

Finethic SCA, SICAV-SIF,
 Microfinance D1 – USD
 LU1107642198
 NAV: USD 1,021.56

Legal Form	SICAV-SIF subject to Luxembourg Law
Creation Date	09/30/2014
Minimum Investment	USD 200,000
Trading Frequency	Monthly
Issue Price	USD 1,000.00
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
Last distribution	USD 6.00 (Pay date: 06/30/2017)

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.

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.

Fundo SA Institutional Management has prepared this documentation exclusively for illustrative purposes. It has been developed on the basis of information received from carefully selected contributors. Nevertheless in no event does it constitute a part of the official fund prospectus or the marketing documentation issued by the fund's promoter. This document constitutes neither a sales document nor a solicitation in regard to the subscription of fund shares. Past performance is no guarantee of future results. The relevant risk factors attached to the investment policy and its implementation through specific financial instruments are described in the official fund prospectus.

Monthly commentary

December 2017

In the fourth quarter, microfinance funding needs picked up. The positive trend is expected to continue in 2018, as global economic growth and recovery of commodity prices should drive growth in emerging market and developing economies. According to the World Bank, in these markets, growth is expected to increase to 4.5% in 2018 and on average 4.7% in 2019-2020. While commodity export countries should see an acceleration of growth, commodity importers growth is expected to remain stable. For 2018, microfinance funding demand should remain strong in Asia and Latin America. Economic expansion and structural reforms in the Russia, Caucasus and Central Asia region could also contribute to increased investor confidence.

The Fund generated a return of 0.14% in its USD share class. Two new loans were disbursed in El Salvador and Georgia, totaling USD 1.5 million. Five potential investments are currently either under review, approved, or already disbursed for January 2018, for a combined notional principal of approximately USD 4.2 million. The Fund's portfolio risk concentration level has slightly decreased, with concentration in top-5 invested countries reaching 40.2% of the portfolio invested in microfinance.

Monthly Returns

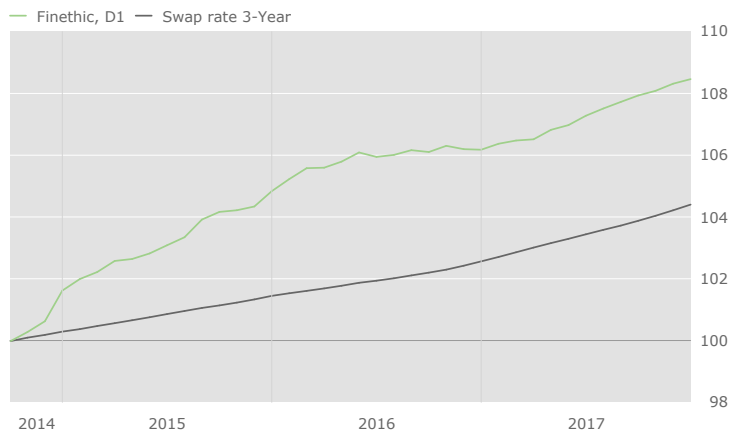
2014–2017

Annual Returns [%]	Monthly Returns [%]															
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
*Swap rate 3-Y																
0.29	1.62												0.27	0.35	0.99	2014
1.15	3.17	0.37	0.22	0.35	0.06	0.17	0.26	0.25	0.56	0.24	0.05	0.12	0.48			2015
1.10	1.28	0.37	0.34	0.01	0.19	0.28	-0.14	0.06	0.14	-0.06	0.19	-0.10	-0.02			2016
1.79	2.15	0.18	0.10	0.04	0.29	0.14	0.28	0.22	0.20	0.19	0.14	0.21	0.14			2017

*Interest swap rate, 3-Year (USD). Past performance is no guarantee of future results.

Cumulative Returns

2014–2017, 09/30/2014=100



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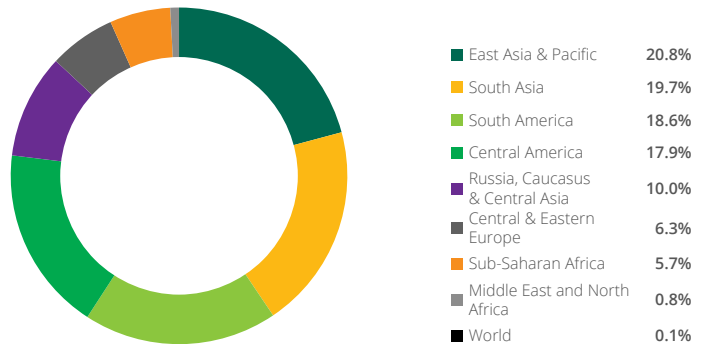
Comparative Analysis
 09/30/2014 – 12/29/2017

	Cumulative Returns	Arithm. Mean	Geom. mean	Average Ann. Return	Best Month	Positive Months	Skewness
Finethic, D1	8.46%	0.21%	0.21%	2.53%	0.99%	89.74%	1.58
Swap rate 3-Year	4.40%	0.11%	0.11%	1.33%	0.18%	100.00%	0.62

	Worst Month	Max Drawdown	Profits v. Losses Ratio	Standard Deviation	Annualized Volatility	Annualized Semi-Vol.	Ratio de Sharpe ann.*
Finethic, D1	-0.14%	-0.14%	8.75	0.20%	0.68%	0.55%	2.11
Swap rate 3-Year	0.07%	0.00%		0.03%	0.10%	0.08%	4.19

	Correl.*	R-Squared*	Ann. Jensen Alpha*	Beta*	Ann. Tracking Err.	Ann. Info. ratio
Swap rate 3-Year	0.55	0.31	-0.0015	4.52	0.69%	1.71

*Risk-free Rate: Libor 3M

Breakdown
 Geographic Zone

Country Breakdown (loan portfolio)
 As of 12/29/2017

1 INDIA	13.20%	21 KYRGYZSTAN	1.58%
2 CAMBODIA	7.54%	22 BANGLADESH	1.37%
3 ECUADOR	7.12%	23 SINGAPORE	1.29%
4 COSTA RICA	6.85%	24 MAURITIUS	1.27%
5 PERU	6.54%	25 KENYA	1.13%
6 NICARAGUA	4.15%	26 MEXICO	0.93%
7 CHINA	3.73%	27 COLOMBIA	0.92%
8 GEORGIA	3.50%	28 MOLDOVA, REPUBLIC OF	0.89%
9 BOLIVIA	3.30%	29 HONDURAS	0.87%
10 INDONESIA	3.14%	30 PARAGUAY	0.76%
11 PANAMA	2.92%	31 COTE D'IVOIRE	0.73%
12 SRI LANKA	2.90%	32 UZBEKISTAN	0.64%
13 MONGOLIA	2.65%	33 TANZANIA, UNITED REPUBLIC OF	0.54%
14 BOSNIA AND HERZEGOVINA	2.28%	34 BELARUS	0.49%
15 PAKISTAN	2.23%	35 JORDAN	0.48%
16 MYANMAR	2.13%	36 TAJIKISTAN	0.48%
17 ARMENIA	2.09%	37 GHANA	0.41%
18 EL SALVADOR	1.92%	38 ROMANIA	0.39%
19 KAZAKHSTAN	1.75%	39 POLAND	0.37%
20 KOSOVO	1.73%	40 Others	2.78%

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