

Dear Clients and Partners,

Your Monthly Client Memo is available below. If you have missed any of the previous Memos, you can access them via this link: symbioticsgroup.com/monthly-update.

As the war in Ukraine continues, we have been closely monitoring our investments across the region on a case-by-case basis. It is expected that the Caucasus and Central Asia will be affected economically and in terms of currency stability. We are in the process of performing country and investee stress tests to determine their sensitivity to the consequences of the war.

We continue to support investees and to carry out on-the-ground due diligence visits across the region. At present, institutions continue to do well and do not show signs of undergoing credit issues. Symbiotics is closely coordinating its approach with its peers across the private debt sector - as we did during the Covid pandemic - with the aim to continue to invest in support of those that need it the most, driven by the bigger picture and not distracted by temporary volatility.

While the performance of the hard currency/hedged portfolios remained stable, the local currency portfolios posted slightly negative performance in February following the depreciation of some currencies with close ties to the ruble. This negative move was however mitigated by high diversification, currency appreciation in some emerging markets and high coupons, maintaining year-to-date performance in positive territory. We believe that our expertise in investing in the real economies of emerging and frontier economies, historically not as affected by geopolitical turmoil, is crucial in times of volatility.

Our monthly update:

- **Macroeconomic update:** Reduction of remittances from - and trade with - Russia is expected to have an effect on GDP growth of countries in Central Asia and the Caucasus. Kyrgyzstan and Tajikistan are expected to be hit the most while, by contrast, the impact on Uzbekistan and Moldova should be limited. Surging food prices have affected Ghana, Sri Lanka and also urban Egypt and Colombia, sending the countries' inflation above targets. On the upside, Uganda is set to receive USD 127 million support from the IMF as a part of a USD 1 billion program. China set its 2022 GDP growth target at 5.5%, accompanied by a more vigorous fiscal stimulus to counter risks from an ongoing property market slump, COVID-19 outbreaks, and rising geopolitical tensions.
- **Currencies & interest rates:** The war in Ukraine has impacted economies in different ways, depending on a multitude of factors such as remittances, commodity (in)dependence or food imports. In Central Asia, some currencies (Kyrgyzstan, Kazakhstan, Tajikistan) are down heavily year-to-date, whereas others have been relatively stable (Armenia, Uzbekistan). Elsewhere in the world, the Indian rupee tumbled on the back of surging oil prices while Peruvian Sol, Colombian Peso and South African Rand appreciated since the beginning of the year.
- **Demand:** Symbiotics disbursed USD 41.1 million to 14 institutions in February 2022. We witnessed the strongest origination in Asia (49% of all loans), Latin America (32%), followed by Europe and Central Asia (13%) and Africa (7%). In addition, we are working on new innovative deals in sectors such as renewable energy (Greenlight Planet – provider of low-cost home use solar generators) and fintech (Wave – a digital finance provider to underprivileged regions across Africa).

Should you have any questions or feedback, please contact your relationship manager.

Sincerely,
Symbiotics