



Principal® Partners With Barings on New \$1 Billion Portfolio Finance Initiative to Strengthen Private Credit Platform

October 7, 2025

DES MOINES, Iowa--(BUSINESS WIRE)--Oct. 7, 2025-- Principal Financial Group® (Nasdaq: PFG), a global financial company, today announced a strategic partnership with Barings to expand the general account portfolio at Principal® through an allocation of up to \$1 billion in bespoke private investment grade portfolio finance investments. The investments will be in the form of a separately managed account and a co-investment structure. The co-investment structure will be managed by Principal Asset Management®, the dedicated in-house asset manager for Principal, who manages approximately 95% of the Principal general account portfolio.

“This announcement is part of our broader approach to private markets at Principal: selectively building partnerships that complement our in-house underwriting and portfolio management expertise in differentiated asset structures and securities,” said Kamal Bhatia, president and chief executive officer, Principal Asset Management.

The partnership will focus on bespoke private investment grade portfolio finance investments, with Barings as the asset originator manager. It furthers the commitment of Principal to enhance the company’s general account through diversified and scalable private credit strategies to offer strong risk-adjusted returns aligned with liabilities. Partnering with Barings Portfolio Finance, a specialist direct originator with extensive experience and scale, and combining it with the strong underwriting and portfolio management expertise of Principal Asset Management creates a win-win structure for the company.

“We continue to look for ways to evolve and diversify our private credit portfolio in a value-enhancing manner,” said Ken McCullum, executive vice president, chief risk officer, Principal Financial Group. “This partnership deepens our footprint in the private markets ecosystem, by aligning our strong insurance entity and in-house asset management platform with the strengths of an experienced external manager.”

“We are thrilled to partner with Principal and deliver Barings’ Portfolio Finance investment grade direct origination platform for the benefit of Principal’s policyholders and shareholders,” said Dadong Yan, Head of Barings Portfolio Finance. “Across changing market conditions, Barings Portfolio Finance is uniquely positioned to understand the evolving needs of insurers.”

Partnering with Barings enables Principal to access a differentiated segment of the private credit market to complement the internal capabilities residing within Principal Asset Management in real estate, mid-market direct lending, private corporate, and infrastructure credit.

[About Principal Financial Group®](#)

Principal Financial Group® (Nasdaq: PFG) is a global financial company with approximately 20,000 employees¹ passionate about improving the wealth and well-being of people and businesses. In business for 146 years, we’re helping over 70 million customers¹ plan, insure, invest, and retire, while working to support the communities where we do business and building an inclusive workforce. Principal® is proud to be recognized as one of the 2025 World’s Most Ethical Companies² and named as a Best Places to Work in Money Management³. Learn more about Principal and our commitment to building a better future at [principal.com](https://www.principal.com).

¹ As of June 30, 2025

² Ethisphere, 2025

³ Pensions & Investments, 2024

About Barings

Barings is a \$456 billion* global asset management firm that partners with institutional, insurance, and intermediary clients and supports leading businesses with flexible financing solutions. The firm, a subsidiary of MassMutual, seeks to deliver excess returns by leveraging its global scale and capabilities across public and private markets in fixed income, tangible assets, and capital solutions.

*As of June 30, 2025

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