



US Investor Intentions H1 2022 **Private Credit**

February 2022

ALTERNATIVE
CREDIT COUNCIL

AIMA

with.
Intelligence

A steady performance in choppy market conditions

As 2022 begins, With Intelligence's latest Investor Intentions survey finds private credit holding a stable position on US investors' radar. The industry's recent performance has proved a much-needed reminder that private credit can deliver the goods for investors in terms of stability, diversification strategies and modest but reasonably reliable profit.

Over the past two years, confidence and growth in private credit have remained steady, as the industry delivered solid results. On the positive side of the ledger, our data shows that private credit ended 2021 by posting increased mandates and commitments from public pensions. It's this kind of activity that's seen private credit quietly maintain its position as we enter the third year of the pandemic. Not bad going, all things considered.

Further growth opportunities for private credit lie in the acquisition of distressed debt, in debt-for-equity deals, both in the US and Europe. Investors also saw a large amount of dry powder in the market as the search for yield in a still historically low-interest-rate environment continued. Consequently, private credit benefited as a diversification strategy, although there was a small dip year-over-year, as other allocators sought greater returns elsewhere. Read on to see how and why US investors are still standing by private credit in these challenging times.

3 Key findings

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224

US allocators surveyed
for this report

40%

Allocators increasing
their PC allocation

57%

Public pensions increasing
their PC allocation

37%

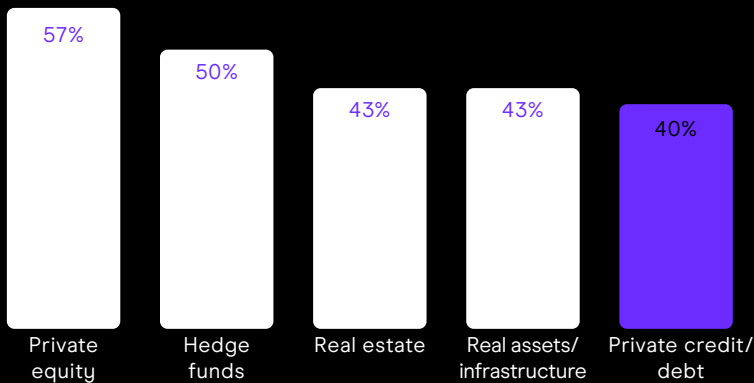
Increasing allocations
because of low fixed
income yields

Key findings

- Two-fifths of US allocators surveyed by With Intelligence said they were likely to increase their allocation to private credit in the next 12 months
- Interest is being driven by public pensions (57%) and family offices (50%)
- 44% of family offices are interested in distressed debt
- Overall, more US allocators were interested in private equity (57%) than all other asset classes

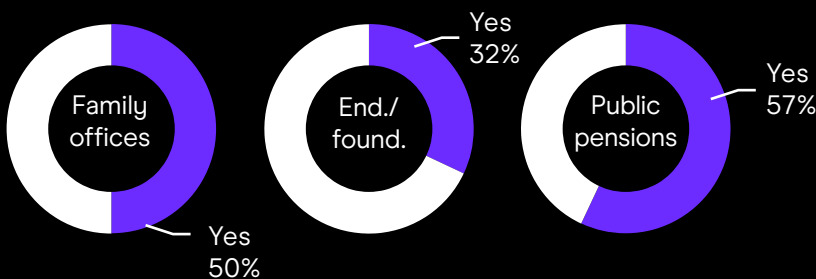
50%
Family offices increasing their PC allocation

Investors likely to increase allocation to alternatives



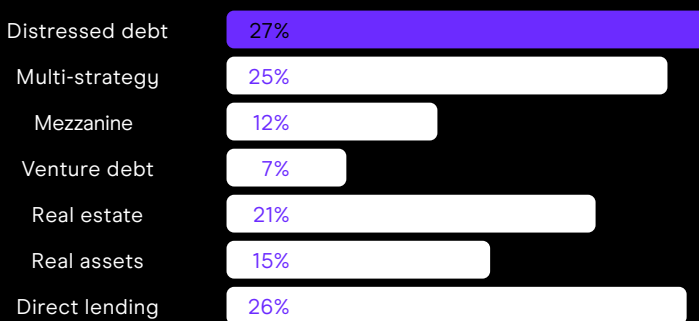
55%
Allocators increasing to reach target allocation

Investors likely to increase allocation to private credit



43%
Public pensions interested in direct lending strategies

Allocator interest across different private credit strategies



30%
Public pensions interested in European opportunities

The image features a black background with a grid of purple lines. The lines are arranged in a pattern that appears to be a grid of small squares, but the lines themselves are slightly offset or staggered, creating a textured, woven effect. The lines are a vibrant purple color. In the center of the image, the text "Section 1" is written in a large, white, sans-serif font. Below it, the word "Overview" is written in a smaller, white, sans-serif font. The text is centered horizontally and vertically within the grid.

Section 1

Overview

Private credit continuing to perform strongly

Our Investor Intentions data shows that private credit still has an important role to play for many US allocators as we enter 2022. A reassuring result for an asset class that, in recent years, has played second fiddle to private equity. Over the past few years, many institutions were indeed adjusting their alternatives portfolios towards private equity — often doing so rather vocally. Big institutions were also making space for larger allocations to the likes of real assets and real estate. While the trend towards private equity opportunities remains (this year sees a renewed focus on hedge funds), private credit is still attracting substantial interest from investors.

The results of With's survey of 224 US allocators (conducted in December 2021 in collaboration with AIMA), point to private equity (57%) and hedge funds (50%) as the alternative asset classes most likely to see investor inflows — but private credit still maintains its solid (40%) appeal. As an asset class, it has performed strongly during the recent upheaval and offers timely benefits for investors looking for strong growth opportunities at a time of constrained mainstream lending.

Key Statistic — US Investor Intentions

40%

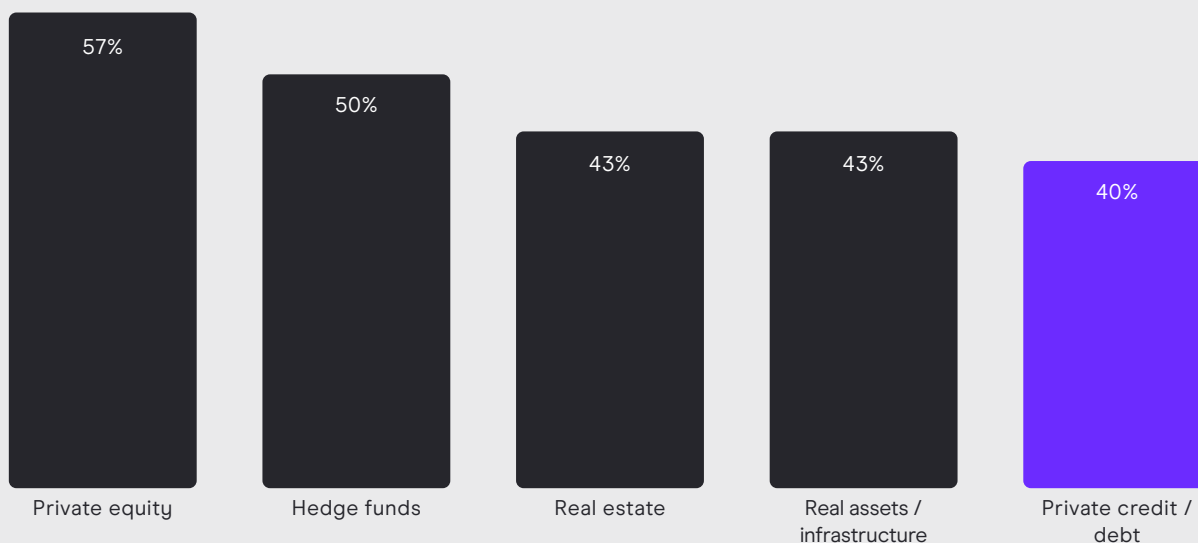
Proportion of US investors increasing their PC allocation

True, many allocators believe private equity and hedge funds are best placed to navigate ongoing risks from rising interest rates and government and central bank intervention. However, some investors see private credit benefiting from modest rate hikes. There are also concerns that the value of real assets and real estate could be negatively impacted by property cooling measures, such as the tightening of the loan-to-value limit and total debt servicing ratio, along with stamp duty rises. Private credit, meanwhile, has now performed strongly throughout the pandemic and looks well set for the challenges ahead.

A lot still depends on investor type. Public pensions are the US investor group most likely to register interest in private credit in 2022. With Intelligence's survey found 57% of public pensions are looking to increase their allocation.

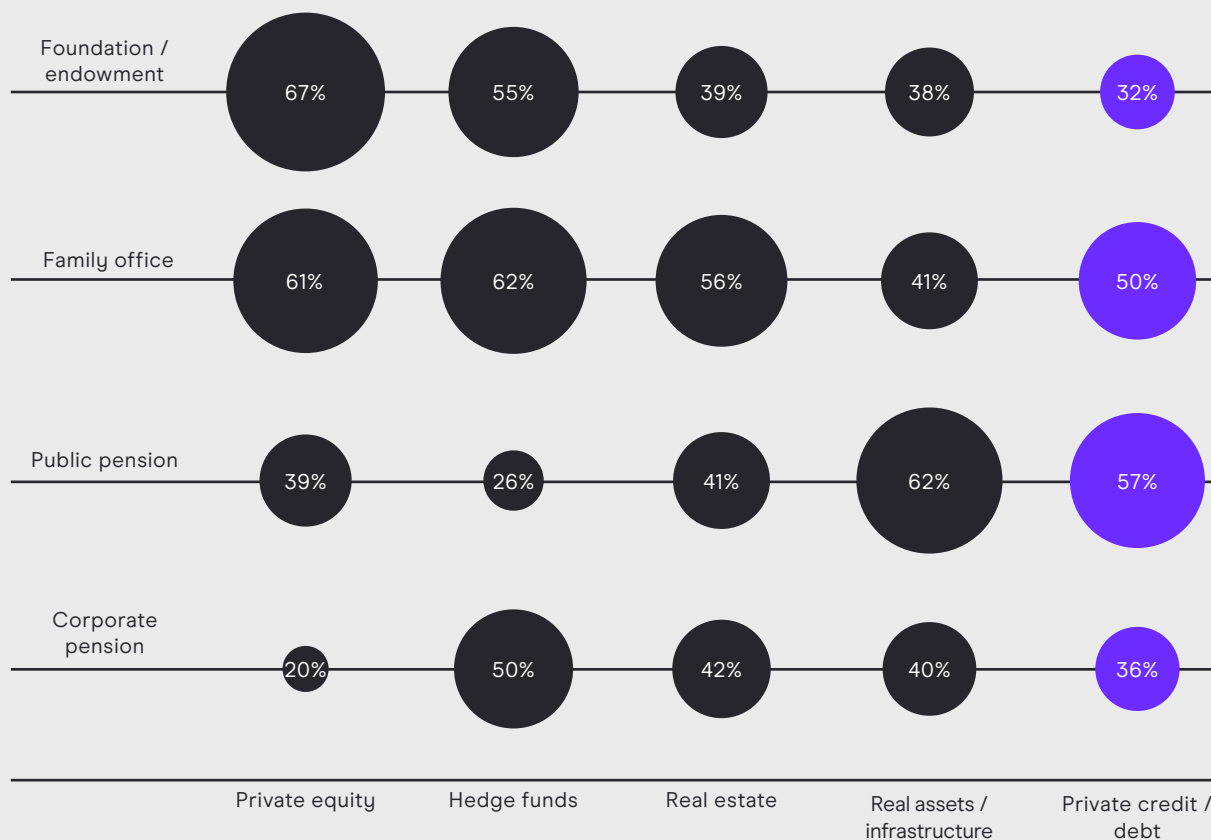
1 Proportion of US allocators surveyed likely to invest in alternative asset classes in the next 12 months

Source: With Intelligence survey, December 2021



2 Proportion of US allocators surveyed likely to invest in alternative asset classes in the next 12 months, by allocator type

Source: With Intelligence survey, December 2021



Perhaps that's unsurprising, given market conditions and the group's historical preferences. Like other allocators, public pensions are concerned by the potential for a market downturn and resultant anemic returns in equities and fixed incomes. We're now in a trading environment that seems more suited to opportunistic managers. Public pensions are, on average, larger, with inflexible structures, complex decision-making processes and a low tolerance for risk. Private credit can point to innate strengths and recent outperformance. Given the above, public pensions and private credit seem to be particularly well matched.

Other enthusiasts for private credit include family offices, which are staying true to their traditions of flexibility and streamlined decision-making. Half of family offices are likely to increase their private credit allocations, while only around one-third of corporate pensions and foundations and endowments are also looking to increase their allocations.

Case study Swiss Re Zurich, Switzerland December 2021

In December 2021, Swiss reallocated \$750m to its infrastructure lending portfolio. The allocation has a target of 2024 and is in addition to the approximately \$1bn already allotted. The \$121bn firm prefers separate account mandates and developed markets in this particular asset class, which tend to favor Europe rather than the US. Swiss prefers to concentrate on higher-quality parts of the market and so prefers senior private debt. Also important is that infrastructure lending contributes to the inclusion component of the firm's ESG strategy.

For those US investors who are exploring private credit in 2022, inflation seems to be less of a concern than it is for others. Investors who are more worried about inflationary pressures are looking elsewhere and increasingly allocating to real assets/ infrastructure and real estate. These latter investors seem less worried about liquidity issues, as they see long-term tailwinds in these asset classes.

Concerns over target allocation

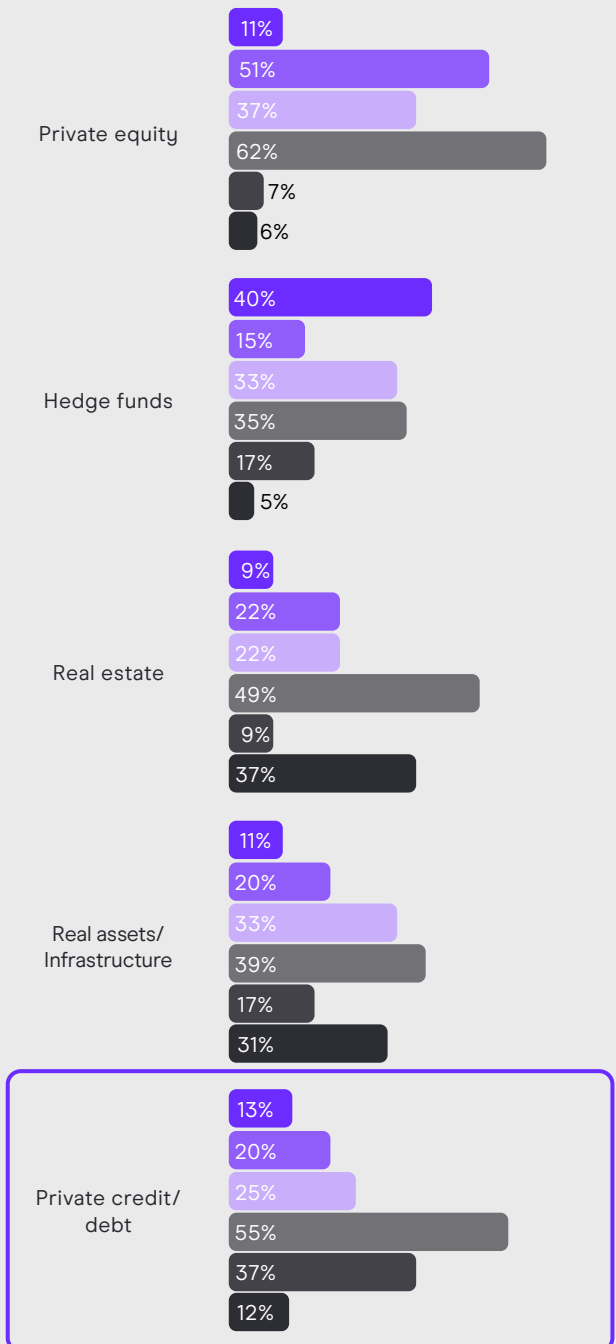
So why are US investors allocating to private credit? The leading reason given was concerns about reaching their target allocations, an issue cited by 55% of respondents. Among alternative asset classes, only private equity scored higher for this reason. Concerns around low fixed income yields was another motive given by allocators (37%). However, only 20% of allocators actually expected strong returns from private credit. This, despite the scale and number of private credit opportunities available, particularly in direct lending, in both the US and European economies. This implies that many allocators view private credit as a safer bet in volatile/inflationary times, while others see strategies such as private equity providing higher potential returns.

“Liquidity budgets are a real thing and private funds can't keep coming back with new funds faster and expect the same check size.”

Jennifer Katz, Director of Impact Investments,
Doris Duke Charitable Foundation

The desire to invest in ‘exciting new opportunities’ (25%) was the third motivator for investing in private credit. A finding that bodes well for nimble managers who can take advantage of struggling companies with distressed balance sheets. This motivation is also a strong driver for interest in private equity and real assets.

3 Reasons that US allocators surveyed are likely to increase their allocation to alternative asset classes in the next 12 months

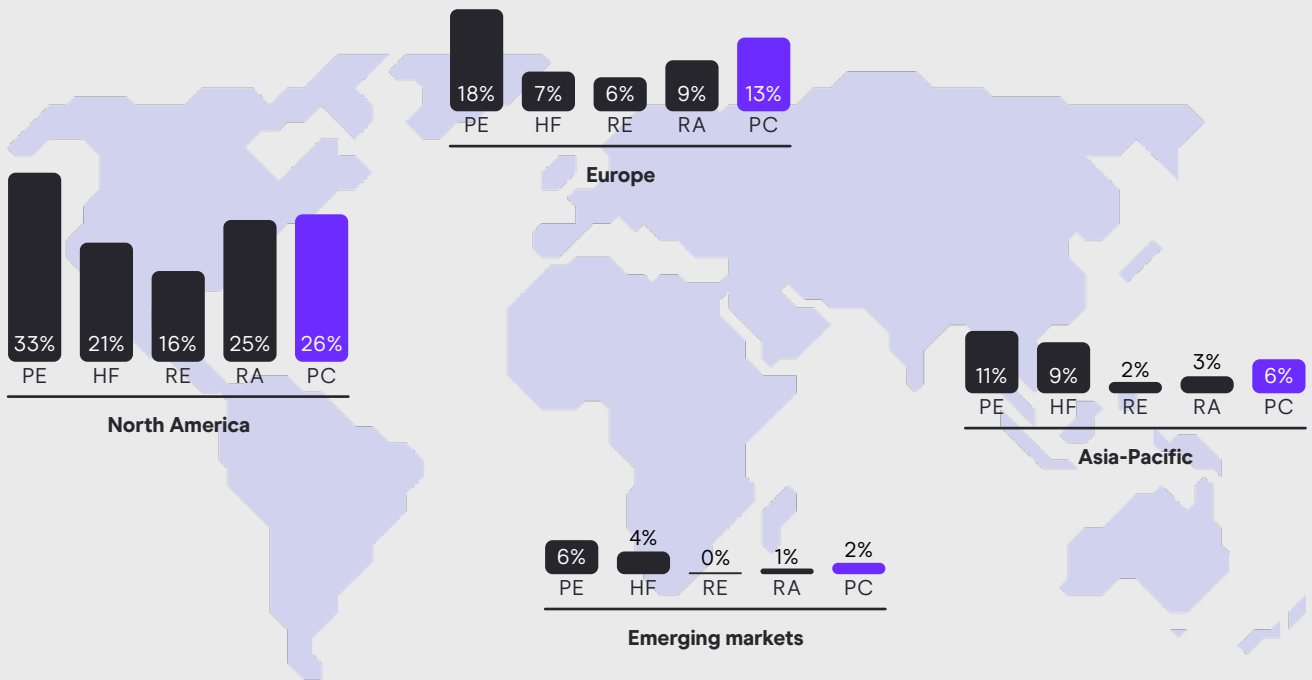


- Equity valuation concerns
- Expect strong returns
- Exciting new opportunities
- To reach target allocation
- Low fixed income yields
- Inflation concerns

Analyst note: Multiple choice question. Source: With Intelligence

4 Regions that US allocators are interested in investing in with alternative asset classes

Analyst note: Covers all US allocators surveyed, including those not likely to increase their allocation to a particular asset class. Sourced from With Intelligence survey, December 2021. Interest in 'Global' strategies was recorded but is not featured in this chart.



“We pass on a million things we really like. The stars really have to align for an investment to get across the finish line!”

Director of investments at an East Coast college

Research methodology

With Intelligence surveyed hundreds of US allocators in December 2021, yielding intentions data from 224 different entities. A plurality of respondents were from foundations and endowments, followed by family offices and public pension funds. For further details on the research methodology and respondent pool, read the methodology section on page 22.

Just as we have noted with private credit, our survey results suggest US investors are most likely registering their interest in alternative assets so they can reach their unfulfilled target allocations. This suggests that private equity and real estate are seen as good risk diversifiers. Private equity is also notable for the 51% of US investors who are increasing their allocation because they expect strong returns in 2022. This is more than twice the score of any other asset class in this category, the next highest being 22% for real estate.

Viewing our survey by region, North America is, as expected, the preferred investment destination for most US-based allocators in alternatives. This is especially true for those allocators focused on private equity, real estate and private credit/debt. US investors in private credit prefer to invest in North America (26%), followed by global strategies (17%). Europe does interest some investors seeking private equity, private credit and real estate opportunities. But when it comes to private credit prospects in Asia-Pacific (APAC), only 6% of US investors surveyed were interested. ●



Section 2

Private credit

Momentum maintained

With Intelligence research suggests that interest in private credit from US investors has declined slightly from levels shown in December 2020. This continues a small mid-year dip, so at the close of 2021, we see 40% of US investors intending to increase their allocation to private credit. During the past two years, investors have had to analyze turbulent market conditions and make more complex calculations of what constitutes value and outperformance in private credit. Nonetheless, private credit has emerged from 2021 with its resilience and adaptability reinforced, offering comfort to more skeptical investors. However, With's research shows that investors are still cautious about the immediate case for private credit compared to other asset classes, while being positive about its long-term prospects.

Private credit is well placed with public pensions and family offices. A reassuring 57% of public pensions and 50% of family offices intend to increase their allocations.

Key Statistic — Intentions by investor Type

57%

Public pensions

50%

Family offices

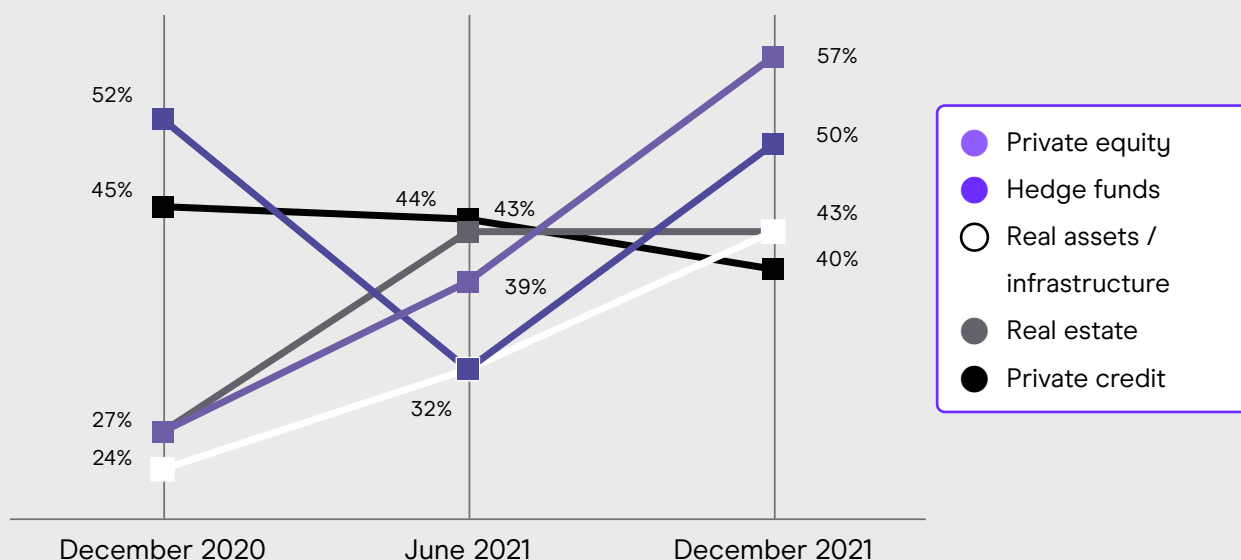
36%

Corporate pensions

Source: With Intelligence

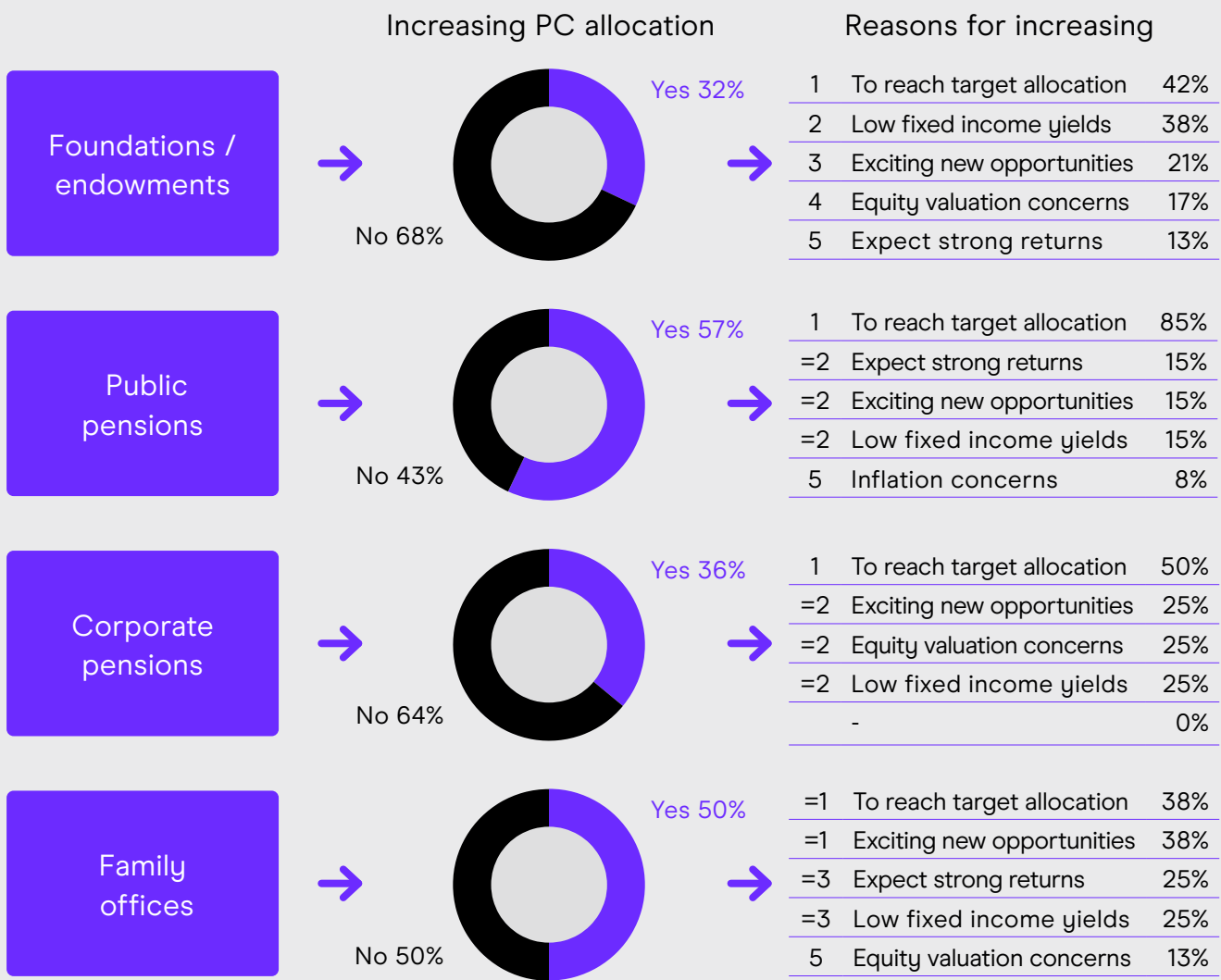
5 Proportion of US allocators surveyed increasing their allocation to alternative asset classes in the next 12 months, December 2020 to December 2021

Analyst note: Data points for June 2021 and December 2020 are for North America. Surveys from June 2021 and December 2020 referenced 'Natural resources / Infrastructure' instead of 'Real assets / Infrastructure'. Sourced from With Intelligence.



6 Top reasons US allocators are increasing their allocation to private credit

Analyst note: Survey respondents could select multiple options from: To reach target allocation, Expect strong returns, Exciting new opportunities, Equity valuation concerns, Low fixed income yields, Inflation concerns, and Other. Covers only those allocators likely to increase their allocation to a particular asset class. Sourced from With Intelligence survey, December 2021



Case study: The Pennsylvania Public Schools Employees Retirement System, Harrisburg, Pennsylvania

In December 2021, the Pennsylvania Schools Employees Retirement System (PSERS) committed to up to \$795m to new private credit opportunities in 2022 as part of pacing recommendations from their consultant Aksia. They aim to reach and establish the system's newly reduced 6% (\$4.4bn) target allocation but still maintain good relationships with high-performing, high-conviction managers. The \$73bn system's private credit portfolio includes real estate lending and specialty finance where niche opportunity sets with less correlation to the broader credit space are available.

“Covid caused some of our highest conviction managers to deploy opportunistically through the crisis and come back to market quicker than we expected.”

James Del Gaudio, senior portfolio manager for private credit, PSERS.

All types of investors cited reaching their target allocation as the main driver for increasing their allocation to private credit, but there was substantial variation over the secondary motivations and the strategies employed. Foundations/endowments were animated by concerns over low fixed income yields, which is unsurprising given the premium they place on capital preservation. Other investor types are more focused on potential strong returns or exciting opportunities from private credit. High asset valuations and renewed pressure on banks' ability to lend contribute to direct lending and multi-strategy being the most sought-after private credit strategies amongst US investors. Public and corporate pensions are particularly interested in these strategies as new lending activity resumes across market sectors led by higher-quality names. The complexity and

Key Statistic — Hedge Fund Strategy Intentions

44%

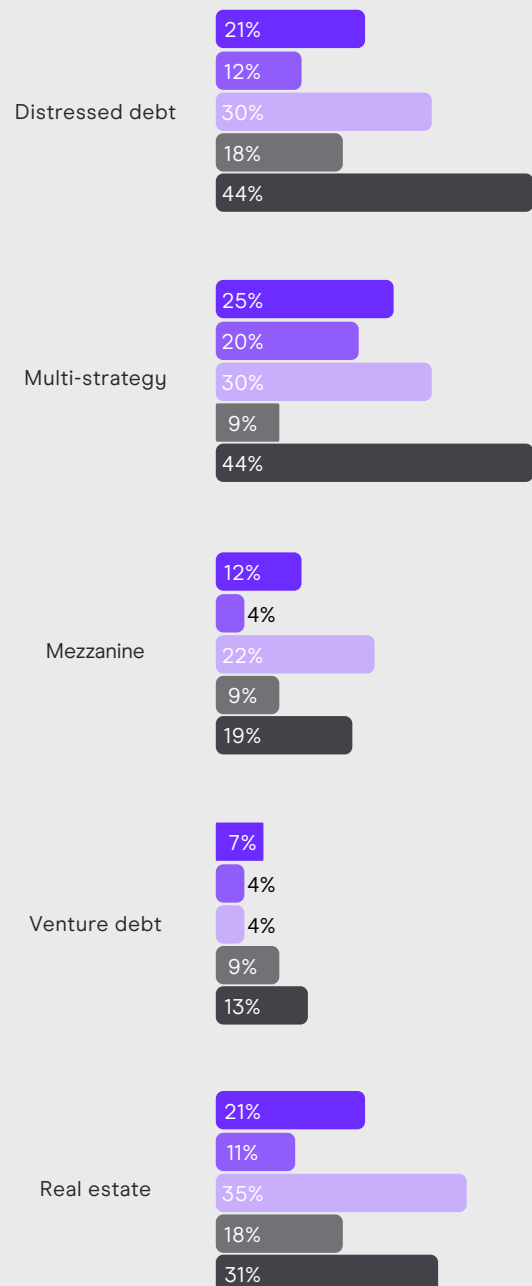
Proportion of US family offices interested in distressed debt

leverage inherent in mezzanine and venture debt opportunities are currently unattractive to most US investors, who are looking for less risk and greater lender discipline in their investments. For institutional investors, increased appetites for private credit are borne out of lingering geopolitical tensions and the coronavirus pandemic — these global issues have distorted valuations, complicated stress tests and created challenges around traditional asset investing. For smaller investors, like family offices, high valuations and market uncertainty are factors, exacerbated by the challenges they face accessing some of the larger private credit opportunities that could help them combat low fixed income yields.

All of this has translated into distressed debt and multi-strategy interest from 44% of US family offices surveyed and 30% of US public pensions. Only US corporate

7a Private credit strategies that US allocators are interested in

Analyst note: Covers all US allocators surveyed, including those not likely to increase their allocation to hedge funds. Sourced from With Intelligence survey, December 2021.



- All
- Foundations / endowments
- Public pensions
- Corporate pensions
- Family offices

pensions — with their distinct set of challenges — are resistant to the appeal of multi-strategy (9%). Their preferences are for direct lending (36%). Direct lending is the highest-ranked hedge fund strategy preference overall, just usurping distressed debt and real estate as the strategy considered best-placed to navigate the transition out of Covid and rising interest rates. 43% of public pensions and 25% of family offices are keen to take advantage of rapidly developing small and medium-sized lending opportunities. Finally, trade finance has demonstrated little appeal for investors in the near term.

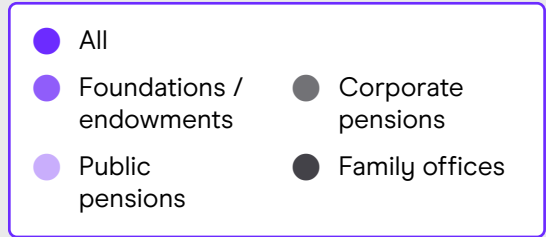
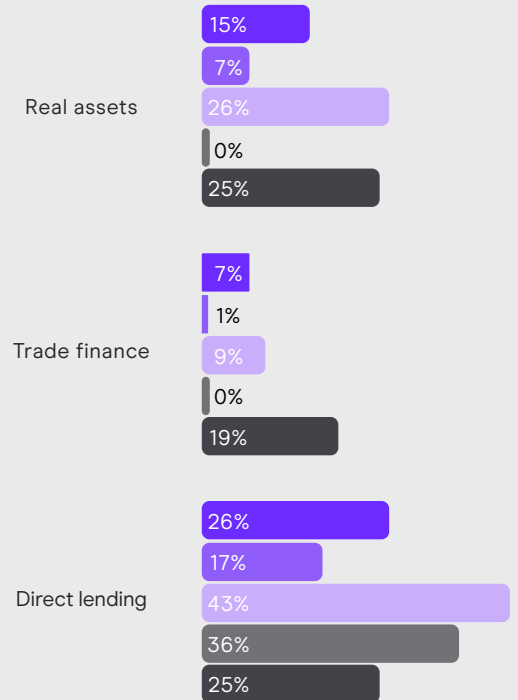
“Family office capital is more and more becoming the permanent capital that was coveted by endowments.”

East Coast single-family office

After a brief mid-year downturn, Q4 2021 showed a significant improvement in the number of new and potential mandates across private credit according to With Intelligence data. Unsurprisingly, it was dominated by ‘Other’, partially comprising multi-strategy with direct lending also producing a strong showing.

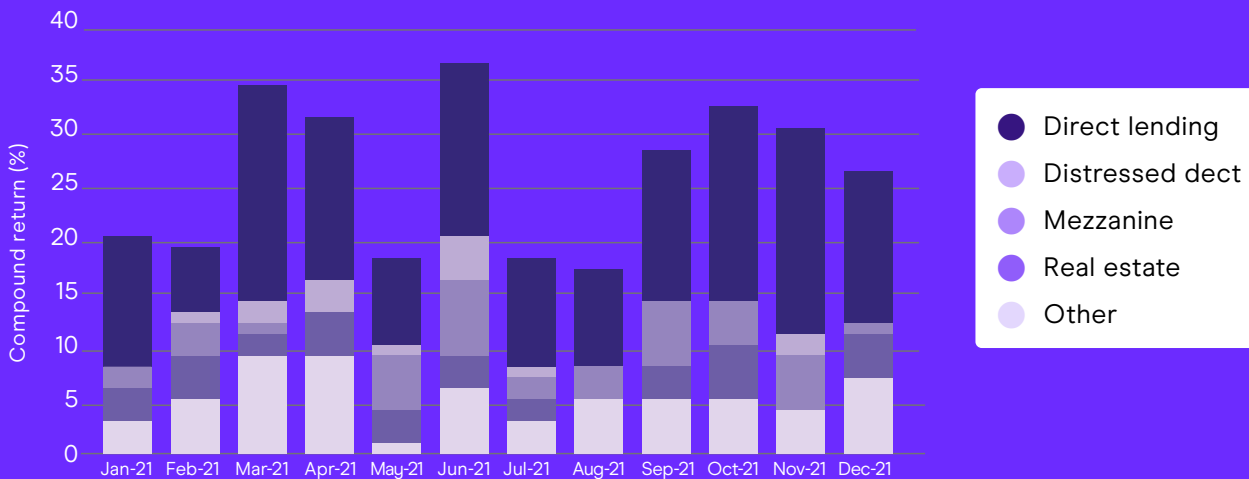
7b Private credit strategies that US allocators are interested in, continued

Analyst note: See 7a



8 Number of new and potential mandates for key private credit strategies from US public pensions, 2021

Analyst note: Figures represent the combined number of new and potential mandates sourced from the With Intelligence platform.



Real estate and mezzanine opportunities tailed off as the year progressed and they appear set to continue this trajectory as debt markets look towards the post-pandemic future.

US investors from nine states had at least 50% of survey respondents likely to increase their allocation to private credit (this statistic excludes the 22 of the 40 states covered in this report with fewer than three investors). The list is headed by two states on 67% which are based in the Midwest and the Northeast. Conversely, Illinois has the highest debt-to-assets ratio in the US with a primary source of that being pension and other post-employment obligations, so is understandably less willing to invest in more risky private credit opportunities. There are similar stories in Virginia, Massachusetts and Georgia.

Most US allocators are not interested in increasing their allocations to private credit focused on non-US regions.

Key Statistic — US State Intentions

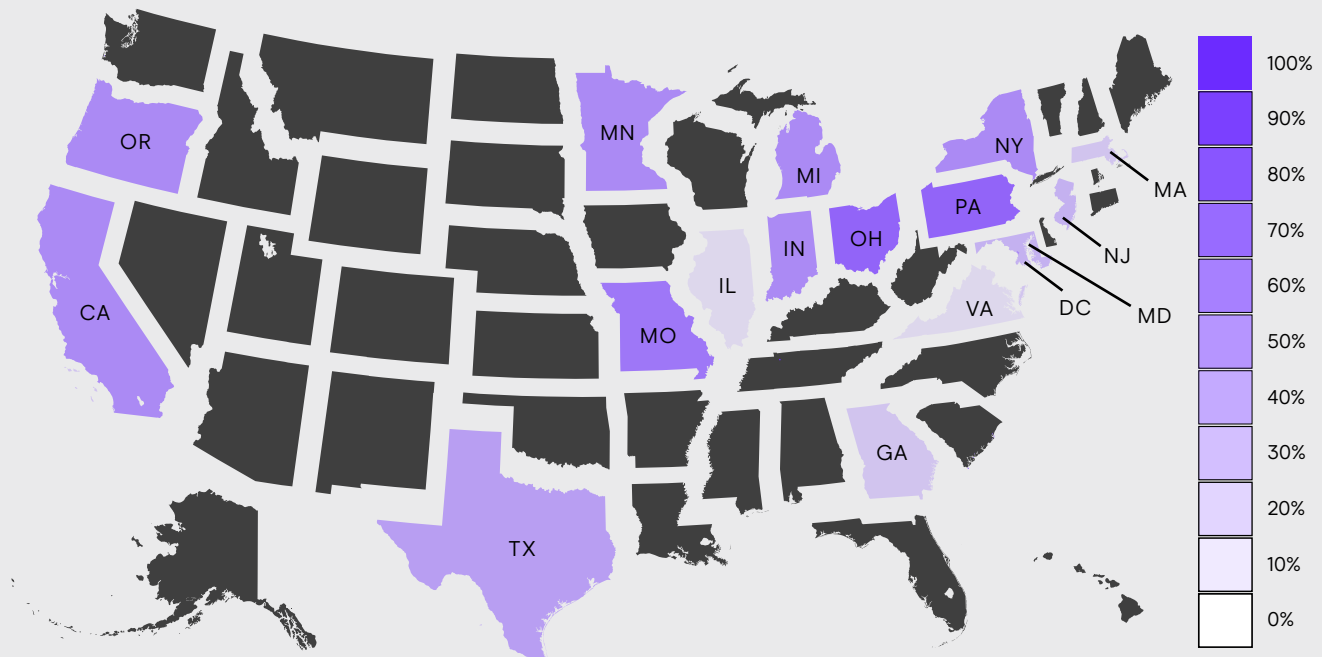
67%

Proportion of Ohio-based investors increasing their PC allocation

“Specific breakdowns on asset classes — we don't think that way. We can be flexible for the best opportunities, not just trying to fit stuff in a box.”

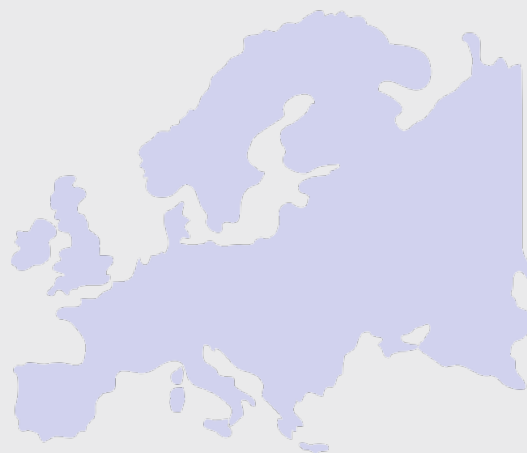
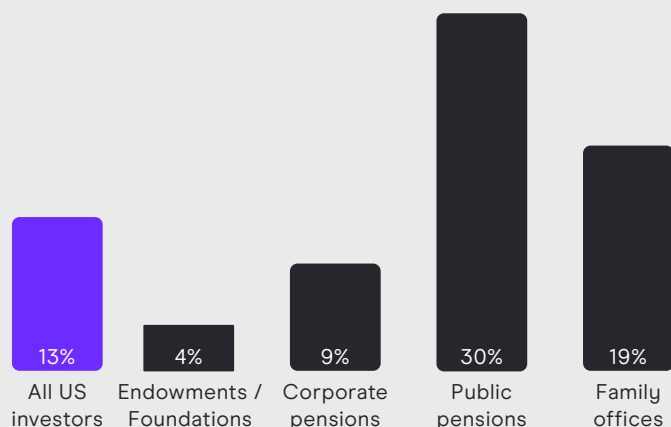
Mid-western public DB pension

9 Proportion of US allocators planning to increase their allocation to private credit, by US state

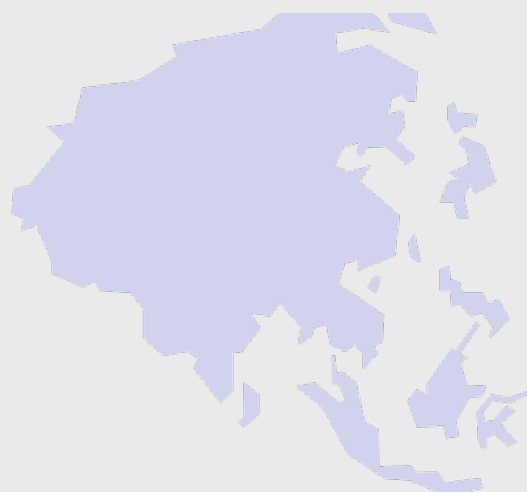
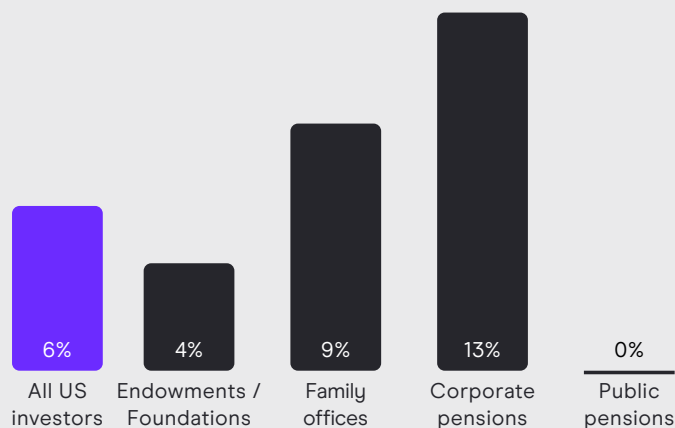


Source: With Intelligence survey, December 2021

10 Proportion of US allocators planning to increase their allocation to private credit that invest in Europe



11 Proportion of US allocators planning to increase their allocation to private credit that invest in Asia-Pacific



Source: With Intelligence survey, December 2021

Case study: Inigo London, UK

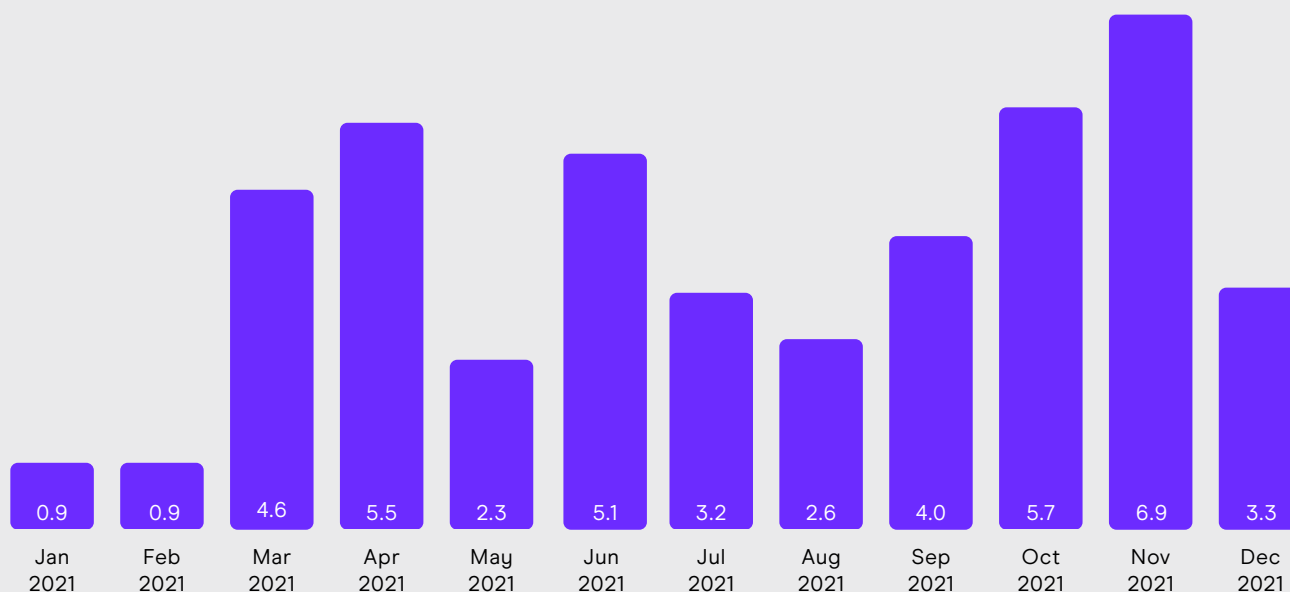
In November 2021, Inigo indicated it will move beyond fixed income and increase its allocation to alternatives and, specifically, private credit. The relatively young company is still balancing its investment objectives with the establishment of its risk framework, policies and procedures. Inigo is specifically interested in the complexity premiums and illiquidity premium opportunities in private debt, private infrastructure equity and infrastructure. They also intend to continue to align and integrate their portfolio with Lloyd's ESG report 2020.

“The thing with those [private credit and infrastructure] funds and exposures is that they really can get to grips with what they are trying to achieve or invest in.”

Maeve Grant CIO, Inigo

12 US public pensions' monthly gross commitments to private credit, 2021 (\$bn)

Analyst note: Data sourced from the With Intelligence platform and subject to revision.



Key Statistic — US allocator target investment amount per private credit manager

\$100m Public pensions

\$50m Corporate pensions

\$15m Family offices

\$15m Foundations/endowments

Analyst note: Data as of February 3 and subject to revision.

Among US allocators that are planning to do so, there is a slight preference for Europe over Asia-Pacific. The preference for Europe is particularly evident among public pensions and family offices. Europe's popularity here also speaks to a point of difference between Europe and the US; with private credit opportunities in Europe being fund-driven rather than bank-driven, enabling a significant uptick for direct lending. This will mean more regulatory oversight as well as increased consolidation as smaller operators get squeezed.

Q4 2021 saw the largest gross commitment to private credit from public pensions of the year, highlighting the continuing opportunities for the asset class in 2022. This commitment also points to greater capital concentration and competition in private credit that will only increase with ESG trends. Smaller, single-asset-focused managers will struggle to compete with larger, more diversified competitors who are raising ever-larger funds. For these managers, as in so many of their companies, specialization and strength of reputation are the keys to winning new and ongoing private credit business. ●



Section 3

Data appendix

13 Investor intentions rankings, by allocator type

Analyst note: Strategy-region combinations ranked by the proportion of US allocators increasing their allocation to an asset class and interested in a sub strategy. HF = hedge funds, PE = private equity, PC = private credit, RE = real estate.

Foundations/endowments

	Asset class Strategy Region	Interest
1	PE Venture Capital North America	43%
2	PE Growth Equity North America	36%
3	PE Buy Out North America	34%
4	PE Growth Equity Global	24%
5	PE Venture Capital Global	23%
6	PE Buy Out Global	21%
7	HF Multi Strategy Global	20%
8	PE Venture Capital Europe	20%
9	PE Buy Out Europe	20%
10	PE Venture Capital Asia-Pacific	20%

Family offices

	Asset class Strategy Region	Interest
1	PE Growth Equity North America	44%
2	PE Venture Capital North America	39%
3	RE Opportunistic North America	38%
4	PC Distressed Debt North America	38%
5	PC Multi strategy North America	31%
6	HF Long Short Equity North America	29%
7	PE Distressed North America	28%
8	RE Opportunistic Global	25%
9	RE Value add North America	25%
10	PC Real Estate North America	25%

Public pensions

	Asset class Strategy Region	Interest
1	PC Direct Lending North America	30%
2	PC Direct Lending Europe	26%
3	PC Multi strategy Global	26%
4	PE Venture Capital North America	26%
5	RE Core North America	23%
6	PC Direct Lending Global	22%
7	PC Real Assets Global	22%
8	PC Real Estate Global	22%
9	PE Buy Out North America	22%
10	RE Opportunistic Europe	18%

Corporate pensions

	Asset class Strategy Region	Interest
1	PC Direct Lending North America	36%
2	HF Multi-Strategy Global	30%
3	HF Macro Global	20%
4	HF Multi-Strategy North America	20%
5	PC Distressed Debt North America	18%
6	PC Real Estate North America	18%
7	PC Distressed Debt Europe	18%
8	HF Event-driven Global	10%
9	HF Arb/Relative Value North America	10%
10	HF CTA North America	10%

14 Investor intentions rankings, by asset class

Analyst note: Strategy-region combinations ranked by the proportion of US allocators increasing their allocation to an asset class and interested in a sub strategy. CP = corporate pensions, FE = foundations/endowments, FO = family offices, PP = public pensions

Private credit

	Allocator type Strategy Region	Interest
1	FO Distressed Debt North America	38%
2	CP Direct Lending North America	36%
3	FO Multi-strategy North America	31%
4	PP Direct Lending North America	30%
5	PP Multi-strategy Global	26%
6	PP Direct Lending Europe	26%
7	FO Multi-strategy Global	25%
8	FO Real Estate North America	25%
9	PP Real Estate Global	22%
10	PP Direct Lending Global	22%

Hedge funds

	Allocator type Strategy Region	Interest
1	CP Multi-Strategy Global	30%
2	FO Long/Short Equity North America	29%
3	FO Long/Short Equity Global	24%
4	FE Multi-Strategy Global	20%
5	CP Macro Global	20%
6	CP Multi-Strategy North America	20%
7	FE Long/Short Equity Global	19%
8	FO Fixed Income/Credit Global	19%
9	FO Multi-Strategy Global	19%
10	PP Long/Short Equity Global	16%

Private equity

	Allocator type Strategy Region	Interest
1	FO Growth Equity North America	44%
2	FE Venture Capital North America	43%
3	FO Venture Capital North America	39%
4	FE Growth Equity North America	36%
5	FE Buy Out North America	34%
6	FO Distressed North America	28%
7	PP Venture Capital North America	26%
8	FE Growth Equity Global	24%
9	FE Venture Capital Global	23%
10	FO Growth Equity Global	22%

Real estate

	Allocator type Strategy Region	Interest
1	FO Opportunistic North America	38%
2	FO Opportunistic Global	25%
3	FO Value add North America	25%
4	PP Core North America	23%
5	FE Value add North America	19%
6	FO Core Plus North America	19%
7	PP Core Plus North America	18%
8	PP Opportunistic North America	18%
9	PP Opportunistic Europe	18%
10	FE Opportunistic North America	16%

Private credit intentions data matrix

Direct Lending	OV	GL	NA	EU	AP	EM
All US allocators	26%	9%	20%	11%	3%	1%
Corporate pensions	36%	0%	36%	9%	9%	0%
Family offices	25%	13%	19%	0%	0%	0%
Foundations/Endowments	17%	4%	13%	5%	1%	0%
Public pensions	43%	22%	30%	26%	4%	0%

Real Assets	OV	GL	NA	EU	AP	EM
All US allocators	15%	7%	9%	2%	1%	1%
Corporate pensions	0%	0%	0%	0%	0%	0%
Family offices	25%	6%	19%	0%	0%	0%
Foundations/Endowments	7%	3%	3%	0%	1%	1%
Public pensions	26%	22%	13%	4%	0%	0%

Distressed Debt	OV	GL	NA	EU	AP	EM
All US allocators	21%	9%	13%	8%	3%	1%
Corporate pensions	18%	0%	18%	18%	0%	0%
Family offices	44%	13%	38%	6%	0%	0%
Foundations/Endowments	12%	7%	5%	3%	3%	0%
Public pensions	30%	17%	13%	13%	4%	4%

Real Estate	OV	GL	NA	EU	AP	EM
All US allocators	21%	8%	14%	5%	2%	1%
Corporate pensions	18%	0%	18%	0%	0%	0%
Family offices	31%	6%	25%	6%	0%	0%
Foundations/Endowments	11%	5%	5%	3%	4%	1%
Public pensions	35%	22%	17%	9%	0%	0%

Mezzanine	OV	GL	NA	EU	AP	EM
All US allocators	12%	5%	9%	5%	1%	1%
Corporate pensions	9%	0%	9%	9%	9%	0%
Family offices	19%	6%	19%	0%	0%	0%
Foundations/Endowments	4%	1%	3%	1%	0%	0%
Public pensions	22%	13%	13%	13%	0%	0%

Trade Finance	OV	GL	NA	EU	AP	EM
All US allocators	7%	2%	5%	2%	0%	0%
Corporate pensions	0%	0%	0%	0%	0%	0%
Family offices	19%	6%	13%	0%	0%	0%
Foundations/Endowments	1%	0%	1%	0%	0%	0%
Public pensions	9%	4%	4%	0%	0%	0%

Multi-strategy	OV	GL	NA	EU	AP	EM
All US allocators	25%	15%	15%	5%	3%	1%
Corporate pensions	9%	9%	0%	0%	0%	0%
Family offices	44%	25%	31%	0%	0%	0%
Foundations/Endowments	20%	12%	12%	4%	4%	1%
Public pensions	30%	26%	9%	4%	0%	0%

Venture Debt	OV	GL	NA	EU	AP	EM
All US allocators	7%	3%	5%	0%	0%	0%
Corporate pensions	9%	0%	9%	0%	0%	0%
Family offices	13%	6%	13%	0%	0%	0%
Foundations/Endowments	4%	1%	3%	0%	0%	0%
Public pensions	4%	4%	0%	0%	0%	0%

Real estate intentions data matrix

Core	OV	GL	NA	EU	AP	EM
All US allocators	14%	3%	11%	3%	1%	0%
Corporate pensions	8%	0%	8%	0%	0%	0%
Family offices	13%	0%	13%	6%	0%	0%
Foundations/Endowments	10%	3%	8%	1%	1%	0%
Public pensions	32%	5%	23%	9%	0%	0%

Core Plus	OV	GL	NA	EU	AP	EM
All US allocators	16%	3%	13%	3%	1%	0%
Corporate pensions	25%	8%	8%	8%	0%	0%
Family offices	19%	0%	19%	6%	0%	0%
Foundations/Endowments	10%	1%	9%	0%	0%	0%
Public pensions	27%	5%	18%	9%	0%	0%

Opportunistic	OV	GL	NA	EU	AP	EM
All US allocators	29%	8%	20%	10%	1%	1%
Corporate pensions	17%	8%	8%	8%	0%	0%
Family offices	56%	25%	38%	13%	0%	0%
Foundations/Endowments	21%	4%	16%	4%	0%	0%
Public pensions	27%	9%	18%	18%	0%	0%

Value add	OV	GL	NA	EU	AP	EM
All US allocators	27%	7%	22%	9%	3%	1%
Corporate pensions	17%	8%	8%	8%	0%	0%
Family offices	31%	6%	25%	13%	0%	0%
Foundations/Endowments	23%	5%	19%	4%	3%	0%
Public pensions	18%	5%	14%	14%	0%	0%

Analyst note: Figures represent the proportion of US allocators surveyed that said they were likely to increase their allocation to an asset class and interested in a strategy-investment region combination. Survey respondents could indicate their interest in multiple regions per strategy. OV = Overall, GL = Global, NA = North America, EU = Europe, AP = Asia-Pacific, EM = Emerging markets. Source: With intelligence.

Hedge fund intentions data matrix

Event-driven	OV	GL	NA	EU	AP	EM
All US allocators	19%	10%	8%	4%	3%	0%
Corporate pensions	10%	10%	0%	0%	0%	0%
Family offices	19%	10%	10%	5%	0%	0%
Foundations/Endowments	19%	10%	10%	5%	5%	0%
Public pensions	11%	11%	0%	0%	0%	0%

Managed futures	OV	GL	NA	EU	AP	EM
All US allocators	6%	5%	2%	1%	1%	1%
Corporate pensions	10%	0%	10%	0%	0%	0%
Family offices	5%	5%	0%	0%	0%	0%
Foundations/Endowments	2%	2%	0%	0%	0%	0%
Public pensions	16%	16%	0%	0%	0%	0%

Fixed Income / Credit	OV	GL	NA	EU	AP	EM
All US allocators	14%	10%	5%	1%	2%	2%
Corporate pensions	0%	0%	0%	0%	0%	0%
Family offices	29%	19%	10%	0%	0%	5%
Foundations/Endowments	11%	6%	4%	0%	1%	0%
Public pensions	5%	5%	0%	0%	0%	0%

Long/Short Equity	OV	GL	NA	EU	AP	EM
All US allocators	31%	19%	14%	7%	7%	4%
Corporate pensions	0%	0%	0%	0%	0%	0%
Family offices	48%	24%	29%	5%	0%	0%
Foundations/Endowments	35%	19%	14%	11%	12%	5%
Public pensions	21%	16%	5%	0%	0%	0%

RV/Arbitrage	OV	GL	NA	EU	AP	EM
All US allocators	19%	12%	11%	5%	4%	2%
Corporate pensions	10%	0%	10%	0%	0%	0%
Family offices	14%	10%	5%	0%	0%	0%
Foundations/Endowments	18%	10%	11%	6%	4%	1%
Public pensions	16%	11%	11%	0%	0%	0%

Macro	OV	GL	NA	EU	AP	EM
All US allocators	12%	9%	6%	1%	1%	1%
Corporate pensions	30%	20%	10%	0%	0%	0%
Family offices	14%	5%	10%	0%	0%	0%
Foundations/Endowments	5%	5%	1%	0%	0%	0%
Public pensions	16%	11%	5%	0%	0%	0%

Private equity intentions data matrix

Buy Out	OV	GL	NA	EU	AP	EM
All US allocators	45%	18%	30%	18%	5%	3%
Corporate pensions	10%	10%	10%	10%	0%	0%
Family offices	28%	11%	17%	6%	0%	0%
Foundations/Endowments	54%	21%	34%	20%	4%	3%
Public pensions	35%	17%	22%	13%	9%	4%

Growth Equity	OV	GL	NA	EU	AP	EM
All US allocators	49%	21%	33%	15%	10%	3%
Corporate pensions	10%	10%	10%	10%	10%	0%
Family offices	61%	22%	44%	6%	6%	0%
Foundations/Endowments	56%	24%	36%	16%	10%	3%
Public pensions	30%	17%	13%	13%	9%	0%

Distressed	OV	GL	NA	EU	AP	EM
All US allocators	17%	7%	10%	6%	1%	0%
Corporate pensions	10%	0%	10%	0%	0%	0%
Family offices	33%	6%	28%	17%	0%	0%
Foundations/Endowments	14%	10%	4%	3%	1%	0%
Public pensions	13%	9%	9%	9%	4%	0%

Multi-Strategy	OV	GL	NA	EU	AP	EM
All US allocators	30%	22%	12%	3%	4%	2%
Corporate pensions	40%	30%	20%	0%	0%	0%
Family offices	33%	19%	14%	0%	0%	0%
Foundations/Endowments	30%	20%	13%	4%	5%	2%
Public pensions	16%	16%	0%	0%	0%	0%

Venture Capital	OV	GL	NA	EU	AP	EM
All US allocators	52%	19%	37%	16%	14%	7%
Corporate pensions	10%	0%	10%	0%	10%	0%
Family offices	61%	22%	39%	11%	11%	0%
Foundations/Endowments	63%	23%	43%	20%	20%	11%
Public pensions	39%	17%	26%	13%	9%	0%

Distressed	OV	GL	NA	EU	AP	EM
All US allocators	17%	7%	10%	6%	1%	0%
Corporate pensions	10%	0%	10%	0%	0%	0%
Family offices	33%	6%	28%	17%	0%	0%
Foundations/Endowments	14%	10%	4%	3%	1%	0%
Public pensions	13%	9%	9%	9%	4%	0%

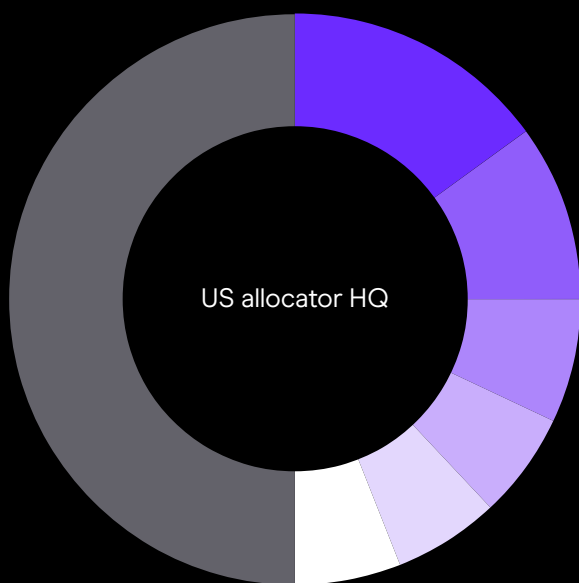
Analyst note: Figures represent the proportion of US allocators surveyed that said they were likely to increase their allocation to an asset class and interested in a strategy-investment region combination. Survey respondents could indicate their interest in multiple regions per strategy. OV = Overall, GL = Global, NA = North America, EU = Europe, AP = Asia-Pacific, EM = Emerging markets. Source: With intelligence.

Methodology

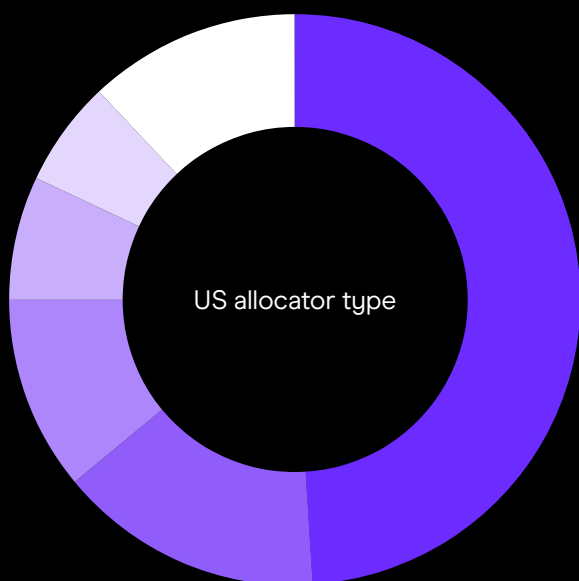
The findings in this report are based on the results of a survey of 224 US allocators conducted by With Intelligence's *The Allocator* in December 2021. Respondents were based across 40 US states and represented types ranging from single family offices to triple-digit billion-dollar institutions. Most of the exhibits in this report are based on the results of this survey, with additional exhibits and data points using With's mandates, investor flows and performance data.

224
US allocators surveyed

40
US states covered



- New York 15%
- California 10%
- Massachusetts 7%
- Texas 6%
- Illinois 6%
- Minnesota 6%
- Other 50%



- Foundation/Endowment 49%
- Public Pension 15%
- Family Office 11%
- Corporate Pension 7%
- Financial Institution 6%
- Other 12%



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About With Intelligence

With Intelligence is an information exchange. We connect allocators and fund managers, across multiple asset classes, to the people and insight-enriched data they need to raise and allocate assets. Our investor powered data helps clients make smarter allocation decisions. Our events provide unique access to the investor communities. We enrich our data with stories, insight and intelligence, gained through long-standing and trusted relationships.

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