

## Press Release

# Dutch NN-FMO Emerging Markets Loans Fund overshoots first close target at USD 250 million

24 April 2018

**NN Investment Partners (NN IP) and FMO Investment Management 's NN-FMO Emerging Markets Loans Fund (the 'Fund') saw strong Dutch and international institutional demand at a first close of USD 250 million, overshooting its minimum target by 25%, due to four key investors from Sweden and the Netherlands. Dutch development bank FMO established FMO Investment Management which allowed FMO to scale up impact investing by providing investors access to its deal flow. The cooperation with NN IP provided a next stage through the establishment of the Fund.**

The Fund starts with a first close of USD 250 million allowing investors to immediately benefit from the significant portfolio of loans built up by FMO for the Fund. A second close is foreseen later this year as the proposition is easily scalable to USD 750 million due to FMO's annual new loan commitments of more than USD 2 billion per year.

This impact fund enables institutional investors to co-invest alongside FMO in loans to financial institutions, renewable energy projects and agribusiness companies in emerging and frontier markets. It combines measurable social and environmental impact, a moderate risk profile and likely a stable, attractive financial return.

There is increasing demand for this type of investment solution, which can be related to a number of UN Sustainable Development Goals (SDGs)<sup>1</sup>, such as the focus on reducing poverty and hunger, providing affordable, clean energy and creating jobs. In particular, impact investing gained momentum as a result of the Paris Agreement and the broader adoption of the aforementioned UN Sustainable Development Goals. Investors increasingly realise that they can achieve impact without compromising on their other investment criteria - positive ESG impact and financial return can definitely go hand in hand.

**Magnus Billing, CEO of anchor investor Alecta, commented:** "We are long-term investors, with a tradition of combining active ESG integration and a cost-efficient asset management. To us, this is a good example on how we can fulfill our duty to create the highest value possible for the occupational pensions, as the Fund meets both the required rate of return and creates measurable impact aligned with the 2030 Agenda for Sustainable Development Goals."

Next to the anchor investor Alecta the fund received an important investment from the IMAS Foundation, which is a sister foundation to the INGKA Foundation — the owner of INGKA Group, which in turn owns the majority of IKEA's department stores globally.

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<sup>1</sup> The Fund supports several SDGs, in particular 1, 2, 7 and 8.

The Fund is a relatively new product and encourages to look for solutions from outside investors' usual thinking patterns. First of all, this Fund is a closed-end fund aimed at qualified investors that invests in loans, for which there is no publicly tradable market. This means that for some investors it falls into the category Alternative Fixed Income or Private Debt. However, investors can also view this Fund as a less liquid alternative within Emerging Markets Debt, with an emphasis on the positive effects within the area of ESG, which allows them to increase their allocation to impact investing or sustainable investing.

**Hester Borrie, Head of Client Group International at NN Investment Partners, adds:** "We are proud to partner with FMO in bringing this innovative impact investing fund to the market and broadening our range of sustainable investment strategies. Having worked as an impact investor in emerging markets since 1970, FMO's network and experience are unparalleled. This co-operation combines the strengths of FMO as a leading impact investor and NN IP as an institutional asset manager with a strong franchise in alternative credit, emerging markets and sustainable investments."

**ENDS**

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**NN-FMO Emerging Markets Loans is a Luxembourg securitisation fund** ('fonds de titrisation', the "Fund") having the form of a co-ownership, which is managed by its management company NN Investment Partners Securitisation S.à.r.l. established in Luxembourg under the Luxembourg Law of 22 March 2004, as amended. The Fund does not have legal personality. The Fund does not qualify as an Alternative Investment Fund ("AIF") as defined in the AIFM directive or an Undertaking for Collective Investment in Transferable Securities ("UCITS") as defined in the UCITS directive. The Fund is a closed-ended fund. The Fund has not and will not be registered with the Financial Services Supervisory Authority in the country of interest. Consequently, neither the Fund nor its Manager are subject to regulatory supervision in the country of interest. As a consequence, the units of the Fund will not and may not be offered, sold, advertised or otherwise marketed under circumstances which would constitute a public offering of securities. Any offer or sale of the units of the Fund shall be made pursuant to a private placement exemption as defined under the local law of the country of interest.

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**About FMO & FMO Investment Management**

FMO is the Dutch development bank. As a leading impact investor, FMO supports sustainable private sector growth in emerging and frontier markets by empowering entrepreneurs to build a better world. FMO focuses on three sectors with high development impact and attractive investment opportunities: financial institutions, renewable energy, and agribusiness, food & water. With a +45-year track record and a portfolio of EUR 9.2 billion committed to private debt and private equity investments in more than 90 countries, FMO demonstrates that impact and return go hand in hand. Through FMO Investment Management, FMO's wholly-owned licensed investment firm, investors can get access to FMO's deal flow in sustainable emerging market investments. By joining forces we scale up our contribution to the UN Sustainable Development Goals  
For more information please visit [www.fmo.nl](http://www.fmo.nl).

**About NN Investment Partners**

NN Investment Partners is the asset manager of NN Group N.V., a publicly traded company listed on Euronext Amsterdam. NN Investment Partners is head-quartered in The Hague, The Netherlands. NN Investment Partners in aggregate manages approximately EUR 246 bln\* (USD 296 bln\*) in assets for institutions and individual investors worldwide. NN Investment Partners employs over 1,200 staff and is active in 15 countries across Europe, U.S., Latin America, Asia and Middle East.

*NN Investment Partners is part of NN Group N.V., a publicly traded corporation.*

\* Figures as of 31 December 2017, EUR 52 bln relates to the AuM of Delta Lloyd Asset Management

**About Alecta**

Alecta is a Swedish occupational pension fund, with 800 billion SEK under management. The investment strategy is to have an equity portfolio of carefully selected companies and business models, integrating ESG analysis in the investment decisions. Currently Alecta has green bonds to a value of 14 billion SEK. Alecta is a signatory to the UN Global Compact and the UN Principles for Responsible Investments, and CEO Magnus Billing is a member of the EU High-Level Expert Group (HLEG) on Sustainable Finance.