

# Term investment portfolio overview

Loan disbursed \_\_\_\_\_  
Interest Charged \_\_\_\_\_  
Loan due (P + I) \_\_\_\_\_  
\_\_\_\_\_/WEEKLY LOAN + LGF PAYMENT

Monthly/ Weekly \_\_\_\_\_  
Monthly/ Weekly \_\_\_\_\_  
Loan Term \_\_\_\_\_ Months/Weeks

Weekly Contribution	Weekly Loan Repayment (P+I)	Loan Balance (P+I)	LGF Paid	MONTHLY/ WEEKLY LGF Withdraw Transfer	CUMULATIVE LGF	GROUP OFFICIAL/ CASHIER SIGNATURE
24600	24600	565400	2000	—	2000	Ko
24600	24600	540800	2000	—	4000	Ko
24600	24600	516200	2000	—	6000	Ko
24600	24600	491600	2000	—	8000	Ko
24600	24600	467000	2000	—	10,000	Ko
24600	24600	442400	2900	—	12900	Ko
24600	24600	417800	2000	—	14900	Ko
24600	24600	393200	2000	—	16900	Ko
24600	24600	368600	2400	—	19300	Ko
24600	24600	344000	2400	—	21700	Ko

Sign \_\_\_\_\_ Date \_\_\_\_\_

# Term investment portfolio

The mission of Oikocredit is to use its lendable funds (share capital, general reserve and loans granted to Oikocredit) for development purposes. To realize this, Oikocredit has two major investment portfolios which make up its total assets.

1. Development financing: direct partner financing in developing countries.
2. Term investments: the portion of our total assets which are invested in liquid, conservatively-invested funds used to redeem share capital and to provide for Oikocredit's operating funds.

The purpose of the term investment portfolio is to provide a balance of risks, liquidity and investment income with Oikocredit's mission.

In this report we will give information about our term investment portfolio. It is made up of a number of funds, but the majority is invested in the Buy and Maintain Environmental, Social Governance (ESG) Credit Portfolio, managed by AXA Investment Managers Paris.

## Financial Criteria and Risk Management

### Risks

Oikocredit, as any other financial institution, has to balance its risks. There are sometimes considerable risks related to our investments in partner financing. These relate to project risk, currency risks and country risks. To balance these risks, Oikocredit invests the term investment portion of its total assets in easy-to-liquidate investment-grade securities.

### Liquidity

Oikocredit requires sufficient liquidity in order to be in a position to repay investors following share capital redemption requests. Moreover, Oikocredit needs to maintain sufficient liquidity to disburse funds to newly approved partners should levels of lendable funds not suffice.

### Income

Another requirement of the term investment portfolio is to contribute a reasonable risk-adjusted return to Oikocredit's net earnings.

## General information about the term investment portfolio

Until 2015 our bond portfolio, which is part of the term investment portfolio, was managed by asset manager IMS under the name '4F Fund (Fund for Fair Future)'. Upon expiry of the contract, we selected a new external fund manager, AXA Investment Managers Paris (AXA), which took over the management of Oikocredit's bond portfolio in early 2016. The name of the bond portfolio managed by AXA is 'Buy and Maintain Environmental Social Governance (ESG) Credit Portfolio'. The bond portfolio aims to achieve better diversification, less credit risk and a better ESG performance than the benchmark BofA Merrill Lynch Euro Corporate index with similar average credit rating and maturity characteristics.

The term investments in bonds have all been rated 'investment grade' by either Moody's, S&P and/or Fitch, with at least 30% in the AAA range (Aaa-A3) and up to a maximum of 65% in the BBB range. Moreover, it is defined in the investment policy that individual issuers are maximized at 5% of total portfolio for quasi and foreign governments, 2.5% of total portfolio for AAA/AA range, 1.75% of total portfolio for A range and 1.5% of total portfolio for BBB and lower range.

The manager of the bond portfolio, AXA Investment Managers Paris, constantly monitors the performance of the bonds and takes appropriate action when necessary. Despite this, a debtor can face sudden downgrades and/or price corrections. Such credit risk must always be taken into account when investing. A maximum of 10% of the total amount available for term investments can be invested in shares.

<i>The total term investment portfolio consists of:</i>	<b>2016</b>	<b>2015</b>
	<b>€ ,000</b>	<b>€ ,000</b>
Buy and Maintain ESG Credit Portfolio	108,276	-
4F-Euro, Fund for Fair Future, the Netherlands	-	111,474
4F-USD, Fund for Fair Future, the Netherlands	-	4,291
TCX, The Currency Exchange Fund N.V., the Netherlands	7,071	7,071
TCX, The Currency Exchange Fund N.V., the Netherlands (held for Triple Jump, the Netherlands)	(1,708)	(1,708)
TCX, The Currency Exchange Fund N.V., the Netherlands (held for Grameen Crédit Agricole Microfinance Foundation, Luxembourg)	(1,816)	(1,816)
Other	673	565
GLS Bank, Germany	300	300
Ekobanken, Sweden	11	11
<b>Total term investments</b>	<b>112,807</b>	<b>120,188</b>

In this report we will disclose the titles included in the Buy and Maintain ESG Credit portfolio (a part of the total term investment portfolio).

<i>List of bonds issued through Buy and Maintain ESG Credit Portfolio for 2016 and 4F Fund for 2015</i>	<b>31/12/16</b>	<b>31/12/15</b>
	<b>€ ,000</b>	<b>€ ,000</b>
Atlas Copco, Sweden	1,798	5,473
SUEZ, France	1,725	4,999
Air Liquide, France	1,685	5,076
Unibail-Rodamco, France	1,673	5,369
Toronto, Canada	1,641	-
Westpac Banking Corporation, Australia	1,556	-
BT Group Plc, UK	1,550	2,145
ING Bank N.V., the Netherlands	1,537	-
Australia & New Zealand Banking Group Ltd., Australia	1,506	-
Telstra Corporation Ltd., Australia	1,466	5,286
Wolters Kluwer, the Netherlands	1,466	2,040
Société Générale, France	1,458	-
Commonwealth Bank, Australia	1,455	-
Red Eléctrica Financiaciones, Spain	1,451	1,750
Banco Bilbao Vizcaya, Spain	1,438	-
BASF SE, Germany	1,431	5,235
Valeo SA, France	1,409	-
Telefónica Emisiones, Spain	1,406	2,213
Akzo Nobel N.V., the Netherlands	1,404	2,101
CaixaBank, Spain	1,380	-
Compass Group PLC, UK	1,313	-
Schneider Electric, France	1,287	5,542
Cloverie Plc Zurich, Ireland	1,277	-
Intesa Sanpaolo, Italy	1,271	-
BPCE SA, France	1,257	-
Crédit Agricole SA, France	1,251	-
Danone, France	1,236	2,163
Danske Bank, Denmark	1,234	-
Sydney Airport Finance Company Pty, Australia	1,232	-
Allianz Finance, the Netherlands	1,194	-
Linde Finance B.V., the Netherlands	1,189	5,610
Thermo Fisher Scientific, USA	1,179	-
Nordea Bank AB, Sweden	1,173	-
Rabobank Nederland, the Netherlands	1,166	-
Gas Natural Fenosa, the Netherlands	1,160	2,130
Engie, France	1,141	-
Prologis LP, USA	1,141	-
Stockland Trust, Australia	1,131	-
Terna SpA, Italy	1,131	-
Ecolab Inc., USA	1,123	-
UniCredit SpA, Italy	1,117	-
Daimler Financial Services, USA	1,113	-
Assicurazioni Generali, Italy	1,103	-
CRH Finland Services Oyj, Finland	1,094	-
Elsevier Finance, the Netherlands	1,092	2,146
AusNet Services Ltd, Australia	1,086	-
Amgen Inc., USA	1,085	-
ABB Finance B.V., the Netherlands	1,079	5,666
Pearson Funding Five PLC, UK	1,071	-
Klépierre, France	1,061	-
Continental AG, Germany	1,060	-
Coca-Cola HBC Finance B.V., the Netherlands	1,056	-
Autostrade per l'Italia, Italy	1,049	-
Carlsberg breweries, Denmark	1,048	-
DNB ASA, Norway	1,046	-
Swedbank AB, Sweden	1,046	-
KBC INFIMA S.A., Luxembourg	1,045	-

	31/12/16	31/12/15
	€ ,000	€ ,000
Legrand S.A., France	1,043	5,229
Praxair Inc., USA	1,043	-
Enagás Financiaciones SAU, Spain	1,034	-
Stagecoach Group Plc, UK	1,031	-
NN Group N.V., the Netherlands	1,027	-
Hammerson Plc, UK	1,026	-
Compagnie de Saint-Gobain S.A., France	1,025	-
Icade, France	1,023	-
Tyco Electronics, Luxembourg	1,023	-
Bristol-Meyers Squibb, USA	1,020	-
Coca-Cola European partners, UK	1,018	-
Enel Finance International S.A., the Netherlands	1,015	-
RCI Banque SA, France	1,006	-
Iberdrola International B.V., the Netherlands	1,005	-
Carrefour S.A., France	995	-
Go-Ahead Group, UK	980	-
Key Bank, USA	978	-
Nationwide Building Society, UK	977	-
WPP Finance 2010, UK	965	-
Apple Inc., USA	964	-
Verizon Communications Inc., USA	961	-
AbbVie Inc., USA	944	-
EMD Finance LLC, USA	936	-
Amcor Finance (USA) Inc., USA	930	-
Astrazene, UK	927	-
Deutsche Telekom International, the Netherlands	845	-
AT&T Inc., USA	841	-
Aviva plc, UK	786	-
HCP Inc., USA	720	-
Snam SpA, Italy	691	-
ABN AMRO Bank N.V., the Netherlands	656	-
Santander Issuances, Spain	522	-
Bank Nederlandse Gemeenten, the Netherlands	492	610
Électricité de France, France	482	-
Skandinaviska Enskilda Banken, Sweden	428	-
SNCF Réseau, France	384	-
BNP Paribas, France	369	-
Linde AG, Germany	354	-
Intel Corporation, USA	338	327
ABB Finance (USA) Inc., USA	337	-
Santander UK Plc, UK	224	-
National Grid Gas PLC, UK	170	-
Sovereign bonds Republic of Poland	-	5,563
Sovereign bonds Republic of Lithuania	-	5,484
Aegon N.V., the Netherlands	-	5,339
TeliaSonera, Sweden	-	5,231
Sovereign bonds Czech Republic	-	5,156
Koninklijke DSM, the Netherlands	-	5,123
Nestlé Finance International Ltd., Luxembourg	-	4,342
Orange, France	-	3,972
Compass Group International, the Netherlands	-	2,160
ASML Holding N.V., the Netherlands	-	2,046
Kreditanstalt für Wiederaufbau, Germany	-	2,007
Sovereign bonds Republic of Slovakia	-	348
Medotronic Inc., USA	-	343
Sovereign bonds Republic of the Philippines	-	129
Hedge contracts	1,972	-
<b>Grand total</b>	<b>108,276</b>	<b>118,353*</b>

\* The amount provided for the 4F Fund on this page differs from the numbers in the summary overview on page 2, which includes the sum of the amounts invested in the 4F Fund in euros and US dollars (€ 115.77 million). These numbers differ because the figures on this page show the total amount of investments in the 4F Fund (including third party investments) and the figures on page 2 show only how much Oikocredit invested in the 4F Fund.