Insurance and Infrastructure Investing

Federal Advisory Committee on Insurance

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Agenda

• MetLife Investments Overview
• MetLife’s Global Infrastructure Debt Portfolio
• MetLife’s Public Private Partnership (PPP) Overview
• Key Takeaways
We are a debt, as opposed to equity investor, for the most part, and long-term infrastructure debt is a good match for our long-term liabilities.
MetLife’s Global Infrastructure Debt Portfolio

- Manage $43.7 billion in infrastructure debt investments\(^1\)

As of December 31, 2016.

\(^1\)Includes $41.2 billion general account and $2.5 billion of third party managed accounts (MetLife Investment Management).
Utilizing U.S. Public Private Partnership (PPP) Market

- PPPs involve contractual agreement between public agency and private-sector entities for delivery of facility or service for public use
- Growing U.S. momentum: 2016 was a record year with $10 billion of PPP investments

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<th>Pros</th>
<th>Cons</th>
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<td>• Provides alternative to taxpayer financing for states and local authorities</td>
<td>• Existing regulatory hurdles</td>
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<td>• Enables transfer of key risks</td>
<td>• Risk of government changing contract terms</td>
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<td>• Maintains government ownership and control of public assets</td>
<td>• Negative public perceptions of major private involvement in public assets</td>
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<td>• Suitable to wide array of infrastructure assets</td>
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Features of a Successful PPP

• Transparency
• Regulatory and legal certainty
• Affordability/value for money
• Accessibility to efficient funding sources
Key Takeaways

- Strong, highly desired asset class
- Significant U.S. investment opportunity
- Substantial equity/debt capital waiting on the sidelines
- We recommend the Trump administration increase private-sector U.S. involvement via PPP channel