

Grow a little every day



Philippe Wits – CEO Lifetri



Who is Lifetri?



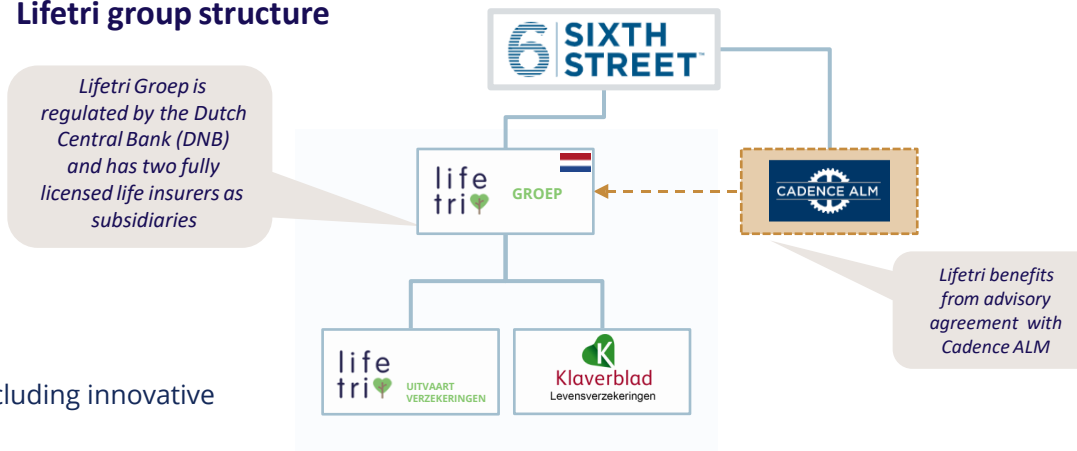
Our mission is to make people self-assured



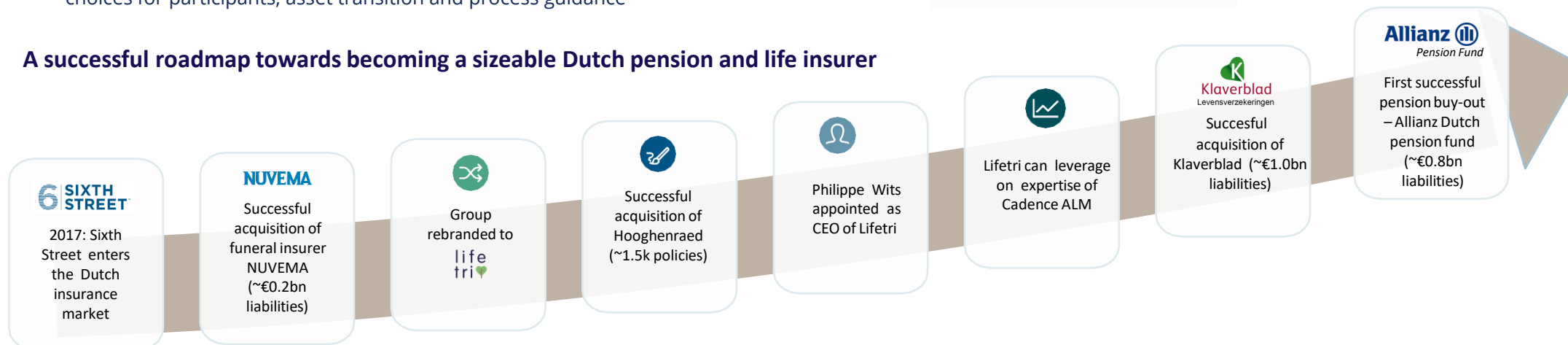
Lifetri: A Dutch Insurer Focused on Long Term Guarantees

- 100+ years of Dutch insurance experienced professionals
- 70+ insurance and pension professionals
- More than 600,000 policyholders
- Over 2.5 billion in assets under management
- Sixth Street: long-term shareholder with 60 billion AuM
- Largest NL buy out in last 3 years together with Allianz - €850m AuM, including innovative choices for participants, asset transition and process guidance

Lifetri group structure



A successful roadmap towards becoming a sizeable Dutch pension and life insurer



Sixth Street – Patient Capital with a Growing Insurance Franchise




Investing in the insurance sector is a key strategic focus for Sixth Street

Reinsurance  Fixed Annuities and ULSG Reinsurance \$25 bln Reserves <i>Jan 2022</i>	Reinsurance  Fixed Index Annuities Reinsurance \$20 bln Reserves <i>Dec 2021</i>	Control Equity  Life and Annuity Insurance Company \$90 bln Reserves <i>Jan 2021</i>	Control and Preferred Equity  Equity Investment in Specialty (re)insurer \$0.5 bln Equity <i>Dec 2020</i>	Portfolio Purchase  Buy-out of Allianz's Dutch Pension Fund \$1 bln Balance Sheet <i>Jul 2020</i>	Control Equity  Dutch Funeral Insurance Company \$1.5 bln Balance Sheet <i>Apr 2019</i>	Control Equity  UK DB pension Scheme Consolidator Equity Commitment <i>Dec 2018</i>	Control Equity  Dutch Funeral Insurance Company \$0.2 bln Balance Sheet <i>Oct 2017</i>
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SIXTH STREET INSURANCE INVESTMENTS

KEY HIGHLIGHTS



	\$60bnin assets under management
	200year founded
	9	...team members including over 180 Investment professionals
	350	...offices around the globe
		...specialised yet collaborative platforms investing across asset classes, geographies and sectors

- Built out a dedicated team focused on the life insurance space
- Comprised of Cadence ALM and the core insurance team within Sixth Street
- Entered the US life insurance market in 2021 by means of the acquisition of Talcott Resolution, a run-off life and annuity insurance company
- Subsequently acquired a block of fixed indexed annuities from Allianz US (Dec-21) and a book of fixed annuities and universal life products from Principal (Jan-22) through reinsurance transactions



It Is Our Ambition to Be The Best Provider of Long-Term Guarantees

Long-Term Stable Capital Base with Solid Investment Returns

- **Strong capital base**, mainly funded by Unrestricted Tier 1 Capital, supported by a **financially strong shareholder** with a **long-term investment horizon**
- **Prudent capital management framework** that ensures the **protection of policyholder's rights** and safeguards financial stability and business continuity
- **Investment strategy** that builds on the sticky, predictable and long-dated liability profile with a **balanced allocation between liquid and illiquid asset classes**, generating **attractive risk-adjusted returns**

Excellent and Relevant Customer Service

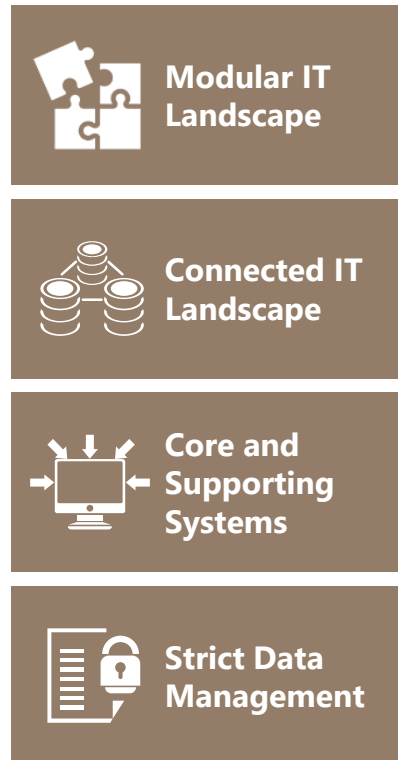
- **Flexible and zero legacy IT infrastructure** through which Lifetri is able to deliver **valued digital client centric services**
- **Modular operational setup** that allows the platform to **grow at pace** and ensure **smooth migration** of new portfolios or policies without having to worry about future legacy or rising costs
- A professional organization of over **70 dedicated insurance and pension professionals**, led by a **seasoned management team** with 100+ years of combined experience in the Dutch insurance industry

Partner of Choice in the Dutch Defined Benefit Pension Space

- **Ambitious growth strategy in DB pensions** which provides a **vast range of actionable opportunities to scale up** against a backdrop of ongoing consolidation among pension funds, persistent low interest rates, wide-spread use of legacy IT systems, increased regulatory scrutiny, and a lack of sizable supply from traditional insurers over the past years
- Successful track-record with the **migration of Allianz's pension assets and liabilities in the Netherlands** – by far the largest of pension value transfer that were completed in the Dutch market since 2020
- **Compelling offering to pension fund clients** that is underpinned by (i) smooth migration, (ii) tailor-made services, and (iii) transaction flexibility



Future Proof Operational and IT Environment to Scale up Further and Deliver High-Quality Digital Client-Centric Services



Goal

- **Reduced complexity, increased flexibility and scalability**
- Enables **modularity** and **links different functionalities**
- Prioritisation of development, cost effectiveness and maximise focus on business propositions
- Enables **data driven business** and **customer interaction**

How

- **Choosing best in class modules** for the desired functionality
- **Limited changes in the back end** and **quick modifications of the front end** via integration layer
- **Integration layer** as link between front end and back end
- **Availability of API's crucial** in choice of modules
- **Core front end systems that give Lifetri competitive advantage**
- Non-core (off the shelf) back-end systems which are not unique in itself
- Data in the systems as **single source of truth**, made available via **integration layer**

Consolidating landscape



Closed life specialists form 3-tiered buyer group

Comments

- Closed Life buyers can be strategic buyers or consolidators¹ which can be tiered as follows
 - local incumbents, with an established platform and relation with DNB
 - incumbents 'elsewhere in EIOPA-land' with an SII-regulated platform and regulatory experience
 - aspiring entrants without platform but with experience in regulated insurance businesses
- Incumbents of both types are generally most competitive in sale processes
- Higher-tiered consolidators and strategics bring more deal certainty to sellers
 - regulatory experience in approval processes
 - operational experience in executing policy migration
- Non-locals generally require opportunity sizable enough to warrant overcoming barrier to entry
 - so sizable propositions command a premium

Buyer relative positioning





























1. Please note that the line between these categories is thin, with several parties that originated as consolidators having redirected their business models towards more regular industry practice (re-opened books, looser or altogether cut ties to original sponsor)

Source: ING

The a.s.r. – Aegon deal is a significantly large transaction since 2019

Life transactions in the Netherlands

Deal	Buyer	Date Announced	Structure Transaction	Closing date and mechanics
 EGON ^{NL}	Α. S. I.	Oct 2022	Share	Closing expected Q2 2023 Acquisition Aegon NL by ASR
 PPI	ATHORA	Oct 2022	Share	Closing expected 1Q 2023 Sale of PPI by Willis Towers Watson
 Conservatrix	Chesnara	Jul 2022	Share	Closed Jan 2023 Sale of bankrupt Conservatrix to Chesnara
 PPI	achmea	May 2022	Share	Closed Sep 2022 Sale of ABN AMRO PPI to Achmea
 Life JV	NN	Feb 2022	Share (49%)	Closed Jul 2022 Sale of ABN AMRO stake in JV to partner NN Group
 ROBEIN	Chesnara	Nov 2021	Share	Closed Apr 2022 Exit Monument Re from Dutch life market
 PGGM	Allianz	Feb 2021	Share	Closed Aug 2021 Sale of PPI by Rabo and PGGM
 New Day	Α. S. I.	Aug 2020	Share (50%)	Closed Apr 2021 Sale of BND stake in JV to partner ASR
 Leidsche	de Goudse	Jul 2020	Share	Closed Apr 2021 Exit RGA from direct Dutch life business
 ARGENTA	Chesnara	Dec 2019	Portfolio	Portfolio transfer at closing Exit Argenta from Dutch Life
 Monuta	Chesnara	Sep 2019	Portfolio	Portfolio transfer at closing Small portfolio transfer
 BNP PARIBAS CARDIF	de Goudse	Dec 2019	Portfolio	Portfolio transfer at closing Small portfolio transfer
 YARDEN	DELA	Oct 2019	Share	Post-deal, Dela to inject around EUR 500m Sale of Yarden under DNB pressure
 Waar	Α. S. I.	Jul 2019	Portfolio	Portfolio transfer at closing VvAA exit from regulated insurance
 VIVAT	ATHORA	Jun 2019	Share	Closed Apr 2020 Anbang exit from NL
 Klaverblad	life tri	May 2019	Share	Closed Mar 2020 Klaverblad retreat from Life
 Loyalis	Α. S. I.	Dec 2018	Portfolio	Several portfolio transfers, completed in 2020 APG exit from regulated insurance
 NUVEMA	life tri	Sep 2018	Share	First acquisition in NL DNB-forced sale Dutch funeral carrier Conservatrix
 ROBEIN	MONUMENT	Jul 2018	Share	First acquisition in NL Monument Re entering the Dutch Life market
 GENERALI	Α. S. I.	Sep 2017	Share	Several portfolio transfers, completed in 2020 Generali exit from NL
 HOCHPRECO	DELA	Jul 2017	Portfolio	Portfolio transfer at closing DNB-forced sale Belgian funeral carrier Conservatrix
 Conservatrix	ELI Global	May 2017	Share	Post-deal, ELI Global injects EUR 88m DNB-forced sale main carrier Conservatrix
 delta lloyd	NN	Nov 2016	Share	Merger approved Dec 18, executed per Jan 2019 Unsolicited public offer
 Lloyd & Co.	Chesnara	Nov 2016	Share	No post-deal merger, separate OpCo's L&G exit from NL
 Nivo	Α. S. I.	Dec 2015	Portfolio	Portfolio transfer at closing Consolidation in funeral insurance
 axent	Α. S. I.	May 2015	Share	Portfolio transfer at closing Former Aegon funeral book resold by Egeria

Source: ING

Dutch pension opportunity



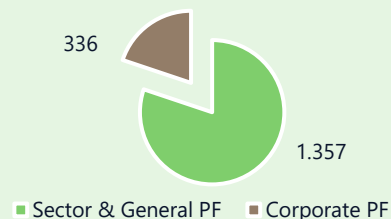
Concrete Growth Ambition in the Dutch DB Pension Buy-out Space

- With ~€1.6T in assets, of which ~€0.3T in Corporate Pension Funds, the **Dutch pension market** has grown to be **one of the largest in the world**
- The Dutch corporate pension market has embarked on a **switch from DB to DC schemes** over the last 10 years, with insurers now exclusively offering DC products for pension accrual
- There is **an abundance of DB pension assets on corporate pension funds' balance sheets** on the back consolidation activity
- **Strong growth outlook for specialised buy-out providers** as corporate pension funds rethink their future:
 - Lack of scale
 - Legacy IT systems
 - Low interest environment
 - Increasing regulatory and political pressure

1 Sizeable Market Opportunity with Limited Competition

- Dutch pension system is among the **largest globally**
- Dutch cultural **propensity to save** and existence of **mandatory occupational pension schemes**
- Increased demand for flexible savings solutions with guarantees from an **ageing population**
- Many **traditional insurers** have **ceased** offering **buy-out solutions** upon S-II introduction
- **~€60Bn** corporate pension funds **expected to liquidate coming 5 years**

Top 7 Globally – Dutch Pension Assets (€ Bn)

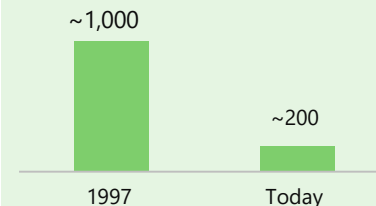


Source: Company Information, DNB June 2021

2 Continued Consolidation in the Dutch Pension Market

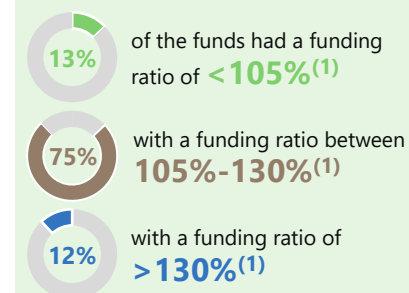
- **Large scale consolidation** in the Dutch pension market
- **Cost efficiency** under pressure for Dutch pension funds lacking scale and operating legacy IT systems
- **Increased regulatory burden**
- Corporate pension funds looking for **release of their DB obligations**

of Pension Players



3 Volatile Funding Ratios

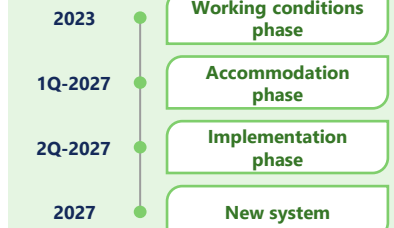
- Persistent **interest rate volatility**
- **Longevity increased** past 15 years
- **Indexation has been rarely allowed** for large groups of pensioners since the financial crisis
- Premiums have been **insufficient to cover the benefits**



4 Ongoing Market Reform and Political Pressure

- **Traditional DB standard to be phased out** and replaced by DC standard
- Future premiums as well as backbook to be **adjusted to the new standard by 2027**
- Pension funds looking for **alternative solutions** for parts of their pension members
- Potential of **addressable market to grow beyond €100Bn**, thanks to Pensioners Buy Out market

Timelines Latest Dutch Pension Reform



Market outlook is realised and confirmed even without new pension law



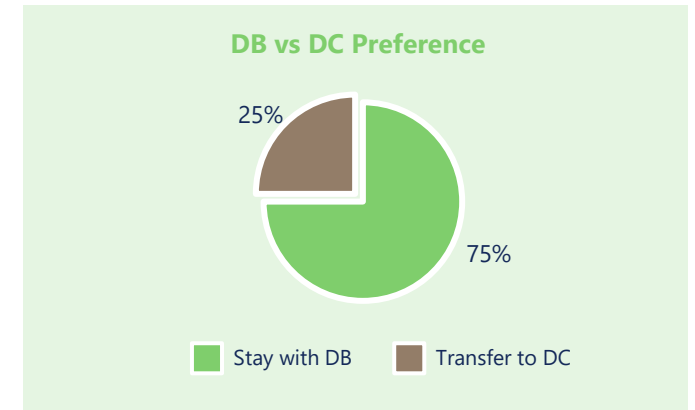
Outlook		Comments
Business Plan	Base Case	<ul style="list-style-type: none"> Most <1bn AuM pension funds (#60 - €25bn AuM) are expected to liquidate (APF, Buy Out or IWPF) Selective opportunities for closed funds in 1-3bn segment (#22 – €35bn AuM)
	Opportunity plan	<ul style="list-style-type: none"> Transition to new IT platforms and more complex DC admin increases liquidations threshold: 1-3bn funds (#22 – €35bn AuM) will also liquidate – investments and expenses become too high Selective opportunities in >3bn segment (#23 – €270bn AuM)
Pension reform add on markets	Disruption plan	<ul style="list-style-type: none"> Mandatory Pensioner Opt Out for most Corporate Pension funds (Flexible Pension Contract) – €100bn AuM pensioner liabilities one off and €5-10bn AuM To be investigated: voluntary Pensioner Opt Out possible for IWPF funds (#56 – €1,300bn AuM – Solidarity Pension Contract)



The Dutch are Averse to Investment Risk

Savings, Even in Low Interest Environment, is Still More Popular Than Investing

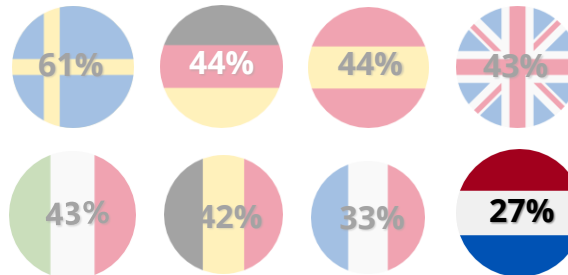
- Most pension funds **have not provided indexed pensions over the past 15 years**
- **The public, driven by political sentiment is becoming more cognisant** that pension funds, despite being DB, are not providing an actual guarantee
- **Dutch people have a high propensity to save, but not to take investment risk:** wealth is build-up through savings, house purchase and contribution in the pension schemes
- Regular and compulsory research by pension funds suggests **the broad population has a low risk appetite**
Such risk-aversion is even more evident in the elderly clusters.
- Pension funds are **obliged to reflect participants' risk appetite** in their respective funds



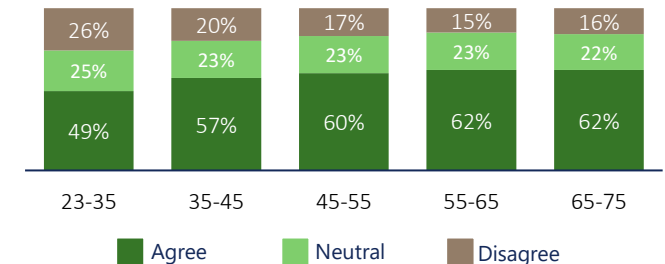
The "Woekerpolis/misselling" made investing through unit linked available for the masses, leading to large losses for the industry and causing a public outcry



Dutch invest significantly lower amounts vs European peers (%)



Response to (by age bracket):
"Investing is not for me, I don't like risks"

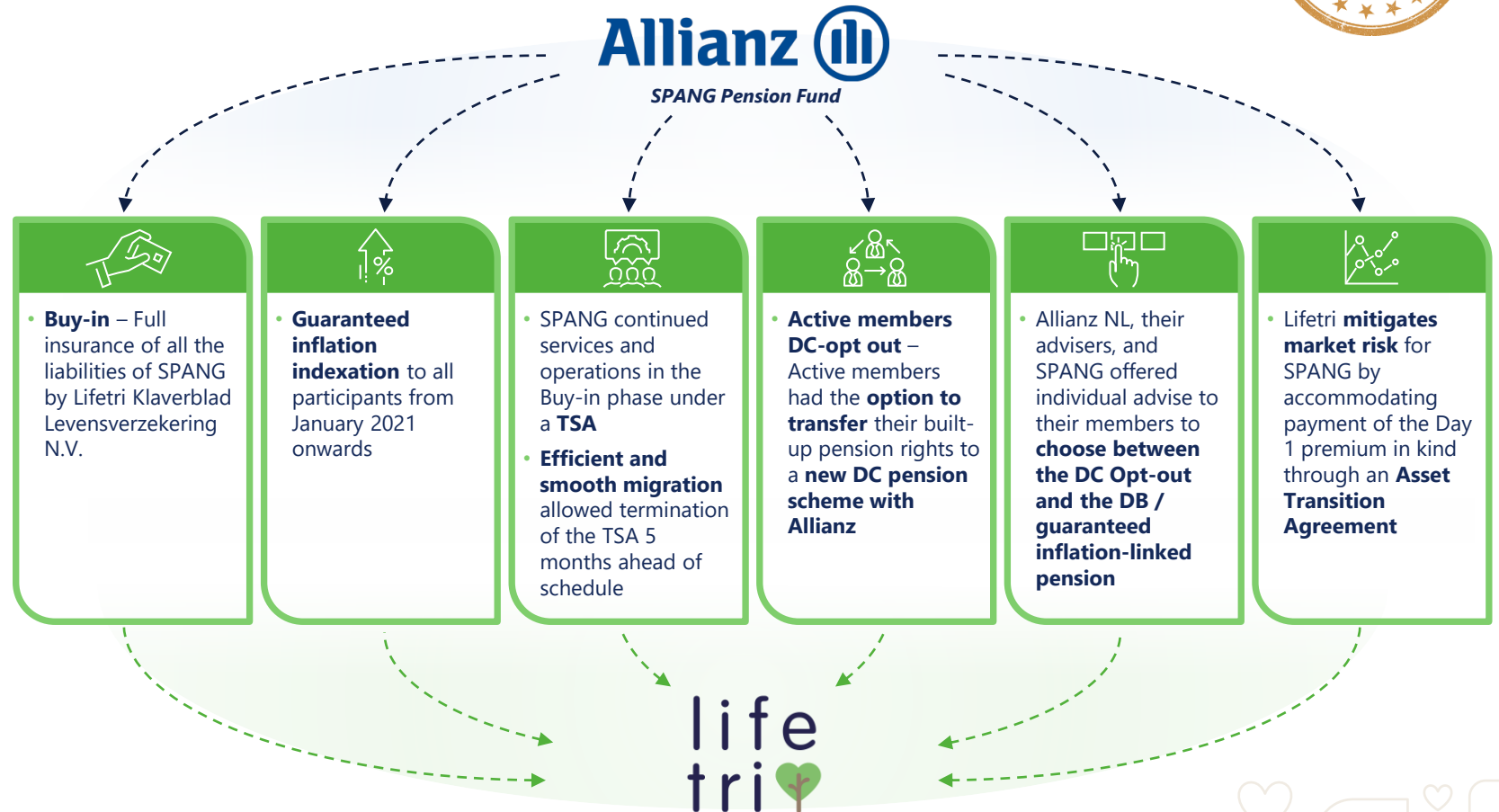


We are the Pension Partner of Choice for Allianz in the Netherlands, Highlighting the Strength of our B2B Pension Proposition



Well Structured and Seamless Buy-In Process of a Major Corporate Pension Fund

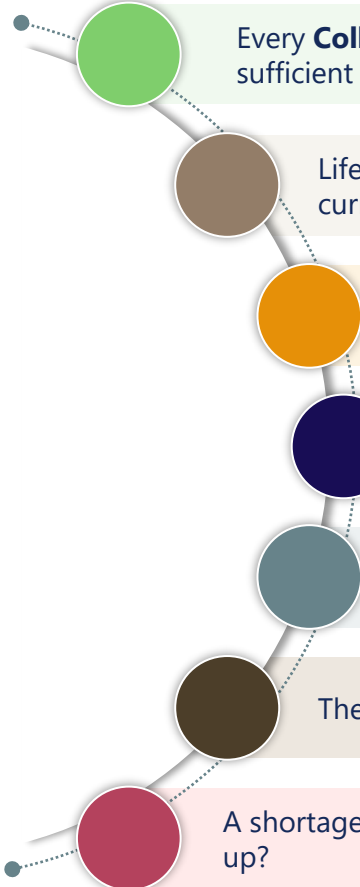
- In August 2020, Lifetri announced the takeover of the pension rights of the participants of Stichting Pensioenfonds Allianz Nederland Groep ("SPANG")
- Prior to formal dissolution of the corporate pension fund, SPANG has the **option to first insure the entitlements via a buy-in whereby the pension fund continues to provide services to its members**
- The full transfer will then take place by means of a buy-out in which **Lifetri takes over the services offered to the participants**
- The transfer involves **invested assets of ~€850M**
- The major part of the longevity risk has been **reinsured with Hannover Re via a longevity swap**



Opportunities and challenges



Key challenges and questions ahead



Every **Collective Value Transfer** will demand recapitalisation. Is enough **capital** and leverage available to fund the transition? Is there sufficient **re-insurance** capacity?

Lifetri has unique proposition in **Uncapped Indexation** of HICPxT. Will there be sufficient capacity for hedging? And how will rising current inflation influence Pensionfund Board decisions?

Freedom of choice for participants is not a straightforward offer. How will implementation of WTP drive the **opt-out** market?

The **1.5-1.6T re-allocation of assets** is unique for global financial history. Can it be delivered by **investment managers**?

Data quality is a decisive driver for pricing, transfer of risk and ease of transfer. Which role could an insurer play to **smoothen** this **transition**?

The **pension transition** has similarities and differences with the **UK, Scandanavia**. What learnings can be put in practice?

A shortage in **financial talented people and IT resources** most possibly will strain a disruption scenario. Where are opportunities to partner up?



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