

Asia Pacific's insurance asset manager

abrdrn.com

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In Australia, for wholesale clients only.



Largest¹ independent
specialist asset manager
with 200 years of insurance
experience and
USD 232 billion
insurance AUM²

Our history can be traced back to 1825 and the Standard Life Assurance company. Insurance investment is in our DNA, making us the ideal partner for insurers everywhere.

Our experts are based in offices located across Asia Pacific (APAC), UK and Europe. They understand the dynamic business landscape the region's insurers face – at the intersection of fast-evolving regulations and changing market conditions, escalating environmental, social and governance (ESG) requirements and growing climate-change expectations.

It's this understanding of the insurance industry that allows us to create bespoke solutions tailored to the unique investment needs of APAC insurers.

¹Clearwater Analytics "Insurance Investment Outsourcing Report 2023".

²As at end December 2023.



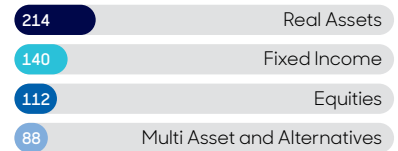
From fixed income, multi-asset, equities and private markets, to buy-and-maintain and liability-driven strategies, we offer holistic solutions to deliver better investment outcomes, accommodate responsible investment goals, and meet insurers' diverse reporting and fiduciary requirements.

Global insurance-centric expertise, local intelligence

As one of the world's leading insurance asset managers, we aim to combine global investment expertise with in-depth local insights. We harness hands-on insurance expertise with the latest quantitative modelling capabilities and a comprehensive global investment reach. We can develop insurance-centric solutions tailored to the unique needs of each insurer for better results.

Comprehensive global investment reach

30 | > 550
Global offices | Investment professionals



State-of-the-art quantitative modelling capabilities

> 20

Experts oversee quantitative aspects

Hands-on insurance expertise

> 15

Actuaries and technical insurance experts



Quantitative modelling capabilities

A team of more than 20 experts oversee the quantitative aspects of on-desk investment portfolio modelling, optimisation and risk management; the design of optimisation platforms; and the ongoing analysis of insurance mandates.



Comprehensive global investment reach

A global network of 30 offices and more than 550 investment professionals working closely to provide services covering **all major asset classes** such as equity, fixed income, multi asset and private markets; **a comprehensive range of investment strategies** including passive vs active and relative return vs absolute return; and specialist strategies such as thematic, buy-and-maintain, as well as liability-driven investments.



Hands-on insurance expertise

More than 15 actuaries and technical insurance experts who advise, coordinate and oversee all insurance mandates. This experienced team represents "the actuarial voice of insurance clients" at abrdn.

Source: abrdn, as of 31 March 2024.



Fixed income: Making every dollar of your capital work harder

Unlike other investors, insurers must weigh risk capital requirements alongside returns and risks in their investment decisions. This is especially important given their significant allocation to fixed income investments.

Our **risk-based capital (RBC) optimised fixed income solutions capability** puts the decision in your hands, giving you options to either get the maximum yield for a given amount of risk capital, or minimise your risk capital requirement while still achieving your return target. Our solutions are backed by a wide range of industry-leading fixed income expertise, spanning liquidity, investment grade credit, emerging market debt, and private credit.



Get the maximum yield for a given amount of risk capital, or minimise your risk capital requirement while still achieving your return target.



Characteristics of a fixed income portfolio in an insurance non-participating fund after RBC optimisation

↓ >25%

Total market/
Asset risk requirements

Remain
the same

Yield

Minor
change

Duration

A-
to A

Average
rating

All percentages presented are for comparative purposes and are expressed in relative terms. Based on representative portfolio used for illustrative purposes only.



Private credit: Make the most of this hard-to-access asset class

Private credit holds considerable appeal for insurers seeking diversification, enhanced yields, and improved security. There are additional benefits from customised cashflow to matching adjustment eligibility. However, this can be hard to access.

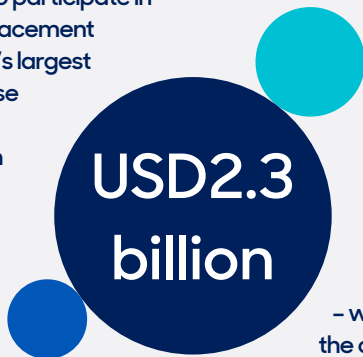
Our knowledge of local insurance regulations and strong private credit network not only enable us to help you gain access, but to customise investments to your requirements. Leveraging this rare combination of expertise, we can craft investment tranches to align with your liability profile while adhering to local regulations on

asset eligibility. Our **insurance-centric private credit solutions** – spanning commercial real estate debt, infrastructure debt, corporate debt, syndicated loans and fund financing – offer a comprehensive range of strategies to help you make the most of this asset class.



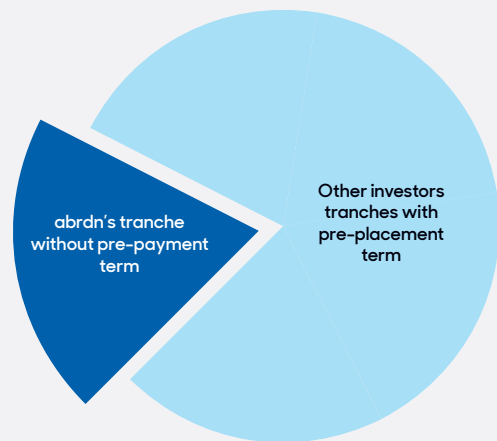
A case study demonstrating our ability to integrate insurance knowledge and investment expertise

Working with an insurer who was keen to participate in a private placement – the world's largest tenant-lease credit transaction



– we negotiated the carve out of a tranche tailored to meet our client's matching-adjustment needs.

A private placement deal constructed exclusively for an insurance client



By exempting the tranche from the standard pre-payment terms, our solution made it legally compliant since the cashflow to be received by the client could be accurately predicted throughout the duration of the investment.

For illustrative purposes only.



Sustainability: Meet your investment targets and align with net-zero goals

As insurers strive to meet their ESG requirements and achieve net-zero ambitions, they cannot afford to lose sight of risk and return objectives.

With a demonstrated track record of investment performance and successful decarbonisation efforts, our **net zero solutions for credit portfolios** could enable you to enjoy the best of both worlds – generating alpha as well as reaching net-zero milestones.

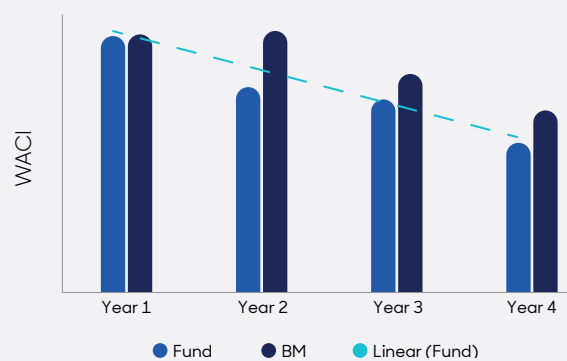


Proven track record of alpha generation & decarbonization

Positive alpha since 2020 with average outperformance of 51bps



Proven decarbonisation record



*Source: abrdn, December 2023.

Based on representative portfolio, used for illustrative purposes only. Past performance does not predict future returns.

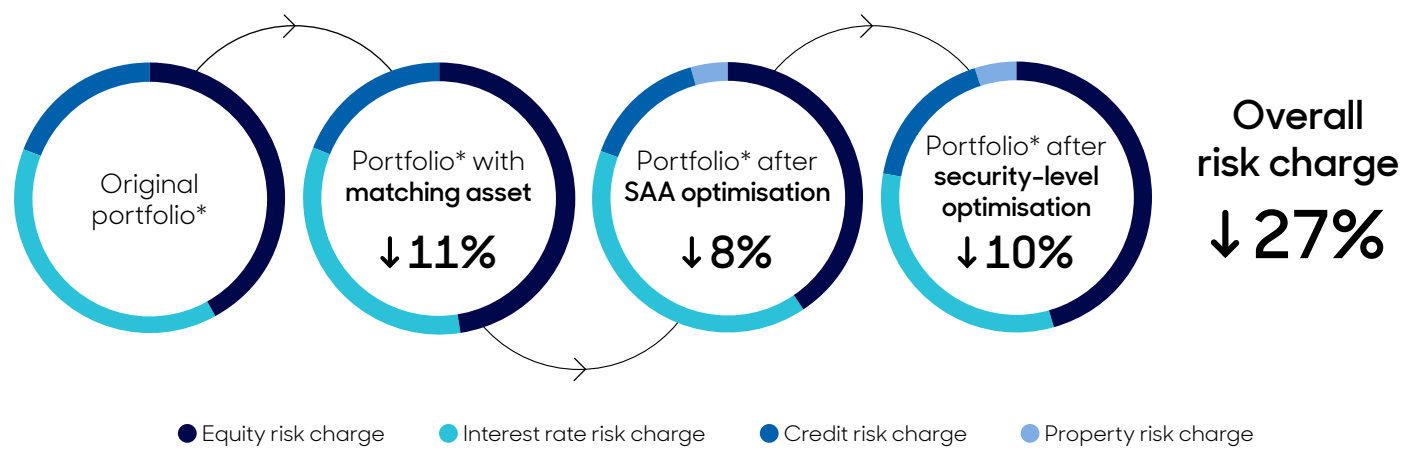


Multi-Asset: Build capital-efficient portfolios with liability considerations

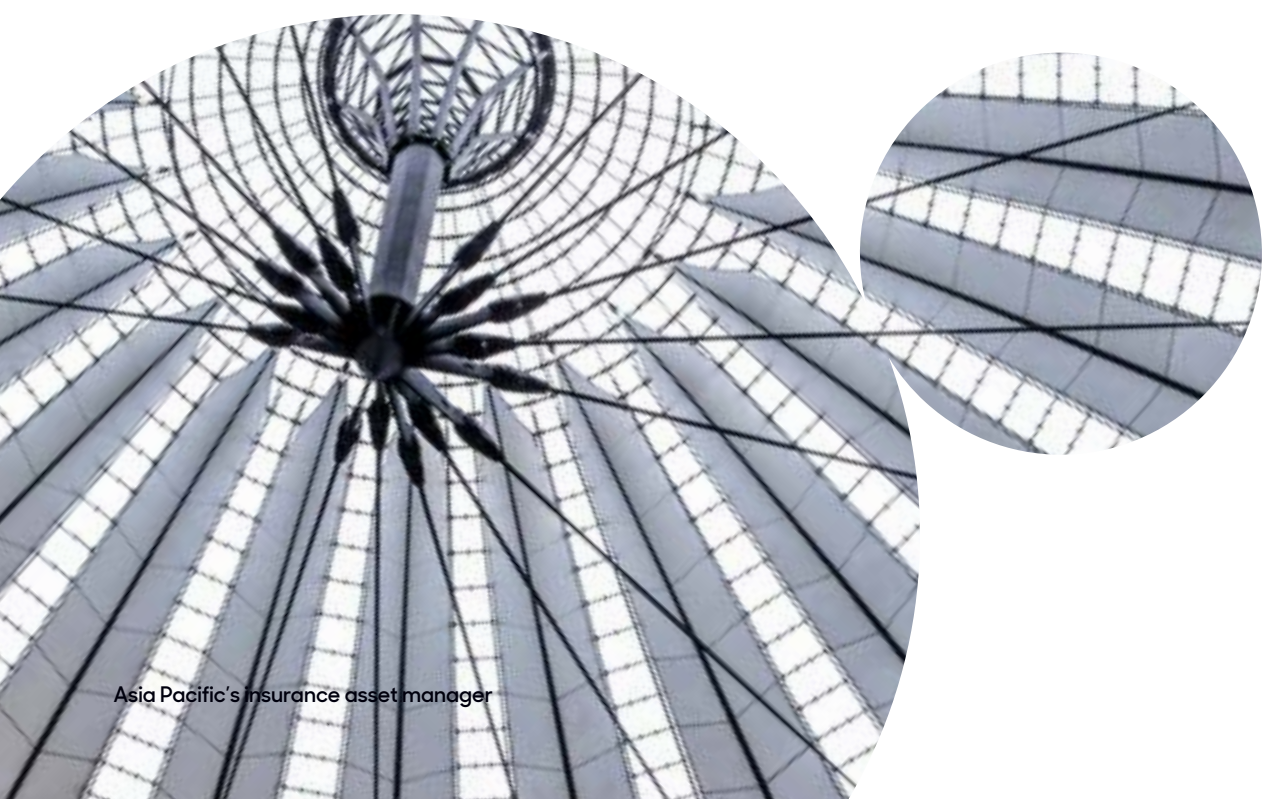
Liability matching is often overlooked by fund managers offering multi-asset portfolios because they are unfamiliar with the unique liability-driven business model of insurers.

Incorporating liability-matching assets and optimisation techniques at both the strategic asset allocation (SAA) and individual security levels, our **RBC-optimised multi-asset solutions** strive to maximise your return on capital requirements.

Three-dimensional approach to an insurance multi-asset participating fund



*Portfolio risk capital charge consists of equity risk charge, interest rate risk charge, credit risk charge and property risk charge. All percentages presented are for comparative purposes and are expressed in relative terms. Past performance does not predict future results.





ALM: Maximise what you generate from your core activity

Insurers may use different asset-liability management (ALM) approaches, with some focusing on matching durations while others prioritise key rate duration (KRD) matching or cashflow matching. Since asset-liability management is a vital function at the core of every insurer's business, it's essential to collaborate with an asset manager who can handle various levels of complexity related to liability behaviour.

Our track record shows that our capability isn't just limited to passive matching. By allowing you to fully grasp the trade-off between your portfolio yield and asset-liability mismatch, our **asset-liability matching solutions** allow you to make well-informed decisions.

Characteristics of a fixed income portfolio in an insurance participating fund after KRD-matching optimisation

Conventional
KRD-matching
FI solution vs
Optimised
KRD-matching
solution

↑ 8%

Yield

↓ 50%

KRD Mismatch*

↑ >100%

Yield/KRD Mismatch Ratio

*KRD Mismatch: The disparity between the "Key Rate Duration" – a measure of the sensitivity of the value of a portfolio of assets and/or liabilities to a change in yield for a given maturity – of an insurer's assets and liabilities across different maturity periods.

All percentages presented are for comparative purposes and are expressed in relative terms.

Our list of awards

We believe we're the ideal partner for APAC insurers. But you don't have to take our word on this. As our growing list of industry-leading awards demonstrates, we bring the best to clients, both globally and locally.



ALM team of the year award
from Insurance ERM 2024



Investment strategy of the year from Insurance
Asset Management Award 2023



The Best Insurance Asset Manager from Asia Asset
Management Best of the
Best Awards 2024



**Insurance Fund House of
the Year - Hong Kong**
from Institutional Asset
Management 2024



**Excellence in Innovation
- Singapore**
from Fund Selector Asia
House Awards 2024



**Best Climate change
Strategy** from Asia
Insurance online 2023



**Product Innovation
award** from Asia
Insurance online 2023

Read more about our insurance thought leadership

Click the country or scan QR code to find out more



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Our team



Our APAC leadership and insurance team brings together expertise across critical disciplines such as investments, insurance, and quantitative modelling, while boasting a solid understanding of highly fragmented APAC insurance markets. Backed by the APAC Sustainability Institute, we're well equipped to help you thrive in APAC and beyond.

Meet our experts to find out more about what they can do for you.



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Our strength stems from three fundamental pillars that set abrdn apart: deep investment expertise, advanced quantitative modelling capabilities, and the study of fragmented, local insurance markets. This seamless integration empowers us to engineer and execute solutions capable of meeting the unique needs of each insurance client."



Asset-liability management and optimizing capital efficiency are increasingly central to insurers' investment strategies. Insurance regulators in the UK and Europe are seeking competitive edges by adjusting capital requirements in critical areas. Insurers have every reason to heed this trend and adapt their investment approaches accordingly."



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The problems we are helping our clients to solve are complex and multi-dimensional. Leveraging our proprietary quantitative portfolio modelling and optimisation, we can design tailored solutions that strike the right balance between investment returns and ALM/capital requirements with greater efficiency and flexibility."



Facing distinctive financial challenges, evolving regulatory landscapes, and escalating ESG demands, insurance companies require insurer-centric investment strategies. Our strong foundation in both the insurance and asset management industry positions us uniquely to craft tailored solutions for a diverse range of insurers across Asia."

Contact us to find out more.



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