



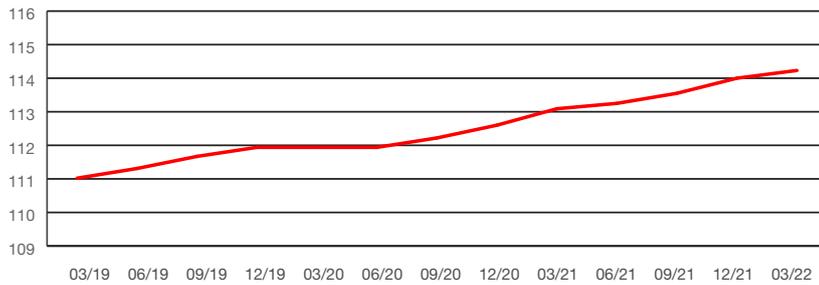
Luxembourg Microfinance and Development Fund
Class C Shares (EUR)

FUND PROFILE

March 2022

Financial Performance (NAV per Class C share)

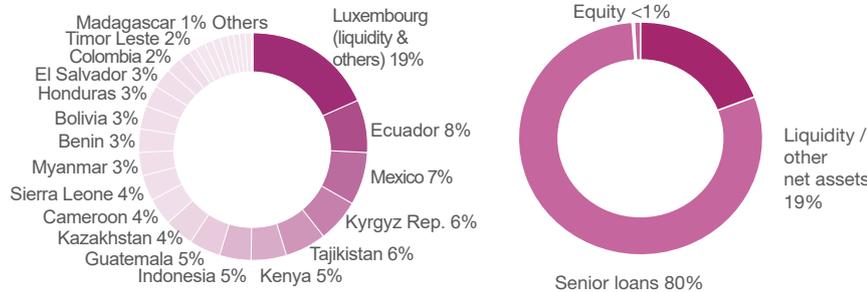
Class	Last quarter	Financial year (03/21)	1 year	Since inception	NAV/share
Class C (EUR)	0.2%	1.0%	1.0%	14.2%	114.23



Comment

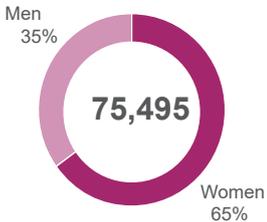
During the last quarter of the financial year 2021-22, the Fund disbursed EUR 2.9m to 3 MFIs, one of which is a new partner. These investments contributed to the reduction of the liquidity in the Fund, which is now at 15.5% (19.7% in Dec.). In terms of disbursement activities for the full year, the Fund disbursed a total of EUR 20m.

Geographic and Instrument distribution (% NAV)



Social Profile

Micro-entrepreneurs financed by LMDF:



EUR 1.280
Average amount of microcredits

24%
invested in Africa

Economic activities:



Summary

Net assets	€ 46.3m
Microfinance Invest.	€ 37.8m
Nbr of MFIs	49
Nbr of countries	27
Av. ptf. maturity	1.8 years
Currency exposure	Fully hedged
Next subscription	22/06/2022
Next redemption	16/05/2022

Conditions and fees

Entry fees:	Acc. to distributor
Exit fees:	None
TER:	2.7% (YTD 2021/22)

Investment objectives

The Fund invests in Microfinance Institutions (MFIs) based in Asia, Africa and Latin America with the aim of financing debt instruments to support 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 sustainable investment within the meaning of article 9 of the Sustainable Finance Disclosure Regulation. It aims to make a measurable contribution to financial inclusion for those who do not have access to traditional banking with a particular focus on:

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

Return and risk

Given its strategy, LMDF has limited 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 incorporates a risk mitigation mechanism whereby microfinance losses to a certain threshold are taken by the Luxembourg state and by ADA. Investors are exposed to counterparty, currency, liquidity and country risks as well as operational risks.

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 (39, rue Glesener, L-1631 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
Class C Shares (EUR)

Female financial inclusion

March 2022

A very busy financial year has drawn to close. The Fund has disbursed EUR 20m over the year, with new countries added to the portfolio including Bolivia, Cameroon and the Dominican Republic and the first MFI+ investment in value chains made. The year closed with a particular focus on Central Asia, which so far has been resilient, in the face of the challenges following the Ukraine crisis. As the world emerges from the COVID pandemic, a particular focus has been on gender lens investing.

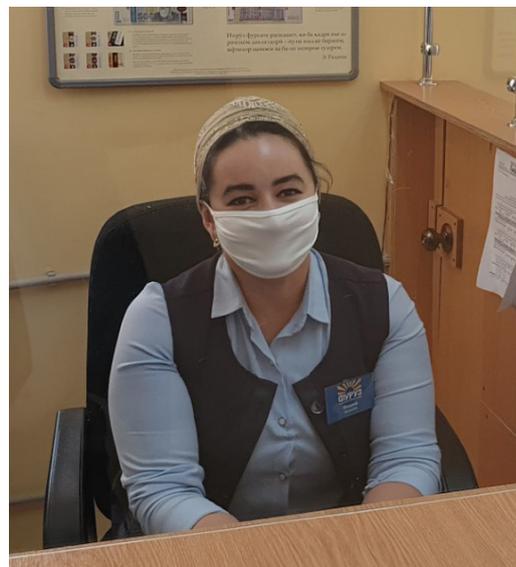
Despite the efforts made to promote female financial inclusion, there is a persistent gender gap in account ownership, with only 65% of women having accounts at financial institutions versus 72% men.¹ This gap is wider in developing economies and the challenges faced by women have been accentuated by the COVID crisis, with many female dominated industries suffering particularly during the pandemic. Yet supporting women has significant ripple effects on families and communities.

This has led us to consider what measures institutions take to ensure that women are supported. We have examined our portfolio under a gender lens. The 2X challenge recommends using four criteria to examine companies (or in the case of the Fund, its portfolio companies):

	Criteria	Threshold
1. Entrepreneurship	1A. Share of women ownership	51%
	1B. Business founded by a woman	Yes/No
2. Leadership	2A. Share of women in senior management	20-30%
	2B. Share of women on the Board or IC	30%
3. Employment	3A. Share of women in the workforce	30-50%
	3B. One «quality» indicator beyond compliance	Yes/No
4. Consumption	4. Product or service specifically or disproportionately benefit women	Yes/No

If any one of these criteria is met, then an investment may be classed as 2X eligible. The Fund has examined all its portfolio companies and found that all its partner institutions comply with at least one of the criteria above and nearly two thirds comply with two or more criteria. Data on entrepreneurship is harder to ascertain across the portfolio, as are quality indicators for employment, and this leads to these areas lagging, while over two thirds of institutions provide products or services disproportionately benefitting women. Nonetheless, the well-rounded approach taken to supporting women applied by the companies in our portfolio is very encouraging as the world moves on from the COVID crisis of previous years.

¹ UNCTAD



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.