Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF
5, rue Jean Monnet
L-2180 Luxembourg

R.C.S. Luxembourg : B 150.766

Financial statements
as at 31 December 2013
and Independent auditor's report

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General information

Board of Directors	Mr. Wolfgang Kroh (Chairman) Dr. Marcel Gérard Gounot Mr. Hanns Martin Hagen Mr. Ulf Linders Mr. Philippe Serres (since 6.11.2013) Ms. Alix Pinel (until 5.11.2013) Mr. Ruurd Brouwer Mr. Juan Izuzquiza
Registered Office	5, rue Jean Monnet L-2180 Luxembourg Grand-Duchy of Luxembourg
Investment Manager and Placing Agent	Symbiotics S.A. 31, rue de la Synagogue CH-1204 Geneva, Switzerland (since 18.11.2013) 75, rue de Lyon CH-1203 Geneva, Switzerland (until 17.11.2013)
Custodian	Credit Suisse (Luxembourg) S.A. 56, Grand Rue L-1660 Luxembourg Grand-Duchy of Luxembourg
Administrative Agent	Credit Suisse Fund Services (Luxembourg) S.A. 5, rue Jean Monnet L-2180 Luxembourg Grand-Duchy of Luxembourg
Independent Auditor	Ernst & Young S.A. 7, rue Gabriel Lippmann Parc d'Activité Syrdall 2 L-5365 Munsbach Grand-Duchy of Luxembourg
Legal Advisers	Linklaters LLP 35, Avenue John F. Kennedy B.P. 1107 L-1011 Luxembourg Grand-Duchy of Luxembourg

Report of the Board of Directors

We are pleased to submit the annual report for the year ended 31 December 2013 and the Independent Auditor's Report for the Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF ("REGMIFA" or the "Fund").

REGMIFA demonstrated in 2013 a continued capacity to grow while pursuing its dual objective of achieving a positive social impact alongside commercial viability, establishing the Fund as a preferred partner for its Partner Lending Institutions ("PLIs") serving micro, small and medium-sized enterprises in Sub-Saharan Africa.

During the year under review, the Fund surpassed the important milestone of USD 100m invested portfolio after 3.5 years of activity and reached an outstanding investment portfolio of USD 104m and a Gross Asset Value ("GAV") of USD 128m as of end of year, a year-on-year net portfolio growth of USD 27m in line with our forecasts. The Fund added five new countries by investing for the first time in the Democratic Republic of Congo, Zimbabwe, Angola, Chad and Rwanda, thus reaching 17 countries and contributing to increase the Fund's regional diversification. New partnerships with eleven carefully selected PLIs were entered into, increasing the number of financed PLIs to 37. Among these new partners, an increasing number of less mature institutions was reached, supporting the Fund's stated developmental objective to finance smaller and less developed PLIs which are not commonly served by existing microfinance funders. Five of the eleven new partners are categorized as Tier 3, four as Tier 2 and two as Tier 1 institutions (defined in terms of their total assets size). [1]

From a risk management perspective, the Fund conducts a systematic due diligence of PLIs, including onsite visits, and grants to each of them a credit risk shadow rating updated on a yearly basis. The credit risk profile of the Fund's portfolio remained stable in 2013 with an average investee shadow credit risk rating of BBB- and the absence of any provision or impairment of investment as at year's end. The portfolio quality of investees, measured through Portfolio at Risk > 30 days, remained largely stable at 4.8% (4.9% in 2012). In addition to these credit risk assessments, the Fund relies on strict policies and procedures to manage and monitor investee and country concentrations, country risk, currency risk, interest rate risk and liquidity risk. Interest rate risks are systematically mitigated through swap instruments while currency risks are quasi-systematically hedged. As of December 2013, the open currency exposure of the Fund was USD 4.8m, i.e. 3.7% of its GAV. The Board has not found any major deficiency in the internal controls environment of the Fund during the year and deems the relevant controls satisfactory.

From a social performance perspective, the Fund's financial support is estimated to have reached out to more than 190'000 end borrowers in 17 countries, who received loans that averaged USD 537 (28% of gross national income per capita). 71% of these clients were women and 94% of them were running a micro-, small or medium-sized business.

In parallel, REGMIFA's Technical Assistance Facility (TAF), a key element of the Fund's value proposition, delivered excellent results in 2013. Twenty-five projects were approved and eighteen were completed in a diversity of areas responding to PLIs' specific needs. In order to get an independent assessment of the Fund's and TAF's impact on PLIs, the TAF commissioned an Impact Assessment Study. The final report is not yet released but findings are very encouraging and confirm that the TAF's intervention notably helped PLIs improve their risk profile in areas such as institutional transformation, risk management, customer service, and MIS improvement, while the Fund's investment activity sustained PLIs' growth. Both interventions contributed to raise the PLIs' profile towards international commercial investors.

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[1] Tier 1 institutions are PLIs with total assets above USD 30m, Tier 2 institutions have total assets between USD 10 and 30m, and Tier 3 institutions have total assets below USD 10m.

Report of the Board of Directors (continued)

Last but not least, the 2013 financial results give impressive evidence of the Fund's continued financial sustainability. Thanks to a portfolio yield higher than projected, the absence of any loan loss provision and costs under control, the Fund is able to not only pay all target dividends but also to reward the shareholders' strong commitment with the payment of complementary dividends. In addition, the Board of Directors decided to allocate a significant amount of USD 370'121 to the benefit of the TA Facility.

Macro-economic indicators continue to be positive for 2014 in Sub-Saharan Africa, with GDP growth projected above 5% for the region, driven by changes in information and communication technology, demographic growth, rapid urbanization and commodity export. The microfinance sector is expected to grow accordingly to support this value creation. At the same time, the Fund will continue to operate in a risky environment due to the fragility of the global economy and to the risks inherent to the target region and countries of the Fund, such as political, civil and social unrest.

Status

The Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF was established on 1 December 2009 as a *société anonyme*, qualifying as a *société d'investissement à capital variable-fonds d'investissement spécialisé (SICAV-SIF)* under the Luxembourg Law of 13 February 2007 ("SIF-Law"). The Fund was registered with the *Registre de Commerce et des Sociétés*, Luxembourg, section B, under number B-150.766. The articles of incorporation of the Fund ("Articles") were published in *Mémorial C, Recueil des Sociétés et Associations*.

Results

The performance of the Company during the year is disclosed in the Income Statement on page 6.

Dividends and other contributions

As per the 2013 financial exercise, the Fund generated a total distributable income of USD 3,659,242. Based on this income, all target dividends will be paid to the Class A and Class B shareholders and capitalized to the Class C shareholders: USD 446,882 to Class A Shares, USD 900,537 to Class B Shares, and USD 1,253,178 to Class C Shares. Furthermore, the Board resolved to allocate the remaining amount of distributable income as follows: an allocation of USD 235,919 as FX compensation amount to Class C Shares; a USD 370,121 contribution to the Technical Assistance facility; an incentive bonus of USD 90,521 to the Investment Manager; and a USD 362,084 complementary dividend of which USD 41,178 is allocated to Class A Shares, USD 94,453 to Class B Shares and USD 226,453 to Class C Shares.

Directors

The following persons served as Directors of the Fund during the year:
Mr. Wolfgang Kroh (Chairman)
Mr. Ruurd Brouwer
Dr. Marcel Gérard Gounot
Mr. Juan Ignacio Izuzquiza Rueda
Mr. Hanns Martin Hagen
Mr. Ulf Linders
Ms. Alix Pinel (until 5.11.2013)
Mr. Philippe Serres (since 6.11.2013)

During 2013, the Board of Directors has held three meetings and executed several circular resolutions in exercise of its governance duties.

Report of the Board of Directors (continued)

Investment Committee

The following persons served as members of the Investment Committee of the Fund during the year:
Mr. Karl-Heinz Fleischhacker (Chairman)
Mr. Edvardas Bumsteinas
Mr. Juan Ignacio Izuzquiza Rueda
Mr. Njord Andrewes
Mr. Mariano Larena

During 2013, the Investment Committee has held ten meetings.

FX Committee

The following persons served as members of the Foreign Exchange Committee of the Fund during the year:
Mr. Giuseppe Ballocchi, CFA
Mr. Helie d'Hautefort
Dr. Michael Schulze

During 2013, the FX Committee has held one meeting.

TA Facility Committee

The following persons served as members of the Technical Assistance Facility Committee of the Fund during the year:
Dr. Karin Derflinger (Chairperson) (until 10.12.2013)
Ms. Karin-Hoensch Walter (Chairperson) (from 11.12.2013)
Mr. Juan Ignacio Izuzquiza Rueda
Mr. Stefan Kerpen

During 2013, the TA Facility Committee has held one meeting.

Statement of Directors' responsibilities

The financial statements are the responsibility of the Board of Directors.

We hereby authorize the Fund's financial statements as at 31 December 2013 for issue.

20 May 2014

Board of Directors

Ernst & Young
Société anonyme

7, rue Gabriel Lippmann
Parc d'Activité Syrdall 2
L-5365 Munsbach

Tel: +352 42 124 1

www.ey.com/luxembourg

B.P. 780
L-2017 Luxembourg

R.C.S. Luxembourg B 47 771
TVA LU 16063074

Building a better working world

Independent auditor's report

To the Shareholders of
Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF
5, rue Jean Monnet
L-2180 Luxembourg
Luxembourg

We have audited the accompanying financial statements of Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF, which comprise the statement of financial position as at 31 December 2013, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2013, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the "*réviseur d'entreprises agréé*", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "*réviseur d'entreprises agréé*" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Ernst & Young
Société Anonyme
Cabinet de révision agréé

Alain Kinsch

Luxembourg, 20 May 2014

Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF

Statement of Financial Position

As at 31 December 2013
(expressed in USD)

ASSETS	Notes	31 December 2013	31 December 2012
Gross Loans to Partner Lending Institutions		104,147,826	77,000,913
Impairment allowances		-	-
Net Loans to Partner Lending Institutions	3	104,147,826	77,000,913
Derivative financial instruments (net)	4	-	301,814
Interest accruals on loans	3	3,139,750	2,242,429
Other receivables		657,131	1,378,244
Prepaid expenses		17,649	24,528
Cash and cash equivalents		20,891,879	6,979,273
Total Assets		**128,854,235**	**87,927,201**
LIABILITIES			
Notes	5	13,121,470	13,121,470
Derivative financial instruments (net)	4	1,817,263	-
Accrued expenses	9.5	836,720	550,867
Other payables		76,052	-
Subscription received in advance	7	3,000,000	-
Dividends payable to holders of redeemable shares	11	1,483,050	744,172
Contribution to the technical assistance facility	11	420,076	49,955
Net assets attributable to holders of redeemable Class A Shares	6	23,954,908	22,465,122
Net assets attributable to holders of redeemable Class B Shares	6	36,950,000	12,950,000
Total Liabilities		**81,659,539**	**49,881,586**
EQUITY			
Share capital		44,379,281	35,950,000
Retained earnings		2,815,415	2,095,615
Total Equity	6	**47,194,696**	**38,045,615**
Total Liabilities and Equity		**128,854,235**	**87,927,201**

The accompanying notes are an integral part of these financial statements.

Regional MSME Investment Fund for Sub-Saharan
Africa S.A., SICAV-SIF

Statement of Comprehensive Income
For the year ended 31 December 2013
(expressed in USD)

INCOME	**Notes**	**2013**	**2012**
Interest income on loans	8.1	12,759,553	8,643,766
Bank interest		3,310	4,725
Other income		389,621	73,697
Realized gain on derivative financial instruments		1,285,281	940,950
Realized FX gain on loans to Partner Lending Institutions		101,407	-
Change in unrealized gain on derivative financial instruments	4	1,904,030	1,805,642
Realized gain and change in unrealized gain on foreign exchange		832,742	804,641
Total Income		**17,275,944**	**12,273,421**
EXPENSES			
Management fees	9.1	(1,891,275)	(1,267,449)
Secretary fees	9.3	(82,507)	(56,282)
Legal and audit fees		(121,531)	(89,256)
Administration, custodian and domiciliation fees	9.4	(171,574)	(128,078)
Other administrative expenses		(67,343)	(82,009)
Marketing and promotion expenses		(26,819)	(37,477)
Interest expense on Notes	8.2	(194,995)	(138,839)
Bank charges		(3,370)	(1,910)
Contribution to the technical assistance facility		(370,121)	(49,955)
Incentive bonus	9.2	(90,521)	(17,710)
Realized loss on derivative financial instruments		(6,627,246)	(4,409,844)
Realized FX loss on loans to Partner Lending Institutions		(1,311,724)	(940,671)
Change in unrealized loss on derivative financial instruments	4	(4,023,107)	(4,227,593)
Realized loss and change in unrealized loss on foreign exchange		(90,961)	(116,068)
Total Operating Expenses		**(15,073,094)**	**(11,563,141)**
Operating profit		**2,202,850**	**710,280**
Distribution to holders of redeemable ordinary shares		(1,483,050)	(744,172)
Profit / (loss) for the Year		**719,800**	**(33,892)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year, net of tax		**719,800**	**(33,892)**

Regional MSME Investment Fund for Sub-Saharan
Africa S.A. SICAV-SIF

Statement of Cash Flows
For the year ended 31 December 2013
(expressed in USD)

	2013	2012
Cash flows from operating activities		
Operating profit before tax	2,663,492	777,925
Adjustments for:		
Net Change in unrealized loss on derivatives financial instruments	2,119,077	2,421,951
Operating Profit before working capital changes	4,782,569	3,199,896
Net (increase) in interest accruals on loans	(897,321)	(1,022,202)
Net decrease / (increase) in other receivable and prepaid expenses	727,992	(1,182,918)
Net increase in accrued expenses and other payable (incl. incentive bonus)	271,384	154,630
Dividends payable to Class A and Class B Shareholders	(744,172)	(406,488)
Amount paid for technical assistance facility	-	(129,250)
Cash-flows used in operating activities	**4,140,452**	**613,668**
Cash flows from investing activities		
Net (increase) in loans to Partner Lending Institutions	(27,146,913)	(35,237,083)
Cash-flows used in investing activities	**(27,146,913)**	**(35,237,083)**
Cash flows provided by financing activities		
Cash received on Notes issued	-	9,621,470
Cash received on Shares issued	33,919,067	27,115,122
Advance of cash on subscriptions	3,000,000	(9,999,998)
Cash-flows provided by financing activities	**36,919,067**	**26,736,594**
Net increase / (decrease) in cash and cash equivalents	**13,912,606**	**(7,886,821)**
Opening cash and cash equivalents	**6,979,273**	**14,866,094**
Closing cash and cash equivalents	**20,891,879**	**6,979,273**

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity and Earnings per Class A and Class B Redeemable Ordinary Shares and Class C Shares
For the year ended 31 December 2013
(expressed in USD)

Statement of Changes in Equity

	For the year ended 31 December 2013		For the year ended 31 December 2012	
	Net Equity	**Number of shares**	**Net Equity**	**Number of shares**
Balance at beginning of the year	**38,045,615**	**665.777**	**21,179,507**	**368.750**
Issue of equity	8,429,281	148.121	16,900,000	297.027
Redemption of equity	-	-	-	-
Total comprehensive income	719,800	-	(33,892)	-
Balance at end of the year	**47,194,696**	**813.898**	**38,045,615**	**665.777**

Earnings per Class A and Class B Redeemable Ordinary Shares and Class C Shares for the years 2013 and 2012

Class of shares	**2013**	**2012**
Class A - Series 1	2,172.14	2,357.25
Class A - Series 2	2,172.14	2,357.25
Class B - Series 1	964.88	982.76
Class B - Series 2	964.88	982.76
Class B - Series 3	964.88	-
Class C - Series 1	998.38	(59.10)
Class C - Series 2	998.38	(59.10)
Class C - Series 3	998.38	(59.10)
Class C - Series 4	998.38	(59.10)

Regional MSME Investment Fund for Sub-Saharan
Africa S.A., SICAV-SIF

Supplementary Information
As at 31 December 2013
(expressed in USD)

Statement of Changes in Equity and Net Assets Attributable to Holders of Redeemable Ordinary Shares

	Class A		Class B		Class C		Combined
	Net assets attributable to shareholders	Number of shares	Net assets attributable to shareholders	Number of shares	Net assets attributable to shareholders	Number of shares	Net assets attributable to shareholders
At 31 December 2012	**22,465,122**	**224.651**	**12,950,000**	**518.000**	**38,045,615**	**665.777**	**73,460,737**
Issue of redeemable ordinary shares	1,489,786	14.898	24,000,000	960.000	-	-	**25,489,786**
Redemption of redeemable ordinary shares	-	-	-	-	-	-	-
Issue of equity	-	-	-	-	8,429,281	148.121	**8,429,281**
Redemption of equity	-	-	-	-	-	-	-
Operating profit	488,060	-	994,990	-	719,800	-	**2,202,850**
Distribution payable to holders of Class A and Class B shares	(488,060)	-	(994,990)	-	-	-	**(1,483,050)**
At 31 December 2013	**23,954,908**	**239.549**	**36,950,000**	**1,478.000**	**47,194,696**	**813.898**	**108,099,604**

	Class A		Class B		Class C		Combined
	Net assets attributable to shareholders	Number of shares	Net assets attributable to shareholders	Number of shares	Net assets attributable to shareholders	Number of shares	Net assets attributable to shareholders
At 31 December 2011	**18,250,000**	**182.500**	**6,950,000**	**278.000**	**21,179,507**	**368.750**	**46,379,507**
Issue of redeemable ordinary shares	4,215,122	42.151	6,000,000	240.000	-	-	**10,215,122**
Redemption of redeemable ordinary shares	-	-	-	-	-	-	**-**
Issue of equity	-	-	-	-	16,900,000	297.027	**16,900,000**
Redemption of equity	-	-	-	-	-	-	**-**
Operating profit	460,331	-	283,841	-	(33,892)	-	**710,280**
Distribution payable to holders of Class A and Class B shares	(460,331)	-	(283,841)	-	-	-	**(744,172)**
At 31 December 2012	**22,465,122**	**224.651**	**12,950,000**	**518.000**	**38,045,615**	**665.777**	**73,460,737**

Supplementary Information

As at 31 December 2013
(expressed in USD)

Net Asset Values per Share

	31 December 2013	31 December 2012	31 December 2011
Class of shares			
Class A	100,000.00	100,000.00	100,000.00
Class B	25,000.00	25,000.00	25,000.00
Class C	57,986.02	57,144.68	57,787.03

Note 1 – Description

1.1. Corporate information

Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF (hereafter referred to as the “Fund”) is a closed-ended investment company with variable capital, incorporated as a public limited company (a “société anonyme”), and organized under the laws of Luxembourg as a *société d’investissement à capital variable – fonds d’investissement spécialisé*. The Fund is registered pursuant the law of 13 February 2007 on specialized investment funds (the “SIF Law”).

The Fund was set up for an unlimited duration on 1 December 2009.

The Articles of Incorporation of the Fund (“Articles”) were published in *Mémorial C, Recueil des Sociétés et Associations*. The Fund is registered with the Luxembourg Company Register under Number B 150.766.

The registered office of the Fund is established in Luxembourg, Grand Duchy of Luxembourg and its address is set at 5, rue Jean Monnet L-2180 Luxembourg.

The mission of the Fund is to build a unique public private partnership between donors, development finance institutions and international finance institutions, private investors and African stakeholders to foster economic development and prosperity in Sub-Saharan Africa through the provision of demand-oriented financing to qualified and, to the extent necessary, technically supported partner lending institutions serving micro, small and medium sized enterprises.

1.2. Investment objectives

The Fund seeks to invest in a balanced portfolio of regulated and/or non-regulated micro finance institutions and/or local commercial banks and/or other financial institutions, established in Sub-Saharan African countries providing funding to MSMEs, (each a Partner Lending Institution - “PLI”).

Note 1 – Description (continued)

1.3. Share capital and Notes

The Fund may issue various classes of Shares (each a “Class”), each evidencing a different level of risk.

- The first loss Class C Shares (“Class C Shares”), which may be issued in successive series, bear all unrealized/realized capital losses of the Fund (e.g. foreign exchange loss, deterioration in credit quality or defaults with respect to the investments of the Fund) until the Net Asset Value (“NAV”) of Class C Shares has been fully depleted. Write backs on unrealized investments and any realized or unrealized capital gains shall be allocated to the Class C Shares in the order of priority as detailed in Note 10. The Class C Shareholders’ dividend entitlements rank junior to the dividend entitlements of the Class A and Class B Shareholders as per the waterfall model detailed in Note 10. The NAV of all C Shares must represent at least 33 % of the total assets of the Fund at all times.

- The mezzanine Class B Shares (“Class B Shares“), which may be issued in successive series, bear unrealized/realized capital losses of the Fund only if the NAV of the Class C Shares has been reduced to zero. Write backs on unrealized investments and any realized or unrealized capital gains shall be allocated to the Class B Shares in the order of priority as detailed in Note 10. The Class B Shareholders’ dividend entitlements rank senior to the dividend entitlements of the Class C Shareholders but junior to the dividend entitlements of the Class A Shareholders as per the waterfall model detailed in Note 10. The sum of the NAVs of the C Shares and the B Shares must represent at least 50 % of the total assets of the Fund at all times.

- The senior Class A Shares (“Class A Shares”), which may be issued in successive series, are insulated against unrealized/realized capital losses of the Fund, bearing such losses only if the NAV of both the Class C Shares and the Class B Shares has been reduced to zero. Write backs on unrealized investments and any realized or unrealized capital gains shall be allocated to the Class A Shares in the order of priority as detailed in Note 10. The Class A Shareholders’ dividend entitlements rank senior to the dividend entitlements of the Class B and Class C Shareholders as per the waterfall model detailed in Note 10.

The Fund may also from time to time issue notes in the form of subordinated notes (“Subordinated Notes”) and senior notes (“Senior Notes”) (together the “Notes”).

Note 1 – Description (continued)

1.3. Share capital and Notes (continued)

The Fund may issue Notes in successive Series, each with its own duration and coupon determined at the discretion of the Board of Directors at the time the relevant Series of Notes is being placed:

- The entitlements of holders of Senior Notes to receive interest payments and repayments of principal rank junior to other creditors of the Fund but senior to all Shareholder payment entitlements and senior to all payment entitlements of holders of Subordinated Notes.

- The entitlements of holders of Subordinated Notes to receive interest payments and principal repayments rank junior to other creditors of the Fund and junior to all payment entitlements of holders of Senior Notes but senior to all Shareholder payment entitlements.

Note 2 – Significant accounting policies

2.1. Statement of compliance

The Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF's financial statements (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the European Union ("IFRS").

2.2. Basis of preparation

The Financial Statements have been prepared on a historical cost basis, except derivative financial instruments that have been measured at fair value.

The Fund's financial year starts on 1 January and ends 31 December of each year.

The preparation of Financial Statements in conformity with International Financial Reporting Standards requires the Board of Directors to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying Notes. The Board of Directors believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates and the differences may be material to the Financial Statements.

Note 2 – Significant accounting policies (continued)

2.2. Basis of preparation (continued)

(a) Significant accounting judgments and estimates

In the process of applying the Fund's accounting policies, the Board of Directors has used its judgments and made estimates in determining the amounts recognized in the Financial Statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The most significant use of judgments and estimates are as follows:

Fair value of financial instruments

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken by observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Valuation of unquoted equity investments is based on one of the following:

- Recent arm's length market transactions;
- Current fair value of another instrument that is substantially the same;
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- Other valuation models.

The determination of the adequate valuation method and of underlying assumptions requires significant estimation.

As at 31 December 2013 and 2012, the Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, London Stock Exchange, Frankfurt Stock Exchange or New York Stock Exchange) and exchanges traded derivatives like futures;
- Level 2: techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Note 2 – Significant accounting policies (continued)

2.2. Basis of preparation (continued)

(a) Significant accounting judgments and estimates (continued)

Impairment losses on loans

The Fund reviews its problem loans at each reporting date to assess whether an allowance for impairment should be recorded in the Financial Statements. In particular, judgment by the Board of Directors is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

(b) New and revised IFRS applied with no material effect on the Financial Statements

The accounting policies adopted are consistent with those used in the previous financial year, except for the following amendments to IFRS effective for the Fund as of 1 January 2013 (for the avoidance of doubt, only the new standards, amendments to standards and IFRIC which may have an effect on the Fund's accounts are mentioned below):

- *Presentation of Items of Other Comprehensive Income (issued in June 2011) – Amendments to IAS 1 - Presentation of Financial Statements*

The amendments modify the grouping of items presented in other comprehensive income. Items that could be reclassified (or "recycled") to the income statement at a future point in time are now to be presented separately from items that will never be reclassified. The layout of the statement of comprehensive income has been adjusted accordingly.

The amendments affect presentation only and have no impact on the Fund's financial position or performance.

- *IFRS 13 – Fair Value Measurement (new standard issued in May 2011)*

According to the specific transitional provisions embedded in IFRS 13, the new standard is to be applied on a prospective basis (with no requirement to restate / produce disclosures for the comparative period).

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when a fair valuation is required or permitted. IFRS 13 defines fair value as an exit price. IFRS 13 also requires additional disclosures.

Application of IFRS 13 has not impacted the fair value measurements of the Fund. Additional disclosures, where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

Note 2 – Significant accounting policies (continued)

2.2. Basis of preparation (continued)

(b) New and revised IFRS applied with no material effect on the Financial Statements

- *Annual Improvements to IFRS 2009-2011 Cycle (issued in May 2012)*
  Amendments to IAS 1 - Presentation of Financial Statements
  Amendments to IAS 32 - Financial Instruments: Presentation

- *Disclosures - Offsetting Financial Assets and Financial Liabilities (issued in December 2011) - Amendments to IFRS 7 – Financial Instruments: Disclosures*

The amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements).

The new disclosures provide users with information that is useful in evaluating the effect of netting arrangements on the Fund's financial position. They apply to all recognized financial instruments that are subject to an enforceable master netting agreement, irrespective of whether they are set off in accordance with *IAS 32 – Financial Instruments: Presentation.*

Transitional rules indicate the amendments are to be applied on a retrospective basis.

(c) Standards issued but not yet effective

The Fund has also decided not to early adopt the standards, amendments to standards and interpretations of the IFRIC which have been published but are not applicable to the Fund for the year ending 31 December 2013. The Fund will adopt these standards on the date of their effective application and when they will be approved by the European Union.

This basically concerns the following publications (only the standards, amendments to standards and IFRIC which may have an effect on the Fund's financial position or performance are mentioned below):

- *Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32*

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments are not expected to impact the Fund's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

- *IFRS 9 Financial Instruments – Classification and Measurement (Not endorsed by the European Union yet)*

IFRS 9, as issued, reflects the first and the third phases of the IASB's work on the replacement of IAS 39. Those phases relate to classification and measurement of financial assets and financial liabilities (as defined in IAS 39) and to Hedge Accounting. The second phase, which deals with impairment methodology, has not been published yet.

Note 2 – Significant accounting policies (continued)

2.2. Basis of preparation (continued)

(c) Standards issued but not yet effective (continued)

The IASB recently decided to tentatively remove the mandatory effective date for IFRS 9. That mandatory effective date will be set when the revised classification and measurement proposals and the expected credit loss proposals are finalised.

The adoption of the first phase of IFRS 9 is expected to have an effect on the classification and measurement of the Fund's financial assets, but not on the classification and measurement of financial liabilities. The Fund will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

- *IFRS 10 – Consolidated Financial Statements*

IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 *Consolidation – Special Purpose Entities.*

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. Based on the preliminary analyses performed, IFRS 10 is not expected to have a significant impact on the financial position and performance of the Fund.

The IASB determined the new standard should become effective for annual periods beginning on or after 1 January 2013; however, the European Union allowed preparers of financial statements to postpone the initial application of the standard to 1 January 2014. Based on the analysis performed, IFRS 10 is not expected to have any impact on the currently held investments of the Fund.

- *IFRS 11 – Joint Arrangements*

IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers.* It establishes revised principles for financial reporting by entities that have interest in arrangements that are controlled jointly.

Based on the preliminary analyses performed, the Fund has no interest in such arrangements. The IASB determined the new standard should become effective for annual periods beginning on or after 1 January 2013; however, the European Union allowed preparers of financial statements to postpone the initial application of the standard to 1 January 2014. This standard is not expected to impact the financial statements of the Fund as the Fund has no such arrangements.

Note 2 – Significant accounting policies (continued)

2.2. Basis of preparation (continued)

(c) Standards issued but not yet effective (continued)

- *IFRS 12 – Disclosure of Involvement with Other Entities*

The new IFRS includes all disclosures relating to consolidated financial statements previously included in IAS 27, as well as all disclosures previously included in IAS 31 *Interests in Joint Ventures* and IAS 28 *Investments in Associates.* These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. One of the most significant changes introduced by IFRS 12 is that an entity is now required to disclose the judgements made to determine whether it controls another entity. Many of these changes were introduced by the IASB in response to the financial crisis. Now, even if the Fund concludes that it does not control an entity, the information used to make that judgement will be transparent to users of the consolidated accounts. Those users will then be able to make their own assessment of the financial impact were the Fund to reach a different conclusion regarding consolidation.

The IASB determined the new standard should become effective for annual periods beginning on or after 1 January 2013; however, the European Union allowed preparers of financial statements to postpone the initial application of the standard to 1 January 2014. This standard is not expected to impact the financial statements of the Fund.

The Fund will need to disclose more information about the consolidated and unconsolidated structured entities with which it is involved or has sponsored. However, the standard will not have any impact on the consolidated financial position or performance of the Fund.

- *IAS 27 – Separate Financial Statements (as revised in 2011)*

As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate annual accounts.

The IASB determined the revised standard should become effective for annual periods beginning on or after 1 January 2013; however, the European Union allowed preparers of financial statements to postpone the initial application of the standard to 1 January 2014. This standard is not expected to impact the financial statements of the Fund.

- *IAS 28 – Investments in Associates and Joint Ventures (as revised in 2011)*

As a consequence of the new IFRS 11 *Joint Arrangements*, and IFRS 12 *Disclosure of Interests in Other Entities*, IAS 28 *Investments in Associates*, has been renamed IAS 28 *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates. This revision is not expected to impact the financial statements of the Fund.

Note 2 – Significant accounting policies (continued)

2.2. Basis of preparation (continued)

(c) Standards issued but not yet effective (continued)

The IASB determined the revised standard should become effective for annual periods beginning on or after 1 January 2013; however, the European Union allowed preparers of financial statements to postpone the initial application of the standard to 1 January 2014. This application is not expected to impact the Fund's financial position or performance.

- *Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27*

These amendments are effective for annual periods beginning on or after 1 January 2014. They provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments should not significantly impact the Fund's financial position and performance.

2.3. Summary of significant accounting policies

2.3.1. Foreign currency translation

2.3.1.1 Functional currency translation

Items included in the Financial Statements are measured and presented using the US Dollars (USD).

The Fund's results and financial position are translated from its functional currency to its presentation currency, as follows:

- assets and liabilities are translated at the closing rate at each statement of financial position date;
- income and expenses are translated at the monthly average exchange rate.

2.3.1.2 Transactions and balances

Foreign currency transactions are translated, in accordance with IAS 21, at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in currencies other than in USD are translated into USD at the exchange rate prevailing at the statement of financial position date. The gain or loss arising from such translation is recorded in the income statement.

Note 2 – Significant accounting policies (continued)

2.3. Summary of significant accounting policies (continued)

2.3.1. Foreign currency translation (continued)

2.3.1.2 Transactions and balances (continued)

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the reporting currency at the foreign exchange rates ruling at the dates when the fair value was determined.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognized in the income statement.

2.3.2. Loans

2.3.2.1 Classification

The PLI investments are classified into the category Loans and Receivables which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

2.3.2.2 Initial measurement

Loans and Receivables are recognized in the assets of the Fund when cash is advanced to the Partner Lending Institutions. They are initially recorded at cost (the net disbursed amounts), which is the fair value of the cash given to originate the loan, including any transaction costs that are directly attributable to the acquisition or issue.

2.3.2.3 Subsequent measurement

After initial measurement, Loans and Receivables are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition that are not integral part of the effective interest rate.

The Fund assesses at each statement of financial position date whether there is any objective evidence that a loan is impaired. A loan is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the loan (an incurred “loss event”) and that loss event has an impact on the estimated future cash flow of the loan that can be reliably estimated.

Note 2 – Significant accounting policies (continued)

2.3. Summary of significant accounting policies (continued)

2.3.2. Loans (continued)

2.3.2.3 Subsequent measurement (continued)

Evidence of impairment may include indications that the PLI is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the loan's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement as "Credit loss expense". Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the loan. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-down is later recovered, the recovery is credited to the "Credit loss expense".

In addition to specific allowances against individually significant Loans and Receivables, the Fund also makes collective impairment test on exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This collective impairment test is based on any deterioration in the internal rating of the groups of loans since there were granted or acquired.

2.3.2.4 Derecognition

The Fund derecognizes a loan when the contractual rights to the cash flows from the loan expire or when it transfers the loan and the transfer qualifies for derecognition in accordance with IAS 39.

Note 2 – Significant accounting policies (continued)

2.3. Summary of significant accounting policies (continued)

2.3.3. Derivative financial instruments

The Fund may engage, for the proportion of its portfolio which is invested in a currency other than USD, in currency hedging operations with a view to manage exposures to foreign currency risk.

These hedging operations are assimilated as economic hedging. The Fund does not apply hedge accounting and the derivative financial instruments are classified as held for trading.

The derivatives financial instruments are measured at fair value through profit and loss accounts and carried as assets when the fair value is positive and as liabilities when the fair value is negative. Market values are determined by using quoted market prices, valuation techniques and broker quotations.

2.3.4. Notes

Notes are recognized initially at cost including any transaction costs that are directly attributable to their acquisition or issue. Subsequently, they are measured at amortized cost using the effective interest rate method.

2.3.5. Cash and cash equivalent

The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.

Note 2 – Significant accounting policies (continued)

2.3. Summary of significant accounting policies (continued)

2.3.6. Redeemable shares

The A and B Shares are redeemable at the maturity of the relevant tranches of classes of shares and are classified as financial liabilities. The liabilities arising from these shares are carried at the redemption amount being the net asset value calculated in accordance with IFRS.

The C Shares are classified as equity instruments for the following reasons:

- the shares entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- the shares are in the class of instruments that is subordinate to all other classes of instruments;
- all shares in the class of instruments that is subordinate to all other classes of instrument have identical features;
- the shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets;
- the total expected cash flows attributable to the shares over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument.

2.3.7. Interest income and expenses

Interest income on loans and interest expenses are recognised on an accrual basis in line with the contractual terms.

2.3.8. Expenses

Most of these expenses, including management fees, are recognized in the income statement on an accruals basis. The other expenses are directly recorded in the income statement.

Note 2 – Significant accounting policies (continued)

1.3. Summary of significant accounting policies (continued)

2.3.9. Taxation

The Fund is not subject to any tax except to the tax on Luxembourg undertakings for collective investment ("Subscription tax").

The annual subscription tax ("taxe d'abonnement") is generally levied at the rate of 0.01% per annum on the Fund's Net Asset Value calculated on the last valuation day of each quarter and is payable in quarterly installments.

In accordance with the "Règlement grand-ducal" dated 14 July 2010, the Fund is exempted from the subscription tax since 23 May 2011.

Partner Lending Institutions may be subject to withholding tax payable on the interest expense made to the Fund. However, the responsibility of such withholding tax payment lies with the Partner Lending Institutions at local level and has thus no impact to the financial statements of the Fund.

2.3.10. Transfer between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

Note 3 – Loans portfolio

As at 31 December 2013, the Loans to Partner Lending Institutions have a carrying value amounting to USD 104,147,826 (2012: USD 77,000,913) and a fair value amounting to USD 104,452,846 (2012: USD 76,270,498).

The fair value of loans is calculated by using valuation techniques based on non-observable data in emerging markets and corresponds to level 3 of IFRS 7 fair value hierarchy. Due to the difficulty of reliably estimating discount rates as input into a discounted cash flow model in the absence of a liquid market for microfinance debt investments, the fair value of loans was calculated by taking into account since the disbursement date of loans 1) the change in foreign exchange spot rates and by deduction 2) the change in local yield curves (i.e. T-bills and T-bonds). The impact on valuation derived from the change in local yield curves was estimated from the change in the mark-to-market value of derivatives used for hedging the local currency denominated loan portfolio. The mark-to-market value of derivatives themselves is based on a discounted cash flow model taking into account the change in 1) foreign exchange spot rates and 2) local yield curves (i.e. T-bills and T-bonds) since the initiation of the hedge. The fair value of the loan portfolio is adjusted for any impairment allowance accounted for by the Fund (none as of 31 December 2013). The fair value of the portfolio represents a clean price as accrued interests are not factored in.

Note 3 – Loans portfolio (continued)

During the year ended 31 December 2013, there were no transfers into and out of level 3 fair value measurement.

As at 31 December 2013, the accrued interest to be received on loans to Partner Lending Institutions amounts to USD 3,139,750 (2012: USD 2,242,429).

Note 4 – Derivative financial instruments

Derivative financial instruments

The notional amounts of certain types of derivative financial instrument (e.g. futures, swaps and forward contracts) provide a basis for comparison with instruments recognized on the Statement of Financial Position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and therefore do not indicate the Fund's exposure to credit or market price risk. These derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market prices, market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair value of derivative financial assets and liabilities can fluctuate significantly from time to time.

Swap contracts

As part of its asset and liability management, the Fund uses cross currency swaps for the proportion of its loan portfolio which is invested in currencies other than USD in order to simultaneously reduce its exposure to interest rate risk and foreign exchange risk.

As per 31 December 2013, the Fund holds 81 (2012: 67) cross currency swaps and 1 interest rate swap (2012: 1) with notional amount of USD 117,536,562 (2012: USD 100,777,763), which have a negative fair value of USD (1,750,871) as at 31 December 2013 (2012: positive fair value of USD 301,814). The nominal value of the derivative financial instruments is higher than the nominal value of the loan portfolio to Partner Lending Institutions as most loans denominated in XOF/XAF are first hedged from XOF/XAF to EUR and then from EUR to USD.

The fair values of cross currency swaps are calculated by reference to current exchange rates for contracts with similar maturity and risk profiles and so involved valuation techniques where all the model inputs are observable (either directly or indirectly) in the market. It corresponds to level 2 of the IFRS 7 fair value hierarchy.

Note 4 – Derivative financial instruments (continued)

Forward foreign exchange contracts

As at December 31, 2013, the Fund had the following forward foreign exchange contracts:

Purchase of USD 22,154 against sale of EUR 16,115 (maturing on 17/06/2014).
Purchase of USD 22,281 against sale of EUR 16,203 (maturing on 17/12/2014).
Purchase of USD 346,016 against sale of EUR 255,623 (maturing on 31/07/2014).
Purchase of USD 353,067 against sale of EUR 260,878 (maturing on 30/04/2014).
Purchase of USD 357,656 against sale of EUR 264,300 (maturing on 31/01/2014).
Purchase of USD 50,030 against sale of KES 4,722,824 (maturing on 16/06/2014).
Purchase of USD 523,288 against sale of EUR 380,490 (maturing on 17/02/2015).
Purchase of USD 655,831 against sale of KES 64,992,824 (maturing on 15/12/2014).

The net unrealised appreciation on the open forward foreign exchange contract(s) on December 31, 2013 amounts to USD (66,392).

The fair values of Forward foreign exchange contracts are calculated by reference to current exchange rates for contracts with similar maturity and risk profiles and so involved valuation techniques where all the model inputs are observable (either directly or indirectly) in the market. It corresponds to level 2 of the IFRS 7 fair value hierarchy.

During the year ended 31 December 2013 and 2012, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

Note 5 – Notes

As at 31 December 2013, the outstanding Notes issued by the Fund amount to USD 13,121,470 (2012: USD 13,121,470) and are fully drawn.

The floating rate Notes are valued at their amortized cost as of 31 December 2013 and 2012, the risk profile of the Fund having not significantly changed since the issuance of the Notes.

Note 6 – Share Capital and Net Assets Attributable to Holders of Redeemable Shares

As at 31 December 2013, the issued capital and net assets attributable to holders of redeemable shares are as follows:

In USD	**Senior Class A Shares**	**Mezzanine Class B Shares**	**First Loss Class C Shares**
As at 31 December 2013			
Initial commitment (USD)	10,000,000	47,743,750	-
Initial commitment (EUR)	10,000,000	13,000,000	54,000,000
Amount called (USD)	(10,000,000)	(31,559,375)	-
Amount called (EUR)	(10,000,000)	(4,163,802)	(35,516,041.18)
Uncalled commitment (USD)	-	16,184,375	-
Uncalled commitment (EUR)	-	8,836,198	18,483,958.82
Total amount subscribed (USD)	23,954,908	36,950,000	44,379,281
Operating profit (USD)	488,060	994,990	719,800
Distribution payable to holders of redeemable shares (USD)	(488,060)	(994,990)	-
Prior earnings / (losses) (USD)	-	-	2,095,615
Net Asset Value (USD)	**23,954,908**	**36,950,000**	**47,194,696**

As at 31 December 2012, the issued capital and net assets attributable to holders of redeemable shares were as follows:

In USD	**Class A Shares**	**Class B Shares**	**Class C Shares**
As at 31 December 2012			
Initial commitment (USD)	10,000,000	47,743,750	-
Initial commitment (EUR)	10,000,000	13,000,000	54,000,000
Amount called (USD)	(10,000,000)	(9,482,375)	-
Amount called (EUR)	(8,915,747)	(2,664,977)	(27,011,701)
Uncalled commitment (USD)	-	38,261,375	-
Uncalled commitment (EUR)	1,084,253	10,335,023	26,988,299
Total amount subscribed (USD)	22,465,122	12,950,000	35,950,000
Operating profit (USD)	460,331	283,841	(33,892)
Distribution payable to holders of redeemable shares (USD)	(460,331)	(283,841)	-
Prior earnings / (losses) (USD)	-	-	2,129,507
Net Asset Value (USD)	**22,465,122**	**12,950,000**	**38,045,615**

Note 7 – Subscription received in advance

As at 31 December 2013, a subscription for Class C Share for an amount of USD 3,000,000 has been received by the Fund (2012: nil). The subscription price of these shares is based on the net asset value of the related class of shares as of 31 December 2013. These shares will be issued early 2014 and have no impact on the total equity of the Fund as of 31 December 2013.

Note 8 – Interest income and expense

8.1. Interest income on loans

For the year ended 31 December 2013, the interest income is composed by interest on loans and upfront fees amounting to respectively USD 12,238,294 (2012: USD 8,170,009) and USD 521,259 (2012: USD 473,757).

8.2. Interest expense on Notes

For the year ended 31 December 2013, the interest on Notes expensed by the Fund amounts to USD 194,995 (2012: USD 138,839).

Note 9 – Expenses

9.1. Fund management fee

In consideration for its services to be provided to the Fund, the Investment Manager is entitled to a management fee payable by the Fund which shall be the aggregate of:

(i) a percentage of the outstanding capital invested by the Fund ("Invested Capital") in PLI Investments as at the end of any calendar month determined as follows:

- (a) 2 % per annum for the first USD 50 million of Invested Capital invested in PLI Investments at the end of such calendar month; plus
- (b) 1.75 % per annum for the amount of Invested Capital invested in PLI Investments at the end of such calendar month exceeding USD 50 million up to the amount of USD 100 million; plus
- (c) 1.50 % per annum for the amount of Invested Capital invested in PLI Investments at the end of such calendar month exceeding USD 100 million up to the amount of USD 200 million; plus
- (d) 1.25 % per annum for the amount of Invested Capital invested in PLI Investments at the end of such calendar month exceeding USD 200 million; and

(ii) 0.2 % per annum of the amount of Invested Capital invested in Investments other than PLI Investments at the end of such calendar month.

For the year ended 31 December 2013, the Fund management fee amounts to USD 1,891,275 (2012: USD 1,267,449).

Note 9 – Expenses (continued)

9.2. Investment manager incentive bonus

Depending on the performance of the Fund and the attainment of certain performance targets by each Class of Shares determined by the Board of Directors, the Investment Manager might be entitled to additional performance based remuneration ("Investment Manager Incentive Bonus"), calculated as a percentage of the year-to-date amount remaining available for allocation of the Income Waterfall, as defined in Note 10.

For the year ended 31 December 2013, an Investment Manager Incentive Bonus of USD 90,521 has been accrued (2012 USD 17,710).

9.3. Secretary fees

The secretary fees are paid on a monthly basis upon receipt of the invoice.
For the year ended 31 December 2013, the secretary fees amount to USD 82,507 (2012: USD 56,282).

9.4. Administration, custodian and domiciliation fees

The Fund pays an administration fee to Credit Suisse Fund Services (Luxembourg) S.A., which is based on the total net assets including the aggregate issue amount of the Notes issued by the Fund in accordance with the following scale, payable quarterly:

- 0.10% per annum on the first amount of USD 100 million,
- 0.08% per annum on the next amount of USD 100 million,
- 0.04% per annum on the amount above USD 200 million.

A minimal amount of USD 60,000 of administration fee is applied per annum.

For the year ended 31 December 2013, the administration fee amounts to USD 106,099 (2012: USD 71,843).

The Fund pays a custodian fee to Credit Suisse (Luxembourg S.A., which is based on the total net assets including the aggregate issue amount of the Notes issued by the Fund in accordance with the following scale, payable quarterly:

- 0.03% per annum on the first amount of USD 100 million,
- 0.02% per annum on the next amount above USD 100 million.

A minimal amount of USD 20,000 of custodian fee is applied per annum.

Note 9 – Expenses (continued)

9.4. Administration, custodian and domiciliation fees (continued)

For the year ended 31 December 2013, the custodian fee amount to USD 35,475 (2012: USD 26,235).

The Fund pays an annual lump sum domiciliation fee to Credit Suisse Fund Services (Luxembourg) S.A. For the year ended 31 December 2013, the domiciliation fee amounts to USD 15,000 (2012: USD 15,000).

As at 31 December 2013, the registrar and the compliance monitoring fees amount to USD 15,000 (2012: USD 15,000).

9.5. Accrued expenses

As at 31 December 2013, the accrued expenses relate to management fees and direct operating expenses and amount to USD 836,720 (2012: USD 550,867).

Note 10 – Allocation and distribution waterfalls

At each date on which a NAV calculation is made ("NAV Calculation Date"), the year-to-date cumulative net income ("Net Income") of the Fund for the relevant calendar year is determined. The Net Income equals the sum of (i) the Fund's cumulative year-to-date income (received and/or accrued) in the relevant calendar year less the year-to-date cumulative Fund Expenses (including, but not limited to, operating expenses and Management Fees) for the calendar year, plus (ii) any year-to-date interest payments on the Notes for the calendar year. For the purposes of this computation: (i) all realised and unrealised (ie accrued) interest payments to the Fund are included in the Fund's Net Income (if any interest payments are not received by the Fund or if previously accrued interest payments are not paid to the Fund, such amounts come in deduction of the Fund's Net Income) and (ii) the portion of the value of any related derivative financial instrument which is linked to the accrued interest on any loan is allocated to the Net Income of the Fund.

Note 10 – Allocation and distribution waterfalls (continued)

At each NAV Calculation Date, the year-to-date positive Net Income of the Fund is allocated according to the Fund waterfall mechanism as set forth in the Issue Document, which is designed to compensate investors based on their respective investment risk and provide the necessary funding for the Fund's ongoing operations. The amount of dividend distributable to Classes A, B and C Shares at each NAV Calculation Date is limited to a level of target dividend whose determination is defined in the relevant subscription agreements. Operational aspects of the Fund compensated through the waterfall structure include i) the Foreign Exchange Currency ("FX") reserve payment, which is allocated annually to the Class C Shares to protect against an erosion of value due to FX losses; ii) a component of the overall funding for a technical assistance facility ("TA Facility") established in parallel with the Fund to provide technical assistance to PLIs in their development and growth as well as to prepare and to support PLI Investments; and iii) the Investment Manager Incentive Bonus, as described in Note 9.2, included to align the interests of the Investment Manager with those of the Fund's investors.

All amounts exceeding target dividends and contributions to operational aspects are used to pay out complementary dividends to shareholders in accordance with the terms and conditions stated in the Fund's Issue Document.
At each NAV Calculation Date, in case the year-to-date Net Income of the Fund is negative, it will be allocated in the following order of priority:

- Class C Shares up to the total NAV of the Class C Shares, pro rata to the NAV of each Series of Class C Shares,
- Class B Shares up to the total NAV of the Class B Shares, pro rata to the NAV of each Series of Class B Shares,
- Class A Shares up to the total NAV of the Class A Shares, pro rata to the NAV of each Series of Class A Shares.

In addition, at each NAV Calculation Date, once the allocation of Net Income has been made, the Capital Waterfall of the period is determined as follows:

- any year-to-date write backs on unrealized Investments, plus
- any impairment allowances due to the deterioration in credit quality or defaults with respect to the Investments of the Fund, plus
- any realized and unrealized gains and losses on local currency loans to PLIs due to changes in the value of the local currency, plus
- any other year-to-date realized or unrealized capital gains and losses on foreign exchange (other than on local currency loans to PLIs), plus
- the foreign exchange compensation amount ("FX Compensation Amount"), which protects the C Share class against expected FX depreciation on unhedged investments, plus
- realized and unrealized gains or losses from the value of derivative financial instruments held by the Fund. This is calculated as the portion of the value of derivative financial instruments held by the Fund other than the portion of the value of the related derivative financial instruments which is linked to the accrued interest on the loans (this accounting rule has been defined after Fund inception, which explains why no reference to it is made in the Fund's Issue Document).

Note 10 – Allocation and distribution waterfalls (continued)

The Capital Waterfall is allocated in the following order of priority:

- first to Class A Shares showing a positive difference between the issue price and their NAV (the "NAV Deficiency") at period ends,
- then to Class B Shares showing a NAV Deficiency at period ends,
- to Class C Shares pro rata to their NAV at period ends.

Note 11 – Calculation of distributable income and capital gains and losses

Calculation of Distributable Income (income waterfall)

	2013	**2012**
Interest income on loans	12,759,553	8,643,766
Bank interest	3,310	4,725
Other income	389,621	73,697
Realized losses on derivative financial instruments (interest portion)	(6,532,084)	(4,380,063)
Management fees	(1,891,275)	(1,267,449)
Secretary fees	(82,507)	(56,282)
Legal and audit fees	(121,531)	(89,256)
Administration, custodian and domiciliation fees	(171,574)	(128,078)
Subscription tax	-	-
Other administrative expenses	(67,343)	(82,009)
Marketing and promotion expenses	(26,819)	(37,477)
Interest on Notes	(194,995)	(138,839)
Debit interest	(3,370)	(1,910)
Change in unrealized loss on derivative financial instruments (interest portion)	(401,744)	(584,748)
Total (in USD)	**3,659,242**	**1,956,077**

For the year ended 31 December 2013:
The distributable income amounting to USD 3,659,242 is allocated as follows:
- Target dividend on A-shares: USD 446,882
- Target dividend on B-shares: USD 900,537
- FX compensation amount: USD 235,919
- Target dividend on C-shares: USD 1,253,178
- Contribution to the TA Facility: USD 370,121
- Investment manager incentive bonus: USD 90,521
- Complementary dividends on A-shares, B-shares and C-shares: USD 362,084

Note 11 – Calculation of distributable income and capital gains and losses (continued)

As a result of this allocation, a total amount of dividends (including target and complementary dividends) of USD 488,060 is distributed to the Class A Shares, USD 994,990 to the Class B Shares, and USD 1,479,631 allocated to the Class C Shares. The FX Compensation Amount is also allocated to the Class C Shares, resulting in a total amount of USD 1,715,550 of the Fund's total distributable income allocated to the Class C Shareholders.

For the year ended 31 December 2012:
The distributable income amounted to USD 1,956,077. A total amount of dividends (including target and complementary dividends) of USD 460,331 was distributed to the Class A Shares, USD 283,841 to the Class B Shares, and USD 1,055,987 capitalized to the Class C Shares. The FX Compensation Amount was also allocated to the Class C Shares, resulting in a total amount of USD 1,144,240 of the Fund's total distributable income capitalized to the Class C Shareholders.

Allocation to Class C Shares (capital waterfall)

	2013	**2012**
Realized and change in unrealized loss on foreign exchange (only portion related to PLIs)	(518,140)	(296,216)
Realized and change in unrealized gain on foreign exchange (other than portion related to PLIs)	49,604	44,117
Realized and change in unrealized loss on derivative financial instruments (notional portion)	(527,214)	(926,033)
	(995,750)	**(1,178,132)**

For the year ended 31 December 2013:
In compliance with the Fund's Issue Document, the amount of USD (995,750) is allocated to the Class C Shares, pro rata to the NAV of each Series of Class C Shares.
Consequently, considering total dividends allocated to Class C Shares for the year ended 31 December 2013 as well as the FX compensation amount, a total amount of USD 719,800 has been capitalized to the Class C Shares, pro rata to the NAV of each Series of Class C Shares.

For the year ended 31 December 2012:
In compliance with the Fund's Issue Document, the amount of USD (1,178,132) was allocated to the Class C Shares, pro rata to the NAV of each Series of Class C Shares.
Consequently, considering total dividends allocated to Class C Shares for the year ended 31 December 2012 as well as the FX compensation amount, a total amount of USD (33,892) was capitalized to the Class C Shares, pro rata to the NAV of each Series of Class C Shares.

Note 12 – Risk management

The Fund is mainly exposed to credit risk, market risk (which includes mainly currency risk and interest rate risk) and liquidity risk arising from the financial instruments its holds.

12.1. Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Fund.

The insolvency or other business failure of any one or more of the Partner Lending Institutions in which the Fund has invested could have a material and adverse effect on the Fund's performance and ability to achieve its objectives.

The Fund also runs the risk of any one or more of the Partner Lending Institutions defaulting on their borrowings from the Fund. Such Partner Lending Institutions may default on their interest and/or on their principal repayment. The Fund mitigates this risk by carefully selecting the Partner Lending Institutions and then by closely monitoring them on a quarterly basis.

Prior to submitting a PLI Investment to the Fund's Investment Committee, the Investment Manager, through its Sub Saharan Africa-based team, performs a detailed country analysis, a PLI credit risk assessment, a PLI social responsibility evaluation, a PLI monthly monitoring report and an Anti-Money Laundering assessment. The outcomes of all above checks are reported in a detailed report presented to the Investment Committee.

In addition in order to be selected as suitable PLIs financial institutions should meet a number of criteria at the time of investment by the Fund (in each case as reasonably determined by the Investment Committee upon recommendation by the Investment Manager). Such criteria relate to a wide array of PLI dimensions, but not limited to the legal, operational, social, governance, and environmental aspects.

On the monitoring side, the Investment Manager reviews on a monthly basis the credit quality and financial reporting of each PLI based on the monthly financial data that is reported by the PLI directly in the Investment Manager's information system at the end of each month. In addition, the Investment Analysis team of the Investment Manager performs an in-depth and on-site review of each PLI on an annual basis (or more frequently in case of material change). Each analyst remains in constant interaction with the PLI through its monthly processes and signals any material change to the Investment Services team which could affect any given transaction with such PLI, similarly at the country level. Portfolio valuation and covenant monitoring is performed on an ongoing basis. This close monitoring of the financial performance of investees enables the team to detect as early as possible any negative trend that would negatively impact the PLI's ability to reimburse a loan or enter into a breach of covenants. In addition, the Investment Manager performs the legal risk management process, reviewing each loan covenant of each given transaction on a monthly basis.

Note 12 – Risk management (continued)

12.1. Credit Risk (continued)

For all outstanding investments in the loan portfolio, the Investment Manager performs the following:

- Legal and financial covenants monitoring: The Investment Services team reviews all legal covenants and obligations related to each transaction for material events on a monthly basis, validating their compliance and reporting to the client. Any material event triggers a risk management process for the underlying obligation which involves challenging and questioning by the Investment Analysis team over and beyond the monthly and annual monitoring.

- Quarterly Investment valuation: Pursuant to the legal covenant review and risk management process, the Investment Services team proposes quarterly valuation guidance for each transaction to the Investment Manager based on predefined rules and criteria.

- Payment collection: On each payment date, the Investment Services team sends out reminders and confirmation receipts to the PLI and custodian bank. The team supervises and assists throughout the payment collection process.

12.1.1. Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk of the Fund as of 31 December 2013. The maximum exposure is shown gross, before the effect of mitigation through the use of collaterals.

	As at 31 December 2013 (USD)	**As at 31 December 2012 (USD)**
Statement of financial position		
Loans to Partner Lending Institutions	104,147,826	77,000,913
Interest accruals on loans	3,139,750	2,242,429
Derivative financial instruments	-	301,814
Cash at bank	20,891,879	6,979,273
Other receivables	657,131	1,378,244
Total	**128,836,586**	**87,902,673**
Off balance sheet		
Committed undisbursed amounts on loans to Partner Lending Institutions	-	-
Total	**-**	**-**
Total gross maximum exposure	**128,836,586**	**87,902,673**

Note 12 – Risk management (continued)

12.1. Credit Risk (continued)

12.1.2. Risk concentrations of loan portfolio to credit risk

In the context of the credit risk analysis, the concentration risk analysis of the Fund's gross loans portfolios by PLI as of 31 December 2013 and 2012 is as follows:

31 December 2013	Amounts in USD	%
Top 1	10,059,035	9.66
Top 3	25,049,407	24.05
Top 5	34,599,431	33.22
Top 10	55,236,442	53.04
Top 20	82,998,477	79.69
Top 30	99,336,622	95.38
Top 37	104,147,826	100.00
Total	**104,147,826**	**100.00**

31 December 2012	Amounts in USD	%
Top 1	7,764,153	10.08
Top 3	20,470,836	26.59
Top 5	31,477,456	40.88
Top 10	49,023,227	63.67
Top 20	71,249,847	92.53
Top 27	77,000,913	100.00
Total	**77,000,913**	**100.00**

Note 12 – Risk management (continued)

12.1. Credit Risk (continued)

12.1.2. Risk concentrations of loan portfolio to credit risk (continued)

Risk concentrations by geographical regions

The table below shows the credit risk analysis of the Fund's gross loan portfolio per geographical region as of 31 December 2013 and 2012:

	2013 Amounts in USD	%	2012 Amounts in USD	%
Angola	2,000,000	1.92	-	-
Benin	4,409,440	4.23	3,724,480	4.84
Cameroun	5,485,804	5.27	4,626,298	6.01
DRC	4,000,000	3.84	-	-
Ghana	8,865,964	8.51	8,051,933	10.46
Ivory Cost	1,377,950	1.32	1,318,400	1.71
Kenya	5,782,224	5.55	9,987,484	12.97
Mozambique	957,017	0.92	1,876,091	2.44
Nigeria	21,961,394	21.09	13,850,398	17.98
Rwanda	495,207	0.48	-	-
Senegal	20,170,373	19.37	16,002,682	20.77
Tanzania	11,936,102	11.46	7,445,484	9.67
Tchad	551,180	0.53	-	-
Togo	1,377,949	1.32	659,200	0.86
Uganda	9,493,065	9.11	7,543,958	9.80
Zambia	3,284,157	3.15	1,914,505	2.49
Zimbabwe	2,000,000	1.92	-	-
Total	**104,147,826**	**100.00**	**77,000,913**	**100.00**

Note 12 – Risk management (continued)

12.1. Credit Risk (continued)

12.1.3. Credit Quality

12.1.3.1. Credit risk exposure for each internal risk rating

The institutional risk of Partner Lending Institutions is closely monitored by the Investment Manager’s professional, independent central and local risk experts using internal credit ratings. The current methodology takes into account quantitative and qualitative factors, the degree of maturity of the PLI, as well as monthly monitoring and annual visits.

The methodology is based both on a credit risk and performance assessment. The performance assessment reviews three years of past audited and operational quantitative information, divided into three analytical dimensions: operational efficiency, financial results, and social impact, and about thirty indicators. The credit risk assessment is focused on future outlook; there are five key dimensions, divided into about twenty five qualitative indicators: strategy and governance, people and organization, products and services, financial management, and control and systems. The outcome of the scoring methodology is a credit risk scoring and rating grade that reflects the specific risk of an institution. It does not include any systematic risk aspects (i.e. industry, currency, political risk among others). The rating scale grades from AAA to D, subdivided into 10 levels, each divided into three subsets of plus (+), neutral and minus (-).

The Fund rating’s categories are as follows:

Scaling	Qualifier	Rating Grade
97% - 100%	Extremely strong repayment capacity	AAA
88% - 97%	Very strong repayment capacity	AA
79% - 88%	Strong repayment capacity	A
70% - 79%	Moderate repayment capacity	BBB
61% - 70%	Questionable repayment capacity	BB
52% - 61%	Weakened repayment capacity	B
43% - 52%	Vulnerable to nonpayment	CCC
37% - 43%	High vulnerable to nonpayment	CC
31% - 37%	Very high vulnerable to nonpayment	C
0% - 31%	Payment default	D

Note 12 – Risk management (continued)

12.1. Credit Risk (continued)

12.1.3. Credit Quality (continued)

12.1.3.1. Credit risk exposure for each internal risk rating (continued)

The table below is a credit rating analysis of the Fund's loan portfolio as of 31 December 2013 and 2012 based on the Fund's credit rating system:

2013			**2012**	
	Amounts in USD	**%**	**Amounts in USD**	**%**
AAA	-	0.00	-	0.00
AA	-	0.00	-	0.00
A	-	0.00	-	0.00
BBB	79,456,166	76.29	63,580,632	82.57
BB	24,691,660	23.71	13,420,281	17.43
B	-	0.00	-	0.00
CCC	-	0.00	-	0.00
CC	-	0.00	-	0.00
C	-	0.00	-	0.00
D	-	0.00	-	0.00
Total	**104,147,826**	**100.00**	**77,000,913**	**100.00**

12.1.3.2. Credit risk exposure to counterparties from cash deposits

As at 31 December 2013, the Fund holds cash in current accounts of USD 18,511,841 and is therefore – with regards to these deposits – mainly exposed to the credit risk with Credit Suisse, whose rating is A2 according to Moody's and A- according to Standard & Poor's.

Collateral has been posted with hedge counterparties for a total of USD 2,380,039, of which USD 1,190,039 with Standard Bank, rated Baa1 according to Moody's and BBB according to Fitch, USD 1,060,000 with Standard Chartered Bank, rated A2 according to Moody's and A+ according to Standard & Poor's, and USD 130,000 with TCX, rated A- according to Standard & Poor's.

12.1.3.3. Impairment assessment

The Investment Manager monitors on a monthly basis whether each investee of the Fund is in compliance with all financial and non-financial covenants per the respective loan contract. In case of a breach of financial covenant with no perspective of resolution through improvement of the situation over the next quarter, the Investment Manager will make an impairment recommendation to the Fund Investment Committee for the next quarterly NAV calculation. In case of payment default (as defined in each loan agreement), the Investment Manager will make an impairment recommendation to the Fund Investment Committee for the next quarterly NAV calculation if the carrying amount of the relevant loan exceeds its recoverable amount.

As at 31 December 2013 and 2012, there were no impaired loans.

Note 12 – Risk management (continued)

12.2. Liquidity risk

The Fund may invest in loans or other debt instruments issued by PLIs most of which will neither be listed on a stock exchange nor dealt in on another regulated market. The issuance of such instruments may not be subject to any control, review or oversight by a regulatory authority. In most cases there is no secondary market for the trading of the debt instruments issued by PLIs. Thus, such instruments will generally be illiquid. Such illiquidity may affect the Fund's ability to vary its portfolio or dispose or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic or other conditions and this could have an adverse effect on the Fund's financial condition and results of operations.

In order to manage the liquidity of the Fund and address the above risks, the following rules are applied:

- Excess cash liquidity is temporarily deposited with international investment grade banks or invested in money-market instruments.

- The Investment Manager shall strive to maintain cash on hand that represents the greater of 5% of the Fund Total Assets or a 120% of the Fund's projected 30-day liabilities. As soon as liquidity falls below this percentage, the Investment Manager shall notify the Board and Investment Committee immediately.

- In addition, the Fund may at any time draw down from existing commitments on A and B Shares or Notes and on a quarterly basis on C Shares. The existing undrawn commitments from both Noteholders and Shareholders to the Fund exceed USD 54 million as at 31 December 2013 (2012: USD 91 million).

Note 12 – Risk management (continued)

12.2. Liquidity risk (continued)

The following table demonstrates the forecasted cash flows of the Fund per maturity band:

As at 31 December 2013 in USD	**Less than 3 months**	**3 months to 1 year**	**1 year to 5 years**	**More than 5 years**	**Undefined Maturity**	**Total**
Loans to Partner Lending Institutions*	**6,802,207**	**43,221,536**	**79,488,739**	**-**	**-**	**129,512,482**
Cash	**20,891,879**	**-**	**-**	**-**	**-**	**20,891,879**
Other receivables	**657,131**	**-**	**-**	**-**	**-**	**657,131**
Total Assets	**28,351,218**	**43,221,536**	**79,488,739**	**-**	**-**	**151,061,493**
Notes *	**-**	**203,547**	**8,503,933**	**5,340,045**	**-**	**14,047,524**
Derivative financial instruments	**1,826,132**	**6,403,844**	**6,988,818**	**-**	**-**	**15,218,794**
Accrued expenses	**836,720**	**-**	**-**	**-**	**-**	**836,720**
Subscription received in advance	**3,000,000**	**-**	**-**	**-**	**-**	**3,000,000**
Classes A and B Shares	**-**	**5,250,000**	**47,654,908**	**8,000,000**	**-**	**60,904,908**
Total Liabilities	**5,662,852**	**11,857,391**	**63,147,659**	**13,340,045**	**-**	**94,007,947**
Class C Shares	**-**	**-**	**-**	**-**	**47,194,696**	**47,194,696**
Total Equity	**-**	**-**	**-**	**-**	**47,194,696**	**47,194,696**

*Including interest payment

As at 31 December 2012 in USD	**Less than 3 months**	**3 months to 1 year**	**1 year to 5 years**	**More than 5 years**	**Undefined Maturity**	**Total**
Loans to Partner Lending Institutions*	**3,906,440**	**32,164,976**	**58,522,499**	**-**	**-**	**94,593,915**
Cash	**6,979,273**	**-**	**-**	**-**	**-**	**6,979,273**
Other receivables	**1,378,244**	**-**	**-**	**-**	**-**	**1,378,244**
Total Assets	**12,263,957**	**32,164,976**	**58,522,499**	**-**	**-**	**102,951,432**
Notes *	**-**	**203,547**	**5,981,579**	**8,065,945**	**-**	**14,251,071**
Derivative financial instruments	**1,314,776**	**4,895,183**	**4,785,667**	**-**		**10,995,626**
Accrued expenses	**550,867**	**-**	**-**	**-**	**-**	**550,867**
Subscription received in advance	**-**	**-**	**-**	**-**	**-**	**-**
Classes A and B Shares	**-**	**-**	**35,415,122**	**-**	**-**	**35,415,122**
Total Liabilities	**1,865,643**	**5,098,730**	**46,182,368**	**8,065,945**	**-**	**25,797,564**
Class C Shares	**-**	**-**	**-**	**-**	**38,045,615**	**38,045,615**
Total Equity	**-**	**-**	**-**	**-**	**38,045,615**	**38,045,615**

*Including interest payment

Note 12 – Risk management (continued)

12.3. Market risk

12.3.1. Interest rate risk

The Fund may be exposed to interest rate risks to the extent the rate basis for its assets and liabilities do not fully match. The Fund seeks to reduce this risk and to match the rate basis on its assets and liabilities. As of 31 December 2013, 83% (2012: 95%) of the portfolio yields floating interest rates with USD 6-month Libor as the rate basis (local currency denominated loans hedged for both currency and interest rate risk). 12% of the portfolio are denominated in USD, the functional currency of the Fund, yielding a fixed USD rate. 5% of the portfolio are denominated in local currency and not hedged for currency and interest rate risk.

Investor returns for Notes and redeemable shares are based on floating interest rates with USD 6-month Libor as the rate basis, with the exception of the Class C Shares. Due to the structure of the Fund and the unlimited maturity of Class C Shares, perfect matches are not achievable by the Fund.

Investors must also be aware that changes in interest rates will affect the relative value of the Fund's Investments. In general, if interest rates increase, it is expected that the relative value of the Fund's existing Investments will decrease, and conversely, if interest rates decrease, it is expected that such relative value will increase.

The level of prevailing interest rates also may affect the economy of the target countries and any applicable markets outside of the target countries, and, in turn, the value of the Fund's Investments.

Interest rate risk finally arises from the possibility that changes in interest rates will affect future cash flows of financial instruments as well as the Fund’s profitability.

The following table illustrates the sensitivity of the Fund’s Net Income before tax (as per the income waterfall) to various upward parallel shifts in the US yield curve for a time period of 180 days (base-case scenario = risk free rates do not fluctuate). It is also worth noting that downward shifts in the US yield curve would produce the same results, but in the opposite direction (negative impacts).

2013			**2012**	
Increase (in basis points)	Effect on profit before tax (in USD)	Effect on profit before tax (in %)	Increase in basis points	Effect on profit before tax (in USD)
10	17,978	1.20%	15,156	1.5%
50	89,891	6.20%	75,778	7.4%
100	179,783	12.40%	151,556	14.9%

Note 12 – Risk management (continued)

12.3.2. Currency risk

Currency risk is the risk that the value of financial instruments fluctuates due to changes in foreign exchange rates. As at 31 December 2013 and 2012, all the Fund’s financing instruments (notes and redeemable shares) are denominated in the functional currency of the Fund (2012: 100%). 12% of the Fund’s PLI investments are denominated in USD (2012: 0%), 83% are denominated in local currency and hedged for both currency and interest rate risk (2012: 95%), and 5% are denominated in local currency and unhedged (2012: 5%).

As at 31 December 2013, the Fund’s total unhedged open currency exposure amounts to USD 4,750,940 (exchange rate as of disbursement) representing 5% of the PLI loan portfolio. It is composed of three currencies: the Ghanaian Cedi (USD 1,750,000 equivalent), the Ugandan Shilling (USD 500,000 equivalent), and the CFA Franc/ XOF (USD 2,500,940 equivalent). Currency risk exposure in CFA Franc is only from XOF to EUR as loans remain fully hedged between EUR to USD (i.e., de-pegging risk only).

12.3.3. Operational risk

Operational risk is the risk of loss arising from systems failures, human errors, fraud or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Fund cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Fund is able to manage the risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

Note 13 – Capital Management

The Fund is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase and resale of ordinary shares.

The Fund’s objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus.
- To achieve consistent returns while safeguarding capital by investing in diversified portfolio, by participating in derivative and other advanced capital markets and by using various investment strategies and hedging techniques.
- To maintain sufficient liquidity to meet the expenses of the Fund and fulfill all financial obligations.
- To maintain sufficient size to make the operation of the Fund cost efficient.

Note 14 – Related Party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is part of key management of the Fund.

Board of Directors
Directors' fees amounts to USD 13,990 (December 31, 2012: USD 12,107). The listing of the members of the Board of Directors is shown on page 1 of the annual report.

Investment Manager
Management fee
Symbiotics Asset Management S.A. serves as the Investment Manager of the Fund. For details of ratings see note 9. Depending on the performance of the Fund, the Investment Manager might be entitled to additional performance based remuneration.

Note 15 – Approval of the Financial Statements

The Board of Directors reviewed the Financial Statements as of 20 May 2014 and decided to submit them to the Annual General Meeting of Shareholders for approval to be held on 20 May 2014.