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REPORT  
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# CONTENTS

Introduction	3
Governance	6
Management	8
Staff	10
Markets	14
Financial Institutions	16
Social Performance	20
Investment Advisory	26
Asset Management	30
Technical Assistance	34
Market Research	38
CSR	40

### Dear shareholders, clients and partners,

We celebrated our tenth anniversary in 2015, a decade of continued growth and success for the firm, confirming its leadership position as a medium-sized boutique specialized in microfinance and impact investments. Despite increased uncertainty and slower growth in some markets, the firm has been able to achieve one of its best exercises since inception.

#### MARKETS

Emerging markets have gone through a difficult period over the year with a changing political, economic and monetary situation globally, seeing a reduction of foreign direct investments and increased volatility in capital markets. Some regions have experienced more uncertainty than others, in particular the Middle East and North Africa, as well as Eastern Europe and Central Asia, in particular commodity exporting economies and in particular those with tight foreign exchange policies linked to the US Dollar. Microfinance and SME finance markets have nevertheless continued to grow overall in the double digits, with sustained diversification and sophistication trends in business models, product development and target clientele, which have benefitted our investment portfolios and operations.

#### CLIENTS

Symbiotics continues to be the global market leader in terms of number of microfinance funds managed or advised, growing from 16 to 19 clients. The firm remains in the top three in investment volumes, with just above USD 1 billion in direct microfinance portfolio, representing about 10% global market share, growing by 16% over the year. The strongest growth has continued to come from our three core mandates with C-Quadrat Asset Management in Austria and Germany, Fundo Asset Management in Switzerland and SEB Wealth Management in Scandinavia. Primarily composed of pension fund assets, also together with the Geneva State Pension Fund single investor mandate, which has doubled

its size with us in 2015, Symbiotics remains the leader in terms of institutional investors in the microfinance investment industry. Operations were also successfully sustained thanks to our African mandate with twelve development banks (REGMIFA Sicav), our self-branded products with private banks in Switzerland (Symbiotics Sicav), such as Gonet & Cie, and our historical mandates with Enabling Microfinance in Liechtenstein as well as with Oxfam in the United Kingdom (SEIIF Sicav).

#### OPERATIONS

Together, they have subscribed in 2015 to a record USD 473 million of new deals originated directly by Symbiotics. This represents 347 new transactions added to a total portfolio of 832 outstanding deals. Sub-Saharan Africa has doubled its origination capacity from USD 62 million to USD 117 million in 2015. Latin America and South & East Asia remain the top two regions, in new origination, respectively at USD 150 million and USD 131 million, and in outstanding portfolio, respectively at USD 339 million and USD 278 million. Given the political and economic situation, the Middle East & North Africa as well as Eastern Europe & Central Asia regions have jointly decreased from USD 138 million to USD 75 million in new originations and from USD 303 million to 260 million in outstanding portfolios. The number of financial institutions in which we invested has grown from 170 to 192, with a net growth of 10 investees both in the first tier market segment (balance sheets above USD 100 million)

INVESTMENTS	2014	2015	Since inception
Number of microfinance fund clients	16	19	37
Outstanding microfinance portfolio	USD 927 m	USD 1,080 m	-
Outstanding microfinance deals	776	832	-
New deal origination	USD 450 m	USD 472 m	USD 2,700 m
Number of new deals originated	371	347	2,443

and in the second tier market segment (balance sheets of USD 10 to 100 million). This net growth is actually composed of an even stronger renewal of our investee clientele, given the shift in regions and overall market changes, with more than 43 new financial institutions on-boarded – a testimony of our team's capacity to engage with a changing environment. Finally, a key factor of success for our operations, in particular to cater for our top three markets, Cambodia, Costa Rica and India, was our bond issuance platform, MSME Bonds SA, which has originated over USD 100 million in 2015.

#### PEOPLE

Our staff headcount has remained relatively stable in 2015, growing from 82 to 83, with 54 staff based in our headquarters in Geneva and 29 spread out over our three hubs in Cape Town, Mexico City and Singapore, as well as in our two European branches in London and Zurich. The employee diversity remains

a strong asset for the firm with 32 nationalities, 40% of women and an average age of 38. At the end of the year, the firm decided to reorganize in three distinct divisions for 2016: Corporate Services, Investment Advisory and Asset Management, to better cope with strategic developments on the clientele and product side. Daniel von Moltke was appointed as head of Asset Management, completing the top management with Yvan Renaud as COO and Vincent Dufresne as CFO, supporting Roland Dominicé as CEO. Tineke Ritzema, a senior sustainable finance professional, and David Ledermann, partner at a leading business law firm in Switzerland, joined the new board chaired by Ivan Pictet. These governance changes completed a transition following the departure of two of the founding board anchors, Pr. Francis Waldvogel and Dominique Rochat, to which the firm is immensely grateful, after a decade of coaching and supervising the general management.

OUTREACH	2014	2015	Since inception
Number of countries	49	55	60
Number of financial institutions worked with	170	192	295
Number of financial institutions analyzed	255	290	802
End clients reached	927,668	1,286,993	-
Average credit per end client	USD 985	USD 838	-
Percentage of female end clients	53%	55%	-
Percentage of rural end clients	49%	49%	-

#### FINANCIALS

The year has been relatively volatile and uncertain at times, given market turmoil and shifts in portfolios. The management team has nevertheless been able to navigate the year in consequence, helped by strong revenue cycles at the end of spring and fall, and thanks to a great effort made by the operational units in market prospection and client relationship management. In the end, Symbiotics experienced one of its best exercises since inception from a financial perspective, allowing it to hit all its key financial targets in terms of solvency ratio, prudential ratio, forex coverage, net margin and return on equity. The firm remains a boutique in a rapidly changing niche, but its agility has allowed it in 2015 to secure strong results which set a continued positive perspective for the years to come. The 2016 budget approved at year end follows a similar cautious but confident projection for the coming year.

#### IMPACT

Symbiotics remains anchored in contributing to positive socio-economic development impact through its social charter, dedicated to serving the base of the pyramid in emerging and frontier

markets, primarily benefitting micro-, small and medium enterprises (MSMEs) as well as low and middle income households (LMIHs), applying social responsibility ratings to each and every one of its investments. The firm has produced 138 such ratings in 2015, targeting in majority institutions rated between 3.5 and 4.0 stars (out of a maximum of 5.0). In terms of outreach measurement, the firm continues to finance primarily women (55%), split equally between rural and urban areas (49% and 51%), primarily in trade (31%) and agriculture (21%). The total investment portfolio of USD 1.1 billion serves 1.3 million MSMEs and LMIHs through our partner financial institutions. When multiplied by employment statistics, our investment portfolio supports close to 2.5 million jobs at the base of the pyramid, in 55 emerging and frontier markets.

We would like to thank each one of you, shareholders, clients and partners, as well as our board, management and staff, in making Symbiotics a continued success, through your trust and commitment. The firm, we believe, is well positioned to continue its outreach and impact in its target markets in the coming years.



Ivan Pictet  
Chairman



Roland Dominicé  
CEO

# GOVERNANCE

Our mission is to contribute to sustainable development by providing access to capital in underserved markets to the benefit of micro-, small and medium enterprises and low and middle income households.

## SOCIAL CHARTER

Each investment made by Symbiotics needs to comply with the following criteria:

- › Target domestic markets in emerging and frontier economies
- › Invest in the real economy, promoting the social function of finance and seeking long-term value creation
- › Integrate sustainability or social responsibility ratings, using ESG norms, in the investment process
- › Benefit low and middle income households and micro-, small and medium enterprises
- › Foster job creation and access to primary goods, such as homes, food and energy.

## BOARD OF DIRECTORS

Symbiotics' board of directors is comprised of seven professionals representing and overseeing the company's various activities and areas of expertise.



**IVAN PICTET**

*Chairman* Former senior partner of the Banque Pictet & Cie; President of the Pictet Foundation for Development and President of the Foundation for Geneva.



**JEAN-CLAUDE MARCHAND**

*Vice Chairman* Former Chief Operating Officer of Edipresse Group; Executive Member of the Board of Reuters and Chief Executive Officer of Reuters Information.



**DAVID LEDERMANN**

*Secretary Partner* at Lenz & Staehlin since 2007; specialized in business law with his practice areas being: corporate, M&A, private equity, investments, contract and commercial.



**MICHEL GUILLET**

President of Adenia Partners, an Africa focused private equity firm; co-founder of BC Partners, one of the largest private equity firms worldwide; top management positions in the industrial and health sectors.



**BETH KRASNA**

Professional independent non-executive Director; currently, on the board of directors of: the Swiss Federal Institutes of Technology, COOP Group, BG Bonnard & Gardel Holding SA, Raymond Weil SA. Formerly, on the Banque Cantonale Vaudoise board.



**TINEKE RITZEMA**

Senior executive in the financial sector in companies such as UBP, ABN, AMRO Private Banking as well as at the ILO and various NGOs. She is a board member of the Banque Alternative Suisse and a member of the ACTARES committee.



**LORE VANDEWALLE**

Assistant professor of economics at the Graduate Institute of International and Development Studies (IHEID) in Geneva. Specialized in development economics as well as microfinance.

# MANAGEMENT

## GENERAL MANAGERS

Symbiotics' general management is composed of three professionals who have been in the firm since inception. The CEO is supported by the CFO and COO in their general management prerogatives. Together they elaborate and implement the firm's

strategy, supervise its divisions, and manage its operations. The CEO concentrates more on the governance and clientele, the CFO on finance and administration and the COO on markets and investments.



### ROLAND DOMINICÉ

*Chief Executive Officer*

Co-founder, master in international relations (Geneva), master in social sciences (Chicago), asset management (UBS), management consulting (PwC), corporate finance (San Francisco) and CFO (BlueOrchard).



### VINCENT DUFRESNE

*Chief Financial Officer*

Co-founder, master in business administration (St-Gallen), financial audit (Arthur Andersen), entrepreneurship in fintech development (including for CGAP and MixMarket).



### YVAN RENAUD

*Chief Operating Officer*

Joined Symbiotics in 2005, master in public policy (London), banking and asset management (Capital International), development finance consulting (Africa, Latin America) and head of investment operations (BlueOrchard).

## MANAGEMENT COMMITTEE

The firm is organized in 14 business units, regrouped in three divisions. The corporate services support transversally all business units of the firm. The general managers meet

once a month with the management committee composed of all heads of units, coordinating the planning and control function of the firm.

## CORPORATE SERVICES

### LAURENT MARMEYS

*Finance & Administration*

### DUC NGUYEN

*Human Resources*

### GILLES BAYON

*Information Technology*

### MARIA PEÑA

*Legal*

### JOHN STAEHLI

*Marketing & Communication*

### JEAN-MARC SOMMER

*Risk & Compliance*

## INVESTMENT ADVISORY

### VINCENT LEHNER

*Financial Institutions*

### JÉRÔME SAVELLI

*Market & Credit Risk*

### DANIEL SCHRIBER

*Investment Operations*

### FABIO SOFIA

*Client Relationship*

## ASSET MANAGEMENT

### DANIEL VON MOLTKE

*Division and Equity*

### CHRISTOPHE FAVRE

*Fixed Income*

### VALÉRIE DUJARDIN

*MARIANO LARENA*

*Business Development*

### CHRISTOFFER DAHLBERG

*Investor Relations*

## GLOBAL OFFICES

### MANAGEMENT

In addition to its Geneva headquarters, the firm has five offices: one in Zurich and four abroad.

United Kingdom

### PHILIPP JUNG

*London*

Latin America and the Caribbean

### TODD FARRINGTON

*Mexico City*

Africa

### DUNCAN FRAYNE

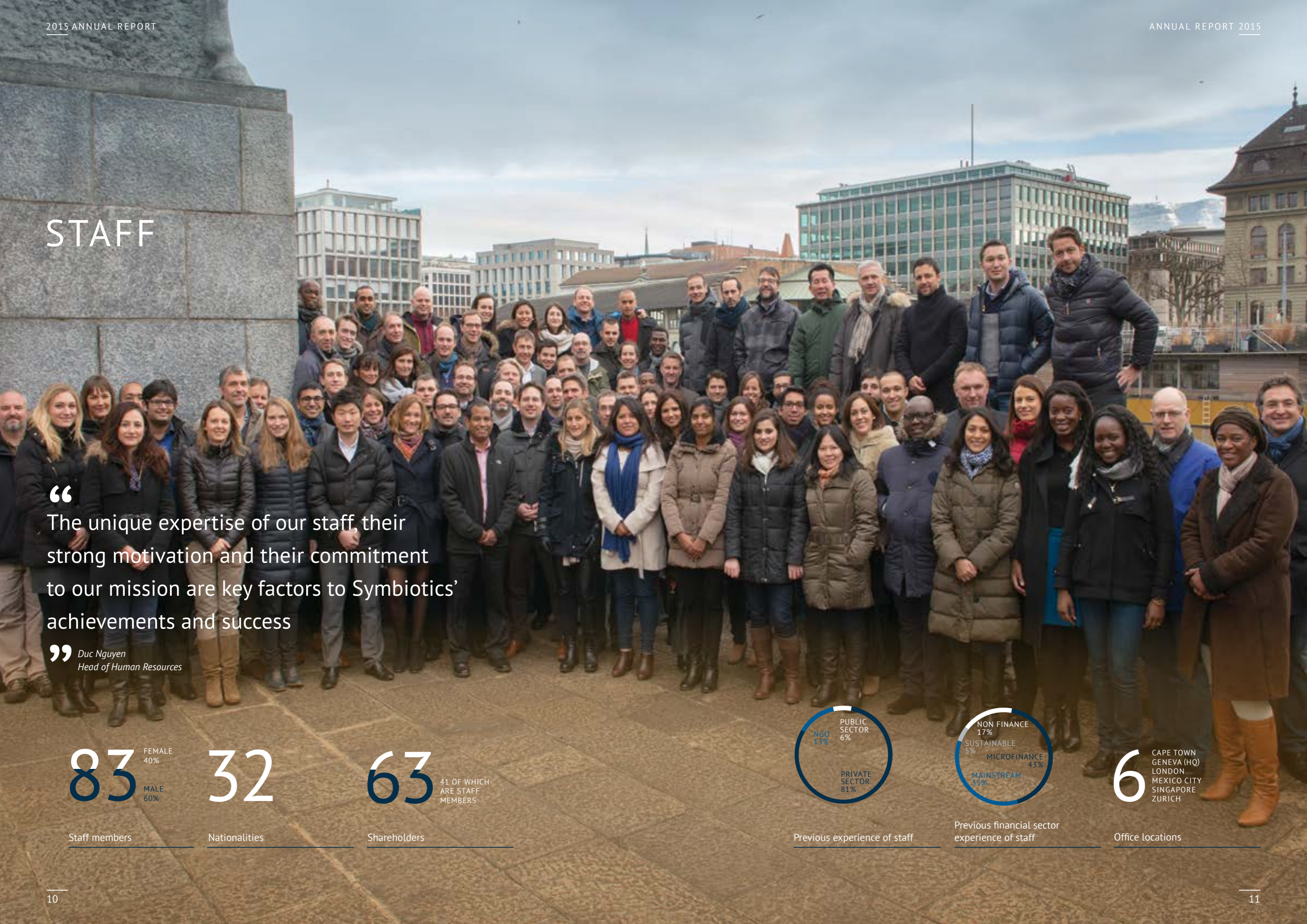
*Cape Town*

Asia

### ANYA BEREZHNA

*Singapore*

# STAFF



“ The unique expertise of our staff, their strong motivation and their commitment to our mission are key factors to Symbiotics’ achievements and success

” *Duc Nguyen*  
Head of Human Resources

**83** FEMALE 40%  
MALE 60%

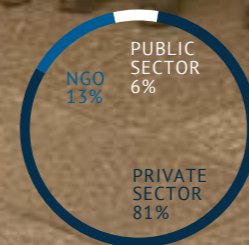
Staff members

**32**

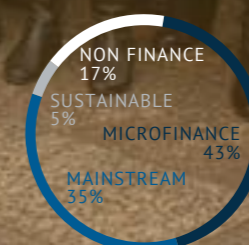
Nationalities

**63** 41 OF WHICH ARE STAFF MEMBERS

Shareholders



Previous experience of staff



Previous financial sector experience of staff

**6** CAPE TOWN  
GENEVA (HQ)  
LONDON  
MEXICO CITY  
SINGAPORE  
ZURICH

Office locations





# MARKETS

## GROWING MARKET COVERAGE

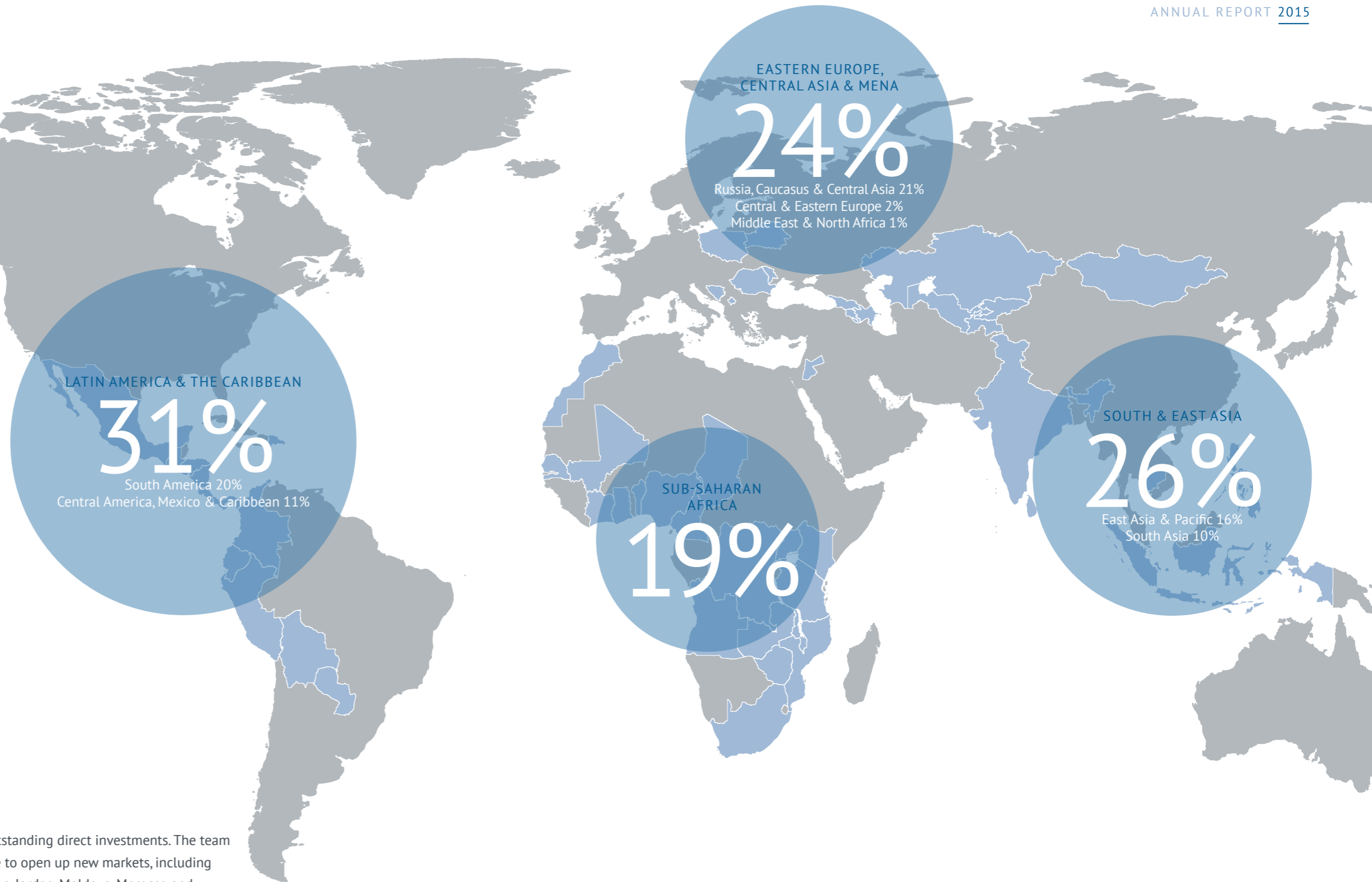
Latin America & the Caribbean became our biggest region by the end of 2015 in terms of investments, ahead of Eastern Europe, Central Asia & MENA. Latin American microfinance institutions are probably the most mature in the industry. They are, on average, older and more sophisticated, propose a wider range of products and are often strongly rooted in local capital markets. Growth in this region was positive in 2015, even if lower than in Africa or Asia, primarily supported by the growth of the SME segment. International funds continue their function of providing stability, diversification and longer term funding even if local savings and loans are growing more rapidly. Within Latin America our overall portfolio has shifted slightly from South America towards Central America, with for instance, Costa Rica replacing Peru as our top market.

Overall, 2015 was a difficult year for emerging markets, due mostly to relatively slower growth in China, the end of the quantitative easing in the United States, as well as continued macro-economic difficulties in the European Union and political instability in Eastern Europe, Central Asia & MENA. Jointly these factors have increased movements and volatility in oil, commodity, forex and money markets. The latter regions have been particularly affected by them, putting several markets under strong pressure and seeing withdrawals from foreign investors as a consequence. Azerbaijan, for instance, lost 50% of its currency value over the year. As a consequence, Eastern Europe, Central Asia & MENA has shrunk from 33% to 24% in our client portfolios, still representing a high commitment to these regions with USD 260

million in outstanding direct investments. The team was also able to open up new markets, including adding Belarus, Jordan, Moldova, Morocco and Uzbekistan to our market coverage.

Symbiotics experienced high origination in Asia in 2015, driven by sustained demand in Cambodia and a strong growth in India, both countries representing our largest exposures at the end of 2015 in terms of investments. The Indian sector has benefitted recently from regulatory improvements, supported by strong demographics and positive economic development. Given the size and population of India, a strong diversification through multiple regional players, some more focused on micro-credit and others on SME lending, has allowed our fund clientele to mitigate single country exposure and avoid over-attended states.

Finally, sub-Saharan Africa remains an important region for Symbiotics, with 19% of our portfolio and 54 financial institutions spread across 20 countries. This represents our highest regional MFI headcount and offers a strong contribution to the diversity of our portfolio, even with a relatively low investment size per institution. Evolution, growth and results were nevertheless unequal across African markets, due to the devaluation of local currencies and volatility of commodity prices for exporting economies. East Africa fared better than other sub-regions in general during the year. And Nigeria remained our largest single market exposure, despite increasing pressure on its currency exchange.



■ Countries in which Symbiotics is active  
 % Percentage of Portfolio Outstanding

# FINANCIAL INSTITUTIONS

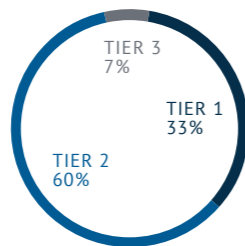
Our funds were invested, at the end of 2015, in 192 financial institutions. During the year, 43 financial institutions were added to our portfolio globally, improving our outreach and diversification, also a testimony of the dynamism of our markets and team.

## SIZE AND STATUS

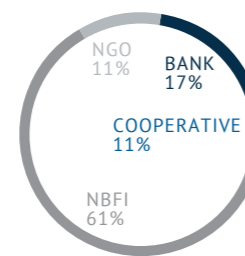
As in the past, the funds we manage and advise continue to mostly work with second tier institutions (total assets comprised between USD 10 million and USD 100 million), structured as non-bank financial institutions (NBFIs), often lacking deposit-taking licenses and thus leveraging their equity with international debt to finance their portfolio growth. Overall, the firm has passed the 800 threshold in 2015 in terms of number of financial institutions analyzed. New partners are mostly smaller second tier institutions with lower credit risk but high potential, which Symbiotics supports early on and follows throughout their growth cycles. The firm has also served an increasing amount of larger institutions, notably through its bond platform, with more substantial transactions. This development incidentally enables funds to address the SME banking space, and grow as well in the first tier market segment.

## GROWTH AND PRODUCT MIX

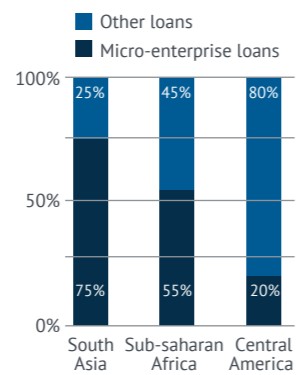
Our industry has been growing steadily over the past decade, at a compounded annual growth rate of about 25 to 30% depending on growth indicators. The institutions we work with are not only becoming larger in terms of their balance sheet, but also in terms of outreach with an increasing number of active borrowers per institution. In terms of offering,



Financial institutions in our portfolio by size (% of headcount)



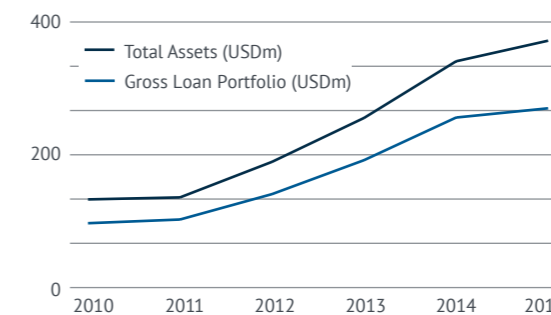
Financial institutions in our portfolio by status (% of headcount)



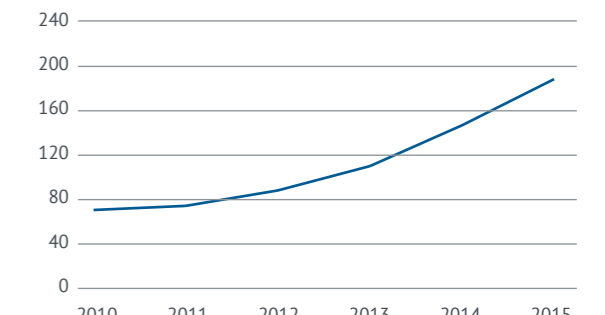
Product offering 2015 in selected regions

they are characterized by a much broader range of products to end clients compared to ten years ago when the institutions were predominantly offering micro-enterprise loans. Micro-loans have been relatively decreasing in share of total credit portfolios from 76% of total portfolio 10 years ago to 55% now, in favor of other types of loans such as SME loans, housing loans or basic consumption loans. However, the level of product diversification

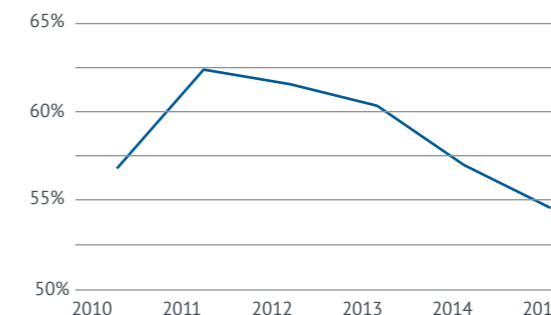
varies across regions. Institutions in South Asia remain 'pure play' micro-credit organizations, mostly due to the specificities of Indian regulation. African MFIs are more diverse in product mix, but still with a majority of micro-enterprise loans. Meanwhile Central American institutions have evolved toward a more segmented portfolio with an approximately equal portion of micro-enterprise loans, SME loans and housing loans.



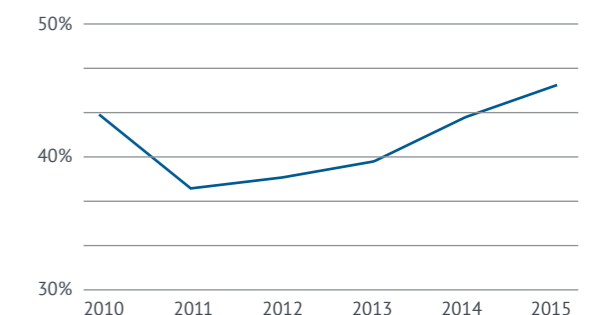
Growth of Financial Institutions



Number of Active Borrowers (thousands)



Product Mix (% of Micro loans)



Product Mix (% of Other Loans)

Graphs above were compiled with weighted average of all financial institutions financed by Symbiotics.

**KEY PERFORMANCE INDICATORS**

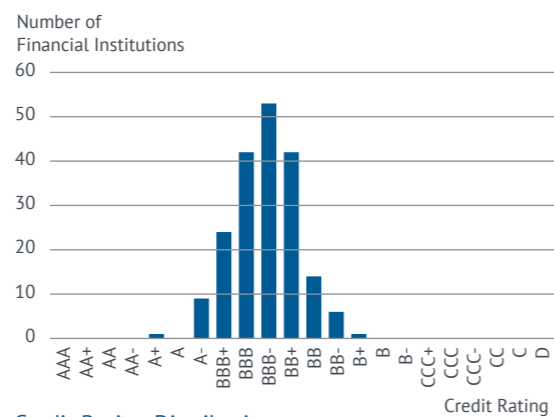
Interesting trends are also observable at the business model level. Increased competition has put downward pressure on portfolio yields. A larger client base has allowed for larger economies of scale, reducing operating expenses. Also, thanks to the diversification of financial products offered to end clients, institutions have managed to increase their revenues. These positive trends have allowed them to compensate for increasing costs of funding, mostly due to volatility in foreign exchange and money markets. Indeed, if funding terms in USD or EUR have decreased due to competition and interest rates in developed markets, transactions denominated in local currency have overall been more expensive to compensate for the increasing risk perceptions in developing markets. Financial institutions have nevertheless prioritized local currency funding to prevent any yet stronger pressure on their business model. As a result our funds have typically grown their portfolio share denominated in local currency to 46% in 2015.

Overall, the financial institutions we serve have been able to maintain sustainable financial models, with return on equity averaging above 10%, even if down from close to 20% three years ago.

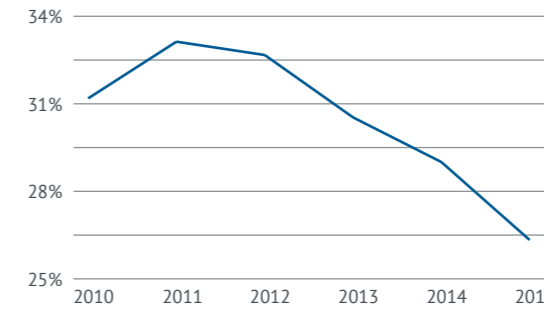
**INVESTMENT GRADE INSTITUTIONS**

Each institution we finance is assessed in terms of credit risk by our team of analysts, using an in-house rating/scoring system. Our internal credit risk rating assigns a grade from AAA (highest) to D (lowest) to each institution, with BBB- being the median grade of our partners in 2015. In general, whether rated by Symbiotics internally or by external independent rating agencies, the MFIs we finance benefit from investment grade ratings on average (129 out of 192 in our 2015 portfolio). This is explained by:

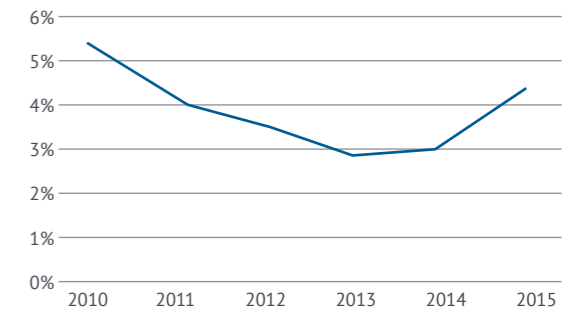
1. extremely solvent assets, composed of about 80% by credit portfolios; on average about 100,000 clients, paying back loans on a weekly or monthly basis, with relatively short maturities (of less than 12 months on average), and very low late payments (4.0% on average) and write-off loan losses (1.0% on average);
2. strong capital adequacy ratios (about 20–25% on average), with healthy return on equity (10.0%+ on average) and;
3. long term liabilities, with debt funding of typically 2 to 5 years maturities.



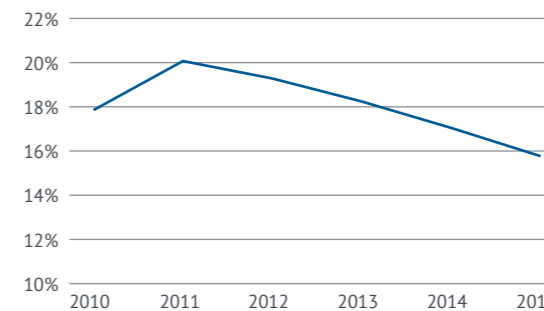
Credit Rating Distribution - Outstanding Investees



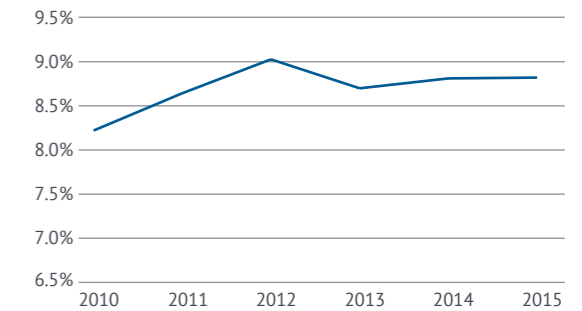
Portfolio Yield



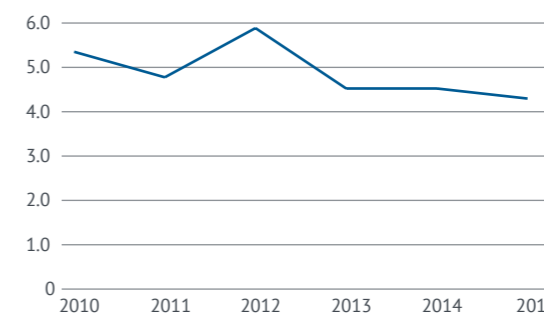
Portfolio at Risk >30 days



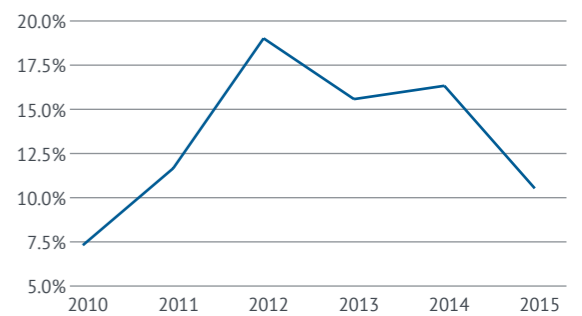
Portfolio Operating Expense Ratio



Cost of Funding



Debt-to-Equity ratio



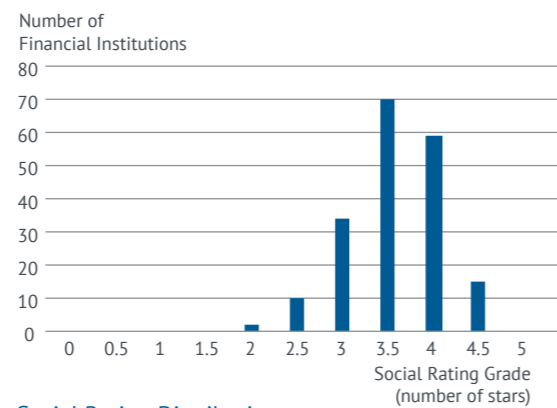
Return on Equity

Graphs above were compiled with weighted average of all financial institutions financed by Symbiotics.

# SOCIAL PERFORMANCE

## SOCIAL RESPONSIBILITY

Each institution we finance is assessed in terms of its social responsibility by our team of analysts, using an in-house rating/scoring system. Our social responsibility rating includes 60 indicators covering 7 dimensions – social governance, labor climate, financial inclusion, client protection, product quality, community engagement and environmental policy. The rating compiles all 60 qualitative and quantitative indicators into a weighted aggregated score, which grades the institution from 0 stars (lowest) to 5 stars (highest). Two-thirds of the institutions we financed have a grade of 3.5 to 4.0 stars, signaling a very high commitment to sustainable finance practices in client portfolios.

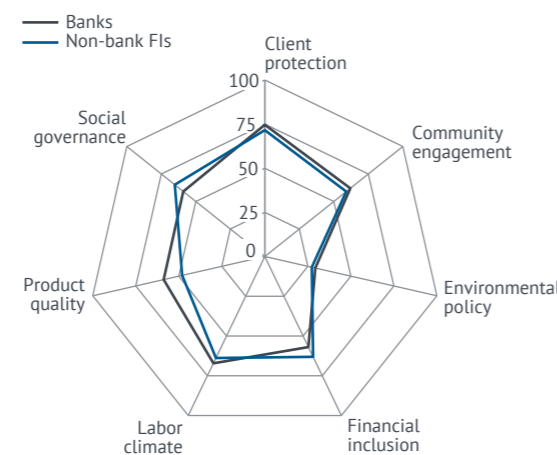


Social Rating Distribution - Outstanding Investees

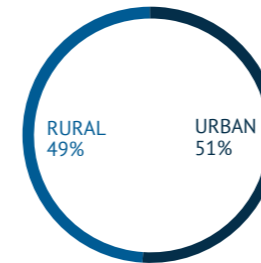
## SOCIAL OUTREACH

Measuring the social outreach of our investments is a prime step in understanding the characteristics of our financial partners' clientele. At the end of 2015, Symbiotics was engaging with institutions that primarily finance women (55%). They are also increasingly serving formal businesses although today that portion remains relatively low at 4%. End clients are equally located in urban and rural areas and largely involved in trade (31%), and, to a lesser extent, in agriculture (21%). In terms of credit methodology, while most end clients receive individual loans (71%), nearly a third benefit from loans guaranteed by a group of borrowers.

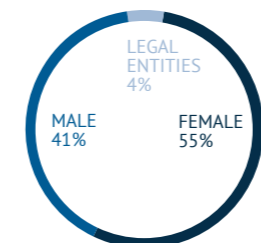
Our portfolio institutions mainly provide micro-loans to their clients (55%) although other product types, such as SME or housing loans, today complement the institutions' offering. There are of course important regional differences in terms of outreach characteristics. For instance, in Asia, our partner



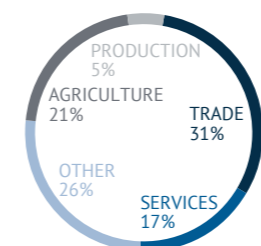
Social Rating - Banks vs. Non-bank Financial Institutions



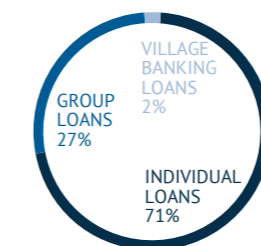
End Client Location



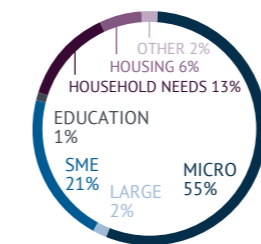
End Client Gender



End Client Activity



Credit Methodology



Loan Products

financial institutions work predominantly with women (98% in South Asia) and channel product towards rural areas (86% in East Asia).

## SOCIAL IMPACT

As a socially-driven investor, we strive to channel capital towards the base of the pyramid in emerging and frontier economies, in particular with a view to sustaining and growing job markets, as well as contributing to access to goods and services of first necessity. Our investments provide increased financial security, through payment systems, savings and deposits, short term credit and insurance policies that our partner institutions offer. They also provide increased household consumption for goods and services of first necessity, linked to access to water, sanitation, health, food, home improvements or energy solutions. Finally, they allow businesses to grow, whether through working capital loans, fixed asset financing or employment support. Our total outstanding investments refinance an equivalent amount of 1.4 million loans by our partner financial institutions. These 1.4 million loans are split between 213,186 loans to low and middle income households (housing loans, basic consumption loans, education loans) and 1,194,169 loans to businesses (micro-credits, SME loans). 97.1% of these business are micro-enterprises and 2.9% are SMEs; together they employ nearly 2.5 million people at the base of the pyramid, assuming we can count two jobs per micro-enterprise and ten per SME.

Past performance is not an indication of future performance.

## MICROFINANCE



## Micro-credits supporting women active in agriculture in India



## INVESTMENT ILLUSTRATION

Annapurna Microfinance Private Limited (AMPL) was launched in 2004 as a microfinance activity within the People's Forum (PF) foundation, an entity working with vulnerable people in the eastern state of Orissa in India. The microfinance business line branched off in 2009. The new organization changed its name to AMPL and received a non-bank finance company (NBFC) license from the Reserve Bank of India in October 2013. Today, AMPL is the leading microfinance institution in the region, with a network of 121 branches, covering 5 of India's 10 eastern and central states. Symbiotics started financing Annapurna in June 2014 and has provided, through its clients, a total of USD 10.8 million to them since then.

## END CLIENT STORY

*A smallholder mushroom farmer*

Ms. Arti Patil is a mushroom farmer living in Khurda, Orissa. She is a member of the Lakshewari Self-Help Group (SHG), a group of women working mainly in agriculture and who benefit from small loans given by Annapurna Microfinance Private Limited (AMPL). Ms. Patil's first group-loan of approximately USD 230 enabled her to purchase standard quality seeds, fertilizers, and pesticides to increase the scale of her mushroom production. Through AMPL's financial support, she has been able to grow her small business and earn enough revenue to save for future expenditures. She aspires to build a new house for her family and will remain an active member of the Lakshewari Self-Help Group.

KPIs	2015
Total assets (USD m)	113.0
Portfolio size (USD m)	81.8
Number of active borrowers	520,794
Average loan balance (USD)	194
Portfolio yield	26.8%
Operational Self-sufficiency	126.6%
Operating Expense Ratio	8.4%
Return on equity	20.9%
Debt-to-Equity Ratio	5.3x
Portfolio at Risk > 30 days	0.1%

## SME BANKING



## Pioneers in financing SMEs in Bolivia



## INVESTMENT ILLUSTRATION

Banco PyME de la Comunidad (BCO) was established in 1996 by COBOCE, the largest Bolivian industrial cooperative and Oikocredit. It transformed from a private financial fund to an SME Bank in 2014. BCO focuses only on urban areas and has gained a competitive advantage in SME lending, which it started in 2000 along with housing loans while maintaining its microfinance clients. The bank's loan portfolio is concentrated in Cochabamba, situated on the center of the country, and has gradually expanded to other cities, moving from a regional to national presence. Symbiotics started financing BCO in 2012 and has provided, through its clients, a total of USD 3 million since then.

## END CLIENT STORY

*A successful woman-owned small enterprise*

Ms. Esperansa Sejas is a textile wholesaler and retailer in Cochabamba. She started her business in the 1960s selling fabrics at a local market. Today, with more than 50 years of operations, she has positioned herself locally and currently owns thirteen stores at two local markets in Cochabamba, selling fabrics imported from diverse parts of the world including North America and Asia.

Ms. Sejas became BCO's client in 2005 and has since then obtained more than USD 370,000 from the SME bank through renewed credit lines to invest in working capital and strengthen her market positioning.

KPIs	2015
Total assets (USD m)	140.5
Portfolio size (USD m)	114.3
Number of active borrowers	3,634
Average loan balance (USD)	23,444
Portfolio yield	12.4%
Operational Self-sufficiency	102.3%
Operating Expense Ratio	7.4%
Return on equity	2.8%
Debt-to-Equity Ratio	11.4x
Portfolio at Risk > 30 days	3.2%

SME LEASING



### A Georgian leasing company dedicated to small enterprises

INVESTMENT ILLUSTRATION

Recent trends in the Georgian microfinance market have included the emergence of new, small players trying to gain market shares. One such player is TBC Leasing (TBCL), established in 2004 by the second largest bank in Georgia, TBC Bank. The company targets small and medium enterprises (SMEs) through its only branch in Tbilisi where most Georgian SMEs are located. Today the company offers financial leases, leasebacks or operating leases to companies in various fields, including medical, construction and agriculture. Symbiotics started financing TBC Leasing in September 2013 and has provided, through its clients, a total of USD 5.8 million to them since then.



END CLIENT STORY

Launch of food additive business

One of TBCL's clients is a small animal food additives enterprise, *Golden Grains*, founded in 2012. Its founders, Mr. Oktai Ozturki, a trader in the food industry, and Mr. Elgin Bilsen, a mechanical engineer, developed a natural food derivative made from recycled beer waste materials. After acquiring the necessary knowledge to start the business, they sought financing from commercial banks which proved to be impossible. Then they turned to TBCL from which they were able to obtain a USD 60,000 lease to finance a packing machine, a drying machine and a conveyor unit. The enterprise proved to be a success, and this initial start-up capital allowed *Golden Grains* to grow materially.

KPIs	2015
Total assets (USD m)	47.4
Portfolio size (USD m)	36.1
Number of active borrowers	536
Average loan balance (USD)	27,477
Portfolio yield	20.9%
Operational Self-sufficiency	112.3%
Operating Expense Ratio	8.0%
Return on equity	21.2%
Debt-to-Equity Ratio	3.1x
Portfolio at Risk > 30 days	1.4%

RENEWABLE ENERGY



### Off-grid solar power for low-income households in Kenya

INVESTMENT ILLUSTRATION

Created in Nairobi in 2011, M-KOPA Solar manufactures solar lighting systems and products which provide a cleaner, lower-cost energy alternative to kerosene lamps. The company's mission is to provide affordable and high quality energy to low-income households on a pay-per-use installment plan. An initial down payment gives its customers access to a solar panel, two ceiling lights and a cell phone charger with an expected life span of 7 years. The products are channeled in rural areas where access to electricity is limited and kerosene remains the dominant source of power. Besides its well-running subsidiary in Kenya, M-KOPA Group also has operations in Uganda and Tanzania. Symbiotics started financing M-KOPA in August 2013 and has provided, through its clients, a total of USD 1.5 million to them since then.



END CLIENT STORY

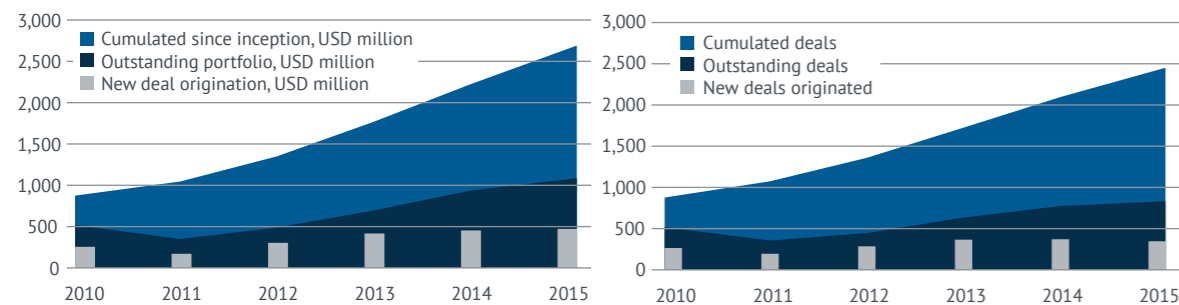
A rural family switches to solar power

Julia Njeri Mwangi and her family live in a single-room house made of iron sheet in Kahawa West, an area with few electricity connections. Most of the family's income comes from farming the plot of land next to their house. Ms. Mwangi also works as a night guard for a nearby business. Like most people living in rural areas, one of their main concerns is to be able to light their home after dark. She subscribed to the M-KOPA plan in 2013 and successfully paid off her solar kit. Following this, Ms. Mwangi started a second plan to own an energy efficient cooking stove ('Jiko') which has reduced her family's smoke production and charcoal expenses.

KPIs	2015
Total assets (USD m)	37.3
Portfolio size (USD m)	7.3
Number of active borrowers	162,412
Average loan balance (USD)	180
Debt-to-Equity Ratio	1.1x
Portfolio at Risk > 30 days	8.2%

# INVESTMENT ADVISORY

## Solid investment origination despite uneven growth over regions



Outstanding Portfolio

Number of Deals

In 2015, the Investment Advisory division originated USD 473 million of investments for its clients, an all-time record for the company despite the challenging market environment. Indeed the year brought a substantial shift in relation to the regional distribution of the investments disbursed. Demand from financial institutions in Caucasus and Central Asia, a traditional stronghold, was unusually low. This was a direct consequence of the decrease in the commodity prices, a substantial source of economic growth in this region. The team reacted by redoubling efforts in prospection and deal identification, bringing 43 new investees (about 25% of the total number of financial institutions financed) to its clients. At the end of the year, Latin America had the highest volume of investments, revealing the potential of a region with relatively mature financial markets. Sub-Saharan Africa almost doubled its level of origination over 2015 despite adverse hedging cost conditions, driven by a few large deals but also a multitude of smaller ones. Finally, the South & East

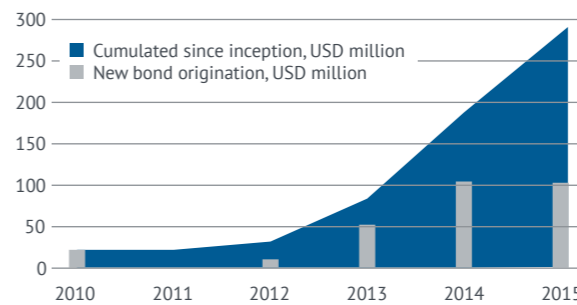
Asia region confirmed its attractiveness as a rapidly growing market for our clients.

In terms of investee market segments, the division has brought an increasing number of first tier investees (those with total assets of more than USD 100 million) to client portfolios. Working with larger financial institutions is a natural evolution and diversification in our target markets, as many upper tier institutions are maturing partners that Symbiotics has accompanied for over a decade. Overall, new volumes originated have grown faster than the number of new deals, a result of this pull through larger deals. That being said, the number of second tier investees (with total assets between USD 10 million and USD 100 million) has also grown faster than expected, a sign of vitality from our historical sweet spot in the market.

### IMPACT BONDS

Symbiotics' impact bond platform, *MSME Bonds SA*, was launched in 2010 and issues bonds on behalf of leading microfinance institutions and SME banks. It is primarily designed for traditional fixed income fund managers or specialized investors desiring to gain

direct exposure to emerging and frontier countries through microfinance or SME finance. They allow for larger financial institutions we work with to syndicate multiple lenders together in larger volumes, of about USD 10 million.



Bond Volumes

The platform confirmed its attractiveness with over USD 100 million of issuances for the second year in a row. More than 50% of the volume originated was invested in India, and the remainder in other markets including Cambodia and Costa Rica. These three countries are net importers and have thus overall not been harmed by harsher macroeconomic conditions.

#### Impact Bonds issued in 2015

FINANCIAL INSTITUTION	COUNTRY	INVESTMENT THEME	VOLUME USD M
Acleada	Cambodia	SME Banking	9.0
AMPL	India	Micro Rural Women	6.0
Coopenae	Costa Rica	Household Needs	9.0
Coopeservidores	Costa Rica	Household Needs	12.5
ESAFM	India	Micro Rural Women	9.0
Fusion	India	Micro Rural Women	6.7
Intellegrow	India	SME Financing	3.9
Madura	India	Micro Rural Women	5.7
Prasac	Cambodia	Micro Rural Women	5.5
RGVN	India	Micro Rural Women	5.2
SA Taxi DF	South Africa	Micro & SME Leasing	10.9
Satin	India	Micro Rural Women	7.0
Suryoday	India	Micro Urban Women	6.5
Utkarsh	India	Micro Rural Women	5.8



## OUR CLIENTS

**BLI**

Banque de Luxembourg Investments

**BANQUE DE LUXEMBOURG INVESTMENTS***Client* since 2009*Product* Three in-house dedicated microfinance or impact funds*Strategy* Global microfinance/impact fixed income (bonds, loans, promissory notes), predominantly in USD or hedged to the USD

PORTFOLIO OUTREACH	2015
Number of countries	15
Number of financial institutions	27
End clients financed	42,400
Jobs financed	76,720

**FUNDO***Client* since 2006*Product* Finethic Microfinance Sicav-Sif*Strategy* Global microfinance fixed income (bonds, loans, promissory notes), fully hedged to USD

PORTFOLIO OUTREACH	2015
Number of countries	34
Number of financial institutions	112
End clients financed	231,170
Jobs financed	436,005



the asset manager

**C-QUADRAT ASSET MANAGEMENT***Client* since 2006*Product* Dual Return Sicav / Vision Microfinance (EUR & Local Currency)*Strategy* Global microfinance fixed income (bonds, loans, promissory notes), both USD and unhedged local currency

PORTFOLIO OUTREACH	2015
Number of countries	38
Number of financial institutions	115
End clients financed	290,744
Jobs financed	548,948

**SEB WEALTH MANAGEMENT***Client* since 2012*Product* Symbiotics Sicav (Lux.), SEB microfinance funds (1,2,3)*Strategy* Global microfinance fixed income (bonds, loans, promissory notes), unhedged local currency

PORTFOLIO OUTREACH	2015
Number of countries	31
Number of financial institutions	82
End clients financed	288,798
Jobs financed	554,591

# ASSET MANAGEMENT

## A wide range of portfolio management expertise in impact investing

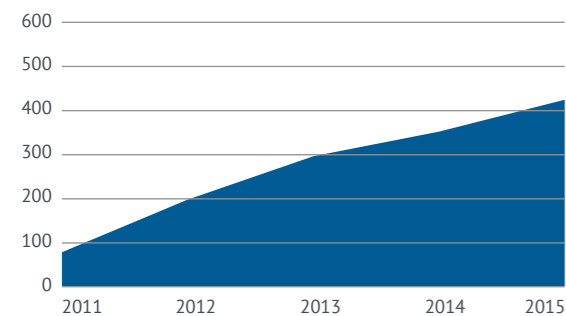
Our Asset Management division is responsible for the Symbiotics fund range as well as tailor-made investment solutions which we offer to partners and clients, including both third-party funds and dedicated single investor mandates.

The team currently manages:

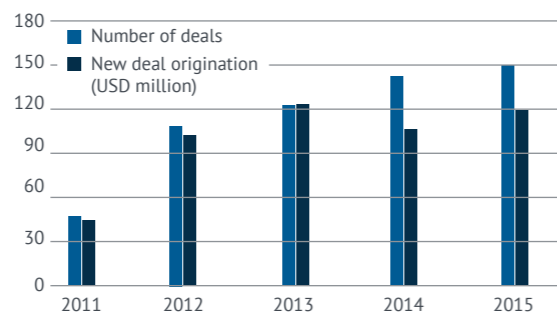
- › 4 global microfinance fixed income funds
- › 1 African microfinance fixed income fund
- › 1 global SME finance debt/equity fund
- › 2 global impact investing fixed income funds
- › 1 global impact investing fund of fund
- › 1 African sustainable equity fund

During 2015, two new funds were launched as part of the company's self-branded funds: the Emerging Impact Bond Fund (EIBF), a higher efficiency and liquidity product for more mainstream investors, and the High Yield Frontier Impact Fund (HYFI), a higher risk, return and impact play for more specialized investors.

Despite the challenging year in emerging market investments, the team invested over USD 150 million, growing its AUM to an all-time high at USD 423 million. The fastest fund growth came from the doubling of assets from the Geneva State Pension Fund and the largest mandate in size and resources remained REGMIFA, the development bank syndicate dedicated to African microfinance.



Assets under Management (USD m)



Annual Investments

### SYMBIOTICS FUNDS

Symbiotics Sicav (Lux.) was set up in 2011 and holds both Symbiotics branded funds and several client mandates.



#### EMERGING IMPACT BOND FUND, 2015

*Strategy* Global impact investing, fixed income fund, constituted of a mix of microfinance bonds, SME finance bonds, development finance bonds and other emerging market impact investing bonds.

#### EMERGING SUSTAINABLE AFRICA FUND, 2014

*Strategy* African multi-sector listed equity fund, with a financial performance benchmarked to the S&P sub-Saharan Africa Ex-South Africa index with a bias towards firms active at the base of the pyramid (impact factor) and striving towards ESG integration (sustainable factor).

#### EMERGING SUSTAINABLE FUNDS, 2011

*Strategy* Global impact investing, fund of fund, mixed debt and equity, listed and private investments. The portfolio includes a majority of private debt, and a majority of microfinance assets, but has diversified in some higher yielding impact investing debt and some sustainable equity positions.

#### HIGH YIELD FRONTIER IMPACT FUND, 2015

*Strategy* Global impact investing, high yield fund, constituted of private debt, primarily from financial institutions but also directly with smaller businesses and projects, with an emphasis on non-investment grade credit risks, including local currency exposure and subordinated instruments.

## CLIENTS

**Enabling Microfinance AG**  
— not for our profit**EMF ENABLING MICROFINANCE***Client* since 2008*Product* Enabling Microfinance AGmVK (EMF)*Strategy* Global microfinance fixed income (bonds, loans, promissory notes), fully hedged to USD

PORTFOLIO OUTREACH	2015
Number of countries	27
Number of financial institutions	59
End clients financed	42,205
Jobs financed	71,243

**OXFAM AND THE CITY OF LONDON CORPORATION***Client* since 2012*Product* The Small Enterprise Impact Investing Fund (SEIIF) Sicav-Sif*Strategy* Global impact investing through SME finance intermediaries, mixed debt and equity (up to 20%) instruments, with a bias towards Africa, rural finance and women entrepreneurs, as well as with an emphasis on impact measurement (the fund is paralleled by a technical assistance facility to support impact measurement)

PORTFOLIO OUTREACH	2015
Number of countries	11
Number of financial institutions	11
End clients financed	1,014
Jobs financed	6,442

**CAISSE DE PRÉVOYANCE DE L'ÉTAT DE GENÈVE***Client* since 2013*Product* Symbiotics Sicav (Lux.), Global Microfinance Fund*Strategy* Global microfinance fixed income (bonds, loans, promissory notes), fully hedged to USD

PORTFOLIO OUTREACH	2015
Number of countries	36
Number of financial institutions	99
End clients financed	138,492
Jobs financed	260,434

**THE REGIONAL MSME INVESTMENT FUND FOR SUB-SAHARAN AFRICA (REGMIFA) SICAV-SIF***Client* since 2010*Product* REGMIFA Sicav-Sif, promoted by KfW and invested by 12 DFIs*Strategy* African microfinance fixed income (loans, promissory notes), fully hedged to USD (but with up to 100% local currency denominated loans), with a bias towards second and third tier microfinance institutions, aiming at market development

PORTFOLIO OUTREACH	2015
Number of countries	18
Number of financial institutions	49
End clients financed	189,282
Jobs financed	408,110

# TECHNICAL ASSISTANCE

## TA management services for Microfinance and SME finance

The Technical Assistance (TA) team offers specialized, customized and fully-fledged TA management services. This expertise has been developed since the launch in 2011 of the Regional MSME Investment Fund for Sub-Saharan Africa (REGMIFA) and the REGMIFA TA Facility.

TA has thus gone hand-in-hand with our investment activities, aiming to maximize impact and strengthen institutional capacity of partner financial institutions. TA mandates were managed in the following areas:

- › governance enhancement
- › product development
- › institutional capacity building
- › regulatory transformation
- › management information systems
- › social impact measurement and reporting
- › financial education and management.

### KEY ACCOMPLISHMENTS

In 2015, nine TA projects were approved for a volume of EUR 143,000 increasing the unit's overall track record to 88 approved projects since 2011 for a volume of EUR 5.3 million.

The team has among other things developed replicable TA packages, offered to a multitude of microfinance institutions. For example, the 2-year TA package on '*Strengthening Middle Management Skills: Capacity Building on Leadership, Management and Supervisory Skills*', which benefitted 28 MFIs located in 14 different sub-Saharan countries.

Additionally, the team has built up its own consultant database to screen the market with the best resources for any given project. To date over 350 individual consultants and 200 consulting firms have been registered.

## CLIENTS & PARTNERS



### REGMIFA TA FACILITY

*Partnership since 2010*

The REGMIFA Technical Assistance Facility was setup as an independent entity from the REGMIFA fund in 2011. It provides capacity-building support to investees in areas such as governance, risk management, product design or social performance management. Symbiotics is in charge of the management of the Technical Assistance Facility, identifying needs, preparing the terms of all mandates, selecting implementation consultants, monitoring their work and evaluating results ex-post.



### IMPACT SUPPORT FACILITY – OXFAM/SEIIF

*Partnership since 2012*

As Investment Manager of the Small Enterprise Impact Investing Fund (SEIIF), sponsored by Oxfam and the City of London Corporation, Symbiotics' TA team is contributing to the fund's Impact Support Facility (ISF) by identifying potential TA candidates, conducting needs assessments, designing specific TA projects and drafting the relevant terms of reference. Administered by Oxfam, assisted by Symbiotics and benefitting from external foundation support, the ISF focuses particularly on supporting the fund's investees in impact measurement and reporting solutions.



### THE SWISS CAPACITY BUILDING FACILITY

*Partnership since 2015*

The Swiss Capacity Building Facility (SCBF) is a public-private development partnership (PPDP) established in April 2011 to assist financial institutions such as insurance companies, microfinance banks, and savings and commercial banks, in significantly scaling up their outreach to poor people in developing countries. The SCBF focuses on interventions with a clear social mission to serve women and rural areas, smallholder farmers, micro enterprises and small enterprises (SMEs). Symbiotics became a member in 2015 and looks forward to offering capacity building support to some of its partners through SCBF.

## FINANCIAL EDUCATION



## ILLUSTRATIVE PROJECT

Grooming Centre, a Nigerian non-bank financial institution, has a very large potential for financial education across the country, through its internal training center and more importantly through its 351 branches that serve 21 of the 36 states of the country. One of Grooming Centre's main objectives is to improve their clients' understanding of personal and household financial management. By providing them with financial education, the microfinance institution improves their creditworthiness, helps them grow and manage their risks better, and ultimately improves its clients' retention rate and borrowing capacity.

“*Financial literacy is critical for stimulating sustainable financial inclusion by empowering the poor with the necessary skills and good financial behaviours*”

” Godwin Nwabunka PhD, Chief Executive Officer, Grooming Centre

## Improving personal financial education in Nigeria



Symbiotics prepared the terms of reference of the project, described as ‘*developing financial education to low-income clients and enhancing financial and operational risk management*’. Business Finance Consulting (BFC), as specialized consultancy selected for the project implementation, started training programs in March 2015.

Grooming Centre's clients range across various income and education levels, although the majority are low income and haven't finished primary or secondary school.

## MARKETING STRATEGY



## ILLUSTRATIVE PROJECT

In 2014, Advans Group, active with several microfinance institutions located in Asia and Africa, wished to significantly improve their image in relation to their existing clients, potential loan clients and deposits customers in their affiliate institutions located in Ghana, Nigeria, Cameroon and Tanzania. A year-long technical assistance project called ‘*Enhancing the marketing and communication strategy of Advans' sub-Saharan affiliates*’ was set up in the fall of 2014. The project was led by consultants from the Umlingani Group selected and supervised by Symbiotics for REGMIFA.

“*This is the first time that we have had access to such high quality technical assistance to develop our communication and marketing strategies*”

” Advans Ghana

## Branding and communications for African MFIs

“*...we were able to develop a strong and extensive communication campaign integrating all types of media. This is a first...*”

” Advans Cameroun

The consultants worked with Advans Group to analyze and address the affiliates' key business challenges in terms of marketing and communication, which included for instance understanding clients' barriers to deposit-making, developing better tailored client offerings and improving overall brand penetration. As a result, they developed a customized and comprehensive strategy for each country and affiliate, improving client prospecting, targeting, training and on-boarding. A brand communication tool kit and brand guide were also created and implemented.

Follow-up workshops were organized with each institution to assess the tools developed, discuss further strategy implementation and marketing campaigns.

# MARKET RESEARCH

## Reference papers, studies and benchmarks for the microfinance industry

The market research team provides the microfinance industry with the only global annual survey on the financial and social performance of Microfinance Investment Vehicles (MIVs). In 2015, the unit entered into a new partnership with the University of Zurich's Center for Microfinance that resulted in both the second 'Swiss Microfinance Report' and the first Swiss impact investing fund survey through Swiss Sustainable Finance. The team has also developed internal research on its decade-long data collection from MFIs, which it has started sharing in conferences and workshops throughout the year and plans to publish in 2016.



### SYMINVEST

Symbiotics' online platform for Microfinance and Small Enterprise Impact Investments

In 2015, more than 250 research accounts, 20 funding accounts and 30 investor accounts were opened on Syminvest.com totaling 2,600 online registered users.



*MIV Disclosure Guidelines Additional Indicators, May 2015*

Through a collaborative industry effort of various microfinance asset managers, the Market Research team published an upgrade of the *MIV Disclosure Guidelines*. The new edition contains several new financial and ESG indicators.



*Microfinance Investment Vehicles Survey 2015*

Symbiotics' flagship annual MIV survey was carried out for the ninth consecutive year. The survey covered 96% of the total market share estimated at USD 10.4 billion of assets under management as of December 2014.

“  
84 MIVs participated in the 2015 edition representing 96% of the total MIV market asset base  
”

Symbiotics MIV Survey



*Swiss Microfinance Report, November 2015*

The report produced in cooperation with the University of Zurich's Center for Microfinance, reviews the current landscape of microfinance investment fund managed in Switzerland.



Symbiotics cooperated with the University of Zurich's Center for Microfinance and with Sustainable Finance Switzerland to produce the first *Swiss investments for a better world* survey, which was presented in Geneva in April 2016.

# CORPORATE SOCIAL RESPONSIBILITY

From the day we launched our business, social responsibility has been at the heart of our mission.

## CARBON OFFSETTING

Working across 60 emerging markets, Symbiotics staff spends much of its time traveling by air. The company decided to partner with the *Climate Neutral Group* (CNG) in order to begin offsetting its carbon emissions footprint.



CNG, with offices in Cape Town, allows companies to manage and reduce their climate impact by reinvesting their carbon credits in 'offset projects' that reduce greenhouse gas emissions and positively impact communities that are threatened by climate change. CNG complies with the three most internationally recognized carbon credit standards: the *Gold Standard*, *Verified Carbon Standard* and the *Clean Development Mechanism*.

“*In addition to our investment operations, we wish to further contribute to sustainable development goals through profit-sharing corporate engagements, with projects or institutions located near our offices and communities*”

” *John Staehli*  
Head of Marketing and Communication



## VENTURE PHILANTHROPY

Neuchâtel, Switzerland

Symbiotics has decided to partner with *1to4*, a venture philanthropy foundation based in Switzerland. Through *1to4*'s *GiftVest* program, early stage social businesses are provided with seed investment capital to start out on their journey to create jobs and/or provide access to products and services for low-income families in developing countries.

This partnership provides Symbiotics with an opportunity to work together and realize synergies with other experienced donors and impact investors in areas such as agriculture, clean energy, fair trade, health care and education.

“*We enjoy Symbiotics' friendly team spirit and thank you all warmly for supporting Paint a Smile over the years*”

” *Laura Cotton*  
Founder

## ART IN HOSPITALS

Geneva, Switzerland

For the past several years, many Geneva staff members have participated in the *Escalade* race in Geneva while supporting the *Paint a Smile Foundation*, a non-profit non-governmental organization whose mission is to liven up the walls of hospitals' and healthcare institutions' pediatric units and elderly homes with colorful paintings done by professional artists.

Since its inception in 2000, *Paint a Smile* has decorated 170 healthcare units in 16 countries around the world.



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