

Invest in Visions IIV Mikrofinanzfonds

Germany's first microfinance fund

AS OF: OCTOBER 31ST, 2018

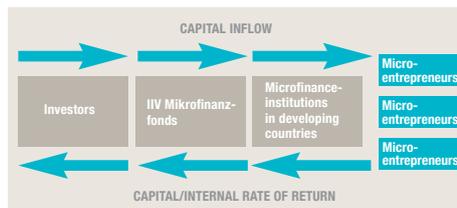
Performance

During the month of October, the IIV Mikrofinanzfonds invested 4.75 million USD in microfinance institutions located in Ecuador, El Salvador Kyrgyzstan and Peru.

The return during this month amounts to 0.18 percent in share class R and to 0.22 percent in share class I. Therewith, the fund has achieved a positive return of 2.15 percent p.a. in share class R and 2.65 p.a. in share class I since its inception in October 2011.

Investment Strategy

The fund invests in loans to microfinance institutions (MFIs) in developing countries. The focus is on small- and medium-sized MFIs, particularly in rural areas. The MFIs are the interface between the IIV Mikrofinanzfonds and the final borrowers. Hence, the MFIs must be chosen very carefully. The selection process includes a country-, financial- and sector analysis and a visit on site. Besides the financial figures, loan-, default- and exchange risks and the management quality are evaluated, too. Only those MFIs that meet the required ethical and social criteria are considered for investment.



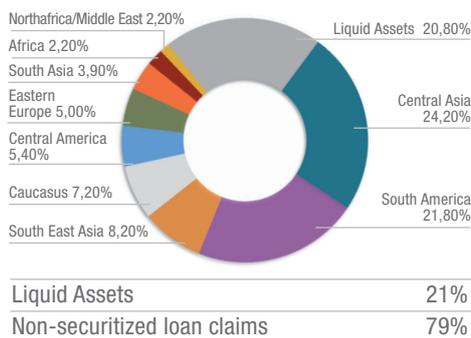
Fund facts

Fund name:	IIV Mikrofinanzfonds
Fund type:	Public Investment Fund ('special assets' as §220 German capital investment law)
Fund currency:	EUR/secured
Investment vehicle:	Non-securitized loan claims
Minimum deposit:	Private investor (R-Class): 100 EUR Institutional investor (I-Class): 30.000 EUR
Front-end load:	R-Class: 3% I-Class: 1%
Administration charge:	R-Class: 1,4% p.a. I-Class: 0,9% p.a.
Total Expense Ratio (TER)***:	R-Class: 1,97% p.a. I-Class: 1,47% p.a.
Performance Fee:	none
Subscription:	Monthly, every month until the 20th calendar day before the relevant end of the month
Redemption:	The 20th of the preceding month for the relevant end of the quarter
Price calculation:	Monthly
Valuation date:	End-of-month value
Investment Trust	HANSAINVEST Hanseatische Investment-GmbH, Kapstadtring 8, 22297 Hamburg www.hansainvest.com
Depository Bank:	Donner & Reuschel Aktiengesellschaft
Fundmanager:	Invest in Visions GmbH
ISIN:	R-Class: A1H44T I-Class: A1H44S
ISIN:	R-Class: DE000A1H44T1 I-Class: DE000A1H44S3

Performance and Key Figures

	R-Class	I-Class
Equity price	98,92 EUR	979,73 EUR
Fund volume in m	263,8 EUR	350,1 EUR
Fund volume total in m	625,1 EUR	
Month	0,18%	0,22%
Current year	1,05%	1,48%
Since launch p.a.*	2,15%	2,65%
Revenue	distributing	
Volatility (ann.)	0,59%	0,59%
Sharpe Ratio**	1,97	2,77
Max. Drawdown	-0,14%	-0,10%

Target Regions



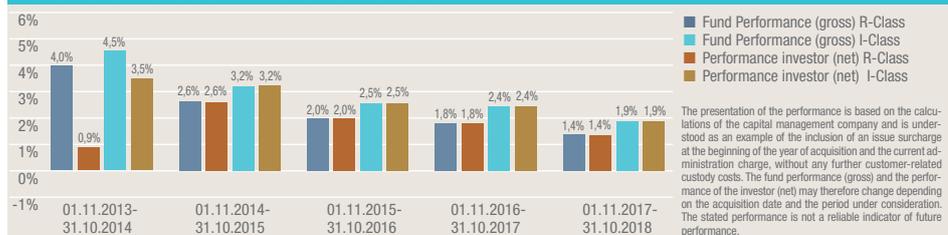
Country Weighting (TOP 5)

Ecuador	13,69%
Mongolia	7,77%
Kyrgyzstan	7,18%
Cambodia	6,05%
Georgia	4,19%

Development of Fund Volume



Fund Performance 01.11.2013 - 31.10.2018



Performance History

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Year
2018-R	-0,01	0,11	0,03	0,14	0,13	0,09	0,14	0,06	0,16	0,18			1,05
2018-I	0,04	0,15	0,07	0,18	0,17	0,14	0,18	0,10	0,21	0,22			1,48
2017-R	0,05	0,21	0,14	0,37	-0,01	0,03	0,28	0,09	0,25	0,11	0,03	0,30	1,85
2017-I	0,09	0,25	0,18	0,41	0,03	0,07	0,32	0,13	0,29	0,15	0,07	0,34	2,36
2016-R	0,10	0,31	0,09	0,25	0,12	0,23	0,04	0,09	-0,12	0,39	0,24	0,07	1,82
2016-I	0,15	0,34	0,14	0,28	0,16	0,27	0,08	0,14	-0,07	0,43	0,29	0,11	2,33

*October 2011 ** Sharpe Ratio calculated using a risk free interest rate of 1%

*** As of 30.9.2017

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Market Overview

The Kyrgyz Republic is a land-locked Central Asian country and has a population of 6.2 million. In 2010, the former Soviet Republic has turned into the region's first parliamentary democracy. Due to its size and geographical characteristics Kyrgyz Republic is dependent on stable foreign relationships with its neighboring countries. The economy of the country has a low level of diversification and is therefore vulnerable to external shocks. Real GDP (gross domestic product) growth is projected to grow by 3.1 percent in 2018. Today, approximately 1 million Kyrgyzes are working abroad. Their remittances are a major share of economic output and account for 32.9 percent of GDP.

Mineral resources and agriculture are the driving forces of the economy. Gold accounts for 10 percent of total GDP and is the most important foreign exchange earner. Almost 50 percent of the labor force is employed in the farming sector. Pro-poor growth and targeted social reforms help to lower poverty and inequality. Nevertheless, the number of people living below the poverty line remains at almost one fifth of the population.

To support the development, the microfinance institute (MFI) JSC RSK Bank serves marginalized economic actors to access financial services. The MFI started its operations in 1996 and currently lends to around 24,530 clients, holding a gross loan portfolio of approximately USD 155.1 million. The MFI disburses loans with an average size of USD 6,258.

Tashbaeva Nazira is a micro-entrepreneur who began selling women's clothing at markets of the Kyrgyz capital in 2011. Her first microloans from RSK Bank averaged USD 6,500. The loans provided her the opportunity to invest in a small sewing store and expand the product line. She was successful and her company grew. In 2014, she began exporting her clothing to Russia. Today she employs a total of 25 people.



In October, the IIV Mikrofinanzfonds disbursed a USD 3 million loan to RSK Bank.

Social Indicators		Sector Shares	
Number of microentrepreneurs	212.606	Services	40%
Share Women	60%	Agriculture	20%
Share Men	40%	Production	6%
Average loan amount	3.159 USD	Others	34%

Risk Management of the Fund

The risk management of the fund ensures a thorough and comprehensive monitoring of the general and specific risks. With the help of in-house developed rating tools are the credit risks measured and controlled. Currency risks are to a large extent hedged. To diversify the risks, the investments are subject to certain restrictions:

Maximum investment per MFI:	10% of the total assets of the IIV Mikrofinanzfonds
Maximum country weighting:	15% of the total assets of the IIV Mikrofinanzfonds
Selection Criteria:	Size of total assets, equity base, loan portfolio quality, profitability and social return

Chances and Risks

Chances

- Low correlation with other asset classes
- Low volatility
- Portfolio diversification
- Social return

Risks

- Country risk
- Credit and interest rate risk
- Limited liquidity
- Currency risk

Philosophy

Aggressive profit-seeking can do harm to microfinance. We thus look for profitable microfinance institutions with a sustainable focus – and not pure profit maximization.

Through our thorough social audit, e.g. reasonable interest rates, transparent credit consultations, coverage of rural areas or the advancement of women, we ensure the social focus of our investments.

The MFIs guarantee these social standards by signing the 'Client Protective Principles' of the SMART Campaign. These principles include the prevention of over-indebtedness or respectful treatment of clients, especially during loan sales and debt collection processes.



Signatory of:



Keeping clients first in microfinance



General information

Fund domicile:	HANSAINVEST Hanseatische Investment-GmbH, Kapstadt-ring 8, 22297 Hamburg
Accounting Guidelines:	German Commercial Code
Fiscal Year:	October 1st until September 30th (First fiscal year: Start: 10/10/2011 End: 30/09/2012)
Regulatory Authority:	Federal Financial Supervisory Authority (BaFin), Germany
Accounting firm:	KPMG AG, Tersteegenstr. 19-31, 40474 Düsseldorf, Germany

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