



Luxembourg Microfinance  
and Development Fund

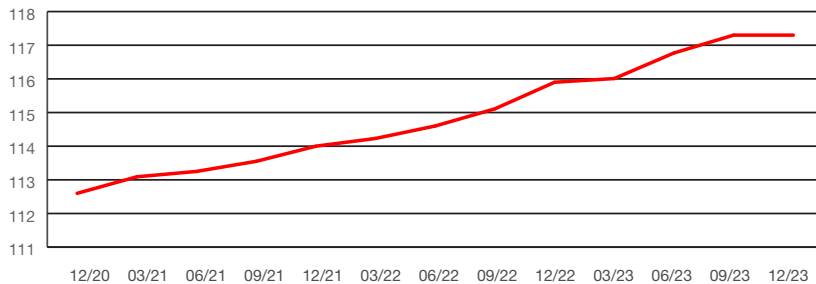
Luxembourg Microfinance and Development Fund  
Class C Shares (EUR)

## FUND PROFILE

December 2023

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

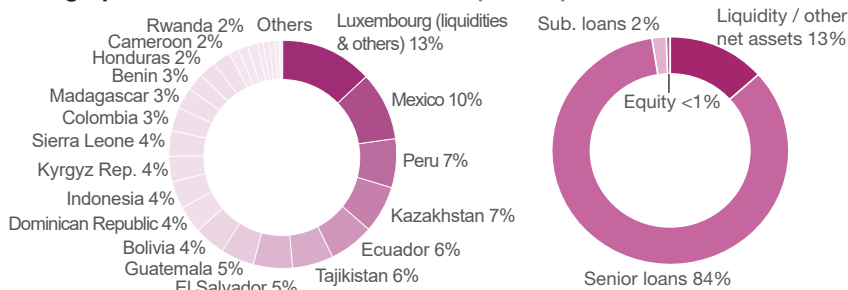
Class	Last quarter	Financial year (03/23)	1 year	Since inception	NAV/share
Class C (EUR)	0.0%	1.1%	1.2%	17.3%	117.30



### Comment

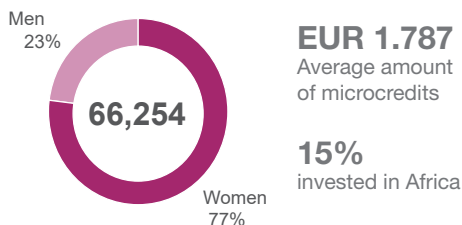
The LMDF Fund saw a stable microfinance portfolio (EUR 46.9m) with a growth in net returns as the portfolio is rolled over from lower to higher yields. During this quarter, this positive result was impacted by a significant risk provision against the two exposures in Myanmar which reflect the difficult situation in the country where a military coup took power in 2021. These conditions worsened in Nov. 2023, and include ongoing civil war and economic restrictions on business activities. Without such provision, the Fund would have realised 0.8% quarterly net return. LMDF was further impacted by high costs with a TER of 2.8%, partially due to the legal costs related to the onboarding of an external AIFM mid Dec. 2023. The Fund is working on lowering its costs in the coming months.

### Geographic and Instrument distribution (% NAV)



### Social Profile

Micro-entrepreneurs financed by LMDF:



Economic activities:



### Summary

Net assets	€ 56.3m
Microfinance Invest.	€ 47.1m
Nbr of MFIs	48
Nbr of countries	26
Av. ptf. maturity	1.4 years
Currency exposure	Fully hedged
Next subscription	25/03/2024
Next redemption	15/02/2024

### Conditions and fees

Entry fees:	Acc. to distributor
Exit fees:	None
TER:	2.8 (YTD 2023/24)

### Investment objectives

The Fund invests in emerging Microfinance Institutions (MFIs) based in Asia, Africa and Latin America with the aim to support micro-entrepreneurs. The Fund invest mainly in senior unsecured loans issued by MFIs in less and least developed countries.

### Social objectives

The Fund aims to make sustainable investments 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 financial services with a particular focus on:

- Women and the most financially excluded
- Rural areas
- Inclusion of young people

### Return and risk

LMDF's strategy to invest in loans issued by MFIs in developing countries implies that its financial performance is not correlated with financial markets. Its main objective is to preserve the capital invested by its clients while creating positive social impact. The Fund's capital structure includes a risk mitigation mechanism whereby losses due to counterparty risk of MFIs are absorbed by the share class subscribed by the Luxembourg State and by ADA. Investors are exposed to 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:	BIL Manage Invest S.A. (AIFM)
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.



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## Entering a new phase

### LMDF managed by external AIFM

As of 15 December 2023, the Investing for Development SICAV - Luxembourg Microfinance and Development Fund entered into a new management regime and appointed BIL Manage Invest S.A. as the external manager (or Alternative Investment Fund Manager - AIFM) for the Fund.

This change from an internally managed regime to a licensed AIFM became necessary because of the growth of the Fund with its assets exceeding the regulatory threshold of EUR 100 million.

The current management team of the Fund continues to work as an Asset Servicing Team to facilitate the ongoing operations and processes of the Fund.

The Investment Adviser, Appui au développement autonome has entered into a tripartite agreement with the Fund and the AIFM to advise the AIFM in the management of LMDF.

We are happy to provide further information should you have any questions or comments.

December 2023



### 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.