

Dual Return Fund - Vision Microfinance

JUNE 2009

Data as of 25.06.2009
EUR NAV Class P: 1114,49 €
EUR NAV Class I: 1102,62 €

Investment Manager:

Absolute Portfolio Management GmbH, Vienna

Investment Advisor:

Symbiotics, S.A., Geneva

Domicile / Legal Form:

Luxemburg / SICAV II (Lux)

Sponsor & Sales Agent:

PEH Wertpapier AG, Germany

Custodian & Paying Agent:

UBS AG, Luxembourg

Domiciliary Agent:

Axxion S.A., Luxembourg

Fund Volume: 87.350.564 €

Inception: 25 April 2006

ISIN:

LU0236782842 EUR Class P
LU0306115196 EUR Class I
LU0236783659 USD Class P

Min. Investment:

1.000 € (P); 250.000 € (I);
25.000 \$ (P)

NAV Calculation :

On 10th & 25th of each month

Yield Distribution / TER:

Div. Reinvested /
indicative 2,8% (P); 2,1% (I)

Sales Charge: up to 3%

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Microfinance: A Balance of Financial and Social Returns

Rated by

The mission of the VISION MICROFINANCE FUND is to offer exposure to investors interested in microfinance. The fund has a double bottom line strategy, on the one hand maximizing its risk return profile for the benefit of the investor, and on the other hand maximizing the social outreach in breadth and depth to micro, small and medium enterprises in emerging and least developed economies. Through an investment in the Vision Microfinance Fund, loans to carefully selected microfinance institutions (MFIs) are financed, the MFI's in turn lend it on in the form of small credits to poor people locally.



The Fund

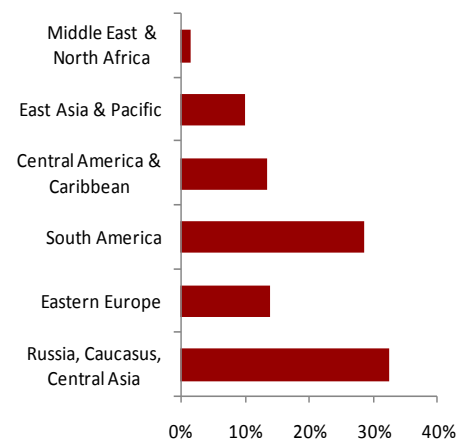
Ethical return: your investment helps a large number of micro-entrepreneurs and their families to break out of poverty on their own merits.

Short loan durations: microcredits typically have a duration of 6 months to 3 years. This reduces the risk compared to credits with longer durations.

Reducing risk through diversification: investments will be spread between a large number of microfinance institutions in various countries and regions.

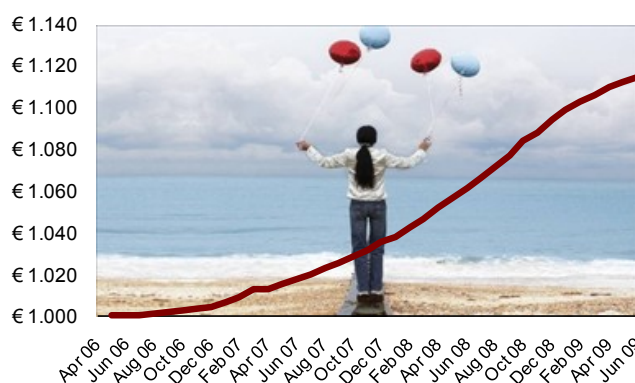
Low correlation: The correlation to other asset classes such as stocks / bonds is low, as MFI customers are only marginally influenced by the world market.

Regional Diversification



NAV Change since Inception (€ Class P)

Social Impact



Micro-entrepreneurs: 95.651
incl. their families: 189.000 - 287.000
Ø Microloan (USD): 1.620
through Investments in 59 MFI's
in 20 Emerging Market Countries
% Clients Rural / Urban: 47 / 53
% Female / Male: 51 / 45
Ø Loan to MFI (USD): 1.001.746
Ø Portfolio Maturity: 13 months

www.visionmicrofinance.com



"Microfinance is not charity. It is recognition that poor people are the solution, not the problem. It is a way to grow productive enterprises and allow communities to prosper."

Kofi Annan, former UN Secretary-General



Dual Return - Vision Microfinance Fund

Market Commentary & Fund Update by Dr. Arman Vardanyan

During June we were looking for new investment opportunities in microfinance and placing an excess cash of the Fund. Generally weakened US dollar against Euro and decreased demand for new financing from MFIs were the factors which impeded the rapid reduction of the Fund's cash position. Nevertheless, in June the Fund invested USD 4,000,000 and EUR 500,000 in the form of direct loans to six MFIs from five countries: Mexico, Bosnia and Herzegovina, Peru, Panama and Kyrgyzstan.

The Fund's total microfinance investment portfolio yield was 8.6% p.a., and a modified duration – 1,2. During June the Fund's investment level was around 80%.

The microfinance industry as a whole undergoes a period of adaptation to the changing market conditions. In light of the global financial crisis microfinance institutions make necessary adjustments in their business activity. The period of fast growth in the past years changes into a phase of "cooling down" aggressive lending from many MFIs in different countries. The crisis brought in credit risk and liquidity constraints also to the microfinance. The clients of MFIs – micro-borrowers suffer from rising costs of food as well as from painful macroeconomic adjustments in some countries. This lowers micro-entrepreneurs' repayment capacity, which negatively impacts the delinquency of loans. Though the bad loans levels at MFIs stay within manageable limits and are far below the levels at commercial banks in developing and emerging countries.

This situation is reflected on the demand side of the microfinance market – the MFIs make no or limited demand for new loans also from microfinance investment vehicles. Currently MFIs invest con-

servatively and pay more attention to strengthen their own internal control and risk management practices. Many MFIs review their business plans, diversify their funding sources and improve efficiency levels. So, the long-term outlook for microfinance industry seems very positive: as a result of the crisis the microfinance will emerge into a more professional industry providing sustainable growth and focusing on clients' needs. For that a mutual consensus and long-term commitment among all stakeholders are needed to be achieved to weather through the current difficulties.

In the latest Focus Note from CGAP, "Asset and Liability Management for Deposit-Taking Microfinance Institutions", author Karla Brom argues that many microfinance institutions need to strengthen their asset and liability management to match the diversification of their funding sources and the risk that comes with it.

"In the microfinance sector to date, asset and liability and financial risk management have not received the same attention as credit and operational risk management, largely because of the way the sector has developed, with MFIs focused on the development, delivery, and repayment of appropriate products for clients," Brom says. MFI managers need to be closely reviewing their balance sheets to identify, measure and manage the financial risks that stem from mismatches in asset and liability currencies, debt maturities, and funds re-pricing – in other words, foreign exchange, liquidity and interest rate risks. You can read full CGAP report at <http://www.cgap.org/gm/document-1.9.34818/FN55.pdf>.

Monthly Performance Figures (€ Class P)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0,45%	0,37%	0,30%	0,33%	0,18%	0,24%							1,89%
2008	0,21%	0,43%	0,40%	0,49%	0,47%	0,47%	0,39%	0,54%	0,49%	0,66%	0,38%	0,52%	5,60%
2007	0,22%	0,21%	0,36%	0,01%	0,27%	0,22%	0,19%	0,34%	0,25%	0,31%	0,28%	0,40%	3,11%
2006					0,04%	-0,01%	0,03%	0,06%	0,07%	0,09%	0,08%	0,09%	0,45%

Monthly Performance Figures (€ Class I)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	0,50%	0,42%	0,36%	0,39%	0,23%	0,29%							2,21%
2008	0,26%	0,49%	0,45%	0,55%	0,52%	0,52%	0,45%	0,60%	0,54%	0,72%	0,43%	0,58%	6,30%
2007										0,36%	0,34%	0,46%	1,16%