



Pierfront Capital announces first close for Keppel-Pierfront Private Credit Fund

- Receives CMS license for fund management from MAS
- Second private credit fund with initial capital commitments of US\$200 million
- Keppel Capital completes acquisition of 50% stake in Pierfront Capital and will value add in deal sourcing network and operating experience

Singapore, 30 March 2020 – Pierfront Capital Fund Management Pte. Ltd. (“**Pierfront Capital**” or the “**Manager**”), a Singapore-based fund manager that offers bespoke private credit and mezzanine financing solutions in real asset sectors globally, is pleased to announce the award of its Capital Markets Services (“**CMS**”) License for fund management by the Monetary Authority of Singapore and the first close of the Keppel-Pierfront Private Credit Fund (the “**Fund**”).

The Fund is the initiation of a series of funds with a differentiated private credit investment strategy that focuses on real assets. It aims to provide debt solutions to corporates or projects predominantly in real asset sectors of the Asia-Pacific region, such as infrastructure, real estate, offshore marine, transportation, energy and natural resources, where such financing needs are not met by traditional commercial banks. The Fund is jointly sponsored by Pierfront Capital Mezzanine Fund Pte. Ltd. (“**PCMF**”) and Keppel Capital Holdings Pte. Ltd. (“**Keppel Capital**”), each of which has committed US\$100 million in the first close of the Fund. PCMF is 90.91% and 9.09% held by Temasek and Sumitomo Mitsui Banking Corporation (“**SMBC**”), respectively.

The Fund builds on Pierfront Capital’s successful track record of delivering attractive risk-adjusted returns with a similar strategy to its first fund, PCMF. Since its establishment in 2016, PCMF has committed close to US\$400 million in 15 investments with four exits to-date, achieving over mid-teens gross internal rate of return.

The first close of the Keppel-Pierfront Private Credit Fund follows Keppel Capital’s announcement on 13 November 2019 with respect to the acquisition of a 50% stake in Pierfront Capital from PCMF, which has since been completed. The addition of Keppel Capital as a shareholder will add value to Pierfront Capital’s deal sourcing networks and market intelligence, amplifying its long-term prospects.

Stephane Delatte, Chief Executive Officer (“**CEO**”) and Chief Investment Officer (“**CIO**”) of Pierfront Capital, said, *“The continuing participation of leading financial institutions like Temasek and SMBC speaks to the depth of our commitment and expertise in meeting the increasing demand for specialist intermediate capital in real asset sectors. Our long-term strategic partnership with Keppel has significant positive bearing on our real asset investment focus given its extensive networks and in-depth operating experience in our sectors of focus. The ability to leverage Keppel’s capabilities and networks to gain access to a wider pool of deal opportunities and enhanced market intelligence, especially in times of uncertainty, puts us in good stead to continue executing private credit investments that provide attractive risk-adjusted returns to our investors.”*

Christina Tan, CEO of Keppel Capital, said, “*Private debt is a growing asset class, particularly in today’s environment in Asia-Pacific, where we have observed considerable demand for alternative lending solutions to meet capital needs of corporates and projects in real asset sectors, arising from the structural tightening of traditional bank lending in select markets. We believe that this increasing demand for alternative lending solutions, coupled with the Keppel Group’s capabilities and PCMF’s track record in credit investments, positions the Fund well to capture opportunities in Asian private debt markets.*”

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About Pierfront Capital

Established in 2016, Pierfront Capital is a Singapore-based fund manager that offers bespoke private credit and mezzanine financing solutions in real asset sectors globally. As an independent investment company offering junior debt, mezzanine and structured financing solutions in capital intensive businesses, Pierfront Capital focuses on providing growth capital across a wide range of real asset sectors including, but not limited to infrastructure, energy, transportation, telecommunications and logistics.

Pierfront Capital currently manages Pierfront Capital Mezzanine Fund Pte. Ltd. (“PCMF”), a private credit fund which provides private credit to creditworthy mid cap companies operating in the Asia Pacific Real Assets sectors. PCMF targets the lower risk mezzanine segment, comprising companies and projects with defensive infrastructure like business models, contracted or resilient cashflows and strong sponsors or stakeholders. PCMF is 90.91% and 9.09% held by Temasek and Sumitomo Mitsui Banking Corporation, respectively.

Pierfront Capital has invested close to US\$400 million across 15 investments to meet the increasing demand from financial sponsors and corporates for specialist intermediate capital in the Asia-Pacific region.

About Keppel Capital

Keppel Capital is a premier asset manager in Asia. It is the asset management arm of Keppel Corporation Limited, a multi-business company providing solutions for sustainable urbanisation, to meet the growing need for energy, infrastructure, clean environments, high quality homes and offices, and connectivity.

With assets under management of approximately S\$33 billion as at end-2019, Keppel Capital has a diversified portfolio that includes real estate, infrastructure and data centre assets in key global markets.

Keppel Capital aims to create value and deliver sustainable returns for institutional and retail investors through a range of products including listed REITs, business trusts, private funds, separate accounts and pooled investment vehicles.

The asset managers under Keppel Capital include Keppel REIT Management Limited, Keppel Infrastructure Fund Management Pte Ltd, Keppel DC REIT Management Pte Ltd, Keppel Pacific Oak US REIT Management Pte Ltd, Alpha Investment Partners Limited, and Keppel Capital Alternative Asset Pte Ltd.

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