



Annual partners meeting

Foster positive professional connections to build the future

Unaudited semi-annual report as at 30 September 2022



**Forestry and Climate
Change Fund**



In collaboration with

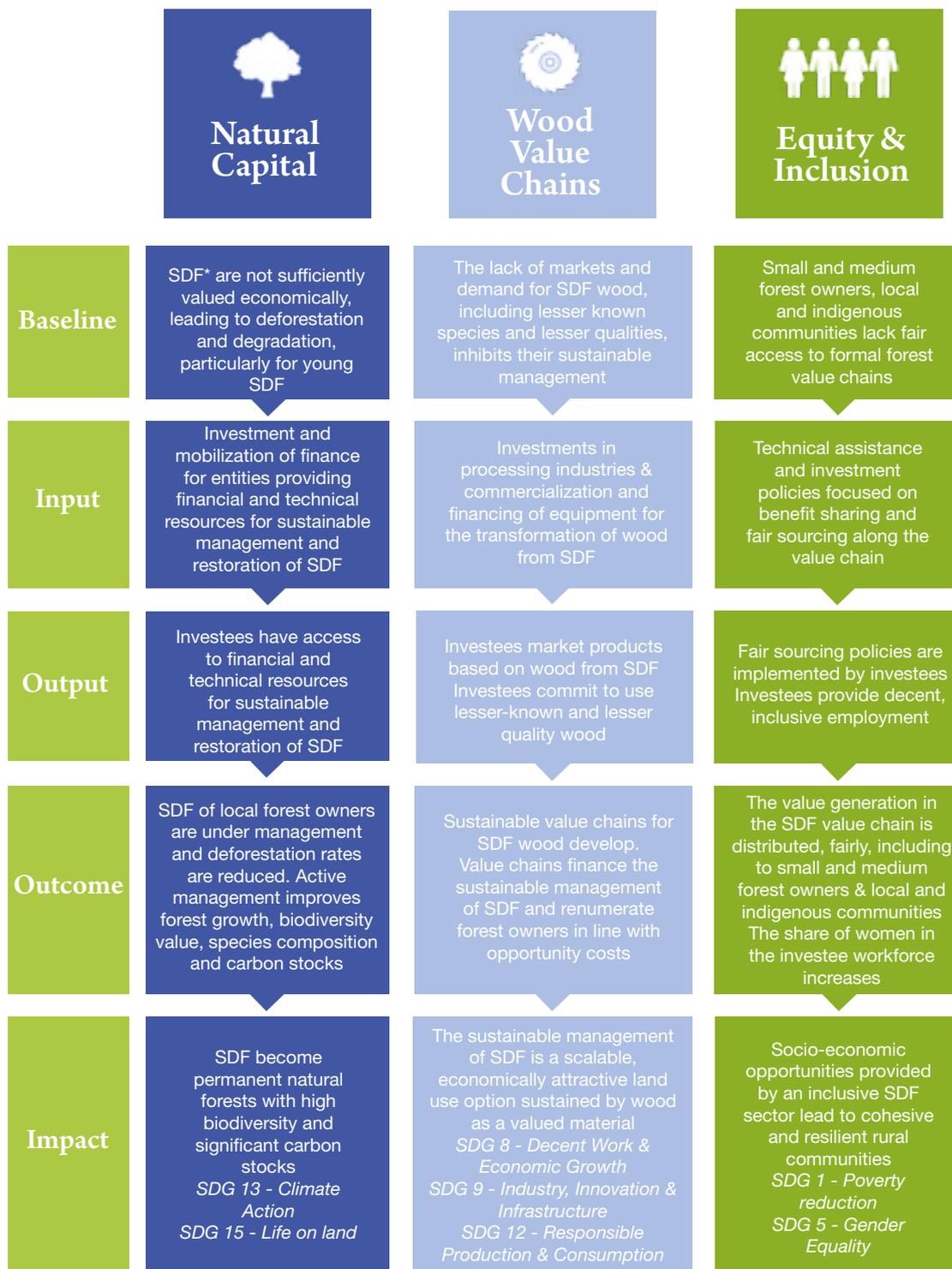


For clarification purposes: The information presented in this report refers only to Investing for Development SICAV and its sub-fund, the Forestry and Climate Change Fund (FCCF), unless otherwise explicitly stated. The Luxembourg Microfinance and Development Fund (LMDF) sub-fund is not covered by this report.

Contents

Page	
4	FCCF Theory of Change
5	Central America investment map
6	Report of the Board of Directors to the shareholders
8	Management report
12	Risk report
14	Partners and stakeholder meeting in Antigua, Guatemala - November 2022
18	Statutory information
20	Unaudited financial statements
20	// 1 Statement of net assets
22	// 2 Statement of operations and other changes in net assets
24	// 3 Statistical information
26	// 4 Statement of investments and other net assets
28	// 5 Statement of investments by investee and type
29	// 6 Statement of investments by instrument type
30	// 7 Geographical breakdown of investments
30	// 8 Evolution of NAV
31	// 9 Notes to the unaudited financial statements

FCCF Theory of Change



Central America investment map



Report of the Board of Directors



FCCF recently held its yearly meeting with its partners in Guatemala to focus on the connections and linkages between the investees of the Fund. This interaction plays an important role in the development and the evolution of the Fund, and gives the opportunity to all players to share their ideas and progress for the future.

In the last edition, we reported about the first investments done post-COVID, both in Guatemala. FCCF has since disbursed a loan, under the forest credit methodology, to Conjunto Predial located in southern Mexico, a new counterparty. These loans allow forest-dependent communities to purchase machinery and so reduce their reliance on third-party providers and increase their income.

The investment period of the Fund has, in October 2022, come to an end and a last investment has been approved. FCCF continued its growth with USD 6.9m in investments made since inception, a 25% increase compared to the end of March 2022.

As we continue to work with our partners, it is exciting to see validation of our initial investment thesis. Interest flows are beginning to come through on our existing investments and amounted to USD 248k during the last six months.

FCCF's main priority is now to support

existing partners in the development of their businesses as the world emerges from the impact of the Covid-19 pandemic and faces geopolitical tensions.

The Board has selected and retained UNIQUE land use GmbH (UNIQUE) as the investment adviser to FCCF. UNIQUE has developed a sound monitoring and reporting framework for the Fund, which also demonstrates the climate impact of the projects. UNIQUE and our management team have both spent the time required on the ground to develop the trusting relationship required for a constructive and efficient cooperation with the investees.

The Board has established the following committees whose role is to support and make recommendations to the Board, or take decisions within certain limits determined by the Board, in their areas of activity:

- The **Investment Committee**, which has nine members, is authorised, within the limits of the investment policy and objectives of the Sub-Fund as defined by the Board of Directors, to decide upon the acquisition or disposal of investments on the basis of a proposal by the Investment Adviser, and to take all other decisions relating to the management of the Sub-Fund's portfolio.



FCCF partners visiting Selva Maya del Norte Community in Guatemala // FCCF

- The **Risk Committee**, which has four members, provides direction, advice and oversight with regard to FCCF’s risk management and reporting framework, including risk policies, processes and controls.
- The **Marketing Committee**, which has four members, oversees the Fund’s marketing strategy including the development of the shareholder base.
- The **Employment Committee**, which has three members, reviews the objectives, performance and remuneration of management.
- The **Appointments Committee**, which has two members, assists the Board in ensuring that its composition is aligned with the objectives of the Fund.

Ban Ki-Moon once said that “Climate change does not respect borders; it does not respect who you are – rich and poor, small and big. Therefore, this is what we call ‘global challenges,’ which require global solidarity.” The Board wished to thank its shareholders for their continued support.

The Board of Directors
November 30th, 2022

Raymond Schadeck
Chairman

The members of the Board do not receive any remuneration as directors, apart from the reimbursement of expenses incurred for Fund business and approved in advance by the Board.

Management report



Dear Shareholder,

In this report the Forestry and Climate Change Fund (FCCF) reports on the six months financial period ended on 30 September 2022.

// The last investments

The last annual report saw the first new investments made post Covid: Forestal Naj-Ché and Cooperativa Carmelita, both in Guatemala. During this financial period the Fund continued to make new investments with a loan approved and disbursed to Conjunto Predial S.P.R. de R.L., a community-owned forest company located within the Ejido Nuevo Becal in Campeche, Southern Mexico. This is the second investment made under the community forest credit methodology and allows the forest dependent community to acquire machinery to lessen their dependence on third party service providers and increase their income. Conjunto Predial's work is closely aligned to FCCF's objective of restoring degraded and secondary forests. The Community has developed and implemented an innovative forest management model focused on establishing regeneration of overexploited high value species (mainly mahogany) through active gap management.

The loan equivalent to USD 142,000 is also the first loan denominated in local currency as the community sells exclusively to the local market. The Fund does not hedge the exposure but charges a margin over

its target return in USD deducted from the historic volatility of the currency. We believe the relationship with Conjunto Predial will evolve and lead to additional investments.

As at the reporting date, the end of the Fund's investment period is close and one last investment is in the process of approval, which would bring the total investments during this phase of the Fund to twelve.

In this edition, the report focuses on the connections and linkages between investees of FCCF as recently strengthened in a workshop which took place on 11th and 12th of November 2022 in Guatemala, and which was facilitated by the Luxembourg Development Cooperation. A report on the meeting is included in the following pages to allow you to learn about the discussed topics and group dynamic between investees. We believe there is considerable value in those connections which will allow partners to overcome their multiple challenges.

// Management of the challenges of the current portfolio

As already indicated in the last report, the consequences of the Covid-19 disruptions are felt across the portfolio. To date, the companies focused on forest management and primary transformation have seen delays but ultimately benefited from strong prices and higher transportation costs (rendering timber imports from distant countries expensive). Companies focused on finished products have suffered more through delays in developing markets. The recent developments, above all the increase in energy (and transport) costs, have had additional impacts across the portfolio.

The valuations at the end of September 2022 indicate which partners are in difficulty (detailed in section 5 of the financial statements). The valuation approach relies on forward looking financial projections and in some cases such information may be hard to update in volatile market environments and for smaller companies in a growth phase. We also believe that the valuations will only reflect know-how acquired with a time lag.

In the Woods by Fundecor, whose business model is the transformation of lesser-known species to panelling and related products is valued at the realisable sales value of machinery and equipment. The Board of Directors of the company (with representation of FCCF) took, in summer 2022, the decision that a turn-around was too costly and to wind down the company until the end of 2022 and focus the resources

on the development of the sister company, Fundecor Bosques. The Fund's expected loss from this investment amounts to USD 670.000.

The business activities of Simplemente Madera Marketplace in Nicaragua have been put on hold following the deterioration of the political situation in the country. The company is in the process to liquidate all its assets.

The Fund obtained full control of Operaciones Forestales Sostenibles (100% equity ownership) and is working on a turn-around plan. A first step has been the minimisation of operating costs to have time to evaluate strategic options.

// Financial results

The Fund continued its growth with USD 6.9m in investments made to date, an increase of 25% over the USD 5.5m end of March 2022. Total net assets remained largely stable at USD 10.0m (compared to USD 10.4m end of March 2022), pending the draw-down of the remaining Class J commitments.

The Fund continues to close the gap between the financial income from the portfolio and total costs, with USD 248k in interest income during the first six months and USD 292,000 in costs. This compares to annual interest income of USD 223,000 during the entire previous financial year.

The net variation in unrealised losses, detailed above, has reduced strongly to a loss of USD 0.5m (compared to USD 1.1m loss during the previous financial year). This leads to a loss on operations of USD 0.5m, mainly driven by the current valuations.

In line with the Fund's waterfall, Class I shares absorbs the loss to protect the initial

investment value of Class J shares and end the financial year with a NAV per share of USD 45.46 whereas Class J shares NAV is USD 100.00.

// Outlook

On the one side, the Fund has gone through a difficult period having observed a severe and negative evolution of several investees, including the closure of In The Woods by Fundecor. At the same time, other investees have developed to the point of requiring additional investments to scale their functioning business models. The Fund retains significant cash and some Class J uncalled commitments allowing it to focus increasingly on the development and scaling of successful investees.

The Fund's Investment Committee has recommended to the Board approval in its meeting on 6th October 2022 approved one last investment in Belize as part of the current investment period. The Board of Directors approved the investment, currently being implemented, on 19th October 2022.



Signature of a partnership agreement between FCCF, Forestal Naj-Ché Guatemala and Programme for Belize, Belize // FCCF

The community credit product is a significant development, giving FCCF a tool and methodology to engage with communities playing a vital role in the protection of tropical forests. During the reporting period, the investment in Conjunto Predial illustrates the appeal of the product and significant impact potential.

We always knew that the journey we embarked on was not going to be easy. As this report illustrates clearly, both the challenges but also the opportunities are becoming increasingly visible. We would like

to believe that this confirms that we are on the right track to realising our mission.

As always, we welcome your questions and comments,

Kaspar Wansleben
Executive Director

Risk report



The Fund's Risk Committee oversees the various risks which the Fund faces. Following a very busy year in 2020/21, during which the Committee was convened 7 times, principally to take COVID-related decisions, 2021/22 has been a quieter year, although credit risk remains elevated in the forestry sector. The Committee has a broad remit, the main focus being credit risk, but the Committee also reviews market, operational, country, liquidity, distribution, regulatory, ESG and AML risks.

// Credit risks

As already indicated in the last report, recovery from the COVID impact is underway in the forestry sector; however, challenges in global supply chains have particularly impacted our partners which focus on value chains, and this has been compounded by higher costs resulting from inflation. This means that several partners are now running considerably behind on their initially anticipated business plans and the Fund has taken the decision to make additional impairments of USD 469k totaling USD 1.7m, in accordance with the Fund's Valuation Guidelines.

The largest loan impairments of USD 510k have been taken against outstanding loans in In the Woods by Fundecor S.A.; the equity is fully written down. This company focuses on the development and commercialisation of products from lesser-known timber species. It has seen severe delays in its business plan, production issues and a change of CEO. This has led to challenges meeting the originally agreed loan schedules, which have, in turn, led to the current valuation. Under its new leadership, the company focuses on resolving its production issues, however, the Fund has considerable concerns that the institution will manage its turnaround and has decided to

close the company.

Fundecor Bosues S.A., an investee focused on forest management and primary transformation, and initially conceived as a supply partner to In the Woods by Fundecor S.A., has also been affected by the delays. The company has received further working capital funding to scale its operations and develop alternative commercialisation channels, independent from In the Woods by Fundecor S.A.. Based on the Funds' Valuation Guidelines, the Fund has provisioned an impairment of USD 263k against outstanding loans and the equity has been fully written down.

Operaciones Forestales Sostenibles S.A. has seen similar challenges and has failed to execute its original business plan: this has led to the decision to take a USD 135k impairment against outstanding loans and write equity down to zero. As already described in the last report, the CEO was replaced and the Fund took full ownership of the company. This allows the Fund to have greater autonomy to take the actions required to reduce operating costs and turn around the company.

Izabal Wood Company, a company focused on wood transformation, value chain and commercialisation, has also seen delays in its business plan. The company has been able to consolidate its wood transformation operations and has received additional funding to ramp-up its functioning business model. The Fund has impaired USD 67k of its subordinated loan and equity has been fully written down.

Following the challenges the country is facing, the Fund's first investment in Nicaragua, Simplemente Madera Marketplace S.A., continues to focus solely on selling the remaining stock of wood. The Fund has



maintained the provisions towards the entity at USD 146,000 against the remaining outstanding loan of USD 156,000, while maintaining the equity valuation at zero.

FCCF continues to fully impair its investment of USD 20,767 in Fundación Naturaleza para la Vida, owing to uncertainty inherent in the position.

The Fund has also finalised the restructuring agreement for its loans to BluWood in Costa Rica. Although the restructured loan is asset-backed secured, uncertainty together with setbacks caused by COVID has led to a total provision of USD 79.6k on the institution's outstanding equity which is now held at 19% cost price.

// Country risks

FCCF has a limited geographical remit and has increased its diversification with Mexico as a new country with one investment disbursed in August 2022. The Fund's highest exposure continues to be Costa Rica, where the holding constitutes 27% of the NAV. Meanwhile holdings in Guatemala total 25% of the NAV.

The Fund continues to maintain a limited exposure of 0.1% NAV to Nicaragua, a country

which, besides its political risks, is monitored by the Financial Action Task Force (the entity evaluating money laundering and terrorist financing risks). Further details are found in Note 12.

// ESG Risks

The Fund is in the process of producing its first Environmental and Social report which will be released in the new financial year. This will provide a clear picture of the evolution of the Fund's impact investment thesis supported by the other developments, including the revised Theory of Change and the development of Environmental and Social Principles.

The Fund has resolved one material adverse social event in the last reporting period, involving the prolonged use of short-term employment contracts. The Fund engaged with the institution in question and this concern has now been fully addressed.

We look forward to receiving your thoughts and comments.

Yours faithfully,
Alejandro Vazquez Ortega, Head of Risk

Partners and stakeholder meeting

Antigua, Guatemala - November 2022

FCCF partners' and stakeholders' interaction plays an integral role in the development and evolution of the Fund. Therefore, the opportunity to come together once a year to share achievements and challenges is crucial to create positive professional connections, building durable and reliable relationships across individual and business enterprises and offering strategic inputs for the development of the next phase of the Fund.

This is why, on November 11th and 12th, 2022, FCCF partners and stakeholders met in Antigua, Guatemala, to share and present their progress and ideas for the future.

The event was attended by 33 individuals representing a broad spectrum of players that ranged from the FCCF team, to partners and investees, the Luxembourg Development Agency LuxDev, the NGO ADA, the consulting company AMPLO, sector experts such as UNIQUE and FSC, and market players.

The first day of the event on November 11th kicked off with representatives of the FCCF congratulating the participants for the results achieved so far, and was followed by LuxDev presenting the status of the cooperation with the Fund and the activities for the upcoming technical assistance facility 2023-2027 supported by the Luxembourg Ministry of Foreign and European Affairs.

A particularly animated session followed with each partner presenting their enterprise's current status and accomplishments. The

meeting provided an open forum for the participants to get to know each other better and explore the diverse business models while sharing a common vision.

Izabal Wood Company from Guatemala presented their wide variety of wood qualities and its commercialisation challenges and successes. Forestal Naj-Ché from Guatemala illustrated their current and prospective outreach, their forest management and commercialisation approach. Operaciones Forestales Sostenibles (OFS) from Costa Rica presented the latest two-year evolution of forest management, production, innovation and commercialisation and the lesson learned. Fundecor Bosques from Costa Rica showed its approach to ecologic and human resilience, forest development and innovations. Conjunto Predial - Nuevo Becal from Mexico illustrated its specific method to forest management in communal land, and finally, Program for Belize from Belize presented its model for private protected areas and conservation management.

The following afternoon session was an opportunity to interactively discuss the pressing market issues by directly confronting market players engaged in commercialising precious and less-known wood species (i.e., Harwest Guatemala and Holz International). The meeting offered the attendees a first-hand and interactive market perspective that stimulated the discussion and engaged participants in asking questions while sharing their individual and local market perspectives.



FCCF partners workshop, Antigua Guatemala November 2022 // FCCF

On the second day of the meeting, November 12th, partners and stakeholders were invited to discuss the challenges and solutions to working in the ecosystem. The morning session, led by Kaspar Wansleben, the executive director of FCCF, stimulated the audience to share difficulties encountered in forest management, its value chain, and lessons learned.

If life is about connecting people, bringing professionals together allows us to reinforce connections and learn from each other while having a good time together.

The rest of the morning was dedicated to three technical sessions that served to reinforce the knowledge sharing of the attendees' subject matter experts. Otto Figueroa presented the results of the innovation program, Leif Nutto from UNIQUE updated the audience on the progress in the ecosystem service markets, including carbon emission and Janja Eke from FSC, the evolution of the certification scheme. The sessions allowed for dynamic interaction and robust dissemination of specific knowledge. The event's final session was led by the

company AMPLO Consulting, which facilitated a dedicated workshop to allow participants to define their priorities and needs for the future, in light of the upcoming technical assistance programme 2023-2027 supported by LuxDev.

The days spent in Antigua have been a precious investment for the partnership's effectiveness and implementation of the program. These two meeting sessions allowed FCCF's ecosystem players to come together by sharing their unique and personal perspectives, develop stronger relationships, explore opportunities for further cross countries exchange and cooperation, and define innovative strategies to cope with market challenges.

If life is about connecting people, bringing professionals together allows us to reinforce connections and learn from each other while having a good time together.

We look forward to further facilitating our stakeholder interactions and meeting again next year with new ideas and aspirations for the future of forestry and climate action.



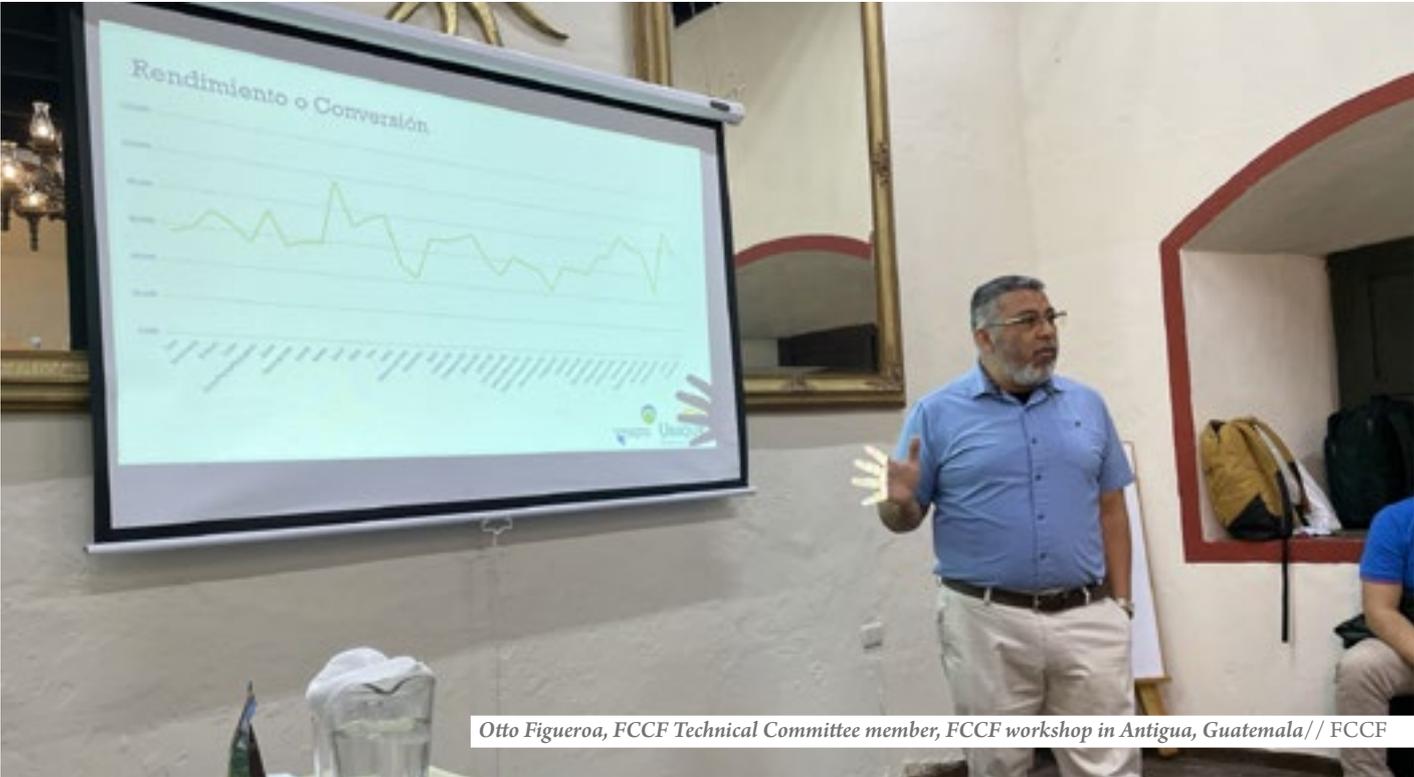
FCCF Partners workshop, Antigua Guatemala November 2022// FCCF



FCCF Partners meeting, Antigua, Guatemala // FCCF



FCCF Partners group picture in Antigua, Guatemala // FCCF



Otto Figueroa, FCCF Technical Committee member, FCCF workshop in Antigua, Guatemala // FCCF

Statutory information

Registered Office

39, rue Glesener
L-1631 Luxembourg

Trade Register Number

R.C.S. Luxembourg B 148.826

Board of Directors and Committees

Chair

Raymond Schadeck

Independent

Members

Ernstine Kornelis (until 31/08/2022)

Geneviève Hengen (from 21/09/2022)*

Michel Haas

Patrick Losch

Michel Maquil

Natalia Oskian

Olivier Goemans

Monica Tiuba

Dzemaal Tomic

Kaspar Wansleben

Development Cooperation Department,
Ministry of Foreign and European Affairs (MAEE)

Development Cooperation Department,
Ministry of Foreign and European Affairs (MAEE)
Ministry of Finance

ADA - Appui au Développement Autonome

Independent

Independent

Banque Internationale à Luxembourg (BIL)

Independent

Banque et Caisse d'Épargne de l'État (BCEE)

Executive Director

Investment Committee FCCF**

Peter Carter - Independent, Committee Chair

Jennifer de Nijs - Ministry of Finance

Renaud Durand - Foyer Group

Georges Gehl - Ministry for the Environment

Patrick Losch - ADA

Marcos Saldaña - Independent

Monica Tiuba - Independent

Frank Wolter - Independent

Kaspar Wansleben - Executive Director

Risk Committee

Dzemaal Tomic - BCEE, Committee Chair

Raymond Schadeck - Independent

Yves Speeckaert - Independent

Jane Wilkinson - Independent

Apricot Wilson - Head of Risk (until 15/08/2022)

Appointments Committee

Ernstine Kornelis - MAEE, Committee Chair (until 31/08/2022)

Michel Haas - Ministry of Finance

Raymond Schadeck - Independent

Marketing Committee

Natalia Oskian - Independent, Committee Chair

Patrick Bilbault - Independent

Viviane Clauss - BdL

Didier Richter - BIL



Visiting Conjunto Predial - Nuevo Becal in Mexico // FCCF

Employment Committee

Michel Haas - Ministry of Finance, Committee Chair

Raymond Schadeck - Independent

Dzemaal Tomic - BCEE

Investment Adviser

UNIQUE land use GmbH

Schnewlinstr. 10

D-79098 Freiburg

Administrator of the Technical Assistance Programme

Lux-Development S.A.

B.P. 2273

L-1022 Luxembourg

Depository and Paying Agent

Banque et Caisse d'Épargne de l'État

1, place de Metz

L-2954 Luxembourg

Administrative Agent, Registrar and Transfer Agent

European Fund Administration S.A.

2, rue d'Alsace

L-1017 Luxembourg

Auditors

KPMG Luxembourg, Société anonyme

39, Avenue John F. Kennedy

L-1855 Luxembourg

Legal Advisers

Elvinger Hoss Prussen

2, place Winston Churchill

L-1340 Luxembourg

*Pending non-objection from the CSSF

**A separate investment committee has been constituted for LMDF

Unaudited financial statements

// 1 Statement of net assets

as at 30 September 2022

Assets	Notes	USD
Shares (and equity-type securities)		168,415
Loan agreements		5,034,769
Formation expenses	5	6,751
Cash and savings at banks		4,643,754
Interest receivable on portfolio		155,186
Receivable on matured investments		45,172
Other receivables & assets	7	22,848
Total assets		10,076,894



Liabilities	Notes	USD
Accrued expenses	7	110,492
Other payables and liabilities	7	5,651
Total liabilities		116,143
Net assets at the end of the period		9,960,751
I Class shares outstanding		96,972.129
Net asset value per I Class share		45.46
J Class shares outstanding		55,526.141
Net asset value per J Class share		100.00

// 2 Statement of operations and other changes in net assets

from 1 April 2022 to 30 September 2022

Income	Notes	USD
Interest on loan agreements		220,271
Interest on current account		24,246
Other income		3,222
Total income		247,739
Expenses		
Fund management costs		
Salary and wages of fund management	3	46,667
Travel and representation fees		13,851
Rent and information technology fees		1,083
Total fund management costs		61,602
Advisory fees	3	73,678
Sub-advisory fees	3	48,750
Legal fees		18,237
Depreciation charges (formation expenses)	5	16,256
Audit fees		26,387
Custodian fees		14,307
Other administration costs	8	12,221
Central administration costs		16,835
Banking charges and other fees		1,747
Subscription tax	4	1,388
Interest on bank accounts		228
Total expenses		291,635
Net investment income		(43,897)

Net realised gain/(loss)	Notes	USD
On investments	6	-
On foreign exchange transactions		(7,714)
Realised result		(7,714)
Net variation of the unrealised gain/(loss)		
On investment portfolio		
Variation of impairment on loans	6	(413,840)
Variation of valuation of equity investments	6	(55,195)
Variation due to changes in the foreign exchange rate		867
Total variation on investment portfolio		(468,167)
On foreign exchange transactions		-
Unrealised result		(468,167)
Result of operations		(519,778)
Subscriptions		-
Redemptions		-
Total changes in net assets		(519,778)
Total net assets at the beginning of the year		10,480,530
Total net assets at the end of the period		9,960,751

// 3 Statistical information

as at 30 September 2022

Total net assets	USD
As at 30/09/2022	9,960,751
Number of I Class shares	
Outstanding at the beginning of the year	96,972.129
Issued during the period	-
Redeemed during the period	-
Outstanding at the end of the period	96,972.129
Net asset value per I Class share	
As at 30/09/2022	45.46
Number of J Class shares	
Outstanding at the beginning of the year	55,526.141
Issued during the period	-
Redeemed during the period	-
Outstanding at the end of the period	55,526.141
Net asset value per J Class share	
As at 30/09/2022	100.00

If life is about connecting
people, bringing
professionals together
allows us to reinforce
connections and learn
from each other while
having a good time
together.

Chiara Pescatori,
Fund Manager at FCCF

// 4 Statement of investments and other net assets

Instrument // Partners	Note	Country	Maturity	Ccy	Nominal value	Cost price (in ccy)	Cost price (in USD)	Total value (in USD)	% of Committed Capital*
Financial instruments not admitted to an official stock-exchange listing nor dealt in on another regulated market									
Shares and equity-type securities									
Simplemente Madera Marketplace S.A.		Nicaragua		NIO	25,398	2,540,000	81,386	-	0.0%
BluWood Industries S.A.		Costa Rica		USD	98,000	98,000	98,000	18,435	0.1%
Operaciones Forestales Sostenibles S.A.		Costa Rica		USD	75,000	75,000	75,000	-	0.0%
Izabal Wood Company S.A.		Guatemala		GTQ	400	40,000	5,216	-	0.0%
Forestal Naj-Ché S.A.		Gutaemala		USD	149,980	149,980	149,980	149,980	1.0%
Fundecor Bosques S.A.		Costa Rica		USD	147,000	147,000	147,000	-	0.0%
In The Woods by Fundecor S.A.		Costa Rica		USD	205,800	205,800	205,800	-	0.0%
Sub-total							762,382	168,415	1.1%
Loan agreements									
BluWood Industries Consolidated Capex Loan		Costa Rica	30/05/31	USD	1,753,076	1,753,076	1,753,076	1,793,796	12.1%
Izabal Wood Company Machinery Loan 2		Guatemala	30/10/26	USD	330,000	330,000	330,000	341,007	2.3%
Fundecor Bosques Forest Management 1		Costa Rica	30/06/23	USD	330,000	330,000	330,000	329,733	2.2%
Izabal Wood Company Forest Owner Loan 1		Guatemala	28/10/22	USD	310,000	310,000	310,000	320,817	2.2%
Cooperativa Carmelita R.L. Working Capital 1		Guatemala	30/12/22	USD	275,000	275,000	275,000	275,000	1.9%
Izabal Wood Company Forest Owner Loan 2		Guatemala	28/10/22	USD	225,000	225,000	225,000	232,350	1.6%
Fundecor Bosques Machinery Loan 1		Costa Rica	30/04/32	USD	200,000	200,000	200,000	204,840	1.4%
Forestal Naj-Ché Working Capital 1		Guatemala	28/06/23	USD	200,000	200,000	200,000	200,000	1.3%
Izabal Wood Company Machinery Loan 1		Guatemala	30/04/30	USD	170,000	170,000	170,000	175,670	1.2%
Forestal Naj-Ché Forest Management 1		Guatemala	28/10/27	USD	150,000	150,000	150,000	152,333	1.0%
Conjunto Predial Capex Loan 1		Mexico	29/10/27	MXN	2,800,000	2,800,000	138,404	141,936	1.0%
Izabal Wood Company Subordinated Loan 1		Guatemala	30/04/23	USD	131,576	131,576	131,576	138,845	0.9%
Izabal Wood Company Working Capital 1		Guatemala	28/04/23	USD	125,000	125,000	125,000	128,918	0.9%
Izabal Wood Company Forest Management 1		Guatemala	28/10/22	USD	100,000	100,000	100,000	103,489	0.7%
Izabal Wood Company Infrastructure Loan		Guatemala	30/04/26	USD	100,000	100,000	100,000	103,348	0.7%
In The Woods Capex Loan 1		Costa Rica	29/04/22	USD	100,000	100,000	100,000	103,134	0.7%
Izabal Wood Company Working Capital 2		Guatemala	28/10/22	USD	75,000	75,000	75,000	76,812	0.5%
Izabal Wood Company Machinery Loan 3		Guatemala	29/10/27	USD	65,000	65,000	65,000	67,308	0.5%
Operaciones Forestales Sostenibles Working Capital 2		Costa Rica	30/10/22	USD	55,000	55,000	55,000	56,328	0.4%
Operaciones Forestales Sostenibles Forest Management 1		Costa Rica	28/10/22	USD	50,000	50,000	50,000	51,711	0.3%
Operaciones Forestales Sostenibles Working Capital 1		Costa Rica	30/04/22	USD	50,000	50,000	50,000	51,561	0.3%
Izabal Wood Company Subordinated Loan 2		Guatemala	30/10/25	USD	100,000	100,000	100,000	42,377	0.3%
Operaciones Forestales Sostenibles Working Capital 7		Costa Rica	31/10/23	USD	30,000	30,000	30,000	30,500	0.2%
In The Woods Working Capital 1		Costa Rica	30/04/26	USD	99,640	99,640	99,640	18,437	0.1%

Instrument // Partners	Note	Country	Maturity	Ccy	Nominal value	Cost price (in ccy)	Cost price (in USD)	Total value (in USD)	% of Committed Capital
Operaciones Forestales Sostenibles Working Capital 4		Costa Rica	28/04/23	USD	40,000	40,000	40,000	15,273	0.1%
Simplemente Madera Working Capital 1		Nicaragua	18/08/19	USD	156,000	156,000	156,000	10,000	0.1%
Fundecor Bosques Working Capital 1		Costa Rica	30/10/23	USD	250,000	250,000	250,000	7,835	0.1%
In The Woods Working Capital 2		Costa Rica	31/10/21	USD	100,000	100,000	100,000	5,301	0.0%
In The Woods Working Capital 3		Costa Rica	29/04/22	USD	100,000	100,000	100,000	3,134	0.0%
In The Woods Working Capital 4		Costa Rica	30/10/22	USD	120,000	120,000	120,000	2,904	0.0%
In The Woods Working Capital 5		Costa Rica	28/10/22	USD	80,000	80,000	80,000	2,507	0.0%
Operaciones Forestales Sostenibles Working Capital 6		Costa Rica	28/10/22	USD	45,000	45,000	45,000	1,088	0.0%
Operaciones Forestales Sostenibles Working Capital 5		Costa Rica	28/10/22	USD	30,000	30,000	30,000	940	0.0%
Operaciones Forestales Sostenibles Working Capital 3		Costa Rica	30/10/22	USD	30,000	30,000	30,000	724	0.0%
Fundación Naturaleza Para la Vida Forest Owner Loan 1		Guatemala	31/12/30	USD	20,767	20,767	20,767	-	0.0%
Sub-total							6,134,463	5,189,955	35.0%
Total financial instruments							6,896,845	5,358,370	36.1%
Cash at banks, term deposits and savings accounts								4,643,754	31.3%
Other net assets / liabilities								(41,372)	(0.3%)
Total Net Assets								9,960,751	67.2%

* Total Committed Capital as at the end of the period amounts to USD 14,830,865. The % of Committed Capital can be converted to % of Net Assets by multiplying it by 1.48893.

// 5 Statement of investments by investee and type*

Investee	Notes	Instrument type	Cost Price (in USD)	Total Value (in USD)	Difference (in USD)	% of Commit- ted Capital**
BluWood Industries S.A.						
	6	Equity	98,000	18,435	(79,565)	0.1%
		Capex Loan	1,753,076	1,793,796	40,720	12.1%
Sub-total			1,851,076	1,812,231	(38,845)	12.2%
Izabal Wood Company S.A.						
	6	Equity	5,216	-	(5,216)	0.0%
	6	Subordinated loan	231,576	181,222	(50,354)	1.2%
		Natural Capital Loan	635,000	656,656	21,656	4.4%
		Capex Loan	665,000	687,333	22,333	4.6%
		Working Capital	200,000	205,730	5,730	1.4%
Sub-total			1,736,792	1,730,940	(5,851)	11.7%
Fundecor Bosques S.A.						
	6	Equity	147,000	-	(147,000)	0.0%
	6	Natural Capital Loan	330,000	329,733	(267)	2.2%
		Capex Loan	200,000	204,840	4,840	1.4%
	6	Working Capital	250,000	7,835	(242,165)	0.1%
Sub-total			927,000	542,408	(384,592)	3.7%
Forestal Naj-Ché S.A.						
		Equity	149,980	149,980	-	1.0%
		Natural Capital Loan	150,000	152,333	2,333	1.0%
		Working Capital	200,000	200,000	-	1.3%
Sub-total			499,980	502,313	2,333	3.4%
Cooperativa Carmelita R.L.						
		Working Capital	275,000	275,000	-	1.9%
Sub-total			275,000	275,000	-	1.9%
Operaciones Forestales Sostenibles S.A.						
	6	Equity	75,000	-	(75,000)	0.0%
		Natural Capital Loan	50,000	51,711	1,711	0.3%
	6	Working Capital	280,000	156,414	(123,586)	1.1%
Sub-total			405,000	208,125	(196,875)	1.4%
Conjunto Predial Agrosilvicultores de Nuevo Becal, S.P.R. DE R.L.						
		Capex Loan	138,404	141,936	3,532	1.0%
Sub-total			138,404	141,936	3,532	1.0%
In The Woods by Fundecor S.A.						
	6	Equity	205,800	-	(205,800)	0.0%
		Capex Loan	100,000	103,134	3,134	0.7%
	6	Working Capital	499,640	32,283	(467,357)	0.2%
Sub-total			805,440	135,417	(670,023)	0.9%

Investee	Notes	Instrument type	Cost Price (in USD)	Total Value (in USD)	Difference (in USD)	% of Committed Capital**
Simplemente Madera Marketplace S.A.						
	6	Equity	81,386	-	(81,386)	0.0%
	6	Working Capital	156,000	10,000	(146,000)	0.1%
Sub-total			237,386	10,000	(227,386)	0.1%
Fundación Naturaleza Para la Vida						
	6	Natural Capital Loan	20,767	-	(20,767)	0.0%
Sub-total			20,767	-	(20,767)	0.0%
Total			6,896,845	5,358,370	(1,538,475)	36.1%

* Any difference with the sub-totals or sub-totals and the sum is due to the rounding of the figures to zero decimals.

** Total Committed Capital as at the end of the period amounts to USD 14,830,865. The % of Committed Capital can be converted to % of Net Assets by multiplying it by 1.48893.

// 6 Statement of investments by instrument type

Type of Instrument	Cost Price (in USD)	Total Value (in USD)	Difference (in USD)	% of Committed Capital*
Equity	762,382	168,415	(593,967)	1.14%
Subordinated loan	231,576	181,222	(50,354)	1.22%
Natural Capital Loan	1,185,767	1,190,433	4,666	8.03%
Capex Loan	2,856,480	2,931,038	74,558	19.76%
Working Capital	1,860,640	887,262	(973,378)	5.98%
Total	6,896,845	5,358,370	(1,538,475)	36.13%

* Total Committed Capital as at the end of the period amounts to USD 14,830,865. The % of Committed Capital can be converted to % of Net Assets by multiplying it by 1.48893.

The instruments by type in which FCCF invests are classified as follows:

- **Equity:** Common or Preferred Shares in entites engaged in secondary and degraded forest management activities.
- **Subordinated Loan:** Unsecured subordinated loan instruments with or without convertible options with specific conditions.
- **Natural Capital Loan:** Unsecured or Secured loan instruments used to finance forest management activities and forest owners requirements.
- **Capex Loan:** Secured loan instruments to finance Property, Plant and Equipment (PPE), supply chain infrastructure and harvesting vehicles.
- **Working Capital Loan:** Unsecured or Secured loan instruments to finance corporate and working capital needs of investees.



// 7 Geographical breakdown of investments*

Country	Notes	Cost Price (in USD)	Total Value (in USD)	% of Committed Capital**
Costa Rica		3,988,516	2,698,181	18.2%
Guatemala		2,532,539	2,508,254	16.9%
Mexico		138,404	141,936	1.0%
Nicaragua		237,386	10,000	0.1%
Total		6,896,845	5,358,370	36.1%

* Any difference with the sub-totals or sub-totals and the sum is due to the rounding of the figures to zero decimals.

** Total Committed Capital as at the end of the period amounts to USD 14,830,865. The % of Committed Capital can be converted to % of Net Assets by multiplying it by 1.48893.

// 8 Evolution of NAV

	NAV/Share as at 30 September 2022 in USD	NAV/Share as at 31 March 2022 in USD	NAV/Share as at 31 March 2021 in USD	Initial subscription price in USD
Class I Shares	45.46	50.82	65.28	100.00
Class J Shares	100.00	100.00	100.00	100.00
Total Net Assets	9,960,751	10,480,530	7,069,779	2,062,375

	Performance financial period 01/04 - 30/09/22	Performance financial year 2021 - 22	Performance financial year 2020 - 21	Performance since inception
Class I Shares	(10.6%)	(22.2%)	(3.7)%	(54.5%)
Class J Shares*	0.0%	0.0%	0.0%	0.0%

* J Class Shares were issued for the first time on 1 April 2019

// 9 Notes to the unaudited financial statements

as at 30 September 2022

GENERAL INFORMATION

/ A Structure of the SICAV

The Forestry and Climate Change Fund (the “FCCF” or “Fund”) is a compartment of Investing for Development SICAV (the “SICAV”).

The SICAV is an investment company organised as a public limited company (société anonyme) under the laws of the Grand Duchy of Luxembourg and qualified as a “société d’investissement à capital variable” (SICAV). The SICAV is internally managed and has been registered on 31 January 2014 by the CSSF as an Alternative Investment Fund Manager (“AIFM”) falling under the de minimus rule of Article 3 of the Luxembourg law of 12 July 2013 (“AIFM Law”).

The SICAV was incorporated in Luxembourg on 7 October 2009 with an initial capital of EUR 31,000 divided into 1,240 fully paid-up shares with no par value. The capital of the SICAV is equal at all times to its net assets. The Articles were published in the Mémorial on 2 November 2009 and the SICAV is registered under trade register number L.B.R. B 148826. The SICAV is incorporated for an unlimited period.

The SICAV is an umbrella fund and as such may operate separate Sub-Funds, each of which is represented by one or more classes of shares (each, a “Class”). The Sub-Funds are distinguished by their specific investment policy or any other specific features. As at 30 September 2022, the SICAV had two Sub-Funds, the Forestry and Climate Change Fund and the Luxembourg Microfinance and Development Fund.

/ B Structure of the FCCF

The Fund is authorised as an undertaking for collective investment (“UCI”) under Part II of the law of 17 December 2010 relating to undertakings for collective investment (the “Law”). The Fund is a closed-ended fund with commitments to subscribe shares from a limited number of shareholders. The Fund was launched on 20 October 2017.

The Fund has accepted commitments for two classes of shares, namely Class I shares and Class J shares, each targeting different types of investors and evidencing a different level of risk. The Fund may accept commitments during an 18-months period following its launch.

The base currency of the Fund is the U.S. dollar and the financial statements of the Fund are presented in U.S. dollar. The financial year of the Fund ends on 31 March of each year.

Copies of the Articles, Prospectus, the latest financial reports and the latest annual report may be obtained without cost on request from the Fund.

Copies of the material agreements mentioned in the Prospectus may be reviewed during normal business hours on any business day at the registered office of the Fund.

/ C Investment Objective

The Fund aims at investing in a diversified portfolio of unlisted forestry management companies and operations for secondary and degraded forests. The Fund seeks a triple bottom-line: environmental impact, social progress and financial returns. The Fund seeks in particular to mitigate climate change through the sequestration and preservation of carbon in forest biomass. The Fund balances economic considerations with forest management models adapted to the different ecological conditions of secondary and degraded forests to ensure long-term sustainability of its interventions. The Fund aims at financing and developing entrepreneurial activities in the forest sector and as such will not acquire directly forests or land.

The Fund invests in equity or quasi-equity instruments including convertible debt, secured and unsecured senior or sub-ordinated debt instruments and guarantees.

The Fund invests primarily in Central American countries.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

/ A Presentation of Financial Statements

The financial statements are prepared in accordance with Luxembourg legal and regulatory requirements relating to investment funds.

/ B Valuation of Financial Instruments

The Board of Directors aims to base the valuation of the SDF Investment Instruments on the probable realisation value which shall be estimated with care and in good faith, in accordance with article 99 (5) of the Law.

The choice of a valuation methodology will be driven by the availability of the relevant information. There is no certainty that the fair market value determined by the Fund using its valuation policy is equal to the sales price of an investment obtained in an arm's length transaction with a third party.

Debt instruments valued at nominal value of the loan plus accrued interest represents its fair value except in case of major changes in the interest rate environment and in case of impairments. The Fund assesses periodically whether a significant change in the environment, performance or financial position of the investee indicates that the loan instrument is impaired. To assess impairments of debt instruments, each investee is monitored through the reporting of financial, operational data and key performance indicators, review of its activities, audit and other reports. The review specifically covers whether one or more events have occurred which will have a significant impact on the instrument's future cash flows.

If the Fund concludes that there is evidence that a financial instrument is impaired, it will determine the impairment loss as the amount between the carrying amount (including accrued interest, commissions, where applicable) of the instrument prior to impairment and the probable realisable value. The Fund usually does not consider any reduction in value in the instruments that results from the depreciation of the investment currency vis-à-vis the U.S. dollar to be an impairment, such reduction being accounted for as a realised or unrealised exchange loss.

In case the Fund contracts currency hedging instruments, these are valued separately from the underlying loans. However, cross-currency swaps and currency forwards which are linked in notional, spot exchange rates, interest rates, maturities and other terms to any investment are valued considering the economic substance of the transaction.

For investments in the form of equity participations the Fund may use different fair market value methodologies in determining the fair value:

(i) Following the Fund's acquisition and up to the first year of holding, the equity stake will be valued at cost, i.e. at the Fund's acquisition price and without acquisition costs. A different valuation approach will be taken if material changes in the investee or in its operating environment occur during the first year following acquisition;

(ii) After the first year of holding, the value of the equity stake will be estimated with reference to prices of equity transactions or issues of new shares involving the same investee within a reasonable time of the Valuation Date. Such time is determined by an assessment by the Fund as to whether material changes within the investee or in its operating

environment have occurred since the date such transaction took place;

(iii) If such transactions are not available or deemed not representative of fair value, the value of the equity stake should be estimated based on an income approach, using a discounted cash-flow model ("DCF"). The use of a DCF model requires the application of judgement and DCF models are likely to be sensitive to a number of critical variables.

Whenever possible, valuations derived using one of the above methods are cross-checked by industry ratios contained in comparable transactions and ratios obtained from comparable quoted companies, if and when such data is available or become available in the future

/ C Allocation of Net Asset Value Among

Share Classes

The two Classes of Shares offered by the Fund correspond to different levels of risk, as Class I Shares are subordinated to Class J Shares for which they provide risk coverage.

The risk coverage provided by Class I Shares is structured as a capital protection mechanism whereby the net loss of Class J Shares (i.e. decrease of the Net Asset Value of Class J Shares ("Class J NAV") below the sum of the subscription price of each Class J Share (the "Class J Protected Value") shall be covered by Class I Shares by allocating to Class J Shares as at each Valuation Day a portion of the Net Asset Value otherwise attributable to Class I Shares ("Reallocated Class I NAV"), until the Class J NAV becomes equal to the Class J Protected Value or Class I NAV becomes nil. Such mechanism will be applied as at each Valuation Day. An account will be maintained of the total re-allocation of NAV from Class I Shares to Class J Shares ("Class I Loss Coverage"). As at each Valuation Day, if (i) the Class J NAV is greater than the Class J Protected Value and greater than the Class J NAV as at the previous Valuation Day; and (ii) Class I Loss Coverage is not nil, 50% of the amount of the difference between the Class J NAV and the Class J NAV at the previous Valuation Day, adjusted for subscription or redemptions of Class J Shares, shall be restored to Class I Shares as at such Valuation Day. Such mechanism shall be applied at each Valuation Day until the Class I Loss Coverage is nil.

/ D Dividends

The Board of Directors may decide at its sole discretion to distribute dividends at any time, in accordance with the Prospectus and the Articles, out of realised income derived from the Fund's investments (for the avoidance of doubt excluding capital gains as a result of the realisation of an investment) net of all interest and other sums payable. The Board of Directors intends to make such dividend distributions once a year, as soon as practicable after the completion of the Class J Investment Period.

NOTE 2 SHARES AND NOTES

The Sub-Fund presents a diversified and differentiated capital structure, encompassing the public sector, private institutions and private individuals.

Two Classes of Shares are issued by the Fund, namely Class I Shares and Class J Shares, each targeting different types of Investors, reflecting a different level of risk. In addition, the Fund may issue Notes. The two Classes of Shares and the Notes form one single portfolio for investment.

The Board of Directors may issue additional share classes and/or Notes with different risk and/or return characteristics at its sole discretion.

Class I shares:

Class I shares are reserved for Public investors seeking a developmental impact and wanting to leverage their investment with resources from the private sector.

- Risk profile: Junior

Class J shares:

Class J shares are aimed at Foundations, development finance institutions, other institutional investors and high net worth individuals. The minimum commitment amount for Class J shares is USD 200,000.

- Risk profile: Senior

Notes:

The Fund may issue Notes aimed at High Net Worth Individuals and institutional investors in one or several tranches with a nominal value per Note of USD 1,000, a maximum eight-year maturity and an interest rate equal to USD 6 month LIBOR plus 1% - 2% plus an additional performance dependent annual return between 2% and 4%. The aggregate notional value of Notes issues shall not exceed 30% of the committed share capital of the Fund.

- Risk profile: Senior to shareholders

NOTE 3 ADVISORY FEES AND MANAGEMENT/ TEAM REMUNERATION

/ A Advisory fees

On 20 October 2017, the Fund concluded an investment advisory agreement with UNIQUE land use GmbH, located in Freiburg, Germany.

The investment advisory agreement has been modified with effective date 1 March 2020. The modification mainly concerns the base of the remuneration of the adviser, which was amended from invested capital to capital committed to projects.

In consideration of the advisory services rendered to the Sub-Fund, the Investment Adviser is entitled to receive a fee (the "Investment Advisory Fee") as follows:

- Up to one year after the end of the Class J Investment Period (as defined in the Prospectus) 2.0% p.a. of the Committed Investment Capital, computed and payable at the end of each semester; plus
- During the Class J Investment Period up to 0.8% of the Committed Investment Capital as a variable advisory fee compensating the performance of the Investment Adviser. The amount of remuneration in excess of 2% of the Committed Investment Capital shall be payable in Class J Shares of the Sub-Fund and is contingent on reaching certain performance criteria established by the Board of Directors.
- Starting one year after the end of the Class J Investment Period, 1.5% of the Committed Investment Capital until the end of the Fund's life.

Total investment advisory fees amount, for the period ended on 30th September 2022, to USD 73,678 or 0.5% of total commitments of the Fund.

/ B Management/team remuneration

The Management and the Support Team are entitled to receive a fee of a maximum of 2% of the Sub-Fund's Committed Capital, except for the first two years following the Initial Closing date where this fee shall be a maximum of 2% of Total Commitments (each time excluding the Investment Advisory fee). This fee shall be inclusive of the Management's and the Support Team's wages, salaries, bonuses and benefits, but shall not comprise other organisational and operating expenses incurred by the Fund.

During the reporting period, management's and the support team's wages, salaries, bonuses and benefits amounted to 0.4% of the Fund's Total Commitments. Combined with the sub-advisory costs, the fees amount to 0.7% of the Fund's Total Commitments.

NOTE 4 SUBSCRIPTION DUTY

The Fund is governed by Luxembourg tax law. The Fund is liable to pay a subscription tax ("Taxe d'Abonnement") in Luxembourg at a rate of 0.05% per annum on its net asset value, such tax being payable quarterly and calculated based on the total net assets of the Fund at the end of the relevant quarter. Classes of Shares held exclusively by institutional investors are subject to a reduced rate of 0.01%.

NOTE 5 FORMATION EXPENSES

As at 30 September 2022, the formation expenses are composed as follows (in USD):

Formation expenses:

At the beginning of the year	162,204
Additions during the period	-
At the end of the period	<u>162,204</u>

Amortisation of formation expenses:

Total amortisation at the beginning of the year	(139,197)
Amortisation during the period	(16,256)
Total amortisation at the end of the period	<u>(155,453)</u>

Net book value at the end of the period **6,751**

Expenses linked to formation expenses	-
Amortisation for the period	<u>(16,256)</u>
Total expenses of the period	<u>(16,256)</u>

NOTE 6 REALISED AND UNREALISED GAINS/(LOSSES) AND IMPAIRMENTS OF FINANCIAL INSTRUMENTS

In application to the principles described in Note 1 of the valuation principles, the financial instruments are valued and tested for impairment twice annually.

The valuation process is based on Unique's semi-annual monitoring report and the latest business projections received from investees. Business plans of investees are assessed by the Fund for accuracy and reasonableness. Based on these elements, the Fund projects free cash-flow to the firm ("FCFF"). FCFF are discounted using the Weighted Average Cost of Capital ("WACC"), to determine each investee's Enterprise Value ("EV"). Enterprise Values are then compared with and allocated to the outstanding financial instruments – equity and debt - in order of seniority. A strong impairment indication is presumed if the investee's EV is less than the total notional value of all debt instruments. If the EV is greater than the notional value of debt, the part of the EV exceeding the notional value of all debt instruments is allocated to the equity and the proportional holding of each shareholder, allowing for a fair valuation of the Fund's equity participations. If feasible, valuation cross-checks using other methods are also conducted.

The Fund has made a 94% impairment provision on the amount of Simplemente Madera Sawmills Marketplace (Nicaragua), primarily driven by the uncertainty in the country and the consequent challenges in repaying its debt. The Fund made impairment provisions of 81%, 33% and 40% on total debt amounts to In The Woods by Fundecor S.A., Fundecor Bosques S.A. and Operaciones Forestales Sostenibles respectively. The Fund also made a 28% impairment provision on the subordinated loan to Izabal Wood Company S.A.. These impairments are caused by the challenges the investees are currently facing to develop their business models. The Fund has also made a full provision for its outstanding debt with Fundación Naturaleza para la Vida (Guatemala), in accordance with the uncertainty of a process to transfer this debt to another entity.

As at 30 September 2022, the realised and unrealised gains/(losses) and impairments of financial instruments are composed as follows (in USD):

Variation of impairments of loans	30/09/2022	31/03/2022
Fundación Naturaleza Para la Vida Forest Owner Loan 1	(20,767)	(20,767)
Simplemente Madera Working Capital 1	(146,000)	(146,000)
In The Woods Capex Loan 1	-	(69,092)
In The Woods Working Capital 1	(83,614)	(99,640)
Operaciones Forestales Sostenibles Working Capital 2	-	(6,222)
In The Woods Working Capital 4	(120,000)	(120,000)
Operaciones Forestales Sostenibles Working Capital 3	(30,000)	(30,000)
Operaciones Forestales Sostenibles Working Capital 4	(25,981)	(40,000)
Operaciones Forestales Sostenibles Working Capital 5	(30,000)	(30,000)
In The Woods Working Capital 5	(80,000)	(80,000)
Operaciones Forestales Sostenibles Working Capital 6	(45,000)	(45,000)
In The Woods Working Capital 3	(100,000)	
In The Woods Working Capital 1	(100,000)	
Fundecor Bosques Working Capital 1	(250,000)	
Izabal Wood Company Subordinated Loan 2	(63,798)	
Fundecor Bosques Forest Management 1	(5,400)	
Sub-total	(1,100,561)	(686,721)
Net variation of impairments on loans	(413,840)	(686,721)
Variation of unrealised gains/(losses) of equity-type securities	30/09/2022	31/03/2022
Simplemente Madera Marketplace S.A.	(81,386)	(81,386)
Bluwood Industries S.A.	(79,565)	(85,327)
In The Woods by Fundecor S.A.	(205,800)	(205,800)
Operaciones Forestales Sostenibles S.A.	(75,000)	(75,000)
Izabal Wood Company S.A.	(5,216)	14,660
Fundecor Bosques S.A.	(147,000)	(105,919)
Sub-total	(593,967)	(538,772)
Net variation of impairments on equity	(55,195)	(538,772)

No write-offs of financial instruments were recognised during the reporting period.



Forest inventory in Petén, Guatemala // FCCF

NOTE 7

DETAILS OF EXPENSES, ACCRUED CHARGES AND OTHER ASSETS

As at the reporting date, accrued and payable expenses consisted of the following (in USD):

Advisory fees	73,020
Audit fees	19,960
Administration fees	12,445
Custodian fees	5,844
Salaries and wages paid	4,507
Transfer agency fees	1,225
Securities transaction fees	843
Subscription Duty	796
Domiciliation fees	430
Other comm & fees	314
Good and Services Tax	(8,889)
Total	110,492

As at the reporting date, the other payable and liabilities consisted of the following (in USD):

Representation fees	5,381
Telecommunication expenses	269
Total	5,651

As at the reporting date, other assets consisted of the following (in USD):

Good and Services Tax	17,589
Receivable from LMDf sub-fund	4,180
CSSF Tax	1,078
Total	22,848

NOTE 8

OTHER ADMINISTRATION COSTS

As at the reporting date, the other administration costs consisted of the following (in USD):

Communications fees	6,039
CSSF Tax	2,155
Consultancy fees	1,362
Other fees	1,252
Taxes and VAT receivable	828
Post & Telecommunication	584
Total	12,221

NOTE 9

FOREIGN EXCHANGE RATES

The principal exchange rates rounded to two decimals applied at the reporting date are as follows:

1 USD =	1.02	Euro
1 USD =	35.97	Nicaraguan Córdoba
1 USD =	7.89	Guatemalan Quetzal
1 USD =	20.10	Mexican Peso

NOTE 10

STAFF

The SICAV employed three full-time staff and one part-time staff member at the reporting period ended on 30 September 2022. The Fund's Board of Directors adopted a Remuneration Policy for the fixed and variable remuneration of the Fund's staff, and which is available for public consultation on the website www.fccf.lu or at the registered office of the Fund.

During the reporting period, the Board of Directors decided on a target time allocation of 20% of the working time of staff to the Forestry and Climate Change Fund.

NOTE 11

COMMITMENTS OF SHAREHOLDERS FOR SHARE SUBSCRIPTION

Commitments in currencies other than the U.S. dollar are converted into U.S. dollar once received.

The amount of USD 14,830,865 correspond to the Fund's committed capital as of 30th September 2022.

Remaining subscription commitments by Share class and commitment currency	
	2022
Class J Shares	
EUR	900,000
USD	380,000

NOTE 12

POSITIONS IN MONITORED JURISDICTIONS

The Fund's portfolio includes an investment in Nicaragua. This country is currently listed as a Monitored Jurisdiction by the Financial Action Task Force ("FATF"). The position is therefore considered as a high-risk instrument from a money laundering and terrorist financing perspective with additional measures taken accordingly. The investment decision was taken before FATF's decision to consider this territory as a Monitored Jurisdiction. Generally the Fund does not invest in jurisdictions which are either Monitored or subject to a Call for Action by FATF.

The below table indicates the Fund's exposure to such geographies:

Geographical classification	Amount (USD)	% total net assets
Nicaragua	10,000	0.1%

NOTE 13 RELATED PARTY TRANSACTIONS

The Fund considers each shareholder controlling 20% or more of total voting rights or any entity forming part of the key management of the Fund, including its directors, as a related party. During the reporting year, the Fund conducted the following material transactions with related parties, excluding subscription of shares and commitments to subscribe for shares in the future:

- The Fund sub-leases an office and contracts services in the "Maison de la Microfinance", a building leased by Appui au Développement Autonome asbl (ADA) - investment adviser to the other Sub-Fund, Luxembourg Microfinance and Development Fund at 39, rue Glesener, L-1631 Luxembourg. IforD's Board of Directors estimate the rent to correspond to a rent agreed in an arm's length transaction with an unrelated party.

NOTE 14 SUBSCRIPTION AGREEMENTS WITH DIRECTORS

Two directors have signed subscription agreements: one on October 20th 2017 and one on 19th February 2019. Their shares have been drawn down in line with commitments from other Class J Shareholders, with the first commitment calls occurring on 1st April 2019.

NOTE 15 SUBSEQUENT EVENTS BETWEEN THE PERIOD-END UNTIL 30 NOVEMBRE 2022

In its meeting of the 6th October 2022, the FCCF Investment Committee recommended to the Board to:

- increase the working capital financing for Izabal Wood Company, Guatemala to support the company's expansion of commercial activities;
- approve the buy-out of 51% of the share capital in the company BluWood Industries; and
- approve the structuring of a new investment in Belize together with a local and technical partner.

The investments were approved by the Board of Directors on 19th and 25th October 2022 and are in the process of implementation.

The remaining uncalled Class J capital of the Fund was called on 20th October 2022.

The Board of Directors approved in their meeting on 21st October 2022 to appoint Lennart Duschinger to the FCCF's Investment Committee to replace Jennifer de Nijs, both from the Luxembourg Ministry of Finance.

Imprint

Conception and Layout : FCCF // Jennifer Urbain

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