Insurance Asset Management

Building long-term partnerships to meet insurance investment challenges
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Who are we?

We are a global asset manager that combines our insurance heritage, investment capabilities and sustainability expertise to address the challenges and constraints that insurers face.

Today’s investors and intermediaries expect more. A better future for all. That’s why we integrate our whole business around them – the outcomes they want, the experience they expect, alongside a company-wide commitment to looking after a planet we all care about.

To achieve this, we build responsibility into everything we do from investment process and engagement to policies and culture; break down boundaries to act as one team and listen, understand and partner with clients to help them achieve their goals. Delivering investment performance while doing the right thing for our people, communities, our clients and their investments is fundamental to both our legacy and our long-term success.

It takes partnership, collaboration and responsible action. It takes Aviva Investors.
Our capabilities

Diverse expertise: Investment products designed to deliver outcomes that really matter.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>£bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit</td>
<td>91.4</td>
</tr>
<tr>
<td>Equity</td>
<td>17.7</td>
</tr>
<tr>
<td>Multi-asset and macro</td>
<td>73.4</td>
</tr>
<tr>
<td>Real assets</td>
<td>38.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>221</strong></td>
</tr>
</tbody>
</table>

Source: Aviva Investors and Aviva plc as at 10 August 2022.

Fixed Income
An indispensable building block for meeting a variety of investment goals, including income, inflation protection, liability management and capital appreciation.

Equities
Our range of equity strategies is underpinned by a robust, repeatable investment process to meet clients’ objectives across capital growth, income and responsible investing.

Liquidity
Offering investors same day, stable value LVNAV and VNAV short-term money-market strategies, which include euro and sterling denominated strategies.

Multi-asset
With over four decades of managing multi-asset and multi strategy strategies, we offer bespoke and off-the-shelf actively managed solutions.

Real Assets
We offer real assets solutions, leveraging our scale to access markets across UK and Europe and deploy capital more efficiently.
We want to provide our clients with joined up thinking for an interconnected world; integrated solutions with their needs firmly at the heart; and an experience that is effortless and rewarding. All with confidence that the future of the world they care about is being looked after.”

Mark Versey
Chief Executive Officer, Aviva Investors
Investing responsibly matters

We are proud to be a company of action, united by a firm-wide commitment to work with and for our clients to do what is right for them, society and the world around us.

Creating a sustainable future and delivering long-term investment returns can only be accomplished by working together with clients, competitors, policymakers and regulators to connect different perspectives, share knowledge and experience.

Shaping our future

Partnering for lasting change

Sustainable world

Powering change

Active ownership for impact

Responsibility built in

ESG integration

As an active owner with scale and global reach, we use engagement, voting and market reform to drive the transition to a sustainable future.

Responsible investing is a driving force across business. It is deeply embedded into our culture, investment decision making, products and solutions. Beyond any binding ESG constraints in our strategies and baseline exclusions policy, the investment manager retains discretion over final investment decisions, taking into account wider risk factors.
Five decades at the forefront

CEO representation in Cadbury Review, leading to world’s first corporate governance code

1992

Founding signatory of UN Principles for responsible investing

2006

UN Goals for Sustainable Development (SDGs) Target 12.6

2015

World Benchmarking Alliance launched. Award from UN for sustainability work

2018

First asset manager to formally integrate corporate responsibility into voting policy

2001

Corporate Human Rights Benchmark launched

2013

Member of European Commission High-Level Expert Group on Sustainable Finance & FSB TCFD

2016

First meeting of the Coalition for an International Platform for Climate Finance

2020

Rated 5 Stars by the UN PRI in 2021

for Strategy and Governance; highest score every year since inception

Best ESG Asset Manager 2021 and 2022

Corporate Adviser Awards

Ranked A by ShareAction on Responsible Investment in 2023

Ranked 3rd out of 77 asset managers globally

Highest ESG rating from Square Mile in 2023

For ESG integration

Awards and ratings

Source: Aviva Investors as at 24 May 2023. The name “Aviva Investors” as used in this material refers to the global organisation of affiliated asset management businesses operating under the Aviva Investors name. Rankings are based on the opinions of the agency and not indicative of any one client’s experience. Each year, every signatory must tender a submission to the PRI, incorporating a detailed account of the firm’s Responsible Investing activities. In turn, the PRI conducts a detailed assessment of all submissions, and awards a rating (‘A+’, ‘A’, ‘B’, ‘C’, ‘D’, ‘E’ or ‘F’, in descending order of merit) against various aspects of Responsible Investing activity. The Corporate Adviser Awards recognise excellence and innovation in the delivery of workplace benefits advice, consultancy, products and services. ShareAction examines 75 of the most influential asset managers worldwide on responsible investment governance, climate change, biodiversity and human rights; each participant was assigned a rating applicable to their aggregated score, from AAA through E grade.
Insurance asset management is part of our heritage

Against a backdrop of transformation, insurance investors are looking at markets through a different lens. Skill, judgement and relationships with trusted partners will be critical in identifying growth opportunities and future-proofing portfolios against the challenges ahead.

Our heritage allows us a deep understanding of the challenges and constraints that insurers face. Aviva Investors is part of one of the most secure financial institutions in the UK. As the investment arm of Aviva plc, the UK’s largest insurer, our origins in the London insurance market stretch back more than 300 years.

Partnering for change

We are one of a select group of Supporting Members of the International Cooperative and Mutual Insurance Federation (ICMIF), representing the cooperative and mutual insurance sector worldwide.

Shaping insurance investment strategies

Products
Access to a broad range of assets

Our product range includes all the componentry for building outcome-oriented solutions, encompassing fixed income, equities and alternatives. As well as customising segregated solutions for larger portfolios, tailored solutions can be delivered through pooled funds, allowing access for smaller clients.

Solutions
Managing across asset classes

We provide strategic and tactical allocation for multi-asset portfolios, informed by our in-house research. Portfolios can be designed to meet specific capital budgets and liquidity appetite. Capabilities include managing insurance portfolios to deliver defined liability cashflow profiles, rather than beat market benchmarks.

“Responsible investment and ESG are increasingly important to our members... Aviva Investors is one of the leading brands in this area and can help ICMIF and our members take meaningful strides in tackling critical issues that go beyond the borders of our industry.”

Shaun Tarbuck
Chief Executive, ICMIF
Supporting our insurance clients

It takes understanding your business
We make it our business to know what’s important to yours. Our long heritage and deep expertise in helping our insurer partners to navigate complex capital regimes and regulatory frameworks enables us to create solutions that work assets harder, optimising the return on your capital.

It takes partnership
We provide access to our experienced team of former industry executives, actuaries and seasoned insurance professionals. This allows us to understand your business objectives and work with you to set an investment strategy to meet those.

It takes driving positive change
We’re on a mission to create a climate of change. From driving change at the companies we are invested in, to engaging with policymakers and governments to help shape market reform initiatives, we are committed to creating a truly sustainable future.
The role of fixed income

Extraordinary times and exceptional policy measures have changed the rules of the game and bond yields continue to test investors.

In this challenging environment, we have an experienced, global team managing credit in the UK, Continental Europe, North America and Asia. They deliver focused strategies across the risk spectrum, including those suitable for insurers facing heavy regulatory demands, undertaking complex asset-liability management and managing ratings constraints.

Our team-based approach promotes idea generation and collaboration. We combine top-down and bottom-up inputs with quantitative analysis in our investment process; it is subject to robust risk management throughout.

Key Risks

Investment risk: The value of an investment and any income from it can go down as well as up and can fluctuate in response to changes in currency and exchange rates. Investors may not get back the original amount invested.

Credit risk: Bond values are affected by changes in interest rates and the bond issuer’s creditworthiness. Bonds that offer the potential for a higher income typically have a greater risk of default.
## The role of real assets

Insurers are increasingly looking to private assets to provide higher yields than liquid alternatives of broadly similar credit quality, diversification and enhance downside protection.

We have been active in real assets since 1984 and viewed as a market leader in this market. We originate and manage private assets to meet specific requirements, including assets eligible for matching-adjustment portfolios.

Our multi-asset approach allows the portfolio manager to select across the spectrum of private assets, enhancing relative-value opportunities, diversification benefits and deployment speeds.

### Real estate long income

Long-lease commercial real estate let to public sector or corporate tenants; sale and leaseback, income strips and ground rents.

### Private corporate debt

Privately-issued debt via private placements or bilateral loans to borrowers ranging from investment grade to privately-owned corporates.

### Infrastructure debt

Loans to finance the construction of long-term facilities (e.g. buildings, roads, power supplies) that underpin economic activity.

### Infrastructure equity

The capital or equity owned by investors in infrastructure projects; includes unlevered (owning the whole project without associated debt).

### Real estate finance

Loans to assist in the purchase or refinancing of commercial real estate (e.g. offices, retail, industrial, logistics, leisure and healthcare facilities).

### Structured finance

Bespoke opportunities in asset financing, corporate financing and public-sector financing.

## Key Risks

**Illiquidity:** Alternative Income assets are significantly less liquid than assets traded on public markets. Where funds are invested in infrastructure/real estate, investors may not be able to switch or cash in an investment when they want because infrastructure may not always be readily saleable. If this is the case, we may defer a request to redeem the investment.

**Valuation:** Investors should bear in mind that the valuation of real estate/infrastructure is generally a matter of valuers’ opinion rather than fact. The value of an investment and any income from it may go down as well as up and the investor may not get back the original amount invested. Past performance is not a guide to future returns.
Our awards

Climate Mitigation Investment Initiative of the Year
Insurance Asset Risk Awards (2022, 2023)

Insurance Asset Manager of the Year
Insurance ERM (2019, 2020)
Insurance Investment Exchange (2018, 2019)

Alternatives Manager of the Year
Insurance Investment Exchange (2018)
Insurance Asset Management (2018, 2020)
Insurance Asset Risk (2019)

Investment Team of the Year
Insurance Asset Risk (2019, 2020)

Best Client Service
Insurance Investment Exchange (2019)

Investment Innovation of the Year
Insurance Asset Risk Awards (2018)

Infrastructure Manager of the Year
Insurance Asset Management (2019)

Data science solution provider of the Year
Insurance Asset Risk (2020)

Real Asset Manager of the Year
Insurance Asset Risk (2021)

Innovation Provider of the Year
Insurance Asset Management (2021)

Stewardship Initiative of the Year
Insurance Asset Risk Awards (2021, 2022, 2023)

Important Information
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