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AIIB Provides Support as LP in Funds: Fueling Asia's Infrastructure and Beyond

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Beijing, China – June 23, 2025 – The Asian Infrastructure Investment Bank (AIIB) continues to solidify its pivotal role in the global development finance landscape, particularly through its strategic and expanding commitment as a Limited Partner (LP) in a diverse range of private equity and private credit funds. This calculated and sophisticated approach allows the multilateral development bank (MDB) to significantly amplify its impact, mobilize substantial private capital, and deploy specialized expertise across critical sectors in Asia and emerging markets globally. AIIB's evolving fund investment strategy is a testament to its commitment to "Infrastructure for Tomorrow"—a mandate that prioritizes sustainable, green, and technologically advanced projects. These investments are more than just financial transactions; they represent strategic partnerships meticulously designed to foster long-term economic development and address pressing infrastructure deficits across its member economies.

Private Equity: Catalyzing Growth in Key Sectors and Regions

AIIB's private equity fund investments demonstrate a keen eye for both impactful sector development and expansive geographic reach. By partnering with leading fund managers, AIIB gains access to a pipeline of high-quality projects and businesses that align with its core mission.

- **NIIF Private Markets Fund II (PMF II)** (India, Approved 2024): A substantial commitment of USD 125 million to NIIF's PMF II underscores AIIB's unwavering dedication to India's rapidly expanding infrastructure sector. The National Investment and Infrastructure Fund (NIIF) has a proven track record in anchoring and investing in funds focused on infrastructure and associated sectors, making it an ideal partner. This investment is set to unlock significant domestic and international capital, channeling it towards vital projects crucial for India's continued growth and development.
- **Lok Capital IV** (2023): With a USD 25 million investment, AIIB is backing Lok Capital IV, a fund primarily focused on technology-enabled businesses in critical areas such as financial services, climate solutions, healthcare, and agriculture. While based in India, this investment showcases AIIB's broader vision for development, extending beyond traditional large-scale infrastructure to support innovative, scalable solutions that address societal challenges and foster inclusive growth.
- **Seraya SEA Energy Transition and DI Fund (Approved 2023)**: AIIB's investment in the Seraya Partners-managed fund targeting energy transition and green digital infrastructure across Southeast Asia, China, and Korea exemplifies its forward-looking commitment to the region's sustainable future. This includes strategic allocations to cutting-edge areas like offshore wind farm vessels, transport electrification, and green data centers, highlighting a proactive stance in fostering the next generation of infrastructure.
- **Lightsmith Climate Resilience Partners** (Approved 2020): This strategic investment in a private equity fund dedicated to climate resilience and adaptation further solidifies AIIB's strong Environmental, Social, and Governance (ESG) focus. The fund invests in growth-stage companies developing and deploying technologies specifically designed to address the physical impacts of climate change, demonstrating AIIB's commitment to building a more resilient future.

- **CITIC Capital Pan Eurasia Fund (2020):** AIIB's significant USD 75 million anchor investment, complemented by a flexible USD 50 million co-investment sleeve, totaling up to USD 125 million, was instrumental in catalyzing broader participation from other institutional investors. This included major players such as pension funds and sovereign wealth funds. This commitment vividly exemplifies AIIB's strategic role in mobilizing substantial private capital for critical cross-border initiatives, proving its capability to de-risk opportunities for private sector players.
- **SUSI Asia Energy Transition Fund (2019):** A substantial USD 100 million commitment to the SUSI Asia Energy Transition Fund (SAETF), targeting clean energy and energy transition infrastructure in emerging Asia, underscored AIIB's leadership in the burgeoning renewables space. AIIB's pivotal anchor role was crucial in mobilizing additional Development Finance Institutions (DFIs) and private capital, with the fund's total size reaching approximately USD 120 million by mid-2023. The fund's impressive portfolio includes impactful projects such as a joint venture with InvestEnergy (Malaysia) for industrial energy-efficiency projects, distributed solar PV platforms in Vietnam and Singapore (Entoria Energy, Asia Clean Capital), and utility-scale renewables like the landmark Dam Nai wind farm in Vietnam. This investment also highlighted AIIB's rigorous adherence to ESG standards, with SAETF implementing a robust Environmental & Social Management System (ESMS) in line with AIIB's guidelines.
- **Global Infrastructure Partners Emerging Market Fund I (GIP EM) (June 2021):** A significant USD 150 million commitment to GIP EM, a closed-end infrastructure fund targeting middle-income emerging markets, further broadens AIIB's reach across essential sectors like transport, energy, and utilities in both Asia and Latin America (including key markets such as China, India, Indonesia, Malaysia, Philippines, Vietnam, Brazil, and Mexico). This investment aligns with AIIB's strategic belief in mobilizing international private finance for sustainable infrastructure development on a global scale.
- **ISQ Growth Market Infrastructure Fund:** This represents another noteworthy global emerging market infrastructure fund where AIIB has demonstrated its conviction through a strategic investment, further diversifying its portfolio and impact across a range of high-growth regions.

Private Credit: Addressing the Funding Gap with Innovative Solutions

AIIB's discerning foray into private credit funds directly addresses a crucial financing gap that often exists for mid-cap companies and projects within the vital infrastructure sector.

- **Keppel-Pierfront Private Credit Fund L.P.** (Approved 2021): AIIB made an equity investment of approximately USD 88.7 million in this fund, reserving an additional co-investment envelope of up to USD 50 million to invest alongside it. This fund strategically targets private credit instruments of companies and projects across a wide spectrum of infrastructure sectors in the Asia-Pacific region. This includes pivotal areas such as renewable energy, transport, digital infrastructure, environmental infrastructure, energy and natural resources, and social infrastructure. The fund's successful raising of a \$300 million subscription line facility further underscores its financial robustness and the strong market confidence in its investment thesis.
- **Kotak Infrastructure Investment Fund (KIIF)** (Approved 2022): This closed-end private debt fund, domiciled in India, is designed to invest in operating infrastructure companies primarily by providing senior, secured long-term debt solutions. KIIF also has the flexibility to acquire equity shareholding in conjunction with its debt facilities. Its target sectors, including transportation, renewable power, water, logistics, digital infrastructure, and EV transport infrastructure within India, align seamlessly with AIIB's strategic priorities for the nation's sustainable growth.

Recommendation: Continue to Grow AIIB's Funds Investing Strategy

The Asian Infrastructure Investment Bank's journey as a sophisticated and strategic Limited Partner in both private equity and private credit funds has yielded compelling and demonstrable results. This approach has proven highly effective in achieving its core mandate of fostering sustainable infrastructure development. We unequivocally recommend that AIIB should continue to robustly grow and strategically deepen its fund investing strategy for the following compelling reasons:

1.Private Capital Mobilization: Fund investments serve as an incredibly powerful catalyst for crowding-in private capital that would otherwise remain on the sidelines. By acting as an anchor or an early-stage investor, AIIB strategically de-risks opportunities for a diverse range of other institutional investors—including pension funds, sovereign wealth funds, and private sector players. This crucial role significantly multiplies the overall capital available for vital infrastructure and development projects across its member countries. This strategic leverage is absolutely fundamental to bridging the vast and persistent infrastructure financing gap that exists throughout Asia.

2. Expanded Reach and Strategic Diversification: Investing in funds enables AIIB to access a far wider array of projects and companies, including those that might be too small, too early-stage, or too specialized for direct investment. This diversified approach inherently mitigates risk by spreading exposure across multiple assets, geographies, and management teams. Furthermore, it allows AIIB to gain exposure to various sectors, from cutting-edge digital infrastructure to critical social services, and different development stages, from early-stage innovation to mature, operational assets, thereby maximizing impact.

3. Leveraging Specialized Expertise and Local Knowledge: Partnering with established fund managers allows AIIB to effectively tap into their deep sectoral expertise, extensive local networks, and unparalleled deal origination capabilities. These managers possess on-the-ground presence and nuanced understanding of local market dynamics, regulatory environments, and cultural considerations. By leveraging their specialized knowledge, AIIB significantly enhances its due diligence processes, improves project execution efficiency, and ultimately maximizes its development impact without needing to build vast internal operational teams for every region or sector.

4. Enhanced Operational Efficiency and Scalability: Deploying capital through funds can be significantly more efficient and inherently scalable than managing a large, complex portfolio of direct investments. This approach allows AIIB to achieve greater impact with fewer internal resources devoted to granular, individual project-level oversight and management. This efficiency frees up internal capacity to focus on higher-level strategic initiatives, policy development, and broader systemic challenges, contributing directly to AIIB's "Lean, Clean, and Green" operational ethos. This streamlined approach allows the bank to deploy capital more rapidly and effectively where it's most needed.

In conclusion, AIIB's proactive and strategic engagement as a sophisticated Limited Partner in both private credit and private equity funds is a compelling testament to its innovative and impactful approach to development finance. This strategy not only amplifies its financial firepower but also fosters a robust, dynamic, and sustainable ecosystem for infrastructure development and broader economic growth across Asia and indeed, the wider emerging market landscape.

Expert Insights: AIIB's Impact as a Private Equity LP : Interview with Arvind Mathur: Recommends Smaller Commitments

We sat down with Arvind Mathur, Chairman, Asian Limited Partners Association, an expert in Asian private equity with decades of experience in funds across the region. Arvind offered his observations on the Asian Infrastructure Investment Bank's (AIIB) role as a Limited Partner (LP) in the region's dynamic private equity landscape. His commentary paints a compelling picture of a multilateral institution effectively leveraging its mandate to foster sustainable development and mobilize crucial private capital.

Interviewer: The AIIB has significantly ramped up its investments as an LP in private equity funds. From your vantage point, how do you perceive this strategic pivot and its broader implications for Asian infrastructure and development?

Arvind: First of all AIIB should be congratulated for its private equity strategy. It's an incredibly astute and pragmatic evolution of AIIB's strategy. Traditional direct lending by MDBs, while vital, has its limitations in terms of scale and reach. By embracing the LP role, AIIB acts as a powerful anchor investor, sending a clear signal of confidence to other private capital allocators. This de-risking function is paramount in emerging markets where perceived risks can deter private sector participation. The implications are profound: we're seeing faster deployment of capital into critical infrastructure, a more diversified investment portfolio for AIIB, and a significant multiplier effect on overall development finance in Asia. It's truly a win-win, aligning development impact with market efficiency.

Interviewer : AIIB's commitments span a wide range, from India's NIIF Private Markets Fund II to the Seraya SEA Energy Transition and Digital Infrastructure Fund. What does this diversification tell you about AIIB's investment philosophy and its responsiveness to regional needs?

Arvind: This broad diversification speaks volumes about AIIB's sophisticated understanding of Asia's development needs. On one hand, you have investments in multi-sector infrastructure funds like NIIF, which address foundational gaps in large economies like India.

On the other, their backing of specialized funds like Seraya, focused on energy transition and digital infrastructure, highlights their responsiveness to emerging, high-growth, and sustainability-critical sectors. It demonstrates a philosophy that is both foundational and forward-looking, recognizing that “infrastructure” in the 21st century encompasses not just roads and ports, but also digital networks, renewable energy solutions, and climate resilience technologies. Their focus on the “Infrastructure for Tomorrow” truly comes to life through this varied portfolio.

Interviewer : The private credit market in Asia is gaining traction. How do you see MDBs like AIIB fitting into this evolving landscape, particularly given their commitments to funds like the Keppel-Pierfront Private Credit Fund?

Arvind: The rise of private credit in Asia is a fascinating development, driven by the traditional banking sector’s increasing conservatism and the growing demand for flexible, long-term financing solutions, especially for mid-cap infrastructure projects. MDBs like AIIB are perfectly positioned to catalyze this market. By investing in private credit funds, AIIB can provide much-needed long-term liquidity and patient capital, addressing a critical funding gap. Their involvement enhances the credibility of these funds, attracts other institutional investors, and helps standardize best practices in a relatively nascent market. The Keppel-Pierfront investment, for example, is a testament to this, channeling capital into diverse infrastructure sub-sector. It’s a smart way to deploy capital with less equity risk while still achieving significant developmental outcomes.

Interviewer : Beyond direct capital, what value-add do you believe AIIB brings to the private equity funds they invest in, particularly from a General Partner’s (GP) perspective?

Arvind: AIIB brings immense value beyond just capital. From a GP’s perspective, having AIIB as an LP is a significant badge of honor and a powerful de-risking factor. Firstly, their rigorous environmental, social, and governance (ESG) standards, which funds must adhere to, elevate the overall sustainability profile of the portfolio, making it more attractive to a wider pool of institutional investors. Secondly, AIIB’s technical expertise and development mandate can provide invaluable insights and support during project development and execution. Thirdly, their imprimatur often facilitates easier navigation of regulatory

landscapes in various member countries. And finally, their long-term horizon and stability provide a cornerstone of commitment, which is highly valued in the often-volatile world of private equity.

Interviewer: ESG integration is a core pillar of AIIB's mandate. How effectively do you believe their LP investments are driving positive environmental and social impacts within their portfolio companies?

Arvind: ESG integration is where AIIB truly shines as an LP. Their commitment to sustainable finance isn't just a tagline; it's embedded in their investment criteria and ongoing monitoring. We see funds like the SUSI Asia Energy Transition Fund explicitly targeting clean energy and energy efficiency, demonstrating tangible contributions to climate goals.

The requirement for robust Environmental & Social Management Systems (ESMS) from their fund managers, including detailed pre-screening, stakeholder engagement, and grievance mechanisms, sets a high bar. This approach forces best practices downstream to the portfolio companies, leading to demonstrable improvements in environmental performance, social safeguards, and corporate governance. AIIB's catalytic role here is not just about funding green projects, but about greening the entire investment ecosystem.

Interviewer: The concept of "catalytic capital" is often discussed in development finance. How well do you think AIIB is fulfilling this role through its LP commitments, and what evidence supports this?

Arvind: AIIB is an exemplar of catalytic capital in action. Their investments are meticulously structured to mobilize additional private finance, particularly from institutional investors who might otherwise be hesitant to enter emerging markets. A prime example is their anchor investment in the CITIC Capital Pan Eurasia Fund, which explicitly aimed to catalyze participation from pension funds and sovereign wealth funds. Similarly, the SUSI Asia Energy Transition Fund was boosted by AIIB's initial commitment, clearly illustrates this. The evidence lies in the subsequent follow-on investments from other DFIs and private players once AIIB has provided that initial, crucial validation and de-risking. They are not just participating; they are enabling and expanding the market.

Interviewer: Looking ahead, Arvind, if you were to offer one key recommendation for AIIB's private equity strategy, what would it be, and why?

Arvind: My unequivocal recommendation would be for AIIB to continue to strategically grow its private equity fund investing strategy, particularly by increasing its allocations to specialized, thematic funds focused on climate solutions, digital infrastructure, social infrastructure and equity risk capital support for SMEs. The "why" is multi-faceted. Firstly, these sectors are key for sustainable development and have enormous, underserved financing needs in Asia. Secondly, by focusing on these niches, AIIB can further solidify its reputation as a thought leader and a preferred partner for fund managers with deep expertise in these areas. Thirdly, these thematic funds often attract more specialized and impact-aligned private capital, reinforcing AIIB's catalytic role. Finally, the long-term, stable returns often associated with these resilient infrastructure assets align perfectly with AIIB's patient capital mandate. Doubling down on this strategy will allow AIIB to maximize its development impact, accelerate

Interviewer: Do you think AIIB should make smaller LP commitments?

Arvind: Yes, smaller commitments enable greater diversification of AIIB's fund portfolio and superior risk management. AIIB should consider more LP commitments in the range of \$ 20 to 30 million. They will have a greater catalytic role and assist more emerging, but experienced, GPs. This will also be consistent with AIIB's role as a development bank.

AIIB Private Equity Fund Commitments

Year	Fund Name	AIIB Commitment	Fund Focus & Geographic Scope	Key Strategic Impact
2019	SUSI Asia Energy Transition Fund (SAETF)	USD 100 million	Clean energy & energy transition infrastructure in emerging Asia; renewables, energy efficiency, storage, micro-grids (Southeast Asia focus)	Anchor role mobilized additional DFIs and private capital; total fund size ~USD 120 million by mid-2023; robust ESMS implementation
2020	Lightsmith Climate Resilience Partners	<i>Not specified</i>	Climate resilience & adaptation; growth-stage companies addressing physical climate change impacts globally	First private equity fund focused on climate resilience; final closing at USD 186 million with diverse institutional investors
2020	CITIC Capital Pan Eurasia Fund	USD 125 million (USD 75M anchor + USD 50M co-investment)	Infrastructure investments across Pan-Eurasia region	Catalyzed participation from pension funds, sovereign wealth funds, and private sector investors
2021	Global Infrastructure Partners Emerging Market Fund I (GIP EM)	USD 150 million	Infrastructure in middle-income emerging markets; transport, energy, utilities (Asia & Latin America focus)	Part of USD 5 billion target fund; mobilizes international private finance for sustainable infrastructure
2021	ISQ Growth Market Infrastructure Fund	<i>Not specified</i>	Infrastructure opportunities in growth markets across Asia and Latin America	Extension of ISQ Global Infrastructure Fund III; USD 2 billion target size
2022	Rakiza Fund 1	<i>Not specified</i>	Infrastructure development in Oman and Saudi Arabia; brownfield and greenfield investments	Focus on telecom/digital, transportation, renewable energy, waste management, utilities, social infrastructure, logistics; USD 300M subscription line facility
2023	Lok Capital IV	USD 25 million	Technology-enabled infrastructure and services in India	Focus on financial services, climate, health, agriculture sectors; USD 200 million target size
2023	Seraya SEA Energy Transition and DI Fund	<i>Not specified</i>	Energy transition and green digital infrastructure in Southeast Asia, China, and Korea	Specializes in offshore wind farm vessels, transport electrification, green data centers
2024	NIIF Private Markets Fund II (PMF II)	USD 125 million	Infrastructure and associated sectors in India	Managed by National Investment and Infrastructure Fund; anchors funds with proven track records

AIIB Funds Investments

Private Credit Funds

Year	Fund Name	AIIB Commitment	Fund Focus & Geographic Scope	Key Features
2021	Keppel-Pierfront Private Credit Fund L.P.	USD 88.7 million + USD 50M co-investment reserve	Private credit instruments across renewable energy, transport, digital infrastructure, environmental infrastructure, energy, natural resources, social infrastructure in Asia-Pacific	Equity investment with co-investment flexibility for high-potential deals
2022	Kotak Infrastructure Investment Fund (KIIF)	<i>Not specified</i>	Operating infrastructure companies in India	Closed-end private debt fund providing senior, secured long-term debt solutions; may acquire equity; focuses on transportation, renewable power, water, logistics, digital infrastructure, EV transport

Total Disclosed AIIB Commitments: Approximately USD 713.7 million across disclosed investments.

Key Investment Themes:

- Energy transition and renewable energy
- Climate resilience and adaptation
- Digital and transport infrastructure
- Emerging markets focus (Asia, Latin America, Middle East)
- Technology-enabled infrastructure solutions
- Public-private partnership mobilization

Asian Limited Partners Association

Content Advisor:

Arvind Mathur