



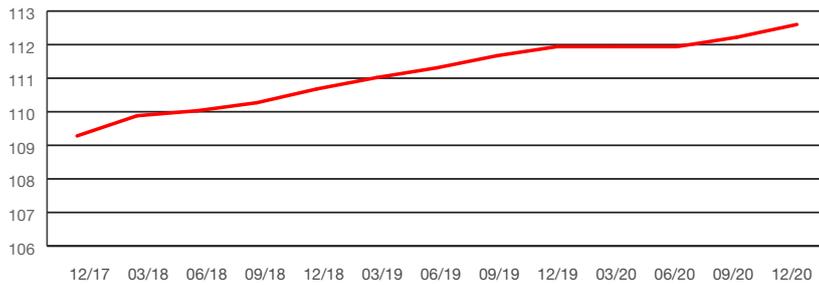
Luxembourg Microfinance and Development Fund  
Class C Shares (EUR)

**FUND PROFILE**

**December 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%	0.6%	0.6%	12.6%	112.60



**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.

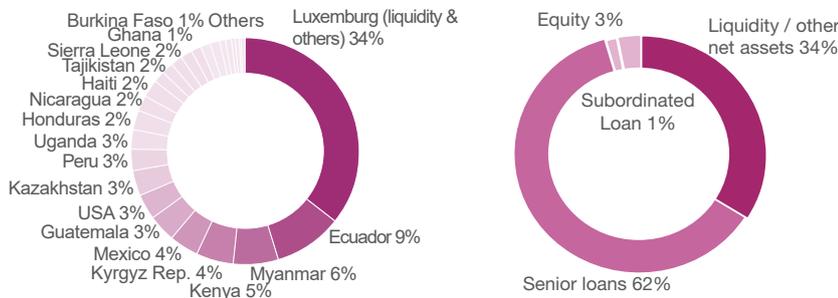
**Key Information**

Type: SICAV Part II  
Share class: 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**

**Comment**

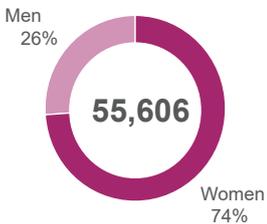
The third quarter of the financial year 2020-21 saw the restart of the financing activities to MFIs with EUR 2.5m disbursed to 5 partners. These investments stopped the build-up of liquidity in the Fund (which stands at 30% of NAV 31 December) and sets the tone for the continued investment activities of the last quarter.

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



**Social Profile**

Micro-entrepreneurs financed by LMDF:



**EUR 1.360**

Average amount of microcredits

**24%** invested in Africa

Economic activities:



**Summary**

Net assets	€ 43.0m
Microfinance Invest.	€ 27.3m
Nbr of MFIs	53
Nbr of countries	26
Av. ptf. maturity	1.1 years
Currency exposure	Fully hedged
Next subscription	24/03/2021
Next redemption	15/02/2021

**Conditions and fees**

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

**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)  
**3<sup>rd</sup> Social Performance Report**

**December 2020**

LMDF released its 2020 Social Performance Report as part of its 10<sup>th</sup> anniversary celebrations. Reaching a tenth anniversary is a good opportunity to reflect on the achievements of the past ten years.

Writing a third report offers very interesting perspectives:

**1. We can go back to the history of the Fund and see where improvements have been made**

The Fund has always focused on social performance and its vision and mission have remained constant. However, the science of measuring social performance has grown considerably over the years. This has now enabled us to implement SPI4 in all of our investment cases and to compare strengths and weaknesses within MFIs and regions. The LMDF has also focused on the alignment with the SDGs and its contribution to the global development agenda. Various adjustments have been made to our business model, and we are seeing increased funding in local currency, strong diffusion in the most disadvantaged areas and strengthened long-term relationships with partners. In addition, we are also seeing changes at the MFI level, with improved operational efficiency leading to lower effective rates paid by micro-entrepreneurs.

**2. We can see the cumulative impact of our funding over the investment period**

Long-term commitments are essential for making progress in the development field, where the problems are deeply rooted and intractable. LMDF has placed considerable emphasis on building long term partnerships with its partners and the benefits are now visible. The Fund has directly reached more than 290,000 micro-entrepreneurs, with significant impacts on their families and communities. In addition, 72% of these micro-entrepreneurs are in countries with medium or low HDI, where the financial infrastructure can be particularly poor. LMDF has also placed great emphasis on Sub-Saharan Africa, and holds almost a quarter of its portfolio there, a considerably higher proportion than what we see in many other microfinance investment vehicles.

The report also shows that the microfinance industry is changing. Technology was already assuming increasing importance for the industry and these changes have been accelerated by new demands emanating from COVID. Although the implementation of technological models in an industry so dependent on human relations poses challenges, new models offer opportunities for microfinance to expand its reach and create new opportunities, especially in the field of agriculture.

As we see so regularly, with elections or natural events, a single day has the potential to change the world. This report shows us how much we have been able to do over the past ten years and how many livelihoods we have improved.

Imagine how much more we can do over the next ten years.



**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.