



## **MicroVest Opens Two New MFI Relationships in Latin America**

(August 30, 2007- Bethesda, MD) MicroVest forged ahead with two first-time investments in Latin American MFI clients. On July 27th MicroVest made its first local currency loan of 2.4 million Peruvian Soles (equivalent to USD 750,000) to PRISMA, a progressive step into capital markets for an MFI born from the food security program of USAID. Two weeks later MicroVest structured a USD 750,000 syndicated loan with Calvert Social Investment Foundation to FUNBODEM, an unregulated MFI operating in the commercially vibrant tropical city of Santa Cruz, Bolivia.

Both of these MFIs fit MicroVest's profile of target clients with successful history under their belts but at key transitional stages and in need of commercial capital. Douglas Young, lead Investment Officer at MicroVest in the PRISMA negotiations, remarked, "We view beginning a relationship with PRISMA as an important way for us to partner with an unregulated MFI in Peru that is growing to a scale where MicroVest can add value."

PRISMA, the second largest unregulated MFI in Peru, is growing and well-managed with a gross loan portfolio of more than USD 5 million, substantially focused on rural and peri-urban markets. A recent partner of Freedom from Hunger, PRISMA is also a member of the COPEME network (an unregulated Peruvian MFI association) and PROMUC (a Peruvian Village Banking network). The MFI recently received an updated and improved credit rating of B- from PlaNNet Rating in December 2006.

PRISMA's Microfinance Director, Diego Fernandez Concha, stated "we are very grateful to MicroVest for this loan that will help us reach our target growth of 35% for 2007."

Unlike PRISMA, FUNBODEM is an unregulated MFI founded in 1987 by local civic leaders of Santa Cruz who continue to be actively involved on the Board. The syndicated facility is structured with two tranches, with Calvert Social Investment Foundation's USD 250,000 senior to MicroVest's USD 500,000.

Syndications of this nature are favorable to all parties involved. From the Borrower's perspective, there is only one lender, loan agreement and interest rate, greatly reducing time constraints on their management team. The lenders also gain from a decreased level of individual MFI risk exposure while offering an attractive blended interest rate at a volume that is appealing to the MFI.

Senior Investment Officer, Eliza Erikson, who manages Calvert Foundation's microfinance portfolio of over USD 30 million outstanding, notes, "Syndications provide an efficient, safe vehicle for Calvert Foundation to provide financing where it is most needed, to growing MFIs like FUNBODEM working in very low-income markets. We are happy to be working with MicroVest to develop and offer this product to MFIs around the world."

MicroVest's CEO, Gil Crawford, notes, "MicroVest sees enormous value in underwriting syndicated investments and seeks to position ourselves as an industry leader in this role."

FUNBODEM is an affiliate of Women's World Banking and a member of the unregulated MFI association, FINRURAL. The MFI is quickly growing their gross loan portfolio of more than USD 6 million, serving over 6,000 clients in the metropole of Santa Cruz and surrounding regions. FUNBODEM plans to maintain client growth of 20% for the next three years.

MicroVest and Calvert Social Investment Foundation are pleased to finance FUNBODEM's continued growth.



**About Calvert Foundation:**

For over 10 years, Calvert Social Investment Foundation, a nonprofit 501(c)(3) organization, has been working to make community investment a safe and logical option for all investors seeking to make a positive social impact. To make community investment accessible to a wider audience, Calvert Foundation has removed critical barriers by creating investment products that blend both financial and social returns. With more than USD 150 million in assets, Calvert Foundation focuses on using investment capital, rather than conventional philanthropy, to create a sustainable, scalable model that enables nonprofit organizations, microfinance institutions and social enterprises to address critical social problems.

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MicroVest Capital Management is a global microfinance intermediary that provides financial capital to growing microfinance institutions (MFIs) in emerging markets. MicroVest's first fund, MicroVest I, LP (MV I), is a USD 25 million private equity fund providing debt and equity capital to 18 MFIs in 13 developing countries. In June 2007, MicroVest closed its second structured facility, a USD 39 million collateralized debt obligation arranged by the global investment bank Lehman Brothers. As the first private microfinance investment fund in the United States, MicroVest's goal is to link capital markets to the entrepreneurial poor by expanding the capacity of profitable MFIs throughout the world. MicroVest is based in Bethesda, Maryland and was founded by CARE, MEDA, and the Seed Capital Development Fund—three non-profit organizations with longstanding credibility and investments in the microfinance industry. [www.microvestfund.com](http://www.microvestfund.com)

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