

Private Debt
Investor

Global Investor

Private debt's biggest
backers **in 10 slides**



Private Debt Investor

The institution types:

- Global insurer
- Sovereign wealth fund

- European pension fund
- N American pension fund
- Asia-Pacific pension fund
- Asset manager/bank

1

Nuveen, a TIAA Company

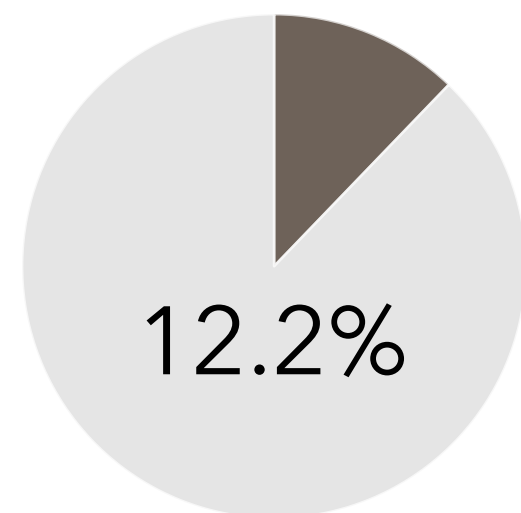
AUM: **\$252.4bn**
Head office: **New York**

Nuveen is the investment arm of the Teachers Insurance and Annuity Association of America-College Retirement Equities Fund and is one of the largest investment managers in the world. Its private debt investments focus on subordinated and mezzanine debt funds in North America and Western Europe.

Private debt allocation

\$30.7bn

Private debt allocation as % of AUM



2

Manulife

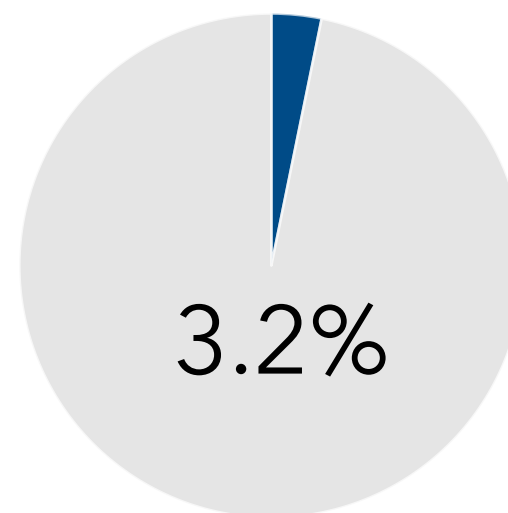
AUM: **\$850.4bn**
Head office: **Toronto**

Canadian headquartered Manulife provides more than 28 million customers across North America, Asia and Europe with financial advice, insurance and wealth management solutions. As one of the most active investors in private debt, the institution focuses on opportunities across most regions globally.

Private debt allocation

\$27.3bn

Private debt allocation as % of AUM



3

New York City Retirement Systems

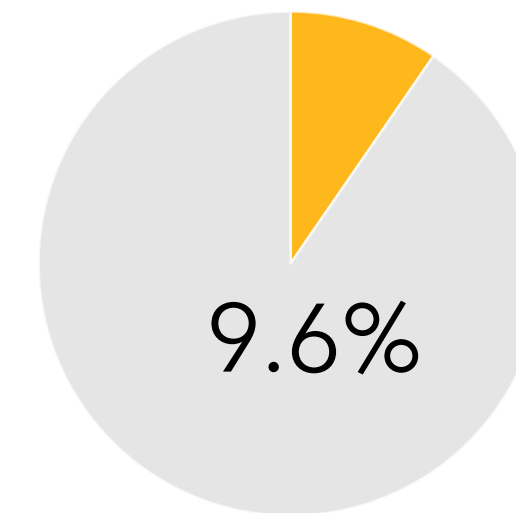
AUM: **\$200.7bn**
Head office: **New York**

The New York City Retirement Systems is a collection of five pension funds across the City of New York covering Teachers, Police, Fire and other employees. Each of the five funds has its own board of trustees to decide asset allocation and strategy.

Private debt allocation

\$19.2bn

Private debt allocation as % of AUM



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Canada Pension Plan Investment Board

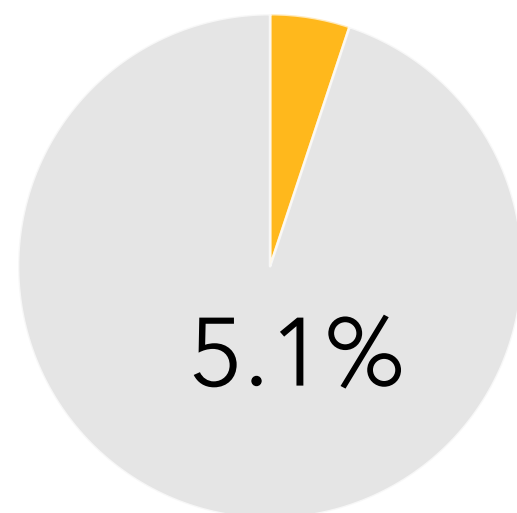
AUM: **\$293.8bn**
Head office: **Toronto**

As one of Canada's largest pension funds, the Canada Pension Plan Investment Board is a major investor in all alternative asset classes, including private debt. The firm is increasingly making direct investments in the asset class, having acquired debt fund manager Antares and has set up its own in-house private debt team.

Private debt allocation

\$15.1bn

Private debt allocation as % of AUM



AXA Investment Managers

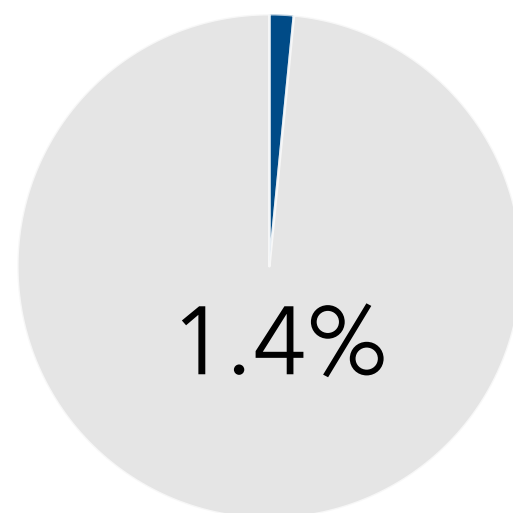
AUM: **\$841.6bn**
Head office: **Paris**

The investment management arm of French insurer AXA has a relatively small allocation to private debt given its immense size. Its private debt investments focus on CLO and senior debt funds across North America, Europe and Asia-Pacific.

Private debt allocation

\$11.7bn

Private debt allocation as % of AUM



European Investment Bank

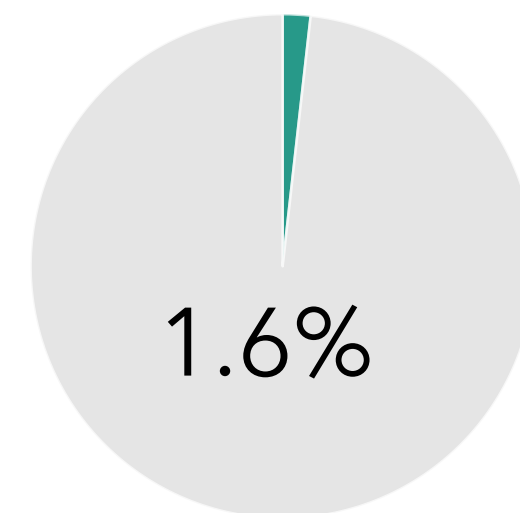
AUM: **\$636.7bn**
Head office: **Luxembourg**

The European Investment Bank is the lending arm of the European Union and has a strong focus on backing investments in SME and mid-cap businesses, both of which fall within the scope of traditional direct lending funds. Its most recent investment was €80 million to venture debt vehicle the Eiffel Essentiel Fund.

Private debt allocation

\$10.3bn

Private debt allocation as % of AUM



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Legal and General Investment Management

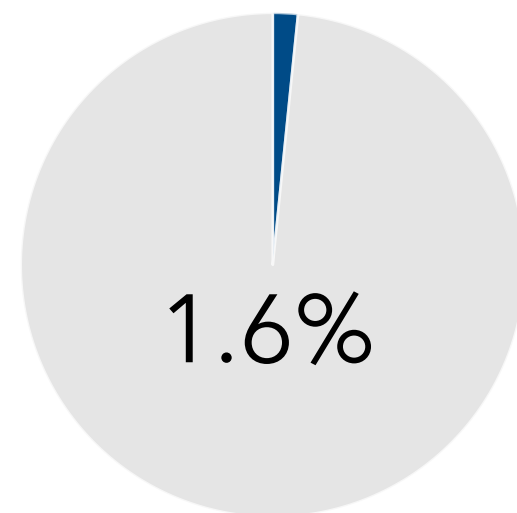
AUM: **\$628.5bn**
Head office: **London**

The insurer has long been a player in private debt, having run its own in-house private debt investor which it later spun out as Pemberton. It continues to invest in Pemberton's funds, having backed its most recent vehicle.

Private debt allocation

\$10.2bn

Private debt allocation as % of AUM



MEAG

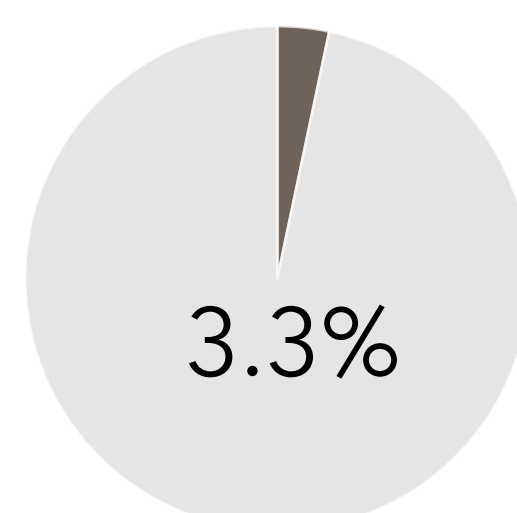
AUM: **\$303.1bn**
Head office: **Munich**

MEAG manages the assets of Munich Re and ERGO, as well as a number of institutional and private clients and has reach across Europe, Asia and North America. The firm's private debt investments tend to focus on private debt funds in North America, Asia-Pacific and Europe.

Private debt allocation

\$9.9bn

Private debt allocation as % of AUM



Zurich Insurance Group

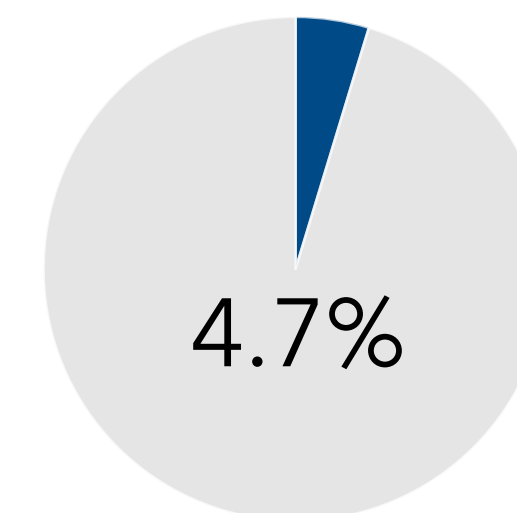
AUM: **\$195bn**
Head office: **Zurich**

Zurich Insurance Group has committed a significant chunk of its \$195 billion of assets to alternatives and particularly favours private debt and real estate assets. Private debt accounts for almost 5 percent of its total assets under management, equivalent to nearly \$10 billion.

Private debt allocation

\$9.2bn

Private debt allocation as % of AUM



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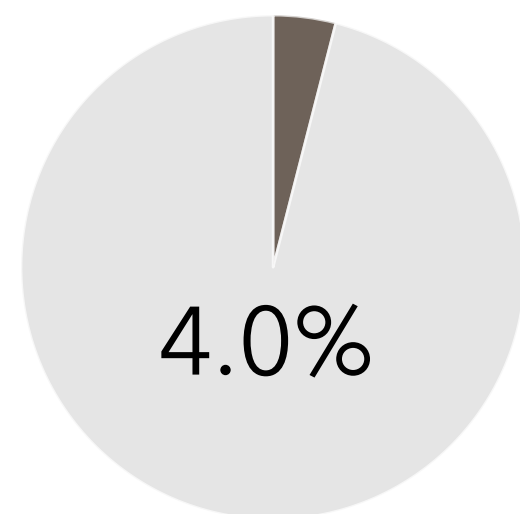
10 **Temasek Holdings**
 AUM: **\$229.1bn**
 Head office: **Singapore**

Temasek is an investment firm with significant investments in Asia. Its allocation to private debt is small but the firm is increasing its role in the asset class and finalised its first direct investment last year with a \$200 million facility for a New York-based clothing rental firm.

Private debt allocation

\$9.2bn

Private debt allocation as % of AUM



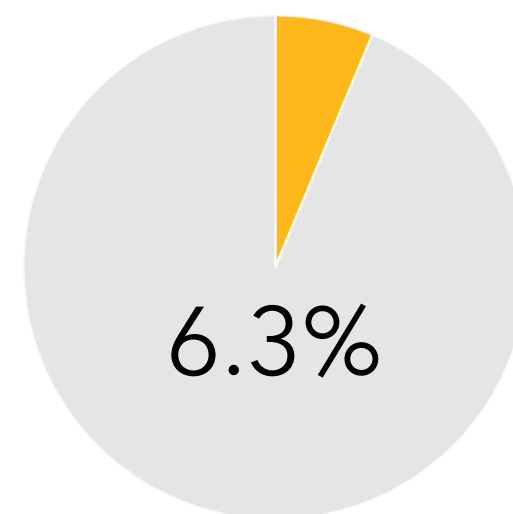
11 **Public Sector Pension Investment Board**
 AUM: **\$125.9bn**
 Head office: **Ottawa**

Canada's PSP Investments is a major player in alternative assets and manages a diversified global portfolio. Private debt is a relatively small part, but the firm has made big commitments including €500 million for European fund manager AlbaCore in 2016.

Private debt allocation

\$7.9bn

Private debt allocation as % of AUM



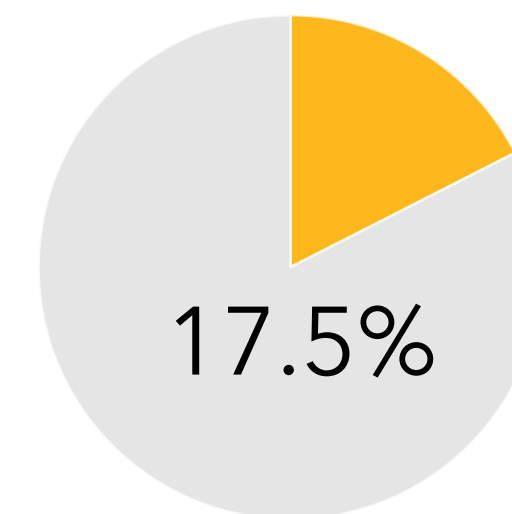
12 **Arizona State Retirement System**
 AUM: **\$40.3bn**
 Head office: **Phoenix**

Arizona's public sector pension fund is another prolific investor in alternatives, with private debt commanding the largest allocation from its funds. The firm has 17.5 percent of its portfolio committed to the asset class and could go further with a target allocation of 20 percent.

Private debt allocation

\$7.1bn

Private debt allocation as % of AUM



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13

Texas County and District Retirement System

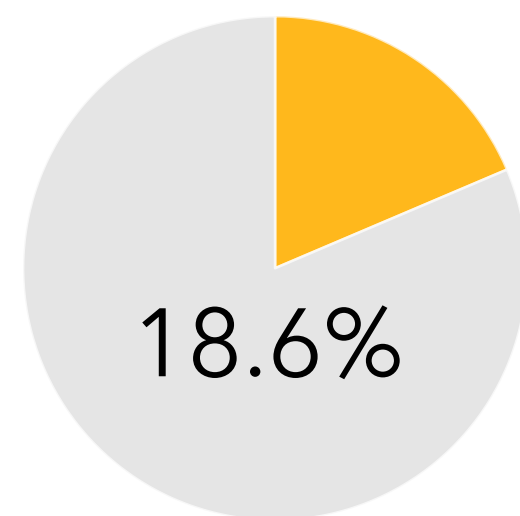
AUM: **\$30.4bn**
Head office: **Austin**

Texas County has a substantial 18.6 percent allocation to private debt yet remains below its 25 percent allocation target. As a result, it has been regularly deploying capital, most recently providing \$250 million for Silver Point Specialty Credit Fund II.

Private debt allocation

\$5.7bn

Private debt allocation as % of AUM



14

Ontario Municipal Employees Retirement System

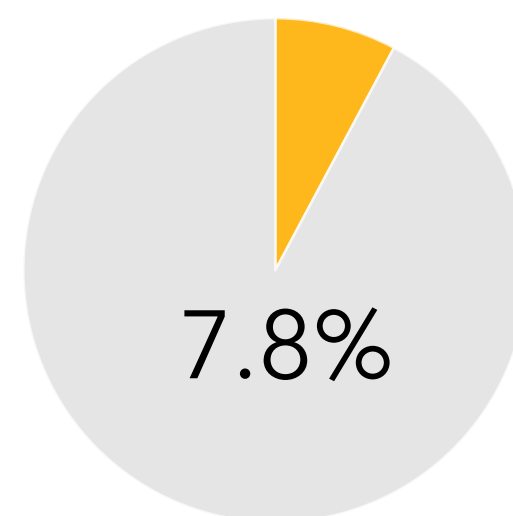
AUM: **\$71.1bn**
Head office: **Toronto**

The fund has a long history of alternatives investment, including a near 8 percent exposure to private debt. The pension plan has a focus on long-term, sustainable returns that also focuses on ESG concerns.

Private debt allocation

\$5.6bn

Private debt allocation as % of AUM



15

Pennsylvania Public School Employees' Retirement System

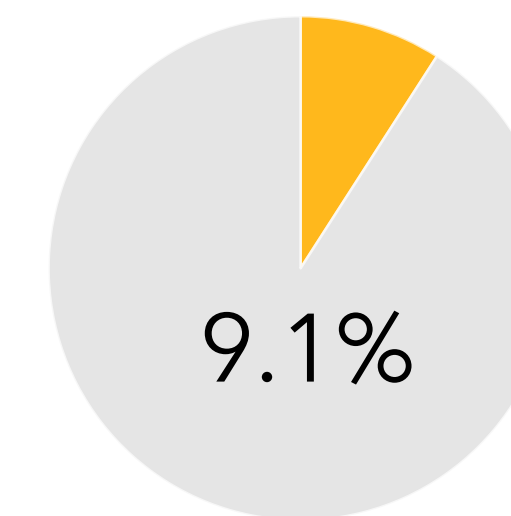
AUM: **\$55.8bn**
Head office: **Harrisburg**

The pension fund for Pennsylvania's public school employees has more than \$5 billion invested in private debt and made several commitments in 2018 and 2019. Its most recent was \$200 million for Bain Capital Distressed and Special Situations 2019.

Private debt allocation

\$5.1bn

Private debt allocation as % of AUM



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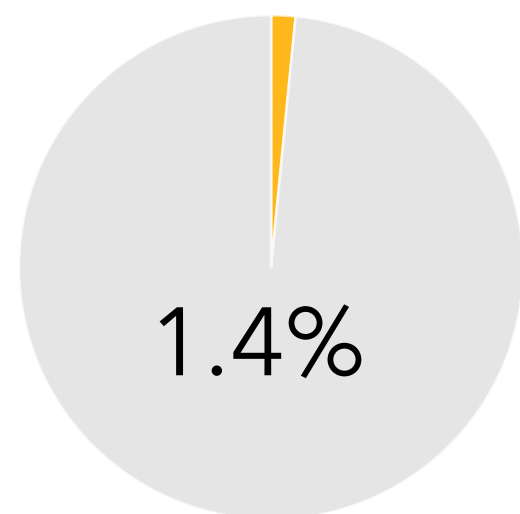
16 **California Public Employees' Retirement System**
 AUM: **\$357.7bn**
 Head office: **Sacramento**

The largest public pension fund in the US has long been a key player in alternative assets. Its private debt exposure is comparatively small but still amounts to more than \$5 billion. In 2018 it committed \$250 million to TowerBrook Structured Opportunities II.

Private debt allocation

\$5.0bn

Private debt allocation as % of AUM



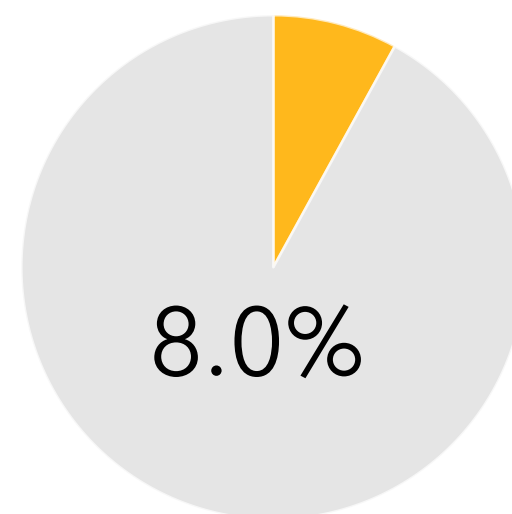
17 **Maryland State Retirement and Pension System**
 AUM: **\$52.7bn**
 Head office: **Baltimore**

Maryland's public pension fund has more than 405,000 members and is seeking consulting services to help it invest more into private markets. It continues to invest in debt funds and in 2019 provided \$150 million for CVI Chesapeake Credit Opportunities.

Private debt allocation

\$4.2bn

Private debt allocation as % of AUM



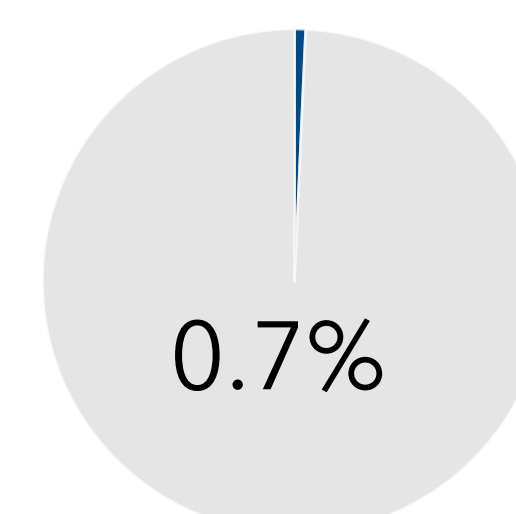
18 **Assicurazioni Generali**
 AUM: **\$583.5bn**
 Head office: **Trieste**

Trieste-based insurer Assicurazioni Generali commands significant assets but has a relatively small exposure to private debt at less than 1 percent of its admittedly large portfolio. The firm's private debt investments tend to target pan-European senior debt funds.

Private debt allocation

\$4.2bn

Private debt allocation as % of AUM



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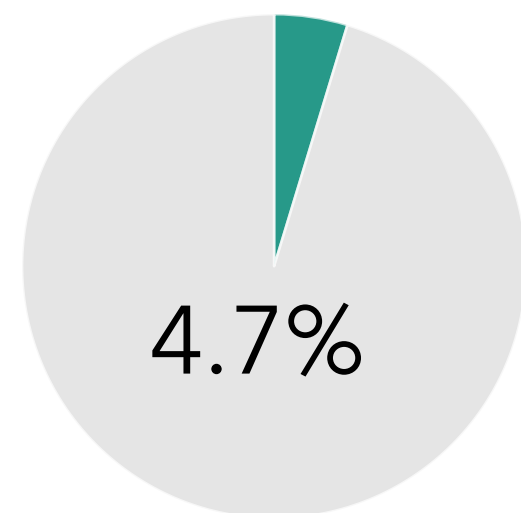
19 **Universities Superannuation Sceme (USS)**
 AUM: **\$87.5bn**
 Head office: **Liverpool**

The USS has a substantial 30 percent of its capital allocated to alternatives, of which private debt is the smallest component. It serves both defined benefit and defined contribution pension savers and has a particularly strong focus on investing in the UK.

Private debt allocation

\$4.1bn

Private debt allocation as % of AUM



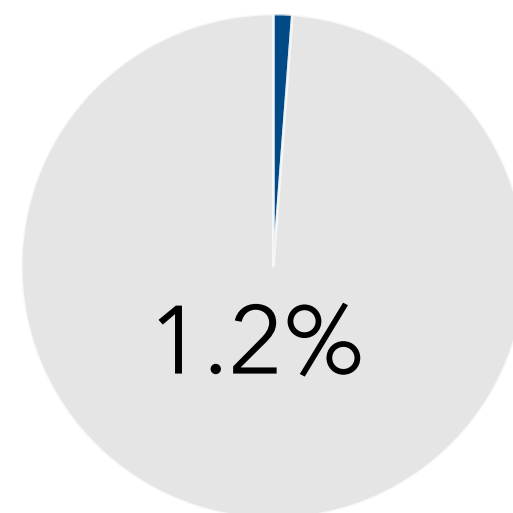
20 **Crédit Agricole Assurances**
 AUM: **\$326.7bn**
 Head office: **Paris**

Crédit Agricole Assurances is a major French insurer with operations worldwide. It has a modest allocation to private debt relative to its large portfolio and is known to have previously invested in mezzanine funds via French asset manager Amundi.

Private debt allocation

\$3.8bn

Private debt allocation as % of AUM



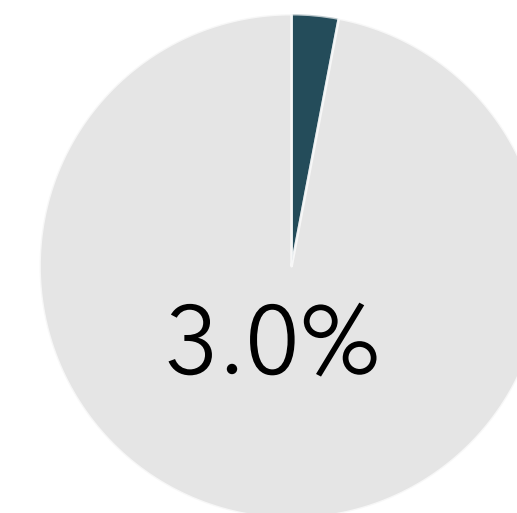
21 **Australia Future Fund**
 AUM: **\$102.7bn**
 Head office: **Melbourne**

The Australian sovereign wealth fund is responsible for investing on behalf of several vehicles. As well as the main Future Fund, it also invests from the Medical Research Future Fund, Aboriginal and Torres Strait Islander Land and Sea Future Fund and the DisabilityCare Australia Fund.

Private debt allocation

\$3.1bn

Private debt allocation as % of AUM



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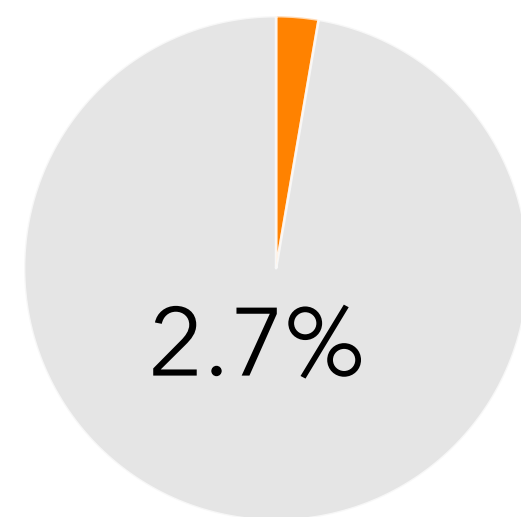
22 **AustralianSuper**
AUM: **\$111.8bn**
Head office: **Melbourne**

AustralianSuper is one of the largest pension providers in Australia and claims to provide services to one in 10 working Australians. Its private debt allocation is relatively small compared with other alternative asset classes and has historically been focused on investments in the Asia-Pacific region.

Private debt allocation

\$3.0bn

Private debt allocation as % of AUM



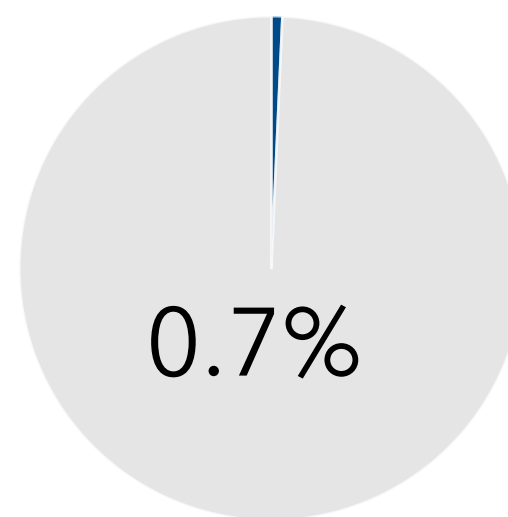
23 **Metropolitan Life Insurance Company**
AUM: **\$431.8bn**
Head office: **Whippany**

MetLife is a US-headquartered insurer that has offices in the US, Japan, Latin America, Asia, Europe, the Middle East and Africa. The firm has a 0.7 percent allocation to private debt and has historically invested in mezzanine funds across North America and Europe.

Private debt allocation

\$2.9bn

Private debt allocation as % of AUM



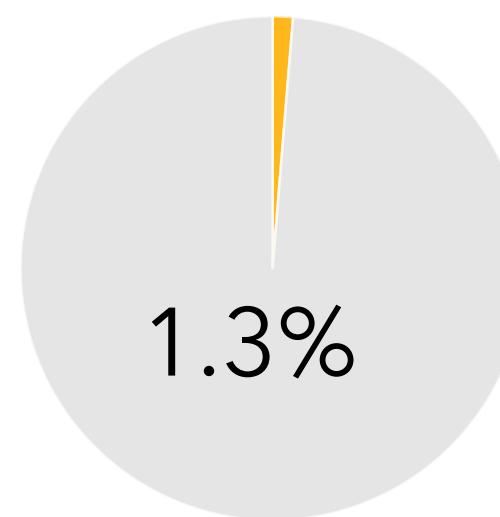
24 **New York State Common Retirement Fund**
AUM: **\$210.2bn**
Head office: **Albany**

The fund claims to be the third-largest public pension plan in the US with more than one million members. It continues to make commitments to private debt, especially distressed debt. In 2019, it provided \$200 million for Clearlake Opportunities Partners II.

Private debt allocation

\$2.7bn

Private debt allocation as % of AUM



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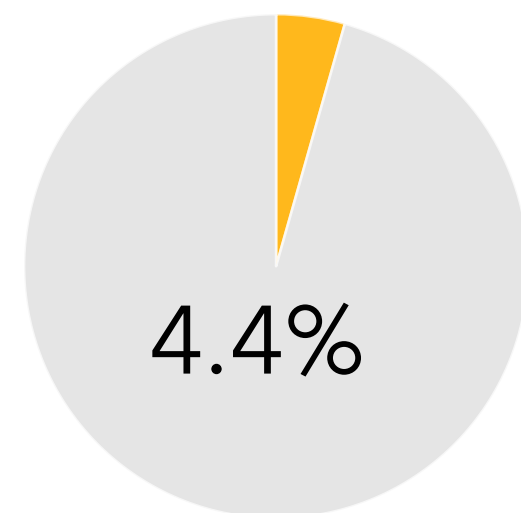
25 **Teachers' Retirement System of the State of Illinois**
 AUM: **\$52.2bn**
 Head office: **Springfield**

The pension fund has been actively seeking out debt opportunities in recent years. It has backed vehicles that invest across the capital stack including senior debt, mezzanine and distressed funds. In 2019, it provided \$100 million for Taurus Mining Finance Fund II.

Private debt allocation

\$2.3bn

Private debt allocation as % of AUM



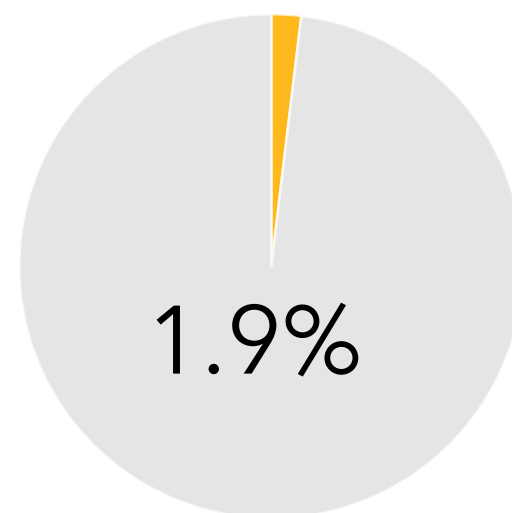
26 **BCI**
 AUM: **\$115.2bn**
 Head office: **Victoria**

Although Canadian pension fund BCI has been a big investor in alternative assets, which makes up more than one-third of its portfolio, private debt is still a relatively small part of this. The fund has invested in a wide range of corporate lending strategies across senior debt, mezzanine and distressed.

Private debt allocation

\$2.2bn

Private debt allocation as % of AUM



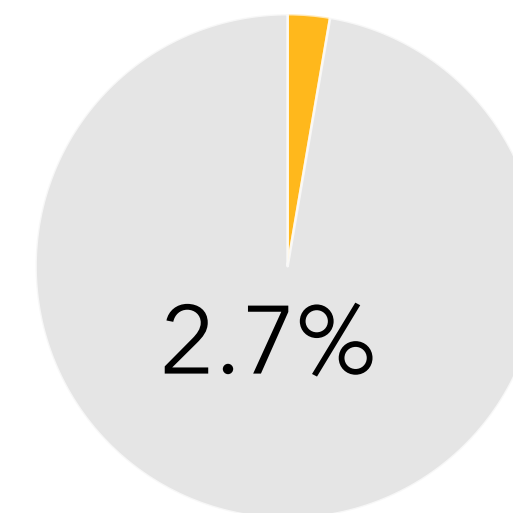
27 **Virginia Retirement System**
 AUM: **\$80.4bn**
 Head office: **Richmond**

The pension fund serves 705,000 members in defined benefit, defined contribution and hybrid plans. It has particularly sought out investments in distressed debt vehicles. In 2019, it committed \$150 million to KKR Real Estate Credit Opportunity Partners II.

Private debt allocation

\$2.2bn

Private debt allocation as % of AUM



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28

Employees Provident Fund of Malaysia

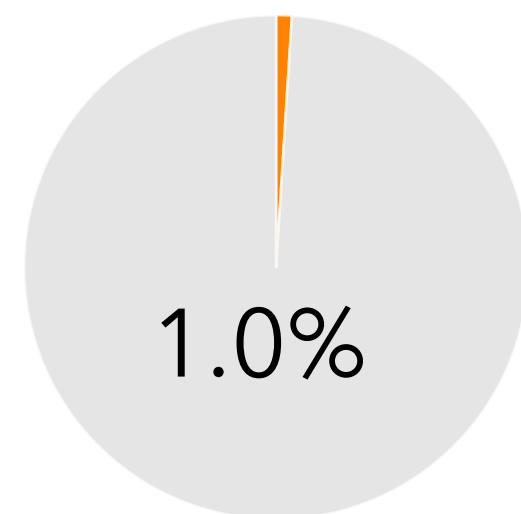
AUM: **\$210.6bn**
Head office: **Kuala Lumpur**

Malaysia's public pension plan has a small but significant allocation to private debt and is focused on investing in fund of private debt funds. It has a broad geographic scope and can invest globally with a preference for corporate debt opportunities.

Private debt allocation

\$2.1bn

Private debt allocation as % of AUM



29

South Carolina Retirement System

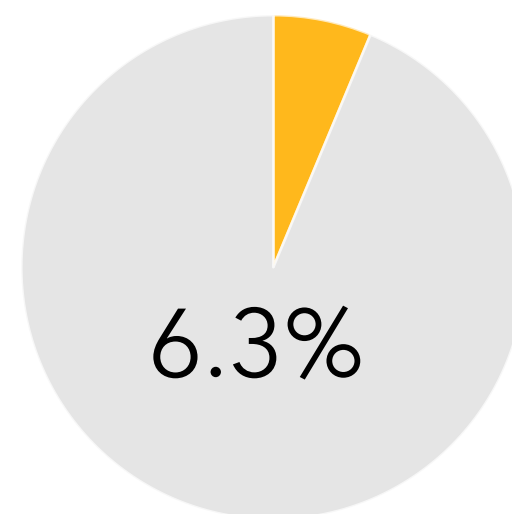
AUM: **\$32bn**
Head office: **Columbia**

The South Carolina Retirement System manages five pension funds for public employees including police, national guard and judges representing more than 590,000 members. It continues to back private debt funds and in 2019 committed \$500 million to a joint venture with Barings BDC.

Private debt allocation

\$2.0bn

Private debt allocation as % of AUM



30

California State Teachers' Retirement System

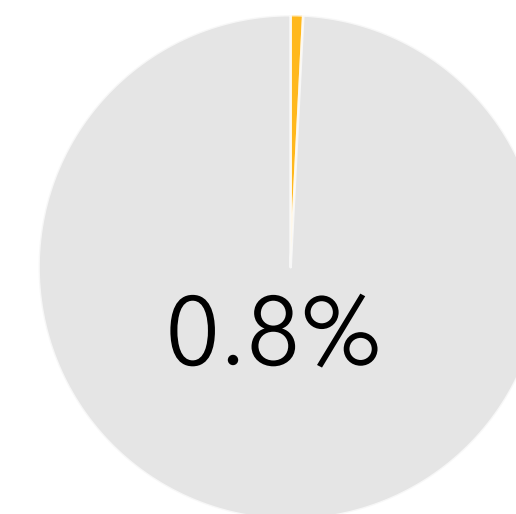
AUM: **\$227.8bn**
Head office: **Sacramento**

CalSTRS has a significant allocation to alternatives, particularly real estate, but its private debt exposure remains relatively small. It backed two debt funds in 2018, including a real estate debt joint venture with POBA and the Peak Rock Capital Credit Fund II.

Private debt allocation

\$1.9bn

Private debt allocation as % of AUM



Private Debt Investor

This report was compiled from data collected for *PDI's Global Investor 30* published in October 2019.

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