



Infrastructure



June 7, 2018

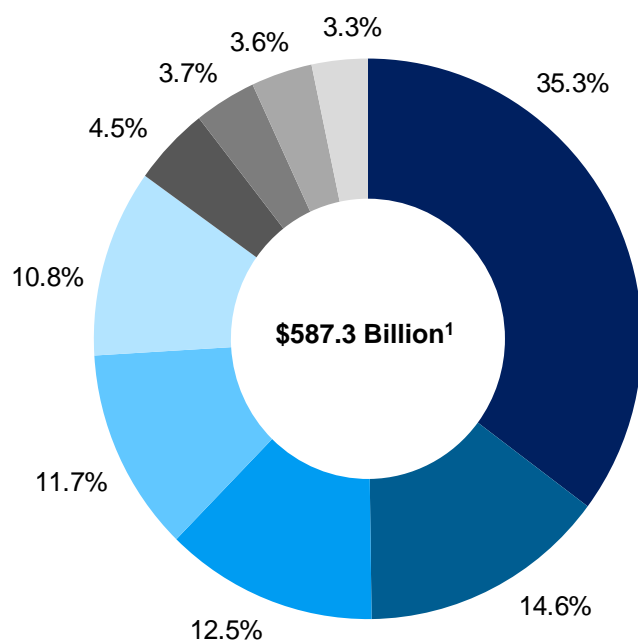
MetLife Investment Advisors, LLC
One MetLife Way, Whippany, New Jersey 07981
www.metlife.com/investments/investment-management

Table of Contents

- I. MetLife Investment Management Overview
- II. Infrastructure Market Update
- III. Infrastructure Market Outlook

I. MetLife Investment Management Overview

MetLife Combined Managed Assets (\$ Billions)



	General Account ²	Separate Account ³	Unaffiliated Clients ⁴	
	\$136.9	\$2.4	\$67.4	Investment Grade Corporate
	\$71.0		\$14.7	Mortgage Loans
	\$47.4	\$3.4	\$22.8	U.S. Government and Agency
	\$49.3	\$3.0	\$16.6	Structured Finance
	\$61.5		\$2.1	Foreign Government
	\$8.3	\$6.0	\$12.4	Corporate Equity
	\$13.8		\$7.7	Below Investment Grade Corporate
	\$17.6	\$0.1	\$3.5	Cash and Short-Term Investments
	\$14.2		\$5.2	Real Estate Equity
	\$420.0	\$14.9	\$152.4	Total

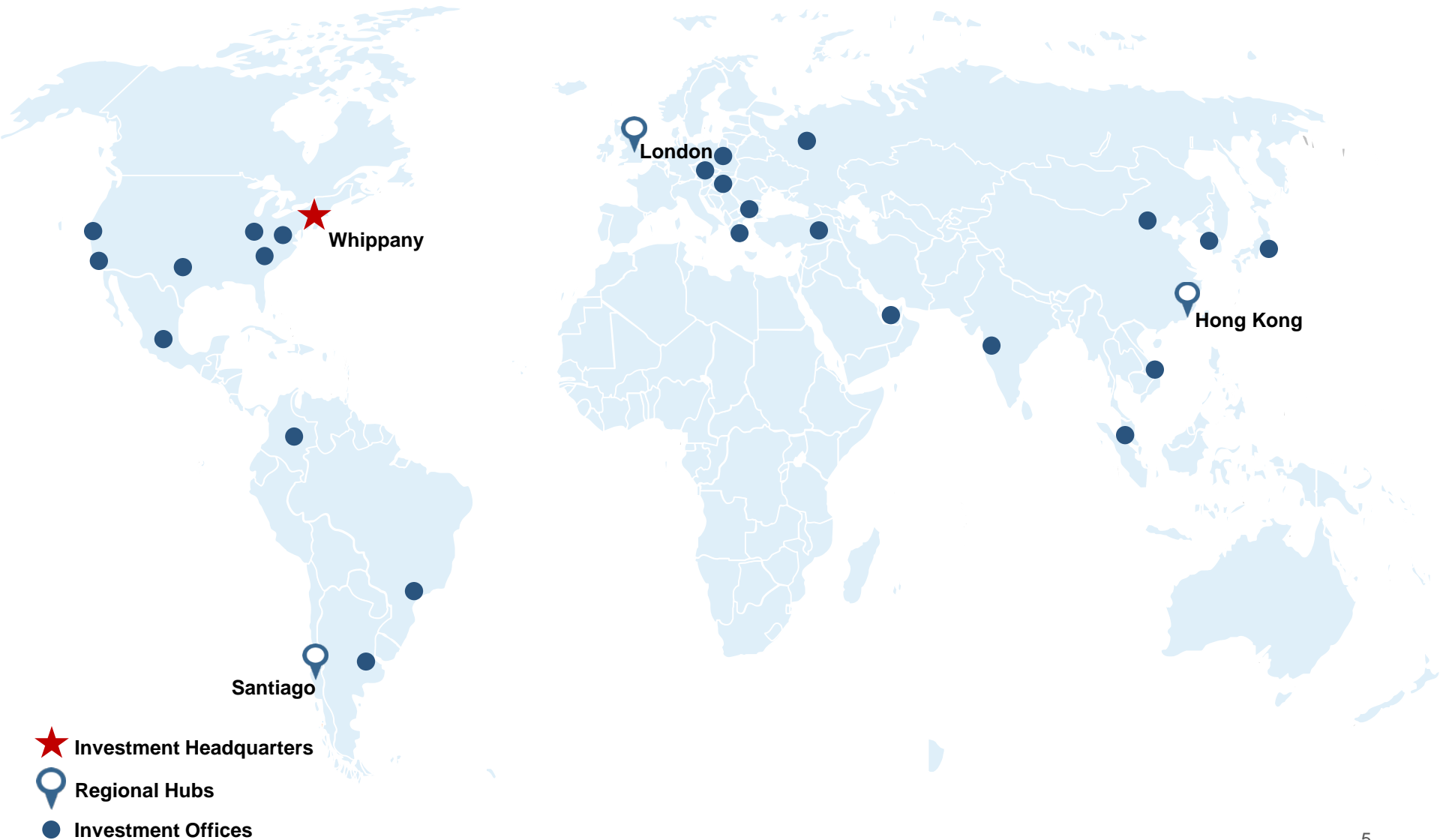
¹ As of December 31, 2017. Includes all assets managed by MIM. See End Notes for non-GAAP financial information, definitions and/or reconciliations.

² Represents actively-managed general account assets at estimated fair value.

³ Represents passive-indexed insurance company separate account assets at estimated fair value.

⁴ Represents non-proprietary assets managed on behalf of unaffiliated clients, at estimated fair value.

Experienced Global Investment Team



II. Infrastructure Market Update

The Infrastructure Debt Opportunity

US need....

“The US needs to spend an additional \$150 billion a year through 2020 to meet America’s infrastructure needs. This investment is expected to add nearly 1.5% to annual GDP and create 1.5 million jobs.”

McKinsey & Company, Infrastructure Productivity²



1. As of January 2013.
2. As of October 2016.

Why a Core Infrastructure Focus?

Essential, Hard
Assets

Stability of
Projected Cash
Flows

High Barriers
to Entry

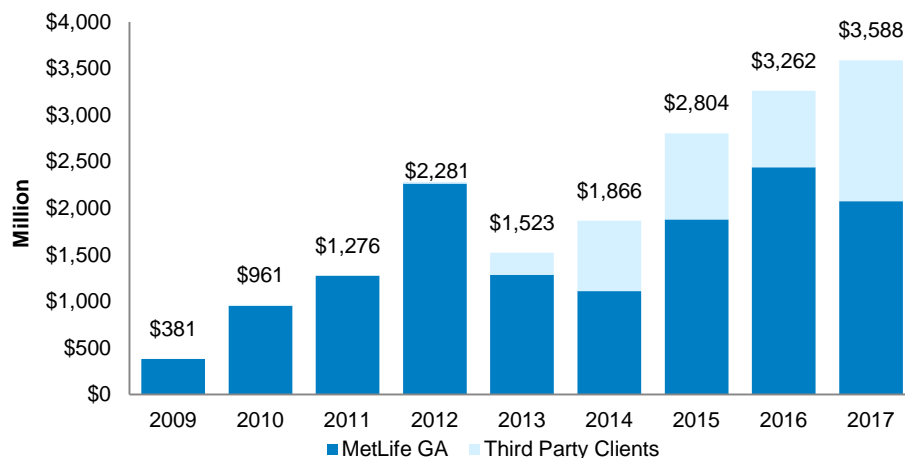
Often Direct or
Indirect
Government
Support

Low Historical
Loss Rates for
Infrastructure,
Generally



Examples: Pipelines, Ports, Water, Bridges, Transmission, Roads, Airports, Power

MIM's Infrastructure Debt Origination¹

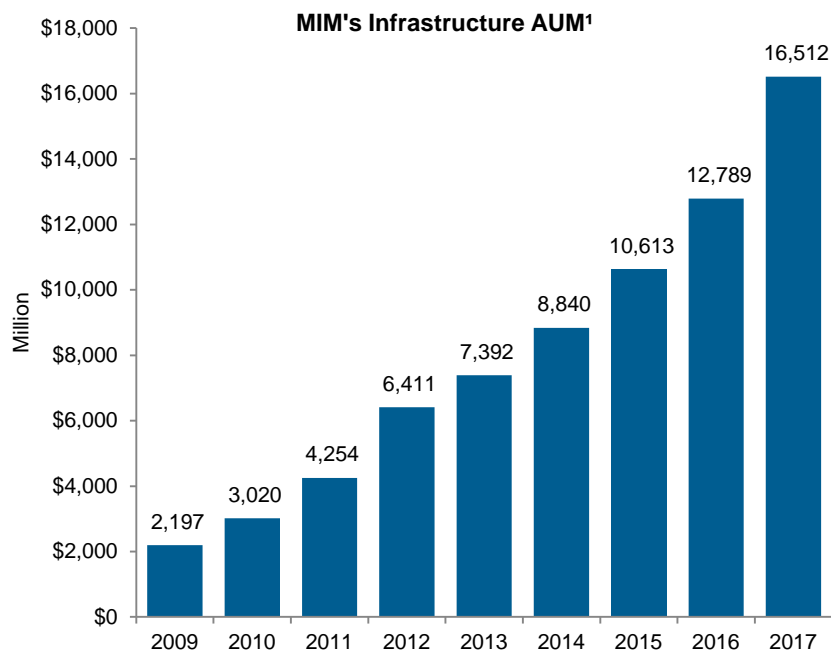


- Recognized as the 2015 Global Institutional Investor of the Year²
- Over \$17 billion in investments across 251 transactions since 2009
- Weighted gross origination yield of 4.69%
- Investment grade with average quality of MBaa2³
- Diversified by country of risk with over 60% of issuers with operations outside North America

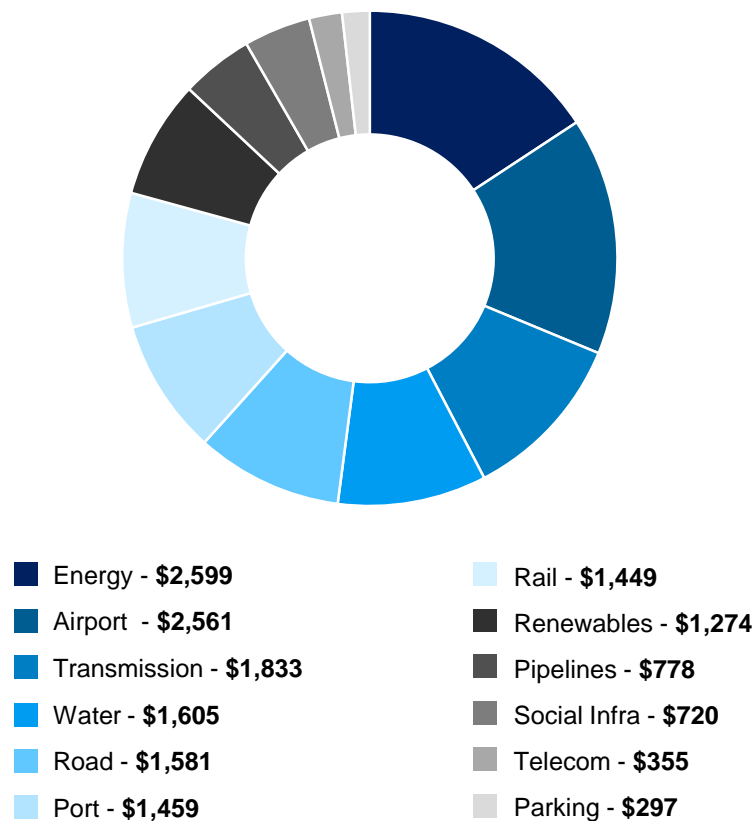
	2009	2010	2011	2012	2013	2014	2015	2016	2017	WA (2009 – 2017)
Cost (\$Million)	\$381	\$962	\$1,274	\$2,281	\$1,521	\$1,868	\$2,821	\$3,287	\$3,588	\$17,984
Gross Yield (%)	5.95	6.00	5.67	5.08	5.04	4.85	4.07	4.03	4.45	4.69
Average Life (years)	13.2	13.2	13.9	13.9	14.0	12.1	16.5	15.9	14.3	14.5
Spread (bps) ⁴	+306	+284	+251	+316	+242	+235	+196	+201	+204	+233
Premium to Publics (bps) ⁵	+134	+128	+109	+83	+49	+64	+37	+46	+54	+64
Rating ³	MBaa1	MBaa2	MBaa2	MBaa2	MBaa2	MBaa2	MA3	MBaa1	MBaa2	MBaa2

1. All figures, except origination, are presented on a dollar-weighted basis. The origination data provided herein do not equate to, and are not indicative of, what the origination volume or estimated total return would be for a client portfolio. The origination data are provided solely to outline the pricing conditions that MIM's Infrastructure Debt team experienced in the market for these kinds of investments during the indicated periods. No reliance should be placed on this data for purposes of assessing whether the investments have been or will be profitable.
2. Source: PEI Infrastructure Investor - Global Institutional (November 2016).
3. Credit quality assessments were performed internally by MIM's Infrastructure Debt team and have not been verified by independent sources.
4. U.S. equivalent spread over the corresponding point on the U.S. Treasury curve. The point on the curve is determined by the average life at the time of investment.
5. Estimated spread to public bond assessments were performed internally by MIM's Infrastructure Debt team and have not been verified by independent sources.

MIM's Infrastructure AUM



MIM's Infrastructure Portfolio Composition by Sector¹
(December 31, 2017)



1. All data as of December 31, 2017 in millions. Totals represent assets managed by MIM on behalf of MetLife general accounts and unaffiliated investors and may not foot due to rounding.

MetLife's Underwriting Approach

Credit

- Credit analyst coverage by industry
- Leverage resources of MIM's global investment team
- In-depth analysis of issuer's business over several cycles

Structure

- Covenants and/or collateral negotiated
- Analysis of priority debt, structural subordination
- Disciplined approach; inadequately structured deals declined
- Dedicated support from internal and outside counsel

Pricing

- Real-time input from MIM public bond traders
- Disciplined relative value analysis
- Structural protections considered

Industry Position and Approach Help Maximize Opportunities

Capital
Lending Capacity
Expertise

Meaningful size for issuers

Expertise to structure and lead transactions

Direct Origination

Direct origination is a significant portion of MIM's private placement volume

Maximize allocations

May enable "first look" and/or special tranches

Top Agent Bank
Relationships

Reputation for fair dealing with issuers

Shown exclusive and "club" deals

Infrastructure: Value Proposition

Enhanced Credit Portfolio Diversity

Access to credits not typically
available via public markets

Liability Matching

Fixed rate call protection
through maturity

Protection via Covenants and/or Collateral

Negotiating power
Historically favorable loss
rates vs. public bonds¹

Opportunity for Incremental Income

Make whole payments,
amendment fees,
coupon bumps

Typically a Spread Premium to Corporates / Sovereigns²

Incremental targeted yield
over public bonds

1. Refer to the "Private Placement Covenants Can Enhance Income" slide and to the Disclosures in the back of this presentation for a more detailed description about loss rate comparisons.
2. Estimated spread to public bond assessments performed internally by MIM's private placement team and have not been verified by independent sources. See the "Strategic Long-Term Investments" slide for additional information.

III. U.S. Infrastructure Market Outlook

2018 U.S. Infrastructure Debt Market Outlook

United States

- U.S. market expected to continue to provide a strong pipeline of transactions in 2018
- Infrastructure needs from 2016 - 2025 est. at \$3.3 trillion with a funding gap close to \$1.5 trillion¹;
- PPP market expected to slowly ramp up in 2018 with a focus to 2019
- Administration's Q1 2018 infrastructure plan submitted, we believe the proposal as currently stated will not receive congressional approval.
- A bilateral compromise will be needed, the earliest this can occur will be Q4 2018
- Indicative pricing for IG assets, 25yr maturity/15yr average life
 - UST+140-190bps range for brownfield assets;
 - UST+180-210bps range for Greenfield assets
- With UST 10 yr. c.2.9%, current yields 4.20% - 5%, offer attractive relative value for senior secured IG assets

1. American Society of Civil Engineers

2018 Rural U.S. Infrastructure Debt Market Outlook

United States

- Rural U.S. market expected to increase in 2018 /2019
- PPP market expected to slowly ramp up in 2018 with a focus to 2019
- Renewables, pipelines and energy projects to continue to provide a steady source of deal flow in 2018/2019
- Other sectors: ESPC, universities, broadband, utilities, flood remediation and wastewater facilities etc



www.metlife.com/investments/investment-management