



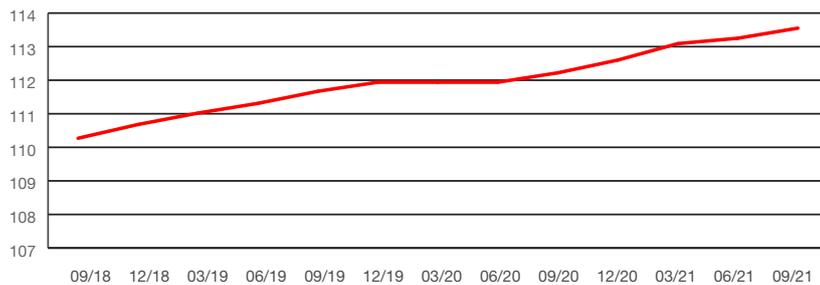
Luxembourg Microfinance and Development Fund  
Class C Shares (EUR)

**FUND PROFILE**

**September 2021**

**Financial Performance (NAV per Class C share)**

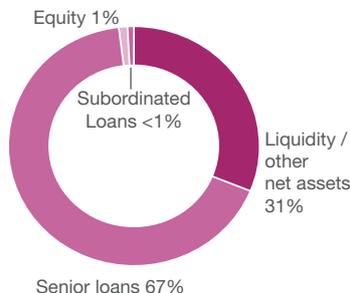
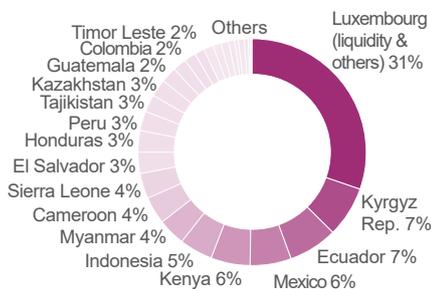
Class	Last quarter	Financial year (03/21)	1 year	Since inception	NAV/share
Class C (EUR)	0.3%	0.4%	1.2%	13.5%	113.55



**Comment**

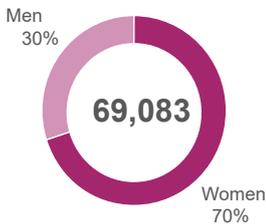
During the second quarter of the financial year 2020-21, the Fund continued its financing activities towards MFIs, with EUR 4.8m disbursed or rolled over to 7 partners, 3 of which were new partners. These investments contributed to the reduction of liquidity in the Fund (now at 28.7%), and continues the trend on the investment activities for the financial year, with its EUR 24m disbursement target.

**Geographic and Instrument distribution (% NAV)**



**Social Profile**

Micro-entrepreneurs financed by LMDF:



**EUR 1.190**  
Average amount of microcredits

**26%**  
invested in Africa

Economic activities:



**Summary**

Net assets	€ 45.7m
Microfinance Invest.	€ 30.8m
Nbr of MFIs	51
Nbr of countries	26
Av. ptf. maturity	1.6 years
Currency exposure	Fully hedged
Next subscription	24/12/2021
Next redemption	16/11/2021

**Conditions and fees**

Entry fees:	Acc. to distributor
Exit fees:	None
TER:	2.5% (YTD 2021/22)

**Investment objectives**

LMDF invests in Microfinance Institutions based in Asia, Africa and Latin America with the aim of financing debt instruments to help micro-entrepreneurs. The Fund may also invest in the company's capital or in guarantees for the benefit of MFIs.

**Social objectives**

The Fund aims to make a measurable contribution to financial inclusion for those who do not have access to traditional banking. LMDF concentrates on MFIs which focus on:

- Women and the most financially excluded
- Rural areas
- Projects for young people

**Return and risk**

Owing to its investment, LMDF has little dependency on the main financial markets. Its main objective is to preserve the capital invested by its clients while creating positive social value.

The Fund is managed so as to minimise risk. Microfinance risk is taken by the Luxembourg state and by ADA. Currency, liquidity and country risk are held by the investor.

**Key Information**

Type: SICAV Part II  
Share class: Multiple  
Launch: December 2009  
Fund currency: Euro  
Distribution policy: Accumulation  
NAV calculation: Quarterly  
NAV publication: Headquarters, Internet, Fundsquare, Bloomberg, Reuters, Telekurs  
Redemption: 45 days before the end of the quarter  
Minimum investment: None  
ISIN (Class C): LU0456967404  
Fund Manager: Kaspar Wansleben  
Contact: +352 27 47 35  
**Website: www.lmdf.lu**

**Important Information**

This document pertains to the LUXEMBOURG MICROFINANCE AND DEVELOPMENT FUND, a Sub-Fund of the Investing for Development SICAV, RCSL Luxembourg B148826 ("LMDF"). This document is of general interest and should not be considered as an offer or solicitation to buy the fund. An investment in LMDF may only be made on the basis of the current prospectus and the latest available annual and semi-annual reports. Such documents are available free of charge in English at the registered office of LMDF (2, Place de Metz, L-1930 Luxembourg) or on the website www.lmdf.lu. The fund may not be suitable for all investors. Investors should be aware that the fund seeks dual objectives of social impact and financial returns. Investors must be aware that this might result in a lower return than is available from a purely return-orientated investment. Investors should be aware that their time horizon is medium to long-term (over 2 years) and of the liquidity constraints as detailed in the prospectus. LMDF has been authorised to distribute its shares publicly in the Grand Duchy of Luxembourg. Every potential shareholder living in territory other than the Grand Duchy of Luxembourg cannot consider these documents as an invitation to buy or apply for these shares. None of the shares may be offered or sold, directly or indirectly, in the USA or in any territories or possessions, or to any US Person. Past Performance is not a guide to future performance. The value of investments can fluctuate and investors may not get back the amount they originally invested.



Luxembourg Microfinance  
and Development Fund

Luxembourg Microfinance and Development Fund  
Class C Shares (EUR)

## Microfinance Plus

Microfinance is an industry in evolution. We are now seeing traditional microfinance models, aimed at providing financial services to individuals and small business which may not have access to financial services, building on old models and also combining their approaches with new digital models.

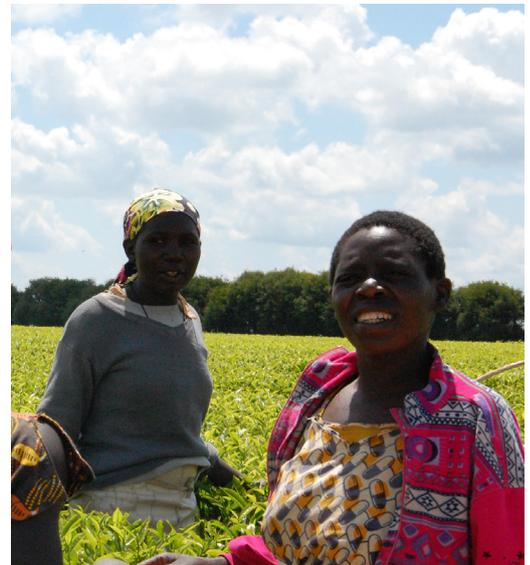
This is what we call “microfinance plus”. This can be beneficial in many areas: it can increase outreach to more rural areas, it can allow new communities to access microfinance, and it can allow new models and products to develop. The Fund and its investment advisor ADA decided to analyse this sector of MFI+ in more detail and, based on the models that exist and the potential for impact, defined 3 priority areas: the financing of assets, the financing of education and value chain financing. To date, LMDF has invested over EUR 2.5m in MFI+ models, in Kenya, Uganda and Colombia and it has a strong pipeline of new projects to come.

These models form a very exciting opportunity. Mobile penetration rates are high in many of the geographies where we work: for instance, in Sub-Saharan Africa there are 94 per hundred adults and in Latin America there are 101 per hundred adults. This has also led to high rates of mobile money accounts in certain countries: while 65% Europeans have mobile money, 73% of adults in Kenya, for example, have mobile money accounts.

Microfinance Plus models have proved themselves to be very varied. M-Kopa is one example: it provides Pay-As-You-Go off-grid power solutions. Using Kenya’s digital payment systems, M-Kopa’s clients slowly repay for solar systems allowing them to have access to electricity in their homes for the 1<sup>st</sup> time. Other models have built on more traditional systems, but further developed the application of microfinance. For instance, loan structures have been developed which fit with the needs of education institutions rather than conventional small businesses. Loans for farmers have also been developed using MFI+ models, allowing loans to be developed according to the particular features of value chains. More news features on these projects will be available in the coming months!

It is also interesting that these Microfinance Plus models have enriched the impact in microfinance. We have always looked at key outreach and social performance indicators to assess the benefits of our work, but we now find that impact may be even more varied, from cleaner air following access to solar panels through to improved educational performance as children have access to new facilities.

September 2021



### Why invest in LMDF?

An investment in microfinance through LMDF:

- Creates direct benefits for working people in developing countries;
- Stimulates the local economy, thus contributing to poverty reduction;
- Preserves at least the shareholder’s capital in real terms;
- Benefits from a counterparty risk protection (covered by the shareholders of the A and A<sub>bis</sub> Class shares);
- Adds a social dimension to your investment portfolio.