



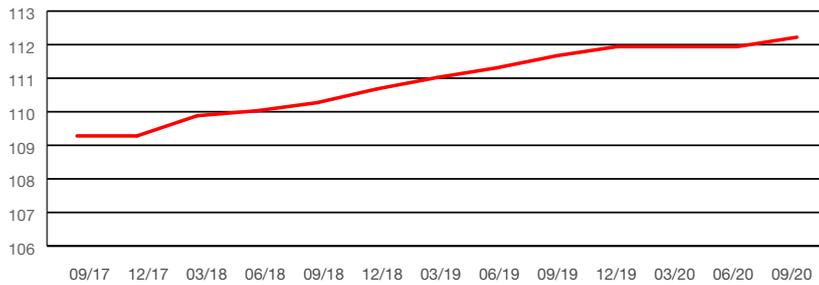
Luxembourg Microfinance and Development Fund
Class C Shares (EUR)

FUND PROFILE

September 2020

Financial Performance (NAV per Class C share)

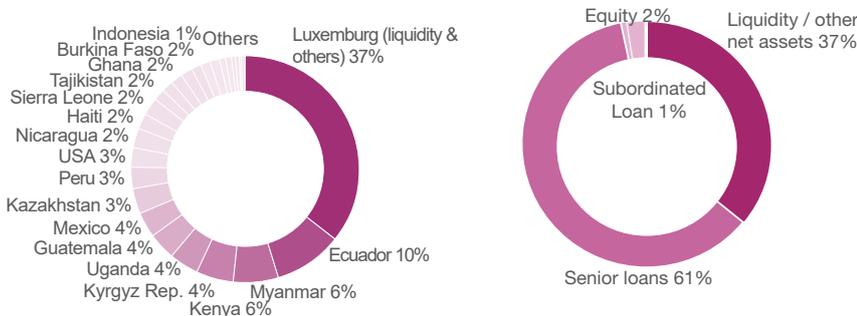
Class	Last quarter	Financial year (03/20)	1 year	Since inception	NAV/share
Class C (EUR)	0.3%	0.2%	0.5%	12.2%	112.22



Comment

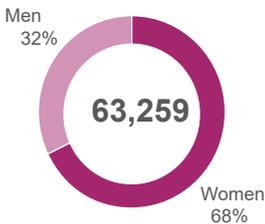
During the second quarter of the financial year 2020-2021, the Fund has maintained a conservative approach to investing, resulting in higher liquidity levels. Nevertheless, the Fund has restarted origination in order to resume disbursements within the appropriate risk framework and fulfill the social mission of LMDF.

Geographic and Instrument distribution (% NAV)



Social Profile

Micro-entrepreneurs financed by LMDF:



EUR 1.345
Average amount of microcredits

27%
invested in Africa

Economic activities:



Summary

Net assets	€ 42.2m
Microfinance Invest.	€ 27.0m
Nbr of MFIs	52
Nbr of countries	25
Av. ptf. maturity	1.1 years
Hedging of currency exposure	Fully hedged
Next subscription	23/12/2020
Next redemption	16/11/2020

Conditions and fees

Entry fees:	Acc. to distributor
Exit fees:	None
TER:	2.0% (YTD 2020/21)

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 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: 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 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 shares applicant 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
Class C Shares (EUR)

LMDF's COVID Strategy

September 2020

Dear Shareholders,

The LMDF Fund has recently completed its first 10 years of operations; during this time, we have reached 296,000 people across 37 countries with our underlying investments. Yet the tenth year of operations has also presented the new challenge of COVID – a threat which may set back much of the progress made towards the Sustainable Development Goals and poverty alleviation in the previous decade.

In our previous factsheet, we wrote about the strategy that had been adopted when faced with the crisis; it focused on three axes: (1) Support to our existing partners, (2) a window for urgent liquidity needs and (3) new investments for economic recovery. As COVID precautions become the new normal, the board of directors, the investment adviser and the management team have been working on the third axis and are adjusting risk parameters to activate this third element of the strategy.

Inaction is not a viable option for the Fund in the current context, given that:

- Micro-entrepreneurs continue to need credit and continued financing is required to prevent a systematic crisis in the credit cycle;
- MFIs have needed to change their practices in view of the new operating environment which COVID presents – COVID has actually provided an opportunity to accelerate vital changes like digitalisation. The Fund has started investing in new business models over the past year and sees their resilience to the challenges of this crisis;
- LMDF began to accumulate liquidity due to the slowdown in disbursements of new investments. The continuation of the investment cycle is at the heart of a fund's operations, financial model and social purpose.

However, choosing to continue investments during this period does mean that the Fund must adapt its operational processes and risk parameters so that can continue to ensure that financing reaches MFIs and ultimately micro-entrepreneurs, who may be among the hardest hit in the economic fallout of this crisis. This Fund will continue to make prudent disbursements and to favour strong existing partners, but the current situation means that the Fund may invest into institutions which have higher levels of portfolio at risk than those which have been seen in previous years.

We hope that these choices are aligned with your vision for the development of LMDF and we remain at your disposal should you have any comments and questions.

The LMDF team

Next webinar of LMDF:

Voices from the Ground
Focus on Uganda

27 October 2020
at 12h00 on Zoom

Register here
(www.lmdf.lu/en/evenements)

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_{bis} Class shares);
- Adds a social dimension to your investment portfolio.