



FOR IMMEDIATE RELEASE

Cardano Development announces the financial close of ILX Fund I, the new emerging markets SDG-focused private credit fund

- ILX's investment strategy identifies high-impact, SDG-focused private-sector loans in emerging markets, arranged by the leading international development banks
- Dutch Ministry of Foreign Affairs and German and UK development agencies supported the creation of ILX during its development phase since 2017
- The incubation support is in line with the donor's ambitions to mobilise private capital for development finance and the UN Sustainable Development Goals ("SDGs")
- ILX will co-invest with the leading Multilateral Development Banks (MDBs) and other Development Finance Institutions (DFIs), enabling them to mobilise institutional capital in support of the SDGs and their Climate Finance commitments
- Dutch pension provider APG invests USD 750 million on behalf of its pension fund clients ABP and bpfbouw, thus strengthening its financial commitment to the UN Sustainable Development Goals (SDGs) in emerging markets

17 January 2022, AMSTERDAM – Cardano Development and ILX Management B.V. ("ILX"), the SDG-focused, emerging market private credit asset-manager, are pleased to announce the first closing of ILX Fund I. Dutch pension provider APG, on behalf of its pension fund clients ABP and bpfbouw, invests USD 750 mln. This new private credit fund invests in private-sector loans arranged by the leading Multilateral Development Banks and other DFIs, such as the ADB, AfDB, EBRD, IDB-Invest, IFC and FMO¹.

ILX, co-founded by Cardano Development, provides institutional investors access to private credit investment opportunities in the global development finance asset class, directly targeting sustainable development and climate finance projects across the global emerging markets.

ILX has established the first commercial emerging market private credit fund, ILX Fund I. The Fund fills a gap and addresses the critical need for additional long-term investment in SDG and Climate Finance projects across emerging markets. Currently, available investment capacity falls short of the required volumes due to lack of cross border private investment flows, both in the banking sector and capital markets. ILX provides institutional investors global access to the impact focused MDB, DFI loan market through an efficient fund structure, mobilising private sector capital at scale.

¹ Asian Development Bank, African Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, International Finance Corporation (World Bank Group) and the Netherlands Development Finance Company



A number of key donors have played a critical role in the creation of ILX by supporting the development and incubation phase of the Fund. These are the German Kreditanstalt für Wiederaufbau (KfW), on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the Netherlands' Ministry of Foreign Affairs and the UK Foreign Commonwealth and Development Office (FCDO)". They strongly support the ambition of ILX to play a catalytic role in mobilising private institutional investment for the SDGs and the Climate Finance commitments.

Institutional investors are also increasingly mandated to align their investment strategies and policies with the SDGs and Climate Finance objectives. The ILX strategy provides a well-diversified and scalable investment opportunity that is well-aligned with the sustainability objectives and reporting requirements of leading institutional investors such as APG. Additionally, ILX and Cardano Development have long-standing relationships with the MDBs and DFIs, with whom ILX will co-invest and a broad network of European institutional investors that can potentially invest in the second close of ILX Fund I. The target fund size is USD 1 billion.

An investment in ILX Fund I provides institutional investors with a unique opportunity to access and invest in a diversified portfolio of MDB/DfI originated loans across the global emerging market sectors and regions. ILX is in a strong position to source, select, manage and report on these loan investments with high SDG and Climate Finance impact. ILX Fund will invest in syndicated loans offered by leading MDB/DFIs with whom ILX has well-developed, long-standing relationships and provide investors with access to this network of DFIs. ILX's diversification strategy will provide market-based returns and deliver positive SDG impact with high consideration for Climate Change adaptation and mitigation across the emerging markets.

Dr. Jan Martin Witte, Head of Department Global Equity and Funds, KfW Development Bank:

"The ILX SDG targeted emerging market private credit Fund is an important innovation in the growing global impact investment market, providing an innovative conduit for leveraging private capital for the financing of the SDGs and the Paris Climate Agenda. KfW is proud to have played a role in nurturing this new initiative to fruition."

Kitty van der Heijden, Director-General for International Cooperation, Dutch Ministry of Foreign Affairs:

"I greatly welcome the commitment made by APG in ILX. Developing and emerging economies are furthest behind in achieving the SDGs and need to integrate the global climate commitments in their development pathways. More institutional and private capital needs to be mobilized for them to succeed. ILX innovates by leveraging the long-standing track record of development banks such as EBRD, IFC and FMO, thereby enabling pension funds to invest and achieve development impact. Moreover, this is done without the use of risk sharing instruments, which is important for generating private finance for the SDG and climate agendas in a sustainable way. I congratulate ILX, and all parties involved, with this promising solution to serve the global poor through enhanced investment."



Rachel Turner, Director – International Finance UK Foreign, Commonwealth & Development Office:

"The UK FCDO is delighted to have supported bringing this ground-breaking new initiative to completion. COP26 in Glasgow made clear that new ambitious partnerships between capital markets and development finance institutions are needed if we are to mobilise at the scale needed to support developing countries to finance their climate transitions and deliver the SDGs. We congratulate ILX on the launch of the Fund - hot on the heels of the commitments made at Glasgow."

Joost Zuidberg, Chief Executive Officer, Cardano Development:

"As we have a deep-rooted relationship with most MDBs and DFIs, that are clients and investors of Cardano Development's various initiatives, we were in a unique position to see the high potential to establish a company like ILX to support global institutional investors, MDBs and DFIs to make significant allocations in emerging markets. ILX closes the enormous financing gap that exists between the investment requirements across the emerging markets and institutional investor's appetite to invest in projects and companies with tangible SDG results and sound climate mitigation and adaptation strategies. We would like to sincerely thank the donors who provided the critical support that enabled the creation of ILX, namely, the German Kreditanstalt für Wiederaufbau (KfW), one of the world's leading promotional banks, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the Netherlands' Ministry of Foreign Affairs and the Foreign Commonwealth and Development Office".

Manfred Schepers, co-founder and Chief Executive Officer, ILX:

'We are delighted that APG has made this strategic commitment as the fund's cornerstone investor, demonstrating their strong support for this SDG-focused emerging market private credit asset class that matches both their return and sustainability objectives. We look forward to our long-term partnership with APG and to working closely with the global MDB and DFI community, which are recognised leaders in direct SDG and climate-finance investments across emerging markets. All ILX stakeholders are immensely grateful for the patient and critical donor support we have received since ILX's inception in 2017.'

About ILX Management:

ILX Management B.V. is the Amsterdam-based manager of ILX Fund I, an emerging market focused private credit fund that invests in loan participations originated and structured by Multilateral Development Banks and other Development Finance Institutions (DFI). ILX aims to create large scale investment opportunities in global development finance that directly contribute to sustainable development across emerging markets. www.ilxfund.com

**About Cardano Development:**

Cardano Development (CD) is an incubator and fund manager, established in 2007. Through careful risk-management analysis in data-poor settings, CD identifies scalable solutions that help to make frontier financial markets more inclusive, investible, and sustainable to unlock lasting economic value. CD creates solutions for local currency, credit, and liquidity risks in these markets. With over USD 6 billion assets and USD 1.5 billion capital under management, CD supports its scale-up funds and a number of start-ups with ongoing management services, financial support and corporate governance oversight. Cardano Development works with reputable partners, including foundations, governments, impact investors, institutional investors and commercial partners. www.cardanodevelopment.com

About KfW Development Bank:

KfW Development Bank is a leading development bank committed to improving economic, social and environmental living conditions across the globe on behalf of the Federal Republic of Germany and the federal states. KfW is a founding shareholder of TCX and one of its largest shareholders. www.kfw-entwicklungsbank.de

About BMZ:

The [Federal Ministry for Economic Cooperation and Development \(bmz.de\)](http://bmz.de) (www.bmz.de) is the German Federal Ministry for Economic Cooperation and Development. The BMZ is one of the core contributors to TCX and supports TCX as part of the BMZ's global SDG strategy and the Paris Climate Agenda.

About Dutch Ministry of Foreign Affairs:

The Dutch Ministry of Foreign Affairs coordinates and carries out Dutch foreign policy, including development cooperation. The Minister for Foreign Trade and Development Cooperation is responsible for Dutch development cooperation policy, that focuses on poverty eradication, sustainable economic development, climate action, and conflict prevention and peace building. Developing private markets and catalyzing private investments is part of this policy, aiming to reach the SDG's and climate goals.

About FCDO:

The UK's [Foreign, Commonwealth & Development Office](https://www.fcdo.gov.uk/) pursues our national interests and projects the UK as a force for good in the world. We promote the interests of British citizens, safeguard the UK's security, defend our values, reduce poverty and tackle global challenges with our international partners.



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