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# Oxfam moves into fund world

By Sophia Grene



Coffee workers in Uganda: the type of enterprise to be helped by the Oxfam fund

Oxfam, the anti-poverty charity, is branching out into asset management by launching its first investment fund, which will aim to combine social good with financial returns.

The Small Enterprise Impact Investment Fund is a joint initiative between Oxfam GB and Symbiotics, a Swiss microfinance specialist. It will invest in financial intermediaries with a mandate to support small and medium-sized enterprises in Africa and Asia.

“One of the greatest obstacles facing entrepreneurs and small businesses anywhere in the world is access to funding,” said Stephen Acheson, a director at Standard Life Investments who will be on the investment committee of the SEIIF. “I believe that this new fund has the ability to assist many embryonic and small businesses and in doing so generate wealth, employment and economic growth in areas where business potential has historically been constrained due to a lack of affordable capital.”

The fund is intended as a low-risk product, targeting returns of 5 per cent returns with capital preservation. Investors will be locked in for an initial five-year period, with quarterly redemptions thereafter. The management fee is 1.5 per cent, split between Symbiotics and Oxfam as “impact adviser”.

It will target businesses employing between five and 100 people that are unable to access mainstream finance, mostly in the food and agriculture sectors.

Symbiotics already runs \$200m in 24 microfinance funds and has a 40-strong global team. “This fund’s due diligence process is piggy-backing on an established process,” said Nicholas Coloff, head of innovation at Oxfam and chair of the SEIIF. Investment opportunities will be examined first for their social impact, and if they pass that test they will be subjected to a rigorous financial due diligence.

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