



Private Debt
Investor

Seoul Forum 2019

7 November | The Westin Chosun

Post event report

privatedebtinvestor.com/seoul

PEI



Thank you for attending the **PDI Seoul Forum**

At the 2nd annual PDI Seoul Forum, we offered 160+ global and Korean delegates a glimpse into how asset managers and Korean institutional investors have increased exposure in the private credit market to cope with the economic slowdown and explore opportunities for 2020 and beyond.

During the jam-packed day, we took an in-depth look at different fund structures, hot strategies, trends on where to find value in middle, developed markets and the Korean fundraising environment. Strategies are becoming more sophisticated, depending on the assets' risks implied or the way the fund is being structured. Korea Investment Corporation, Korea Post Savings and many more of Korea's largest LPs shared their unique insights on their appetites, allocations and fund manager selection.

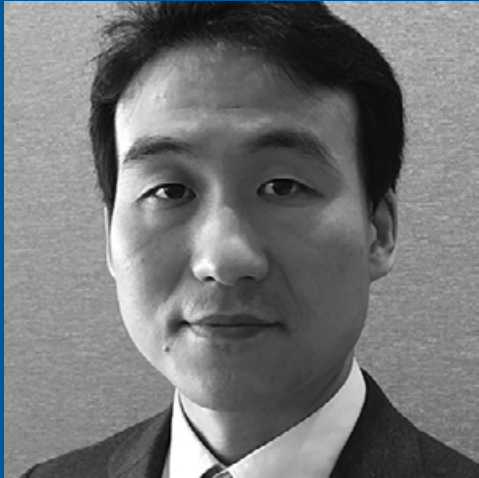
The event won't be successful without the genuine support from our speakers, sponsors and delegates. Thank you so much for your devoted contribution!

Kind regards,

Niann Lai
Conference Producer
asiaevents@peimedia.com



Top speakers at the Seoul Forum



Paul Youngseok Hahn
Director
Private Equity, Korea Investment Corporation



Gabriella Kindert
Supervisory Board Member
Mizuho Europe



YongGwan Kwon
Head of Private Equity Team
Hyundai Marine & Fire Insurance



Art Penn
Founder and Managing Partner
PennantPark



Greg Racz
Co-founder & President
MGG Investment Group



YoonChan Um
Senior Portfolio Manager
Korea Post Savings



SukMoon Woo
Head of Investment Banking Division
Shinhan Life Insurance



JungYong Yang
Head of Asset Management Department
Meritz Fire & Marine Insurance



Key takeaways from the Forum

1. The needs of insurance investors

For insurance groups, capital deployment into alternative assets has been complicated by risk-based capital charges outlined by the local regulator, the Financial Supervisory Service. A return rate which investors need to surpass in order to make an allocation worth it – is set under a new regulation to rocket up to 49 percent per annum, versus 12 percent under current law. That statute was set to go into effect in 2021 but has been delayed until 2022. Some insurers in Korea are under pressure to generate profits amid the low base rate environment, despite negative spreads between deteriorating return rates from investments and promised fixed returns on products they sold.

2. Fortunes of US direct lenders have shifted

US direct lenders have seen their fortunes shift in the country. At this time last year, currency hedging costs ate into the ultimate net return for Korean LPs by about 1.5 percent. That number has since fallen to 0.8 percent this year. Korean investors have largely committed money with US and European direct lenders, and currency hedging costing less can only work in US GPs' favour. Still panelists mentioned that they have concerns about corporate borrowing practices in the US, including EBITDA adjustments devised by private equity sponsors when underwriting based on the projected cash flows of investee companies.

3. Winning one Korean commitment can make the next one easier

Many of the largest Korean LPs have made their initial allocations to the asset class, and even substantially filled out their credit portfolios. All five panellists from KDB Life Insurance, Hyundai Marine & Fire Insurance, Meritz Insurance, Shinhan Life Insurance, and Korea Post confirmed that they are either maintaining their current exposure to private debt or plan to increase it further for 2020.

4. What's important to Korean LPs in manager selection?

There was an overwhelming message from investors: get to know us and we will appreciate the effort. The LP constituency appreciates it when GPs understand what products an insurer can and cannot invest in.

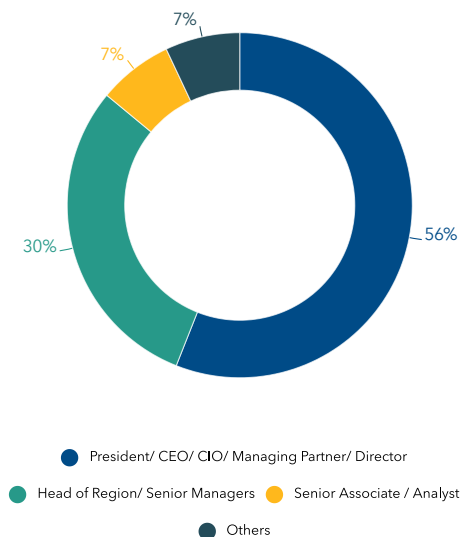
One LP in Seoul last year implored GPs to open an office there, which some have now done. Another Korean investor and panelist at this year's event made a similar request. Focusing on Asia may require the hiring of a new business development head, the purchasing of new office space and a shift of resources.

Visit privatedebtinvestor.com/seoul for more information about the event

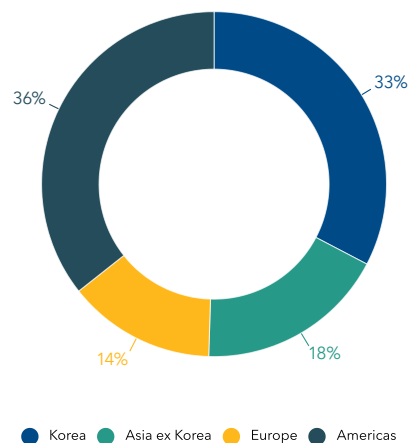


2019 attendee breakdown

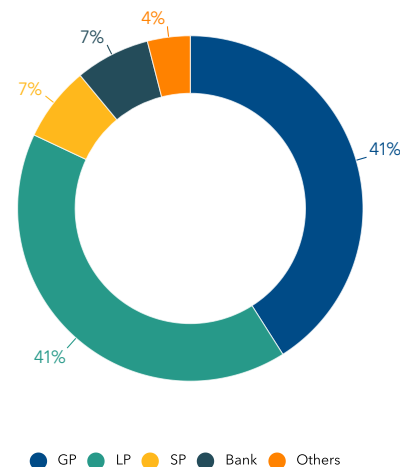
Attendee seniority:



Regional attendance:



Company type:



160+
Attendees



120+
Companies



36
Speakers

Companies that attended the **Seoul Forum**

- » 17Capital
- » Affiliated Managers Group
- » Alcentra
- » ANARI Inc.
- » Ardian
- » Barak Fund Management
- » Barings
- » BlackRock
- » BMO Global Asset Management
- » BNY Mellon Investment Management Korea
- » BNY Mellon Investment Management Hong Kong
- » Brightwood Capital Advisors
- » Brookfield Asset Management
- » Buysse Partners
- » Campbell Lutyens
- » CapitaLand
- » Catella Asia
- » Centrus Financial Advisors
- » Comvest Credit Partners
- » Crescent Capital Partners
- » Crestline Investors, Inc.
- » DB Life Insurance
- » DGB Life Insurance
- » Dyal Capital Partners
- » Edelweiss
- » Edelweiss Alternative Asset Advisors
- » Egan-Jones Ratings
- » EQT
- » First Eagle Investment Management
- » Fitch Ratings
- » Goldman Sachs
- » Goldman Sachs (Asia)
- » Government Employees Pension Service
- » Hana Alternative Asset Management
- » Hanwha Asset Management
- » HDC Asset Management
- » Herald Corporation
- » HPS Investment Partners
- » Huatai Financial Holdings
- » Hyundai Insurance
- » Hyundai Marine & Fire Insurance
- » I Squared Capital
- » KB Insurance
- » KCL Law
- » KDB Life Insurance
- » Korea Federation of SMEs
- » Korea Fire Officials Credit Union
- » Korea Investment Corporation (KIC)
- » Korea Post Savings
- » Korean Teachers' Pension
- » KTB Asset Management
- » Kyobo Life Insurance
- » Kyowon Invest
- » LINA Insurance company of Korea
- » Mayer Brown
- » Meritz Fire & Marine Insurance
- » Meritz Insurance
- » Meritz Securities
- » Merricks Capital
- » MetLife Insurance
- » MG Korean Federation of Community Credit Cooperatives
- » MGG Investment Group
- » Military Mutual Aid Association
- » Mirae Asset Global Investments
- » Mirae Asset Life Insurance
- » Mizuho Bank Europe NV
- » Monument Group
- » National Agricultural Cooperative Federation
- » National Credit Union Federation of Korea
- » National Pension Service
- » NongHyup Life Insurance
- » NXT Capital
- » Payton Capital
- » PennantPark Investment Advisers
- » Pepper Group
- » PJT Park Hill
- » Police Mutual Aid Association
- » Proskauer
- » Prudential Life Insurance Company of Korea
- » Public Officials Benefit Association
- » Samsung Life Insurance
- » Seoul Guarantee Insurance
- » Shinhan Life Insurance
- » Shorevest Capital Partners
- » ShoreVest Partners
- » Sungdam
- » The K Non-Life Insurance
- » The Korea Development Bank
- » The Korean Teachers' Credit Union
- » The Police Mutual Aid Association
- » TransPacific Group
- » Willis Towers Watson
- » Wingate
- » Yulchon
- » Zenitas Investment

It was truly a great experience I've never had before.

Yoonpyo Lee
KDB Life Insurance



Interactions at the PDI Seoul Forum 2019



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2.6k+

engagement with the app



310+

unique event content downloads



300+

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Unrivalled **networking** at the Forum

The Seoul Forum provided unique networking opportunities before, during, and after the event for leading fund managers, institutional investors, service providers to meet, share experiences. The newly released event app is supporting the industry leaders to connect, discuss, and share what they found in the event.



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