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# Insurance Asset Management

Building long-term partnerships to meet  
insurance investment challenges



It takes Aviva Investors





# Contents

Who are we?	3
Our capabilities	4
Investing responsibly matters	6
Five decades at the forefront	7
Awards and ratings	7
Insurance asset management is part of our heritage	8
Shaping insurance investment strategies	8
Supporting our insurance clients	9
The role of fixed income	10
The role of real assets	11

## 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.**



Life insurance   General insurance   Health insurance   **Asset management**

**325**  
years in  
business

**18.5**  
million  
customers

**12**  
countries

  
**900+**  
people

  
**AVIVA**  
INVESTORS

# Our capabilities

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

## 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.



Asset Class	£bn
■ Credit	91.4
■ Equity	17.7
■ Multi-asset and macro	73.4
■ Real assets	38.9
<b>Total</b>	<b>221</b>

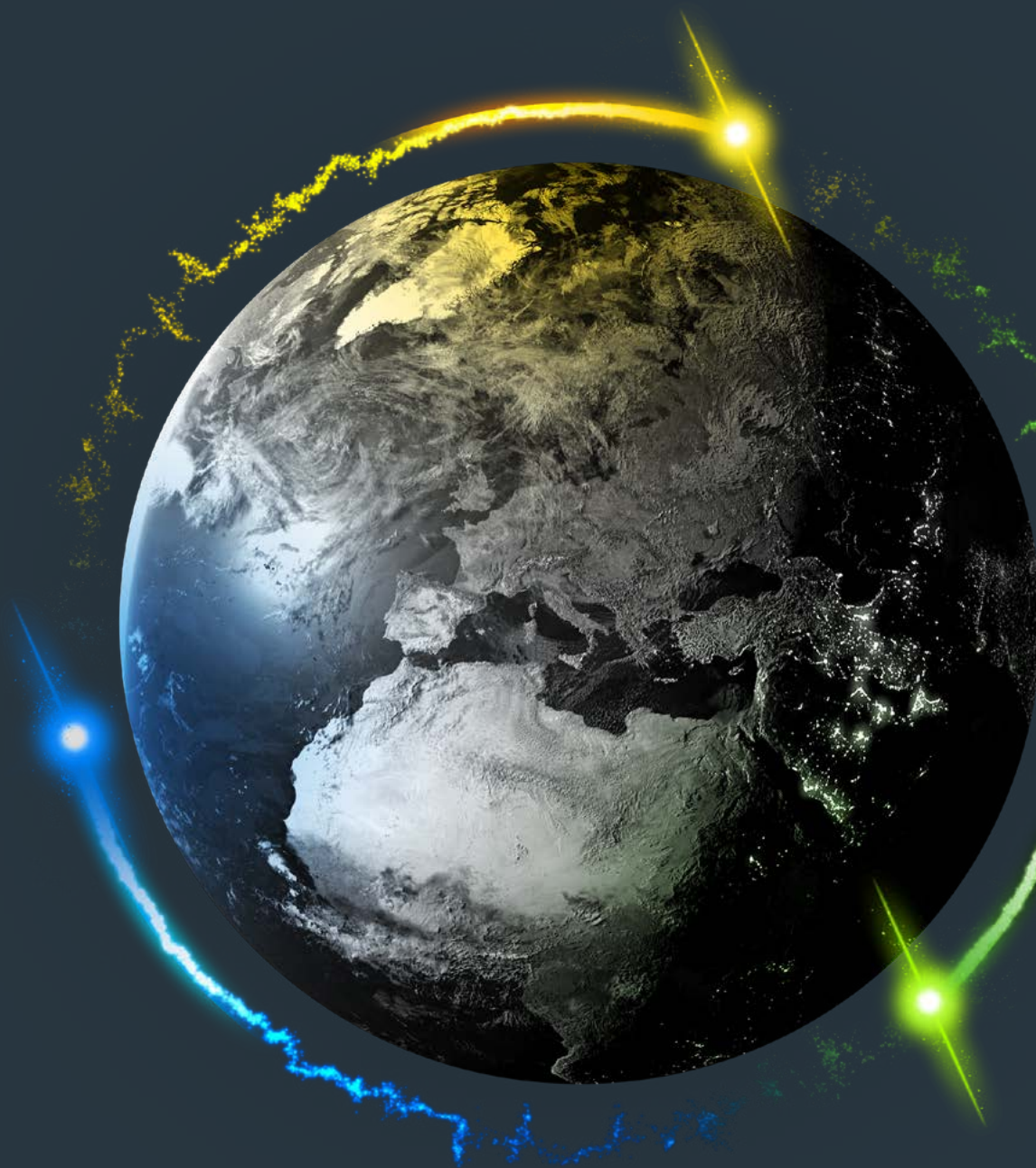
Source: Aviva Investors and Aviva plc as at 10 August 2022.



*“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.



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



## 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.

We can provide clients with an extensive range of pipeline deals in primary and secondary markets, as well as bespoke opportunities.

Deal structure is the key to robust investor protection.

Our expertise in valuation, risk and credit analysis is critical.

## 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

Except where stated as otherwise, the source of all information is Aviva Investors Global Services Limited (AIGSL). Unless stated otherwise any views and opinions are those of Aviva Investors. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature. Information contained herein has been obtained from sources believed to be reliable but has not been independently verified by Aviva Investors and is not guaranteed to be accurate. Past performance is not a guide to the future. 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. Nothing in this material, including any references to specific securities, assets classes and financial markets is intended to or should be construed as advice or recommendations of any nature. This material is not a recommendation to sell or purchase any investment.

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