

Dual Return Fund - Vision Microfinance

OCTOBER 2009

Data as of 26.10.2009
NAV Class P: 1122,71 €
NAV Class I: 1113,18 €

Investment Manager:

Arman Vardanyan,
Absolute Portfolio Management

Investment Advisor:

Symbiotics, S.A., Geneva

Domicile / Legal Form:

Luxemburg / SICAV II (Lux)

Custodian / Domilicary Agent:

UBS AG/Axxion Luxembourg

Fund Volume: 90.015.900 €

NAV Calculation:

On 10th & 25th of each month

Subscription:

Monthly, Cut-Off 16:00 CET, on the Business Day preceding the Valuation Day

Redemption:

Monthly, Cut-Off 16:00 CET, on 10th business day of the month

Inception: 25 April 2006

ISIN:

LU0236782842 € Class P
LU0306115196 € Class I

Min. Investment:

1.000 € (P); 250.000 € (I)

Yield Distribution / TER:

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

Sales Charge: up to 3%

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Microfinance: Social Impact and Sustainable Returns

Rated by

The fund mainly contains fixed income assets, mostly in form of direct loans to microfinance institutions (MFIs). A MFI is an organisation that offers financial services to people, which don't receive services from traditional banks. As they are poor and have no collateral - except their own labor - they are excluded from the regular banking system.



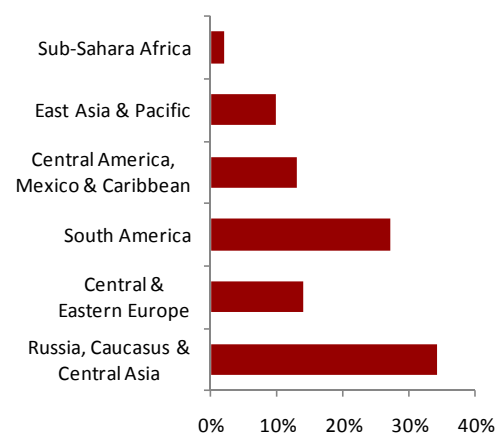
Advantages of the Fund

Regional Diversification

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.

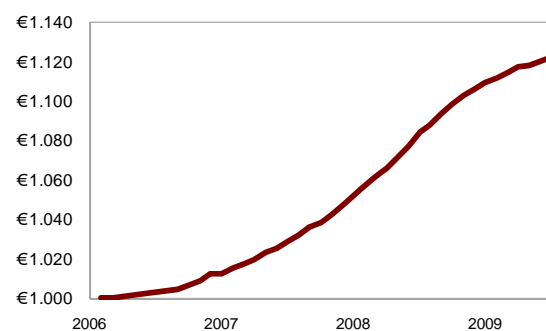
Reducing risk through diversification: investments will be spread between a large number of microfinance institutions in various countries and



Social Impact

No. of Micro-entrepreneurs	103.493
Inkl. their families	206.986 - 310.479
No. of MFIs	62
No. of Emerging Markets	21
Relation Rural / Urban	48% / 52%
Percentage Female / Male	52% / 48%
Ø Issued Microloan	2.092 \$
Ø Loan to MFIs	1.171.345 \$
Ø Portfolio-Maturity	13 months

NAV Change since Inception (€Class P)



Monthly Performance (€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%	0,25%	0,07%	0,20%	0,22%			2,64%
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%

Monthly Performance (€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%	0,31%	0,12%	0,25%	0,27%			3,19%
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%

Dual Return - Vision Microfinance Fund

Market Commentary & Fund Update by Dr. Arman Vardanyan

In October the Fund invested USD 3,000,000, EUR 1,000,000 and MXN 13,340,730 in the form of direct loans to four MFIs from four countries: Kyrgyzstan, Albania, Mexico and Kenya.

We added new country from Central & Eastern Europe – Albania to the Fund portfolio, and made our first investment in Africa to an MFI from Kenya. Also in the month under review we made our first local currency loan in Mexican Pesos. The Fund's microfinance investment portfolio remained fully hedged.

The Fund's total microfinance investment portfolio yield was 8.6% p.a., and a modified duration – 1,1. In November the Fund's investment level will be around 86%.

The Dual Return Fund – Vision Microfinance still shows low correlation with the world markets. Up to now the Fund's investee MFIs exhibit on average good general resilience and have not been materially affected by market movements.

We will continuously look for new deals that arise in the coming months to take good quality investment opportunities strengthening our Fund positions in existing institutions and entering new MFIs, particularly in Africa and Asia.

The microfinance industry shows slower growth rates comparing to the last few years of aggressive growth and expansion. The MFIs pay more attention to improving their portfolio quality, strengthening internal control systems and finding better FX risk management solutions.

According to a new CGAP's survey donors and investors continued to direct a growing stream of funding to microfinance in 2008.

In 2008, microfinance funders disbursed USD 3 billion and increased their commitments by 24%, reaching USD 14.8 billion committed as of December, 2008. The majority of funders reported that the onset of the financial crisis had not affected their funding projections for 2009.

This second annual CGAP funder survey, presenting a broad picture of cross-border funding flows into microfinance for 2008, included responses from 61 donors and investors that represent an estimated 80% of the funding to microfinance.

"The survey gives further reassurance that the crisis is not deterring donors and investors in their continuing support of microfinance," says Elizabeth Littlefield, CGAP's Chief Executive Officer. "If anything, the base of support is growing as investors are attracted to the social and financial benefits of microfinance and its role in promoting financial inclusion – the so-called double-bottom line." You can access the global and regional survey results at <http://www2.cgap.org/p/site/c/template.rc/1.26.12206/>

We'd like to inform you that our Fund representatives participated in Microfinance Investment Summit (organized by C5) convened in London on October 5-7, in line with our steps to further increase investor awareness of the Fund and also to strengthen existing network of industry contacts. We were invited as speakers for the Summit Workshop to share our experience in managing and distributing a private microfinance investment fund.

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

