

Press Release

AustralianSuper increases Churchill Asset Management partnership to US\$1.5 billion

Sydney, 13 December, 2023 – AustralianSuper, Australia’s largest superannuation fund, today announced it has increased the program size of its partnership with Churchill Asset Management, an investment specialist affiliate of Nuveen, to US\$1.5 billion.

The investment program targets senior and unitranche loans to private equity-backed U.S. middle market companies and builds on the partnership established in December 2022.

AustralianSuper has over US\$4.5 billion (A\$7 billion) invested in private credit globally, with the stated ambition to triple its exposure in coming years through a mix of direct lending by its in-house private credit team and strategic partnerships with best-in-class specialist managers such as Churchill.

AustralianSuper was ranked as the 18th largest pension fund in the world* earlier this year in the Pensions and Investments / Thinking Ahead Institute's Global Top 300 Pension study. The Fund manages more than \$300 billion of retirement savings on behalf of its 3.3 million members. AustralianSuper is looking to increase its investments in private credit as it is an asset class which could have the potential to provide attractive income, returns and stability during uncertain economic times.

Nuveen’s 2023 EQUilibrium survey found that over 80% of global institutional investors were planning to expand their reach for yield. Nearly half of those respondents were revisiting their traditional fixed income allocations, and the next most popular course of action was investment into private credit.

Churchill is the US\$47 billion U.S. private capital investment-specialist of Nuveen, the asset manager of TIAA. Churchill has an established 17-year track record of disciplined investing in middle market senior loans across economic cycles and was recently ranked as the #1 most active U.S. direct lender in Q3 2023 by KBRA Direct Lending Deals**. The firm reached a record high in activity in 2022 as it invested US\$11 billion in over 375 transactions across senior lending, junior capital, equity co-investments and private equity fund commitments.

Churchill first partnered with Nuveen as the firm’s exclusive middle market senior and unitranche debt financing group in 2015. In 2022, Nuveen expanded its private debt platform with the acquisition of Arcmont Asset Management, covering the European market.

Ken Kencel, President and CEO of Churchill said:

“We are excited to grow our partnership with AustralianSuper, Australia’s largest superannuation fund, and increasingly an investment leader on the global stage. AustralianSuper’s latest instalment reinforces the strength of our strategic partnership and their confidence in both our strategy and the private credit market. We believe we are currently in one of the most attractive investment environments in recent history, and we are pleased to provide AustralianSuper differentiated access to our directly originated, proprietary senior loan assets.”

AustralianSuper Head of Private Credit Nick Ward said:

“We believe the current environment is especially appealing to increase our investments in private credit. Lending margins have increased due to heightened macroeconomic risks, base

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rates have gone from zero to 5% so you are now looking at yields of 10-12% for senior lending to middle market companies***.

We believe Churchill is a best-in-class loans manager. Together with their long track record and being able to underwrite loans with knowledge of the higher rates environment represents an attractive risk-adjusted proposition.”

Andrew Kleinig, Managing Director and Head of Australia at Nuveen, said:

“We are delighted to expand our remit with AustralianSuper and further extend what has been a very successful partnership to date. We’ve seen a well-documented increase in the search for yield around the world.

This rings especially true in Australia’s superannuation market as ever-growing funds, and an aging population, mean post-retirement stage members are driving increased demand for consistent income opportunities.

Nuveen Private Capital is uniquely equipped with specialist partners, including Churchill and Arcmont Asset Management in Europe, to meet the demand for private capital from AustralianSuper and other local institutional investors.”

ENDS

* ["World's top pension funds see the largest assets fall in 20 years"](#). WTW. Retrieved 20 October 2023.

** KBRA Direct Lending Deals League Tables – H1 2023 and Q3 2023.

*** Represents spread plus the greater of 3-month base rate, or base rate floor, if applicable, plus amortization of OID over 3-year assumed loan life. Portfolio yield is only one component of expected performance and is not and should not be viewed as a statement of the future performance of the strategy

About AustralianSuper:

AustralianSuper manages more than A\$300 billion (almost US\$200 billion) of members’ retirement savings on behalf of almost 3.3 million members from around 461,000 businesses. One in 7 working Australians is a member of AustralianSuper, the nation’s largest superannuation (pension) fund.

About Churchill Asset Management LLC:

Churchill, an investment-specialist affiliate of Nuveen (the asset manager of TIAA), provides customised financing solutions to middle market private equity firms and their portfolio companies across the capital structure. With US\$47 billion of committed capital, we provide first lien, unitranche, second lien and mezzanine debt, in addition to equity co-investments and private equity fund commitments. Churchill has a long history of disciplined investing across multiple economic cycles and our unique origination strategy, best in class execution and investment are driven by more than 160 professionals in New York, Charlotte, Chicago, Dallas and Los Angeles. More information can be found at www.churchillam.com.

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Nuveen

Nuveen, the investment manager of TIAA, offers a comprehensive range of outcome-focused investment solutions designed to secure the long-term financial goals of institutional and individual investors. Nuveen has \$1.1 trillion in assets under management as of 31 September 2023 and operations in 27 countries.

Its investment specialists offer deep expertise across a comprehensive range of traditional and alternative investments through a wide array of vehicles and customized strategies. For more information, please visit www.nuveen.com.

Investing involves risk; loss of principal is possible. Private equity and private debt investments, like alternative investments are not suitable for all investors given they are speculative, subject to substantial risks including the risks associated with limited liquidity, the potential use of leverage, potential short sales, concentrated investments and may involve complex tax structures and investment strategies.

Nuveen, LLC provides investment solutions through its investment specialists

Contact:

Nuveen

Jeremy Steven

Senior Account Manager, Honner

+61 432 798 078

jeremy@honner.com.au

AustralianSuper

Stephen McMahon

Senior Manager, Media Relations

+61 0407 507 415

smcmahon@australiansuper.com

GPS-3261059PM-O1223X