

BAI publishes Investor Survey 2022 – German investors now allocate over 23 % of their assets in alternative investments (AI)

- Diversification of institutional portfolios progressing: Three-quarters of German investors are already invested in three or more alternative asset classes.
- Strategic asset allocation (SAA) of institutional investors rises to over 26 % for AI, suggesting persistent demand – especially for infrastructure, private debt and private equity.
- ESG: 2/3 of investors pursue dedicated ESG strategy and are also a mainstay of energy transition through private market investments in renewable energies.
- German fund structures play only a subordinate role in investments in alternative investments. The survey highlights structural deficits in supervisory and investment taxation law.
- BAI Investor Survey with new record number of participants (106 institutional investors, around € 2,150 billion assets under management).

Bonn, October 4, 2022. This year's investor survey, which has been conducted annually since 2013 by the **Bundesverband Alternative Investments e.V. (BAI)**, the central representative body of the alternative investment industry in Germany, ended with a record number of participants. A total of 106 institutional investors (insurance companies, pension plans, and pension schemes, et cetera), managing € 2,150 billion assets under management (AuM), gave BAI deep insights into their portfolios as well as opportunities and challenges for the institutional investment in Germany.

BAI Managing Director **Frank Dornseifer** was delighted with the new record number of participants: "The diversification of the institutional portfolio with alternative investments progresses in huge steps. German investors now allocate more than 23 % of their assets to alternative investments. Especially private market strategies are enjoying great popularity and venture capital is also increasingly attracting the interest of investors."

Philipp Bunnenberg, Head of Alternative Markets, looks to the future with optimism: "The strategic plans for asset allocation of institutional investors paint a clear picture: The alternative investment allocation will rise to over 26 % soon – especially through additional investments in infrastructure, private debt, and private equity. German institutional investors are already a mainstay of the energy transition through private market investments in renewable energies. And the untapped potential

is enormous, especially given important private investments for corporate financing and the expansion and renewal of infrastructure in Germany.”

Even increasing interest rates and persistent inflation cannot stop growth from the investors’ point of view. A clear majority of participants believe that even persistently high inflation and rate hikes will not fundamentally change strategic asset allocation (SAA).

The survey also illustrates that alternative investment funds (AIFs) are proven and preferred access vehicles for German institutional investors. However, more than 80 % of surveyed investors stated that German fund structures played no or only a subordinate role in investments in alternative investments, at best in the context of a master fund. The main reasons against this, from the investor’s point of view of 40 % of participants respectively, are still investment taxation and supervisory law, i.e., the KAGB.

Frank Dornseifer, BAI Managing Director, commented on this incident: “Neither the repeated reforms of the ‘Investmentsteuergesetz’ nor the so-called ‘Fondsstandortgesetz’ and other laws aiming at modernizing the regulatory environment have therefore been able to provide any impetus to make German fund structures more attractive and competitive. The supervisory and investment taxation law thus misses the portfolio reality and not only investors see a need for change!”

Press contact:

Bundesverband Alternative Investments e.V. (BAI)

Frank Dornseifer

- Managing Director -

Poppelsdorfer Allee 106

53115 Bonn

Tel.: +49 (0)228-96987-50

dornseifer@bvai.de

www.bvai.de/en

[Follow us on Twitter](#)

The Bundesverband Alternative Investments e. V. (BAI) is the central representative body of the alternative investment industry in Germany. The association sees itself as a catalyst between German professional investors and recognized providers of alternative investment products worldwide. It is committed to helping German institutional and professional investors to optimize their investments with regard to alternative investments, especially with a view to safeguarding the German pension system in the long term. The BAI promotes the awareness and understanding of alternative investments among the general public and is committed to scientific research. It maintains a dialog with political decision-makers and the responsible supervisory authorities and exchanges information with national and international organizations and associations. The association pursues the goal of achieving legal reforms as well as further development of the law in the interest of its members and their investors and of creating an attractive and internationally competitive framework for investment in alternative investments. The circle of BAI members, recruited from all areas of the professional alternative investments industry, has grown to over 270 companies.