

Invest in Visions IIV Mikrofinanzfonds

Germany's first microfinance fund

AS OF: JANUARY 31ST, 2019

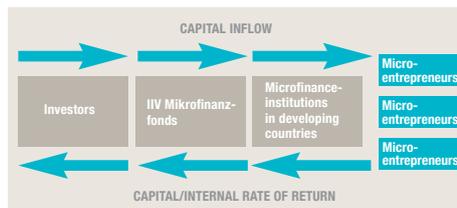
Performance

During the month of January, the IIV Mikrofinanzfonds invested 10.5 million USD in microfinance institutions located in Armenia and Ecuador.

The return during this month amounts to 0.11 percent in share class I and to 0.08 percent in share class R. Therewith, the fund has achieved a positive return of 2.58 percent p.a. in share class I and 2.09 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.



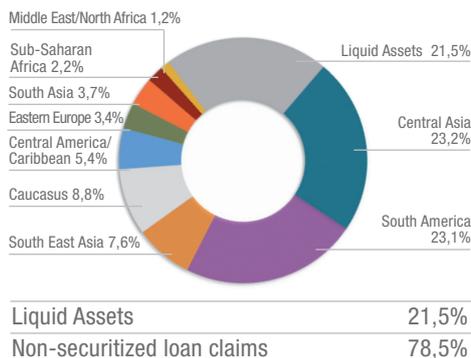
Fund facts

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%
Depository Bank fee ⁴ :	R-Class: 0,05% I-Class: 0,05%
Administration charge ⁵ :	R-Class: 1,4% p.a. I-Class: 0,9% p.a.
Total Expense Ratio (TER) ⁶ :	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, Kapstadttring 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	98,01 EUR	969,36 EUR
Fund volume in m	272,9 EUR	372,4 EUR
Fund volume total in m	656,8 EUR	
Month	0,08%	0,11%
Current year	0,08%	0,11%
Since launch p.a. ¹	2,09%	2,58%
Revenue	distributing	
Volatility (ann.)	0,58%	0,59%
Sharpe Ratio ²	1,87	2,68
Max. Drawdown (curr. year)	-0,03%	-0,03%

Target Regions



Country Weighting (TOP 5)

Ecuador	14,79%
Kyrgyzstan	6,49%
Cambodia	5,63%
Mongolia	4,93%
Uzbekistan	4,88%

Development of Fund Volume in m



Fund Performance 01.01.2014 - 31.12.2018



Performance History³

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Year
2019-R	0,08												0,08
2019-I	0,11												0,11
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

¹October 2011 ²Sharpe Ratio calculated ³using a risk free interest rate of 1% ⁴Calculation based on BVI-Method

⁵Included in TER ⁶Up to 1,8% ⁷As of 30.9.2018

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Market Overview

Ecuador has 16.5 million inhabitants. In proportion to its area, the country between the Pacific and the Amazon has an astonishing diversity: it is geographically, topographically, climatically and ethnically one of the most diverse countries in the world. In economic terms, the Andean Republic experienced a long period of steady growth. Gross domestic product (GDP) increased by 4.3 percent annually between 2006 and 2014. Over the same period, the poverty rate fell from 37.6 percent to 22.5 percent. The high price of oil and external sources of finance spurred economic growth.

The structural failures of the past and the decline in oil prices have caused challenges to the country ever since. Fortunately, in recent years the Ecuadorian government has launched reforms to consolidate the budget and strengthen the private sector. We expect austerity to become an economic challenge, especially for lower income groups.

To support the economic development, the MFI Banco Desarrollo serves marginalized economic actors to access financial services. The MFI started its operations in 1998 and currently lends to around 49,607 clients, holding a gross loan portfolio of approximately USD 576 million. The MFI disburses loans with an average size of USD 6,253.

Alberto Misque Morocho is a dairy producer and owner of a cattle breed. With his family he lives on the fertile foothills of the Ecuadorian Andes. Alberto has been a client of Banco Desarrollo since 2005. Since then he has received a total of five micro-loans. He used the loans to acquire land together with other families and purchase equipment for milk production and cheese production. The micro-loans gave Alberto the opportunity to build a solid foundation for his business and to expand it successively.



In January the IIV Mikrofinanzfonds disbursed a USD 2.5 million loan to the MFI Banco Desarrollo.

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:



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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