

FMO contributes to:



IMPACT INVESTING IN EMERGING AND FRONTIER MARKETS

YOUR PREFERRED PARTNER TO INVEST IN LOCAL PROSPERITY

.....

We scale up
impact investing by
providing investors access
to FMO deal flow
in sustainable emerging
markets investments.

.....

MAKING A DIFFERENCE AND A SOLID RETURN

To investors looking for both a positive impact and a stable financial return, the funds advised by FMO Investment Management offer an attractive investment opportunity.

As a wholly owned subsidiary of FMO, FMO Investment Management ('FMO IM') matches investor appetite with the experience and activities of FMO – the Dutch development bank. Since 1970, FMO has invested in the private sector in over 85 emerging and frontier markets. It has fully integrated environmental, social and governance aspects in its investment decisions and portfolio management. FMO measures the impact of its investments by keeping track of job creation, greenhouse gas avoidance and other sector specific indicators. By aligning its activities with the sustainable Development Goals, FMOM aims for a measurable positive impact on global challenges.

SCALE IS OF THE ESSENCE

FMO Investment Management aims to scale up impact investing by providing investors access to FMO's deal flow. We do so by developing emerging markets fund propositions on the solid base of FMO's experience in selected sectors, products and regions. Each fund aims for a diversified portfolio, where every investment is selected to generate an attractive financial return and a meaningful development impact. Each proposition is tailored to provide scale for both investors and investees.

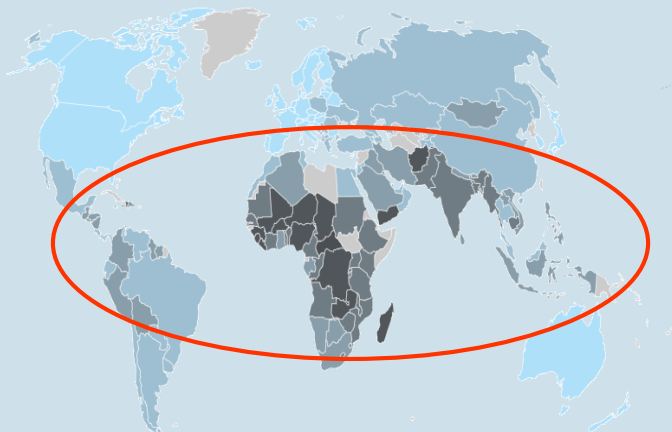
BENEFIT FROM UNIQUE RELATIONSHIPS

FMO's profitable track record proves that impact and return can go hand in hand. We believe that incorporating good environmental, social and governance (ESG) practices into business models is essential for both mitigating risk and optimizing value. FMO works closely with its borrowers and investee companies to help them reach mutually agreed ESG goals. Investors benefit from these close relationships.

FMO Investment Management takes pride in multiplying FMO's impact by inspiring other investors to join. Through our funds you can get access to the scale and quality of a leading impact investor and make a difference where it matters most.

SUSTAINABLE DEVELOPMENT GOALS INDEX (JULY 2016)

The darker the color, the more challenges are present



WHERE FMO IS ACTIVELY INVESTING

Based on FMO 2017 year end portfolio and commitments





A CASE EXAMPLE

DIVERSIFICATION OF CLEAN ENERGY

Hydroelectric power plants are Costa Rica's principal source of clean energy. In addition, at a smaller scale, use is made of solar, biomass, geothermal and increasingly wind energy. But not all energy generation in Costa Rica is clean: until recently, it had to switch during dry periods to the use of fossil fueled energy sources. This left the country dependent on the imports of fossil fuels. And that's what Costa Rica wanted to depart from, especially when nature offers more interesting alternatives. It meant that diversification of its clean energy generation capacity was needed as dry periods will continue to occur and hydroelectric power stations cannot continue during long periods of drought. In the case of Costa Rica it is wind energy which provides an excellent alternative energy source as the wind always blows in major parts of the country.

MORE BENEFIT FROM WIND

Together with Globeleq Mesoamerica (Wind) Energy Ltd (Globeleq) FMO saw the need for Costa Rica of spreading sources of renewable energy and decided to invest in a new wind farm in 2013 with the capacity of 53MW: Inversiones Eólicas de Orosí Dos S.A (Orosí). The wind speed in the sparsely populated province Guanacaste is exceptionally high and stable. Since 2013 25 turbines have been installed, transmission lines have been pulled and related infrastructure has been built. For the trees that had to be felled, a reforestation program started. It provided for replanting of a tenfold of the number of felled trees. At the bottom line, the project emits approximately 76,532 tCO₂eq per year less than a non-renewable energy plant would have emitted to produce the same quantity of energy. Now the wind farm supplies enough energy for approximately 100,000 Costa Ricans.

Wind farms such as Orosí offer the country a strategic and sustainable alternative and moreover a good diversification of the energy mix. In 2015, 99% of the production of electricity in Costa Rica was sustainable, of which at least 250 days completely run on renewable energy. The country is worldwide viewed as a true leader. Their ambitions will be achieved as the various clean sources of energy can be used now and for many years to come. This is made possible with the right kind of long-term financing.

*“Wind farms such as Orosí
offer the country a strategic
and sustainable alternative.”*



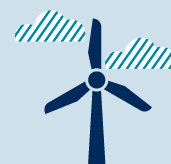
100.000
equivalent of
people served



213 GWh
per annum



76.352
tCO₂eq
GHG avoided
per annum



25 Windmills
50 MW

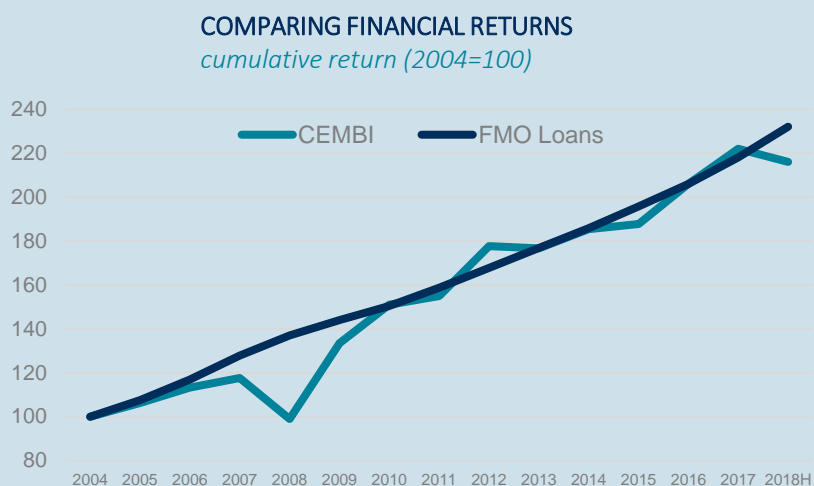


SUSTAINABLE AND STABLE

LOWER VOLATILITY WHILE ACHIEVING SIMILAR RETURN

Currently all fund propositions we advise on are private debt funds. The funds participate in FMO loans which are mostly senior, structured and secured; loan terms and conditions are tailored to debt service capacity and to the protection of investors interests.

These fund propositions also offer portfolio diversification as FMO invests in a larger number of countries than the traditional EMD or EM corporate bonds universe. Furthermore, within the emerging markets loans portfolio, correlation tends to be limited. Returns are less volatile, as the loans are mark-to-model and valuation is a long-term fundamental value, thus not affected by market sentiment-driven price movements. The graph compares CEMBI with FMO Loans clearly showing the stable returns of FMO's loan portfolio.



IMPACT ATTRIBUTED TO NEW FMO INVESTMENTS IN 2017



900,000

Number of supported jobs



1,600,000
tCO₂eq

Avoided GHG emissions



1,100,000

Number of SMEs reached



21,863
GWh per annum

Electricity production in GWh



33,000,000

Equivalent of people served

CONNECTING THE GOALS

FMO specializes in sectors where its contribution can have the highest long-term impact: financial institutions, energy, and agribusiness, food & water.

FMO has the scale and expertise required to make sound investments in these crucial sectors which contribute to UN Sustainable Development Goals. On an organisational level FMO selected three SDGs as most applicable; SDG 8 Decent work & economic growth, SDG 10 Reduced inequalities and SDG 13 Climate action. On sector level additional SDGs have been selected such as the goals aimed at zero hunger, affordable and clean energy for all. All goals are ultimately supported by FMO as it takes ESG integration to the next level; besides mitigating ESG risks and seeking related opportunities, FMO aims for a measurable positive impact on global challenges.



FINANCIAL INSTITUTIONS

cornerstone of a viable economy



Increasing the availability and affordability of financial services can bolster companies and individuals alike. FMO has a strong focus on providing finance to financial institutions ranging from universal banks, fintechs and insurance companies to leasing companies for the purpose of supporting financial inclusion, even for the smallest of companies and in the most remote areas. By applying ESG standards, FMO's financial institution clients act as 'agent of change' in their communities.



RENEWABLE ENERGY

powering economic growth

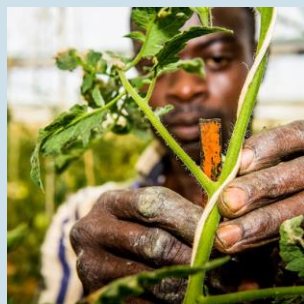


For developing countries, access to reliable and affordable energy is essential for economic and social progress. FMO focuses on the entire value chain from energy generation to distribution with a strong emphasis on renewable energy. Energy is crucial for running factories, businesses, institutions and households alike. FMO's dedicated energy team has extensive experience in arranging financial packages including greenfield projects. Impact is measured in terms of energy produced, people served and GHG avoidance.



AGRIBUSINESS, FOOD & WATER

meeting the food demand of a growing world population



A surging global population demands long-term accessibility to affordable food. FMO finances sustainable agribusiness companies throughout the value chain, including farming, processing, trade and distribution operations - "from farm to fork". Special attention is given to resource efficiency and minimizing environmental impact, as well as good labour conditions and financial inclusion of small scale farmers and SME companies.



INVESTMENT OPPORTUNITIES

FMO Investment Management advises the fund managers it has partnered with for a selection of funds with different market based risk-return profiles, to suit investor appetite. All funds advised on by FMO Investment Management share an emerging markets focus and the combined objective of investing for both financial return and development impact.

FMO PRIVIUM IMPACT FUND ('FPIF')

In June 2016 Privium Fund Management and FMO IM launched a private debt fund. The fund participates in recently fully disbursed loans made by FMO in the sectors financial institutions, renewable energy and agribusiness. The fund is open-ended and aims for a stable and sustainable return as well as measurable impact. A large number of private banking clients entrusted in total more than USD 100 million to the fund.

The Fund Manager is Privium Fund Management and FMO IM is the fund's investment advisor.

More information is available at www.fmopriviumimpactfund.nl

NN FMO EMERGING MARKETS LOANS FUND ('ELF')

This fund is open for institutional investors looking to add impact to their portfolio.

It offers investors a broad range of private debt investments covering all of FMO's focus sectors. The fund has a well-balanced risk return profile. Underlying investments are direct private loans, the fund will show less volatility than for example EMD or emerging markets corporate bonds.

The Fund Manager is NN Investment Partners and FMO IM is the fund's investment advisor.

The first close of the fund occurred in April 2018 at USD 250 million leaving room for additional investors to come in up to a maximum fund size of USD 750 million, before April 2020.

More information is available at www.fmo-im.nl/elf

ASN GREEN PROJECTS FUND ('GPF')

Since March 2017 FMO IM is an investment advisor for the ASN Green Projects fund (ASN Groenprojectenfonds), advising on emerging market investments. Up to EUR 40 million is being invested in renewable energy projects.

More information is available at www.fmo-im.nl/en/groenprojectenfonds

	Assets Under Advisory*	Investable Currency	Financial Institutions	Renewable Energy	Agribusiness, Food & Water
ELF	USD 256 mln	EUR/USD	✓	✓	✓
FPIF	USD 110 mln	EUR/USD	✓	✓	✓
SMEFF	EUR 153.5 mln	ALL	✓	-	-
GPF	EUR 40 mln	EUR/USD	-	✓	-

** As per sept 2018*

ACTIAM-FMO SME FINANCE FUND ('SMEFF')

The ACTIAM-FMO SME Finance Fund participates in loans to financial institutions in developing and emerging economies with a clear objective to improve access to finance for small- and medium-sized enterprises (SMEs). The fund has built a well-diversified, portfolio of loans to approximately 40 carefully selected financial institutions in Latin-America, Asia, Central Asia and Africa.

The fund manager is ACTIAM and FMO Investment Management is its investment advisor.

More information can be found at www.actiam.nl

MORE IS POSSIBLE

We welcome conversations with professional investors, exploring where investor demand meets FMO's expertise and investment strategies, and how FMO IM could be of help in integrating impact and ESG into your portfolios and mandates.

THE INVESTMENT MANAGEMENT TEAM

Our dedicated team offers investor-focused and professional investment management services. Each team member adds value by applying their specific knowledge from their own field of expertise and background.



Yvonne Bakkum
Managing Director & CEO



Nic Wessemius
CIO



John Verlinde
CFO



Erik Smeets
Investment Manager



Marco Nieuwenhuijse
Portfolio Officer



Eva Failé-Kok
Sr Portfolio Analyst



Boyukagha (Agha) Aghayev
Portfolio Analyst



Martine van Aalst-Ebbers
Communications Advisor



Jeroen Essink
*Corporate Secretary
& Sr Legal Counsel*



Joris Daniels
Compliance Officer

CONTACT US

T +31 (0)70 314 96 96

E fmo-im@fmo.nl

W www.fmo-im.nl

*Chamber of Commerce
Haaglanden nr 62649108*

Anna van Saksenlaan 71
2593 HW The Hague
The Netherlands

P.O. Box 93060
2509 AB The Hague
The Netherlands

 [linkedin.com/company/fmo-investment-management](https://www.linkedin.com/company/fmo-investment-management)

DISCLAIMER

The elements contained in this document have been prepared solely for the purpose of information and do not constitute an offer, in particular a prospectus or any invitation to treat, buy or sell any security or any other investment. Investors should seek their own advice if in doubt about the suitability of any investment. While particular attention has been paid to the contents of this document, no guarantee, warranty or representation, express or implied, is given to the accuracy, correctness or completeness thereof. Any information given in this document may be subject to change or update without notice. Neither FMO Investment Management B.V. nor Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. nor any other company or unit belonging to its group, nor any of its officers, directors or employees can be held liable or responsible with respect to the information and/or recommendations of any kind expressed herein. No direct or indirect liability is accepted for any loss sustained or incurred by readers as a result of using this document or basing any decisions on it. Investing involves risks. Please note that the value of your investment may rise or fall and also that past performance is not indicative of future results and shall in no event be deemed as such. This document and information contained herein must not be copied, reproduced, distributed or passed to any person at any time in whole or in part without our prior written consent. This document is not intended and may not be used to solicit sales of investments or subscription of securities in countries where this is prohibited or restricted by the relevant authorities or legislation. Any claims arising out of or in connection with the terms and conditions of this disclaimer are governed by Dutch law.

FMO

Investment
Management

FMO Investment Management BV

Anna van Saksenlaan 71
2593 HW The Hague
The Netherlands

T +31 (0)70 314 96 96

E fmo-im@fmo.nl

W www.fmo-im.nl