

# EMERGING IMPACT BOND FUND (EIBF)

## INVESTING IN INCLUSIVE DEVELOPMENT

### MANAGER'S COMMENT

The Fund recorded a return of 0.00% for the C/C share class in June, ending the month with an investment portfolio of USD 7.1m, including no less than 20 different investees across 17 countries. Already at the present moderate portfolio size it has thus achieved a broad diversification. No new investments were made during the month under review.

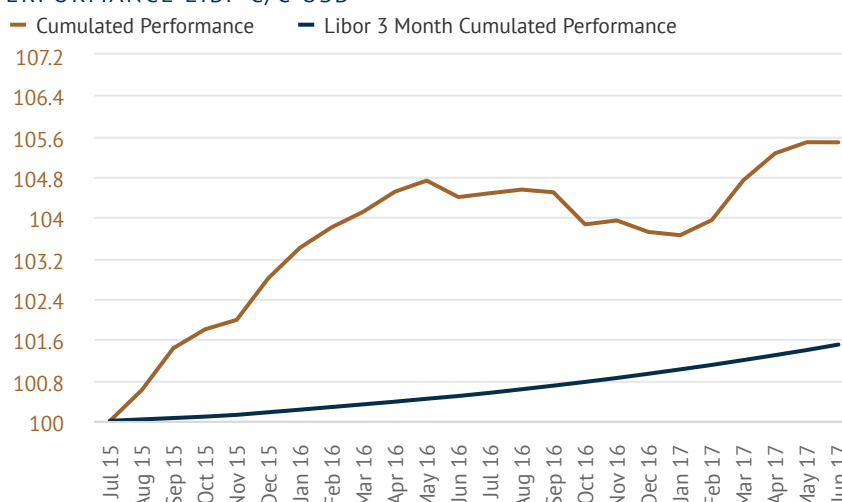
Through its portfolio, the Fund finances approximately 8,951 end clients, 47% of which are women and 29% of which live in rural areas.

### MARKET COMMENT

While not yet an investee country in the Fund, Myanmar has recently become an investment country in the microfinance industry. The market is still at an early stage, with most microfinance institutions (MFIs) having been incorporated in the last five years, with few (and small) exceptions. Myanmar currently sees high economic growth in excess of 7% p.a. and has a total population of over 50 million, yet more than 70% of the population is estimated not to have any access to financial services. This is explained notably by heavy regulatory constraints, among which the most problematic ones are interest caps on lending and savings rates, making it difficult for MFIs to run profitably. Symbiotics will closely follow developments in this new exciting market that at some point may well become an investment market also for EIBF.

On July 1st India moved to a single indirect tax regime – the Goods and Services Tax (GST), cancelling 17 central, state and local body taxes and thus eliminating inefficiencies in the tax system. The impact on the financial services sector is likely to be limited though tax rates on some bank transactions will increase from 15% to 18%. MSMEs might be impacted but only in the short term.

### PERFORMANCE EIBF C/C USD



### HISTORICAL NET PERFORMANCE (%)

|             | Jan   | Feb  | Mar  | Apr  | May  | Jun   | Jul  | Aug  | Sep   | Oct   | Nov  | Dec   | YTD         |
|-------------|-------|------|------|------|------|-------|------|------|-------|-------|------|-------|-------------|
| <b>2017</b> | -0.06 | 0.29 | 0.76 | 0.51 | 0.21 | 0.00  | -    | -    | -     | -     | -    | -     | <b>1.70</b> |
| <b>2016</b> | 0.58  | 0.39 | 0.30 | 0.38 | 0.21 | -0.31 | 0.07 | 0.07 | -0.05 | -0.60 | 0.07 | -0.22 | <b>0.88</b> |
| <b>2015</b> | -     | -    | -    | -    | -    | -     | 0.00 | 0.60 | 0.82  | 0.37  | 0.18 | 0.80  | <b>2.80</b> |

### SHARE CLASS PERF.

|                 | C/C USD  |
|-----------------|----------|
| Share Value     | 1 054.77 |
| Monthly         | 0.00%    |
| Year-to-date    | 1.70%    |
| Annualized *    | 2.70%    |
| Since Inception | 5.48%    |
| Best Month      | 0.82%    |
| Worst Month     | -0.60%   |

\* Since inception

### FUND STATISTICS

|                       |       |
|-----------------------|-------|
| Sharpe Ratio          | 1.46  |
| Annualized Volatility | 1.66% |
| Modified Duration     | 2.11  |
| 3-month US Libor Rate | 1.30% |

### FUND FACTS

|                         |             |
|-------------------------|-------------|
| Net Asset Value         | USDm 7.9    |
| Investment Portfolio    | USDm 7.1    |
| Cash & Liquidities      | USDm 0.8    |
| Average Investment      | USDm 0.4    |
| Weighted Asset Maturity | 27.1 months |
| Number of Countries     | 17          |
| Number of Investees     | 20          |

### LATEST INVESTMENTS

|                     |      |
|---------------------|------|
| Abaco, Peru         | 0.4m |
| Pan Asia, Sri Lanka | 0.3m |
| KMF, Kazakhstan     | 0.4m |
| IBRD, United States | 0.5m |
| HFC Limited, Kenya  | 0.4m |

### IMPACT MEASUREMENT\*

#### THEMES

|                   |       |
|-------------------|-------|
| Microfinance      | 32.6% |
| SME finance       | 25.1% |
| Housing finance   | 9.4%  |
| Household finance | 8.2%  |
| Other             | 24.6% |

#### SECTORS

|             |       |
|-------------|-------|
| Agriculture | 11.6% |
| Production  | 4.3%  |
| Trade       | 27.7% |
| Services    | 13.1% |
| Other       | 43.3% |

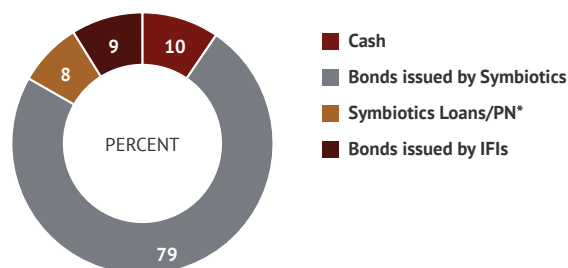
#### KEY INDICATORS

**8,951** clients (est.)  
**47%** women  
**29%** rural  
**13,849** average financing size (USD)

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

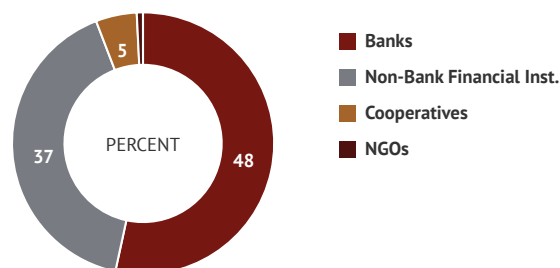
## FUND COMPOSITION

### ASSET CLASS



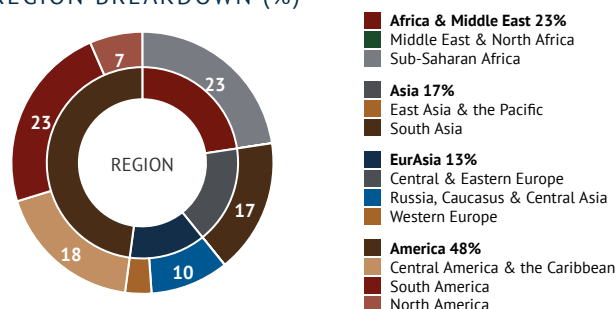
\* Promissory Notes

## INVESTEES TYPE

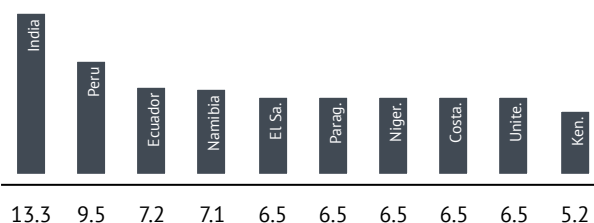


## PORTFOLIO ANALYSIS

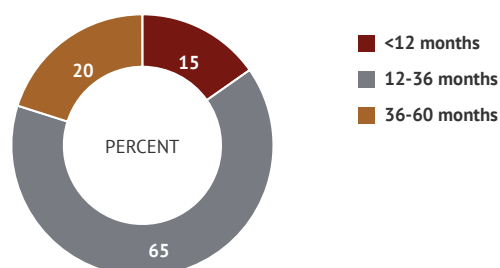
### REGION BREAKDOWN (%)



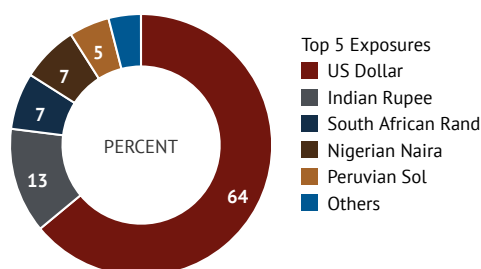
### TOP 10 - COUNTRY BREAKDOWN (%)



### REMAINING MATURITY BREAKDOWN

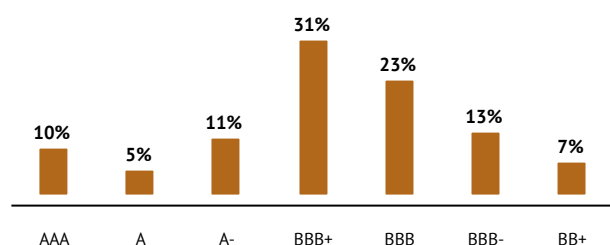


### CURRENCY BREAKDOWN \*

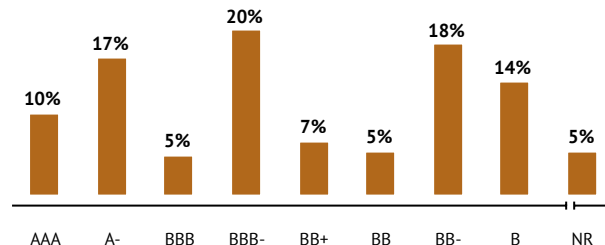


\*All local currency investments are hedged.

### CREDIT RISK BREAKDOWN

Current Portfolio Credit Risk: **BBB+**

### COUNTRY RISK BREAKDOWN

Current Portfolio Country Risk: **BBB-**

Source: Internal Symbiotics Methodology.

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