

EMERGING IMPACT BOND FUND (EIBF)

INVESTING IN INCLUSIVE DEVELOPMENT

MANAGER'S COMMENT

The Fund recorded a moderate negative return of -0.09% for the A/C share class in January, ending the month with an investment portfolio of USD 12.6m including no less than 27 different investees in 20 countries. Already at the present moderate portfolio size it has thus achieved a truly global diversification. No new investments were made during the month, with the total fund size at the end of the month reaching USD 15.6m. Through its portfolio, the Fund finances approximately 9700 end clients, 47% of which are women and 29% of which live in rural areas.

MARKET COMMENT

With most Microfinance Institutions' (MFIs) financial statements for 2016 now available, we observe some interesting trends. The most striking is certainly a lower credit volume at the level of the average MFI than in previous years, with senior debt obligations decreasing by 5% despite a growth in total assets of 10%. This is mostly explained by the strong and healthy growth of savings and deposits as well as growing Tier 1 equity. The 50 established MFIs in the SYM50 benchmark index experienced a stronger total assets growth in 2016 (7%) than in 2015 (4.4%), in both cases however well below the 18% of 2014. Profitability decreased slightly in 2016 with RoE at 8.5%, which is in part explained by a lower but still acceptable portfolio quality (the 30-day Portfolio at Risk ratio, PAR30, increased to 4.9% in 2016 from 4.3% in 2015), leading to higher provisioning and loan loss reserves. Overall however, despite a few negative trends, MFIs in the SYM50 index continue to perform well, remaining profitable, well capitalized and strongly positioned in the lower segments of the market, as illustrated by a stable average loan size to end clients of on average USD 3,000.

PERFORMANCE EIBF A/C - USD*

The performance chart will be available 6 months after the launch of this share class.

* From December 2016

HISTORICAL NET PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-0.09	-	-	-	-	-	-	-	-	-	-	-	-0.09
2016	-	-	-	-	-	-	-	-	-	-	-	-0.12	-0.12

SHARE CLASS PERF.

	A/C - USD
Share Value	997.91
Monthly	-0.09%
Year-to-date	-0.09%
12 Months	-
Since Inception	-0.21%
Best Month	-0.09%
Worst Month	-0.12%

FUND STATISTICS

Sharpe Ratio	n/a*
Annualized Volatility	n/a*
Modified Duration	2.56 years
3-Month Risk-Free Rate**	1.04%

* There is insufficient data to provide a meaningful indicator
 ** 3-Month Libor

FUND FACTS

Net Asset Value	USDm 15.6
Investment Portfolio	USDm 12.6
Cash & Liquidities	USDm 2.6
Average Investment	USDm 0.4
Weighted Asset Maturity	29.1 months
Number of Countries	20
Number of Investees	27

LATEST INVESTMENTS

	USD
Abaco, Peru	0.4m
Pan Asia, Sri Lanka	0.3m
KMF, Kazakhstan	0.8m
ADB, Philippines	0.5m
IFC, United States	0.5m

IMPACT MEASUREMENT*

THEMES

Microfinance	32.0%
SME finance	25.5%
Housing finance	8.5%
Household finance	12.4%
Other	21.6%

SECTORS

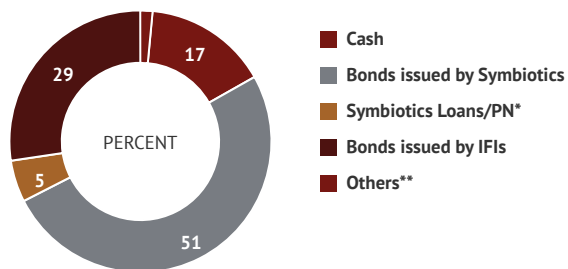
Agriculture	8.6%
Production	3.8%
Trade	27.8%
Services	13.6%
Other	46.2%

KEY INDICATORS

9,743 clients (est.)
47% women
29% rural
21,021 average financing size (USD)

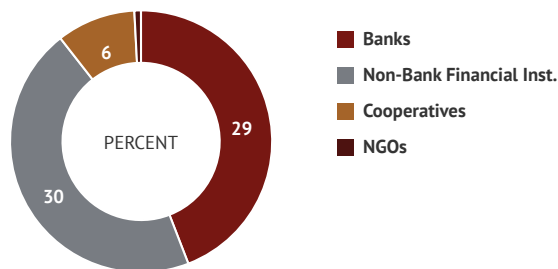
FUND COMPOSITION

ASSET CLASS



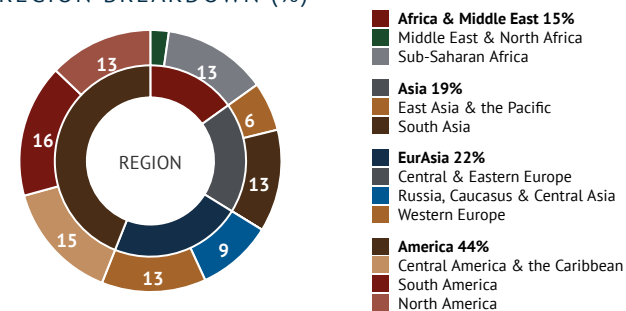
* Promissory Notes
 ** Includes Financial Instruments and Other Assets

INVESTEY TYPE

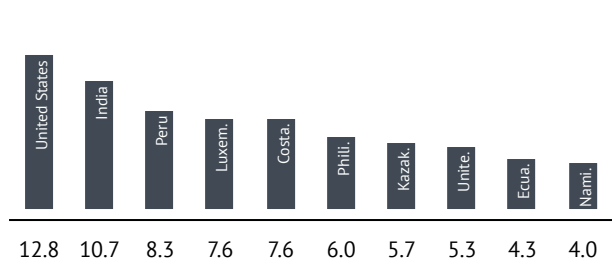


PORTFOLIO ANALYSIS

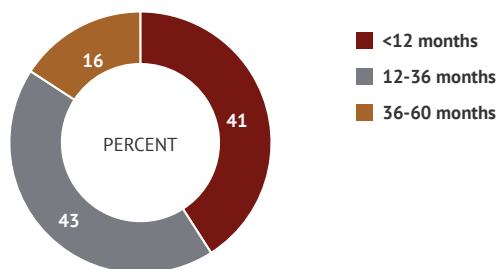
REGION BREAKDOWN (%)



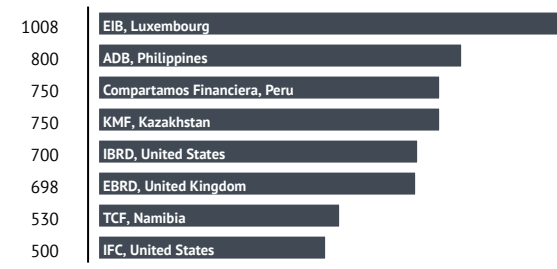
TOP 10 - COUNTRY BREAKDOWN (%)



REMAINING MATURITY BREAKDOWN

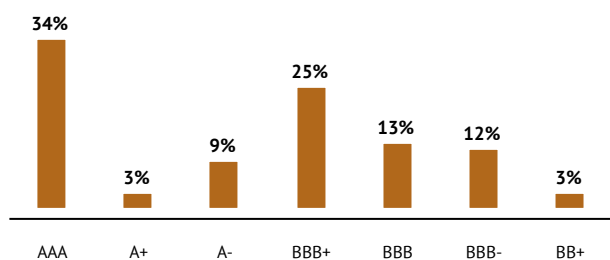


LARGEST INVESTMENTS (USD'000)



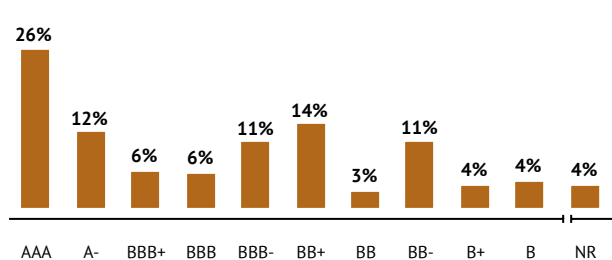
CREDIT RISK BREAKDOWN

Current Portfolio Credit Risk: **AAA**



COUNTRY RISK BREAKDOWN

Current Portfolio Country Risk: **A-**



Source: Internal Symbiotics Methodology.

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