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## **CPPIB Credit Investments Inc. Joins KKR and Stone Point Capital as a Partner in Capital Markets Platform**

***Seeks to Invest Up To \$2 Billion Initially in Middle Market and Non-Traditional Corporate Credit Opportunities Sourced through Platform***

NEW YORK & TORONTO--(BUSINESS WIRE)-- Stone Point Capital ("Stone Point") and KKR & Co. L.P. (NYSE: KKR) today announced the addition of CPPIB Credit Investments Inc. ("CPPIB Credit"), a wholly-owned subsidiary of Canada Pension Plan Investment Board ("CPPIB"), as a joint venture partner and investor in MerchCap Solutions LLC ("MCS" or the "Company"), formerly known as KKR-SPC Merchant Advisors LLC. Formed in August of 2012, the Company provides principal and agency-based capital markets services to sponsor-backed and corporate mid-market companies as well as principal investments to support its client needs.

In addition to the \$300 million of capital previously committed by Stone Point and KKR, CPPIB Credit will commit an additional \$50 million of equity to MCS to support its business. CPPIB has initially earmarked up to \$2 billion of capital for direct investment at its discretion in middle market debt transactions and other non-traditional corporate lending opportunities arranged for clients of MCS. Mark Jenkins, Head of Private Debt for CPPIB, will join the board of directors of the Company as well as its Strategic Development and Capital Allocation Committees. The day-to-day origination, execution and underwriting activities of the Company will continue to be carried out by KKR's capital markets employees.

"This investment is an excellent opportunity to expand CPPIB's Private Debt portfolio into the middle market, an attractive and underserved market segment," said Mark Jenkins. "We also believe there are additional underserved areas that we can target by combining our focus with MCS's structuring and distribution expertise. This platform is well suited to our comparative advantages and internal underwriting capabilities, and we have initially earmarked up to \$2 billion of additional capital for direct investments in mid-market companies through MCS. We look forward to partnering alongside KKR and Stone Point who are longstanding, well-aligned partners of ours."

"We are excited to expand our MCS partnership with the addition of CPPIB, an exceptional pension fund with a long investment horizon and deep investment and market expertise that will have clear benefits for MCS's targeted client base. With CPPIB, our company will be even better suited to helping clients find attractive capital markets solutions," said Chuck Davis, Co-Founder of Stone Point.

"CPPIB has built a unique and highly differentiated private debt capability. We look forward to combining forces with CPPIB to provide tailored solutions to our clients, who will benefit from CPPIB's ability to scale and hold private corporate credit assets and its long-term orientation as a lender and investor," added Craig Farr, Global Head of Capital Markets at KKR.

### **About CPPIB Credit Investments Inc.**

CPPIB Credit Investments Inc. is a multi-faceted global credit investment program wholly owned by the CPP Investment Board. Since its inception, the group has invested approximately \$10 billion of capital and currently holds approximately \$5 billion of credit investments. With investments in the Americas, Europe and Asia, the team is focused on providing debt financing across the entire capital structure including term loans, high-yield bonds, mezzanine lending and other solutions for corporations.

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 18 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in London and Hong Kong, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At September 30, 2012, the CPP Fund totaled C\$170.1 billion. For more information, please visit [www.cppib.ca](http://www.cppib.ca).

### **About KKR**

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with \$66.3 billion in assets under management as of September 30, 2012. With offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with investors through its client relationships, capital markets and global stakeholder relations platform. KKR & Co. L.P. is publicly traded on the New York Stock Exchange (NYSE: KKR), and references to KKR in

this release include its subsidiaries, their managed investment funds and accounts, and/or their affiliated investment vehicles, as appropriate. For additional information, please visit KKR's website at [www.kkr.com](http://www.kkr.com).

### **About Stone Point**

Stone Point Capital LLC is a global private equity firm based in Greenwich, Connecticut, that has a 25-year record of making successful investments in the financial services industry. Stone Point Capital serves as the manager of the Trident Funds, which have raised more than \$9 billion in committed capital to make investments in lending, banking, insurance, asset management and other financial services companies. For further information about Stone Point Capital, see [www.stonepoint.com](http://www.stonepoint.com).

### **Forward-Looking Statements**

This release contains certain forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Without limiting the foregoing, statements regarding the Company or the intentions or commitments of Stone Point, CPPIB Credit and KKR may constitute forward-looking statements. Such statements are subject to the risk that the terms of their obligations may be modified, commitments may not be funded at all or the benefits and synergies from the Company are not realized. The forward-looking statements are based on the parties' beliefs, assumptions and expectations, taking into account all information currently available to it. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the parties or are within their control. No party undertakes any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made except as required by law. Additional information about factors affecting KKR is available in KKR & Co. L.P.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed with the SEC on February 27, 2012, and other filings with the SEC, which are available at [www.sec.gov](http://www.sec.gov).

Photos/Multimedia Gallery Available: <http://www.businesswire.com/multimedia/home/20130117005419/en/>

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