

## Invest in Visions IIV Mikrofinanzfonds

Germany's first microfinance fund

AS OF: DECEMBER 31<sup>ST</sup>, 2018

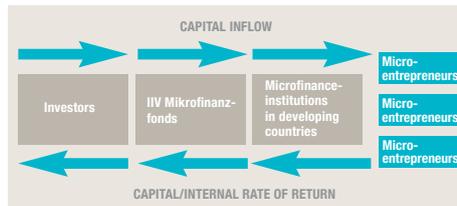
### Performance

During the month of December, the IIV Mikrofinanzfonds invested 20.2 million USD and 22 million Euro in microfinance institutions located in Albania, Armenia, Ecuador, El Salvador, Kyrgyzstan, Mexico, Peru and Uzbekistan.

The return during the calendar year 2018 amounted to 1.56 percent in share class I and to 1.06 percent in share class R. Therewith, the fund has achieved a positive return of 2.60 percent p.a. in share class I and 2.11 p.a. in share class R 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.



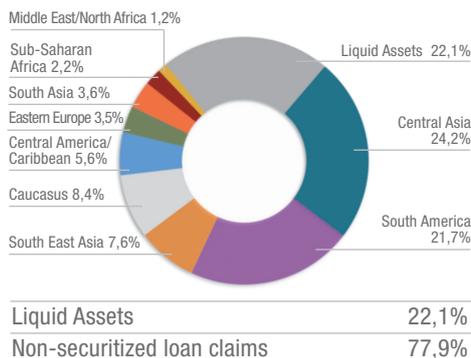
### Fund facts

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: 2,01% p.a. I-Class: 1,51% 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	97,93 EUR	968,54 EUR
Fund volume in m	272,3 EUR	377,8 EUR
Fund volume total in m	661,5 EUR	
Month	-0,01%	0,03%
Current year	1,06%	1,56%
Since launch p.a.*	2,11%	2,60%
Revenue	distributing	
Volatility (ann.)	0,59%	0,59%
Sharpe Ratio**	1,89	2,69
Max. Drawdown (curr. year)	-0,33%	-0,31%

### Target Regions



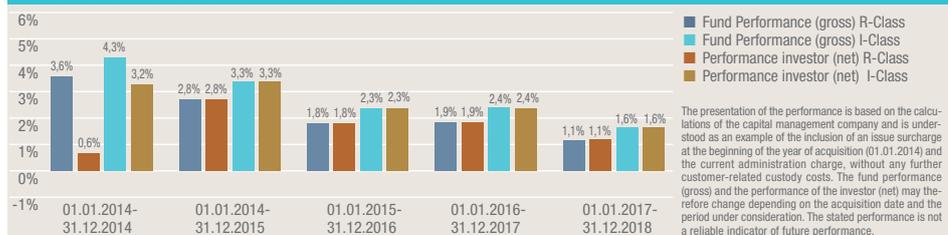
### Country Weighting (TOP 5)

Ecuador	13,06%
Kyrgyzstan	6,46%
Mongolia	6,00%
Cambodia	5,60%
Uzbekistan	4,85%

### Development of Fund Volume



### Fund Performance 01.01.2014 - 31.12.2018



### 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	0,02	-0,01	1,06
2018-I	0,04	0,15	0,07	0,18	0,17	0,14	0,18	0,10	0,21	0,22	0,06	0,03	1,56
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 30.9.2018

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### Market Overview

Uzbekistan is a land-locked country located in Central Asia and has a population of 32.9 million. Since the new President Shavkat Mirziyoyev was elected two years ago, the former Soviet republic has been in a phase of economic and political change. After years of isolation the government has made rapid progress in liberalizing the country. The reforms included, among others, the implementation of a floating exchange rate, the simplification of visa requirements and the deepening of foreign policy relations.

In 2019, the average gross domestic product is expected to grow by 5 percent. A favorable business climate and increasing private investments are the major drivers for the continued growth. Despite the progress, the risk of being affected by poverty is still high for many Uzbeks. Low wages, lack of long-term employment and fluctuating consumer prices make life difficult for people.

To support the positive economic development, the MFI Hamkor Bank serves marginalized economic actors to access financial services. The MFI started its operations in 1991 and currently lends to around 167,963 clients, holding a gross loan portfolio of approximately USD 576 million. The MFI disburses loans with an average size of USD 3,307.

Ochilov Sunnatilla owns and operates a grocery store in Tashkent. In 2015, he received his first loan through the MFI Hamkor Bank. With the money he rented a larger market stall and was able to offer a wider range of products. Two years later, he received another loan and built his own shop. Today, in addition to food, he also sells household goods. The loans provided him the opportunity to grow his business and to improve his family's living condition.



In December the IIV Mikrofinanzfonds disbursed a EUR 20 million loan to the MFI Hamkor Bank.

Social Indicators		Sector Shares	
Number of microentrepreneurs	228.646	Services	36%
Share Women	52%	Agriculture	19%
Share Men	48%	Production	7%
Average loan amount	2.936 USD	Others	38%

### 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:



### 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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