



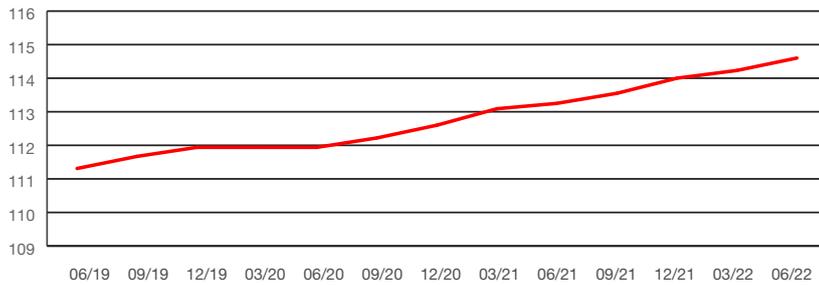
Luxembourg Microfinance and Development Fund
Class C Shares (EUR)

FUND PROFILE

June 2022

Financial Performance (NAV per Class C share)

Class	Last quarter	Financial year (03/22)	1 year	Since inception	NAV/share
Class C (EUR)	0.3%	0.3%	1.2%	14.6%	114.60



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.

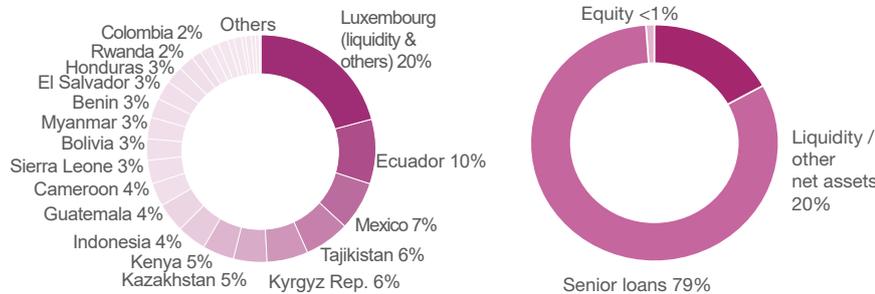
Key Information

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

Comment

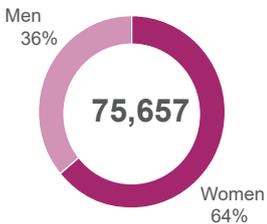
During the first quarter of the financial year 2022-23, the Fund disbursed EUR 4.3m to 6 MFIs, one of which is a new partner. During the same period, the NAV reached EUR 51.6m due to significant net subscriptions of class B shares. These contributed to an overall and temporary increase of the Fund's liquidity.

Geographic and Instrument distribution (% NAV)



Social Profile

Micro-entrepreneurs financed by LMDF:

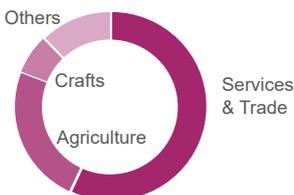


EUR 1.264

Average amount of microcredits

25% invested in Africa

Economic activities:



Summary

Net assets	€ 51.6m
Microfinance Invest.	€ 41.0m
Nbr of MFIs	47
Nbr of countries	27
Av. ptf. maturity	1.6 years
Currency exposure	Fully hedged
Next subscription	23/09/2022
Next redemption	16/08/2022

Conditions and fees

Entry fees:	Acc. to distributor
Exit fees:	None
TER:	2.6% (YTD 2022/23)

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 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

Luxembourg Microfinance and Development Fund
Class C Shares (EUR)

Driving financial inclusion

June 2022

LMDF added the Republic of Rwanda to its portfolio in 2021 and recently disbursed a second tranche to the institution Umutanguha Finance Company Plc (UFC). UFC was established as a savings and credit cooperative in 2003, at the initiative of a group of widows. Umutanguha means “loyal friend”. Since its creation, the MFI has constantly developed. UFC currently counts over 6,000 clients and 11 branches, located throughout Rwanda, with a strong predominance in rural areas (96.1% of its customers). 57.4% of the institution’s clients are women and the average disbursed loan is of EUR 1,372.

In Rwanda, poverty levels are persistently high, despite the improvements post genocide. Between 2016 and 2017, 55% of the population was living below the poverty line of \$1.90 a day. Multi-dimensional poverty affects over half of the population. Unfortunately, the COVID-19 crisis did not help. The combination of poorer nutrition, limited health services, learning losses from school closures, and the likelihood that some children (particularly adolescent girls and children from poor households) may never return to school because of the COVID-19 has the potential to threaten decades of progress in human capital development.¹ Agriculture continues to be the key employer for 80% of the population, however, the dense population and poor farming practices mean that sustainability is a concern. Food insecurity is highly prevalent with nearly one in five households suffering from insecurity and 35% of children malnourished.

Rwanda is a country that has been severely affected by the 1994 genocide, although clearly vast progress has been made towards recovery. The country is Africa’s most densely populated country, with continuing high population growth rates. Between 200,000 and 250,000 Rwandans enter the work force each year, and unemployment and underemployment are persistent challenges with 2 million people lacking jobs which adequately supported them in 2018. There are approximately 150k refugees in Rwanda, escaping both the DRC and Burundi. Good rights are provided to these communities, although instability in bordering countries has ramifications for Rwanda. If we look at the situation of young people in Rwanda and despite significant progress to date, many challenges remain. The unemployment rate is around 21% for young people. 60% of those who are employed work in jobs generally defined as low-productivity, such as subsistence farming, retail trade, and construction. Rwanda is experiencing massive youth unemployment and insufficient access to quality jobs.¹

By using different innovative products such as youth business loans, group loans and agriculture loans, UFC is driving financial inclusion for the vulnerable borrower groups in the rural areas of Rwanda. Some of the MFI’s borrowers in rural areas have started productive projects such as poultry keeping, crop husbandry hence improving their household incomes.

¹ World Bank



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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.