



ILX & ILX Fund - Frequently Asked Questions

1. What is ILX Fund I?

ILX Fund I (the “Fund”) is a private credit fund that provides institutional investors access to investment opportunities in the global development finance asset class, directly targeting sustainable development and climate finance projects across the emerging markets. The Fund’s investment strategy allows investors to benefit from the Multilateral Development Banks’ (MDB) and Development Finance Institutions’ (DFI) long-standing track record of successfully investing in key economic sectors across the emerging markets, to deliver attractive risk-adjusted returns to its investors whilst mitigating ESG risks and delivering positive, direct SDG-related impact results by investing in loans that contribute to the ILX Sustainability Themes.

2. What are syndicated DFI-loan participations?

ILX invests in syndicated loans originated and structured by leading MDB/DFIs, thereby co-investing paripassu with these DFIs in private sector loans in emerging markets. The market of syndicated DFI-loan participations has been in existence for over 30 years. These loan participations provide medium and long-term finance to projects and companies across core sectors in emerging markets, such as infrastructure, renewable energy, agribusiness, manufacturing and financial institutions.

3. Who is currently invested in ILX Fund I, and why?

The ILX Fund I investors are APG and Achmea Investment Management on behalf of Pensioenfonds Vervoer. Pensioenfonds Vervoer and APG are among the largest pension fund investors in the Netherlands - and the EU - and among the first institutional investors to target sustainability as part of their investment mandate actively. ILX’s success in attracting such institutional investors depends on its independence as an asset manager – enabling the creation of a diversified portfolio with projects across DFIs, geographies and sectors, to deliver the desired risk-adjusted return and scale, while contributing to the SDGs and Paris Agreement goals.

4. What is the total fund size of ILX Fund I?

The total fund size of ILX Fund I is USD 1.05 billion. APG has committed USD 750 million in the first closing in January 2022, whereas, Achmea Investment Management has committed USD 300 million on behalf of Pensioenfonds Vervoer in June 2022.

5. What is unique about ILX Fund I?

The Fund is managed by an independent manager with access to a strong network of MDB/DFI relationships. Its investment strategy of selectively co-investing with a broad range of leading DFIs provides its investors with both diversification and scale. ILX will have access to unique financial and non-financial project-level data, including ESG, SDG and climate data.

6. What is the geographical focus of ILX Fund I?

The Fund focuses on investments across emerging markets and applies a country and regional diversification strategy to meet the desired risk-return profile of the portfolio.



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7. What sectors will ILX Fund I invest in?

The Fund will invest in loans to private sector projects originated and structured by MDB/DFIs across a wide range of sectors. The investments are focussed on the four ILX Sustainability Themes, which enable the Fund to contribute towards achieving the SDGs and achieve desired diversification:

- (i) Energy Access and Clean Energy, which includes projects that provide access to electricity, renewable energy, and efficient use of energy sources;
- (ii) Sustainable Industry & Infrastructure, which includes projects that contribute to sustainable industry and social infrastructure that drive employment, economic efficiency and competitiveness;
- (iii) Inclusive Finance, which includes projects that contribute to increasing access to finance to SMEs, women entrepreneurs and green projects, and;
- (iv) Food Security, which includes projects that contribute to increasing food security and nutrition.

8. What impact does ILX Fund I have? Does it account for ESG and sustainability risks?

The Fund invests in projects with a robust impact measurement framework designed to deliver SDG-aligned impact on the ground and to measure and report actual results. ILX assesses SDG contribution of its investments using a proprietary SDG Mapping Methodology, aligned with the Harmonised Indicators for Private Sector Operations (HIPSO)-SDG Framework. By co-investing with DFIs, ILX directly contributes to the climate change mitigation and adaptation objectives of the Paris Agreement.

On top of investing in projects with a clear impact and SDG contribution, ILX embeds ESG considerations and sustainability risk assessment fully as part of the investment process and ensures negative screening by excluding investments in projects or companies involved in controversial activities, including but not limited to tobacco production, gambling, weapons production, oil and gas explorations and development projects as an example.

9. Who is behind ILX?

Amsterdam-based ILX Management B.V. (ILX) is the fund manager of ILX Fund I. Its shareholders are Cardano Development and the management team of ILX. ILX is led by the co-founder Manfred Schepers (CEO), previously Vice President and CFO at the European Bank for Reconstruction and Development. Other investment team members have senior level experience in development finance, emerging markets, fund management and sustainability. ILX's Supervisory Board is chaired by Nanno Kleiterp, previously CEO of FMO. Other Supervisory Board and Investment Committee members all have executive board level experience from the FMO, EBRD, IFC, African Development Bank, and Cardano Development.

10. Why did donors support the creation of ILX?

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