



## **ILLIMITY SGR LAUNCHES ITS SECOND FUND ILLIMITY REAL ESTATE CREDIT (IREC)**

***At the first closing distressed credits, mainly UTPs guaranteed by real estate assets, of over 170 million euro have been sold by 6 banking groups***

***The aim of this second Fund is to pool the skills developed by illimity SGR in structuring and managing contribution funds with those of the illimity Group in managing and enhancing the value of distressed real estate loans***

Milan, 13 September 2022 – **illimity SGR S.p.A.**, the illimity Group’s asset management company, created to set up and manage alternative investment funds, has completed the first closing of “illimity Real Estate Credit” (the “**Fund**” or “**iREC**”), a contribution Fund dedicated to investments in distressed credits – mainly UTPs – secured by real estate assets, under both the form of mortgage loans and lease agreements.

The initial portfolio consists of loans with a gross nominal value of over 170 million euro, almost entirely secured, to 77 companies operating mainly in the real estate sector with highly diversified activities (industrial, commercial, residential, hospitality, energy, etc.). These loans have been sold by banking groups that were already unit holders in illimity SGR’s first fund, “illimity Credit & Corporate Turnaround” (“iCCT”), as well as by illimity Bank itself.

As in the first case, the second Fund contains a number of highly innovative features, including the possibility to acquire and manage fully operational short-term credit facilities and, through a securitisation structure, loans and lease agreements in continuity. These features enable the banks to fully transfer their financial exposure, regardless of the technical forms used, while at the same time benefiting from loan management thanks to the expertise made available by neprix.

More specifically, neprix will assume the role of advisor and special servicer of the Fund. neprix’s skills, which enable the coverage of the whole value chain in the management of distressed real estate loans, will be additionally strengthened by the upcoming merger with AREC, a company specialising in the management of Unlikely to Pay (“UTP”) loans with a focus on the large corporate real estate segment.

**Paola Tondelli**, Head of UTP & Turnaround Funds in **illimity SGR**, stated: *“The launch of the new contribution Fund, just over a year after setting up iCCT, shows the validity of illimity SGR’s management model and the effectiveness of the investment team, which has been strengthened by experts working in real estate loan management. The possibility of drawing on specialist skills from inside the illimity Group, both in UTP and NPL, makes this initiative even more appealing. The trust that our investors have placed in us confirms the efficacy of our approach and we are confident that we will be able to increase their numbers over the next few months”.*

**Andrea Clamer**, Head of the Distressed Credit Division in **illimity**, commented: *“We are pleased to make neprix’s expertise in managing real estate loans available to the new illimity SGR Fund. Thanks to its upcoming merger with AREC, neprix will become a market leader managing assets with a gross nominal value of over 10 billion euro. Our high degree of specialisation in this UTP field will enable us to provide increased support for the Fund’s strategy with the aim of achieving important results together”.*



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The illimity Group was assisted by the law firm Cappelli RCCD for the profiles related to the structuring and implementation of the transaction, the Fund and the securitisations of which the Fund is a noteholder, as well as the negotiations with the originator banks.

Gatti Pavesi Bianchi Ludovici assisted the seller banks for the legal and regulatory aspects related to their participation in the initiative.

The underlying securitisation transactions were structured and will be managed by Banca Finint, which also assumed the roles of Master Servicer, Corporate Servicer and Computation Agent on the securitisation company side and of Corporate Servicer and Computation Agent on the LeaseCo side.

For further information:

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**illimity SGR S.p.A.**

**illimity SGR** is the illimity Group's asset management company created to set up and manage alternative investment funds specialising in corporate loans. In the spring of 2021, illimity SGR created its first fund, the "illimity Credit & Corporate Turnaround" fund, dedicated to investments in UTP loans to SMEs with revival and relaunch prospects operating in highly diversified sectors. This fund allows lending banks to benefit from a professional management of their loans without necessarily having to sell them, thereby enabling them to yield their maximum value following a company's industrial and financial turnaround. "illimity Real Estate Credit" is the second fund sponsored by illimity SGR.