

For professional investors only

Allianz Infrastructure Debt

H2 2016

Latest investments

EUR 395mn

- Investment in a fully operational toll road in Northern France

EUR 200mn

- Investment in a leasing truck company, France

USD 420mn

- Investment in a fully operational 400MW on-shore wind farm in Nebraska, USA

GBP 55mn

- Investment in an operational sea port in southern United Kingdom

USD 300m

- Investment in a fully operational toll road in Virginia, USA

Source: AllianzGI, as at 31 December 2016.

Track record of the AllianzGI Infrastructure Debt

Investment team

At AllianzGI:

- c.+7bn of transactions closed in 12 countries.
- Over £3.2bn of transactions closed across Europe and the USA in 2016.
- 33 transactions closed since 2012.

Former employer (MBIA):

- £15bn infrastructure debt originated and managed; no credit losses to any investors.

Source: AllianzGI, as at 31 December 2016.

Investment professionals



Claus Fintzen

CIO Infrastructure Debt
London

Investment career began: 1994
Joined firm: 2012



Deborah Zurkow

Head of Alternative Investments
London

Investment career began: 1992
Joined firm: 2012



Adrian Jones

Director
London

Investment career began: 1995
Joined firm: 2012



Paul David

Director
US

Investment career began: 1994
Joined firm: 2012



François-Yves Gaudoul

Director
Paris

Investment career began: 1995
Joined firm: 2012

Investment professionals continued on page 2.

Investment rationale

- Stricter capital requirements (Basel III) limiting long-term bank lending.
- The UK National Infrastructure plan 2015 outlines a pipeline of approximately £411bn of planned public and private investment. A majority of which is expected to be privately funded and financed.¹
- Reliable, predictable income, backed by stable revenue from long-term real (and regulated) assets.
- Attractive pricing (spreads) with limited incremental credit risk versus fixed income alternatives.
- Lower default rates over longer term relative to equivalently rated corporates.²
- Recovery rates high relative to corporate bonds.²
- Uncorrelated returns (versus the market and other asset classes) offers diversification benefits.
- Risk profile of senior infrastructure debt is lower than infrastructure equity or junior debt.
- Typical leverage ratios mean the volume of opportunity is higher for senior debt leading to faster deployment of capital.

AllianzGI Infrastructure Debt strategy characteristics

- A focus on senior infrastructure debt within core conservative Global PPP/PFI projects.
- First and most experienced infrastructure institutional debt platform in Europe.
 - Active since 2012 in euros since 2013 in sterling and US dollars in 2015.
 - Well funded team with enhanced credibility with project sponsors and the ability to achieve senior debt status in the capital structure.
- Strong alignment of interest with pension and insurance clients.
 - Our parent, Allianz (one of the world's largest insurance companies), invests in our platform and its vehicles via its own corporate pension funds and insurance company assets.
- Access to the operational platform for infrastructure debt that has been established for Allianz.
 - Segregated and pooled vehicles available.

Investment professionals continued



Ralph Eley

Director
London
Investment career began: 1996
Joined firm: 2014



Jorge Camina

Director
US
Investment career began: 1998
Joined firm: 2016



Nicolas Lucas

Director
London
Investment career began: 2004
Joined firm: 2013



Nadia Nikolova

Vice President
London
Investment career began: 2009
Joined firm: 2014



Ronald Gaultier

Vice President
London
Investment career began: 2009
Joined firm: 2014



Alexander Ball

Assistant Vice President
London
Investment career began: 2011
Joined firm: 2013

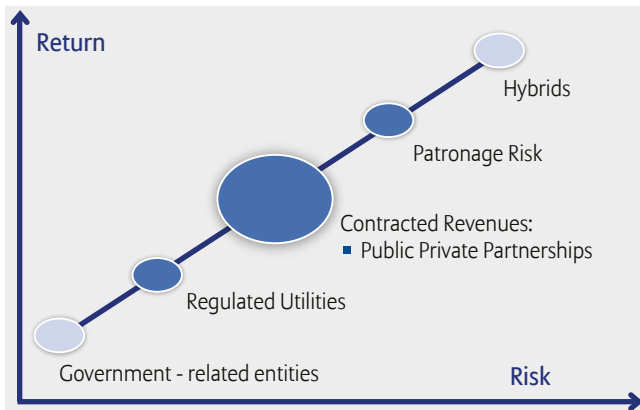


Marie Madelin

Assistant Vice President
London
Investment career began: 2011
Joined firm: 2015

Investment philosophy

Our philosophy is to source high credit quality infrastructure debt transactions for institutional investors by identifying assets, differentiating ourselves from the competition and mitigating risk along the way. By originating such placements privately we are able to source opportunities with attractive illiquidity spreads and offer improved access to a diversity of sectors that would otherwise be closed to public investors.



Risk/return profiles depending on structure

The main sectors of infrastructure are shown below, along with the relative risk and return for the debt. AllianzGI's focus is on the sectors highlighted in dark blue. The sectors shown in light blue are often characterised as infrastructure but fail to meet all of our criteria.

Investment focus

Infrastructure debt is an asset class that should provide stable returns and cash flows over long-term horizons due to the fundamental essentiality of these real assets, with low relative levels of default. At AllianzGI the focus is on assets meeting the following criteria:

- 1. Essential Physical Asset:** The assets being financed will be used to provide a basic service that can be considered "essential" or "fundamental" to a modern society.
- 2. Long-Term Stable Revenue Stream:** The enterprise being financed is not subject to the potential long-term revenue uncertainty of a typical private enterprise where long-term demand for products or services is subject to credible risks arising from future direct competition or product substitution, regardless of any short-term competitive advantage.
- 3. Long-Term Debt:** Infrastructure debt borrowers should exhibit stable capital structures with low refinancing risk.
- 4. Clear Business Purpose:** Limits on business purposes and "ring-fencing" from related entities.

Vehicle availability

Investors are able to access both pooled and segregated solutions. Discretionary pooled and segregated accounts are

available that give the team authority to operate within pre-defined eligibility criteria.

Dedicated UK Fund launched in 2014 and fully funded by close of 2015.

For further information or to discuss the options available please contact us.

The AllianzGI advantage

- Allianz Global Investors offers global investment capability complemented by consultative local delivery.
- With GBP 416bn assets under management.
- We source talent globally and employ over 500 investment professionals worldwide across our centres of expertise.
- We have over 350 professional client relationship managers in 24 locations in 18 countries, who are committed to partnering with our clients across all major regions and in the main asset classes.
- We seek to understand our client requirements so that we can align our strengths with their desire/expectation for sustainable outperformance.

Source: AllianzGI, as at 30 September 2016.

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Disclaimer

¹ National infrastructure plan <https://www.gov.uk/government/publications/national-infrastructure-pipeline-july-2015>

²Source: Moody's Default & Recovery Rates for Project Finance Bank Loans, 2012.

Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors may not get back the full amount invested.

Past performance is not a reliable indicator of future results. If the currency in which the past performance is displayed differs from the currency of the country in which the investor resides, then the investor should be aware that due to the exchange rate fluctuations the performance shown may be higher or lower if converted into the investor's local currency.

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Infrastructure debt investments are highly illiquid and designed for long term investors only.

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