



## **Principal® Direct Lending Business Launches Private Credit Fund**

June 4, 2024

## *New offering meets the growing demand of investors seeking direct lending options*

DES MOINES, Iowa--(BUSINESS WIRE)-- [Principal Asset Management<sup>SM</sup>](#) today launched the Principal Private Credit Fund I, offering exposure to lower and core middle market loans, with immediate access to these direct lending investments. The fund will target 90% plus exposure to private credit and offers investors enhanced yield and return potential through a disciplined credit investment process. This fund is managed by Principal Alternative Credit, the direct lending investment team of Principal Asset Management.

Direct lending has become increasingly popular as investors recognize the value of the asset class. The yield premium and floating rate structure of direct lending loans have contributed to the asset class delivering appealing returns through time, and notably strong performance in a higher interest rate environment. Investors appreciate many qualities of private middle market loans such as the senior secured first lien nature of the asset class, reasonable leverage levels, financial covenants and exposure to industries benefiting from positive secular trends. These appealing attributes of direct lending are highlighted in the lower and core middle market, which are segments of focus for Principal Alternative Credit direct lending.

"In the current market environment, many investors are attracted to the opportunity of direct lending as it provides them with attractive yields and an expectation for resilient performance through various market conditions. The Principal Private Credit Fund I is tailored to meet the evolving needs of investors who prioritize significant income driven investment returns and diversification compared to other more typical investment options," said Tim Warrick, managing director of alternative credit at Principal Asset Management.

Principal Alternative Credit is a market leader in private credit with a heritage of serving clients for over 50 years.<sup>1</sup> The team is comprised of more than 30 dedicated and experienced professionals averaging over 15 years of experience in direct lending and surpassed \$2 billion in total borrower commitments as of December 31, 2023.

"With this offering, we have taken the proven approach of the Principal Alternative Credit team and offered it as an Interval Fund to meet the needs of our clients in the US Wealth Markets," said Barbara Wenig, executive managing director, Principal Asset Management. Wenig chairs the Interval Fund Board and leads efforts to advance the offering of semi-liquid private assets to retail markets.

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<sup>1</sup> Experience includes investment management activities of predecessor firms beginning with the investment department of Principal Life Insurance Company

### [About Principal Asset Management<sup>SM</sup>](#)

With public and private market capabilities across all asset classes, Principal Asset Management and its investment specialists look at asset management through a different lens, creating solutions to help deliver client investment objectives. By applying local insights with global perspectives, Principal Asset Management identifies distinct and compelling investment opportunities for more than 1,100 institutional clients in over 80 markets.<sup>1</sup> Principal Asset Management is the global investment solutions business for Principal Financial Group® (Nasdaq: PFG), managing \$545 billion in assets<sup>1</sup> and recognized as a "Best Places to Work in Money Management"<sup>2</sup> for 12 consecutive years.

[1] As of March 31, 2024

[2] Pensions & Investments, "The Best Places to Work in Money Management", among companies with 1,000 or more employees, December 12 2023.

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Source: Principal Financial Group