maturity debt is desirable but unavailable in domestic markets
- MFIs look for foreign equity investors who can bring expertise and strategic guidance while sharing social mission
- Subsidized debt funding may undermine MFIs' motivation to pursue deposits as alternate funding

The Economist Intelligence Unit, jointly released a paper with the Inter-American Development bank and the Andean Development Corporation titled, **Microscope on the Microfinance Business Environment in Latin America 2007**. The paper charts the industry's strengths and weaknesses in 15 Latin American and Caribbean countries based on regulatory framework, investment climate and institutional development:

Ranking	Country	Overall Score	Ranking	Country	Overall Score
1	Bolivia	79.4	8	Chile	48.3
2	Peru	74.1	9	Mexico	48.3
3	Ecuador	68.3	10	Colombia	46.1
4	El Salvador	61.5	11	Guatemala	44.0
5	Dominican Republic	57.5	12	Brazil	43.3
			13	Uruguay	35.8
6	Nicaragua	53.8	14	Venezuela	27.4
7	Paraguay	52.9	15	Argentina	26.8

■ MV I, LP is invested in these countries

Of the seven investments made by MV I, LP this quarter, five were in **Microscope's** top three ranking countries and all were in the publication's top six countries. In addition, MicroVest continues to serve MFIs' needs by providing longer maturity debt and acting as a strategic equity investor.

MicroVest is proud to see two such reputable sources reconfirm the evidence our Investment Team has gathered from the field. Although MicroVest's investment decisions are made internally, it is encouraging to know all investments made by MV I, LP during the 1Q08 are in line with reliable research.