

Aflac Global Investments Announces Strategic Partnership with Sound Point Capital Management, LP

Aflac to Fund Initial \$1.5 Billion Real Estate Loan Portfolio, Includes \$500 Million Aimed at Accelerating Development for Communities in Need



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NEW YORK, Feb. 24, 2021 /PRNewswire/ -- Aflac Global Investments, the asset management subsidiary of Aflac Incorporated, announced today that it is partnering with Sound Point Capital Management, LP (Sound Point) to create a new asset management business focused on the real estate loan market. Aflac Global Investments has made an initial \$1.5 billion allocation to the newly created Sound Point Commercial Real Estate Finance, LLC, with \$500 million of this amount dedicated to providing transitional and other debt financing to support economically distressed communities designated as Qualified Opportunity Zones. Upon regulatory approval, Aflac will hold a 9.9% minority interest with the ability to grow our stake over time in line with future growth of the new venture.

Aflac Incorporated Executive Vice President, Global Chief Investment Officer and President of Aflac Global Investments Eric M. Kirsch said, "This relationship with Sound Point represents another important step in the Aflac Global Investments growth strategy of leveraging our balance sheet to create additional value for Aflac and our stakeholders through strategic equity partnerships. Transitional real estate loans are a strategically important part of our investment

portfolio, offering attractive returns in a high-quality asset class. We are especially pleased to commit a portion of our capital to directly support development in those communities that need it most by dedicating \$500 million toward Opportunity Zones in the United States."

"Sound Point is pleased to have a quality partner like Aflac, who shares our vision for the opportunities in commercial real estate lending," said Stephen Ketchum, founder and managing partner of Sound Point. "We look forward to growing our platform, which we feel is well positioned to build on our expertise in commercial real estate. We are thrilled to work with Aflac in providing capital to underserved neighborhoods and communities."

Opportunity Zones were created by the Tax Cuts and Jobs Act of 2017 to drive economic development and job creation by encouraging long-term investments in economically distressed communities nationwide. Aflac's decision to provide critical lending support for Opportunity Zones illustrates the company's ongoing commitment to its Environmental, Social and Governance (ESG) program. Companies like Aflac and Sound Point are raising the bar on responsible investing and helping to empower diverse investors.

Bradley E. Dyslin, Aflac Global Investments senior managing director, global head of credit and strategic investment opportunities, added, "We are excited to partner with Sound Point in the creation of Sound Point Commercial Real Estate Finance. Sound Point's history of identifying pockets of opportunity within credit-based lending such as transitional real estate aligns well with Aflac's portfolio strategy. We are especially thrilled with our shared desire to invest in solutions that improve our communities and support economic empowerment."

"Together with Aflac, Sound Point can now expand its reach across the U.S. commercial real estate markets," said Don MacKinnon, portfolio manager and head of Sound Point's CRE group. "We are proud of our approach to underwriting and the team we have built, and we expect there will be no shortage of highly compelling investment opportunities for our strategic partnership."

About Aflac Incorporated

Aflac Incorporated (NYSE: AFL) is a Fortune 500 company helping provide protection to more than 50 million people through its subsidiaries in Japan and the U.S., where it is a leading supplemental insurer, by paying cash fast when policyholders get sick or injured. For more than six decades, insurance policies of Aflac Incorporated's subsidiaries have given policyholders the

opportunity to focus on recovery, not financial stress. Aflac Life Insurance Japan is the leading provider of medical and cancer insurance in Japan where it insures 1 in 4 households. For 15 consecutive years, Aflac Incorporated has been recognized by Ethisphere as one of the World's Most Ethical Companies. In 2021, Fortune included Aflac Incorporated on its list of World's Most Admired Companies for the 20th time, and Bloomberg added Aflac Incorporated to its Gender-Equality Index, which tracks the financial performance of public companies committed to supporting gender equality through policy development, representation and transparency, for the second consecutive year. To find out how to get help with expenses health insurance doesn't cover, get to know us at aflac.com. Investors may learn more about Aflac Incorporated and its commitment to ESG and social responsibility at investors.aflac.com and esg.aflac.com.

About Aflac Global Investments

Aflac Global Investments refers to Aflac Asset Management LLC and Aflac Asset Management Japan Ltd., which are the asset management subsidiaries of Aflac Incorporated. Aflac Global Investments is responsible for managing the invested assets of Aflac Incorporated's insurance subsidiaries in Japan and the U.S. As of December 2020, Aflac Global Investments managed nearly \$129 billion in general account assets and had 133 investment and support professionals who work at its offices in New York and Tokyo.

About Sound Point Capital Management, LP

Sound Point is an alternative asset management firm founded in 2008 with particular expertise in credit strategies. Based in New York, with offices in London, the firm manages money on behalf of institutional investors including top-tier pensions, foundations, insurance companies, wealth management firms and family offices. Sound Point's strategies span the spectrum of liquid and illiquid credit alternatives and include funds and managed accounts focused on leveraged loans, special situations, distressed debt, structured credit, direct lending and commercial real estate. Sound Point currently manages approximately \$23 billion of assets. Five principals of Stone Point Capital LLC, as well as Dyal Capital Partners, an affiliate of Neuberger Berman Group, are strategic investors in our business. For more information, please visit Sound Point's website at www.soundpointcap.com.

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