

Dear Clients and Partners,

This message follows our four previous weekly memos, which you can all consult here:

<https://symbioticsgroup.com/covid-19/>

The key overview elements of this fifth week into the pandemic for us are the following:

- **Payments collection:** We continue to collect payments as due. We have one payment default that arose last week in Central America, but none otherwise since the pandemic outbreak.
- **Liquidity management:** We continue to see increased liquidity management discussions with our borrowers, in particular on renewal confirmations or rescheduling requests. We count 32 such cases, out of 286 investees, or 10% of the portfolio volume. All such cases, to the exception of one, are classified after independent review as "liquidity cases" rather than "solvency cases", and as a consequence haven't necessitated provisioning recommendations at this stage. The exception concerns a lower tier microfinance operation in the Caucasus region.
- **Industry concertation:** We continue to take an active leading role in microfinance and impact banking debt origination groups, in order to streamline communication and coordination on rescheduling requests and liquidity needs, negotiating payment forbearances and concerted renewals, rather than standstill agreements, and the default work-outs they would trigger.
- **Stress tests:** We are currently running stress tests on all liquidity cases, as well as all on borrowers up for renewals or new investments. Our credit team has validated 56 institutions to date, and plans to continue this effort to assist portfolio managers in their decisions.
- **New investments:** We haven't disbursed any new investments over the past week. We nevertheless continue to see opportunities in many countries, with a selective number of stronger institutions. We are currently working on a pipeline of new deals for April, adapted to the new reality, which includes for instance South East Asia markets, West African markets, as well as some Latin American countries. We will be sharing more on this as it unfolds.
- **Liquidity solutions:** We are taking a double proactive approach in offering new solutions to the market. For the top tier institutions, we plan on identifying opportunistic bond syndications, possibly co-investing with development banks, to reinforce their position in their markets. For the larger bulk of borrowing partners, we plan to issue liquidity impact bonds pooling loan renewals together, to allow our funds to co-invest with selected development banks and multilateral banks. We are actively discussing these opportunities with several of them, and will keep you informed on such options.

We are also now producing for each fund and client: weekly portfolio risk reviews, complemented with customized top down macro views and bottom up market highlights. Please liaise with your relationship manager for portfolio specific information or any other request or comment needed in this heightened communication and reporting period with investors. We thank you again for your continued trust and resilience in these unusual times.

Yours sincerely,
Symbiotics