

## Invest in Visions IIV Mikrofinanzfonds

Germany's first microfinance fund

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

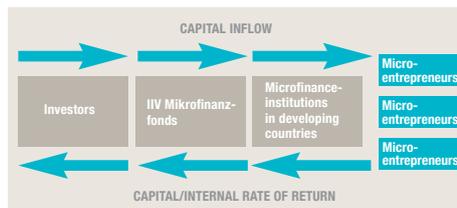
### Performance

During the month of August, the IIV Mikrofinanzfonds invested 12.82 million USD in microfinance institutions located in Ecuador, Georgia, El Salvador and Mongolia.

The return during this month amounts to 0.06 percent in share class R and to 0.10 percent in share class I. Therewith, the fund has achieved a positive return of 2.16 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.

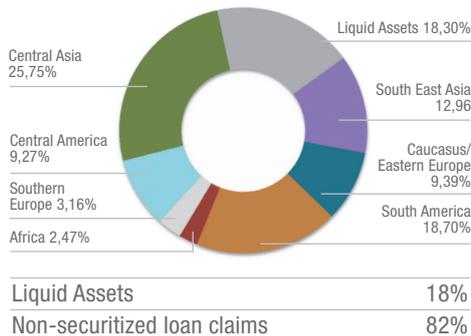


### Performance and Key Figures

	R-Class	I-Class
Equity price	98,58 EUR	975,59 EUR
Fund volume in m	258,1EUR	327,4 EUR
Fund volume total in m	596,8 EUR	
Month	0,06%	0,10%
Current year	0,71%	1,05%
Since launch p.a.*	2,16%	2,65%
Revenue	distributing	
Volatility (ann.)	0,59%	0,60%
Sharpe Ratio**	1,87	2,71
Max. Drawdown	-0,14%	-0,10%

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

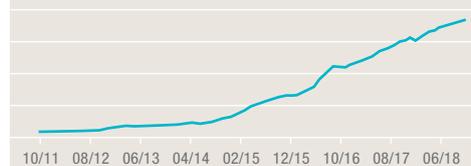
### Target Regions



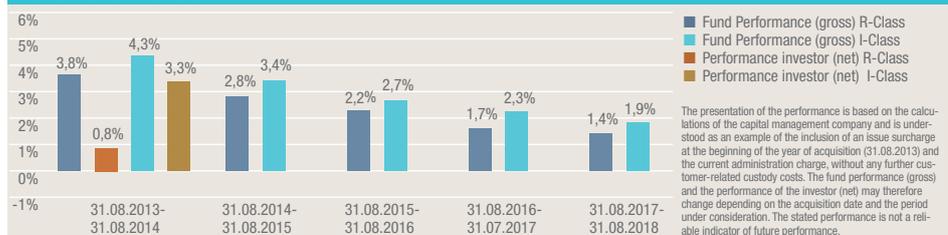
### Country Weighting (TOP 5)

Ecuador	14,30%
Cambodia	8,15%
Mongolia	7,32%
Kyrgyzstan	6,67%
Kazakhstan	4,81%

### Development of Fund Volume



### Fund Performance\*



The presentation of the performance is based on the calculations of the capital management company and is understood as an example of the inclusion of an issue surcharge at the beginning of the year of acquisition (31.08.2013) and the current administration charge, without any further customer-related custody costs. The fund performance (gross) and the performance of the investor (net) may therefore change depending on the acquisition date and the period under consideration. The stated performance is not a reliable indicator of future performance.

### 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					0,71
2018-I	0,04	0,15	0,07	0,18	0,17	0,14	0,18	0,10					1,05
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

\*After costs

### Fund facts

Fund name:	IIV Mikrofinanzfonds
Type:	other AIF special assets
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 Company:	Monega Kapitalanlage-gesellschaft mbH, Stolk-gasse 4, D-50667 Cologne, Germany. Further information at: <a href="http://www.monega.de">www.monega.de</a>
Depository Bank:	DZ Bank
Fundmanager:	Invest in Visions GmbH
ISIN:	R-Class: A1H44T I-Class: A1H44S
ISIN:	R-Class: DE000A1H44T1 I-Class: DE000A1H44S3

\*\*\* As of 30.9.2017

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### Market Overview

Georgia has a population of 3.7 million and is bounded by Russia, Turkey and the Black Sea. Since its independence from the Soviet Union, the country has witnessed a large number of democratic and market-based reforms. Over the past decade, Georgia's economy has increased at an average annual rate of 5 percent. This happened despite the obstacles put forward, encompassing the financial crisis of 2007-08, the conflict with Russia in 2008, and the macroeconomic problems in 2014. More than 50 percent of the Georgian labor force is employed in agriculture. Hydropower energy production, natural resources, and tourism are other important sectors of the economy.

The country's economic upturn has translated into considerable improvements in socioeconomic conditions, especially for lower income groups. Poverty dropped from 35 percent in 2006 to almost 17 percent in 2016. Nevertheless, the persisting regional inequality and the lack of employment remains a challenge for the Georgian government.

To take countermeasures, the microfinance institution (MFI) JSC Georgian Credit serves marginalized economic actors to access financial services. The MFI started its operations in 2010 and currently lends to around 8,401 clients, holding a gross loan portfolio of approximately USD 16.7 million. The MFI disburses loans with an average size of USD 1,992.



Kakhaber Tsikarashvili is a small-scale entrepreneur and owns his own poultry farm and fishery. He obtained his first loan by JSC Georgian Credit shortly after the MFI was founded. The capital enabled him to set up his fish farm and to invest in new ponds and tanks. By the support of the MFI and his entrepreneurial courage he was able to expand his business significantly. Today he employs three full-time workers.

In August, the IIV Mikrofinanzfonds disbursed a USD 1.5 million loan to JSC Georgian Credit.

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:



### General information

Fund domicile:	IIV Mikrofinanzfonds, Stolkgasse 25-45, 50667 Köln, Germany
Fund type:	Public Investment Fund ('special assets' as §220 German capital investment law)
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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