

**RAUS AUS NEGATIV RENTIERENDEN
ANLEIHEN, PRIVATMARKTANLAGEN ALS
TEIL DER LÖSUNG: VON DEN ERSTEN
STRATEGISCHEN ÜBERLEGUNGEN BIS
ZUR EFFEKTIVEN UMSETZUNG**



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Swiss Pensions Conference 2021, 25 October 2021



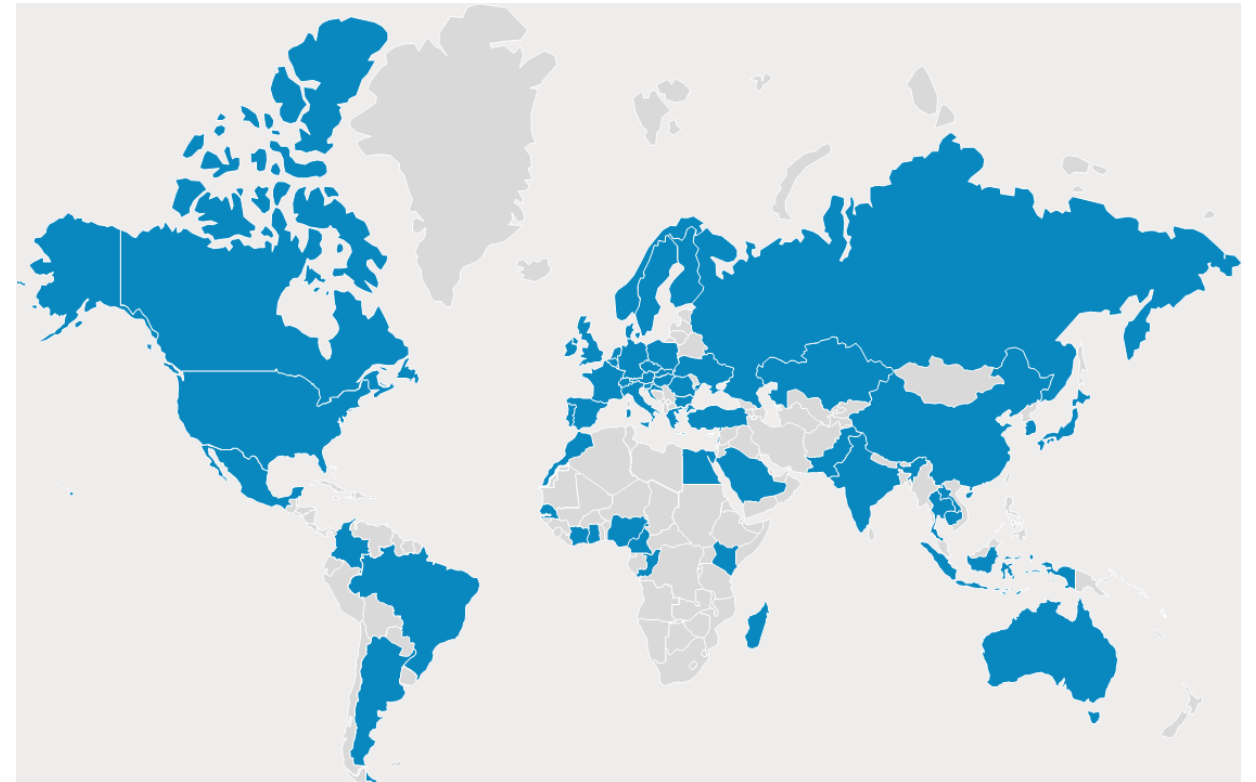


INVESTMENTS AT THE CORE OF ALLIANZ

One of the largest institutional investors...



...with local portfolios across the world


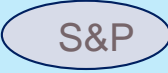
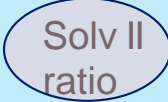





BUT: IT'S HARD TO ESCAPE "GRAVITY"





THE LIFE OF AN INSURANCE INVESTOR

Investor type	Asset-only view <i>Sovereign wealth funds</i> <i>Family Offices</i> <i>Hedge Funds</i> <i>“Warren Buffet” type</i>	+ Liability considerations <i>Public Pension Funds</i> <i>Private Pension funds</i>	+ Insurance requirements <i>L/H and P/C insurers</i>	+ Listed company  <i>and other core peers</i>
Stakeholder		+ Policy Holder	+ Regulator, Rating agencies	+ Shareholder
Investment Strategy Steering KPIs	<ul style="list-style-type: none">• Risk / Return optimization• Economic Value focus• Long-term orientation• Diversification	<ul style="list-style-type: none">+ Cash Flow projections+ Funding level+ Regulation	<ul style="list-style-type: none">+ Accounting (IFRS / local)+ Risk Capital+ Credit Rating <div></div>	<div></div>
Typical Real Asset quota	>60%	~45% (t/o 28% Public Equity)	~10-15% (t/o 4% Public Equity)	

ALTERNATIVE ASSETS ATTRACTIVE FOR INSURERS



Why are Alternatives a good fit for our portfolios?



Fighting gravity through illiquid and more complex assets



Attractive spreads relative to risk capital consumption



Long-term investment opportunities to match liability profile



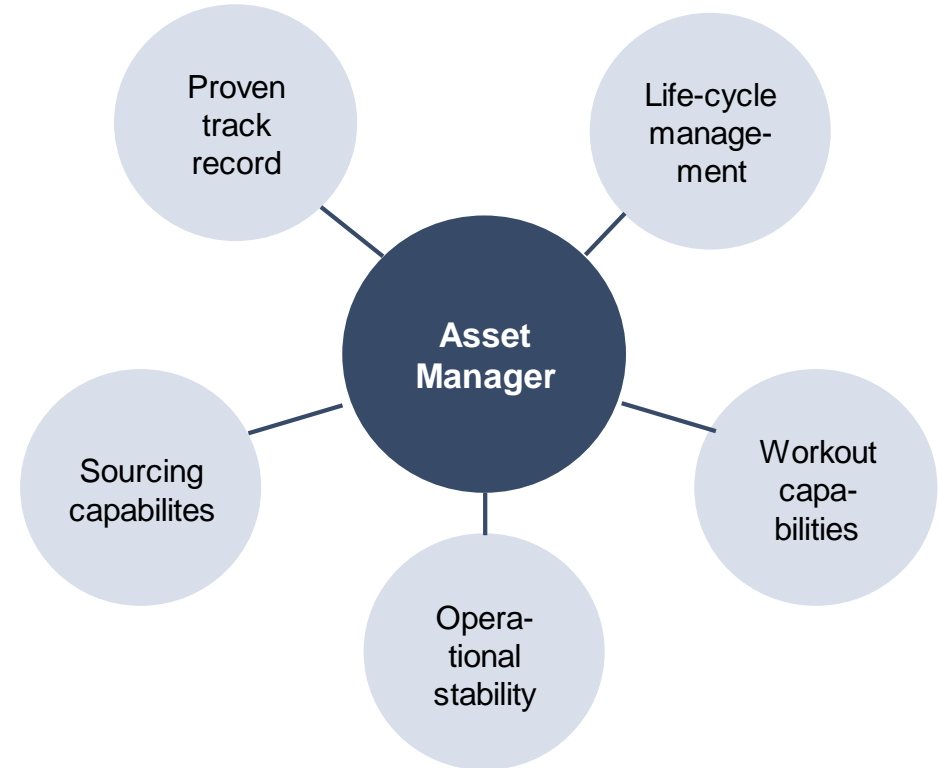
Low capital market correlation enhances portfolio diversification



Access to sustainable investments



Partner selection crucial for a successful strategy



EUR 70bn
~ 13% AuM

2013

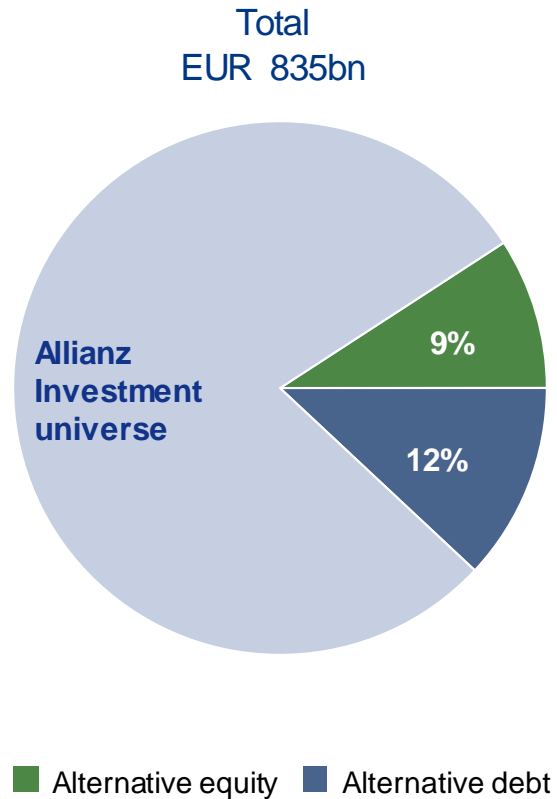
+ EUR >100bn

EUR 177bn
~ 21% AuM

2020

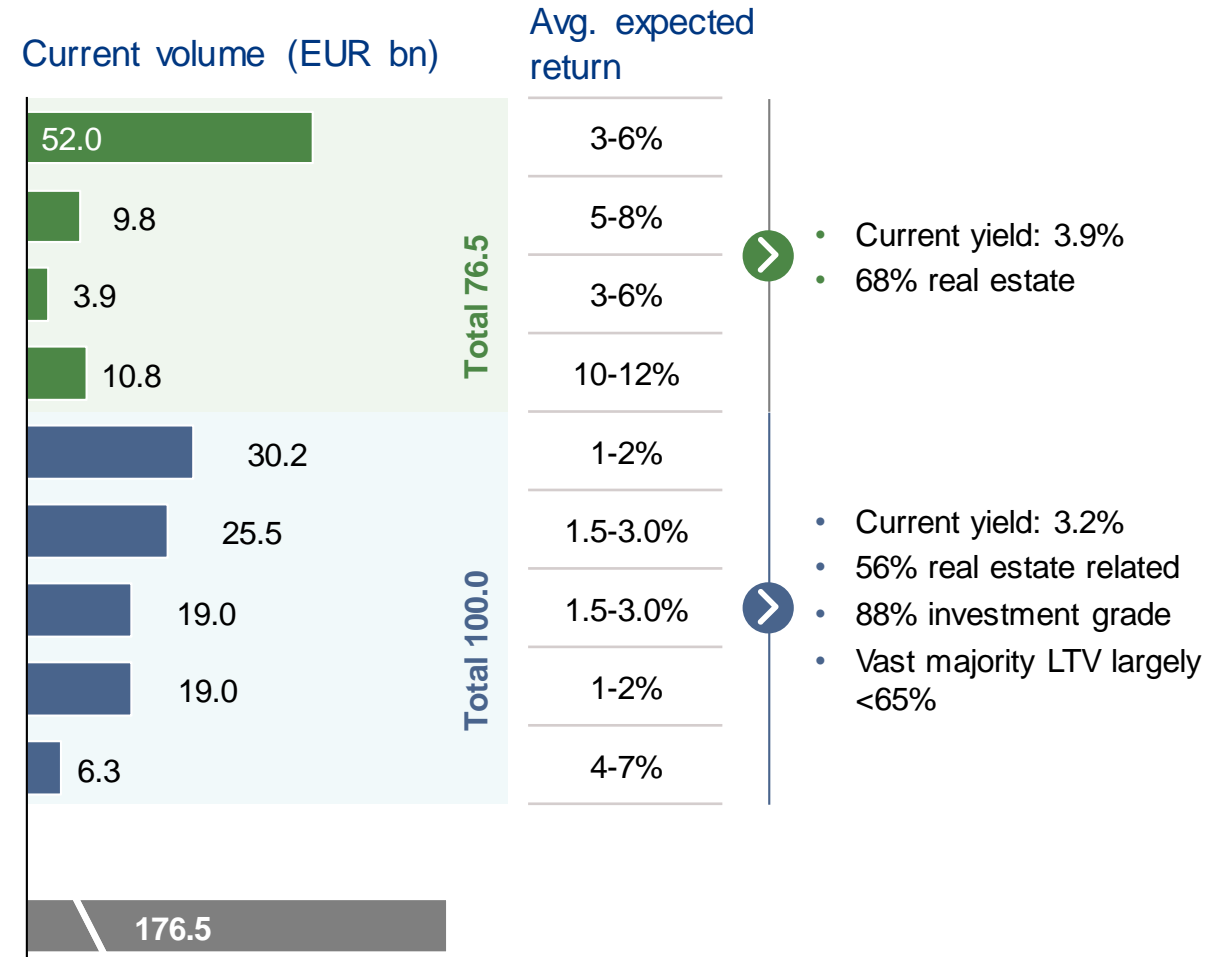


ALTERNATIVES WITH GROWING IMPORTANCE



Real estate
Infrastructure equity
Renewable energy
Private equity
Non-commercial mortgages
Commercial mortgages
Infrastructure debt
Private placements
Private debt

Total



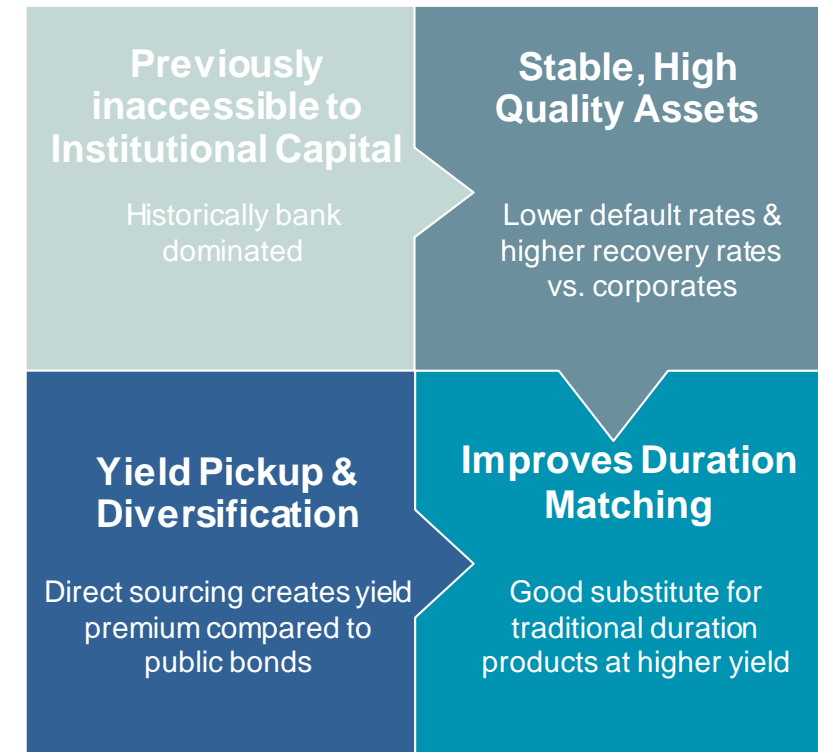
CASE STUDY I: INFRASTRUCTURE DEBT

What is it? Lending to projects backed by essential physical assets and stable contractual revenue streams

How are we approaching the asset class?



Why does it make sense for us?



CASE STUDY II: MIDDLE MARKET LENDING

What is it? Individually structured loans to mid-market companies (EBITDA 10-100mn) via best-in-class asset managers

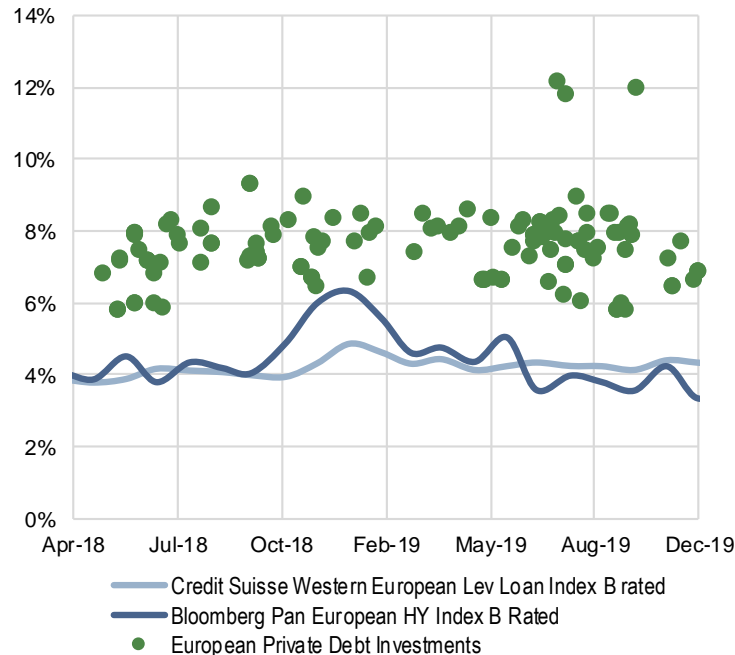
How are we approaching the asset class?

Long-term partnership approach across cycles (started in 2007). Large allocations as one of the largest global private debt fund investors

Why does it make sense for us?

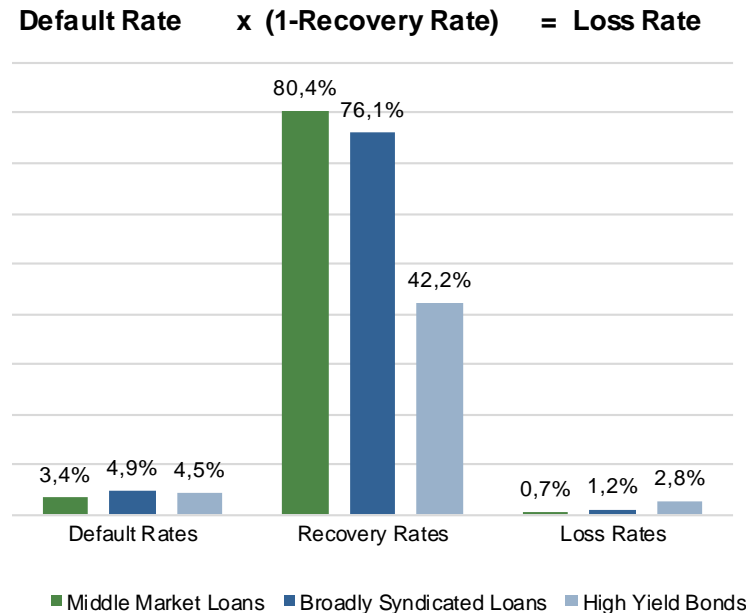
1. Attractive Returns

Credit spreads of European mid-market senior loans vs. comparable fixed-income indices



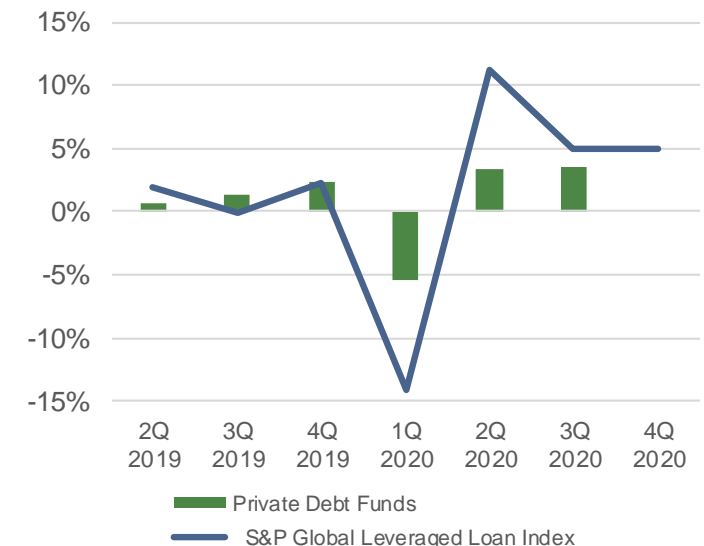
2. Downside protection

Average annual loss rates across middle market, syndicated loans and high-yield bonds (1988-2015)



3. Low volatility

Valuation comparison leveraged loans vs. private debt during COVID-19 pandemic





LESSONS LEARNED

