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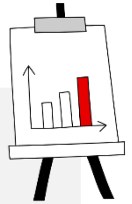
A new era for infrastructure

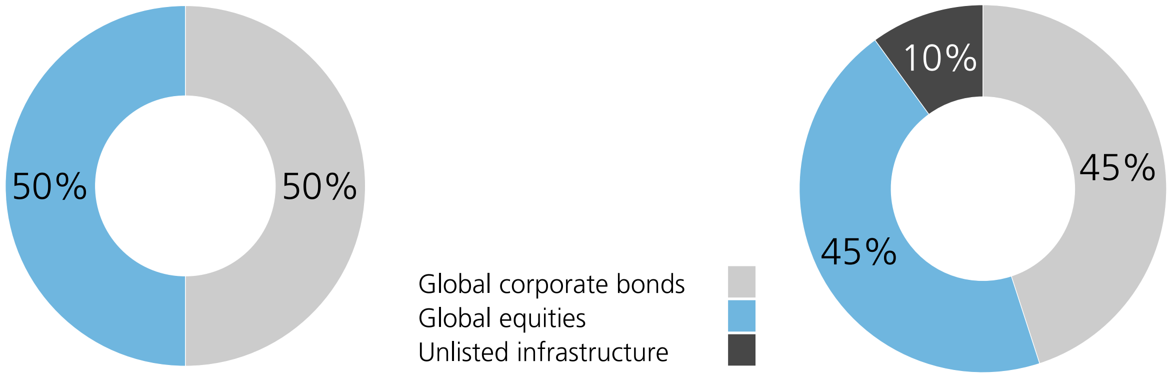
Annual Meeting Compagnie di Assicurazioni 25-26 maggio 2023

Infrastructure assets improve the portfolio diversification

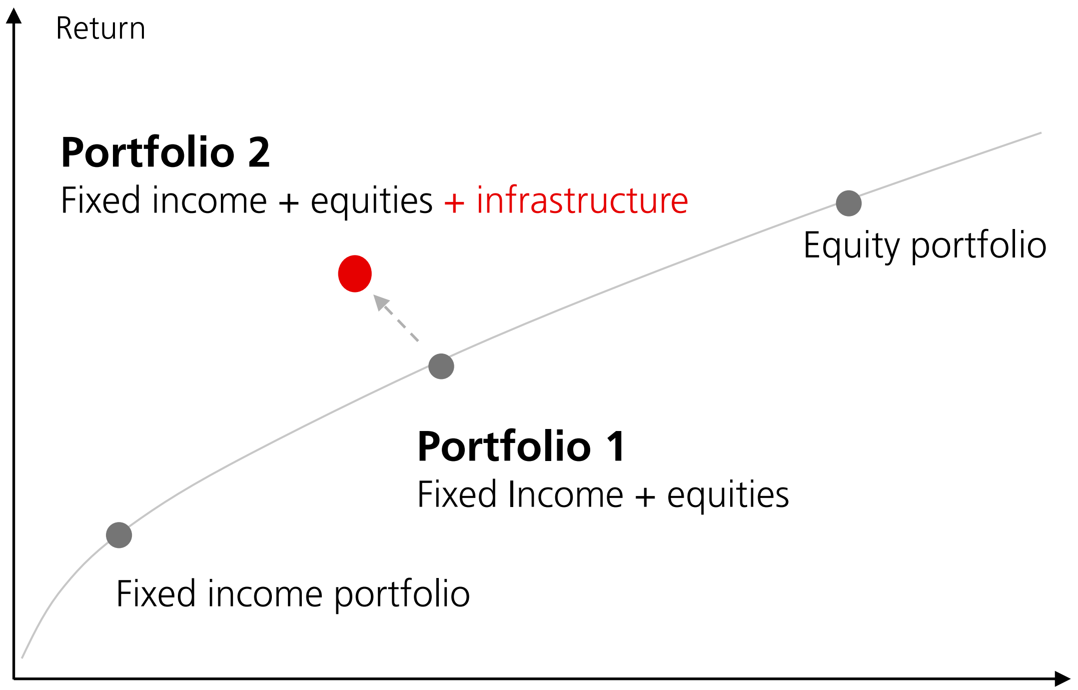


Improved risk return ratio by reaping the benefits of unlisted infrastructure assets

Illustrative example of the diversification potential of infrastructure assets



	Portfolio 1			Portfolio 2
Portfolio return (annualized)	**6.5%**	⬆	Portfolio return (annualized)	**7.1%**
Portfolio volatility (annualized)	**8.4%**	⬇	Portfolio volatility (annualized)	**7.5%**
Sharpe Ratio	**0.49**	⬆	Sharpe Ratio	**0.62**



Source: UBS Asset Management, Real Estate & Private Markets (REPM), MSCI WORLD (USD); JPM GBI GLOBAL ALL MATURITIES; ICE BofAML Global Corporate Index; DJ BROOKFIELD GLB INFRA (USD); MSCI Global Quarterly Infrastructure Asset Index; May 2023
Note: Portfolio 1: 50% global corporate bonds, 50% global equities. Portfolio 2: 45% global corporate bonds' 45 global equities; 10% infrastructure. Past results are not a guarantee of future results.
Based on annual data for 2009-21

Investors must not be complacent about valuations

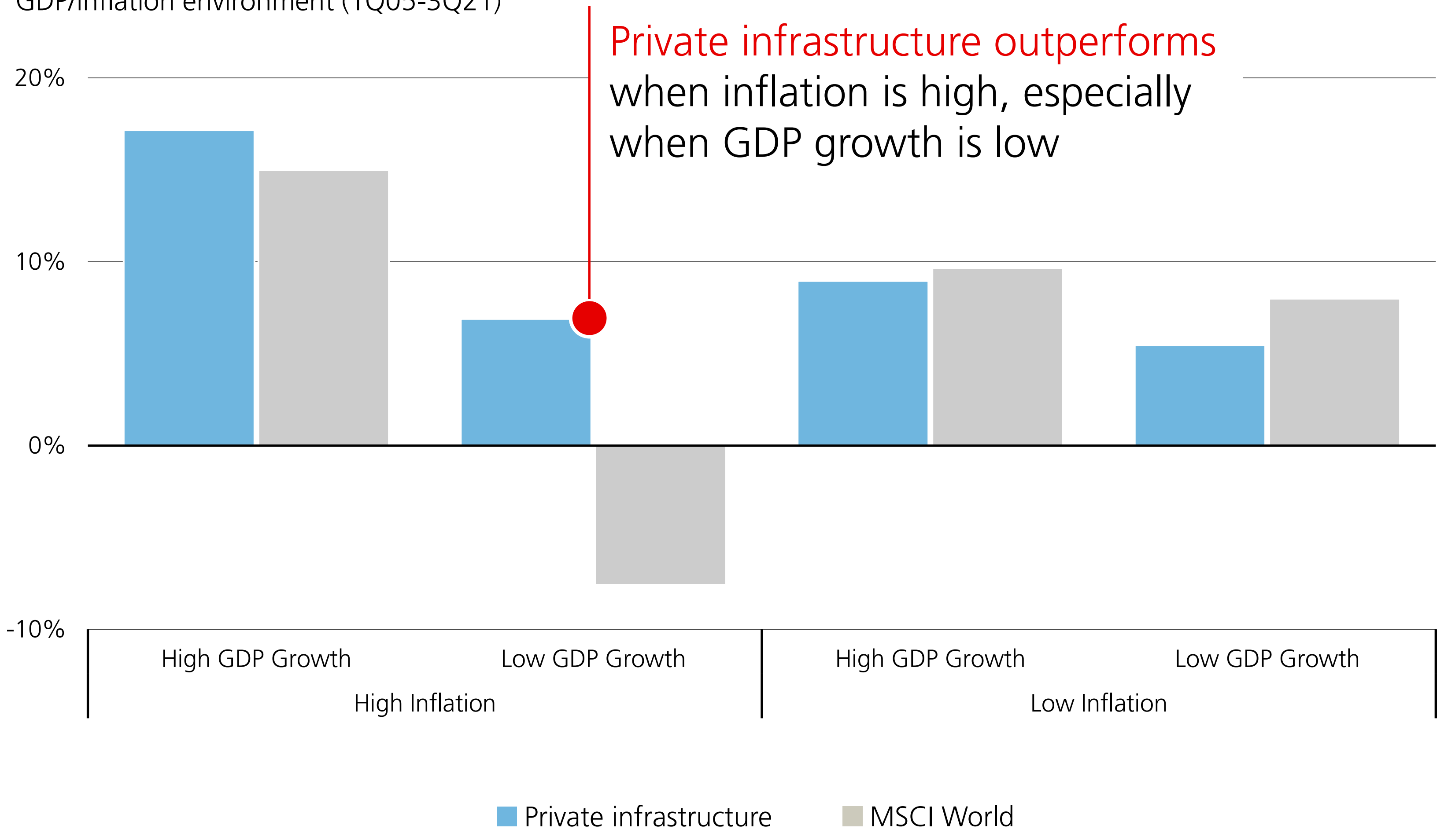
- Source: Burgiss, Preqin, October 2022

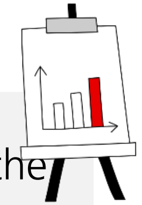
- Private market performance has held up in 2022, but investors can no longer hide behind the benefit of cheap credit
- Risk is that investors are being complacent, especially since private valuations tend to lag public market valuations
- The "denominator effect" could negatively impact fundraising and shrink the industry's dry powder (and its positive valuation impact)

Note:Past results are not a guarantee of future results. For information purposes only. No investment advice or a recommendation to buy or sell any securities

Infrastructure assets are well positioned in the current market environment

Performance of developed markets in GDP/inflation environment (1Q05-3Q21)



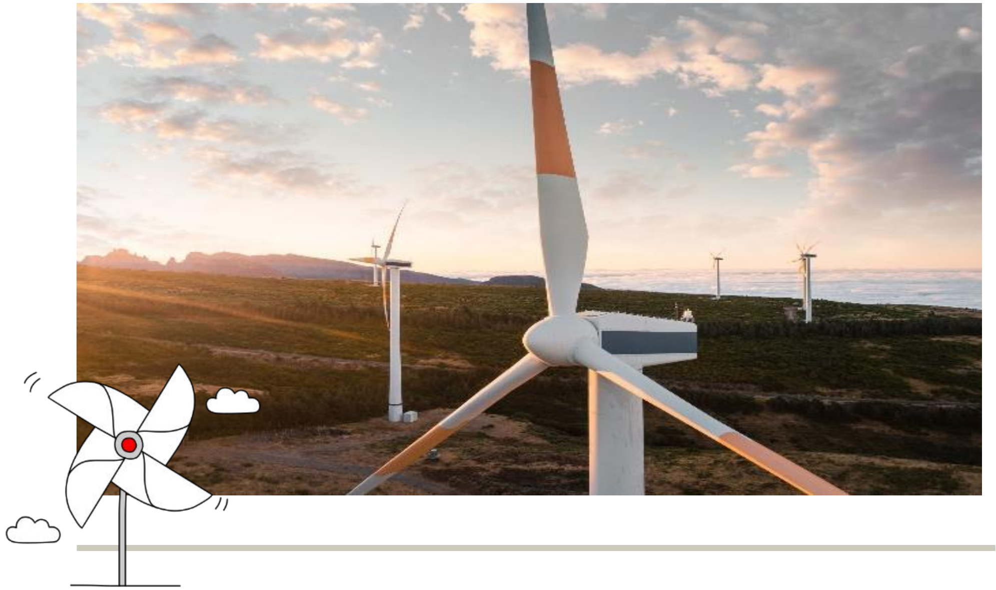


- Private infrastructure, given the defensive nature of the assets class, has shown that it can deliver attractive returns in different market environments
- In terms of relative performance, private infrastructure has outperformed public markets most when inflation is high
- Infrastructure assets provide essential services; they enjoy strong pricing power and benefit from higher replacement cost when there's inflation

Sources: UBS Asset Management, Real Estate & Private Markets (REPM), Cambridge Associates, Bloomberg, MSCI, OECD; May 2023
Notes: Data based on quarterly Y/Y data; unlisted infrastructure based on Cambridge Associates data; GDP and CPI data based on OECD countries; threshold for high vs. low GDP and CPI are both ~2% (based on median quarterly data of observation period). Past results are not a guarantee of future results.

Inflation passthrough for digital and energy transition assets

Green energy



- Energy infrastructure generally benefits from inflation as energy prices are usually a key driver of inflation
- High commodity prices directly benefit the energy transition assets

Digital

- The broader telecommunication sector has not shown much sensitivity to inflation in the past decades
- EBITDA margins typically high and expected to remain stable over time and all markets anticipated to benefit from long-term growing data usage translating into higher prices for customers

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Sources: UBS Asset Management, Real Estate & Private Markets (REPM); May 2023

A balanced infrastructure strategy…

…built on four key pillars

High cash yielding traditional infrastructure

- Essential core or core plus assets
- Capital intensive
- Barriers to entry
- Stable cash flows

Small-to-middle market origination

- Focus on small to mid-market businesses (EUR 50-150 million per asset)
- Focus on platform able to combine operating assets and clear pipeline

Sustainability and Solvency II

- "ESG Promotion" under the EU Sustainable Finance Disclosure Regulation (SFDR)
- Eligible infrastructure investments under Solvency II

Diversification across Europe and North America

- Exposure to key markets via multi-regional diversification
- Focus on Europe and North America as well as energy transition and digital expansion

Note:For illustrative purposes only

Risk Disclosure

Non-Traditional Assets

Non-traditional asset classes are alternative investments that include hedge funds, private equity, real estate, and managed futures (collectively, alternative investments). Interests of alternative investment funds are sold only to qualified investors, and only by means of offering documents that include information about the risks, performance and expenses of alternative investment funds, and which clients are urged to read carefully before subscribing and retain. An investment in an alternative investment fund is speculative and involves significant risks. Specifically, these investments (1) are not mutual funds and are not subject to the same regulatory requirements as mutual funds; (2) may have performance that is volatile, and investors may lose all or a substantial amount of their investment; (3) may engage in leverage and other speculative investment practices that may increase the risk of investment loss; (4) are long-term, illiquid investments, there is generally no secondary market for the interests of a fund, and none is expected to develop; (5) interests of alternative investment funds typically will be illiquid and subject to restrictions on transfer; (6) may not be required to provide periodic pricing or valuation information to investors; (7) generally involve complex tax strategies and there may be delays in distributing tax information to investors; (8) are subject to high fees, including management fees and other fees and expenses, all of which will reduce profits.

Interests in alternative investment funds are not deposits or obligations of, or guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other governmental agency. Prospective investors should understand these risks and have the financial ability and willingness to accept them for an extended period of time before making an investment in an alternative investment fund and should consider an alternative investment fund as a supplement to an overall investment program.

In addition to the risks that apply to alternative investments generally, the following are additional risks related to an investment in these strategies:

- Hedge Fund Risk: There are risks specifically associated with investing in hedge funds, which may include risks associated with investing in short sales, options, small-cap stocks, “junk bonds,” derivatives, distressed securities, non-U.S. securities and illiquid investments.
- Managed Futures: There are risks specifically associated with investing in managed futures programs. For example, not all managers focus on all strategies at all times, and managed futures strategies may have material directional elements.
- Real Estate: There are risks specifically associated with investing in real estate products and real estate investment trusts. They involve risks associated with debt, adverse changes in general economic or local market conditions, changes in governmental, tax, real estate and zoning laws or regulations, risks associated with capital calls and, for some real estate products, the risks associated with the ability to qualify for favorable treatment under the federal tax laws.
- Private Equity: There are risks specifically associated with investing in private equity. Capital calls can be made on short notice, and the failure to meet capital calls can result in significant adverse consequences including, but not limited to, a total loss of investment.
- Foreign Exchange/Currency Risk: Investors in securities of issuers located outside of the United States should be aware that even for securities denominated in U.S. dollars, changes in the exchange rate between the U.S. dollar and the issuer’s “home” currency can have unexpected effects on the market value and liquidity of those securities. Those securities may also be affected by other risks (such as political, economic or regulatory changes) that may not be readily known to a U.S. investor.

Prospective investors must be aware of the restricted liquidity of real estate as an asset class in general: the total allocation into real estate investments with restricted liquidity should be put in the context of the client’s total bankable assets and risk appetite. Prospective investors must be aware of the restricted liquidity to redeem any investment. **There is no guarantee for liquidity.**

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