Investors Matching Service is the financial advisory service that the Microfinance Association provides. We do this by assisting mfi’s in sourcing debt and equity finance.

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Investment Philosophy and Values

The innovative approach to structuring deals, seeking to optimize capital flow to the bottom of the economic pyramid and to deliver financial and social value to all stakeholders, including investors, partners, clients, and communities.

We believe that social entrepreneurs around the world have the power to transform lives, families, and industries. We use our expertise and resources to ensure that enterprises have access to the capital that they need to reach their full social and economic potential. We value and seek to embody fairness, equitable allocation of capital, professional delivery of high-quality services for all, and passion to change the world.

Our Strategy

We act as financial intermediary between social entrepreneurs and global financial markets. Navigating the dynamic world of capital in emerging markets can be complex; our extensive experience enables us to play a unique role in leveraging capital for microfinance institutions and to enterprises that are benefiting those at the bottom of the economic pyramid.

Who We Work With

Our areas of focus include microfinance institutions and small & medium enterprises (SMEs) that are poorly served by the capital markets, where we can leverage our significant experience and expertise.

Products + Services

We provide a variety of capital markets and financial advisory services to social entrepreneurs, including those outlined below.

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>Debt Capital Markets</td>
<td>Arrange debt required by social entrepreneurs to grow their companies.</td>
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<tr>
<td>Average Equity and not average debt</td>
<td>Arrange debt required by social entrepreneurs to grow their companies.</td>
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<tr>
<td>Structured Products</td>
<td>Innovative financial structures that expand a social entrepreneur's access to capital and strengthen capital structures, such as off balance sheet financing, Tier II capital, securitizations, monetization of equality holdings, etc.</td>
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<tr>
<td>Financial Advisory</td>
<td>Financial advisory services to social entrepreneurs to explore and transact strategic matters such as merger and acquisition opportunities, equity buy-back, etc.</td>
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1st Stage

The Microfinance Association will carry out a detailed evaluation of your organisation, after this is completed, we write an investment report which we will present to our panel of lenders which consists of microfinance investment funds and social entrepreneurs. This exercise will be done by our specialist fund raising team and the charges for this is $1500 per evaluation.

Q1. Why do we need to use the investor matching service?

The Investor Matching Service provides a unique opportunity to match your microfinance institutions with appropriate microfinance investment funds. Microfinance Investment Funds receive a high number of prospective deals, but in most cases, these are poorly presented. We will provide a detailed report that highlights your company’s strength and opportunities, and if there are weaknesses we will tell you what to do before we approach the investment firms on our platform.

Q2. Why do we need to pay for the desk evaluation?

The Desk evaluation is an investment report that would assist a microfinance investment fund or a lender to make a decision. It will also cut down the number of days that would be needed to carry out due diligence if an investor shows an interest. The Desk evaluation would highlight your organisation strengths, and highlight the key parameters that make your firm an attractive investment target. The fact that you have commissioned us, allows us to circulate the report to other investors.

Q3. Why do you have a two-stage process?

It is easier for the association to manage this as a two stage process in order to ensure that there is transparency and accountability in the whole process. Microfinance institutions do not have to use our services at the second stage of the capital intermediation process. However, what we have found out is that most would like to retain our services especially in relation to negotiations.

Q4. Do you get a fee from the microfinance investment funds or lenders?

No. Our service is exclusively to the microfinance institutions. We do not get a professional fee, or commission from investors. We act exclusively for microfinance institutions.

2nd Stage

After the first stage of the assignment has been completed and there is interest from one of the institutions on our investment panel, we assist in structuring the deal, review loan terms and conditions, review term sheets, monitoring and meetings.

A TWO STAGE PROCESS

Question/Answers
1. Primary business: Microfinance/SME.
2. Geographic location of operations: Sub-Saharan Africa or South Asia.
3. Age: At least 1 year of operations.
4. Minimum total assets: USD $250,000
5. Externally audited accounts.
6. Operational self-sufficiency or a credible plan to reach it.
7. Sound corporate governance and a dynamic management team.
8. Legal status making international funding feasible.

Desk Evaluation/Investment Rating

In order for us to carry out a detailed desk evaluation and investment report, MFI's will need to complete a questionnaire and provide the following information:

a. Completed Questionnaire
b. Most recent audited accounts.
c. Latest quarterly unaudited financial report.
d. Brief biographical information of Board members and senior management, including Chief Executive Officer, Chief Operating Officer and Chief Financial Officer.
e. Minutes from last 2 meetings of the Board of Directors.
f. Detailed information on funding sources.
g. Business plan for the next 2 years, including financial projections.