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Florida State Board of Administration completes \$2 billion private credit secondary sale



Anthony Cusano, Managing Partner, Banner Ridge Partners.

By: **Hadi Jaloul**

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Related Firms: [Banner Ridge Partners, LP](#)

Banner Ridge Partners has emerged as the primary buyer in the Florida State Board of Administration's (FSBA) recent \$2 billion private credit secondary sale, acquiring approximately \$1.8 billion of the portfolio. This makes it one of the largest private credit secondaries to date.

According to the pension's latest public disclosures, the Active Credit holdings included \$9.87 billion in private credit, 46% of which was made up of distressed and special situations funds. Evercore advised on the portfolio sale, first reported by the Wall Street Journal, which included managers such as Blackstone and KPS Capital Partners.

The sale that included 19% of the pension's Active Credit holdings is part of FSBA's new mandate to divest up to \$4 billion of the asset class under a new portfolio construction framework focused on lower-risk investments, as reported by *SecondaryLink* in October 2024.

FSBA, which manages \$205 billion in assets, has set a 7% allocation target for Active Credit, split between 4% in private credit and 3% in multi-asset credit, with an emphasis on US and European direct lending.

In an exclusive interview with *SecondaryLink*, Banner Ridge Managing Partner Anthony Cusano shared that the portfolio aligned closely with the firm's expertise. *"Banner Ridge was already an investor in the majority of names, and therefore knowledgeable of the underlying assets and general partners,"* he said. This familiarity enabled Banner Ridge to act decisively in the deal.

The acquisition fits squarely within Banner Ridge's focus on LP interests in funds specializing in distressed, special situations, and opportunistic credit. *"This deal is right down the middle of the fairway for what Banner Ridge does,"* Cusano said.

Banner Ridge's specialization in this space gave it a unique advantage: *"There wasn't another group that could have solved the portfolio we purchased."*

Existing relationships with the portfolio's managers provided critical information, while the firm's scale, bolstered by the largest dedicated fund in the space, enabled it to close the record-breaking transaction.

A key tool used to navigate the complex portfolio was the firm's proprietary software, *SUIT*, which provided critical insights and helped them *"leverage similar assets from prior deals and 15 years of experience in this market to deliver an informed bid and ultimately the best solution to the seller."*

Cusano emphasized the transaction's broader significance for the secondary market. *"This deal shows large institutions that it's possible to sell private credit assets at scale,"* he said, further predicting that more pension funds may follow FSBA's lead to access liquidity.

SecondaryLink has been closely tracking Banner Ridge’s growing influence in the secondary market, recently highlighting the returns from its secondary funds and its strategic expansion into energy secondaries, building on its expertise in the secondary market.

Fundraising

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The fund and its affiliated vehicles closed 24% above the original target, marking GCP’s largest-ever fundraising for the strategy.

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