



# FINANCIAL INCLUSION EQUITY COUNCIL

## MEMBERSHIP BENEFITS

### Exchange and Collaboration

The Financial Inclusion Equity Council (formerly CMEF -- the Council of Microfinance Equity Funds) is a unique forum, in that it is the only venue in which direct investors in financial inclusion can meet, exchange ideas and experiences, and hold frank discussions about their challenges and strategies in a collegial environment. Meetings are purposely kept small in order to facilitate conversation, so that members can speak openly and honestly about their concerns and learn from each others' experiences.

### Forward-Looking Industry Research

The Council is seen as a "go-to" resource for information on industry challenges, trends and opportunities. Members have an opportunity to both voice their concerns and ideas through industry publications and to benefit from the release of such publications.

### Member-Only Initiatives

The Council undertakes a number of initiatives that ultimately provide information and benefits only to FIEC members. These initiatives encompass a variety of research topics – from valuation to governance to compensation practices.

### Events

The FIEC organizes a Council-wide meeting every six to nine months, typically for two days of discussion, case studies and networking. Other meetings, including conference calls and smaller working group roundtables, are held on an ad hoc basis.

### Promotion of Investors' Perspective

FIEC works to raise awareness about microfinance investment, by representing the investors' perspective, dedication to a double bottom line, and industry best practices and standards. On this front, it works not only within the microfinance industry but also within the broader emerging markets, investment, and socially responsible communities.



Together, we create opportunities for stronger social and financial returns

## MEMBERSHIP CRITERIA

The Council membership is comprised of active investors in financial inclusion. Qualifications for membership include the following:

- Primarily private ownership structure
- Focus on double bottom line
- Focus on financial inclusion
- At least two existing equity investments in financial inclusion
- Active in governance
- Ability to pay annual fees of \$5,000 in a timely manner
- Willingness to actively participate in FIEC meetings and initiatives

## FIEC MEMBER ORGANIZATIONS

Accion Global Investments  
Bamboo Finance  
Caspian Advisors  
Catalyst Microfinance Investors  
Citi Microfinance  
Creation Investments Capital Management  
Danish Microfinance Partners  
Developing World Markets  
Equator Capital Partners  
FINCA International  
Genera  
Grassroots Capital Management  
Luxembourg Microfinance and Development Fund  
Norwegian Microfinance Initiative  
Oikocredit  
Omtrix International  
Opportunity International  
responsAbility  
Triodos Investment Management  
Triple Jump  
WWB Asset Management

## FIEC PROJECTS

### Board Remuneration

The FIEC has surveyed members regarding Board remuneration practices at MFIs to understand how MFIs are currently compensating their board members. This survey is being conducted in collaboration with the MicroFinance Network (MFN) in order to collect data from both MFIs and Funds to increase transparency for Council members on this issue.

### Balancing Returns Framework

In 2013, the Council created a practical framework to help members better communicate how they align different stakeholders' interests, and more specifically, how they address the challenge of balancing financial returns with social and/or environmental impact, in order to promote transparency and accountability. This framework is designed as a set of questions to help guide investors in establishing their own internal approach to balancing returns. It is particularly suited to questions during due diligence, but can also be used post-investment as a monitoring tool. The framework is divided between questions relevant to the management of investments, and questions for Council Members to consider around the management of their fund.

### Governance Guidelines

In 2005, the Council published *The Practice of Corporate Governance in Shareholder-Owned Microfinance Institutions* to address the special governance considerations that MFIs face in a practical and candid manner. As much has changed in the field of microfinance since 2005, the Council has updated this reference document in 2012 as *The Practice of Corporate Governance in Microfinance Institutions*. This updated document reflects new thinking and resources that have emerged in the microfinance industry around governance since the original version.

### The "Get Real" Valuation Project

While plenty of data exists on debt returns, data is still lacking on equity returns. The "Get Real" Valuation Project provides an opportunity for FIEC members to openly share their actual returns with other Council members confidentially.

### CGAP and J.P. Morgan Global Microfinance Valuation Survey

Since 2009, the Council has supported CGAP and J.P. Morgan in producing an annual series of Global Microfinance Valuation Surveys. This report combines CGAP and CMEF knowledge of microfinance with J.P. Morgan's equity research skills in emerging markets. The objective of the project is to provide benchmarks for valuation of microfinance equity.