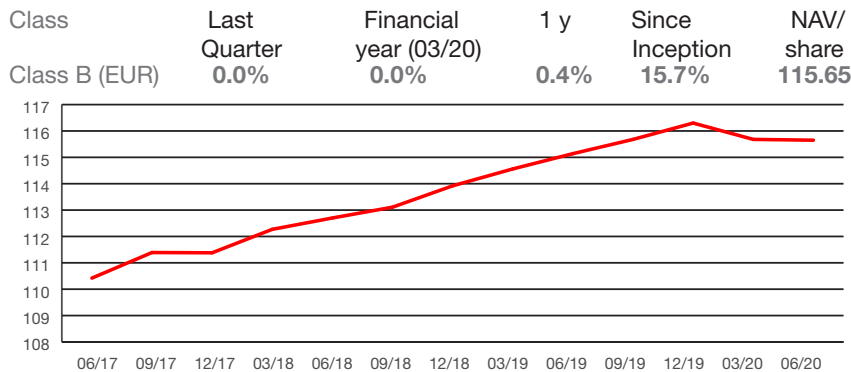


Luxembourg Microfinance and Development Fund  
Class B Shares (EUR)

## FUND PROFILE

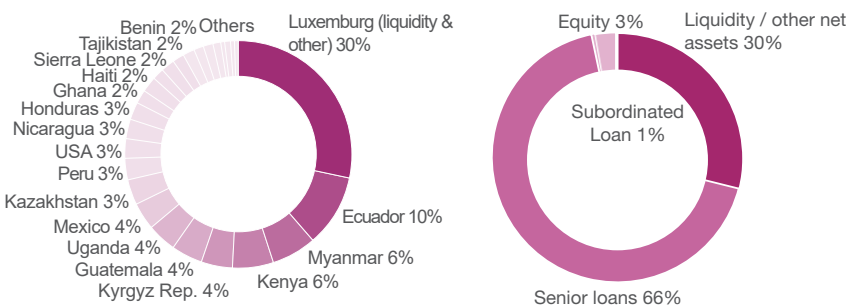
### Financial Performance (NAV per Class B share)



### Comment

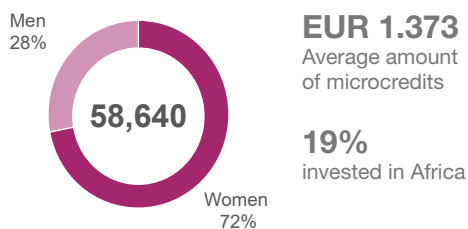
In response to the COVID pandemic, the Fund continues to take a conservative approach to investment and has seen its liquidity increase. Nonetheless, it established its first post-COVID new partnership with M-Kopa Solar, a pay-as-you-go solar-powered electricity provider in Kenya.

### Geographic and Instrument distribution (% NAV)

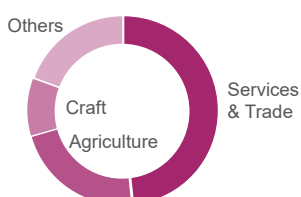


### Social Profile

Micro-entrepreneurs financed by LMDF:



Economic activities:



### Summary

|                              |              |
|------------------------------|--------------|
| Net assets                   | € 41.9m      |
| Microfinance Invest.         | € 29.4m      |
| No. of MFIs                  | 56           |
| No. of countries             | 25           |
| Av. ptf. maturity            | 1.3 years    |
| Hedging of currency exposure | Fully hedged |
| Next subscription            | 23/09/2020   |
| Next redemption              | 16/08/2020   |

### Conditions and fees

|             |                     |
|-------------|---------------------|
| Entry fees: | Acc. to distributor |
| Exit fees:  | None                |
| TER:        | 2.1% (YTD 2020/21)  |

## June 2020

### Investment objectives

The fund 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. The fund 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, the fund 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 minimize 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: Unique  
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 B): LU0456966935  
Fund Manager: Kaspar Wansleben  
Contact: +352 27 47 35  
**Website: [www.lmdf.lu](http://www.lmdf.lu)**

## Luxembourg Microfinance and Development Fund Class B Shares (EUR)

# Working in times of COVID

## June 2020

The COVID pandemic continues across the globe. In some geographies, the situation may be easing following a first wave, others are in the peak of the crisis, and for others the peak is yet to come. Compared with the situation as at end of March 31<sup>st</sup> 2020, there is certainly increased geographical differentiation and we are noticing more profound effects in certain geographies than others.

What has also changed is that MFIs have now become more accustomed to this new normal. When we interview MFIs during our regular episodes of Voices from the Ground and our investor calls, once extreme measures are now being used on a day-to-day basis. Group loans are often being transformed into individual loans. Mobile communication with clients and loan officers is becoming the norm. Health and safety awareness campaigns are commonplace. As these new methods of working and changes are adopted, the medium and long-term impact of the crisis for MFIs becomes clearer.

The financial effects for MFIs are also clearer than they were in March 2020. Given government measures and uncertainty surrounding future fundraising, several MFIs are seeking to restructure loans. Given the increased uncertainty surrounding these positions, and others which have struggled with the pandemic, LMDF has taken further provisions. These now total EUR 808k, up from EUR 536k in the previous quarter, and they affect 30 MFIs. The Fund's risk protection mechanism applies for Class C shareholders with the net asset value of Class C Shares remaining stable.

As the new normal slowly becomes accepted, LMDF is itself looking to the next stage of the crisis. It is clear that microfinance will play a highly significant role in supporting recovery, in a world where questions of poverty, and food security, are likely to become more acute. With this in mind, LMDF continues prospection and is preparing to support MFIs which need new investment in this changing context.

In this vein, LMDF has disbursed its first post-COVID loan to M-Kopa, a Kenyan based solar energy micro-leasing firm. This institution provides off-grid solutions to households which may not previously have had access to electricity. This has wide ranging benefits, from allowing children to do their homework once the sun has set, to providing the option to use green cooking solutions, helping to prevent harmful fumes in housing. The institution has the motto of 'upgrading lives' and this is especially important during this time, when confinement practices have required many to spend more time at home.

We are very grateful to our shareholders at this time for their continued trust and support. Net subscriptions continue to be positive, which allows us to focus our strategy on ensuring that support is in place for vulnerable groups in many geographies which have been strongly impacted by the crisis.

Thank you!  
The LMDF Team



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### 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](http://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.