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AustralianSuper set to triple global private debt investments

AustralianSuper will triple its investments in private debt to over \$15 billion in the next three years according to the Fund's new Head of Private Credit, Nick Ward.

Mr Ward has been promoted to manage AustralianSuper's global amalgamated private credit exposures across the Fund's direct and indirect strategies.

'AustralianSuper currently has over \$5 billion in private credit and we have an ambitious plan to triple the portfolio to over \$15 billion over the next few years,' Mr Ward said.

'We have been investing directly in private debt for over five years and we continue to like the asset class.

'The Fund wants to increase the amount of member assets and number of loans we invest in private debt. We see most of this growth being via direct lending, and to make this happen we're looking to boost our team in AustralianSuper's London office.'

AustralianSuper is Australia's largest pension fund with over \$225 billion in member assets.

'AustralianSuper has strong and sustainable cash inflows and the challenge for the Fund is to continue to deploy capital to help achieve the best possible long-term returns for Fund members,' Mr Ward said.

'AustralianSuper can provide borrowers with flexible capital and tailored solutions as we are not a bank or a fund manager with a rigidly defined mandate.

'Within real asset classes like infrastructure and real estate, we have extensive experience in providing different types of loans across the capital stack from senior loans for construction projects, to subordinated and mezzanine debt, to preferred equity.'

Mr Ward said AustralianSuper has played a role in supporting businesses during Covid where the Fund saw long-term value underpinned by real assets.

'We supported Heathrow Airport last year to provide liquidity given air traffic has been severely affected by Covid and we have backed other challenged assets including Manhattan office space, retail parks and shopping malls,' Mr Ward said.

'AustralianSuper is targeting large loans in excess of \$100 million and we can share positions where we secure a meaningful allocation, but we can also do 100% of a loan position and have the capital to back that up.'

AustralianSuper's Private Credit team has 10 dedicated staff with three in London and the rest in the Fund's Melbourne head office. The team is expected to grow to 16 dedicated staff in the next 12 months, with all the new hires being offshore. During that time the Fund will look to open its New York office where Private Credit team members will form an integral part.

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About AustralianSuper

AustralianSuper manages more than \$225 billion of members' retirement savings on behalf of more than 2.4 million members from around 350,000 businesses. One in 10 working Australians is a member of AustralianSuper, the nation's largest super fund. The Fund is a top performing fund delivering annual member returns of 9.73% a year over the past 10 years, ranking it number 1 in Australia.*

* AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60–76) Index to 30 June 2021.

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