

Dual Return Fund - Vision Microfinance

26 July 2010

NAV Class P: 1149,38 €
NAV Class I: 1144,99 €

Investment Manager:

Dr. Arman Vardanyan,
Absolute Portfolio Management

Investment Advisor:

Symbiotics, S.A., Geneva

Domicile / Legal Form:

Luxemburg / SICAV II (Lux)
Private Placement (Germany)
Public Distribution: Austria

Custodian / Domiliary Agent:

UBS AG/Axxion Luxembourg

Fund Volume: 91.561.925 €

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: Reinvested

Total Expense Ratio:

~ 2,5% (P); ~ 1,95% (I)

Sales Charge: up to 3%

Absolute Portfolio Management

Wallnerstraße 3/17, A-1010 Wien
Tel.: +43 1 533 59 76

info@visionmicrofinance.com

www.visionmicrofinance.com

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 most of them are poor and have no collateral - except their own labor - they are normally excluded from the regular banking system.



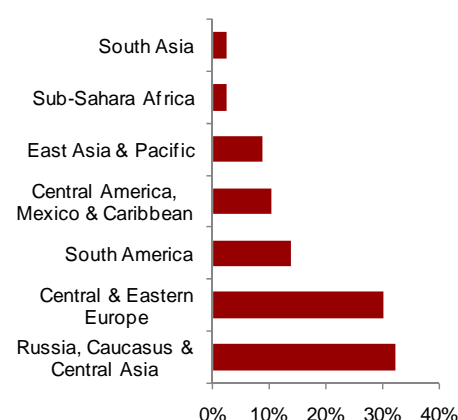
Advantages of the Fund

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.

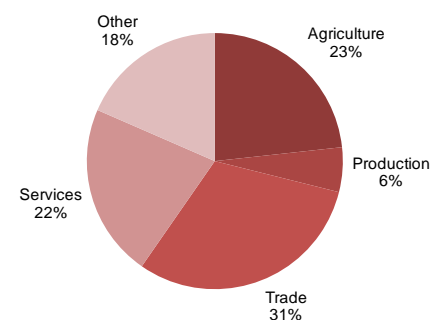
Regional Diversification



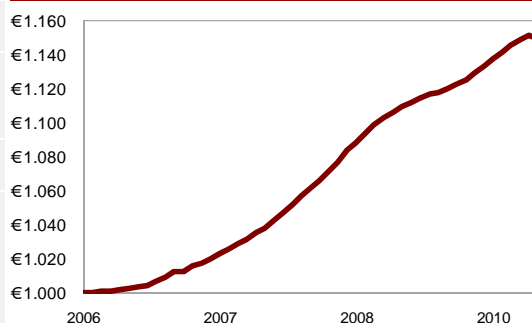
Social Impact

No. of Micro-entrepreneurs	77.607
Inkl. their families	155.214 - 232.821
No. of MFIs	53
No. of Emerging Markets	23
Relation Rural / Urban	46% / 54%
% Female / Male	51% / 49%
Ø Issued Microloan	1.763 \$
Ø Loan to MFIs	1.759.513 \$
Ø Portfolio-Maturity	8 months

Client Activities



NAV Change since inception (€Class P)



Ratios *

	I-Class	P-Class
Ø Annual Return	4,8%	3,3%
Return 2010	2,1%	1,7%
Standard Deviation p.a.	0,5%	0,6%
Max. Loss (in %)	-0,1%	-0,2%
Correlation REXP German Bond Index	0,13	0,18
Correlation MSCI World Stock Index	-0,24	-0,22

Dual Return - Vision Microfinance Fund

Monthly Commentary & Fund Update by Dr. Arman Vardanyan

In July the Fund invested 1.5 Mio USD in the form of direct loans to MFIs from Georgia and Ecuador. Some deals totaling 7.5 Mio USD were booked for later disbursement during the next months. By the end of July the Fund registered a net inflow of about 8.5 Mio EUR coming from both private and institutional investors.

The Fund's total microfinance investment portfolio yield was 8,4% p.a., and a modified duration – 0,9. In July the Fund's investment level was around 80%.

Throughout the first half of 2010 the Fund has been providing positive financial and social returns for its investors, showing low volatility and low correlation to traditional asset classes. The YTD return of the Fund, as of the end of July, 2010 is 1,75% for EUR P and 2,11% for EUR I share classes.

Update on Nicaragua

One investee MFI in Nicaragua has been suffering of adverse political conditions with the emergence of a “No Pago” (“I Won't Pay”) movement of borrowers to financial institutions lobbying for the non-repayment of debt. As a consequence, the portfolio quality and the profitability of the MFI have constantly deteriorated. We do not expect the situation at the investee MFI in Nicaragua to significantly improve over the coming months. The attempts to recover the MFI continue to occur, but there are few chances left for the troubled MFI to resolve problems with its solvency.

The Board of Dual Return Fund – Vision Microfinance, in line with the Fund's prudential valuation principles, decided to increase a loan-loss provision for this investee MFI in Nicaragua. The adjustment in the valuation reserve had its downward impact on the Fund's July monthly performance.

Microfinance Regulator to be set up in Sri Lanka

According to the government officials, Sri Lanka's government is to set up a dedicated authority to regulate microfinance institutions to make their supervision more effective. Microfinance has been identified as a vital sector in the economy because of its contribution to the growth of the rural economy.

The Cabinet of ministers has approved plans for a draft the 'Micro Finance Bill' to set up the Microfinance Regulatory and Supervisory Authority. The proposed authority will license, register, regulate and supervise microfinance institutions whether they are companies, non-governmental organizations (NGOs) or co-operative societies. A large number of micro-finance institutions operated in the country without any regulatory or supervisory controls. A previous effort to regulate microfinance institutions in 2006 through the central bank was abandoned because a separate, independent authority was considered more appropriate.

New law on “Microfinance Activity and Microfinance Institutions in Russia”

The law on microfinance institutions was penned by Russian President Dmitry Medvedev on July 2, 2010 and should take effect within 180 days upon its publication. The document establishes a legal framework for microfinance activity, determines the procedure for state regulation of activities carried out by microfinance institutions, sets amounts, the procedure for and terms of microloans to be provided, the procedure for acquiring the status and conducting activity of microfinance institutions, and also rights and obligations of an authorized body in charge of microfinance activity.

Pursuant to the law, a legal entity registered as a fund, autonomous no-profit institution, establishment, no-profit partnership, economic society or partnership is recognized as a microfinance institution and it may issue loans not exceeding Rub 1 mln (ca. 250.000 EUR).

Monthly Performance (€Class P)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	0,32%	0,34%	0,38%	0,35%	0,33%	0,17%	-0,15%						1,75%
2009	0,45%	0,37%	0,30%	0,33%	0,18%	0,24%	0,25%	0,07%	0,20%	0,22%	0,21%	0,41%	3,27%
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 (€Class I)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	0,37%	0,39%	0,43%	0,40%	0,38%	0,22%	-0,10%						2,11%
2009	0,50%	0,42%	0,36%	0,39%	0,23%	0,29%	0,31%	0,12%	0,25%	0,27%	0,26%	0,47%	3,94%
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%