

JULY HIGHLIGHTS

The month in review closed with a performance of **34 bps**. The cumulated fund's performance over the last 12 months was 4.19%.

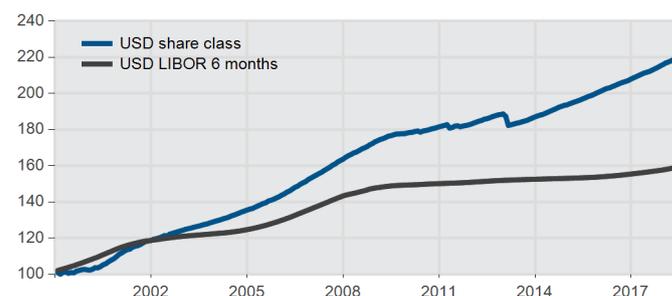
Over the month, the fund disbursed loans in eight countries to new and existing Microfinance Institutions (MFIs) for a total amount of **USD 70.6 million**. Total disbursements since the fund's inception exceeded **USD 3.1 billion in 1,332 loans**.

As of end of July the fund was well diversified. The fund's outreach includes 148 MFIs across 46 countries and the average exposure per MFI is USD 9.3 million. The portfolio average life remains short at 21 months.

PERFORMANCE

Net Asset Value (NAV) in USD	1,700,754,488		
	USD	EUR	CHF
Share Value (Class N Shares)	11,613.15	10,947.50	10,713.43
Monthly return	0.34%	0.11%	0.09%
Return on investment YTD	2.37%	0.72%	0.57%
Since inception (annualized)	3.73%	2.24%	1.70%
Since inception (total return)	16.13%	9.48%	7.13%
Inception date Class N	Jun 14	Jun 14	Jun 14

PERFORMANCE HISTORY ^{1) 2)}



MONTHLY PERFORMANCE

	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18
USD share class	0.34%	0.34%	0.33%	0.39%	0.36%	0.39%	0.25%	0.29%	0.37%	0.39%	0.32%	0.34%
EUR share class*	0.14%	0.17%	0.15%	0.20%	-0.05%	0.18%	0.00%	0.02%	0.15%	0.15%	0.10%	0.11%
CHF share class*	0.12%	0.15%	0.14%	0.19%	-0.09%	0.17%	0.02%	-0.02%	0.12%	0.12%	0.07%	0.09%

* Hedged against USD

ANNUAL PERFORMANCE ¹⁾

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
USD share class	5.87%	2.79%	1.92%	0.83%	3.08%	-0.87%	3.57%	3.67%	3.56%	3.86%	2.37%
USD LIBOR 6 months	3.06%	1.09%	0.52%	0.51%	0.68%	0.41%	0.34%	0.49%	1.06%	1.47%	1.37%
EUR share class	6.23%	2.93%	1.84%	1.20%	2.66%	-1.26%	3.48%	3.10%	2.10%	1.60%	0.72%
EUR LIBOR 6 months	4.76%	1.39%	1.04%	1.59%	0.74%	0.25%	0.27%	0.05%	-0.17%	-0.28%	-0.19%
CHF share class	4.72%	2.28%	1.52%	0.11%	2.38%	-1.41%	3.22%	2.11%	1.53%	1.16%	0.57%
CHF LIBOR 6 months	2.69%	0.49%	0.27%	0.18%	0.15%	0.08%	0.07%	-0.68%	-0.67%	-0.66%	-0.38%

*YTD as of 31 July 2018

FUND FACTS

Average exposure per MFI	9,363,861
Weighted average life (years)	1.78
Weighted average interest rate duration (years)*	0.47
Number of countries	46
Number of MFIs	148
Number of loans outstanding	296
Liquid Assets**	11%
Total disbursements since inception	3,125,390,723
Number of loans/tranches disbursed since inception	1,332

*The low duration is due to the Fund hedging fixed rate loans by entering SWAP agreements which pay a floating rate of 6m Libor plus risk premium

** Cash, money market and other assets

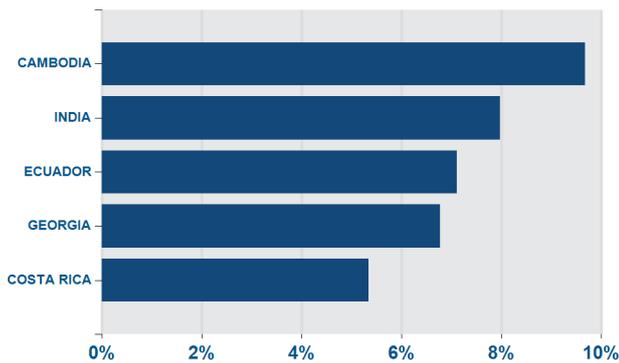
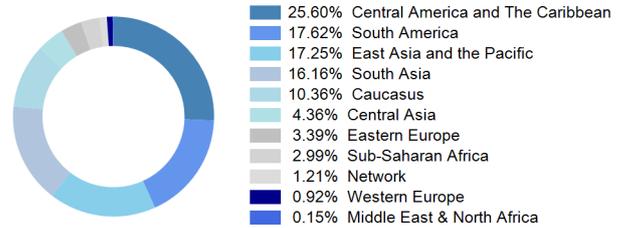
1) Performance history for Class N Shares (in italics) calculated using realized gross performance of Class P Shares and current management fees for Class N Shares (until 30 June 2014); from 1 Jul 2014 effective net performance of Class N Shares

2) Since fund inception 18 Sept 1998

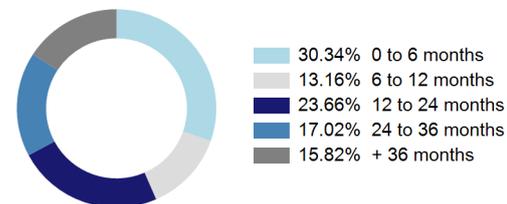
FUND STATISTICS ^{1) 2)}

Annualized return	4.08%
Average monthly return	0.33%
Best month (Dec 2000)	1.23%
Worst month (Feb 2013)	-2.70%
Standard Deviation	1.13
Sharpe Ratio (risk-free rate of 2.3%)	1.58
Correlation with MSCI World	-0.06
Correlation with JPM EMBI Global	0.07
Correlation with 6-month USD Libor Index	0.41

Investment Manager	BlueOrchard Finance Ltd	Fund inception	18 September 1998	Subscriptions	Monthly, 1 day notice	Currency	ISIN
Custodian & TA	Banque de Luxembourg & European Fund Administration S.A., Luxembourg	Base currency	USD	Redemptions	Monthly, 30 days notice	USD	LU1079060619
Fund Structure	SICAV Luxembourg, part II	Income	Reinvested	Min subscription	USD/EUR/CHF 1'000'000	EUR	LU1079060882
		Management Fee	1.4% p.a.	TER	1.55% (as of 31/12/17)	CHF	LU1079060700

TOP 5 COUNTRIES (AS % OF TOTAL ASSETS)

EXPOSURE BY REGION (AS % OF MFI PORTFOLIO)

TOP 5 HOLDINGS (AS % OF TOTAL ASSETS)

PRASAC	Cambodia	2.71%
TBC BANK	Georgia	2.62%
PRODUBANCO	Ecuador	2.38%
BANCO FICOHSA HONDURAS	Honduras	2.23%
COOPENAE	Costa Rica	1.95%

EXPOSURE BY MATURITY (AS % OF TOTAL ASSETS)

HIGHLIGHT PORTFOLIO

Microcred China (MCC), registered in Hong Kong, has been providing microfinance services through two affiliates in the Sichuan province, MC Nanchong and MC Sichuan, since 2007. The two affiliates opened 43 branches reaching a total of almost 25,000 borrowers, of which 54% live in rural areas. MC China is seen as establishing best practices in this nascent microfinance market, where financial exclusion remains a significant issue, particularly in rural impoverished areas in mid/west China. It was the first MCC in China to receive in 2014 the Client Protection Certification awarded by the Smart Campaign, recognizing the implementation of the 7 client protection principles.

SOCIAL PERFORMANCE INDICATORS*

Total # of microentrepreneurs reached by MFIs in the portfolio	21,883,384
# of microentrepreneurs reached by funding provided by BOMF	892,515
# of loan officers	72,965
% of rural clients	48%
% of female clients	53%
% of individual lending	84%
% of group lending	16%
Average loan size to microentrepreneurs	
Simple average across MFIs in USD	9,781
Median across MFIs in USD	2,323

*Data based on the latest available data from MFIs in the portfolio. Includes some estimates by BlueOrchard

CONTRIBUTION TO THE SDGs*


*Sustainable Development Goals of the United Nations

MFI FINANCIAL INDICATORS**

Asset growth (last 12 months)	19.58%
Portfolio growth (last 12 months)	19.30%
Return on assets (ROA) (last 12 months)	1.92%
Return on equity (ROE) (last 12 months)	10.64%
Portfolio at risk 30 days (PAR 30)	3.43%
Write-offs (last 12 months)	1.13%
Debt/equity ratio	5.37x

**Data presented are medians across MFIs in the portfolio for period ending the 30 April 2018 from unaudited management reports as provided by MFIs. Data based on the latest available data in local currency from MFIs.

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