- The multiplicity of actors and funders grouped under the "social development" label and the variety of their agendas prevent the market for this asset class from achieving the discipline and standardisation required by professional trustees. "Soft" and "hard" money investors have different risk appetites and yield expectations, although the soft investors' agendas are often muddled.

## Endogenous Threats to the Asset Class

Four key endogenous fiduciary constraints prevent MFIFs from reaching medium-to-high net worth retail investors and institutional investors.

- The immature stage of most investment tools and systems used by MFIF practitioners has kept fiduciary standards far below those of the larger fund management industry. It has also fuelled doubts about whether micro fund management might simply boil down to large or multinational MFIs' (microfinance institutions) lending to local MFIs disguised as investment vehicles.
- Reporting is generally poor. Even the more transparent firms fail to provide the disclosure expected by investors in conventional vehicles. The absence of clearly identifiable market benchmarks, other than basic cost-plus indices