



SAINT-HONORÉ MICROFINANCE

INTERNATIONAL BOND FUND - MICROFINANCE - SICAV

EDMOND DE ROTHSCHILD INVESTMENT MANAGERS

FIXED INCOME MANAGEMENT

NET ASSETS: € 6.5 M

MANAGEMENT INFORMATION

Management orientation

The fund objective is to improve living conditions for micro-entrepreneurs in developing countries. The capital is mainly invested in microfinance institutions and specialised local structures managing the transfer and redistribution of capital to micro-banks (micro-finance institutions or MFI) and to micro-enterprises.

INFORMATION ON MICROFINANCE

General aspects of Microfinance

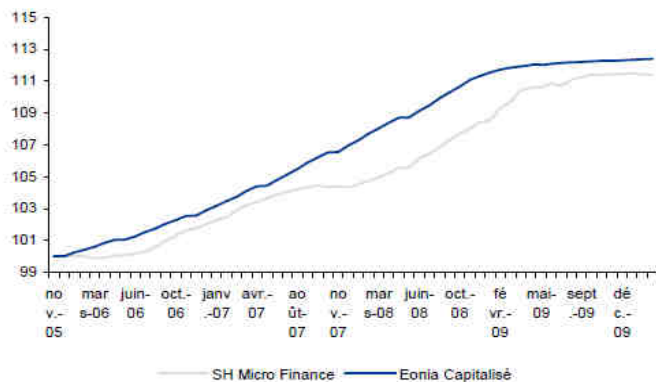
The majority of the population in developing countries lives below the poverty line. Their income depends on their developing small economic activities called micro-enterprises. There are currently around 500 million small and micro enterprises. Their needs are highly specific with an average annual credit requirement of just \$500. In contrast to local money-lenders, whose usurious interest rates keep micro-entrepreneurs in a permanent state of dependence and misery, microfinance institutions meet their requirements properly. Rather than develop a relationship of dependence they strive to stimulate the spirit of enterprise. Microfinance institutions are specialised financial intermediaries. There are several thousand throughout the world (including NGOs, cooperatives and banks). This type of intermediation has been proven very effective and the results are highly convincing, with a very low default rate of around just 3%.

PERFORMANCE

Performances

	Saint-Honoré Microfinance	Benchmark
Performance 1 month	-0,05%	0,03%
Performance 3 months	-0,06%	0,09%
Performance 6 months	0,10%	0,18%
Performance YTD	-0,10%	0,05%
Performance 1 year	1,53%	0,51%
Performance since inception	11,39%	12,42%

NAV evolution



Actuarial data

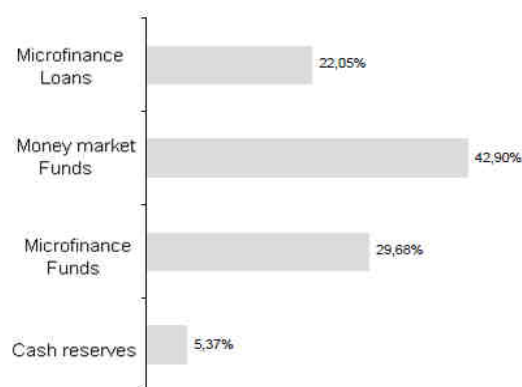
	Saint-Honoré Microfinance
Modified duration	0,09
Duration	0,10
Average current yield	1,39%
Spread	129,36
Average maturity	0,51

Risk indicators

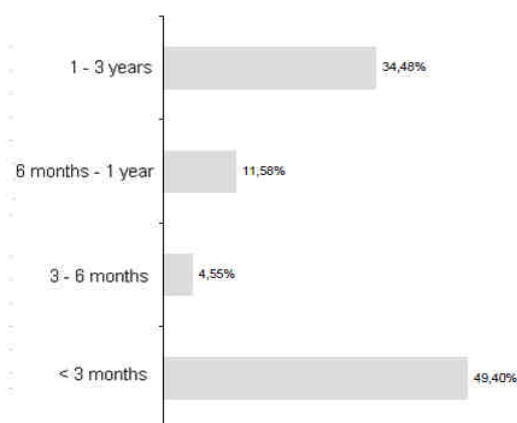
1-year volatility *	0,65
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PORTFOLIO

Breakdown by investment compartment



Breakdown by maturity





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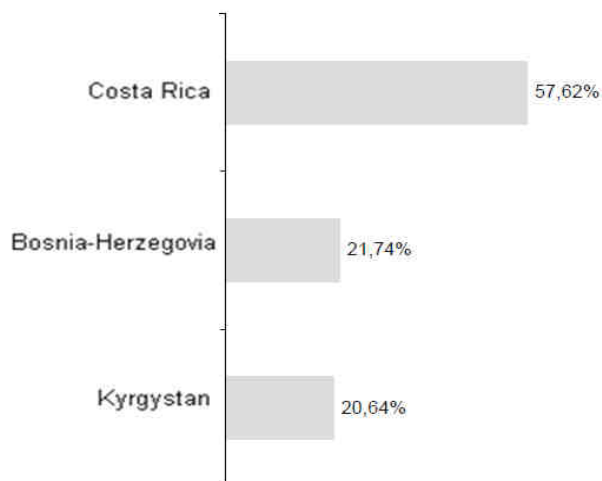
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DETAILED INVENTORY

	Net assets	Denomination	Modified duration	Spread	IRR	Average life	Rating	1-year volatility	Performance YTD
SH SECURITE R	21,8%	EUR	0,10	-	0,34%	0,11	A-1+	0,04	0,02%
RFS MONETRESOR R	20,7%	EUR	0,11	-	0,34%	0,09	A-1+	0,03	0,03%
SH MONECOURT C	0,4%	EUR	0,09	-	0,34%	0,11	A-1+	0,03	0,02%
OPCVM EDRIM	42,9%		0,10	-	0,34%	0,10			
DEXIA MICROCREDIT BLUEORCHARD	29,7%	EUR				1,21		0,70	0,36%
OPCVM de Microfinance	29,7%								
	Actif Net	Devise	Sensibilité	Spread	TRI	Vie Moyenne	Nominal	Taux	Pays
ADRI 04/10/2010	11,6%	USD	0,09	500,00	5,39%	0,54	1 000 000	5,39%	Costa Rica
FOLADE F. SEMILIA 11/01/2010	1,1%	USD	0,02	879,00	8,88%	-	100 000	8,88%	Costa Rica
FRONTIERS 28/06/2010	4,6%	USD	0,31	500,00	5,43%	0,27	400 000	5,43%	Kirghizistan
MIKROFIN 26/09/2011	4,8%	EUR	1,40	810,00	8,67%	1,52	300 000	8,67%	Bosnie-Herzégovine
Prêts Microfinance	22,0%		0,42	586,75	6,29%	0,67			
TOTAL	94,6%		0,09	129,36	1,39%	0,51			

LOANS

Regional breakdown



Analysis

Average loan	206 338 €
Number of institutions since creation	15
Number of loans since inception	35
Amount distributed since inception	19 489 324 €



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FUND DESCRIPTION

1/ FRONTIERS

Based in Kyrgyzstan, it operates in three countries in Central Asia.

Investment by Saint-Honoré Microfinance: \$ 400 000 / 2 years.

Microfinance loan approvals: \$10,15M (as of 06/30/2008)

Regulated by Kyrgyzstan's national bank, Frontiers is the leading lender in Central Asia in the field of microfinance. It currently lends to 30 microfinance institutions in Kyrgyzstan, Kazakhstan and Tajikistan and deals with small microfinance companies that still do not have the benefit of direct loans from international funds. In addition to granting loans, Frontiers also provides strong training support. The investment by Saint-Honoré Microfinance is the first financing Frontiers has received from a specialist international investment fund.

2/ FOLADE

Based in Costa Rica

Investment by Saint-Honoré Microfinance: \$150,000 USD / two years

Folade, a Latin-American development fund, is a consortium of 47 NGOs in some 17 countries, founded in 1993. Folade established the 99% owned Fondo Semilla SA in 2001 to invest in debt and equity in Latin American NGOs. Its main activities are securing financing, preparing conferences for associated NGOs, and technical assistance for specific projects to increase financing for micro-enterprises and small local producers. Some 70% of its micro credits are allocated within a rural setting and 30% within an urban area.

3/ ADRI

Investment by Saint-Honoré Microfinance: \$1 million USD / 18 months

Founded in 1986, Adri is an NGO supported by the IADB, Inter-American Development Bank. It is the second ranking micro-finance institution in Costa Rica, behind Acorde. The loans granted to small entrepreneurs average \$12,500 and go into transport (29.8%), trade (25.6%) and services (20.9%).

4/ MIKROFIN

Based in Bosnia-Herzegovina

Investment by Saint-Honoré Microfinance: € 300 000 / 3 years

Established as an NGO in 1997 under the World Bank, Mikrofin had become the leading Bosnian microfinance company by September 2007 with a 22% market share, ahead of Partner and EKI. Taking over its competitor, Benefit, has enabled it to extend the range of its activities, in particular to rural areas, and it now covers some 95% of Bosnia. Mikrofin has 55,000 clients with an average loan of \$3,200 of whom 55% are in a rural setting, 45% in urban areas, 28% deal with agriculture, 26% services, 17% retail, 9% industry and 18% real estate.

FUND CHARACTERISTICS

Information per share

Net Asset Value:	5569.56 €
Original NAV:	5000.00 €
Number of shares:	1166.76
ISIN code:	LU0236800768

Fund information

Management companies: BlueOrchard / EdRIM Gestion

Date of inception: November 28, 2005

Frequency of Valuation: Monthly

Deadline for subscription / redemption:

Subscription: First Thursday of each calendar month

Redemption: Quarterly, one month notice required

Management fee (real): 1.50% including tax on the portion of the portfolio invested in Microfinance (excluding Microfinance funds).

+0.60% including tax on the assets not invested in money market funds managed by EdRIM

Subscription fee: 2% maximum

Redemption fee: None

DISCLAIMER

Saint-Honoré Microfinance is a fund under Luxembourg law, its sale and marketing on French territory is not authorised. The investor is warned of the risks to liquidity and volatility as well as those to capital in foreign investment funds, which do not offer the same degree of security, liquidity or transparency as French registered funds or those in compliance with the EU Directive 85/611/CEE. The investor is also reminded that trading on stock markets incurs risks inherent in economic and financial mechanisms which investors, who declare themselves to be fully acquainted with the unpredictable nature of such transactions, must expressly accept. Prior to any subscription, investors are required to be fully acquainted with the prospectus and to ensure that the intended subscription is appropriate for their personal situation and financial objectives.

*Volatility is calculated on the basis of weekly performances. Source: EdRIM Gestion

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