

# EMERGING IMPACT BOND FUND (EIBF)

INVESTING IN INCLUSIVE DEVELOPMENT

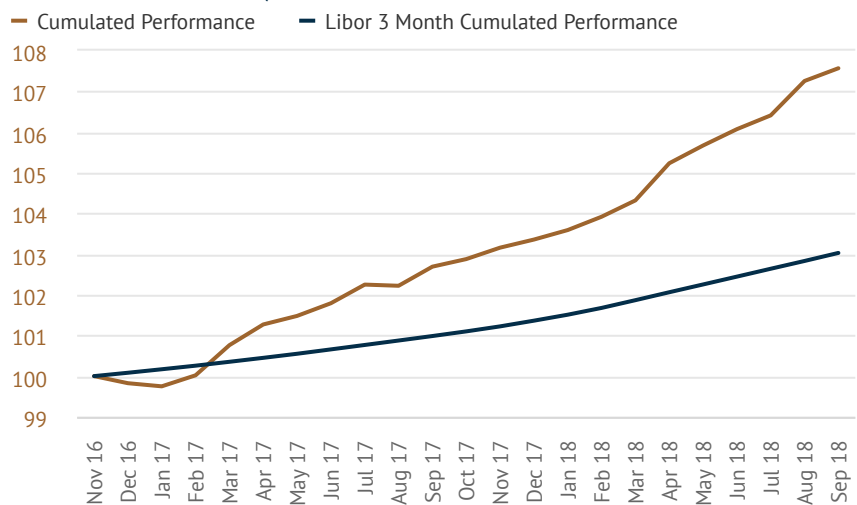
## MANAGER'S COMMENT

The Fund recorded a net return of 0.29% in the B/C share class in September 2018, ending the month with an investment portfolio of USD 10.2 million spread across 30 direct investees in 25 countries, thus maintaining its broad diversification. During the month, the Fund approved its first investments in Mexico for a total of USD 0.35m. Through its portfolio, the Fund finances approximately 7,000 end clients, 40% of which are women and 35% of which live in rural areas.

## MARKET COMMENT

Currencies woes in Turkey (-17% since August) and Argentina (-27%) have led to contagion of listed investments throughout emerging markets. As the Fund has no exposure to Turkey, Argentina and South Africa and its investments denominated in INR are fully hedged, these negative developments did not impact its monthly performance. Also, frontier markets represent the largest geographical exposure of impact investments and appear to be far less impacted. This is due to the lower integration of frontier markets into global financial and trade flows, as well as the restrictive FX management schemes typically followed in those countries. Turkey and Argentina saw their currency plummet on the back of global trade tensions and interest rate normalization in the United States. Turkey reacted late to the turmoil, refusing to raise rates before September. Argentina's more orthodox monetary policy did not result in a better outcome, though the South American country is in a much worse economic situation than Turkey. These were major factors in the concurrent devaluations of Indian rupee (-7%) and the South African rand (-8%), while the Mexican peso and Chinese renminbi remained stable.

## PERFORMANCE EIBF B/C USD



## HISTORICAL NET PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2018</b>	0.23	0.32	0.39	0.88	0.41	0.38	0.32	0.80	0.29	-	-	-	<b>4.08</b>
<b>2017</b>	-0.08	0.27	0.74	0.51	0.21	0.31	0.45	-0.03	0.46	0.18	0.27	0.19	<b>3.54</b>
<b>2016</b>	-	-	-	-	-	-	-	-	-	-	0.06	-0.23	<b>-0.17</b>

## SHARE CLASS PERF.

	B/C USD
Share Value	1 075.69
Monthly	0.29%
Year-to-date	4.08%
Annualized *	3.88%
Since Inception	7.57%
Best Month	0.88%
Worst Month	-0.23%

\* Since inception

## FUND STATISTICS

Sharpe Ratio	2.30
Annualized Volatility	0.97%
Modified Duration	1.40
3-month US Libor Rate	2.40%

## FUND FACTS

Net Asset Value	USDm 11.2
Investment Portfolio	USDm 10.2
Cash & Liquidities	USDm 0.9
Average Investment	USDm 0.3
Weighted Asset Maturity	19.9 months
Number of Countries	25
Number of Investees	30

## LARGEST INVESTEES

	NAV
Sovereign Bond Slovenia, Sloven.	4.63%
TCF, Namibia	4.52%
Improsa, Costa Rica	4.47%
Banco Continental, Paraguay	4.47%
Promerica SAL, El Salvador	4.47%

## IMPACT MEASUREMENT\*

### THEMES

Microfinance	30.8%
SME finance	28.0%
Housing finance	10.6%
Household finance	8.0%
Other	22.6%

### SECTORS

Agriculture	19.2%
Production	4.7%
Trade	19.5%
Services	10.1%
Other	46.6%

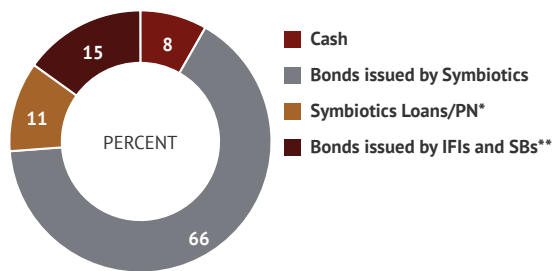
### KEY INDICATORS

**7,198** clients (est.)  
**40%** women  
**35%** rural  
**14,450** average financing size (USD)

\* Excluding bonds issued by International Financial Institutions (IFIs) and Sovereign Bonds.

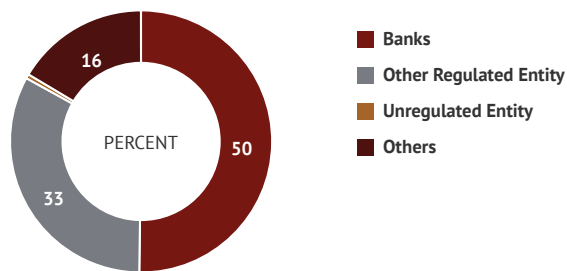
FUND COMPOSITION

ASSET CLASS



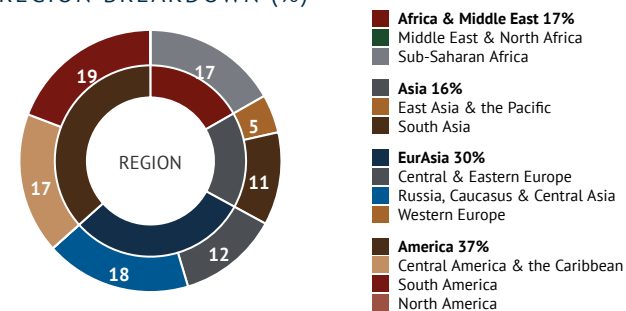
\* Promissory Notes  
 \*\* Sovereign Bonds

INVESTEE TYPE

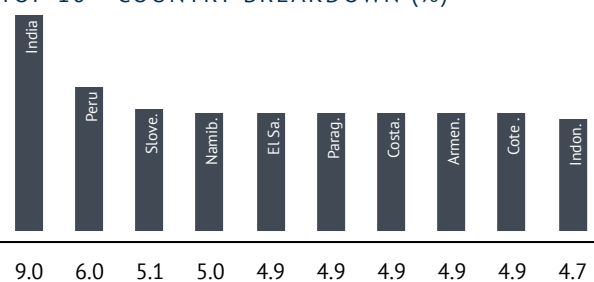


PORTFOLIO ANALYSIS

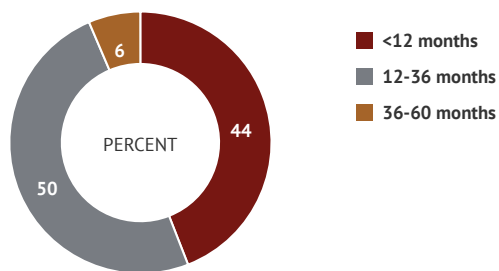
REGION BREAKDOWN (%)



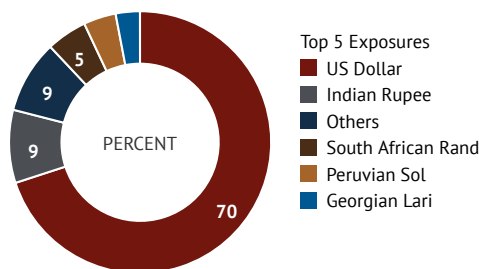
TOP 10 - COUNTRY BREAKDOWN (%)



REMAINING MATURITY BREAKDOWN



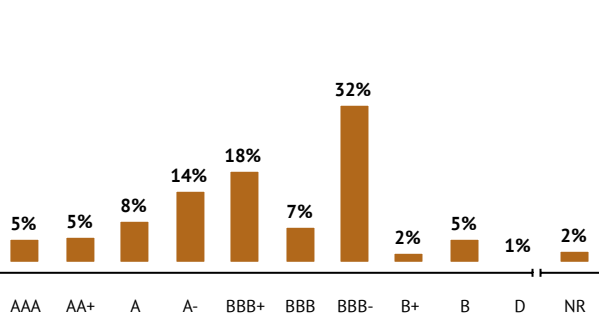
CURRENCY BREAKDOWN \*



\*All local currency investments are hedged.

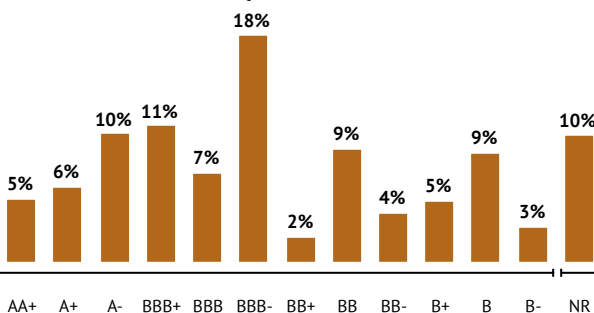
CREDIT RISK BREAKDOWN

Current Portfolio Credit Risk: **BBB+**



COUNTRY RISK BREAKDOWN

Current Portfolio Country Risk: **BBB-**



Source: Internal Symbiotics Methodology.

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