

WEBINAR SERIES

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Survey Insights: Investment Risk, Private Assets and ESG on the Rise Among Life Insurers

March 28, 2023 | 1:00 PM - 2:00 PM EDT

Presented by



Survey Insights: Investment Risk, Private Assets and ESG on the Rise Among Life Insurers

Presented by  CONNING[®]



Elizabeth Carden

Senior Managing Director,
Conference Development,
ACLI

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Moderator:

Allison Connolly

*Senior Associate, Sales
Conning*



Matthew Reilly

*Head of Insurance Solutions
Conning*



Scott Hawkins

*Head of Insurance Research
Conning*

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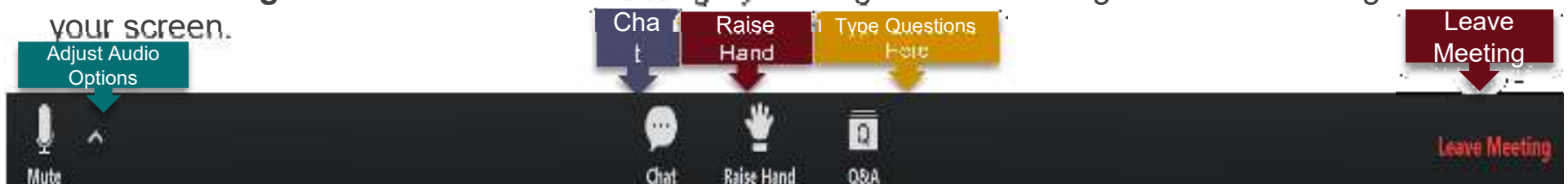
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Webinar Information

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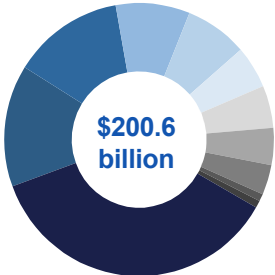
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About Conning

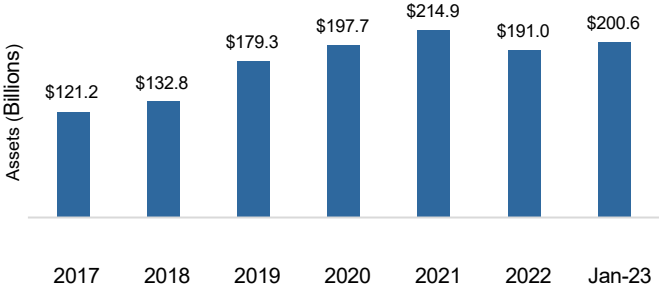
- Founded in 1912; investing institutional assets for over three decades
- In 2016, Conning acquired a controlling interest in Octagon Credit Investors, LLC, a specialty manager with expertise in collateralized loan obligations (CLOs) and bank loans
- 501 employees with 175 investment professionals⁽¹⁾
- In 2020, Conning acquired a majority interest in Global Evolution, a specialty manager with expertise in emerging market debt strategies
- PRI signatory as of 2012, with an integration of ESG factors into our investment process⁽²⁾
- In 2022, signed an agreement to acquire a majority stake in Pearlmark Real Estate, LLC., a manager of commercial real estate debt and equity strategies

Assets by Asset Class⁽³⁾



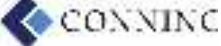
36.0%	Investment Grade Corporate Bonds ⁽⁴⁾
14.8%	Bank Loans ⁽⁵⁾
12.9%	Equities
9.1%	Structured Securities ⁽⁶⁾
7.5%	Emerging Markets Debt ⁽⁷⁾
5.1%	Governments and Agencies ⁽⁸⁾
5.0%	Balanced & Other Funds ⁽⁹⁾
4.2%	Cash ⁽¹⁰⁾
3.6%	Municipal Bonds ⁽¹¹⁾
0.9%	Private Placements
0.8%	High Yield Corporate Bonds

Assets Under Management⁽³⁾



(1) Excludes SITE
 (2) [https://stpublic.blob.core.windows.net/pri-ra/2020/Investor/Public-TR/\(Merged\)_Public_Transparency_Report_Conning_2020.pdf](https://stpublic.blob.core.windows.net/pri-ra/2020/Investor/Public-TR/(Merged)_Public_Transparency_Report_Conning_2020.pdf)
 (3) As of January 31, 2023, represents the combined global assets under management for the affiliated firms under Conning Holdings Limited (CHL) and Cathay Securities Investment Trust Co., Ltd. (SITE). SITE is a separate entity under Cathay Financial Holdings Co., Ltd which is the ultimate controlling parent of all CHL controlled entities. The CHL CEO sits on the Board of SITE and helps oversee the business.
 (4) Includes Convertible Securities.

(5) Includes Bank Loans held in managed CLO funds.
 (6) Includes Mortgage-backed Securities, Asset-backed Securities, CLO Debt and CLO Equity.
 (7) Includes Emerging and Frontier Markets.
 (8) Includes Treasuries, Supranational and Sovereigns.
 (9) SITE ILP Funds, Funds of Funds and other Mutual Funds.
 (10) Includes Taxable Municipals and Tax-Exempt Municipals.
 (11) Includes Short Term.



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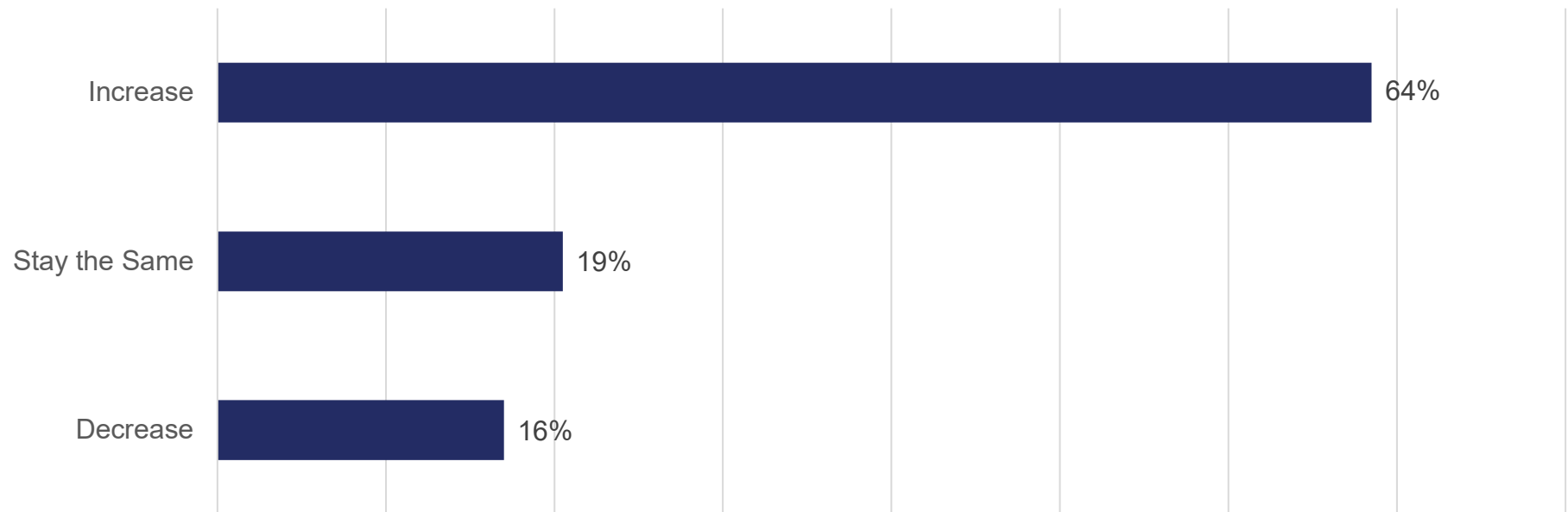
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Survey Overview

- Survey was done two consecutive years, surveying insurance industry professionals, focusing on ESG concerns in investing
- This webinar features a subset of survey data, using responses where companies had Life/Annuity business
 - Insurers classified as “Mixed” insurers had Health or P&C business as well
- Sample of:
 - 2021: 245 responses
 - 2022: 252 responses

Survey: Risk Tolerance

Do you anticipate your firm's investment risk tolerance in the next year will...*

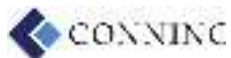
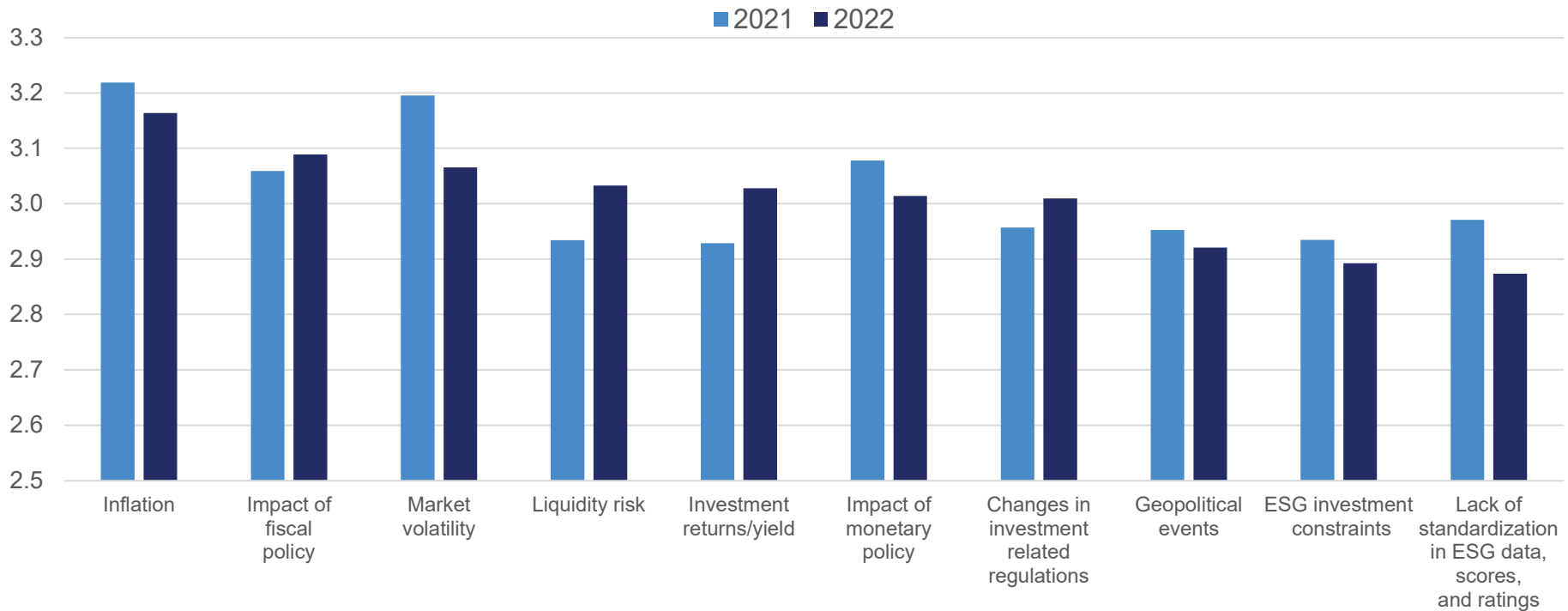


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*Graphic does not reflect two "Do Not Know" responses

Inflation Continues to be Insurers' Top Investment Concern

Please rate your concern about the impact of the following on your firm's investment portfolio in the next 2-3 years

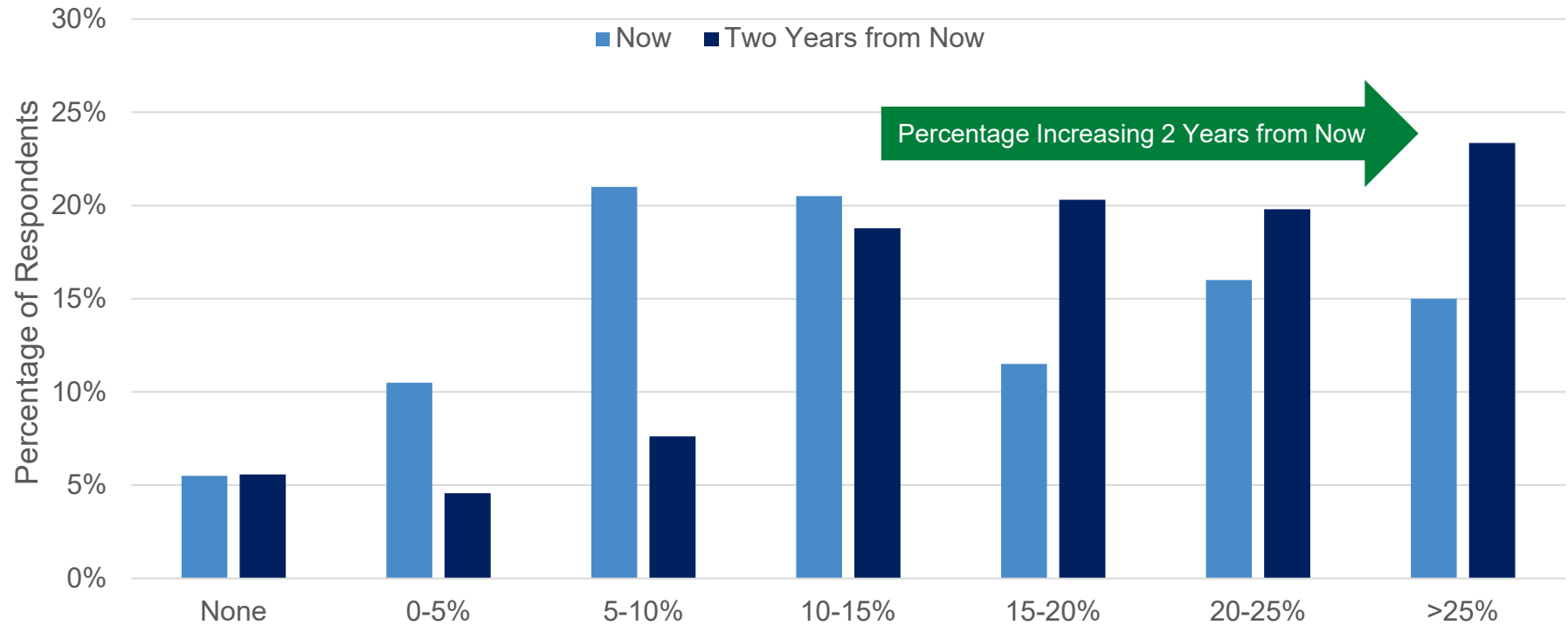
Average Concern Score (1 = no concern, 4 = very concerned)



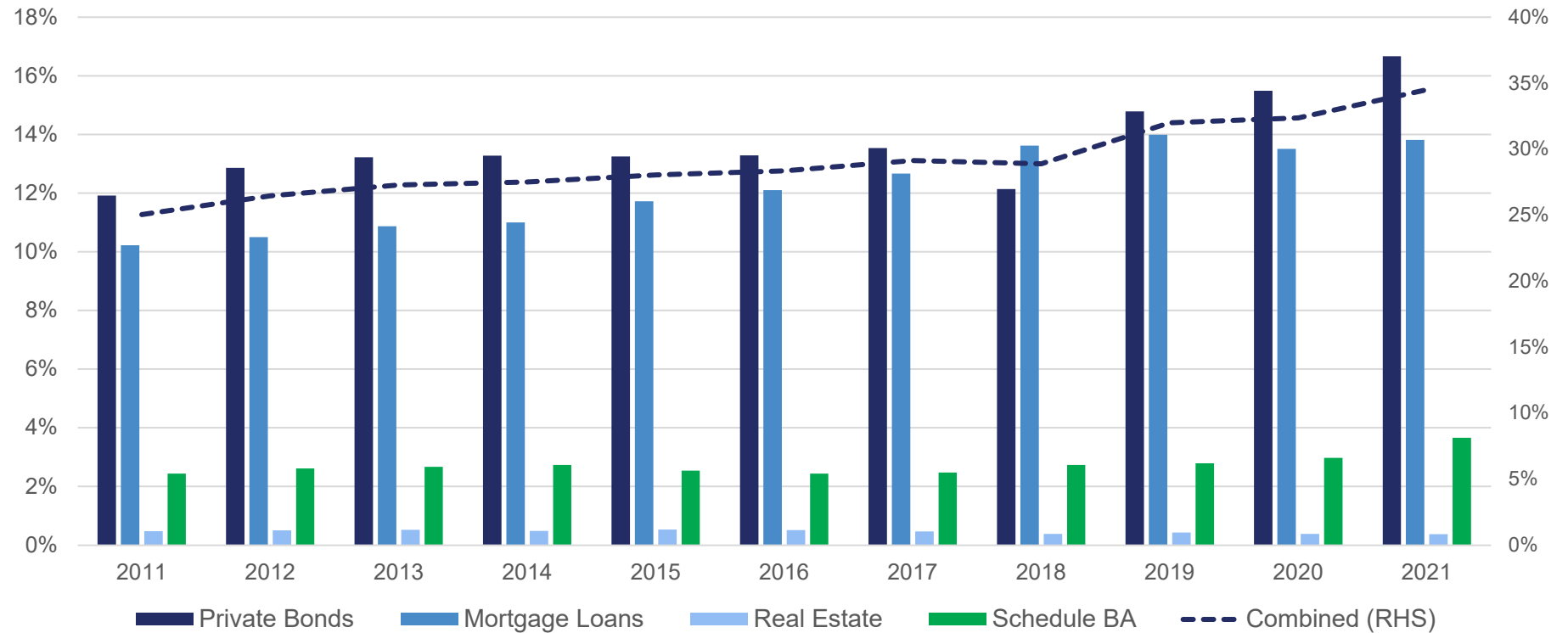
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Intention to Shift More of the Portfolio into Private Assets

What percentage of your portfolio is invested in private assets?

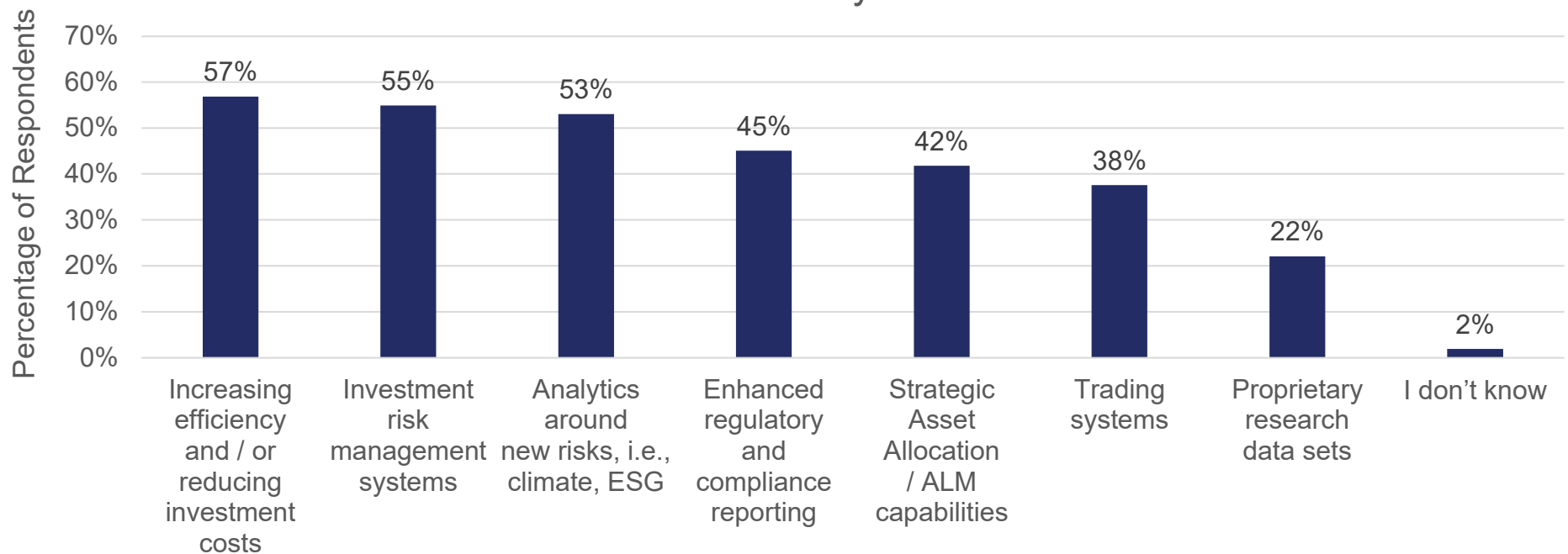


Life Industry Public / Private Bond Allocations



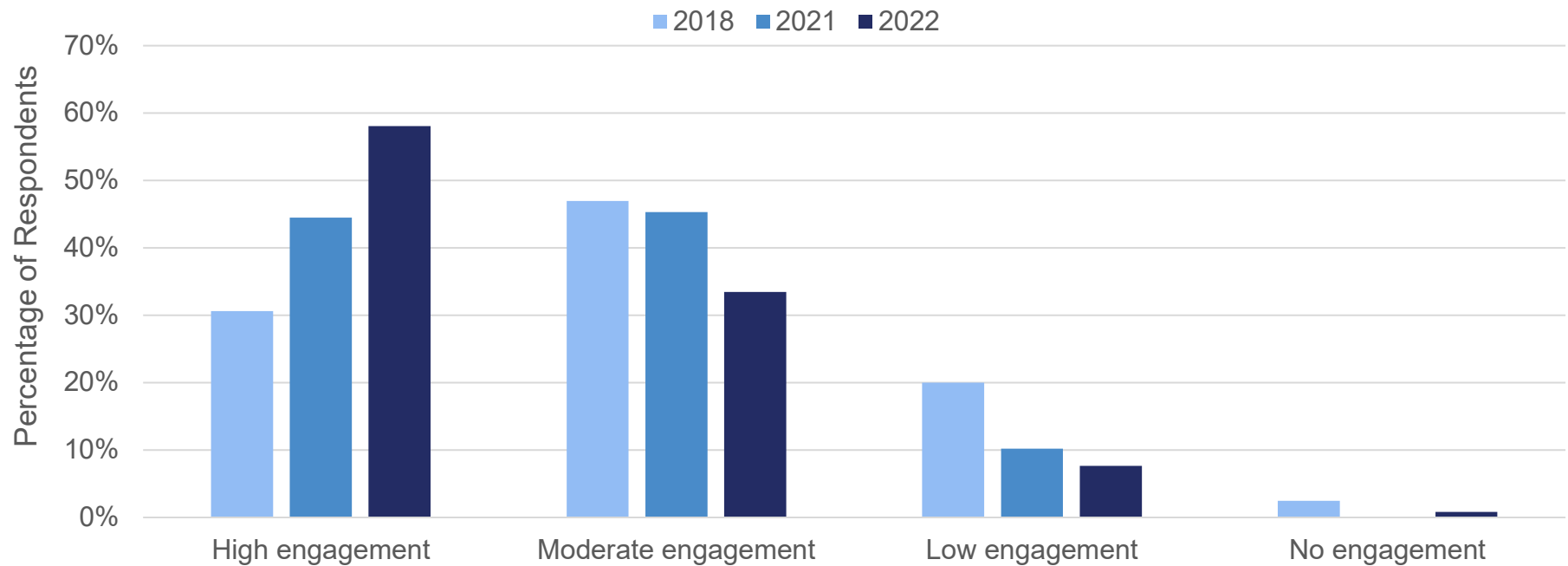
Most Needed Portfolio Management Tools in Next Two Years

In what investment tools/capabilities do you anticipate investing more in the next 1-2 years?



Increasing ESG Engagement at Insurers

How would you assess your firm's current engagement with ESG overall?

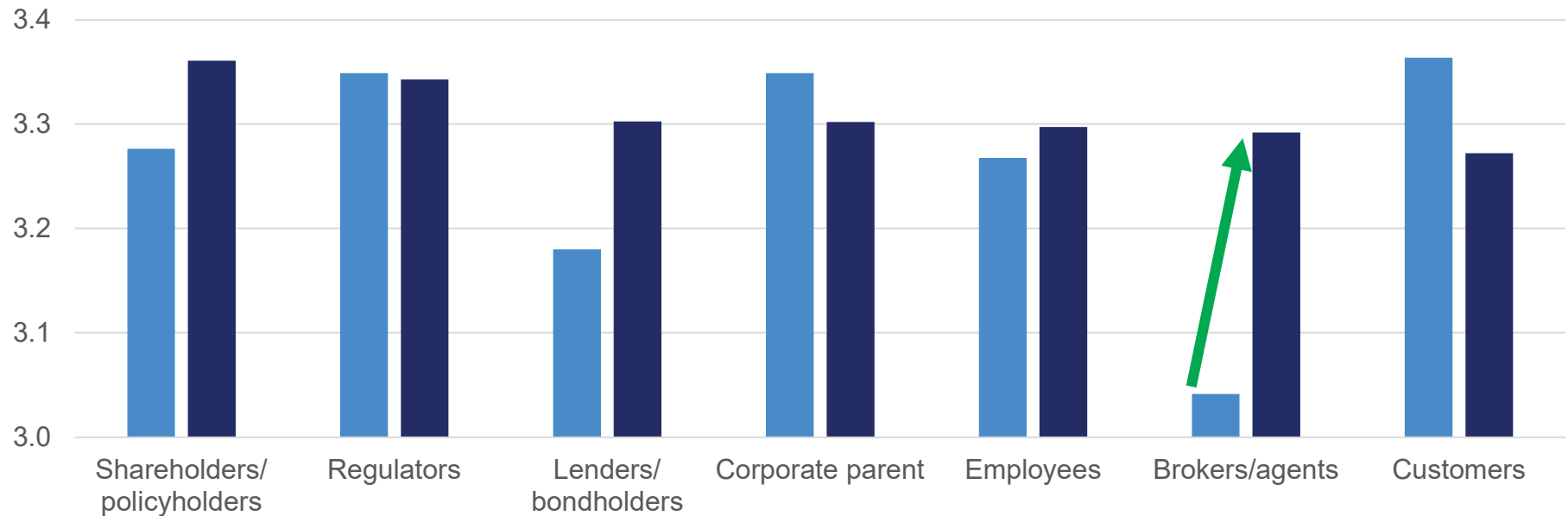


Brokers/Agents Increase in Importance as ESG Influencers

To what extent do the following stakeholders influence your firm's ESG engagement

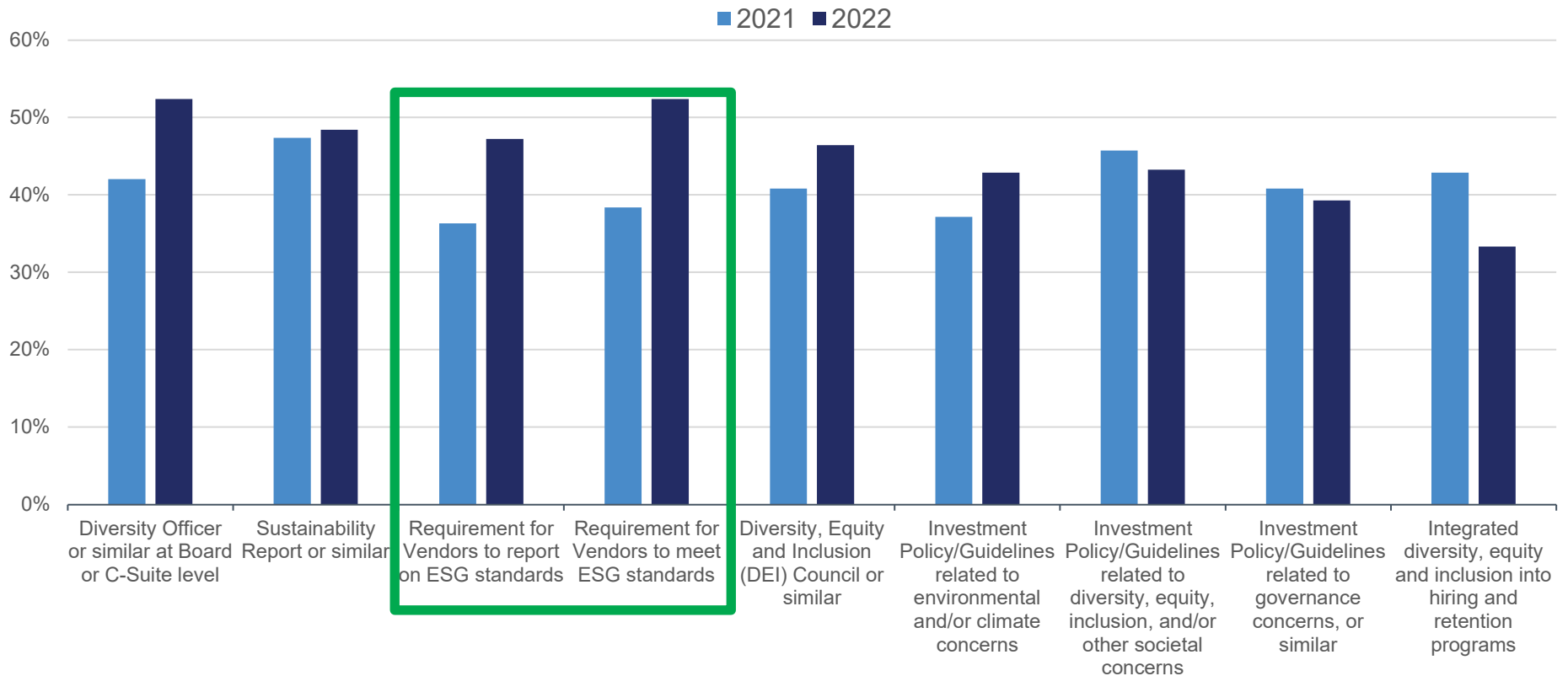
Average Influence Score (1 = has no influence, 4 = very influential)

■ 2021 ■ 2022

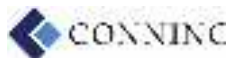


Increasing ESG Expectations of Insurers on Their Partners

Which of the following does your firm have in place at this time?



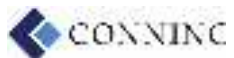
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DISCUSSION / QUESTIONS

THANK YOU!

**For additional information, please contact Sunny Wadhwa at
Sunny.Wadhwa@Conning.com or 860.299.2248.**





ACLI ANNUAL CONFERENCE 2023

September 27-29, 2023

JW Marriott | Washington D.C.



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Disclosure

The Conning Risk Assessment Survey of U.S. Insurers utilized survey technology provided by Qualtrics, LLC. In 2022, surveys were sent to approximately 4,000 U.S. insurance company decision makers with 303 qualified responses (2021 survey was sent to approx. 7,000 U.S. insurance company decision makers with 280 qualified responses). Results may not be representative of any one respondent's experience as they reflect an average of all, or a sample of all, of the experiences of surveyed U.S. insurance company decision makers. Qualtrics, LLC was paid a fee for services rendered.

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