

Press release

AXA IM Alts awarded \$400 million SRT mandate by Arizona State Retirement System

AXA IM Alts, a global leader in alternative investments with circa \$200 billion (over €183bn) of assets under management^[1], announces it has been awarded a \$400 million (c. €367 million) investment mandate by the Arizona State Retirement System ('ASRS') for its market leading Significant Risk Transfer strategy ('SRT' or 'The Strategy').

The Strategy can provide investors with direct access to banks' core performing assets while offering banks an efficient way to manage their regulatory capital constraints. The structuring and the diversification of the underlying loans makes SRT an attractive and resilient asset class, providing ASRS with the potential to access attractive spread levels and an important source of diversification. This mandate represents the latest move in ASRS's strategy to increase its allocation to alternative credit investments.

ASRS is a sophisticated investor and an early mover in the asset class, which has become one of the building blocks of its private credit allocation. This investment further represents its commitment to broaden its strategic private credit allocations through adopting SRT as a complimentary diversifier. With close to 25 years of experience in SRT, AXA IM Alts is one of the longest standing players in an asset class it contributed to popularize. Benefiting from an established access to more than 70 originating banks globally, AXA IM Alts has executed to date more than 100 investments across a very large array of underlying assets and geographies, with more than 80% of them through bilateral or anchor trades. Its dedicated resources, operating across the US and Europe, has a demonstrated capacity to deploy selectively across different market cycles and benefits from an extensive access to credit skills and data, informing a highly disciplined and refined investment process.

Past performance is not a reliable indicator of current or future results.

SRT is a structurally growing market as SRT transactions have become a fundamental balance sheet management tool for an increasing number of banks. While an established but still expanding market in Europe, SRT is also seeing accelerated interest and growth in the US amidst a stabilising regulatory context. In tandem, investors have increasingly turned to SRT investments as an asset class which can provide true diversification within private debt universe versus traditional direct lending, alongside stable valuations and cash-flows even during periods of market downturn.

Deborah Shire, Deputy Head of AXA IM Alts, commented: "We are delighted to have concluded this new mandate with ASRS and would like to thank them for their trust and confidence throughout this process. We are seeing increasing appetite from global pension plans for diversifying credit strategies, which can deliver compelling risk-adjusted returns against current market conditions. As a provider of SRT investment solutions for our clients for the past twenty years, we have seen, and accompanied, the accelerated expansion of this market over the past few years, which doubled since 2016 and we expect it to grow by at least 50% for the years to come^[2]. For banks, it is now a widely used and efficient balance sheet management tool. For investors, we believe SRT has the potential to provide immediate, stable cash flows, diversification benefits across sectors, geographies, seniority and borrowers, and access to core bank performing assets which may not be accessible

through public market or direct lending. Through this appointment, we aim to contribute to ASRS's ambition to achieve its return targets through providing them with access to our deep relationships and attractive investment opportunities."

Al Alaimo, Deputy Chief Investment Officer at Arizona State Retirement System commented: "We are pleased to form a long-term, strategic partnership with AXA IM Alts, a clear leader in the Significant Risk Transfer market, an attractive and growing investment opportunity for ASRS to deploy its capital in private credit."

Capital at risk. The value of investments may fall as well as rise and investors may get back less than the full amount invested. The statement from Arizona State Retirement System reflects only their experience and view of AXA IM. It is important to note that their experience is not a guarantee, promise, or reflection of other clients' sentiments. Individual experiences with AXA IM may vary, and it is recommended to consider a range of perspectives before making any decisions.

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1. *Source: AXA IM Alts unaudited data as at end of December 2023*
2. *The information has been established based on data, projections, forecasts, anticipations and hypothesis which are subjective. This analysis and conclusions are the expression of an opinion, based on available data at a specific date. Due to the subjective aspect of these analyses, the effective evolution of the economic variables and values of the financial markets could be significantly different for the projections, forecast, anticipations and hypothesis which are communicated in this material.*

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About AXA IM Alts

AXA IM Alts is a global leader in alternative investments with €183 billion of assets under management^[1] comprising c.€84 billion of primarily private real estate, €88 billion of private debt and alternative credit, as well as c.€11 billion in Infrastructure and private equity. We take a 360° approach to real estate & infrastructure investing with over €130 billion of assets under management in direct opportunities, held indirectly through debt and listed equities and via long term private equity investments into operating platforms. AXA IM Alts employs 840+ people located in 15 offices around the world and serves the needs of more than 600 clients from Europe, North America, Asia Pacific and Middle East. We are the number one property portfolio and asset manager in Europe^[2], and one of the largest worldwide.

1 Source: AXA IM Alts data (unaudited) as of 31 December 2023.

2 Source: Highest-ranked European Real Estate Manager in IPE's Global Top 150 Real Estate Investment Managers, based on total value of real estate assets under management, November/December 2023.

About AXA Investment Managers

AXA Investment Managers (AXA IM) is a leading global asset manager offering a diverse range of global investment opportunities in both alternative and traditional asset classes. Through our products we aim to diversify and grow portfolios, while delivering long-term investment performance and value for clients.

Part of the AXA Group, a worldwide leader in insurance and asset management, AXA IM employed over 2,800 employees

and operates from 23 offices in 18 countries globally at end of December 2023.

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