For professional investors only

The Danish Sustainable Development Goals Investment Fund II

Impact Fund Denmark has launched the Danish Sustainable Development Goals Investment Fund II ("SDG Fund II" or "Fund") in collaboration with four major Danish pension funds. Through commercial private sector investments in developing countries, the Fund will contribute to the realisation of the UN Sustainable Development Goals – with an attractive target return of 12-15% net in DKK. SDG Fund II is a sustainability-focused fund that meets the criteria in SFDR article 9.

Fund setup

SDG Fund II offers market conform returns for private investors. Impact Fund Denmark contributes 40% of the full fund size of DKK 5bn.

Fund size, DKK	5bn
# of investments	~20
Ticket size, DKK	150-300m
Lifetime	11 years
Management fee	1.59%

Target risk-adjusted return **12-15%** net DKK

Risk mitigation

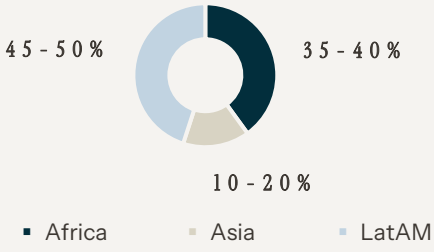
SDG Fund II is investing in markets where country risk is typically higher than in the major Western countries. Thus, several risk mitigating factors have been established to secure private capital.

1. **Diversified fund:** Limited single-risk exposure through diversification across four sectors and 13 focus countries. Sectors and countries are selected to ensure high impact and limit country risk.
2. **Infrastructure focus:** ~50% of fund is invested in infrastructure-like investments with limited development risk and high cashflow certainty.
3. **EU guarantee:** Loss cover of close to 20% of private capital on individual investments*.
4. **Preferred return:** Private investors get preferred return up to 6% IRR.

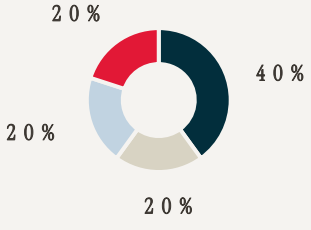
Investment strategy

Impact first: Systematic screening and validation of impact creation.

Selective country approach: Focus on 13 markets in Latin America, Africa & Asia.



Narrow sector focus: Strict focus on four core sectors.



IMPACT FUND DENMARK

*Does not cover investments in Latin America & North Africa.

Impact

Impact Fund Denmark is an impact investor, investing only in projects that support our defined impact priorities: Building green societies and/or building just and inclusive societies.

Impact Fund Denmark engages actively with each portfolio company to improve sustainability and reach impact targets. All relevant impact KPIs are tracked and reported annually, ensuring compliance with international standards.

Anchor investors

SDG Fund II was launched on 20 November 2024, with four anchor investors – PFA, PKA, P+ and PenSam. All anchor investors also invested in the first SDG Fund.

Fundraising status

As of May 2025, we are fundraising DKK 1.2bn in private capital to reach the target fund size of DKK 5bn before final close in June 2026.

PBU invested into SDG Fund II in April 2025.

BlueMark has placed Impact Fund Denmark on its Leaderboard among the 19 leading impact investors worldwide.

About Impact Fund Denmark

Impact Fund Denmark is the Danish development finance institution and is fund manager for SDG Fund II. Since 1967, Impact Fund Denmark has invested in more than 1,300 companies in over 100 developing countries.

Impact Fund Denmark is headquartered in Copenhagen with four regional offices and two representations in relevant locations. Impact Fund Denmark currently has ~175 employees globally.

Interested in hearing more?

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