



2015 *Annual report*





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Mission of the fund

THE MISSION

Initiated by KfW Entwicklungsbank (“KfW”) and International Finance Corporation (“IFC”), a member of the World Bank Group, and co-managed by three leading private investment managers (BlueOrchard Finance S.A., Cyrano Management S.A. and responsAbility Social Investments AG), Microfinance Enhancement Facility S.A., SICAV-SIF (“MEF”) was setup in February 2009 as a major facility to provide short and medium-term financing to microfinance institutions (“MFIs”) facing difficulties in securing financing as a result of the global financial crisis and, in particular, the 2008/2009 liquidity crisis.

Recognised as an efficient and responsible microfinance debt fund providing stability to the microfinance market, MEF has an important signalling effect and contributes to the stabilisation of the microfinance sector. In times of uncertainty, a vehicle that can respond quickly and decisively, such as MEF, can provide a stable source of funding. As a complement to existing sources of funding, MEF focuses on providing liquidity that the market does not offer. MEF is a flexible vehicle structured to meet the needs of MFIs, without crowding out private sector initiatives.

As a demand oriented fund, seeking to respond to the needs of the market and of individual MFIs, it has supported over 450,000 low income borrowers by providing over USD 1 billion to more than 130 microfinance institutions in 41 of the world’s poorest countries.

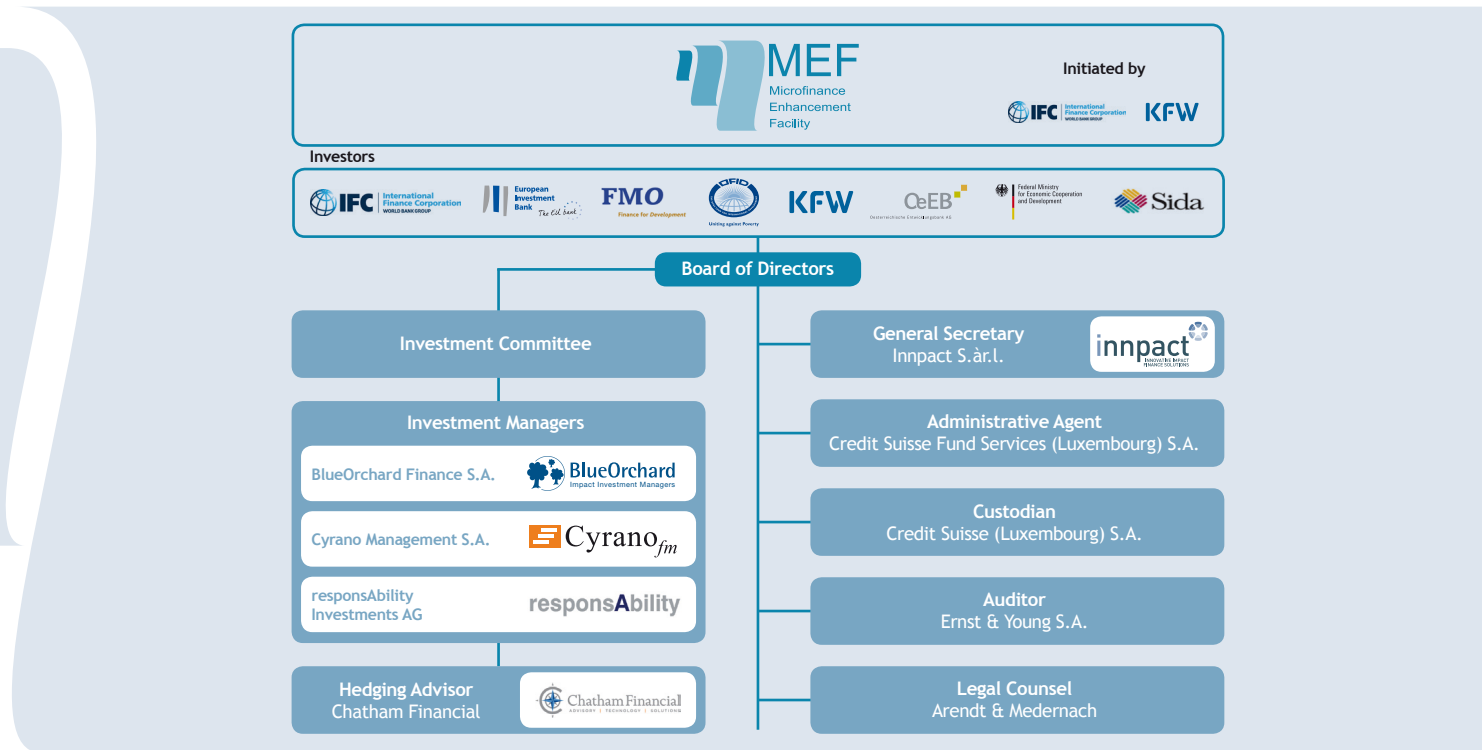
The investment managers are led by MEF’s Investment Committee, convened on a monthly basis and composed of reputable professionals in the microfinance industry, Mr. Syed Aftab Ahmed, Mr. Karlo de Waal, and Dr. Klaus Glaubitt.

THE FUND

MEF aims to support economic development and prosperity globally through the provision of additional development finance to micro-enterprises, via qualified financial institutions.

In pursuing its development goal MEF observes principles of sustainability and additionality, combining development and market orientations.

Structure of the fund



Board of Directors

Board of Directors

Chairperson

Ms. Monika BECK (until 1 July 2015)

Dr. Johannes FEIST (from 2 July 2015)

Directors

Mr. Martin HOLTMANN

Mr. Robert Peck CHRISTEN

Ms. Andrea HAGMANN

Mr. Angus MACRAE

Mr. Karl VON KLITZING

Investment Committee

Investment Committee

Chairman

Dr. Klaus GLAUBITT

Members

Mr. Syed Aftab AHMED

Mr. Karlo DE WAAL



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Letter of the Chairperson

2015 was no less turbulent than 2014 for the microfinance market worldwide. Global growth further declined in 2015 and the currencies of many emerging economies continued to decline. Central Asia, and mainly the oil-exporting countries, was particularly hit, as the price of oil continued to drop. The slowing Russian economy, additionally hit by sanctions after the belligerent activities undertaken in Ukraine, as well as the depreciation of the ruble also negatively affected Central Asian countries. Kazakhstan, Kyrgyzstan, and Azerbaijan for example experienced significant currency devaluations. Many key microfinance markets in the region were especially impacted by the continued decrease in remittances from migrant workers in Russia to their families back

home. Three microfinance institutions (MFIs) in Azerbaijan were especially affected in 2015 which led the MEF to establish provisions of USD 6.5 million representing between 25% and 30% of the Fund's exposures to these MFIs. Considering the liability structure of the MEF, these provisions only impacted its C Shares.

Nonetheless, the MEF continued to successfully pursue its mission in supporting microfinance markets around the world. 2015 saw the MEF reaching the milestone of USD 1 billion of cumulative disbursements disbursed to 133 MFIs in 41 countries since inception. The Fund closed its 2015 exercise with a USD 555 million portfolio disbursed to 95 MFIs including

24 new MFIs in seven new countries: Guatemala, Kosovo, Panama, Romania, Sri Lanka, Tunisia and Uzbekistan. The Fund balanced the regional distribution of its investment portfolio by reducing the exposure in Eastern Europe, Central Asia and the Caucasus and increased its investments in other key markets like India. The MEF was also able to offer more local-currency loans with the help of its hedging counterparties. This is important, since generally increased volatilities of currency markets have rendered USD- or EUR-borrowing more risky for many MFI clients, not only in Central Asia or Russia, but also in several African countries.



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Letter of the Chairperson

Furthermore, the MEF raised USD 38 million in additional commitments from its shareholders.

In light of the current challenges in the microfinance sector, the MEF will continue its targeted lending activities to further support partner MFIs in their management of their liquidity risk, taking risks when necessary that other, more commercial microfinance funds sometimes do not absorb. In return, the MEF prices slightly above the market, so as to not crowd-out more commercial funding. As already visible today, 2016 brings its own set of challenges, which keeps relevant the

Fund's mission - to contribute to the stabilisation of the microfinance sector.

The MEF is very proud of its role in providing financing to entrepreneurs globally and is highlighting one partner microfinance institution in this report: Bimputh Finance PLC in Sri Lanka. We are also pleased to present the stories of some of the many successful entrepreneurs that the MFIs supported by the MEF have assisted including a winemaker in Georgia, the founder of a children's nursery in Panama, an ice cream business in Sri Lanka, and the owner of a kitchen utensil store in Nigeria.

On behalf of the Board, I would like to thank the committed investors of the MEF for their ongoing support in this initiative as well as the service providers and the partner MFIs for their dedication to the Fund's mission and to the MEF's pursuit of financing and supporting micro-enterprises the world over.



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Supported by Three Investment Managers

BlueOrchard Finance Ltd

BlueOrchard Finance Ltd is a leading asset manager in Impact Investing, authorised and supervised by the Swiss Financial Market Supervisory Authority FINMA, with specific expertise in debt financing for microfinance institutions worldwide. Headquartered in Zurich, Switzerland, BlueOrchard has local offices in Cambodia, Georgia, Peru and Kenya, with a presence as well in Luxembourg and Geneva. Since its inception in 2001, BlueOrchard has made loans in excess of USD 2 billion to more than 260 microfinance institutions

(MFIs) that together reach 30 million clients. Blue Orchard is committed to advancing socially responsible financial inclusion worldwide, offering attractive investment products to investors in this dynamic and rewarding field. As a pioneer and leading investment manager in inclusive finance, BlueOrchard works together with investors, microfinance operators and their clients in the growth and development of a sustainable financial system that provides opportunities to the world's poor.



Portfolio MEF - BlueOrchard

Portfolio managed as of 31 December 2015		
Portfolio	USD	% total MEF portfolio
	241,133,560	43%



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Supported by Three Investment Managers

Cyrano Management S.A.

Cyrano is a pioneer fund manager specialized in the microfinance industry in emerging markets. **Cyrano** has developed a rigorous loan methodology to analyze in-situ and monitor on a monthly basis the qualitative and quantitative risks of all portfolio MFIs. Its key strengths are its loan methodology and risk monitoring. **Cyrano** managed the first credit fund for MFIs in Latin America (LA-CIF), created the only mezzanine

fund in microfinance (Solidus) and one of the most successful and solvent global funds (GMF). Solidus and GMF successfully redeemed in 2014 without a single day of arrears in payments from the MFIs and investment's reimbursement to investors.

Cyrano also manages WMF, a local currency fund fully devoted to MFIs in Ghana.



Portfolio MEF - Cyrano

Portfolio managed as of 31 December 2015		
Portfolio	USD	% total MEF portfolio
	145,722,383	26%



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Supported by Three Investment Managers

responsAbility Investment AG

responsAbility Investments AG is one of the world's leading asset managers in the field of development investments and offers professionally-managed investment solutions to both private and institutional investors. The company's investment vehicles supply debt and equity financing to non-listed firms in emerging economies and developing countries. Through their inclusive business models, these firms help to meet the basic needs of broad sections of the population and to drive

economic development - leading to greater prosperity in the long term.

responsAbility currently has USD 3 billion of assets under management that is invested in over 500 companies in 95 countries. Founded in 2003, the company is headquartered in Zurich and has local offices in Bangkok, Geneva, Hong Kong, Lima, Luxembourg, Mumbai, Nairobi, Oslo and Paris. Its shareholders include a number of reputable institutions in the Swiss

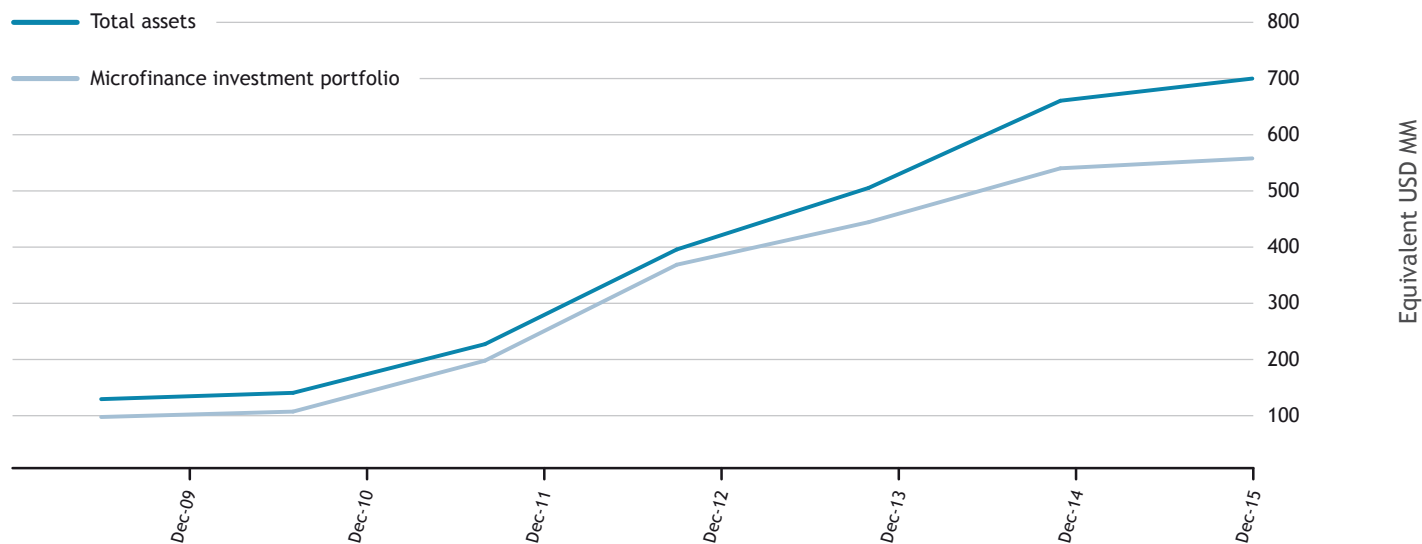
financial market as well as its own employees. *responsAbility* is registered with the Swiss Financial Market Supervisory Authority FINMA.

responsAbility

Portfolio MEF - *responsAbility*

Portfolio managed as of 31 December 2015		
Portfolio	USD	% total MEF portfolio
	168,524,772	30%

Portfolio evolution since launch



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A facility enhancing MFIs

Key Figures

as at 31 December 2015

Portfolio in detail

	December 2015	December 2014	Cumulative figures
Microfinance investment portfolio	USD 555.4 MM	USD 537.6 MM	USD 1.142 MM
Cash	USD 116.2 MM	USD 99.4 MM	-
Other short term investments	USD 26.8 MM	USD 21.7 MM	-
Total assets	USD 698.5 MM	USD 658.8 MM	-
Microfinance portfolio as a % of total assets	79.5%	81.6%	-
Total net asset value	USD 561.5 MM	USD 503.2 MM	-
Number of MFIs	95	87	133
Number of loans	203	180	379
Number of countries	36	33	41



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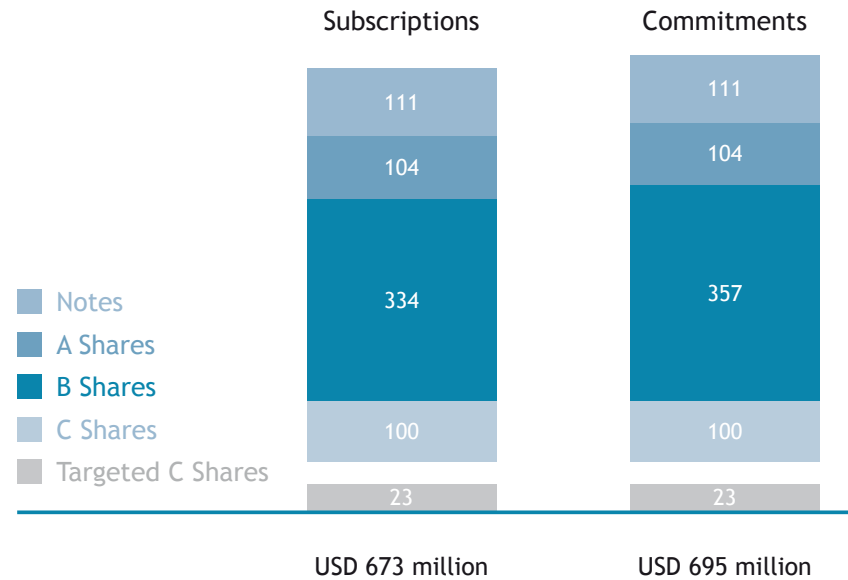
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A facility enhancing MFIs

Key Figures

as at 31 December 2015

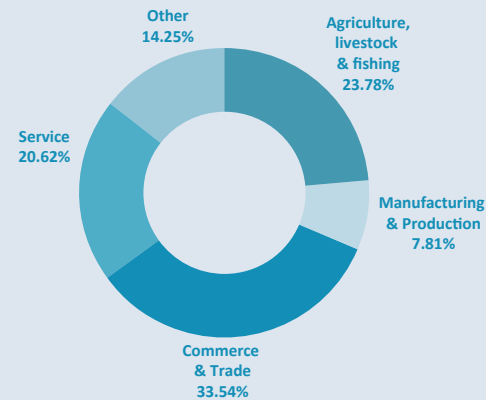
Subscriptions and Commitments



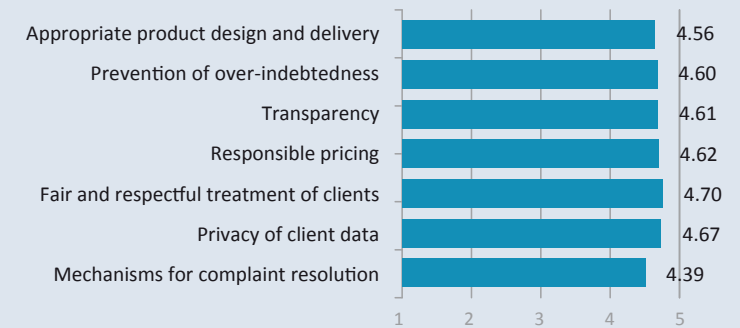
A facility enhancing MFIs

Impact Indicators
as at 31 December 2015

Sector Distribution of Portfolio



Level of adherence to the Client Protection Principles (self reported)



The diagram highlights the good scores of MEF's MFIs regarding the adherence to the Client Protection Principles.

Outreach of Microfinance Institutions Financed

Borrowers	
Total, number	585,824
Women, percent	56%
Rural, percent	57%
Loans	
Average loan balance	3,189 USD
Client Type	
Microfinance	77%
Productive loans	71%
Mortgage	4%
Consumer	16%
Other	9%
Product Type	
Direct loans	79%
Group guaranteed loans	17%

Adherence to social and environmental criteria

Adherence to the CPP	
MFIs having formally adopted the CPP	88%
Adherence to exclusion list	
Violations of the exclusion list	None*

* Three MFIs declared negligible violation to the exclusion list-below 5% of their portfolio exposure.

All figures are weighted by exposure of each MFI in MEF portfolio. Please note that 89 out of the 93 MFIs in the portfolio as of 31 December 2015 have reported their social and environmental data.



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Activity Report

BlueOrchard 2015
Activity Report

MARKET REVIEW

Microfinance markets worldwide continued to expand and scale during 2015. The asset growth and portfolio growth of financial intermediaries dedicated to the financing of the micro and SME sector over the year remained above 20% and other performance indicators also remained stable (e.g. average return on assets above 2%, and average portfolio at risk over 30 days below 2%).

The process of financial inclusion continued and was further strengthened in a number of countries (e.g. in Cambodia, India, and Sri Lanka) where MFIs received deposit-taking licenses and or were granted the regulators' approval to transform into small finance banks.

These transformation processes play a crucial role for the growth of financial intermediaries via additional equity injections, and diversification of both products and services and of funding sources (e.g. savings and deposits). Overall, these transformations are accompanied by improvements in corporate governance and the standardization of processes to avoid over-indebtedness.

In Central Asia, Mongolia, and the Caucasus the economic difficulties linked to currency devaluations and the related possibility of a substantial reduction in the repayment capacity of customers further limited lending opportunities for credit institutions. In some countries, faced exceptional currency devaluation in 2015 (reaching nearly 90% over the

year in the case of Kazakhstan) and this impacted the purchasing power of the populations and the borrowers' repayment capacity.

FUND PERFORMANCE

In 2015, the BlueOrchard pool was further enlarged by the addition of 2 new countries and 7 new investees to the Fund. BlueOrchard disbursed USD 130 million in 46 loans across 22 countries during the reporting period. Disbursements increased by more than 8% in 2015 when compared to 2014, which was the former record year for disbursement volume. The BlueOrchard pool reached an outstanding portfolio of USD 248 million as of 31 December 2015.

MARKET OUTLOOK

Overall, the microfinance sector and its financial intermediaries are projected to continue their expansion in a sound sustainable manner demonstrating their resilience to global macroeconomic trends.

In certain markets the importance of large downscaling banks and/or large commercial banks active in micro and SME lending is expected to provide significant funding opportunities for the Fund (e.g. South America). Funding demands have also increased in regions like Central America, South Asia and East Asia and the Pacific where MEF could further expand its client base and keep an important role in the deepening of financial inclusion.



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Activity Report

*Cyrano 2015
Activity Report*

MARKET REVIEW

Following the trend of 2014, the degradation of emerging market economies persisted in 2015. As a result of the Russian crisis and its impact in Central Asian countries, the very low pricing of commodities, the reduction of GDP growth of China and the increasing international interest rates, emerging markets experience very low levels of GDP growth and local currencies in many countries experienced important devaluations.

Due to these economic conditions, many different types of loans required restructurings and/or write-offs. The corresponding increase in provision expenses jeopardized margin generation. Only MFIs with large margins and with small exposures in large loan amounts maintained good solvency levels.

POOL PERFORMANCE

As a reaction to industry development Cyrano maintained a close monthly risk monitoring of MFIs and coordinated with them some measures related to risk management in times of crisis. The outstanding portfolio was reduced (in amounts) as a criteria of flight-to-quality was adopted during this time of uncertainties. Cyrano's portfolio pool did not experience a single day of arrears, nor any defaults. Consequently, no provisions were required.

MARKET OUTLOOK

The same philosophy of very prudent portfolio management adopted in 2014 and 2015 will apply in 2016. In 2016, it is likely that countries importing petroleum will begin to see the recovery of their economies but this recovery will be anyhow impacted by the small global GDP growth. Cyrano will continue to monitor the countries and MFIs in its pool very closely in order to prevent any potential negative impact. No loans to large MFIs are expected to be extended due to their low interest rate expectations but new transactions are anticipated in Africa and Latin America.



Activity Report

responsAbility 2015
Activity Report

MARKET REVIEW

Against the backdrop of a global slowdown in economic growth in 2015, the environment for microfinance investments was challenging. Commodity prices reached their lowest level in recent years which resulted in considerable pressure on oil exporting markets. These include certain countries in Central Asia, which are home to some of MEF's investees. As a result, these microfinance institutions concentrated on deleveraging their balance sheets rather than on further growing their business, which led to a slowdown in demand and lower disbursements for the fund. The MFIs' local currency funding needs increased on the back of strong currency devaluations versus the US dollar whilst limited hedging capacities and high costs made it difficult to fulfill these demands.

POOL PERFORMANCE

2015 was a consolidation year, with limited placement capacity. The number of investments remained stable with 58 deals amounting to USD 179 m across 11 countries. Unfortunately, provisioning has increased as per 31 December 2015 compared to the previous year. This is mainly due to microfinance institutions domiciled in Azerbaijan which were subject to modified repayment schedules and the formation of lenders' groups as a result of the poor performance of some institutions.

MARKET OUTLOOK

The global macroeconomic backdrop remains anemic and inflation is still benign for most parts of the world. The pace and scale of a potential interest rate increase in the US will therefore most likely be gradual. At this point, most central banks remain in easing

mode. Carry trades (unhedged foreign exchange) should start to become more attractive again with normalisation of risk conditions in certain markets but more devaluations might be expected for now.

For 2016, we expect continued lower-than-average growth for microfinance investments due to decreasing financing needs in the Central Asian and Latin American regions. In Central Asia, microfinance institutions will continue a sound deleveraging policy, while in Latin America we are facing some stronger pricing pressure due to maturing markets and increased competition from other financing sources. Overall, demand will also strongly depend on hedge availability and costs as microfinance institutions increasingly demand financing in local currency. At the same time, the cost of swaps,

which we expect to increase in 2016, will put additional pressure on pricing.

Nevertheless, pockets of relatively solid growth exist due to low oil prices and competitive exports on the back of devaluation mainly in Asia and certain parts of Africa or Latin America. This has resulted in a favorable impact for the importer countries such as Kenya and Tanzania. Overall, the Asian microfinance industry benefits from higher growth rates and a favorable regulatory environment which leads us to expect that we will be able to further increase our exposure in these countries.

Client story

Sale of provisions and food stuff

Nigeria



Gwatana Comfort was born in 1975 in Ugya, Toto Local Government in Nassarawa, Nigeria where she grew up surrounded by local farmers who primarily cultivated yams. She had no formal education but was tutored by her mother to play the role of a wife and mother according to cultural expectations. Comfort left Ugya village when she got married and came to live with her husband in Abaji. Comfort lives with her family, her husband and five children, the youngest of which is 11 years old. She supports her husband who is also a trader like her.

When her husband's income could no longer cover the family's expenses, Comfort sought to start a business in order to alleviate some of the economic pressure on her household. The major

challenge she had while trying to start her small business was financing. As her husband's income was not sufficient enough to cover the household's basic needs, Comfort was unable to save money to apply to her business. While she received enough assistance from her parents to start a very small business, the business was too small to provide the income she needed until early 2010 when Fortis MFB Plc helped her to improve and expand her business.

Since Fortis Microfinance Bank granted her a credit facility to expand her shop, her business has grown and her turnover went from double digit to six digits. She moved from using a container shop to a bigger store stocked with all manner of provisions, soft drinks and food stuffs.

What differentiates Comfort from other business women that deal in provisions and food stuffs, is that she buys from the dealers and sells at a cheaper rate compared to others. She also keeps a warm relationship with her customers, who have supported her over the years due to the quality she provides.

Today, with her successful shop, Comfort doesn't have to worry about earning enough to pay her rent. In fact, with the growth of her business, Comfort was able to rent a larger and more comfortable house to better accommodate her family. Her next dream is to build her own warehouse using the profits from her business.



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Client story

Bimpuh Finance PLC

Sri Lanka

Bimpuh Finance PLC was established in the latter part of 2007 as a small operation with its initial objective of uplifting the living standards of hitherto neglected low-income house holders by providing them with financing for the cultivation of sugar cane, paddy, and other cash crops and for self-employment projects.

Bimpuh is predominantly a micro-finance institution and a registered non-banking financial institution by the Monetary Board of the Central Bank of Sri Lanka. The vision of setting up the company was to enhance the living standards of Sri Lanka's rural population

by providing financial products to low-income families engaged in self-employment ventures.

Besides being licensed to accept deposits, Bimpuh Finance PLC offers the full range of finance products including leasing, pawning, hire purchase, agricultural loans etc. Licensed by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act. No. 42 of 2011, Bimpuh Finance was subsequently listed with the Colombo Stock Exchange (CSE) in 2012.

Today, Bimpuh Finance operates 60 branches and service centers offering

services to customers, mainly micro, small and medium entrepreneurs almost all over the country. The company now boasts a customer base of 190,000 that includes over 140,000 micro finance customers. Bimpuh Finance has demonstrated strong and steady progress these past few years and the firm's contribution made to the society so far is in line with the company's vision of becoming the leading financial services provider in Sri Lanka through contributing towards the advancement of the standards of small and middle-income families.

Client story

Sale of kitchen utensils

Nigeria



In Kuje, a suburb of Nigeria's capital city, 34-year-old Ukamaka Okoye happily balances managing her shop and taking care of her four children and husband. Years ago, however, Ukamaka struggled to provide basic needs for her family.

At that time, she ran a small business as a food vendor near her home but the profits were small. She could only afford infrequent meals for her family and Ukamaka struggled to send her children to school. She knew they needed a proper education but with no money to pay for it, Ukamaka felt helpless.

A friend of Ukamaka encouraged her to join the FORTIS Microfinance Bank Plc. After joining the Microcredit Women's Group, Ukamaka received her first loan of Fifty Thousand Naira (N 50,000). She used this loan to start the purchase and sale of kitchen utensils at one of the big markets.

Slowly, but surely, the loans from FORTIS were paid off. Today, her children attend school regularly and her family eats healthily. Ukamaka also was able to purchase a plot of land and build a house for her family. She now plans to save

money to purchase a car to buy utensils and wares from major distributors at a lower cost.

Ukamaka knows whatever business changes she will have in the future, FORTIS will be there to help.



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Client story

Children's nursery

Panama

For the past fifteen years, Nadya Navarro has followed her passion and dedicated her life to the wellbeing of children in Panama. Using the skills and knowledge she acquired during her experience with the YMCA, Nadya decided in 2014 to open her kindergarten, Rainbow of Knowledge, in the city of Chorerra.

With a USD 12,000 loan from CFE Panama, Nadya was able to make necessary

renovations to her house to accommodate the needs of her kindergarten. Mrs. Navarro has succeeded not only in creating a safe learning environment for thirty-six children but has also succeeded as an entrepreneur. Her business now generates enough revenue to be financially sustainable and employs three additional staff members. Driven by her accomplishments thus far, Nadya knows that with perseverance, dedication, conviction, and with the help of a

microfinance institution like CFE Panama, she is capable of transforming her ideas into reality.

Nadya started Rainbow of Knowledge at age 60 and is living proof that there is no right or wrong age to start a business. Her company shows that microfinance is a viable option for entrepreneurs wanting to turn their dreams and passions into a viable business that benefits their community.



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Client story

Ice cream business

Sri Lanka

[Mrs. M.L.K.H. Perera](#) was ready to close her ice cream business due to the lack of working capital when she heard about Bimpuh Finance's microfinance program. She presented her business to the Bimpuh team who, after carefully reviewing her business, was confident that her business could be revived as she demonstrated the dedication, willingness and positive attitude necessary for success. Bimpuh offered

Mrs. Perera a loan of KLR 25,000 (about USD 170) and Mrs. Perera was able to completely turn her business around.

[Mrs. Pereira's](#) business grew extremely quickly and within a short period of 14 months, she was already on her third loan, having repaid the first two loans well before their due dates. Mrs. Perera is now the proud owner of a thriving ice cream business with three

sales trucks and eight employees, who are all women from the community.

[Mrs. Pereira](#) never imagined that her business, which was almost bankrupt, could grow so quickly and attributes her success mainly to the timely financial support and technical advice given by the Bimpuh Team.



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Client story

A passionate winemaker

Georgia

In Tsinandali, Georgia Otari Berdzenishvili - an engineer, winemaker and cattle rearer - mainly works in a factory close to Tbilisi. However, he spends his weekends in his home province of Kakheti, one of the world's oldest wine-growing regions, producing wine. Otari has a smallholding with 15 hectares of arable land, 30 cows and 15 hectares of vines. He produces wine using traditional Kakheti methods, fermenting the grape juice in clay jars buried in the ground and then storing the resulting liquid, known as 'must', for

three to four months. He sells this as a speciality product through a merchant in Tbilisi and likes to invite visitors to sample the wine.

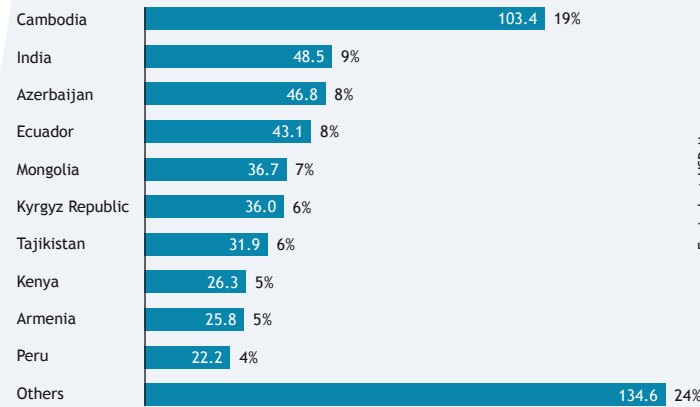
With a loan of USD 6,000, Otari Berdzenishvili is one of LLC Credo's larger clients. A client of Credo since 2011, Otari is using loans to expand his smallholding so that it will one day be able to support his children and grandchildren. His most recent loan from Credo was used to purchase

more cows in addition to household appliances and consumer goods. "I work with Credo because I have absolute confidence that it considers what is in my best interests," he explains, pointing amicably to the young Credo loan officer Davit Kirvalidze. "The loans give me the opportunity to increase my herd of cattle and to put money aside for my children," he says.

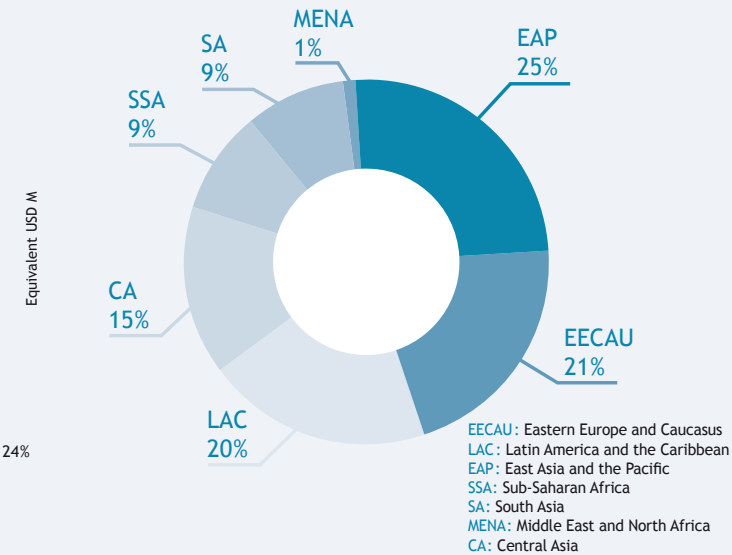
The Portfolio

as at 31 December 2015

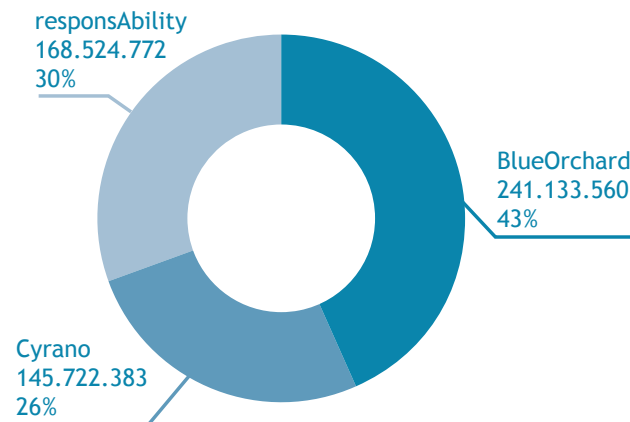
Country distribution
Microfinance investment portfolio
Equivalent USD MM



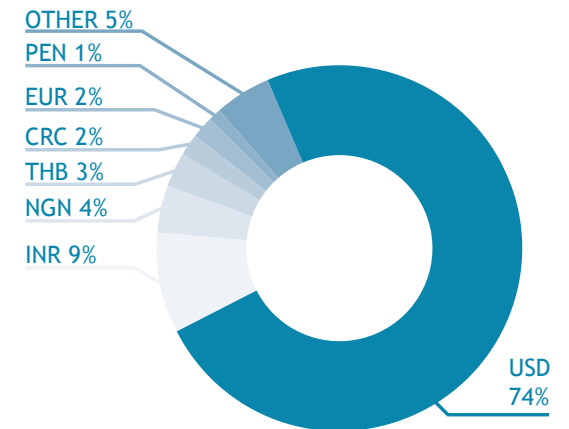
Regional distribution in %
Microfinance investment portfolio



Investment Manager distribution in %
Microfinance investment portfolio - Equivalent USD



Currency distribution in %
Total portfolio
All investments hedged to USD



Other includes:
AZN, TND, KZT, MXN, PLN, RUB, XAF, KHR, XOF, AMD, ZMW



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IFC photo

The Investors

Investors



Oesterreichische Entwicklungsbank AG



Private Investors



Other Private Investors participating via





Balance Sheet

as at 31 December 2015 - in USD

ASSETS	2015	2014
Loans to MFIs	555,380,715	537,622,314
Current assets	142,115,636	119,677,811
of which: cash & cash equivalent	116,299,477	99,428,439
Other assets	1,047,996	1,503,657
Total Assets	698,544,347	658,803,782
LIABILITIES	2015	2014
Notes	107,639,700	109,990,950
Current liabilities	29,398,058	45,530,796
of which: cash & cash equivalent	19,301,147	17,174,879
Accruals and deferred income	---	---
Total Liabilities	137,037,758	155,521,746
Net Assets	561,506,589	503,282,036



Income Statement

as at 31 December 2015 - in USD

INCOME	as at 31 December 2015	as at 31 December 2014
Interest on loans	40,965,098	34,695,646
Upfront fees	1,907,429	2,408,105
Other income	496,726	245,766
Total Income	43,369,253	37,349,517
EXPENSES		
Management fees	(7,110,922)	(6,340,507)
Legal, advisory and audit fees	(428,835)	(459,413)
Administration, custodian and domiciliation fees	(639,826)	(528,397)
Other expenses	(5,116,754)	(4,711,301)
Total Expenses	(13,296,337)	(12,039,618)
NET OPERATING RESULTS		
Net income from investments	30,072,916	25,309,899
Net realized and unrealized gains/losses on foreign exchange	(14,773,382)	(5,458,988)
Net realized and unrealized gains/losses on swaps and forwards	1,645,504	2,633,815
Value adjustments relating to loans	(5,637,199)	241,564
Net increase/decrease in Net Assets as result of operations for the year/period	11,307,839	22,726,290
MOVEMENT IN CAPITAL		
Subscription of shares	66,217,861	87,388,526
Redemption of shares	---	---
Advance of dividend	(19,301,147)	(17,174,879)
NET ASSETS AT THE END OF THE YEAR/PERIOD	561,506,589	503,282,036

Board of Directors



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