DAV/DGVFM
Herbsttagung
2025

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Investment Management in der Lebensversicherung

Fachgruppe LEBEN | 17. November 2025

On my own account

On company business

GIM is responsible for Munich Re' group-wide investment management – MEAG is Munich Re's proprietary asset manager

Investment Management

The division **Group Investment Management (GIM**) strengthens and focuses on **group-wide investment management** as Munich Re's asset owner:

- Combines **primary insurance (ERGO)** and **reinsurance** perspectives to optimize risk-return profile and results
- Bundles strategic asset allocation on Group level, **defines investment strategy**, including tactical asset allocation, and manages selection of asset managers
- Acts as the **main interface to MEAG** and other asset managers

Group Investment Management (GIM) defines investment strategy of Munich Re Group.

Asset Management

MEAG (MUNICH ERGO Asset Management GmbH) is Munich Re's proprietary asset manager:

- **Implements** the **investment strategy**
- Handles **security selection** and **back-office activities**

Besides MEAG, external asset managers are engaged for defined mandates.

MEAG and external Asset Manager implement the investment strategy.

GIM as investment competence centre of the Munich Re Group

Group Investment Management

€240bn
Assets[1]
thereof €135m Primary Insurance

€7,191m
Investment Result 2024

~140
Employees

111
Invested countries

3
Locations (MUC, DUS, NY)

1) Data as of Q2 2025

The investment value chain

	Investment Management Group Investment Management (GIM)				**Asset Management** MEAG & externals
Risk Management – ALM	**SAA – Strategic Asset Allocation**	**TAA – Tactical Asset Allocation**	**Investment Steering**	**Asset Manager Selection**	**Asset Management**
▪ Translating liability cashflows into financial instruments on legal entity base for RI & PI P/C entities ▪ Setting ALM[1] Framework for L/H legal entities	▪ Manage SAA to achieve the best returns considering risks and constraints	▪ Manage tactical deviations from the SAA based on shorter and more granular market views	▪ Responsible to steer legal entities ▪ Implementation of SAA and TAA transactions at portfolio level ▪ Central interface regarding all investment topics for legal entities and asset managers	▪ Selection and steering of asset managers	▪ Implementation of mandates ▪ Security selection
	Investment Monitoring & Planning **Cash Management** →				

1) Asset Liability Management

ALM Process Life/Health

Main responsibility

Developing the optimal **ALM framework** with support by Risk Management for the **specific business needs** of **L/H clients** for best enabling the allocation steps of SAA and TAA within the investment process

Typical activities

- GIM creates various **ALM alternatives** within the ALM Models. Key element is the **specification of risk constraints.** The risk metrics are agreed between Risk Management and GIM.
- Developing the **optimal ALM Framework** with ranges for the **main asset classes and various KPIs** by actively considering of the **LE individual requirements** in actuarial, risk, controlling, accounting and supervisory topics.
- **Define parameters** for the ALM Framework **enabling GIM to improve investment returns** by SAA and TAA Impulses

Risk Management

Create ALM Risk constraints

↓ Exact metric agreed between Risk Management and GIM

Definition of relative/absolute risk budgets

GIM

↓ Legal entity requirements on returns and various KPIs

Development of ALM Alternatives

↓ Check if they match with all specifications of ALM Framework

Deriving ranges for major asset classes

↓ Hand over package of requirements to SAA PI L/H

Optimization, SAA, TAA

Asset Management

↓ Market timing and execution

Investments (MEAG/External)

Investment Steering – Make it possible.
The link between legal entities & group steering on the investment side

Main responsibility	▪ Construction of portfolios while considering **Legal Entity requirements and restrictions** and integration into Group's investment steering and investment processes ▪ **Manage complexity** of the different Legal Entities and their portfolios by efficiently implementing Group's tactical and strategical trades and impulses
Typical activities	Definition of ALM Framework
	Implementation of Investment Ideas
	Ongoing Steering and Reporting
	Risk and Limit Management
	Liquidity Steering

Investment Steering – Make it possible.
Life New Business

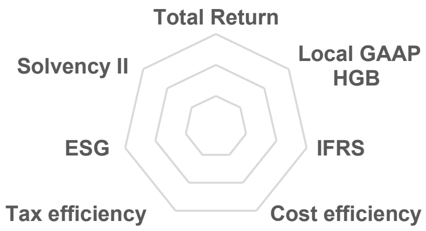
Framework

- Demand for superior yields to deliver **attractive profit participation,** guarantee a high level of **competitiveness** and strengthen reserves
- Actuarial buffer as **risk bearing capacity** for **Local GAAP HGB**
- **Considerable Financial Strength SII**
- **No liquidity constraints** as premia from new business flow in
- Providing retail products with a strong **ESG** focus

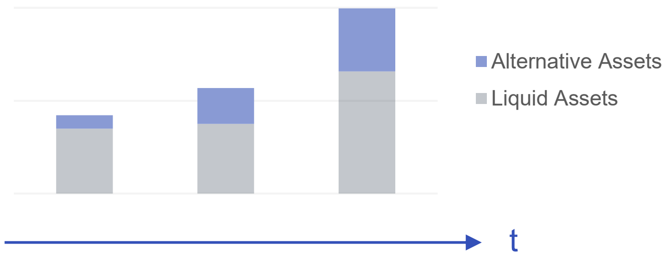
Typical Activities

- New business enables **long-term build-up plans** for illiquid **Alternatives** asset classes
- Liquidity is held to greater extent for **capital calls of Alternatives Investments** (call of commitments)
- **Cautious investment activities** due to a continuous, but volatile inflow of premia cashflows during the year
- Targeted equity investments for **ESG-related product lines** in co-create with asset manager

Dimensions of Investment Steering



Long-term build-up plan for Alternative Assets



Investment Steering – Make it possible.
Life Run-Off Business

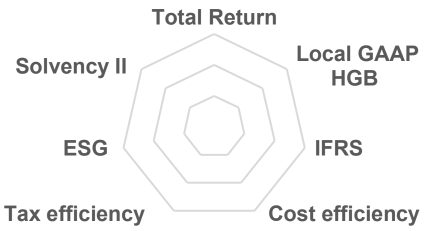
Framework

- Achievement of planned **Local GAAP HGB** result on a year-on-year basis
- **Financial Strength SII** significantly strengthened after interest rate increase in 2022
- Generation of **IFRS** overreturn to support IFRS results
- **Cost efficiency** for run-off business

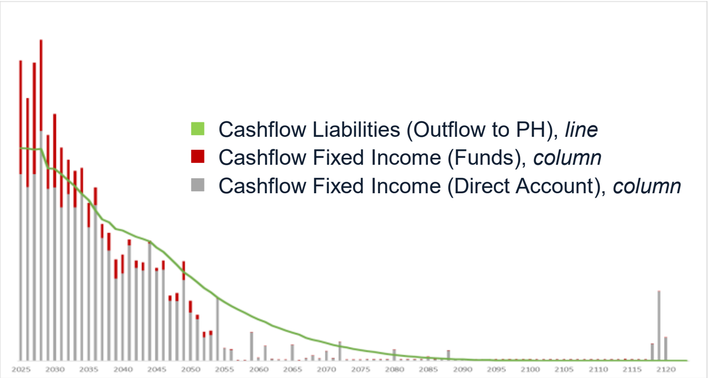
Typical Activities

- Improvement of AL cashflow matching accompanied by de-risking measure for interest rate risk
- Very tight **steering of liquidity** for PH payments to avoid forced selling with undesired Local GAAP HGB P/L impact
- **Cautious portfolio management** due to hidden losses in Fixed Income – leeway rising steadily with Buy & Maintain pull-to-par and unwinding reserves (‚ZZR‘)
- **Risk taking** within portfolio closely monitored – protection by hedging and buffering hidden reserves
- **Reduction of complexity**

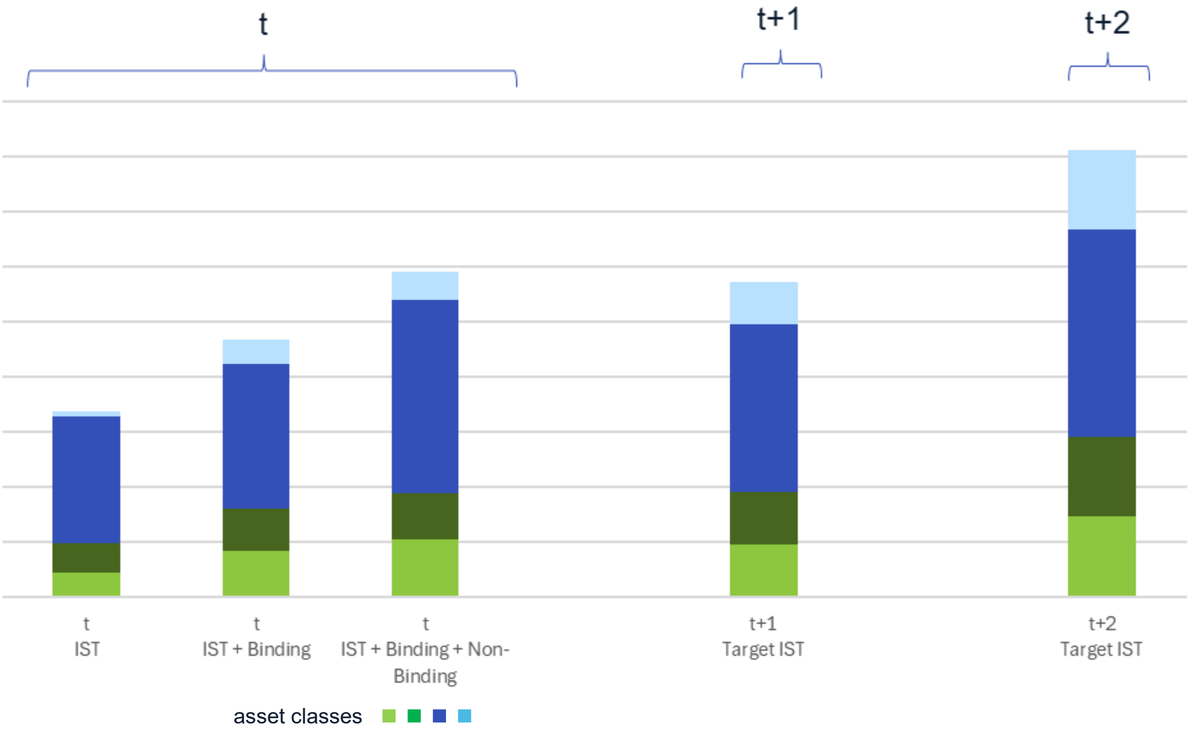
Dimensions of Investment Steering



AL cashflow pattern (illustrative)



Investment Steering – In focus.
Build-up plan for Alternative Investments



Long-term targets
per asset class

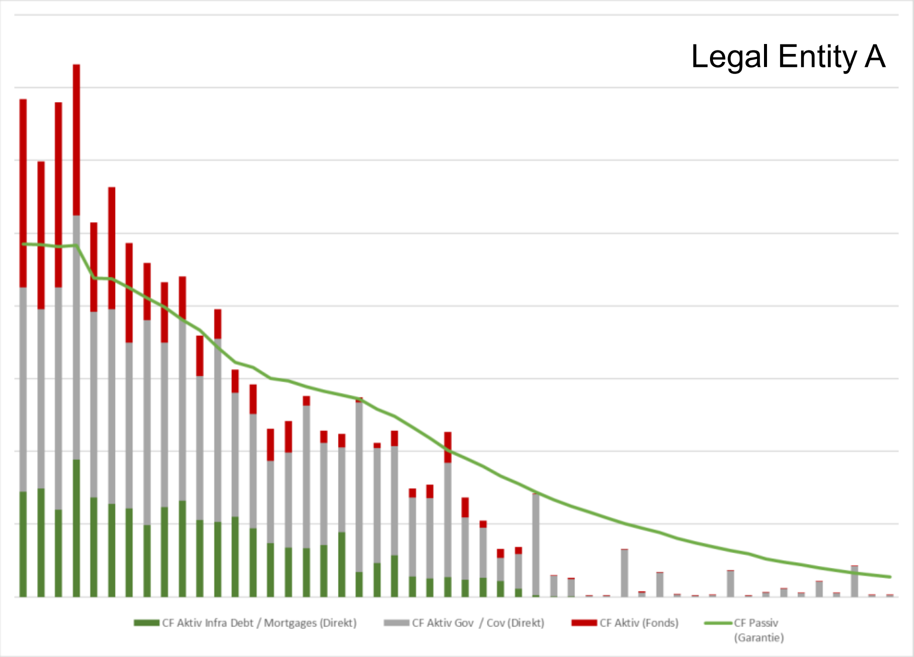
Commitment
per investment

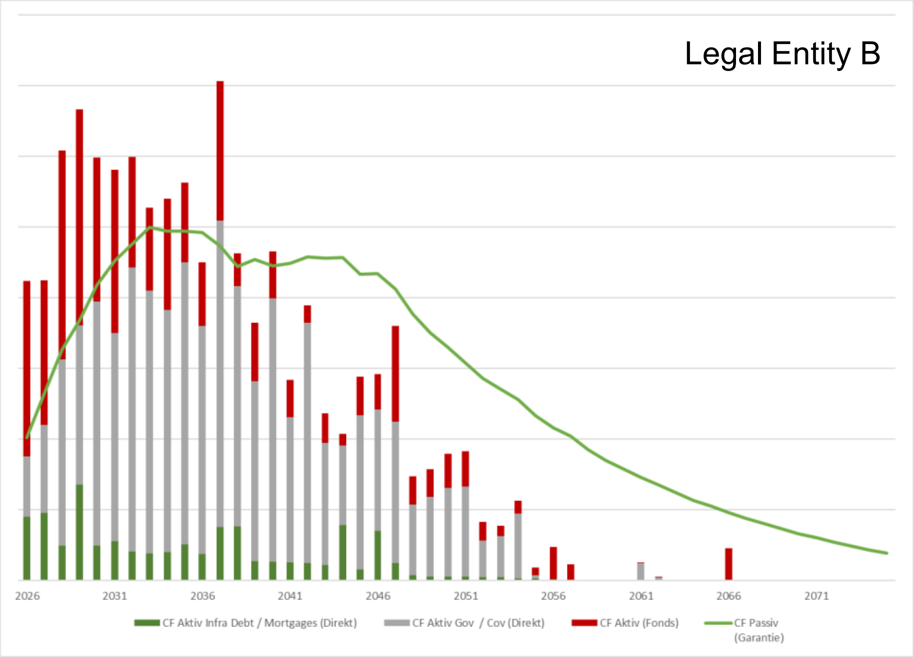
Capital Call(s) & Redemptions
per investment

Liquidity Management
per depot / portfolio / SPV

Investment Steering – In focus. Asset-Liability-Management for Run-Off

- Cashflow Liabilities (Outflow to PH), *line*
- Cashflow Fixed Income (Funds), *column*
- Cashflow Fixed Income (Direct Account Liquid FI), *column*
- Cashflow Fixed Income (Direct Account Illiquid FI), *column*





Investment Steering – In focus. Sustainability – contributing to superior & sustainable investment results

Main responsibility

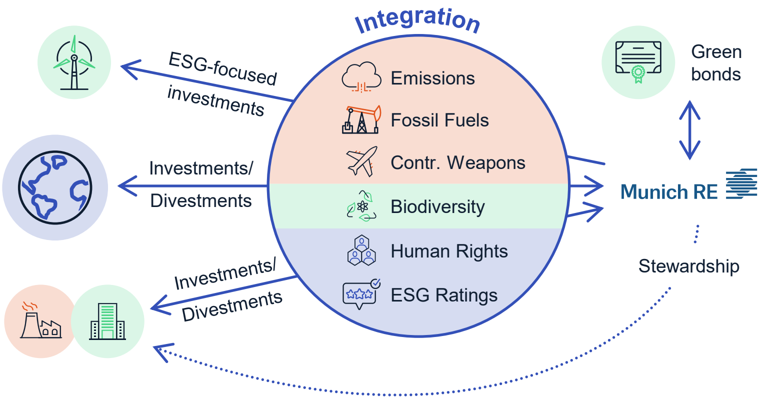
- Developing the **sustainability strategy** and **methodology**
- Steering our **stewardship** activities
- Steering and monitoring our **sustainability measures** (CO2e, Fossil Fuels, Human Rights, Biodiversity etc.)
- Contributing to **sustainability reporting** and publications (Annual Report, Ratings etc.) and **legal entity advisory**

Typical activities

- **Screening** of current and upcoming **regulatory and rating requirements**, also based on associations and NGO input
- Integration of sustainability considerations across investment process and asset classes via **quantitative steering** (e.g., financed GHG emissions), **negative screening** (e.g., Controversial Weapons, Human Rights, Biodiversity) & **positive screening** (e.g., SFDR Art. 8)
- Implementation of stewardship activities (**engagement, proxy voting**)
- **Reporting** of material sustainability-related activities in Group Annual Report (**Sustainability Statement**) and rating providers, associations etc.

Approach to Sustainability

Integrated steering and monitoring across asset classes and portfolios



Vielen Dank für Ihre Aufmerksamkeit.

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