
Breaking News

By Editorial Staff Thu, Apr 14, 2022

MetLife launches 'private equity fund' platform; Inflation, war affect asset allocations at pension funds: bfinance; Eagle Life enhances index annuities; Elizabeth Heffernan joins Micruity.

MetLife launches 'private equity fund' platform

MetLife Investment Management (MIM), the institutional asset management business of MetLife, Inc. (NYSE: MET), announced the launch of a private equity fund investment platform for institutional clients in concert with the closing of approximately \$1.6 billion in commitments to a new MIM-managed fund-of-funds.

The new fund purchased a portfolio of approximately \$1.2 billion of private equity and venture capital assets with funded and unfunded commitments totaling \$1.2 billion from MetLife affiliates as part of a managed secondary sale transaction anchored by funds managed by HarbourVest Partners L.P., which served as lead investor.

MIM syndicated a portion of the transaction to other unaffiliated institutional clients. Following the closing, MIM intends to deploy approximately \$400 million on behalf of the fund on new private equity opportunities.

“This new platform and secondary transaction speak to MetLife’s 30-year track record as a leading private markets investor and MIM’s ability to generate strong results in alternative asset classes,” said Steven Goulart, president of MIM and executive vice president and chief investment officer for MetLife. “This initial transaction provides us the opportunity to demonstrate the strength of our investment capabilities in private equity and venture capital and provide this offering to unaffiliated institutional investors, while also adjusting MetLife’s alternatives exposure.”

The portfolio of assets acquired by the fund consists of nearly 80 high quality private equity and venture capital fund investments diversified globally and across a range of sectors. The sale follows strong returns for the MetLife general account’s private equity portfolio, which held \$14.0 billion in private equity assets at the end of 2021.

MIM’s private equity team consists of 12 professionals and has deployed nearly \$18.0 billion of alternative investments on behalf of MetLife between 2007 and 2021. MIM had \$669.0 billion in total assets under management as of December 31, 2021. Campbell Lutyens & Co.

served as advisor to MetLife for this transaction.

S investors nationwide ages 45–75 from February 17 – February 28, 2022. The survey included 317 respondents with employer-provided defined contribution retirement plans.

Inflation, war affect asset allocations at pension funds: bfinance

Some 84% of respondents at 162 pension funds are at least moderately concerned inflation will erode their ability to reach their investment objectives, and 48% plan to increase the inflation sensitivity of their portfolio in 2022, according to an IPE.com report on a poll by investment consultancy [bfinance](#).

Pension funds plan to hedge inflation by increasing exposure to infrastructure, private debt and real estate, the research found. Private debt (39%) and real estate (36%) were highly popular. Alternatives were a more popular inflation hedge than equities (18%) or inflation-linked bonds (12%).

“These asset allocation changes represent a continuation of longer-term shifts in favor of illiquid strategies and real assets,” said a bfinance spokesperson. “Investors’ concerns about inflation and rising rates are giving greater impetus to these trends.”

Only 8% of respondents plan to increase exposure to commodities as an inflation hedge. Only 9% of pension funds indicated they had increased exposure to commodities over the past 12 months. Half of the pension funds surveyed were from Europe, with the rest from North America, Asia Pacific and the Middle East & Africa.

Four in 10 pension funds said that Russia’s invasion of Ukraine and other recent geopolitical developments will or already have changed their ESG approach, either in-house or via changes made by their external asset manager partners.

Others said the conflict had not itself affected what they are doing, but it reinforced the need for a sophisticated ESG approach. “Emerging market country exposures, controversial weapons and fossil fuel firms are coming under particular scrutiny,” bfinance’s Kathryn Saklatvala said.

A Dutch pension fund told bfinance that the war in Ukraine caused it to rethink its weapons exclusion list, saying: “We will also place more scrutiny on role of state-owned companies and companies that otherwise act as extensions of the state, where the state was blacklisted under our ESG policy, even though Russia wasn’t blacklisted under our criteria prior to the

invasion.”

Eagle Life enhances index annuities

Eagle Life Insurance Co., a subsidiary of American Equity Investment Life, has announced enhancements to Select Focus Series and Eagle Select Income Focus fixed index annuities.

Those products will gain two new index options and a Performance Rate Rider, adding to existing index options: the S&P 500 Index and the S&P 500 Dividend Aristocrats Daily Risk Control 5% Excess Return Index. The new options are:

Franklin Global Trends Index. This multi-asset index adds a global option to the Eagle Life portfolio. Comprised of both national and global asset classes, it “dynamically allocates across 10 global asset classes,” including equities, fixed income and alternatives.

Invesco Dynamic Growth Index. This index combines US equities and bonds, matching allocation strategies to one of four economic cycles — recovery, expansion, slowdown or contraction. It addresses risk by monitoring market performance and making intra-day allocation adjustments as needed.

Performance Rate Rider. This optional rider allows contract owners to increase participation rates on the annuity’s crediting strategy, which could potentially boost the amount of interest credited to it. The cost for applying the PRR to selected crediting strategies will not change for the length of the annuity’s surrender charge period.

Elizabeth Heffernan joins Micruity

Micruity Inc., has appointed Elizabeth Heffernan as Head of Partnerships and Consulting Strategy. A long-time Fidelity executive, she will “work closely with Micruity platform partners to optimize their product design for the data-connectivity of the Micruity annuity ecosystem,” according to a release this week.

Heffernan spent 24 years at Fidelity Investments in a variety of roles including marketing, sales and product, most recently working Investment Strategies. She also spent two years as the Managing Director of Business Development with Hueler Companies.

Elizabeth has spent the last 14 years working closely with asset managers and insurers on the design and connectivity of income products to the record keeping system, including significant work with Plan Sponsors and Participants to understand their goals and objectives in the Retirement Income space.

Elizabeth Heffernan is an active member of the Defined Contribution Institutional Investment Association (DCIIA) and is currently serving as Chair of the Retirement Income committee.

The Micruity Advanced Routing System (MARS) facilitates frictionless data sharing between insurers, asset managers, and record keepers through a single point of service that lowers the administrative burden for plan sponsors and enables them to turn retirement savings plans into retirement income plans at scale.

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