

Pensioenfonds UWV

Long term investment opportunities

Alternative yield in control

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■ 2.1 Search for yield

- Real economy \neq stock market
 - Back to fundamentals, not daily price volatility
- Financing SMEs
- Constraints
 - ESG
 - Domestic investments?
 - Liquidity
 - Pension fund's resources
 - Risk rewarded after all costs



■ 2.2 Alternatives

- From pension fund's perspective:
 - Every asset not traded on stock markets
- Non-limitative list
 - Real estate
 - Infrastructure
 - Direct credits
 - Direct equity
 - Mortgages
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■ 2.3 Access to alternatives?

- Positive business case in ALM
 - Conservative net returns! (pe \approx equity)
 - Liquidity in fund is adequate (stress test)
 - Fair size in portfolio (\approx 5%)
- Practical
 - In house: no option (scale)
 - Hedge funds \rightarrow real economy?
 - Private equity \rightarrow control?

