



INVESTOR REPORT FULL YEAR 2020

Private Debt Investor's interactive and downloadable review
of the private debt investor environment

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Largest private debt commitments in 2020 total \$7.65bn

The 15 largest commitments made to 2020-vintage private debt funds totalled nearly \$8 billion in allocated capital. Investors illustrated strong appetite for North America, with eight of the top 15 fund commitments focusing on this region.

The two largest 2020-vintage private debt commitments were made by California Public Employees' Retirement System. The pension committed \$2 billion to West Street Strategic Solutions Fund I and \$1 billion to OHA Black Bear Fund.

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Largest known private debt fund commitments made in 2020

Institution	Fund	Manager	Commitment (\$m)	Region	Strategies
California Public Employees' Retirement System	West Street Strategic Solutions Fund I	Goldman Sachs Merchant Banking Division	2,000.0	North America	Subordinated/mezzanine debt (origination)
California Public Employees' Retirement System	OHA Black Bear Fund	Oak Hill Advisors	1,000.0	North America	Subordinated/mezzanine debt (origination)
Virginia Retirement System	Carlyle Diversfied Credit	The Carlyle Group	1,000.0	Multi-regional	Senior debt (origination)
Korean Teachers' Credit Union (KTCU)	M&A Loan Fund (including co-investment)	Hana Alternative Asset Management	429.7	Asia-Pacific	Subordinated/mezzanine debt (origination)
California Public Employees' Retirement System	Sixth Street Fundamental Strategies Partners	Sixth Street	350.0	North America	Subordinated/mezzanine debt (origination)
Minnesota State Board of Investment	Oaktree Opportunities Fund XI	Oaktree Capital Management	300.0	Multi-regional	Distressed debt (acquisition)
New York State Common Retirement Fund	Avenue Sustainable Solutions Fund	Avenue Capital Group	300.0	North America	Senior debt (origination)
New York State Common Retirement Fund	Stellex Capital Partners II	Stellex Capital Management	300.0	Multi-regional	Distressed debt (acquisition)
Texas Municipal Retirement System	PIMCO Corporate Opportunities Fund III	Pacific Investment Management Co. (PIMCO)	300.0	North America	Subordinated/mezzanine debt (origination)
Virginia Retirement System	SSG Secured Lending Opportunities III	Ares SSG Capital Management	300.0	Asia-Pacific	Senior debt (origination)
Virginia Retirement System	Oaktree Opportunities Fund XI	Oaktree Capital Management	300.0	Multi-regional	Distressed debt (acquisition)
Virginia Retirement System	Ares Private Credit Solutions II	Ares Management	300.0	North America	Subordinated/mezzanine debt (origination)
San Francisco Employees' Retirement System	Presidio Loan Fund	HPS Investment Partners	275.0	North America	Senior debt (origination)
Florida Retirement System Trust Fund	Torchlight Debt Opportunity Fund VII	Torchlight Investors	250.0	North America	Senior debt (origination)
State of Michigan Retirement Systems	SJC Onshore Direct Lending Fund IV	Czech Asset Management	250.0	Multi-regional	Senior debt (origination)



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US pensions dominate private debt investor activity

Among the top 10 most active investors by number of known 2020-vintage fund commitments in private debt, nine are US public pension funds. Florida Retirement System Trust Fund tops the list, with ten commitments made to 2020-vintage funds. Most investors in the top 10 have a multi-regional appetite for private debt fund commitments.

Altogether the 10 most active investors of 2020 made 73 known commitments to 2020-vintage private debt funds.

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Top10 most active investors based on known private debt fund commitments made in 2020

Institution	Regional HQ	Number of 2020 commitments	Regional appetite
Florida Retirement System Trust Fund	North America	10	Asia-Pacific, North America, Europe
European Investment Fund	Western Europe	7	Europe
Connecticut Retirement Plans and Trust Funds	North America	7	All regions considered
Teachers' Retirement System of Louisiana	North America	6	All regions considered
School Employees' Retirement System of Ohio	North America	6	All regions considered
Virginia Retirement System	North America	6	All regions considered
Indiana Public Retirement System	North America	5	All regions considered
Maryland State Retirement and Pension System	North America	5	All regions considered
State of Wisconsin Investment Board	North America	5	All regions considered
New York State Common Retirement Fund	North America	4	North America, Europe



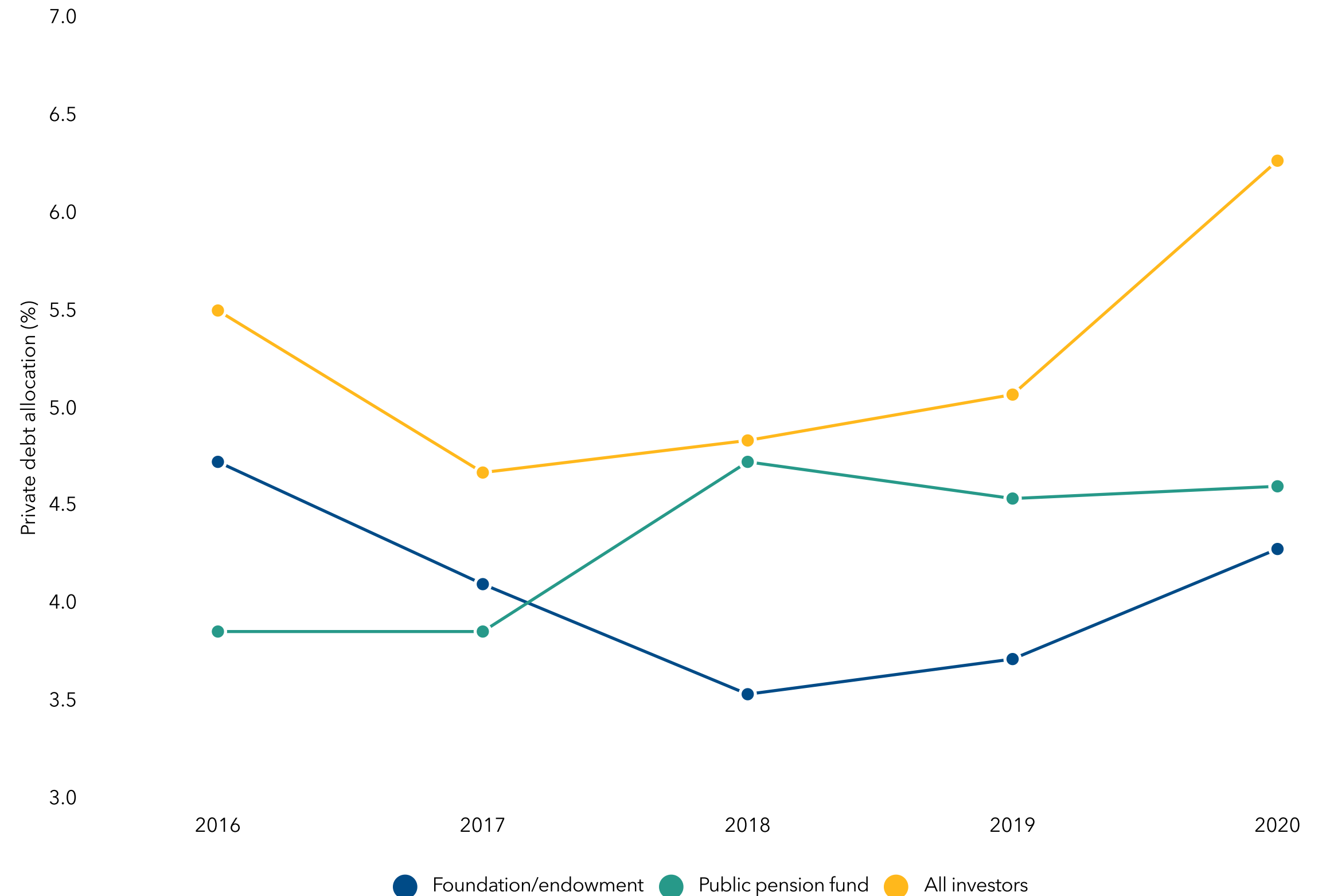
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Average private debt allocation reaches the highest point since 2016

Investors' allocations to private debt continue to increase. Since 2017, the average allocation to the asset class has risen from 4.72 percent to 6.32 percent as of year-end 2020.

Foundations and endowments as well as public pension funds showed increases in allocations from 2019 to 2020, though they represent a below-average allocation to private debt.

Historical private debt allocation by institution type



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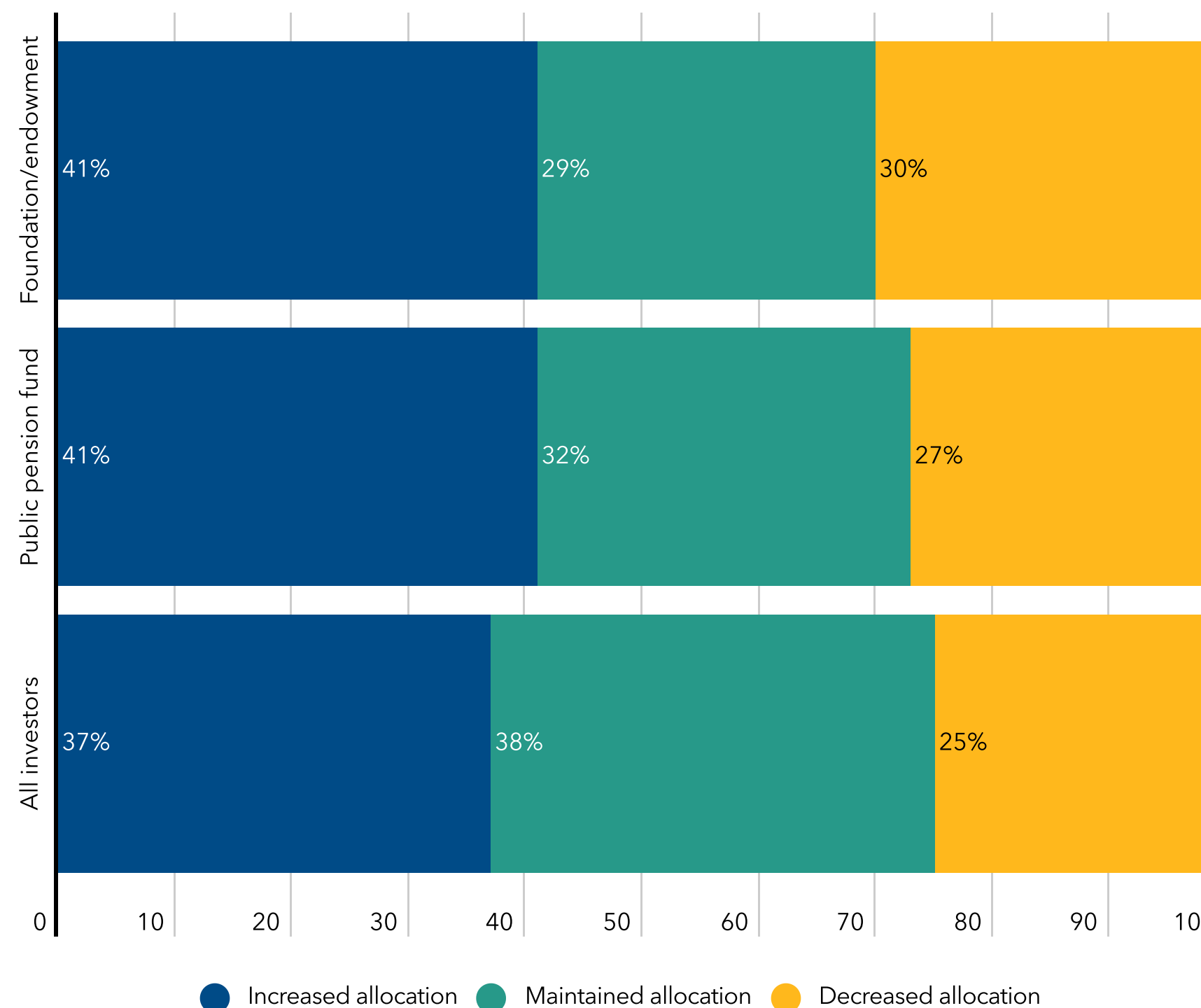
Majority of LPs maintained or increased PD exposure

On average, 37 percent of institutional investors globally increased their allocations to private debt during 2020, while 25 percent of the investors shifted capital away from the asset class within the same period. Foundations and endowments as well as public pension funds displayed notable appetite for the asset class: 41 percent of these institutions increased their private debt allocations in 2020.

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To view the private debt trends to keep an eye on in 2021

Percentage of institutions that increased, maintained or decreased their private debt allocations in 2020



75%

Percentage of investors globally that have maintained or shifted more capital into private debt



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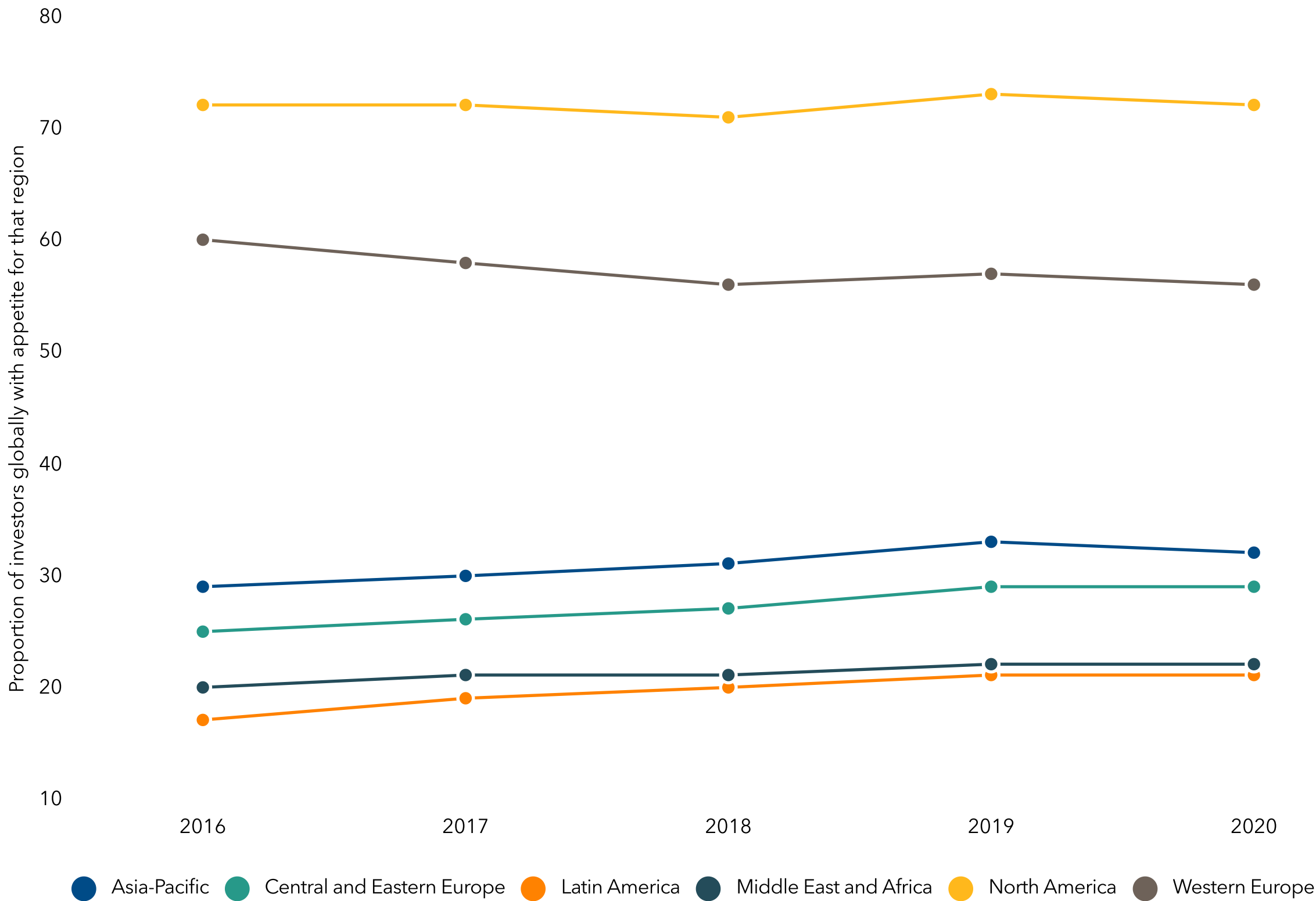
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Most investors have appetite for North America

Regional appetite has remained relatively consistent since 2016, with investors displaying the greatest appetite for North America- and Western Europe-focused funds.

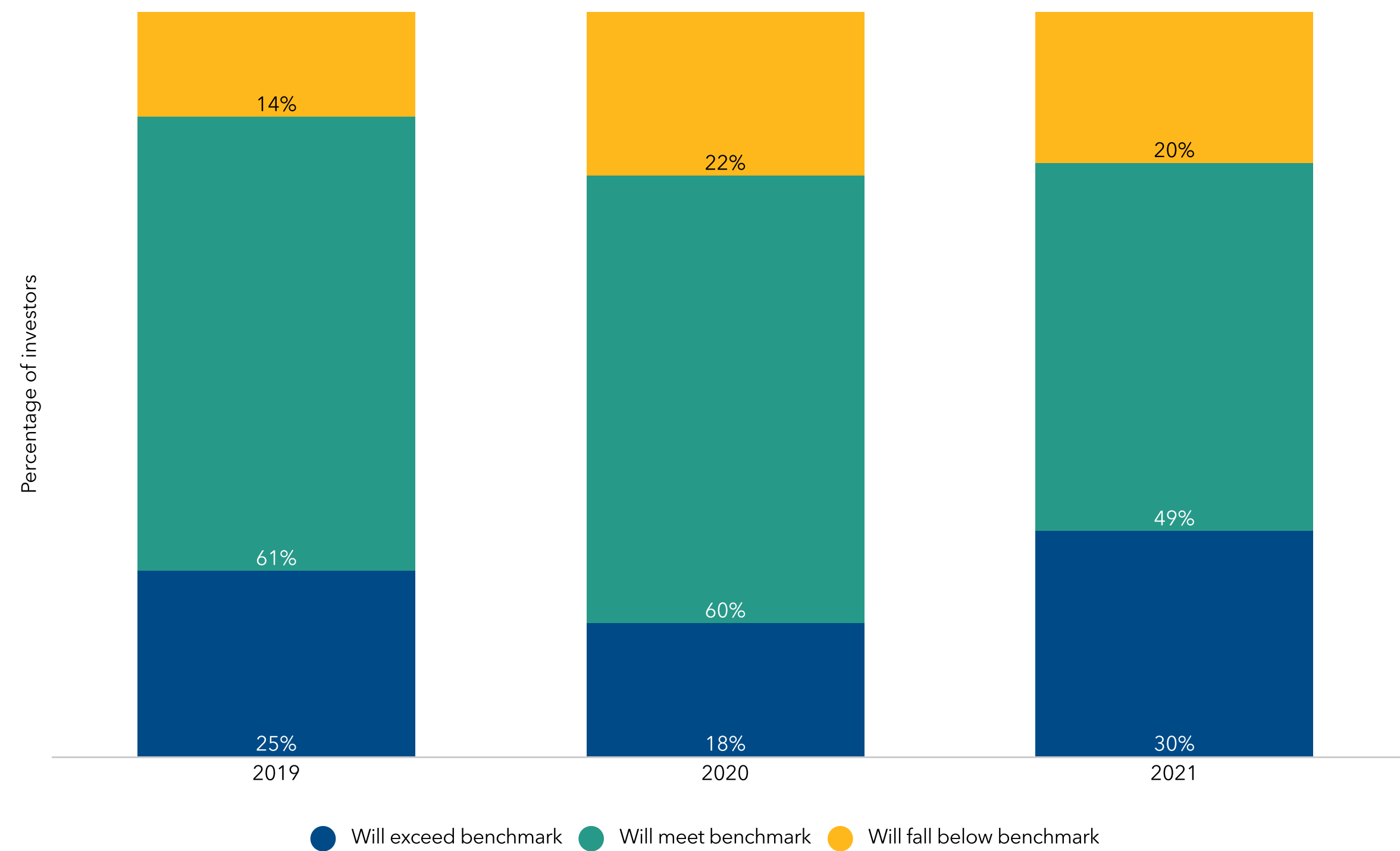
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Historical regional appetite of investors globally



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Investor sentiment on how private debt investments will performance against benchmarks in the next 12 months



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Investors show increased confidence in private debt performance for 2021

According to *Private Debt Investor's LP Perspectives 2021* study, 55 percent of investors anticipate private debt will meet or exceed benchmarks, with a minor proportion anticipating the performance of these investments to fall below benchmark. As shown in the following slide, investors remain optimistic about the private debt landscape and will continue to invest through a range of strategies.

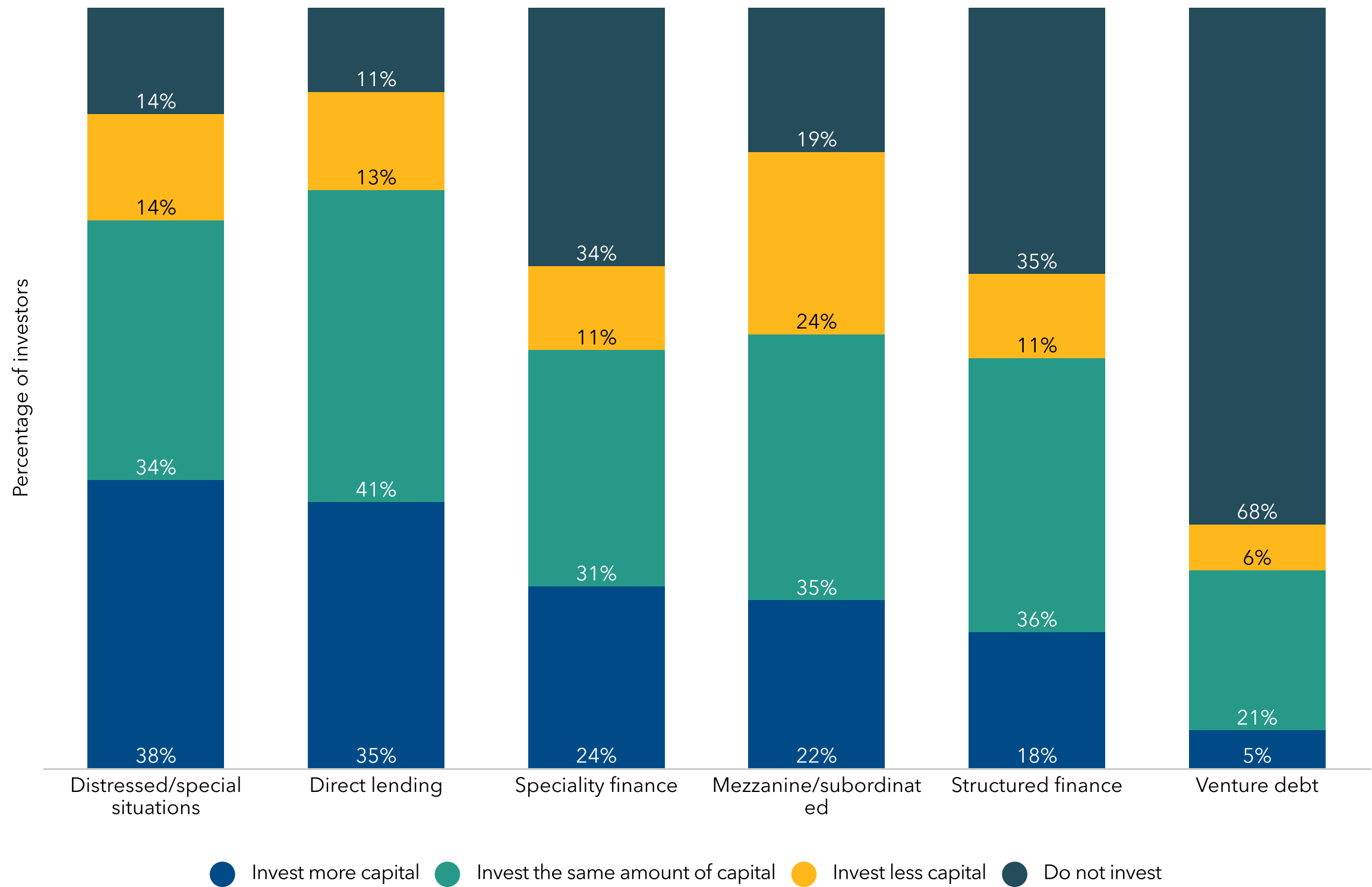
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To view *Private Debt investor's 2020 Fundraising Report*

Investors show their appetite for distressed debt and direct lending strategies

Regardless of strategy, most investors plan to maintain or shift more capital into private debt. According to *Private Debt Investor's LP Perspectives 2021* study, appetite is strongest for distressed/special situations and direct lending.

Investor appetite for different strategies



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To view more data from the *LP Perspectives 2021* study



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