

Social Performance Update as of December 31, 2008

Overview

This Social Performance Update presents responsAbility's financial and social performance in the investment themes microfinance, SME financing, fair trade, and independent media for the second half of 2008. responsAbility successfully continued to grow despite an increasingly difficult economic environment. By the end of December 2008 the company managed a total of USD 704.8 million in 251 institutions located in 60 developing and emerging countries. In 2009, we will continue striving to meet the goals we set in our social performance report.

Microfinance

responsAbility – a valuable partner for microfinance institutions

responsAbility increased its investment volume to USD 615 million. Over 60% of this amount is attributable to the responsAbility Global Microfinance Fund (rAGMF), which is open to the general investing public. The remainder is split between two other microfinance funds. With the growth it has achieved, responsAbility continues being a reliable financing partner for microfinance institutions, even in economically challenging times. The 213 microfinance institutions financed by responsAbility manage loans totaling USD 13.3 billion and service 9 million clients in 48 countries.

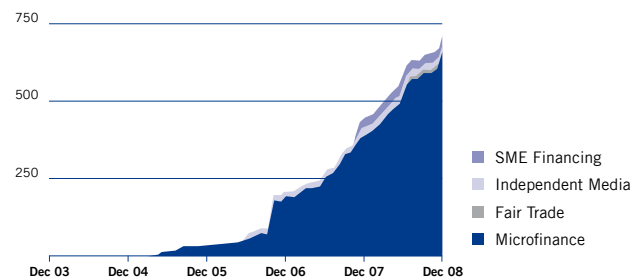
Over 430,000 microfinance clients

The number of microentrepreneurs reached directly with funds from responsAbility increased to 430,000 during the last six months. Including family members, an estimated total of 2.2 million people are benefiting from the income of these microfinance clients. The average loan amount per client decreased to just under USD 2,000. This was among others due to currency effects, more restrictive lending practices at the microfinance institutions in light of the economic environment, and a change in the composition of responsAbility's portfolio. The share of female borrowers remained with 57% at the same level as in June 2008. The ratio of clients in rural areas grew slightly to 46%.

Social performance goals of the responsAbility Global Microfinance Fund

With USD 378 million, responsAbility clearly exceeded its goal of increasing the fund volume by year-end 2008. However, the number of microentrepreneurs reached remained slightly below target (253,000 instead of 260,000 borrowers). The reason was a larger cash position in the month of December.

Development of total volume (in USD million)



General and financial indicators	Dec 08	Jun 08	Dec 06
Volume			
Total fund assets of all rA microfinance funds, in USD million	615	549	194
Number of investments			
Direct in MFIs*	138	123	81
Incl. investments in MF portfolios	213	181	113
Number of countries			
With direct investments	29	26	25
Incl. investments in MF portfolios	48	43	36

* Restatement of June 2008 figures

Social performance indicators	Dec 08	Jun 08	Dec 06
Total number of borrowers, in million ¹⁾	9.0	8.0	4.8
Outstanding MFI credit portfolio, total in million USD ¹⁾	13,348	12,534	6,400
Average outstanding credits/borrowers, in USD ¹⁾	2,034	2,534	825
Number of microfinance clients reached ¹⁾	430,800	400,700	124,000
Number of family members reached, in million ²⁾	2.2	2.0	0.6
Microfinance clients, share of women ³⁾	57%	58%	64%
Microfinance clients, share in rural areas ³⁾	46%	42%	44%

¹⁾ Figures based on MFIs' information as of Dec 31, 2008

²⁾ Projections based on number of microfinance clients reached; source: World Bank, UNDP and own assumption

³⁾ Figures based on MFIs' information as of Dec 31, 2007

SME Financing

As of the end of December USD 23.5 million had been invested in seven local venture capital funds. Thirteen additional SMEs' and microfinance institutions benefited from the funds' equity investments during the last six months. Venture capital allows businesses to expand, and is also used to finance the formation of new companies. One example is the venture capital provider Catalyst Microfinance Investors, which finances new microfinance institutions using a proven lending model. The model specializes in the provision of micro loans primarily granted to women.

General and financial indicators	Dec 08	Jun 06
Volume		
Total volume SME investments, in USD million	23.5	25.4
of which in local SME risk capital funds, in USD million	12.8	13.9
of which in MF shareholding funds, in USD million	10.7	11.5
Number of investments and outreach		
Investments in local SME risk capital funds	4	4
Number of local SMEs reached	29	24
Investments in MF shareholding funds	3	3
Number of MFIs reached indirectly	28	20

Fair Trade

The investment volume remained at USD 5.9 million, similar to the level of June 2008. The funds are used to finance coffee and cocoa exports of 13 farmers' cooperatives in Peru, Nicaragua, and the Dominican Republic. A total of 1,700 farmers benefited directly from pre-export financing, which enabled them to sell their products at a fair price. One of the four new institutions to receive financing is cocoa producer Yacao, a subsidiary of the Swiss fair trade house Pronatec.

General and financial indicators	Dec 08	Jun 08	Dec 06
Volume			
Total volume of rA Fair Trade investments, in USD million	5.90	5.85	0.90
of which coffee, in USD million	4.40	4.60	0.90
of which cocoa, in USD million	1.50	1.25	0.00
Number of investments directly in Fair Trade cooperatives	13	10	2
Number of countries with direct Fair Trade investments	3	2	2
Social performance indicators			
Total number of cooperative members	25,213	14,932	3,978
Number of farmers reached through rA investments	1,705	1,323	182

Independent Media

The partnership with the Media Development Loan Fund (MDLF) organization was further strengthened. Outstanding loans increased slightly to CHF 4.3 million. The independent media funds facilitate access to independent reporting for 2.6 million people in 16 countries. One example is the Internet platform Global Voices, which tracks blogs in various developing countries and emerging markets and publishes in 18 languages. The purpose of Global Voices is to call attention to places and people that are overlooked by other media.

Financial and social performance indicators	Dec 08	Jun 08	Dec 06
Loans to MDLF ¹⁾ arranged by rA, in CHF million	4.3	4.0	4.0
Number of countries in MDLF portfolio	16	17	13
Number of media in MDLF portfolio	40	40	34
Media users reached (in million)			
By MDLF	24.3	21.0	20.0
By responsAbility Media Development Basket	2.6	2.7	2.2

¹⁾ MDLF: Media Development Loan Fund
rA: responsAbility

This document was produced by responsAbility Social Investments AG (hereafter "responsAbility") with the greatest of care and to the best of its knowledge and belief. However, responsAbility provides no guarantee with regard to its content and completeness and does not accept any liability for losses which might arise from making use of this information. The opinions expressed in this document are those of responsAbility at the time of writing and are subject to change at any time without notice. If nothing is indicated to the contrary, all figures are unaudited. This document is provided for information purposes only and is for the exclusive use of the recipient. It does not constitute an offer or a recommendation to buy or sell financial instruments or banking services and does not release the recipient from exercising his/her own judgment. The recipient is in particular recommended to check that the information provided is in line with his/her own circumstances with regard to any legal, regulator, tax or other consequences, if necessary with the help of a professional advisor. This document may not be reproduced either in part or in full without the written permission of responsAbility. It is expressly not intended for persons who, due to their nationality or place of residence, are not permitted access to such information under local law. Every investment involves risk, especially with regard to fluctuations in value and return. It should be noted that historical returns and financial market scenarios are no guarantee of future performance. Investments in foreign currencies involve the additional risk that the foreign currency might lose value against the investor's reference currency. The responsAbility Global Microfinance Fund (hereinafter referred to as the "Fund") is an investment fund domiciled in Luxembourg and is registered for public sale in Switzerland as a foreign investment fund with specific risk features. The responsAbility Global Microfinance Fund invests its assets in securities with which financial service companies in less developed countries are financed and/or refinanced. Investors are expressly made aware of the risks described in the prospectus and the lower liquidity and greater difficulty in determining the value of the Fund's investments (which are generally unlisted and not traded), and must also be prepared to accept substantial price losses including the entire loss of their investment. The risks inherent in the Fund cannot be compared with other funds which invest in debt instruments of issuers in developed countries. Units in the responsAbility Global Microfinance Fund should therefore account for only a small portion of an investor's portfolio and should be held as part of a broadly diversified portfolio. The Management Company and the Investment Advisor, however, will seek to minimize the risks by a strict selection of investments and appropriate diversification. The Representative of the Fund in Switzerland is Credit Suisse Asset Management Funds, Zurich. Paying Agent in Switzerland is Credit Suisse, Zurich. Subscriptions are only valid on the basis of the current sales prospectus and the most recent annual report (or half-yearly report, if this is more recent). The prospectus, the management regulations and the annual and half-yearly reports may be obtained free of charge from Credit Suisse Asset Management Fund Service (Luxembourg) S.A., Luxembourg, Credit Suisse Asset Management Funds, Zurich and from any distribution partner.

This carbon-neutral flyer is printed on FSC-certified paper.

responsAbility

Social Investments AG, Josefstrasse 59, 8005 Zürich, Switzerland
Tel. +41 (0)44 250 99 30, Fax +41 (0)44 250 99 31
info@responsAbility.com, www.responsAbility.com