

## Invest in Visions IIV Mikrofinanzfonds

Germany's first microfinance fund

AS OF: FEBRUARY 28<sup>TH</sup>, 2019

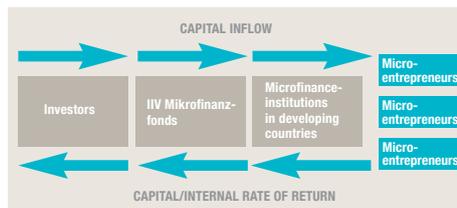
### Performance

In February, the IIV Mikrofinanzfonds invested 7.1 million USD and 8.6 million Euro in microfinance institutions (MFIs) located in Albania and Cambodia.

The IIV Mikrofinanzfonds achieved a monthly return of 0.08 percent in share class I and 0.03 percent in share class R in January. As a result, the fund has achieved a positive return of 2.56 percent p.a. in share class I and 2.07 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.



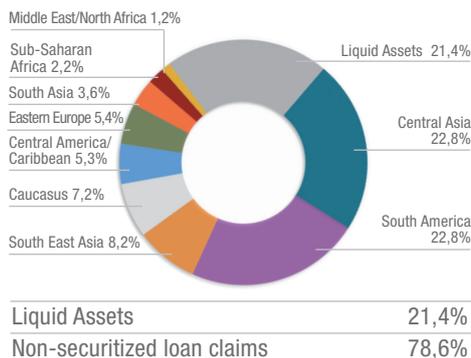
### Fund facts

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 <sup>4</sup> :	R-Class: 0,05% I-Class: 0,05%
Administration charge <sup>5</sup> :	R-Class: 1,4% p.a. I-Class: 0,9% p.a.
Total Expense Ratio (TER) <sup>6</sup> :	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	98,04 EUR	970,42 EUR
Fund volume in m	278,6 EUR	376,0 EUR
Fund volume total in m	666,2 EUR	
Month	0,03%	0,08%
Current year	0,11%	0,19%
Since launch p.a. <sup>1</sup>	2,07%	2,56%
Revenue	distributing	
Volatility (ann.)	0,61%	0,61%
Sharpe Ratio (since inc.) <sup>2</sup>	2,44	2,95
Max. Drawdown (curr. year)	-0,03%	-0,03%

### Target Regions



### Country Weighting (TOP 5)

Ecuador	14,64%
Kyrgyzstan	6,42%
Cambodia	6,23%
Mongolia	4,87%
Uzbekistan	4,82%

### Development of Fund Volume in m



### Fund Performance 01.03.2014 - 28.2.2019



### Performance History<sup>3</sup>

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Year
2019-R	0,08	0,03											0,11
2019-I	0,11	0,08											0,19
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

<sup>1</sup>October 2011 <sup>2</sup>Sharpe Ratio, calculated by using the 3-month-Euribor as risk free interest rate <sup>3</sup>Calculation based on BVI-Method

<sup>4</sup>Included in TER <sup>5</sup>Up to 1,8% <sup>6</sup>As of 30.9.2018

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### Market Overview

Armenia is located in the South Caucasus and has 3 million inhabitants. The country is a young democracy which regained independence in 1991. Due to its political, economic and geostrategic environment Armenia has pursued a balanced policy between Russia and the European Union (EU).

Peaceful mass protests led to the resignation of long-term President Sersch Sargsyan in April 2018. Citizens' expectations with respect to the new government and the so called "Velvet-Revolution" are high. Central demands of the people include the fight against poverty, corruption and nepotism in the country.

Despite the revolution, economic output increased by 5.3 percent in 2018. The sustained economic growth of the last decade has gradually reduced poverty. Nevertheless, poverty and lack of job opportunities continue to be a significant obstacle to development. The new government has recently announced reforms which will be decisive for Armenia's path in the future.

To support the economic development, local MFI Armeconombank provides access to financial services to marginalized economic groups. The MFI started its operations in 1991 and currently serves around 82,337 clients, holding a gross loan portfolio of approximately USD 269.6 million. The MFI disburses loans with an average size of USD 2,858.

Levon Gevorgyan is owner of a furniture factory in the Armenian capital Yerevan. Levon has been a client of Armenocombank since 2008. Since then he has received several micro-loans. He used the loans to expand his workshop and to purchase machineries to for the production of windows and floor covering. The micro-loans not only offered the opportunity to further develop his business but also to create three full-time jobs.



In January, the IIV Mikrofinanzfonds disbursed a USD 3 million loan to Armenocombank in Armenia.

Social Indicators		Sector Shares	
Number of microentrepreneurs	264.245	Services	39%
Share Women	59%	Agriculture	19%
Share Men	41%	Production	5%
Average loan amount	2.162 USD	Others	37%

### 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 extend 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 micro-finance. 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
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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