a.s.r. real assets investment partners

Real assets require more than allocation

Why specialisation is a prerequisite in an increasingly complex market
a.s.r. real assets investment partners views specialisation in real assets not as an organisational preference, but as a prerequisite. What does this mean in practice? Strategic asset allocation, supported by the fiduciary manager, determines the direction of the overall portfolio of institutional investors. It defines how much is invested, in which asset category, and with which return objective. However, once the decision is made to allocate to real estate, infrastructure and natural capital (hereafter referred to as 'real assets'), a discipline begins for which a generic framework provides insufficient guidance. Markets, structures, fund managers and ESG all require something other than breadth. They require active and in-depth expertise.

The playing field has changed

Real assets are no longer merely 'an additional allocation'. For many institutional investors, real estate, infrastructure and natural capital, such as forestry and agriculture, represent a deliberate strategic choice: for diversification, inflation-related cash flows and exposure to the real economy, through which a tangible contribution to ESG objectives can be achieved. At the same time, this is precisely where the playing field has changed. The central question is no longer whether real assets fit within a portfolio, but how they are managed. The era in which a broad, generalist approach was sufficient has come to an end. Investing in real assets has become a discipline in its own right, with specific valuation methodologies, illiquidity management, governance surrounding discretionary authority, and decision-making across the entire investment cycle, from commitment to exit.

> ' The question is no longer whether real assets fit within a portfolio. The question is how they are managed.'

Why generalism made sense in the past but is now showing its limitations

The model in which a generalist fiduciary manager oversees the entire balance sheet helps to manage portfolios holistically with regard to matching and return, liquidity, interest rate risk and risk attitude. This overall control is essential and valuable, but specialist expertise is required for the implementation of a real assets allocation.

Real assets is, after all, a broad term encompassing a highly heterogeneous range of investments. The category consists of diverse sub-segments, each with its own valuation drivers, risks and dynamics. What is referred to as 'real estate' is in reality a collection of markets, while 'infrastructure' comprises assets operating under different regulatory regimes, contractual structures and cash flow profiles.

Moreover, the boundaries between real estate, infrastructure and natural capital are becoming increasingly blurred, see also the thematic view 'Integrated Portfolio Management'. Data centres require energy and grid infrastructure. Residential development requires investment in mobility, water and energy provision, while natural capital is linked to issues surrounding biodiversity, food security and the energy transition. Therefore, the most important investment challenges of our time can no longer be contained within a single asset class. Instead, they require an integrated real assets approach.

It is the increasing interconnectedness within real assets that heightens the need for specialist knowledge and oversight. It requires an in-depth understanding of the underlying markets, as well as the ability to identify and analyse the connections between them. At the same time, regulations such as the Sustainable Finance Disclosure Regulation (SFDR) and the Corporate Sustainability Reporting Directive (CSRD) are imposing ever-higher requirements on consistent sustainability information throughout the value chain. ESG is therefore evolving from a label into a data challenge that directly affects risk analysis, valuation and reporting.

In such an environment, the difference between having exposure and managing exposure becomes increasingly significant. As real assets become more complex, the question shifts from 'What should we invest in?' to 'How do we organise the governance around it?' It is precisely here that a specialised real assets manager adds value compared with a generalist fiduciary manager, by making better, independent decisions throughout the entire investment cycle.

Megatrends as a compass

A resilient approach does not begin with an isolated opportunity, but with a structured process and a robust framework. In its House View Real Assets 2027, a.s.r. real assets investment partners identifies four defining megatrends: Digitalisation & AI, Energy Transition & Energy Security, Demographic Shifts, and Reshoring & Strategic Autonomy. Building on these trends, a.s.r. real assets investment partners translates them into specific segments and themes, assesses fundamental supply and demand dynamics and valuations, and identifies choices related to opportunities, risks and implementation.

This disciplined approach is particularly important in real assets. The market is characterised by longer cycles, less transparent price formation and illiquid structures. The framework makes investment decisions repeatable and verifiable, and helps investors remain consistent when sentiment shifts, financing conditions change or regulation becomes more stringent. As a recognised leader in ESG and impact investing, a.s.r. real assets investment partners does not view this framework as a checklist, but as an integral part of every investment decision.

Fundamentally, a.s.r. real assets investment partners sees opportunities within real assets, particularly in segments that benefit from structural megatrends, as it is here that the strongest combination of stable income streams, scarcity, growing demand and attractive risk-adjusted returns can be found over the long term.
However, a framework only becomes valuable when it translates into concrete investment decisions. Ultimately, the challenge is not only to determine where capital is allocated, but also why.

> ' A framework makes investment decisions repeatable and verifiable. That is exactly what institutional investors need in an illiquid market.'

Where capital is being deployed: resilience, the energy transition and housing

In times of uncertainty, the appeal of real assets is often intuitive: tangible assets, long-term cash flows and a clear role within the economy. Yet behind that intuition lie highly concrete and challenging investment opportunities. Capital will always find its way, but the real question is whether it ends up in places that also create societal value, without compromising risk-return objectives.

Take electricity. The International Energy Agency expects electricity demand to grow strongly in the coming years, driven in part by the further digitalisation of the economy, the rise of AI and the expansion of data centres. The large-scale power outage in Spain and Portugal in April 2025 demonstrated how vulnerable energy networks can be in an era of accelerated energy transition. This translates into an investment agenda focused on grid capacity, flexibility and storage solutions such as battery systems.

Or consider housing. The European Commission has identified a structural housing shortage and a significant investment requirement to make housing stock more affordable, sustainable and of higher quality. In some European countries, housing costs for vulnerable households already exceed 60% of net disposable income, well above the European benchmark of 40%.

In both cases, returns and relevance come together. It is often where societal challenges and economic necessity reinforce one another that the most attractive investment opportunities for long-term investors emerge.

Where a.s.r. real assets investment partners currently sees opportunities
Segments where structural megatrends converge with scarcity and attractive valuations:
- ✓ Residential property & senior housing: persistent structural supply shortages
- ✓ Logistics real estate: strategic locations with limited new supply
- ✓ Energy infrastructure: grid reinforcement and battery storage, driven by electrification and growing electricity demand from AI and data centres
- ✓ Digital infrastructure: data centres and fibre-optic networks
- ✓ Forestry: timber, carbon and biodiversity

What a specialist does differently in practice

Specialisation is not an abstract claim, but a different way of managing real assets. It starts with strategy. Based on a client's objectives, risk attitudeand portfolio context, a.s.r. real assets investment partners translates structural megatrends and market insights into an appropriate real assets allocation. Geographic diversification, sector exposure and suitable risk-return profiles are considered as an integral part of this process.

a.s.r. real assets investment partners then translates these strategic principles into a tangible portfolio. This involves not only assessing new investment opportunities, but also evaluating existing positions, implementation risks, lead times and liquidity characteristics. The objective is not to create the theoretically perfect portfolio, but rather a portfolio that is genuinely implementable and aligned with the investment convictions of institutional investors.

In real assets, selection is a fully fledged investment decision, not a procurement process. The quality of sourcing, asset management, governance and team stability at a fund manager plays a significant role in determining both ultimate outcomes and the risks assumed. For this reason, a.s.r. real assets investment partners assesses managers not only on returns, but also on their ability to create value throughout the entire investment cycle.

Scale also helps provide access to a broader investment universe. Long-standing relationships with (fund) managers, market knowledge and the alignment of investors' interests lead to better access, more efficient implementation and stronger negotiating positions in discussions with managers. This results in greater control over investments with attractive terms.

Monitoring should be proactive and data driven. Particularly in private markets, this requires in-depth expertise. Through internally developed tooling, a.s.r. real assets investment partners identifies trends and developments relating to, for example, valuation, capex forecasts, ESG risks and portfolio composition. See also the publication 'Data-Driven Investment Approach'. This enables a.s.r. real assets investment partners to make timely adjustments and to challenge (fund) managers critically and effectively, independently of their reporting cycle.

Engagement is a natural extension of this monitoring process. Through a continuous dialogue with fund managers, governance, sustainability, risk management and operational improvements are actively addressed. This requires broad expertise and extensive experience.

Reporting forms the bridge between portfolio management, governance and decision-making. Institutional investors require insight not only into returns, but also into risks, liquidity, ESG factors and progress against strategic objectives. Clear reporting helps ensure that complex real assets portfolios remain manageable and explainable.

Governance is not an appendix to the process, but an integral component of the investment approach. Structural choices, liquidity characteristics and decision-making regarding illiquid investments require clear frameworks and transparency. Ongoing regulatory developments, including AIFMD II, underline this importance. Liquidity tools, fund structures and policy decisions regarding illiquidity are becoming increasingly explicit components of investment design. It is often in stress scenarios that the importance of pre-defined governance arrangements becomes most evident.

Real assets are labour-intensive and capital-intensive asset classes. They require specialist knowledge, experience and a substantial team, complemented by a strong international network to provide access to and insight into global markets. This is fundamentally different from more liquid and standardised asset classes such as listed equities and bonds, where a generalist (fiduciary) manager can effectively retain overall control and where information is generally more transparent and readily available.

' Selection in real assets is a demanding investment decision, not a procurement process. It requires in-depth knowledge of teams, structures and markets.'

The human factor: partnership as a genuine success factor

Real assets are long-term investments. Outcomes are not determined solely by the initial fund selection, but certainly also by years of active monitoring, engagement with fund managers and maintaining conviction when markets come under pressure. That is precisely why partnership, both with the fund manager and with the institutional investor, is not a soft factor but a fundamental prerequisite. a.s.r. real assets investment partners has worked with institutional investors such as pension funds, insurers and family offices for more than twenty-five years. These are relationships built on transparency, continuity and trust.

What distinguishes a.s.r. real assets investment partners is a unique combination of the focus and agility of a specialist, supported by the platform, governance framework and institutional credibility of a.s.r., one of the largest and most sustainable insurers in the Netherlands, with more than 130 years of investment experience in real assets. Through long-standing client and manager relationships and more than € 12 billion in assets under management, a.s.r. real assets investment partners has access to the same segment of the market as the largest institutional investors. At the same time, it combines this access with the commitment, focus and specialist expertise of a dedicated real assets team. This combination enables a.s.r. real assets investment partners to operate close to the market, fund managers and clients, without losing sight of the interests of the end investor.

That is the combination institutional investors have chosen for more than twenty-five years: the strength of a specialist, supported by the foundation of a.s.r.

Under the Future Pensions Act, the role of a specialist becomes even more relevant
In the Netherlands, the pension system is shifting towards individual pension wealth, with greater transparency, personalised risk profiles and improved explainability towards individual scheme members. De Nederlandsche Bank (DNB) has highlighted the significance of this transition. In such an environment, it becomes increasingly important that real assets not only contribute to returns but are also manageable and consistently explainable. This requires clear frameworks: how real assets fit within the overall portfolio structure, how risks are monitored, which data standards are applied and how governance is organised around illiquidity and structural choices. Specialist oversight is therefore not merely an investment decision. Under the new pension system, it also contributes to explainability towards scheme members.

Conclusion: specialisation is not a luxury, but a prerequisite

The central proposition remains unchanged: real assets require more than allocation. The increasing interconnection of real estate, infrastructure and natural capital, combined with growing demands regarding data, sustainability, governance and reporting, requires a specialist approach throughout the entire investment cycle.

As a result, the added value shifts from allocation alone to specialist oversight: from strategy and implementation to selection, monitoring, engagement and governance. This is where the difference is made between having exposure and managing exposure.

Ultimately, the objective extends beyond returns alone. The societal investment challenges of our time, in energy, housing, healthcare and natural capital, require capital that is not only invested, but also actively managed.

A specialist makes that difference by combining in-depth market knowledge with a structured investment process, active monitoring and close collaboration with clients and fund managers. In doing so, real assets become not only a source of returns, but also a robust and accountable building block for tomorrow's portfolio.

That is the role a.s.r. real assets investment partners has fulfilled for institutional investors for more than twenty-five years. Interested in what this could mean in practice for your portfolio? a.s.r. real assets investment partners would be pleased to start the conversation.

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