



Press Release

Paris, 11 September 2024

LBPAM Midcap Senior Debt ("MSD 1") updates its fund-raising target to EUR 400 mln

LBPAM Midcap Senior Debt ("MSD 1") has reached an important milestone: LBP AM has successfully closed on EUR 300 mln fund-raising, thanks to the support of its institutional clients. The fund aims to raise now a further EUR 100 mln, to reach a total target during Q2 25 of EUR 400 mln.

LBPAM private assets Platform manages over EUR 9bln in AUM¹, investing accross Corporate Private Debt, Infrastructure Debt and Real Estate Debt. The Platform is made up of a team of 20 deeply experienced investment specialists. LBP AM private assets has been investing in European mid-market Private Debt since 2012.

Invested in senior secured debt, LBPAM Midcap Senior Debt ("MSD 1") finances European, mainly French domicile, small and mid-caps loans. It aims to offer a regular yield of around Euribor +~[4.25-4.75]% (yield not guaranteed²). To date, the fund has completed around 20 transactions in companies with EBITDA of between EUR 10 mln and EUR 80 mln, with an average leverage of 3.3 times, thanks to its first-rate origination capacity and multi-channel sourcing.

From the outset, this strategy set a highly ambitious ESG targets and KPIs, with extra-financial criteria taken into account alongside strategic and financial criteria. All investments include ESG commitments; 51 KPIs are included in all financing and all companies carry out a carbon footprint.

In addition, the fund has adopted the more stringent approach to the SFDR³ classification by being classified "Article 9". The sustainability target is to support the acceleration of portfolio companies' transition to a more sustainable economy, on a local, national or European scale. To achieve this, the private debt team relies on LBP AM's proprietary ESG methodology, *GREaT*⁴, used since 2016 across the whole of the LBP AM Platform.

¹At the end of June 2024. AUM including €3 bln in Dutch Mortgages from Aegon AM, marketed by LBP AM.

²Return target is not guaranteed and may not be achieved.

³Regulation (EU) 2019/2088 on the publication of sustainability information in the financial services sector. Known as Sustainable Finance Disclosure (SFDR), it imposes transparency obligations on sustainable investment funds. Article 9 covers funds with a sustainable investment objective.

⁴*GREaT* is based on 4 pillars: responsible governance; sustainable management of natural and human resources; economic and energy transition; and regional development, each of which is broken down into assessment criteria.

“LBP AM's expertise and track record in private debt, will help contribute to the success of this strategy. With a sustained, diversified and selective deployment of transactions, we aim to maintain an attractive level of return for a measured exposure to risk. Our aim is to serve both our clients and the companies we finance, by aligning our ESG interests,” says Isabelle Luy-Landès, Head of Corporate Private Debt at LBP AM.

“The trajectory of the LBPAM Midcap Senior Debt fund is in line with the growth ambitions of our European private assets Platform. Corporate debt remains a core, high value-added asset class within our unlisted assets range,” adds Vincent Cornet, Chief Investment Officer at LBP AM.

Disclaimer: This is an advertising communication. It does not constitute investment advice, an investment recommendation or a solicitation to buy or sell financial instruments or services. This fund is reserved for professional investors within the meaning of the Markets in Financial Instruments Directive (MiFID). Investors should consult the regulatory documentation available on request from LBP AM or on the website www.lbpam.com, before making any subscription decision.

This fund carries risks including (but not limited to): risk of capital loss, market risk, credit risk, sustainability risk. Please refer to the LBPAM Midcap Senior Debt fund prospectus for full information on risks.

The fund may deviate significantly from its performance target at any time, depending on market conditions. This target is based on market assumptions made by the asset-management company and does not in any way a promise of return or performance.

Investors have no guarantee that current yield rates will equal or exceed the stated target return.

The opinions expressed (i) are considered reliable by LBP AM and founded or justified by the economic, financial, stock market and regulatory context and (ii) are provided for information purposes only.

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About LBP AM (www.lbpam.com)

Owned 75% by La Banque Postale and 25% by Aegon Asset Management, LBP AM is a leading multi-specialist in sustainable finance, solutions and conviction-based management via its subsidiary La Financière de l'Échiquier (LFDE). LBP AM has 3 investment divisions: real & private assets, multi-asset & absolute return, and quantitative solutions. Covering all types of clients – institutional investors, distributors, private clients – LBP AM Group leverages its expertise and that of its subsidiary LFDE to offer a wide range of open-ended funds and its know-how in dedicated solutions and mandates, on listed and unlisted assets. LBP AM Group's consolidated assets under management totalled 68 billion euros as of 31 December 2023.

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