

Dear Clients and Partners,

Below is our investment update for April 2022. Previous updates can be accessed via symbioticsgroup.com/monthly-update.

Our monthly update:

The global economy and markets remain bathed in uncertainty with geopolitical tensions, inflationary pressure increasing; rising rates in the United States causing a ripple effect across global markets and continued concern over the war in Ukraine.

Demand continues to be strong amongst the financial institutions in our target markets; we continue to see growth and the quality of our financial institutions and loan partners remains stable. As part of our continuous stress model development, we have recently adapted certain factors to improve how we account for the impact of currency depreciation.

- **Macroeconomic update:** The month of April has seen continued high inflation across the globe; U.S. inflation came in at 8.5%, the highest in four decades, feeding expectations that the Fed will implement its fastest tightening since 1994. In Asia Sri Lanka warned of default and will suspend all outstanding payments to bond holders, bilateral creditors and institutional lenders until a debt restructure. Zambia began talks to restructure as much as USD 17 billion of external debt, and now needs creditors to participate. Elsewhere in Africa, Fitch affirmed a stable outlook for the Ivory Coast (BB- rating), reflecting expectations of stabilizing government debt, and inflation began to decelerate in Tanzania. In Latin America, Peru's foreign debt touched record lows with a wave of social unrest and quickening inflation rocking the market.
- **Currencies and interest rates:** Rising interest rates are the common theme this month with many countries taking measures to tame inflation. The Central Bank of Sri Lanka raised its policy rate to fight the ongoing economic crisis and a Rupee particularly susceptible to commodities. Pakistan's central bank raised interest rates with escalating political chaos and higher global oil prices threatening a full-scale economic crisis. The Turkish Lira is increasingly vulnerable with inflation soaring to a two-decade high in March, reaching 61.1% year-on-year. In Latin America, Peru raised interest rates to a 13-year high of 4.5% to tame inflation and stabilize the Sol. We saw increases over the month for currencies including the Cambodia riel, the Georgia lari and Mexico peso. We remain cautious with regard to countries neighboring Russia as the impact of the ongoing war affects local currencies.
- **Demand:** Notwithstanding the challenging environment demand for investment continues to be strong, illustrating the resilience of our asset class. Symbiotics disbursed USD 88 million to 21 institutions in April 2022, compared to 76 million in April 2021 (amounting to USD223 million year-to-date versus USD 216.8 million in 2021). The strongest origination for the month came from Africa (37% of all loans), followed by Asia (32%), Latin America (19%), and Europe and Central Asia (13%).

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

Sincerely,
Symbiotics