

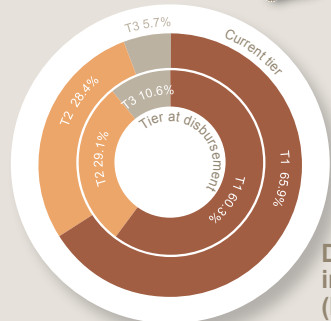
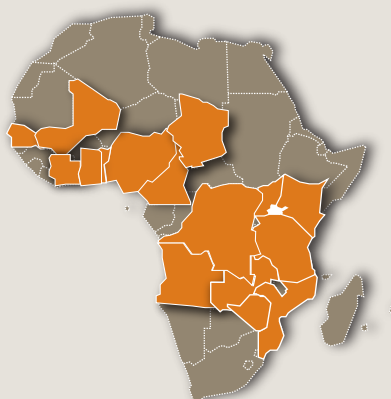


QUARTERLY REPORT

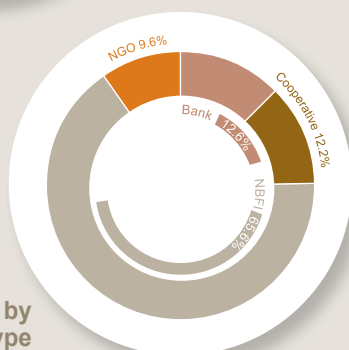
Q4/2014

GAV	144.8m
NAV	127.8m
PLI Portfolio*	116.3m
Cash	24m
Countries	18
PLIs	53
Investments	93
Clients	193,128

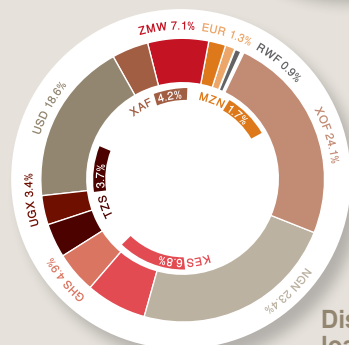
* As per Symbiotics reporting system exchange rates



Distribution by institutional size (by invested volume)



Distribution by institutional type



Distribution of loans by currency

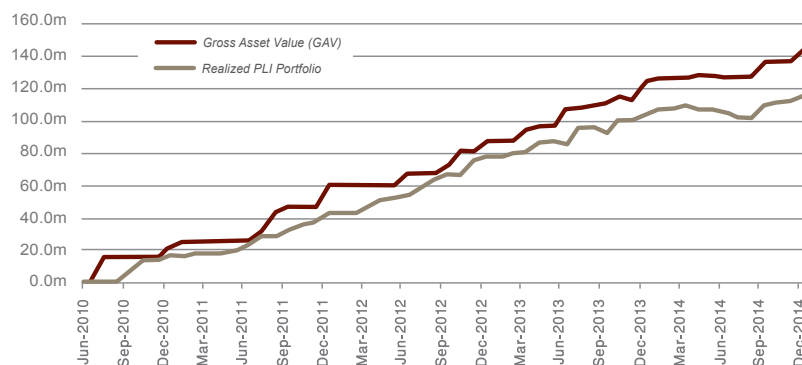
Investment Manager Comment

The impact of the Ebola virus diminished in Q4 thanks to its limited spread and improving health care responses in Guinea, Sierra Leone and Liberia. Falling oil prices (Brent down -18.1% in Dec, YTD: -44.5%) had an important impact on Nigeria. The outlook is more positive in most other countries as they are net energy importers and likely to benefit from falling oil prices. In Nigeria, while oil is an important contributor to export earnings and Government revenues, it is less important in terms of domestic GDP (14% of GDP). It could, however, have a strong effect in 2015, particularly on the FX rate, with foreign investors withdrawing money from the market and the central bank trying to contain the fall unsuccessfully. In light of the Presidential elections in March 2015, and with attacks from Boko Haram, Nigerian markets will remain tense, although the microfinance sector has yet to see any major impact from these factors.

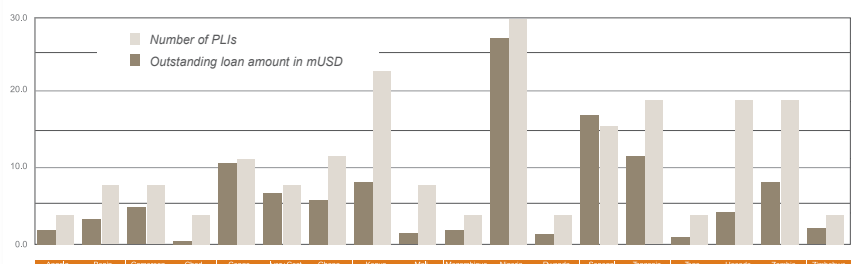
In Ghana, depreciation of the GHS against the USD levelled out in Q4 (YTD -26.8%) following the announcement that the Government was opening negotiations with the IMF and with the successful issuance of the USD 1bn Eurobond. The fiscal deficit (-11% of GDP) remains at the root of the problems, with inflation reaching 17%, but GDP growth remains relatively robust at 5.5%. The macroeconomic situation impacted the banks more than microfinance institutions in 2014, but PLIs still report flat growth and deterioration of the portfolio as a result.

In Burkina Faso, one of Africa's longest-serving presidents has been swept away from power by a violent popular uprising in Oct-14. This revolt did not have a major regional impact but could inspire similar events in other African countries. Most projects in Burkina Faso were put on hold during the last quarter. Kenya and Uganda's economies continue to show robust performance with Q3 GDP growth between 5.5% and 6.3%, while inflation is expected to decrease to 5%. In Nairobi, Safaricom opened its agency network to its rivals, which means that its 85k agents can sell both M-Pesa and other mobile money services to over 24 million users and boost microfinance services.

Portfolio Growth



Invested Portfolio



Top 5 Countries exposures

Country	Volume USD	% of portfolio
Nigeria	27.0	23.2%
Senegal	15.8	13.6%
Tanzania	11.3	9.7%
DRC	10.5	9.0%
Zambia	8.2	7.0%



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Q4/2014

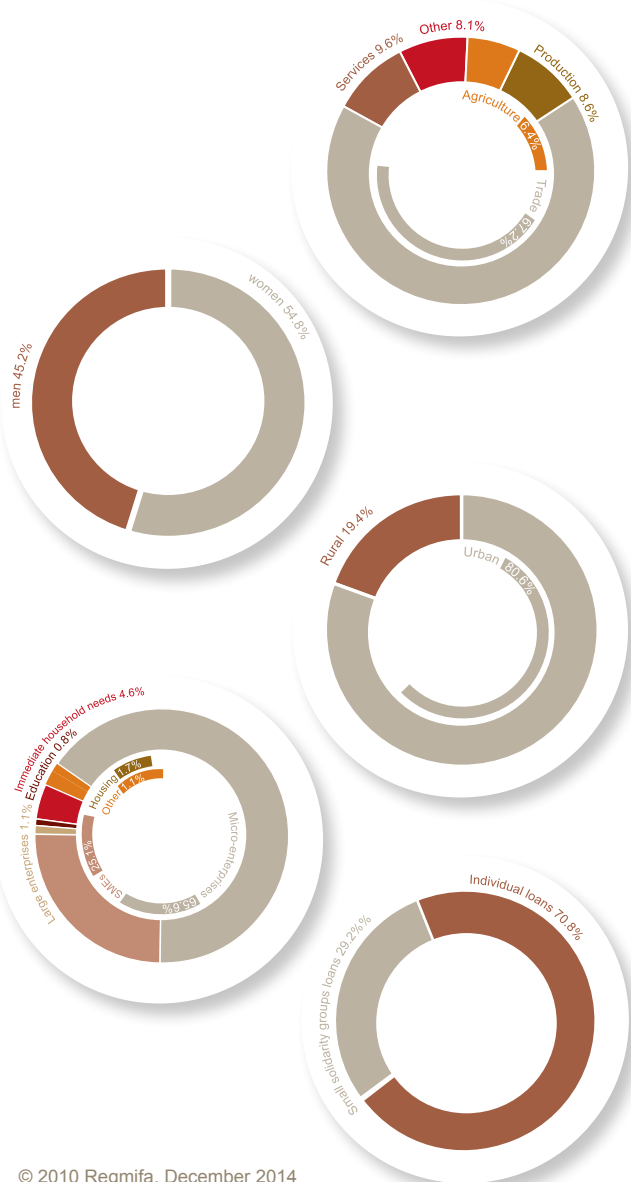
Average Social Rating



Invested PLIs	Top 5 rating
KWFT	★★★★★
ACEP Cameroun	★★★★★
FINCA DRC	★★★★★
FINCA Tanzania	★★★★★
FINCA Uganda	★★★★★

Score	Social Value	PLI social rating
100-90	Extremely strong	★★★★★
89-80	Very strong	★★★★
79-70	Strong	★★★
69-60	Moderate	★★
59-50	Poor	★
50-0	None	-

The Investment Manager uses a social rating tool containing 100 qualitative and quantitative indicators which are split into 7 dimensions: social governance, labor climate, financial inclusion, client protection, product quality and diversity, social responsibility to the community, and environmental policy.



Social Outreach Aggregate Fund Portfolio

Portfolio Outstanding (USD)	116.3m
Number of Partner Lending Institutions	53
Number of PLI branches (avg)	37
Client retention rate	92.08%
Average loan to Micro Clients (USD)	602
Estimated Total Micro Clients	193,128

Invested PLI Portfolio

Invested PLI profile	Simple Average	Median
Total Assets (USD)	49,251,695	30,240,170
Gross loan portfolio (USD)	35,743,685	21,607,659
Number of active borrowers	57,935	17,786
Average loan size (USD)	1,650	1,007
Debt/Equity ratio	3.52	3.36
Portfolio yield	41.67%	43.12%
Operating expense ratio	34.02%	29.76%
Operational self-sufficiency	104.82%	105.31%
Return on Equity	-0.06%	8.43%
Return on Assets	0.29%	1.37%
PAR > 30 days	4.95%	4.09%
Write off ratio	1.41%	1.02%

Social Outreach

Client and Product Information	%Total	Clients
Distribution by Activity		
Agriculture	6.4%	12,377
Production	8.6%	16,609
Trade	67.2%	129,832
Service	9.6%	18,613
Other	8.1%	15,697
Distribution by Gender		
Women	54.8%	105,739
Men	45.2%	87,389
Distribution by Location		
Urban borrowers	80.6%	155,644
Rural borrowers	19.4%	37,484
Distribution by Lending Methodology		
Individual loans	70.8%	136,720
Small solidarity group loans	29.2%	56,408
Distribution by Product Type		
Micro-enterprises	65.6%	126,694
Small and medium enterprises	25.1%	48,513
Large enterprises	1.1%	2,100
Education	0.8%	1,527
Immediate household needs	4.6%	8,885
Housing	1.7%	3,296
Other loan portfolio	1.1%	2,113

Investee Country Profile - Mali

Population	16.5 million
Pop. living in poverty	36.1%
Human dev. rank	176/182
GDP per capita	USD 1,100
Real GDP growth (2010e)	4.8%
Inflation rate	0.1%
Forex (36m)	3.3%/USD
Private credit	22.8% /GDP
FDI net inflow	n.a.
Remittances	USD 784.1 million

REGMIFA Investors



Mrs. Diakite

Country - Mali

Lying on both the semi-desert Sahel in the north and the fertile Niger basin in the south, Mali is not only a self-sufficient country but also an agricultural products and major cotton exporter. Cotton accounts for more than half of its exports, thus making the economy vulnerable to international commodity prices. Moreover, due to a minimal industrial base and a dependence on imported machinery and petroleum, the country runs a trade deficit, despite important remittances and foreign aid. Although taking place far away from the populated south, the conflict in the northern region between the state and pro-independence Tuaregs and Islamists, combined with the French intervention, have heavily dampened the country's growth. However, since 2014, the economy has been witnessing a vigorous upturn. Self-managed village savings and loan banks, promoted by the International Labor Organization in the early 1980s, launched the microfinance sector in Mali. Nowadays, 125 MFIs - mainly in the south - are listed by APIM Mali, the main MFI association in the country. Credit reference bureaus do not currently exist in Mali.

MFI story – Soro Yiriwaso

Thanks to a USAID grant in 1998, Save the Children launched a microfinance project in the south of Mali that was transformed in 2000, by the current CEO, into a microfinance NGO, Soro Yiriwaso (Soro). Highly focused on the rural sector, representing 80% of gross loan portfolio (GLP), Soro's products target the whole agriculture value-chain, mainly via group lending to female farmers (93% of GLP). Soro focuses on the lower end of the micro segment with an average loan balance of USD 91 as of September 2014. After the GLP grew by 16% in 2011 to reach USD 8.5m, Soro faced a shortage of resources following the military coup which limited new disbursements and renewals. The GLP thus fell by respectively 24% in 2012 and 12% in 2013 to reach USD 5.9m but today stands at over USD 7m. However, the agricultural sector in general was not heavily affected by the coup and portfolio quality remains excellent, with PAR>30 at under 2% and no occurring write-offs since 2011. Growth is set to stabilize at 10% in 2015 and 19% in 2016, with Soro's GLP set to reach USD 13m and PAR>30 expected to remain at current levels.

Client Story – Mrs. Diakite

Aminata Diakite is 38 years old, married and a mother of four children. She has been a client of Soro since August 2013, first through a neighborhood association in Faso Kanu, and later within the solidarity group, Danaya, which allowed her to obtain two loans of respectively FCFA 200,000 and 250,000. For relocation purposes, she then joined a new association, Sougou Benkadi, and a new solidarity group, Nieta, where she obtained a third loan of 250,000 FCFA. Mrs Aminata Diakite is specialized in selling complementary home products such as incense, traditional pottery, jars and calabash. Her profit margin is around 50%, meaning that with a FCFA 250,000 loan, Mrs Diakite earns a revenue of FCFA 375,000. Mrs. Diakite believes that her collaboration with Soro Yiriwaso has contributed to her ability to expand her activities, thus increasing her income. Thanks to this, she could bare her children's health and school expenses. In addition, she was able to connect her stall to the electric grid, buy a refrigerator and begin a natural juice trade. Mrs Aminata Diakite is thankful to Soro for the support it brings to women through tailored funding.

Contacts

Registered Office
5, rue Jean Monnet
L-2013 Luxembourg
Grand-Duchy of Luxembourg

Investment and TA Facility Manager
Symbiotics SA
Rue de la Synagogue 31
1204 Geneva, Switzerland