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PRESS RELEASE

BNP Paribas Asset Management appointed by Nest to manage diversified private credit portfolio

BNP Paribas Asset Management ('BNPP AM') announces that it has been appointed to manage a diversified private credit portfolio on behalf of Nest, a defined contribution workplace pension scheme created as part of the UK government's 2008 workplace pensions reforms to facilitate auto-enrolment.

BNPP AM will create an open-ended diversified private credit fund, initially consisting of exposure to infrastructure debt, commercial real estate debt, European mid-market loans, UK SME [Small and Medium-sized Enterprises] loans and US mid-market loans. The latter will be originated via the partnership between BNPP AM and BNP Paribas Corporate & Institutional Banking's US Leveraged Finance Group. The fund will be a collaboration between BNPP AM's Multi-Asset, Quantitative & Solutions ('MAQS') and Private Debt & Real Assets ('PDRA') investment divisions. MAQS will manage strategic asset allocation to optimise the illiquidity premium of the underlying asset classes, with the specialist PDRA teams originating private market transactions. The fund will offer active asset allocation in evergreen form, with principal repayments and interest reinvested to provide a total return for Nest's members.

Guy Davies, UK CEO of BNP Paribas Asset Management, comments:

"We are proud to have been selected by Nest and look forward to a long-term strategic partnership with them. In recent years we have made significant investments into our private debt platform, our pensions solutions business and our sustainable investment offering. This mandate brings together all three in the form of a market-leading innovation that will enable Nest's individual DC members to access private markets that can offer lower volatility and enhanced returns relative to their public market equivalents. It is also testament to our commitment to private debt and real assets, as well as our ability to tailor solutions for pension plans which offer diversified exposure on a global basis."

Philip Dawes, Head of Sales for the UK & Ireland at BNP Paribas Asset Management, comments:

"We have adapted our existing approach to managing diversified private credit and cashflow-driven investing on behalf of DB schemes in order to be able to offer DC schemes access to the same private market investment capabilities. This mandate will invest in each asset class according to the ESG [Environmental, Social & Governance] principles established by our Global Sustainability Centre, as well as incorporating forms of impact investing such as UK SME loans. In many instances underlying transactions will be identified and structured in partnership with the wider BNP Paribas Group, offering clients access to the balance sheet of one of the world's largest originators of private transactions."

Mark Fawcett, Chief Investment Officer of Nest, comments:

"Nest's move into private credit is an important step in developing our investment strategy and helping to deliver the strong risk-adjusted returns we want for our members. In a very competitive tender process BNP Paribas Asset Management's expertise, commitment to ESG and innovation really stood out and caught our attention. They've found a way in which we can confidently allow our members to benefit from the lower volatility and enhanced returns private markets can offer."

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The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay.

PRESS CONTACTS

BNP Paribas Asset Management

Quentin Smith

+44 (0)20 7063 7106

quentin.smith@bnpparibas.com

Nest

Ben Ward

+44 (0)7881 511845

ben.ward@nestcorporation.org.uk

About BNP Paribas Asset Management

BNP Paribas Asset Management is the asset management arm of BNP Paribas, one of the world's foremost financial institutions, and offers high value-added solutions to individual savers, companies, and institutional investors. It has a broad range of skills in four investment divisions: Equities, Fixed Income, Private Debt & Real Assets, and Multi-Asset, Quantitative and Solutions (MAQS). Sustainability is at the heart of BNP Paribas Asset Management's strategy and investment decision-making process, making an active contribution to energy transition, environmental protection and the promotion of equality and inclusive growth. Its aim is to achieve long-term sustainable investment returns for its clients. BNP Paribas Asset Management has assets under management of EUR 427 billion* (as at 30 June 2019), with more than 520 investment professionals and almost 500 client servicing specialists, serving individual, corporate and institutional clients in 71 countries.

* EUR 575 billion of assets under management and advisory as at 30 June 2019

For more information please see www.bnpparibas-am.com, or follow us on:



About Nest

Nest was set up by the UK government in 2011 to help deliver auto-enrolment and ensure every employer has a pension scheme available to enrol their eligible workers. It is now the largest pension scheme in the UK with more than 8 million members, looking after £7.5 billion worth of assets on their behalf.

Forecasts put Nest as having £20 billion assets under management by 2022, and by the late 2020s, one third of the working population is expected to have a pension pot with Nest.

Nest is a not-for-profit pension scheme that is committed to helping millions of people, and particularly those on low income, enjoy a better retirement. It offers savers an award-winning investment strategy through a diversified portfolio and is a committed responsible investor.

For more information please see www.nestpensions.org.uk.