

## Invest in Visions IIV Mikrofinanzfonds

Germany's first microfinance fund

AS OF: SEPTEMBER 30<sup>TH</sup>, 2018

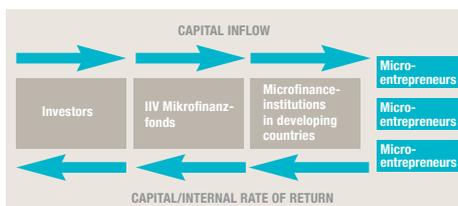
### Performance

During the month of September, the IIV Mikrofinanzfonds invested 24.5 million USD and 3 million EUR in microfinance institutions located in Albania, Ecuador, Kenya, Kyrgyzstan, Myanmar and Peru.

The return during this month amounts to 0.16 percent in share class R and to 0.21 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.

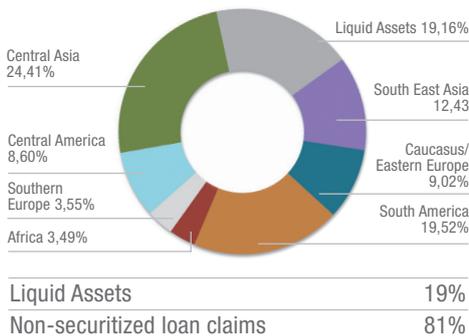


### Performance and Key Figures

	R-Class	I-Class
Equity price	98,75 EUR	977,61 EUR
Fund volume in m	264,1 EUR	333,8 EUR
Fund volume total in m	609,3 EUR	
Month	0,16%	0,21%
Current year	0,87%	1,26%
Since launch p.a.*	2,15%	2,65%
Revenue	distributing	
Volatility (ann.)	0,61%	0,59%
Sharpe Ratio**	1,95	2,76
Max. Drawdown	-0,14%	-0,10%

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

### Target Regions



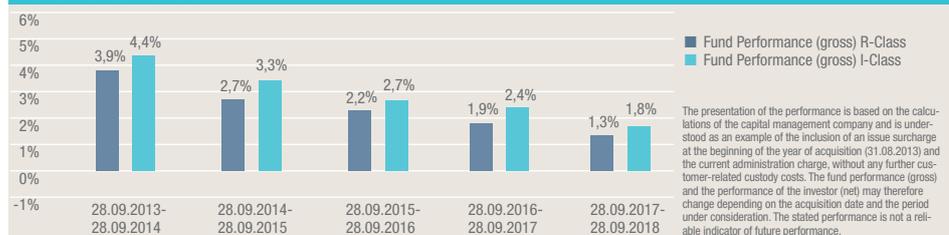
### Country Weighting (TOP 5)

Ecuador	14,62%
Mongolia	8,00%
Kyrgyzstan	6,91%
Cambodia	6,27%
Georgia	4,24%

### Development of Fund Volume



### Fund 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	0,16				0,87
2018-I	0,04	0,15	0,07	0,18	0,17	0,14	0,18	0,10	0,21				1,26
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

Kenya's population has more than doubled over the last 30 years, to about 47 million people. With an annual real GDP growth of approximately 5.9 percent since 2010, the country has become a regional economic power in East Africa.

The economy benefitted from extensive structural, political and economic reforms. In addition, the boom has been stimulated by a relatively stable macroeconomic environment, government-led infrastructure projects and a rebound in tourism. However, Kenya faces considerable challenges. The country's growth slowed down to 4.9 percent in 2017. The economic dip was caused by a prolonged period of political tension, serious drought, high oil prices and the setting of an interest rate cap.

Despite the economic progress poverty and inequality remain ubiquitous in Kenya. Low income and marginalized groups are most vulnerable to poverty. They are disproportionately affected by negative economic effects such as increasing consumer prices and crop failure.

To take countermeasures, the microfinance institution (MFI) Letshego Kenya serves marginalized economic actors to access financial services. The MFI started its operations in 2000 and currently lends to around 26,177 clients, holding a gross loan portfolio of approximately USD 63 million. The MFI disburses loans with an average size of USD 2,408.



James Ngugi Kahiu is an independent bricklayer and has been a Letshego Kenya customer since 2014. Most of the buildings constructed by him are made from recycled materials such as glass bottles. This innovative process allows him to build cost-efficiently. Until today James has received a total of three loans from Letshego.

In September, the IIV Mikrofinanzfonds disbursed a USD 9 million loan to Letshego Kenya.

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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