



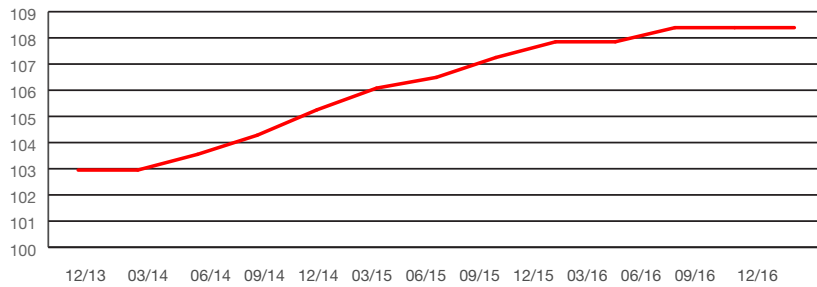
Luxembourg Microfinance and Development Fund Social Venture Capital Sub-Fund - Class C Shares (EUR)

FUND PROFILE

December 2016

Financial Performance (NAV per Class C share)

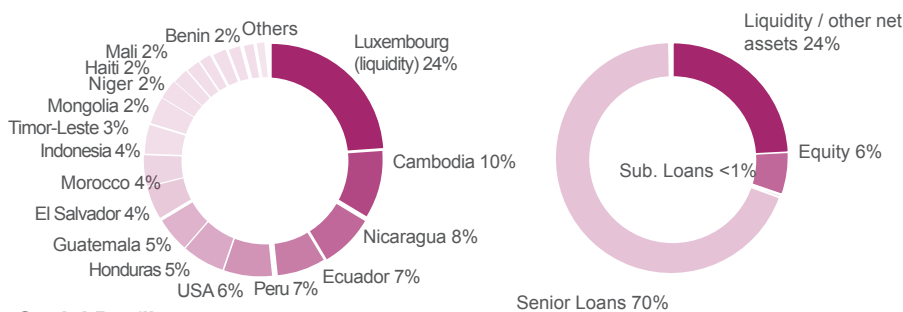
Class	Last quarter	Financial year (03/16)	1 year	Since inception	NAV/share
Class C (EUR)	0,0%	0,5%	0,5%	8,4%	108,39



Comment

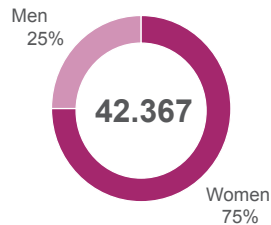
LMDF continued to adjust its model to a changing market environment. The Fund disbursed only two loans to MFIs in Cambodia and Peru while preparing a strong transaction pipeline in Q1 2017. Credit risks in Ecuador caused further provisions and the Fund booked a charge in its hedging book due to the strong appreciation of the US-Dollar. Positive net returns are entirely allocated to B-Shares through the preferred return mechanism.

Geographic and Instrument distribution (% NAV)

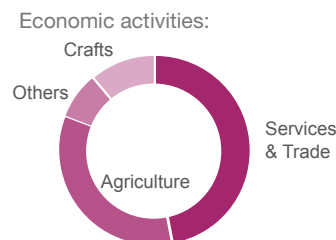


Social Profile

Micro-entrepreneurs financed by LMDF:



EUR 1.812 Average amount of microcredits  
12% invested in Africa



Summary

Net assets	€ 26.5 Mio
Microfinance Invest.	€ 20.2 Mio
Nbr of MFIs	42
Nbr of countries	20
Av. ptf. maturity	1.6 years
Hedging of currency exposure	100% of ptf.
Next subscription	24/03/2017
Next redemption	14/02/2017

Conditions and fees

Entry fees:	Acc. to distributor
Exit fees:	None
TER:	3.2% (FY 2016/17)

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 minimize 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](http://www.lmdf.lu)

Important Information

This document pertains to the LUXEMBOURG MICROFINANCE AND DEVELOPMENT FUND - Social Venture Capital Sub-Fund («LMDF»). The LMDF is authorised in Luxembourg and regulated by the CSSF. 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). 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 should be 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, unless in that territory such an invitation can be carried out within full compliance of the law, without any registration or other modalities, or unless this person is to comply with the legislation in effect in the concerned territory, to obtain all governmental or other required authorisations and to subject themselves to all applicable requirements. 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 or on their behalf, except as part of an exemption to the transferable securities laws in effect in the US or as part of a transaction not subject to these laws. 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. Investment in the fund may not be suitable for all investors. "This document is accurate as at 18/01/2017" / © Luxembourg Microfinance and Development Fund - Social Venture Capital Sub-Fund, 2017. All rights reserved.



Luxembourg Microfinance  
and Development Fund

Luxembourg Microfinance and Development Fund  
Social Venture Capital Sub-Fund - Class C Shares (EUR)

## European Microfinance Award

December 2016

### The Kashf Foundation won the Award 2016!

The 7th annual Microfinance Award was held at the EIB on the 17th of November 2016. From the 30 original microfinance institutions which had applied for the award, 3 finalists had been chosen and LMDF would like to extend its congratulations to all of them.

The Kashf Foundation from Pakistan was chosen to be the winner. As Her Royal Highness, the Grand Duchess highlighted in her speech, in the challenging geo-political context in Pakistan, many young people would like to pursue their studies, but really struggle to access education. Even if they can, conditions in many schools are bleak. Classes are severely overcrowded, may lack the most basic facilities, such as running water, and ventilation. Stories of fires decimating schools are common.

Kashf has offered 850 loans to low cost private schools, to enable them to improve their facilities. Generators and running water are installed as priorities, making the environment much more conducive to learning. The project also works on school safety and ensures that students and teachers know what to do in cases of emergency. Besides the facilities, the programme offers teacher training to improve the quality of education disbursed. Kashf's private schools have reached over 150,000 students providing them with an access an education which will open further opportunities for them in the future. The project has a particular focus on education for women and over 75% of the students it has reached are female.

With the funding provided by the award, Kashf plans to improve its Education Finance Programme, notably by developing new school training curricular and revising existing training modules.

Kashf's efforts and the work of all the microfinance institutions nominated for the award makes a considerable difference to those looking to access education at many different levels and in many geographies. Yet as Anthony Lake, Director at UNICEF highlighted, the MDG's goal of universal primary education was not reached and work needs to be done to ensure that the Quality Education of Goal 4 of the SDGs is delivered. We hope Kashf, and the other finalists, act as examples and spur on further developments in this area.



© European Microfinance Award // Marie De Decker

## 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 Class shares);
- Adds a social dimension in your investment portfolio.