

FUND FINANCE FRIDAY

ING Singapore in World-First Fund Financing Based on Sustainability Performance

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In the 27th September edition of *FFF* we ran an article reporting on the 3rd Annual Asia-Pacific Fund Finance Symposium. Among other things, the article predicted a very exciting future ahead for the Asia-Pacific market. It has not taken long for that future to become reality!

In a world first, ING's fund financing facility to private equity fund Quadria Capital has its borrowings' interest rate pegged to its sustainability performance – specifically, to a set of ESG (environmental, social and governance) performance targets on its Fund II investee companies and investment portfolio. Those metrics are, in turn, based on key performance indicators provided by B Analytics following the Global Impact Investing Ratings Systems (GIIRS) and further mapped to the Fund's own internal ESG frameworks which follow the United Nations' Principles for Responsible Investment (PRI), then tested using an independent materiality assessment. Performance against the targets is assessed annually and, if pre-determined targets are met, the following year's interest rates will be reduced.

Given the worldwide trends towards sustainable investing and financing, it is great to see funds financing solutions now being brought to bear in this area, and no doubt there will be much more to come.

The deal has been widely reported in the regional and international press (coverage from *PEI* [here](#) and *The Straits Times* [here](#)).