



CENTER FOR THE  
DEVELOPMENT OF  
**Social Finance**

## **PIMCO to Fund CDSF Study Promoting Micro Lending Investment**

Beaverton, Oregon.

Today the Center for the Development of Social Finance (CDSF) announced a grant from The PIMCO Foundation in support of CDSF research in and technical assistance to the micro lending sector. The grant will fund a capital markets-style risk study of the micro loan portfolio of Micro Business Development Corporation (MBD), a Denver-based not-for-profit providing resources and non-traditional loans to the region's micro entrepreneurs.

Lending to micro entrepreneurs offers tremendous promise for empowering individuals to raise their standard of living. To deliver on that promise over the long term, experts agree that micro lenders must acquire greater financial sophistication to access greater investment capital. CDSF's goal is to introduce that sophistication to the sector. In March 2007, CDSF published the internationally acclaimed study *Capital Markets-Style Risk Assessment: Testing Static Pool Analysis on Microfinance*. The new study will continue CDSF's ground-breaking work.

In selecting MBD for the study, CDSF co-founder Rupert Ayton cited MBD's "intuitive grasp of the need and opportunity for such a study" coupled with a lack of visibility for domestic micro lenders. MBD was founded in 1993 to promote micro-enterprise as an economic development tool, and in the ensuing period has loaned over \$7.8 million while serving 26,000 participants leading to the creation of over 2,500 jobs. On receiving the news of the study, MBD's Executive Director Kersten Hostetter responded, "This study is a tremendous opportunity and reflects the commitment of our clients and our investors to succeed with economic development at the micro scale."

The PIMCO Foundation is the charitable arm of the Newport Beach-based fixed-income manager, PIMCO – the world's largest bond manager. In acknowledging the purpose of their micro lending grant program, Mark Porterfield, Executive Director of The PIMCO Foundation, said, "We understand the financial market challenges micro lending faces. In funding CDSF, we are saying that we think this is important work." Mr. Ayton commented that the support of PIMCO's employees "gives us a chance to show 'the best at what they do' the best at what micro lending does."

### **About CDSF**

The Center for the Development of Social Finance is a non-profit organization working to create a wide understanding of social finance, global finance, and the economic factors that shape our communities.

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## **CDSF Study Will Promote Micro Lending Investment**

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### **About MBD**

Micro Business Development creates the opportunity for economic justice to youth, adults, and communities via business lending, skill development, and networking.

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### **About The PIMCO Foundation**

The PIMCO Foundation seeks to improve the quality of life in our community by supporting organizations that help people in need to lead more rewarding and responsible lives.

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