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We pay as much attention to the next quarter century as we do the next quarter.

Building Stronger Futures

The global economy is strong. Job growth is accelerating, risks are receding, and the engines of commerce are driving economic expansion in regions around the world. All is well, right?

As much as we talk about opportunity, challenges abound. Infrastructure in many developed and developing economies is in disrepair, needs to be upgraded, or is yet to be built. Many people have limited—or no—access to affordable health care, education, housing, or even clean water, safe food, or reliable energy sources. Rapidly evolving technology, which promises future productivity gains through a new era of innovation, risks creating job displacement for those not able to reskill and redeploy across the new growth sectors.

It is a complex future that lies before us. Amid this uncertainty, the power of the long-term investor has never been more certain. Insurance companies, pension funds, sovereign wealth funds, foundations, and endowments, alongside other

future-focused institutional investors, have ample capital to invest in well-structured investments and are less constrained by the pressure to achieve short-term results.

For life insurers, matching long-term assets to our long-term liabilities naturally aligns us with the long-term, sustainable growth of the countries in which we do business. We pay as much attention to the next quarter century as we do the next quarter.

Not only does this approach to investing deliver strong, risk-adjusted returns for the long-term investor's portfolio, but it also helps to ensure that capital is deployed to projects that will have a lasting, positive social impact.

The current U.S. administration's \$1.5 trillion infrastructure plan could be the catalyst for a new wave of long-term investment. However, with direct federal spending of \$200 billion representing less than 15 percent of the plan's overall cost, long-term investors can help narrow the funding gap.



The stakes are high. Several studies note that if the investment gap is not addressed by 2025, the U.S. economy could lose several trillion dollars in GDP. Public-private-partnerships will be critical, as will more opportunities for taxable financing and accelerating and streamlining the permitting process. And today, just as in the past, long-term investors can play a role either through direct investment, indirect financing by funding government or private sector bonds, or public-private partnership investment models—or a mix of all three.

Most importantly, however, not only can private capital generate attractive returns, it supports projects that achieve tangible socioeconomic benefits that improve people's lives, make them more productive, and strengthen our economy.

Consider the Panama Canal. After completion, the canal dramatically reduced the cost of shipping in the Americas. This, in turn, boosted the economy through improved productivity, increased wages, and

in time, better living standards across Panama and in the U.S. as well. It also led to advances in community health, sanitation, and better management of tropical diseases.

The U.S. Transcontinental Railroad, which was born in the 1860s, followed by the U.S. Interstate Highway System, which began under President Dwight D. Eisenhower in 1956, also played crucial roles in driving sustained economic expansion and better jobs for workers.

It was the research and development across the private sector, often funded by investors, which complemented government investment in the Space Race. This technology-focused mission was the genesis of innovations such as better batteries, LED lights, new communications systems, portable computers, better food preservation techniques and water purification systems, and many others.

The very nature of our insurance business means that we've always taken a long-term view of investing, which is fundamental to our ability to keep the promises we have made to our customers to support them in their time of need. The phrase win-win is overused in business, but our long-term investing focus fits the bill: it not only supports our portfolio objectives for attractive long-term yield, but it provides a source of patient capital for projects that create tremendous social value.

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