



Private Debt
Investor

Tokyo Forum 2019

5 November | Shangri-La Hotel

Post event report

privatedebtinvestor.com/tokyo

PEI



Thank you for attending the inaugural **PDI Tokyo Forum**

The inaugural PDI Tokyo Forum successfully kicked-off the week by exploring private debt opportunities globally, analyzing the private debt strategies, latest trends in the markets, and more importantly building the valuable connections.

We gathered over 200+ key stakeholders across the world in one day, gathering top-level insight from 38 speakers and closing by a Japanese traditional ceremony kagami-biraki, celebrating this first edition of significant event!

Our heartfelt thanks and gratitude to everyone who joined us for the inaugural PDI Tokyo Forum, especially all sponsors and speakers for their valuable contributions and continuous support. We look forward to welcoming you again next year!

Kind regards,

Niann Lai
Conference Producer
asiaevents@peimedia.com



Key speakers at the Tokyo Forum



Tom Connolly

Chief Investment Officer and Head of the
Global Private Credit Group
Goldman Sachs



Nicole Gates

Chief Credit Officer
Pemberton



Yoshifumi Kida

Manager, Foreign Equity & Alternative
Investment Department
Nippon Life Insurance Company



Yoshi Kiguchi

Chief Investment Officer
West Japan Machinery Pension Fund



Jessica Lee

Managing Director
Barings



Michael Patterson

Governing Partner and Portfolio Manager of
Direct Lending
HPS Investment Partners



Reiji Samura

President and CEO, CIO
Alternative Investment Capital



Yasuyuki Tomita

Senior Vice President, Growth & Cross Border
Investment Department
Development Bank of Japan



Key takeaways from the Forum

1. Japanese debt investors turn to private as they target better yield

In view of the ultra-low rate environment at home, their organisations were looking at offshore private debt allocations with a view to gaining better yield. "In order to cover reduced income due to the super low-interest-rate environment, high-yielding assets such as private debt will be a good fit," said one investor source. The investor's organisation breaks down alternative asset classes into three categories, based on risk and return. It has categorised private debt strategies as "mid-risk and mid-return".

2. From an alternatives allocation standpoint, this could be just the beginning

Total alternative allocations in Japan are still low when compared with the amounts allocated by US and European investors. Many pension funds have an allocation target percentage of around the mid-single digit mark for alternatives – across private equity, real estate, private debt and infrastructure. The Government Pension Investment Fund – one of the largest pension funds in the world, with the yen equivalent of \$1.46 trillion in assets – is still building out its alternatives programme. The fund has a maximum allocation of 5 percent, but currently only has 0.26 percent invested in alternatives.

3. Japanese investors run a thorough due diligence process

One US-based global firm that has had LPs in the country for almost 15 years noted that Japan's investors run a "rigorous due diligence process

upfront", but can be loyal LPs thereafter. A Japanese investor said their fund commitments came not from a manager's pitch but from parsing through the firm's loss record. The LP wants to know what happened in each circumstance where capital was lost and how it would be different next time. Another said they look to meet with a GP's team that is responsible for the workouts and turnarounds.

4. Return targets and hedging costs can determine where LPs put money

Currency hedging and the costs associated with it were on LPs' minds. When investing in US dollar funds, the hedging costs can eat 2-3 percent into returns, while in Europe there can be little, if any, cost. These realities, alongside the return goals or requirements, can drive LPs to choose a leveraged or an unleveraged fund.

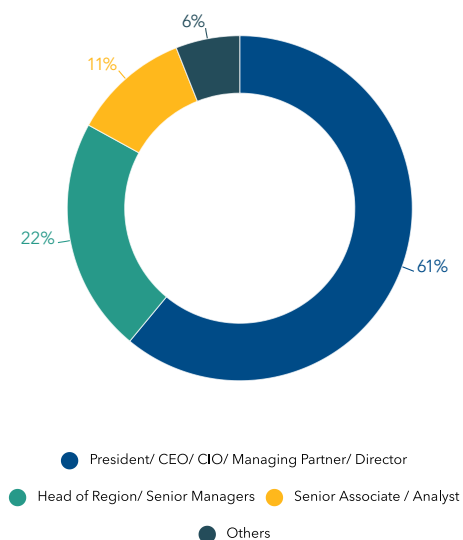
A separate LP said that when managers offer a yen-based sleeve for hedging purposes, the investor will ask to see how, specifically, the manager runs its hedging operation. If the information is not readily available or a manager will not share it, the investor will hire a third-party advisor to evaluate the hedging programme.

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

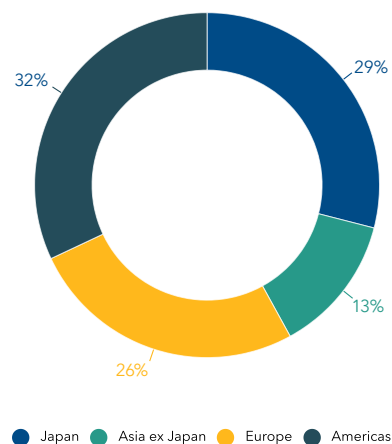


2019 attendee breakdown

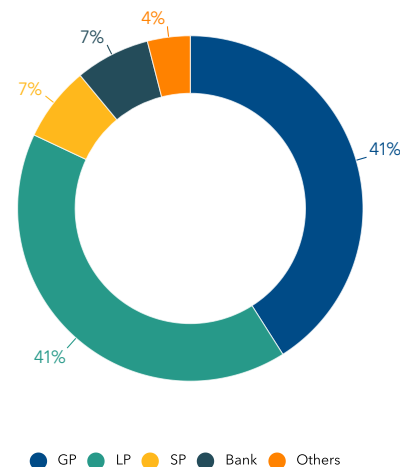
Attendee seniority:



Regional attendance:



Company type:



205
Attendees



118
Companies



38
Speakers

Companies that attended the Tokyo Forum

- » 17Capital
- » Aflac Asset Management Japan
- » AI Inma Tokio Marine
- » Alternative Investment Capital
- » ANARI Inc.
- » Aozora Bank
- » Ardian
- » Avenue Capital Group
- » AXA Life Insurance
- » Barak Fund Management
- » BlackRock Japan
- » BlueBay Asset Management
- » BMO Global Asset Management
- » BNP Paribas Asset Management Japan
- » BNY Mellon Asset Management Japan
- » Brookfield Asset Management
- » Brown Brothers Harriman
- » Buysse & Partners
- » Campbell Lutyens
- » Carlyle Japan Equity Management
- » Cathay Life Insurance
- » Cerberus Asia
- » Cerberus Japan K.K.
- » Comvest Credit Partners
- » Crescent Capital Group
- » Crosspoint Advisors
- » CVC Asia Pacific
- » Daido Life Insurance
- » Deerpath Capital
- » DENSO Pension Fund
- » Development Bank of Japan
- » Edelweiss Alternative Asset Advisors
- » EQT
- » First Eagle Investment Management
- » Fitch Ratings
- » Fuji Xerox
- » Goldman Sachs - Merchant Banking Division
- » Goldman Sachs (Asia)
- » Goldman Sachs Asset Management
- » GPIF
- » Hayfin Capital Management
- » HPS Investment Partners
- » Huatai Financial Holdings
- » I Squared Capital
- » ICG
- » IFM Investors
- » Japan Post Bank
- » Japan Post Insurance
- » Kartesia
- » KKR Capital Markets Japan
- » Konomi Inc
- » Kyokuto Securities
- » Manulife Life Insurance
- » Marubeni Corporation
- » MetLife Asset Management
- » Mirae Asset Global Investments
- » Mitsubishi UFJ Trust Bank
- » Mitsui & Co. Alternative Investments
- » Mitsui Sumitomo Primary Life Insurance (MSPL)
- » Mizuho Trust & Banking
- » Monitor Capital LLC
- » Monument Group
- » National Federation of Mutual Aid Associations for Municipal Personnel
- » National Kyosai Federation of Japan Agricultural Cooperatives (ZENKYOREN)
- » Neuberger Berman Asia
- » Nippon Life Insurance
- » Nomura Funds Research & Technologies
- » Nuveen
- » Nuveen Japan
- » NXT Capital
- » Orix Life Insurance
- » ORIX Life Insurance Corporation
- » Osaka Shoko Shinkin Bank
- » Pemberton Capital Advisors LLP
- » PennantPark Investment Advisers
- » Pension Fund Association
- » Pension Fund Association for Local Government Officials
- » Proskauer Rose
- » Shinkin Central Bank
- » Sompo Japan Nipponkoa Asset Management
- » Sony Bank
- » Southern Cross Capital
- » Sumitomo Mitsui Trust Bank
- » T&D Asset Management
- » T&D Financial Life Insurance
- » Taiyo Life Insurance
- » The Dai-ichi Life Insurance
- » The Gibraltar Life Insurance
- » The Norinchukin Trust & Banking
- » The Prudential Life Insurance
- » The Shizuoka Bank
- » Tikehau Capital
- » Tokio Marine & Nichido Fire Insurance
- » Topaz Capital
- » TransPacific Group

I heard positive comments about the conference from many attendees. The event was a great success.

Akihiro Endo
Tokio Marine Asset Management



Interactions at the PDI Tokyo Forum 2019



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1.5k+

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Unrivalled **networking** at the Forum

The Tokyo 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 supported the industry leaders to connect, discuss, and share what they found in the event.



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