

Finethic SCA, SICAV-SIF,
 Microfinance C3 – CHF Hedged
 LU0504540880
 NAV: CHF 1,292.33

Legal Form	SICAV-SIF subject to Luxembourg Law
Creation Date	04/30/2010 (systematic currency hedging since 01/01/2011)
Minimum Investment	CHF 200,000
Trading Frequency	Monthly
Issue Price	CHF 1,148.40
Management Fee	0.5%
Management Company	Fundo SA Lausanne Switzerland
Investment Adviser	Symbiotics SA Geneva Switzerland
Administrative Agent	European Fund Administration (EFA) Luxembourg
Depository Bank	Banque de Luxembourg
Auditor	Ernst & Young, Luxembourg
Contact	Jacques Grivel Tel. +41 (0)21 340 65 65 Fax +41 (0)21 340 65 60 grivel@finethic.org
Representative in Switzerland	Fundo SA
Paying agent	Credit Suisse

Fund's Strategy

Finethic Microfinance invests in microfinance institutions (MFIs). Investments are either direct or indirect. Direct investments are devoted to debt financing, chiefly through promissory notes or bonds issued by MFIs. Indirect investments are executed through various investment vehicles dedicated to microfinance, for instance funding vehicles like collateralized debt obligations (CDOs) or shares of funds specialized in microfinance. Special consideration is applied to the selection of investments and the solvency of loan recipients.

CHF shares are hedged in order to minimize the currency risk vs the reference currency of the fund (USD).

Loans to MFIs are only made in currencies which can be hedged against the base currency of the fund (USD). Currency risks are systematically hedged, the only exception is where a currency is officially pegged to the USD. The aim is to have a hedging ratio of 100%. Nevertheless, this ratio may vary on account of cash management and accrued interest.

Monthly commentary

January 2018

With the data on financial institutions available in the industry benchmark index SYM50, we have looked back at the trends in the MSME financing industry during 2017. By doing so, we saw that the MSME market experienced its strongest growth since 2013, with total assets growing on average by 21% (as compared to 10% in 2016). Portfolio quality remained very stable with PAR30 at 5.2% in 2017 vs 5.0% in 2016. At the same time, overall profitability improved, with RoA of 2.2% (vs 1.9% in 2016) and RoE of 11.4% (vs 9%), signs of both an increased average loan size and improved productivity. Despite significant regional disparity, we note that the industry continued to do well in 2017.

The Fund generated a return of 0.13% in its CHF share class. Two new loans were disbursed in Mexico and Palestine, totaling USD 1 million. Two potential investments are currently either approved, or already disbursed for February 2018, for a combined notional principal of USD 1 million. The Fund's portfolio risk concentration level has decreased, with concentration in top-5 invested countries reaching 39.9% of the portfolio invested in microfinance.

Monthly Returns

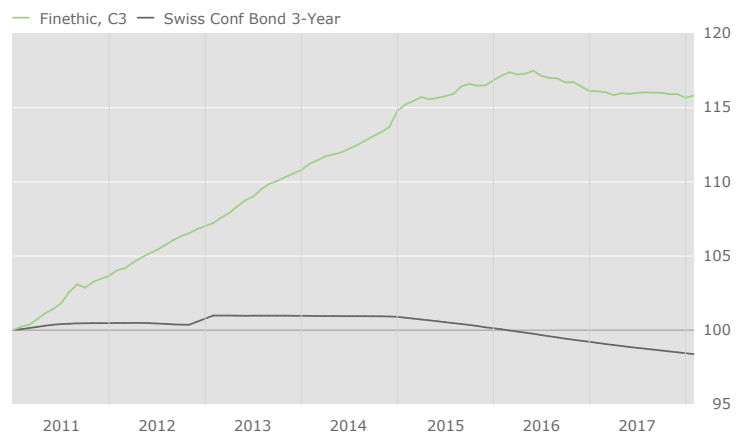
2011–2018

Annual Returns [%]	Swiss Conf Bond 3-Year	Monthly Returns [%]												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
0.47	3.66	0.23	0.13	0.36	0.41	0.29	0.37	0.74	0.52	-0.22	0.37	0.22	0.18	2011
0.30	3.25	0.37	0.13	0.37	0.31	0.27	0.24	0.31	0.31	0.25	0.19	0.26	0.20	2012
0.19	3.53	0.18	0.34	0.29	0.42	0.37	0.24	0.45	0.33	0.19	0.22	0.22	0.21	2013
-0.07	3.60	0.37	0.21	0.25	0.11	0.13	0.23	0.21	0.28	0.26	0.24	0.31	0.95	2014
-0.76	1.80	0.37	0.20	0.24	-0.13	0.08	0.11	0.13	0.46	0.12	-0.09	0.01	0.30	2015
-0.92	-0.63	0.25	0.20	-0.13	0.06	0.16	-0.30	-0.11	-0.03	-0.23	0.02	-0.26	-0.26	2016
-0.77	-0.39	-0.01	-0.06	-0.17	0.12	-0.04	0.06	0.03	-0.02	-0.00	-0.08	-0.00	-0.21	2017
-0.06	0.13	0.13												2018

*Swiss Confederation Bond 3 Year. Past performance is no guarantee of future results.

Cumulative Returns

2011–2018, 12/31/2010=100



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Comparative Analysis 12/31/2010 – 01/31/2018

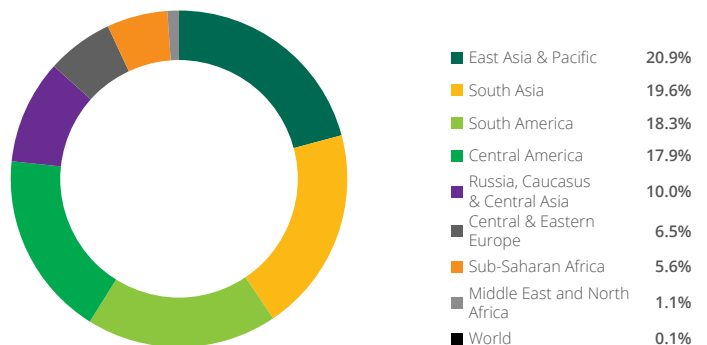
	Cumulative Returns	Arithm. Mean	Geom. mean	Average Ann. Return	Best Month	Positive Months	Skewness
Finethic, C3	15.82%	0.17%	0.17%	2.09%	0.95%	77.65%	0.22
Swiss Conf Bond 3-Year	-1.62%	-0.02%	-0.02%	-0.23%	0.21%	36.47%	1.89

	Worst Month	Max Drawdown	Profits v. Losses Ratio	Standard Deviation	Annualized Volatility	Annualized Semi-Vol.	Ratio de Sharpe ann.*
Finethic, C3	-0.30%	-1.55%	3.47	0.21%	0.74%	0.84%	2.74
Swiss Conf Bond 3-Year	-0.09%	-2.58%	0.57	0.06%	0.21%	0.17%	-1.53

	Correl.*	R-Squared*	Ann. Jensen Alpha*	Beta*	Ann. Tracking Err.	Ann. Info. ratio
Swiss Conf Bond 3-Year	0.38	0.14	0.0243	1.42	0.68%	3.38

*Risk-free Rate: Libor 3M

Breakdown Geographic Zone



Country Breakdown (loan portfolio) As of 01/31/2018

1 INDIA	13.19%	21 KYRGYZSTAN	1.57%
2 CAMBODIA	7.51%	22 BANGLADESH	1.36%
3 ECUADOR	6.97%	23 MEXICO	1.29%
4 COSTA RICA	6.58%	24 MAURITIUS	1.26%
5 PERU	6.53%	25 SINGAPORE	1.25%
6 NICARAGUA	4.13%	26 KENYA	1.12%
7 CHINA	3.73%	27 COLOMBIA	0.95%
8 GEORGIA	3.49%	28 MOLDOVA, REPUBLIC OF	0.91%
9 BOLIVIA	3.27%	29 HONDURAS	0.87%
10 INDONESIA	3.14%	30 COTE D'IVOIRE	0.78%
11 PANAMA	2.89%	31 UZBEKISTAN	0.63%
12 SRI LANKA	2.83%	32 PARAGUAY	0.62%
13 MONGOLIA	2.62%	33 BELARUS	0.50%
14 BOSNIA AND HERZEGOVINA	2.35%	34 JORDAN	0.48%
15 PAKISTAN	2.22%	35 TAJIKISTAN	0.47%
16 MYANMAR	2.13%	36 TANZANIA, UNITED REPUBLIC OF	0.42%
17 ARMENIA	2.06%	37 GHANA	0.42%
18 EL SALVADOR	1.89%	38 ROMANIA	0.39%
19 KAZAKHSTAN	1.77%	39 POLAND	0.39%
20 KOSOVO	1.76%	40 Others	3.28%

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