

European Pensions

Autumn 2026

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New season, new chapters



**Francesca Fabrizi,
Editor-in-chief**

As Autumn lands, recent weeks have seen me walking the corridors of universities across the UK – not as a prospective student, sadly, but to help my daughter find the right place for the next chapter of her educational journey.

It's a time of change and anticipation, for both of us (and certainly more exciting for her than me), and one that feels surprisingly familiar when looking at the European pensions landscape today.

Our cover story on page 22 is a case in point – the Austrian government has agreed on a much-needed reform package for the second pillar, given the current pressure on its dominant first pillar; and while some might argue that the reforms don't go far enough, the general consensus is that, in time, the changes will lead to a stronger pensions system overall.

Similarly, the UK is facing its own raft of reforms, not least the evolution of collective defined contribution schemes, following in the footsteps of other collective pensions approaches from across Europe – see our feature on page 74.

Meanwhile, The Netherlands, Ireland and Greece are on their own dynamic paths of pension reform (see pages 8, 9 & 11 respectively), all with the aim of producing more robust and, ultimately, more effective pension systems.

PensionsEurope also recently announced that it will be entering a new chapter of its own from January, with Sibylle Reichert taking over as secretary general from Matti Leppälä, who is retiring after 15 years of service at the association. This certainly represents an exciting new chapter for both Reichert and Leppälä, and we wish them both all the best for the future.

As for me, I'll be using any excuse to spend time with my daughter at home while I still can. Yes, new chapters can be exciting but, if truth be told, I am not quite ready for this one just yet.

**"THE CHANGES WILL
LEAD TO A STRONGER
PENSIONS SYSTEM"**

On the subject of new chapters, huge congratulations go to European Pensions Editor, Natalie Tuck, who welcomed a gorgeous baby boy to add to her growing family. Mother and baby doing well. Best wishes to all the family!



European Pensions has agreements
with several associations to reach
their membership.
For details contact john.woods@europeanpensions.net



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The materiality of digitalisation and cyber risks for IORPs is increasing, according to the European Insurance and Occupational Pensions Authority's (EIOPA) latest *Risk Dashboard* for IORPs.

In its July 2026 edition of the dashboard, the authority said digitalisation and cyber risks are currently rated as a medium level but show a “worsening outlook” over the next 12 months, reflecting persistent geopolitical uncertainty and growing systemic cyber risks associated with frontier artificial intelligence (AI) models.

Currently, all risks (macro, credit, liquidity, reserve and funding, concentration, ESG-related, digitalisation and cyber risks) are rated at a medium level, except for market and asset return risks, which remain rated at a high level despite the easing of equity and bond market volatility at the end of June.

“Geopolitical developments in mid-July contributed to renewed volatility, particularly in commodity markets. Looking ahead, the 12-month risk outlook is worsening amid concerns over a potential broader market correction, elevated valuations and a possible reassessment of risk premia linked to renewed geopolitical tensions,” EIOPA stated.

Macro risks are another area with a worsening outlook, driven by weaker GDP prospects and rising inflation at the end of June.

Over the next 12 months, the global macroeconomic outlook remains shaped by elevated uncertainty amid persistent geopolitical frictions, potentially adding to inflationary pressures.

Despite adverse macroeconomic and geopolitical developments, EIOPA said Europe's IORP sector remains resilient, supported by the robust financial position of defined benefit (DB) schemes and positive portfolio performance.

Financial markets have remained resilient despite the challenging



Materiality of digitalisation and cyber risks for IORPs rising – EIOPA

ASSETS HELD BY EUROPEAN IORPS NEAR €3TRN

Written by: Natalie Tuck

geopolitical environment, with sovereign and corporate bond spreads largely contained, although they widened slightly in mid-July.

However, EIOPA warned that debt financing costs and private credit quality should be closely monitored, as higher borrowing costs could increase default risk for highly leveraged entities, while public credit spreads may not fully capture emerging risks in private credit markets.

Meanwhile, assets held by European IORPs rose to €2.89trn at the end of 2025, supported by strong equity market performance, according to EIOPA's latest *Financial Stability Report*.

The report showed that total IORPs assets increased by €26bn over the year, rising from €2.864trn at the end of 2024 to €2.890trn at the end of 2025.

While the value of investment funds, government bonds and other assets declined during the period, equity holdings increased by almost 10 per cent, equivalent to €55bn, serving as the main driver of overall asset growth.

In addition, DB liabilities fell from €2.445trn at the end of 2024 to €2.319trn at the end of 2025.

As a result, the average funding ratio for defined benefit IORPs increased from 120 per cent to 128 per cent. According to EIOPA, the improvement reflected the combined effect of higher asset values and lower liabilities.

The average funding ratio across member states was 123 per cent; however, Sweden was well above this average, with a funding ratio close to 200 per cent.

Furthermore, the report pointed to a continued shift towards defined contribution (DC) pension provision.

While DB liabilities declined during 2025, the value of pension entitlements held in DC arrangements increased by €241bn. EIOPA said the increase reflected both asset growth and changes in volumes, driven in part by ongoing pension reforms in The Netherlands.

The supervisor noted that The Netherlands is undertaking a transition to a DC framework covering around €1.6trn of pension assets.

It said several major phases of the transition had been completed by early 2026 without significant market disruption, although it cautioned that the process remains under close monitoring given potential market volatility and inflationary pressures.

In preparation for the transition, Dutch pension funds have increased their interest-rate hedging activity, with average hedge ratios rising from 58 per cent in early 2023 to more than 70 per cent by mid-2025.

The Netherlands continued to dominate the European occupational pensions sector, accounting for just under 60 per cent of all European Economic Area (EEA) IORP assets.

It also recorded the highest pension asset penetration rate, with assets equivalent to around 143 per cent of GDP. Sweden followed with a penetration rate of 52.8 per cent, while Italy and Norway recorded rates of 9.2 per cent and 8.5 per cent, respectively.

In terms of total assets, Sweden accounted for 10.8 per cent of the EEA IORP market, followed by Germany with 8.9 per cent and Italy with 7.2 per cent.

EIOPA's report also showed that asset allocation remained broadly stable across the sector.

Investment funds remained the largest asset class, representing 36.1 per cent of total portfolios, followed by government bonds at 21.7 per cent, equities at 21 per cent and corporate bonds at 8.6 per cent.

*"Macro risks
are another area
with a worsening
outlook"*

News in brief

■ Norway's **Government Pension Fund Global (GPFG)** delivered a return of 9.4 per cent in the first half of 2026, its highest half-year return in kroner on record, Norges Bank Investment Management (NBIM) has revealed. The return generated an accounting gain of NOK 1,753bn for the pension fund. This was despite earlier in the year NBIM reporting the fund made a loss of 1.9 per cent in the first quarter of 2026.

■ The Danish pensions industry met its joint commitment to invest DKK 450bn in the green transition five years ahead of schedule, **Insurance & Pension (I&P) Denmark** has revealed. In 2019, the sector promised to invest DKK 450bn in the green transition by 2030. By the end of 2025, the pensions industry in Denmark had made DKK 478bn of green investments.

■ Finland's earnings-related pension assets rose above €300bn for the first time in the second quarter of 2026, as strong investment returns helped push the value of investable assets to a record high. According to the latest figures from the **Finnish Pension Alliance (TELA)**, investable assets in the earnings-related pension system reached €300.2bn at the end of June, an increase of €16bn during Q2.

■ The boards of Iceland's **Gildi Pension Fund** and **Festa Pension Fund** have agreed to a merger. The merger agreement will be submitted to the extraordinary annual meetings of both funds for confirmation in November. If the merger is approved, the fund will be the second largest in Iceland by assets, with approximately ISK 1,600bn in assets.

Pensioenfederatie urges focus on 'investable projects'

IT ARGUED THAT PENSION FUND INVESTMENT SHOULD BE VIEWED OVER THE LONG TERM, WITH FUNDS BALANCING RETURNS, RISK, STABILITY AND COSTS RATHER THAN SHORT-TERM PERFORMANCE

Written by: Callum Conway

The Dutch Federation of Pension Funds (Pensioenfederatie) has called for policymakers to focus on creating a sufficient pipeline of investable projects rather than directing pension fund investment, as it set out its position ahead of a parliamentary debate on pensions which took place on 10 September.

In a position paper submitted ahead of the House of Representatives committee debate, the federation highlighted pension fund investment, the operation of the new Dutch pension system, and communication around compensation for the abolition of the average contribution system as key areas for policymakers to consider.

On investment, Pensioenfederatie stressed that Dutch pension funds manage the deferred wages of millions of people with the primary objective of delivering the best possible pensions for current and future generations.

It argued that pension fund investment should be viewed over the long term, with funds continually balancing returns, risk, stability and costs rather than focusing on short-term performance.

According to the federation, around two-thirds of the eventual pension outcome is made possible by investment returns, with funds investing globally across equities, bonds, property and infrastructure.

The federation also acknowledged growing calls for pension funds to contribute to areas such as housing, defence, infrastructure, innovation and the energy transition, noting that funds have already invested in housing, infrastructure, sustainable energy and innovative companies for many years.

However, it warned that investment must fit within a fund's investment policy and offer an attractive return for members at an acceptable level of risk.

Pensioenfederatie said there was scope for pension funds to invest more in both The Netherlands and Europe, but argued that the main constraint was often not the availability of pension capital.

Instead, it identified a shortage of projects with sufficient scale, an attractive risk-return profile and predictable conditions as the key challenge.

It therefore called for stable and consistent government policy, a more integrated approach and greater use of public-private partnerships to increase the supply of investable opportunities.

"The discussion should not primarily be about what pension funds should invest in, but rather about how the conditions can be created under which societal projects become investable and profitable," the federation argued.

The position paper also addressed the operation of The Netherlands' new pension system, highlighting that the focus has shifted from funding ratios towards individual pension capital within the new pension contracts.

The federation noted that the new system provided greater scope for positive investment returns to feed through to members and pensioners, adding that several funds had already used financial headroom during their transition to increase pension payments and accrued pension capital.

However, it emphasised that investment gains would not necessarily be reflected in pensions immediately, as funds could spread results over several years, allowing positive and negative outcomes to feed through more gradually.

Against this backdrop, it stressed the need for clear, understandable communication about changes in pension values, pension fund finances, and associated costs.





IAPF proposes Ireland-focused investment fund for pension capital

A RETURN-LED INVESTMENT VEHICLE AIMED AT GENERATING LONG-TERM REAL RETURNS HAS BEEN PROPOSED

Written by: Natalie Tuck

The Irish Association of Pension Funds (IAPF) has launched a consultation on proposals to establish an Ireland-focused long-term investment fund designed to channel pension and other long-term capital into a diversified portfolio of productive assets.

The discussion paper from the IAPF's Investment Committee, authored by Thomas Donohoe, Noel Friel and Gerald Fitzgerald, set out a proposed return-led investment vehicle aimed at generating long-term real returns with resilience to inflation.

Ireland would be the "natural originating universe", but capital should be allocated on a "commercially disciplined basis", with broader European exposure used where appropriate.

The IAPF said the proposal should be viewed in the context of wider changes to long-term savings and investment across Ireland and Europe, including the European Union's Savings and Investments Union (SIU) initiative and the planned introduction of Personal Investment Accounts in Ireland, which could strengthen the case for directing more long-term capital towards productive investments.

The current illustrative strategic asset allocation comprises 40 per cent equities, 35 per cent real assets, 20 per cent debt, and 5 per cent liquidity and inflation-linked bonds. However, the paper noted that this is

intended as a framework for consultation rather than a final specification.

The preferred structure would be a European Long-Term Investment Fund (ELTIF), reflecting both the long-duration and partially illiquid nature of the intended portfolio and the benefit of a recognised European long-term investment framework.

While the vehicle could support regular, potentially daily, net asset value calculations for pension administration and reporting purposes, the paper noted that it would not be designed to offer daily liquidity because of its significant allocation to illiquid assets.

The consultation is seeking views from industry stakeholders on the proposed investment objectives, asset allocation, governance arrangements, pricing and liquidity terms, and whether an ELTIF is the most appropriate vehicle for the strategy.

The paper concluded that its purpose is to support industry discussion, surface implementation issues early, and assess whether the concept can be developed into a structure that is "investable, scalable and institutionally robust".

It said the central question is not whether the idea is attractive but whether it can be made "sufficiently practical, credible and well-structured for long-duration pension capital".

Immigrants in Denmark are less likely to save for retirement and have lower average levels of pension contributions than non-immigrant workers, according to Insurance & Pension (I&P) Denmark.

The association noted that employment in Denmark was at historically high levels, with the increased immigration of foreign labour identified as a key driver.

While employment had increased significantly, I&P Denmark warned that the picture was less positive on the pensions front, as immigrants continued to have lower wages, were less likely to save for retirement, and had lower pension contributions than non-immigrants.

Nearly three quarters (72 per cent) of Danish immigrants were in work in 2024, compared to 83 per cent of non-immigrants.

Among working immigrants, the average pension contribution level was 9 per cent of salary, compared to 12.7 per cent among non-immigrants.

Over a quarter (27 per cent) of immigrants had no pension assets, compared to 7 per cent of non-immigrants, while 43 per cent had such low pension savings they were expected to be able to receive a full pension check if they meet the residence requirement.

Danish immigrants not saving enough for retirement

THE AVERAGE PENSION CONTRIBUTION LEVEL AMONG WORKING IMMIGRANTS WAS 9 PER CENT OF SALARY, COMPARED TO 12.7 PER CENT AMONG NON-IMMIGRANTS

Written by: Jack Gray

Of the quarter of immigrants, excluding Nordic citizens, that have permanent residency, 16 per cent had no pension assets and 29 per cent had such low pension savings that they were expected to be able to receive a full pension check if they meet the residency requirement.

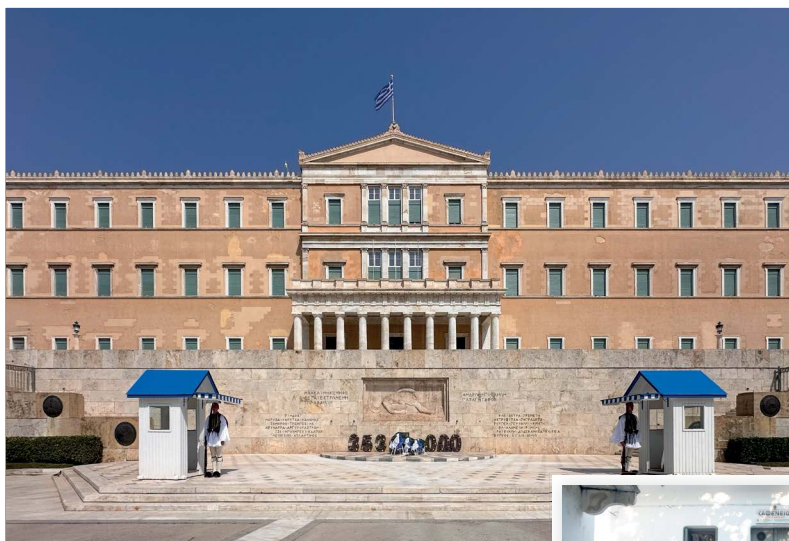
“It is fantastically positive that more immigrants have come to work,” commented I&P Denmark pension manager, Lotte Katrine Ravn.

“This has great value for the individual – and to a large extent also for the Danish economy. But at the same time, we see a clear picture that the increasing employment does not lead to sufficient pension savings.

“Compared to the rest of the population, there are more immigrants who either do not pay into pensions or pay a lower proportion of their salary than non-immigrants.”

The association estimated that the proportion of employed immigrants contributing to pensions must increase from 75 per cent to 91 per cent, while the average contribution rate needed to rise by 2.1 percentage points, to be on par with non-immigrants.





Greek govt submits bill to parliament to modernise occupational pensions



THE BILL INTRODUCES THREE KEY CHANGES

Written by: Paige Perrin

The Greek Ministry of Labour and Social Security has submitted a bill to parliament aimed at modernising the country's occupational pensions framework.

The draft law, entitled *Strengthening occupational insurance: more opportunities for workers and businesses, expanding the options for supplementary pension savings*, aims to strengthen the protection of insured persons and expand the options available in the existing occupational insurance framework.

This is intended to create a simpler, more functional and protective occupational pension system for employees and businesses.

The framework would operate under the supervision of the Bank of Greece, with the same requirements and incentives for all occupational insurance providers, including occupational pension funds and insurance companies.

The bill also introduces three key changes – the introduction of Open Occupational Pension Funds and Open Group Occupational Retirement Insurance Products (OAPES), the creation of a modern, enhanced tax incentive framework, and the protection of insured persons' full portability of their rights.

The introduction of OAPES aims to facilitate access to occupational pension schemes for small businesses and self-employed professionals, addressing a longstanding gap in the Greek pension system.

As the Greek economy is dominated by small enterprises with relatively few employees, access to supplementary second-pillar pension insurance has until now been "virtually impossible".

The second change – the creation of a modern tax incentive framework – is intended to make occupational

insurance significantly more attractive for employees and businesses and align with best international practices.

Contributions to these pension plans are now fully tax-deductible, and under the new bill the maximum contribution limits will increase significantly. Self-

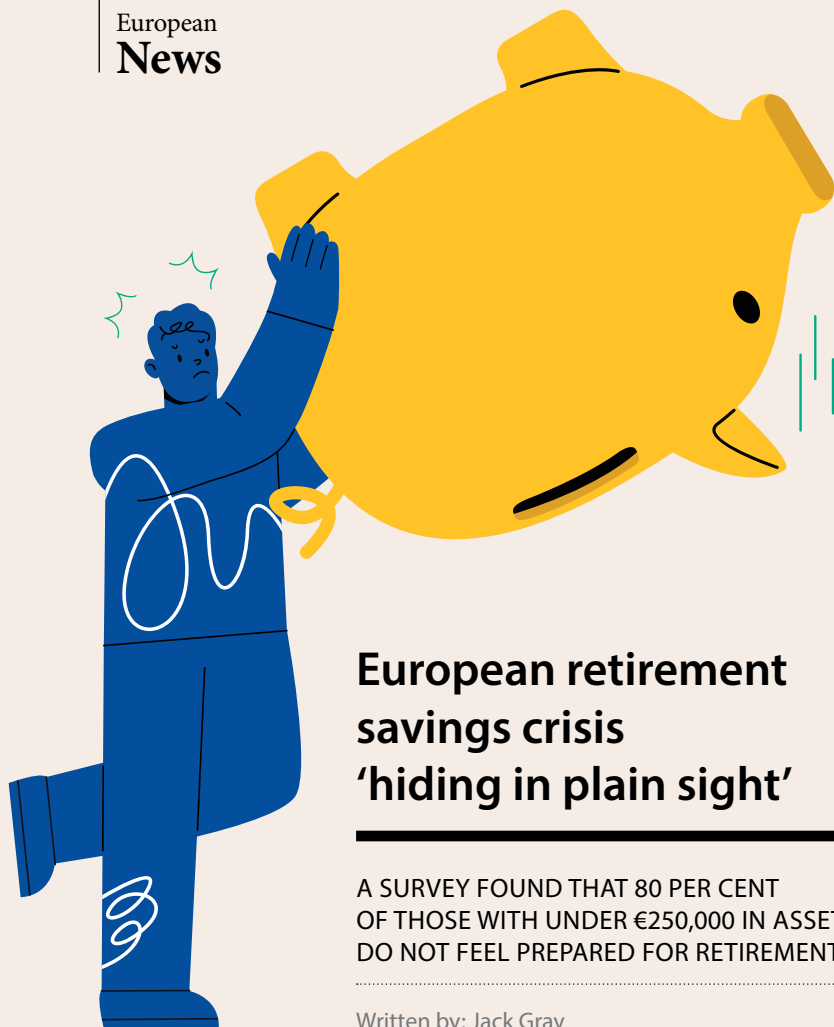
employed individuals will be able to contribute up to €35,000 per year, while employees can contribute up to 35 per cent of their annual income.

The new draft law will also mean the taxation of pension benefits is no longer based on years of insurance but instead linked to retirement age. In addition, the tax penalty for employees who join occupational pension schemes at an older age will be removed.

The final change introduced by the bill will mean that a job change or change to employment status will not result in the loss or erosion of an insured person's established rights.

In particular, the bill will allow pension plans to be transferred between different types of occupational pension institutions, such as Occupational Insurance Funds (TEAs) and OAPES, and enable personal mobility, making it easier for employees who change jobs to move their accumulated pension rights to a new occupational pension provider.

The Bank of Greece will oversee this to ensure policyholders remain protected.



European retirement savings crisis 'hiding in plain sight'

A SURVEY FOUND THAT 80 PER CENT OF THOSE WITH UNDER €250,000 IN ASSETS DO NOT FEEL PREPARED FOR RETIREMENT

Written by: Jack Gray

Europe is facing a retirement savings crisis that is “hiding in plain sight”, with public pension systems unsustainable for the long term, Boston Consulting Group (BCG) has warned.

The consultancy surveyed savers from France, Germany, Italy, and Spain, and found that 80 per cent of those with under €250,000 in assets did not feel prepared for retirement.

It argued that publicly funded retirement income would decline “substantially” in the coming years, but noted that just 18 per cent of respondents had private pension alternatives.

Furthermore, despite the widespread unpreparedness for retirement, only 60 per cent of savers were aware of private pension options.

BCG found that, once informed of the options, interest in pensions increased and respondents said they would boost their savings allocation by an average of 10 percentage points.

The consultancy therefore urged private pension providers to capture this opportunity by increasing their communications efforts and shifting their relationship with consumers to become ‘trusted retirement partners’.

Private providers were also encouraged to use agentic AI to provide personalised guidance and build a credible value for money proposition.

BCG’s research showed that under-35s were already turning to AI for retirement guidance more than financial advisers.

Despite this, 90 per cent of respondents said they would welcome outreach from a retirement adviser at key life moments, but 80 per cent who had discussed products with an adviser had to initiate contact themselves.

A lack of impartial advice was the top complaint among people who were unhappy with their adviser, ahead of cost or communication style.

Private pension providers were urged to deliver value during the transition to retirement by deploying advisers and consolidation tools when they were most needed, and to capitalise on trust in the industry to provide post-retirement value through decumulation solutions, protection products, and partnerships.

“The retirement savings market in Europe is large, underserved, and structurally destined to grow,” the report stated.

“The demographic shift is locked in. The income gap at retirement will widen. The only remaining questions are which providers will succeed in closing the retirement savings gap - and how.

“The results of our survey unambiguously illuminate the strategic imperative for life insurers and asset managers: this is not a product gap to fill; it is a relationship to own.

“Customers across France, Germany, Italy, and Spain are anxious, lacking in good information, and hungry for guidance.

“Interest surges to over 70 per cent the moment a product conversation begins. The barrier is not demand; it is initiative.”

BCG argued that providers that reach customers first with clear, impartial guidance will build the deepest trust and the most durable relationships.

“The market will not wait,” the report continued. “Public pension shortfalls will deepen, the savings gap will widen, and customer anxiety will grow.

“Providers that act now with the right proposition, the right model, and the right sense of urgency will define the competitive landscape for a generation.”

UK pension schemes urged to accelerate private capital investment

TWO REPORTS HAVE OUTLINED MEASURES TO ACCELERATE PENSION FUND INVESTMENT INTO PRIVATE CAPITAL, TO ACHIEVE THE GOALS OF THE MANSION HOUSE AGENDA

Written by: Callum Conway

UK pension schemes need to move from preparation to investment to achieve the goals of the Mansion House agenda, UK Private Capital has argued, as reports highlighted continued barriers to private market allocations across both defined contribution (DC) pensions and the Local Government Pension Scheme (LGPS).

The two reports, *UK DC Pensions & Private Capital: The State of the Market* and *LGPS & Private Capital: An Evolving Landscape*, assessed progress over the past year and outlined measures to accelerate pension fund investment into private capital.

On the DC side, UK Private Capital noted that schemes had made progress in building the infrastructure needed to access private markets, including expanding investment teams, developing partnerships with asset managers and adapting due diligence processes.

However, it warned that this preparation was yet to translate into significant capital deployment.

Indeed, the latest Mansion House Compact progress update showed that signatories had allocated 0.6 per cent of default fund assets to unlisted equities as of February 2025, up from 0.36 per cent a year earlier.

Meanwhile, a UK Private Capital survey conducted between April and May 2026 found just two legally binding commitments to venture capital funds from UK DC default funds aligned with the compact.

Of the 83 venture capital and growth equity firms responding, only six were in active negotiations with Mansion House signatories with a view to securing a binding commitment, while 76 per cent said they had not been able to engage meaningfully with DC providers.

In addition, 73 per cent believed the government needed to do more to facilitate investment into private capital.

UK Private Capital also found that international pension funds invested around 16.5 times more into UK private capital funds than UK pension funds during 2025, broadly in line with the longer-term trend.

The report therefore called on the government, regulators and industry to remove remaining barriers and maintain momentum behind the Mansion House commitments.

Among its recommendations, UK Private Capital called for the British Business Bank to establish a fund-of-funds structure to help larger pension schemes access smaller venture capital and growth equity funds as the DC market consolidates.

It also urged the Financial Conduct Authority (FCA) and Department for Work and Pensions (DWP) to align charge cap rules across trust- and contract-based schemes, arguing that differences between the two regimes continued to restrict investment options.

The separate LGPS report revealed continued commitment to private capital and regional investment but highlighted concerns around the implementation of local investment targets and the growing size of investment tickets.

UK Private Capital warned that larger LGPS pools needed to retain sufficient flexibility to invest with smaller and mid-market private capital funds, as minimum investment sizes increased following consolidation.

It recommended that regional investment targets should recognise funds with a strong regional focus even where managers were unable to guarantee a specific level of investment within one area.

The report also encouraged greater use of innovative structures, co-investment arrangements and tailored partnerships between LGPS pools and private capital managers to preserve access to smaller opportunities.



IMF urges 'comprehensive assessment' of Lithuania's pension system

IT WAS RECOMMENDED THAT THE NEAR TERM SHOULD FOCUS ON STABILISING THE SECOND PILLAR

Written by: Jack Gray



The International Monetary Fund (IMF) has urged Lithuania to undertake a “comprehensive assessment” of its multi-pillar pension system, following reforms to the second pillar.

In its 2026 Article IV Consultation with the Republic of Lithuania, the IMF said the recent erosion of the second pillar intensifies the need to re-strengthen the pension system to ensure both long-term fiscal sustainability and social adequacy.

The changes to Pillar II included ending automatic enrolment and allowing early withdrawals or contribution breaks from 2026-2027, which the IMF said will lower replacement rates and raise future fiscal costs.

The IMF recommended that the near term should focus on stabilising the second pillar by maintaining state contributions to preserve incentives to participate.

It also said that preserving

accumulated first-pillar balances would help build buffers against adverse demographics and a weakened second pillar.

“More fundamentally, a comprehensive reassessment of the pension strategy is needed to reinforce Pillar II and better align the system with European best practices,” the IMF stated.

The IMF noted that Lithuanian authorities “broadly agreed” with these recommendations.

German govt pushes ahead with 'Early Start' pension

UNDER THE SCHEME, CHILDREN AGED BETWEEN SIX AND 17 WILL RECEIVE A MONTHLY STATE-FUNDED CONTRIBUTION OF €10 INTO A RETIREMENT ACCOUNT

Written by: Jack Gray

The Federal Cabinet in Germany has approved plans to introduce an ‘Early Start’ pension, which will see funded retirement accounts opened for children.

Under the share-based retirement savings scheme, children and teenagers aged between six and 17 will be able to begin saving for retirement. Children aged between six and 17 will receive a monthly state-funded contribution of €10 into a retirement account.

Parents can open individual accounts for their children and add voluntary contributions, while those whose parents do not establish accounts will participate through a state-run collective investment

vehicle. Once the account holder has reached adulthood, the funds will be transferred into the private pension system.

Those who participate through the government-run account can transfer the money into their own account until they reach the age of 35.

The Early Start pension will apply retro-actively from 1 January 2026, and will include the new cohort of six-year-olds each year.

Investment returns will be tax-free



until the withdrawal phase, which can start no earlier than age 65.

Participants can make additional voluntary contributions of up to €6,840 a year.

“We want everyone to be able to save for retirement better

and earlier,” said German Federal Finance Minister, Lars Klingbeil.

“With the early retirement pension, we are giving every child in Germany seed capital for their own retirement savings.”

World's largest pension funds see assets increase at record rates

THE UK AND THE NETHERLANDS ARE THE ONLY MARKETS TO REPORT NEGATIVE ASSET GROWTH

Written by: Jack Gray

The world's 300 largest pension funds saw their assets under management (AUM) increase at the fastest rate since 2017 in 2025, the Thinking Ahead Institute (TAI) has revealed.

Its report, in conjunction with *Pensions & Investments*, showed that the pension funds' AUM increased by 13.4 per cent last year to a record high of USD 27.7trn.

The analysis found that growth was especially strong among the 20 largest pension funds, which increased their assets by 14.7 per cent to USD 11.9trn during the year.

Europe increased its share of

AUM among the top 300 pension funds, up from 23.7 per cent to 24.6 per cent.

The report noted that Europe's growth was driven by the Government Pension Fund Global in Norway, which surpassed the USD 2trn milestone for the first time. The pension fund overtook the Government Pension Fund of Japan in 2024 as the world's largest pension fund and is now 12.7 per cent bigger than its closest peer.

The UK and The Netherlands were the only markets to report negative asset growth over the past five years in both local currency and US dollar terms.

Australia's Superannuation booms

AVERAGE SUPERANNUATION SAVINGS REACH RECORD HIGHS

Written by: Jack Gray

The average balance in Australians' superannuation accounts reached a record high in 2026, the Association of Superannuation Funds of Australia (ASFA) has revealed.

Its analysis showed that the average super balance for people aged 15 and over was AUD 202,644 for men and AUD 164,206 for women.

The figures for both men and women had increased by more than

AUD 10,000 over the past year.

For Australians aged between 60 and 64 in a superannuation scheme, the average balance was AUD 371,379.

"Growing account balances are the product of two things: the fact that the superannuation guarantee has been increasing, and the strong investment returns that super funds have delivered to their members over a sustained period of time," said ASFA CEO, Mary Delahunty.



News in brief

■ US public pensions have reached their strongest fiscal sustainability position in over 20 years, **National Conference on Public Employee Retirement Systems (NCPERS)** analysis has shown. The number of states with pension liabilities growing faster than their economies has fallen from 45 in 2018 to just two. NCPERS' report builds on its sustainability valuation framework, which was introduced in 2022 to complement traditional pension funding measures. The national sustainability ratio has remained below its long-term average for four years in a row.

■ The **Canadian Association of Pension Supervisory Authorities (CAPSA)** has published its 2026-2029 Strategic Plan. The plan highlights strategic priorities to support a resilient pension sector and Canadian economy. CAPSA's 2026-29 strategic priorities included the harmonisation of regulator expectations, strengthening pension scheme supervision, enhancing regulator partnerships and stakeholder engagement, and promoting public awareness of pension schemes. The plan noted that members remained concerned about their retirement readiness, while sponsors were focusing on governance and risk management.

■ Nine in 10 New Zealanders earning the annual minimum wage of NZD 50,000 or more are contributing to KiwiSaver, research from **Te Ara Ahunga Ora Retirement Commission** has found. However, the report also highlighted the persistent gender pensions gap in New Zealand, with the average man having NZD 9,240 (24 per cent) more in their KiwiSaver than women.

Diary dates 2026-27

The latest events occurring across the European pensions market



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Not to miss...

IAPF INVESTMENT CONFERENCE

1 October 2026

Dublin, Ireland

www.iapf.ie/events

CBBA-EUROPE ANNUAL CONFERENCE

7 October 2026

Brussels, Belgium

cbba-europe.eu/eventlist

PENSIONS UK ANNUAL CONFERENCE

13-15 October 2026

Liverpool, UK

pensionsuk.co.uk/events

PENSIONSEUROPE ANNUAL CONFERENCE

16 November 2026

Lisbon, Portugal

pensionseurope.eu/events



BY LAURA MERLINI, CAIA, CIFD, MCSI |
MANAGING DIRECTOR, EMEA |
CAIA ASSOCIATION

CAIA ASSOCIATION

Private markets are going mainstream. Is the investment profession ready?

Christopher Nolan's *The Odyssey* brought Odysseus's encounter with Polyphemus to a wide-spread audience. It's also a fitting analogy for private markets today: vast and potentially dangerous to anyone who approaches without care. That is precisely the risk facing an industry that has built the products faster than it has built the practice to use them.

Global private market assets under management reached roughly \$16 trillion by the end of 2025, and they're projected to reach \$20 trillion by 2030, as companies stay private longer and allocations from pensions and insurers increase. Semi-liquid and evergreen vehicles have more than doubled since 2022, reaching more than \$590 billion by the end of 2025.

Fundamentally, the traditional advantages of private markets still hold. They represent higher return potential, diversification, and access to assets that are not present in public exchanges. But the upward march of private assets should spur the people recommending these products to understand the mechanics behind them as much as the upside they create.

The gap in understanding shows up in three places: sizing, how much of a portfolio can sit in illiquid strategies; redemption, what a fund's liquidity promise means under stress; and correlation, whether a portfolio's public and private holdings are quietly exposed to the same risk.

The challenges with sizing arise from conversations that start with the product and try to figure out the rest later. Too often, advisers begin with the end in mind – selling the product – and figure out how to fit it into a client's specific needs as a means to that end. Before asking which fund, advisers should ask what the portfolio is already exposed to, and how much capital can realistically sit locked up for seven to 10 years without causing problems later.

A sensible starting point is the liquidity budget. Practitioners typically land in the 10-20 per cent range for illiquid strategies with experienced investors, starting smaller, around 3-5 per cent in a liquid structure, for clients new to alternatives. That number should exist before the fund conversation, not after it.

It's also incumbent on advisers to explain the mechanics of redemption. Traditional drawdown funds still dominate institutional private markets but can be a poor fit for private wealth clients, given the liquid reserves, early J-curve and operational burden they demand. Evergreen and semi-liquid vehicles have grown in response, but they don't make the underlying assets liquid. Redemption rights stay periodic and conditional. An adviser who can't explain that distinction isn't ready to sell the product.

Finally, the issue of correlation is a challenge that extends beyond any single fund. The line between public and private markets is already blurry at best. A single theme, like energy transition or artificial intelligence, can show up simultaneously across listed equities, private equity, private credit and real assets. AI in particular has grown far beyond the bounds of a single sector. It has changed how companies compete and create value, with effects rippling through earnings and credit quality regardless of asset class. A team that checks its liquid and illiquid books separately will miss exactly the kind of concentration that matters most when markets move together.

When advisers address these challenges, they're really practicing one skill in three different ways: understanding and explaining what is in a portfolio of private assets, and what it will do under stress before adding anything new.

We've done a good job building access, but the next stage in our industry's growth won't be addressed with more or better products. Instead, we have to train the judgement to use the ones that already exist. That's a harder thing to build than a fund, and a \$20 trillion market won't wait for the industry to catch up. Like Odysseus, we'll be judged by how carefully we navigate what's ahead.

People on the move...

The latest news and moves
from people within the
European pensions industry

If you have any appointments to
announce please contact paige.
perrin@europeanpensions.net



LARS SANDAHL SØRENSEN

PFA has elected the Confederation of Danish Industry CEO, Lars Sandahl Sørensen, to its board of directors. Sørensen succeeds Kim Graugaard. The replacement follows his retirement from the Confederation of Danish Industry and is a natural part of the ongoing renewal of the board of directors. Sørensen will also become a representative on behalf of the employers and has significant board experience.



HELENE BLØCHER

Denmark's Sampension has appointed Helene Bløcher as executive vice president. In her career, she has held several management roles at Nordea since 2006, most recently serving as corporate account manager. With Bløcher's appointment, Sampension's new executive board is complete. Alongside her new role, Bløcher will also sit on Sampension's executive board.

Florence Brochoire



PAUL BAZIN

The President of the Republic of France, Emmanuel Macron, has appointed Paul Bazin as director of the French National Pension Insurance Fund (CNAV), on the recommendation of the French Prime Minister, Sébastien Lecornu. Bazin succeeds Renaud Villard and most recently served as social adviser to the Prime Minister, heading the Labour, Pensions, Health and Solidarity Division.



LENA ERIKSON

Sweden's Kåpan Government Employees Pension Fund has appointed Lena Erikson as its chief financial officer. Erikson joins from AFA Försäkringar and succeeds Siw Hanérus, who is retiring. Alongside her new role, Erikson will also serve as a member of Kåpan's management team. Kåpan CEO, Lars-Åke Vikberg, said: "I am delighted to welcome Lena to Kåpan. She has a solid background in the insurance and pensions sector."



STAVROS KONSTANTAS

The Board of Supervisors of the European Insurance and Occupational Pensions Authority (EIOPA) has elected Stavros Konstantas to its management board. Konstantas is director of occupational and private insurance supervision at the Bank of Greece, and his term on the management board will last for two and a half years, with the option of an additional two-and-a-half-year term. He replaces Ante Žigman.



MATS NYMAN

The Finnish Association of Pension Funds (ESY) has appointed Mats Nyman as CEO, following the news that its long-term CEO, Timo Toropainen, will step down at the end of the year. Nyman will start his new position in November and joins from Akava's Experts and Supervisors ASIA, where he served as executive director. In his career, he has worked in politics and in social advocacy and holds a master's degree in political science.



TANYA GRIMES

The Irish Institute of Pensions Management (IIPM) has announced that Tanya Grimes has been nominated as vice president, and Robert O'Dwyer has been appointed as deputy secretary. Grimes takes over as vice president from Davin Spollen, who has stepped down but will continue to serve as a council member. Grimes has worked with Zurich Life since 1998 and has served on the IIPM Council since 2022.



CHRISTIAN REISS

Austria's VBV Group has appointed Christian Reiss as CEO of the VBV Pension Fund. Reiss replaces Günther Schiendl, who stepped down from his roles within the VBV Group. Michaela Attermeyer and Martin Vörös have been appointed to VBV Pension Fund's executive board, in addition to their existing roles within the VBV Group. This move is part of the merger of the investment divisions of the pension fund and the VBV Provident Fund.



TORSTEN BELL

Torsten Bell has been reappointed as the UK Pensions Minister within UK Prime Minister, Andy Burnham's, government. Bell will also retain his dual role as Parliamentary Secretary at HM Treasury. He was first appointed as Pensions Minister in January 2025 and during his time has overseen the introduction of the Pension Schemes Act 2026. He also retains his position as a Member of Parliament for Swansea West.



ANSELM WAGNER

The Bavarian State Ministry of the Interior, Sport and Integration has appointed Anselm Wagner as a deputy member of Bayerische Versorgungskammer's executive board. Wagner has more than 25 years of experience in investment and securities management. In addition to this, he has held various management positions at the Bavarian Pension Fund since 1999.



CATEAUTJE HIJMANS VAN DEN BERGH

The Dutch Pension Fund for Healthcare and Welfare has appointed Cateautje Hijmans van den Bergh as independent chair of the board. She succeeds Joanne Kellermann, and her appointment was approved by De Nederlandsche Bank. She has worked in the pensions sector in various roles for more than 20 years and has extensive experience as a director and supervisor.

VERITAS PENSION INSURANCE

Reforming for returns

Veritas Pension Insurance chief investment officer, *Laura Wickström*, speaks to *Callum Conway* about Finland's pension reforms, greater equity exposure and the insurer's use of real estate leverage to boost investment capacity



Can you provide a brief overview of Veritas Pension Insurance, including its membership base, assets under management and position within the Finnish pensions market?

■ Veritas Pension Insurance is one of Finland's four private-sector earnings-related pension insurers, providing statutory TyEL and YEL pension insurance for employers, employees and entrepreneurs.

We are responsible for the pension cover of more than 130,000 people and pay over €0.8 billion in pensions annually. Assets under management have grown from approximately €4.9 billion in mid-2025 to around €5.2 billion at the end of the first quarter of 2026.

Veritas is the smallest of the four major private-sector earnings-related pension insurers, but we have achieved strong customer growth and

differentiated ourselves through personalised service and agility.

How has Veritas' investment strategy evolved in recent years, and what have been the main factors influencing those changes?

■ One of the most notable developments has been a gradual shift from external management towards greater in-house portfolio management, particularly within listed equities.

External managers remain important where specialist expertise can add value, including in private markets and certain emerging-market strategies.

We have also placed greater emphasis on strategic asset allocation as the main driver of long-term returns and have been increasing allocations to public and private equity ahead of Finland's pension

reform, which increases the system's capacity to take investment risk.

What have been the strongest contributors to investment performance over the past few years, and how has Veritas navigated periods of heightened market volatility and geopolitical uncertainty?

■ Listed equities have generally been among the strongest contributors, particularly as we have increased our equity allocation. Private equity and other growth-oriented investments have also contributed positively, while hedge funds and alternatives have provided useful diversification, especially since 2022.

We have navigated volatility through diversification across asset classes, geographies and return sources, while increasing our use of derivatives to manage portfolio risks.

“THE REFORM SHOULD IMPROVE LONG-TERM EXPECTED RETURNS BY ALLOWING GREATER RISK-TAKING WITHIN PENSION PORTFOLIOS”

The pension reform that came into force on 1 July allows greater use of debt financing for direct real estate investments. How significant is this change for Veritas?

■ This is one of the most important structural changes affecting Veritas in recent years. We described it as a “historic moment” because it allows us to use borrowing across most of our direct real estate portfolio, bringing Finnish pension insurers closer to other real estate investors.

The financing arrangement with Nordea should improve capital efficiency and allow us to maintain real estate exposure without reducing holdings significantly. It can also release capital for higher-returning assets, such as equities and growth-oriented investments, supporting stronger long-term returns.

What would you identify as Veritas’ biggest achievements and challenges in recent years?

■ One of our biggest achievements has been building stronger internal investment capabilities and improving cost efficiency. We have also maintained strong solvency and our strategic risk level through volatile markets while operating with a higher equity allocation.

The challenges include adapting to pension reform and a higher expected level of portfolio risk, alongside increasingly complex global markets and geopolitical uncertainty. As a relatively small and lean organisation, we also need to focus carefully on priorities.

How do you expect Finland’s

latest pension reforms to affect Veritas and the wider system?

■ The reforms should improve long-term expected returns by allowing greater risk-taking within pension portfolios. However, this will also increase short-term volatility and widen the variation in annual returns. This means the pension system as a whole will need to be capable of withstanding the weaker outcomes that will inevitably accompany the increased level of risk within portfolios. For the wider system, the reform should strengthen long-term pension funding by improving expected returns. However, these benefits will require a long time horizon to materialise, while the increase in short-term volatility will be felt more immediately.

How are sustainability considerations incorporated into Veritas’ investment approach, and has the changing debate around ESG altered your thinking?

■ Our responsible investment framework remains centred on ESG integration across asset classes, active ownership and engagement, climate-risk management and strong governance.

We use ESG considerations to identify financially material risks and opportunities and have not relied on exclusion lists, instead conducting ESG analysis across every asset in the portfolio.

This has meant, for example, that we have been able to invest in defence. We identified relatively early that defence investment could be considered responsible in the context of Europe’s shared values and security

interests. Our fundamental approach has therefore remained unchanged despite shifts in the political debate around ESG.

What role do private markets and alternatives play in the portfolio?

■ Private markets are increasingly important, and we have been raising our allocation to private equity. Our focus is on high-quality managers, strong vintage diversification and developing co-investment capabilities.

We expect to increase both public and private equity allocations gradually as the reform takes effect. In private markets, we will focus on managers with strong operational value-add, particularly in the current higher-rate environment, where returns need to come from operational improvements rather than relying predominantly on leverage.

Private equity’s role is to generate returns above public equities, while hedge funds act as diversifiers.

Looking ahead over the next five years, what are Veritas’ main strategic priorities?

■ Our main priority will be implementing the pension reforms while delivering sustainable long-term returns within a higher-risk framework and maintaining strong solvency.

We will also continue expanding internal investment capabilities and improving capital efficiency, including through real estate leverage. As equity risk becomes a larger driver of portfolio risk, maintaining diversification through efficient use of capital in other asset classes will become increasingly important.

Finally, we expect to continue increasing allocations to private markets and other return sources while remaining focused on investment quality and the long-term objectives of the pension system.

Austria: A new horizon

Austria's strong state pension system is facing growing pressure from demographic change and high public spending. As policymakers seek to strengthen sustainability, attention is turning to occupational pensions – but whether voluntary provision can deliver the scale needed remains uncertain.

Paige Perrin reports

What makes Austria's pension system attractive, like many other European countries, is its dominant first pillar. Austria's pension system is made up of three pillars – the state pension (first pillar), occupational pension (second pillar) and private pension (third pillar). Austria's first pillar is a pay-as-you-go system, funded by a 22.8 per cent contribution rate (10.25 per cent employees, 12.55 per cent employers). A minimum of 15 years' insurance is generally required, while 45 years can provide a pension of around 80 per cent of average lifetime contributory earnings. The strong reliance on the first pillar has helped provide relatively high retirement incomes but has



left the system increasingly vulnerable to demographic change.

The system's sustainability has therefore become a growing concern, with public pension expenditure amounting to 14.8 per cent of GDP – one of the highest levels in the Organisation for Economic Co-operation and Development (OECD), according to the OECD's *Economic Surveys: Austria 2026*.

“Demographic change is leading to a growing number of pensioners, while the ratio of active contributors to retirees is becoming more strained. In addition, Austria's effective retirement age remains relatively low by European standards, and public subsidies to the pension system are already substantial,” Mercer Austria principal, Michaela Plank, says.

And as Valida Vorsorge Management member of the executive board, Philipp Mayer, notes, “occupational pension coverage is limited”, highlighting that “around €90 out of every €100 in pension benefits are paid by the state system, while occupational pensions account for only about €4 and private provision for around €6.”

“THIS IS THE MOST SIGNIFICANT REFORM OF OCCUPATIONAL PENSIONS IN AUSTRIA SINCE PENSION FUNDS WERE INTRODUCED”



“The question is therefore not whether Austria should replace its strong public pension system, but how it can be complemented with a broader second pillar,” he argues.

First wave reforms

Against this backdrop, Austria has begun tightening the first pillar while also looking at ways to expand supplementary provision. The first wave of reforms, agreed in 2025 and effective from 1 January 2026, focused on the first pillar.

The measures included tightening the Korridorpension, introducing the Teilpension, reducing subsidies for phased retirement, and establishing a pension sustainability mechanism.

The Korridorpension is being tightened by

gradually raising the earliest retirement age from 62 to 63 and increasing the minimum contribution period from 40 to 42 years. The Teilpension allows older workers to draw part of their pension while reducing their working hours by between 25 and 75 per cent.

Subsidies for phased retirement have also been temporarily reduced from 90 per cent to 80 per cent between 2026 and 2028, before returning to 90 per cent in 2029. The sustainability mechanism will assess annually between 2026 and 2030 whether pension expenditure is growing within agreed budgetary limits and whether long-term forecasts indicate emerging problems.

EcoAustria director, Monika Köppl-Turnya, believes that these reforms “fall short of the structural problem” and that “further reform is inevitable”.

“A later corridor entry carries smaller actuarial deductions, so most of the savings are compensated away. A sustainability mechanism is foreseen, but it again bites primarily on the corridor pension and only from 2035. The far more effective approach is a rules-based link between the statutory retirement age and life expectancy,” Köppl-Turnya says.

Plank adds that as pension-related spending already accounts for around a quarter of Austria's total public budget, “the challenge will be to balance fiscal sustainability with the need to maintain adequate retirement incomes and public confidence in the system”.

Second wave reforms

If the first wave is about managing the cost of Austria's existing pension model, the second is aimed at changing the balance between its three pillars.

APK member of the management board, Manfred Brenner, notes that Austria's second-pillar pension system has historically received limited political support, partly due to longstanding scepticism towards capital markets.

“Today, however, policymakers increasingly recognise that the financial pressure on the first pillar will continue to grow, while major cuts to public pensions would be politically difficult to implement,” he says.

The latest reform package includes the General Pension Fund Agreement, which would create a standardised pension fund product for employers, increase member investment choice, reduce the tax penalty on retirement savings and allow the automatic consolidation of pension accounts. Under certain conditions, these transfers could be tax-free.

VBV Group CEO, Andreas Zakostelsky, calls the current reform of the second pillar “the most significant reform of occupational pensions in Austria since pension funds were introduced”.

He says the planned agreement would, for the first time, give all employees access to an occupational pension regardless of whether their employer already operates a pension scheme.

Adding to this, FMA managing director of the Department of Insurance, Pension and Corporate Provision Companies Supervision, Martina Andexlinger, highlights the potential impact of the reform allowing savers to switch into a dedicated retirement investment pool within the provident funds system.

“Because these contributions remain invested over a longer horizon, they can potentially achieve higher returns, making the provident fund system more attractive as a vehicle for long-term provision,” Andexlinger states.

**“AUSTRIA DOES NOT
NEED TO ABANDON
ITS STRONG PUBLIC
PENSION SYSTEM, BUT
IT DOES NEED TO GIVE
THE SECOND PILLAR A
LARGER ROLE”**

The reforms also extend to the Abfertigung Neu severance system, under which employers contribute 1.53 per cent of an employee’s salary each month into an individual fund. Changes will give employees greater choice over how these savings are invested, including access to a new long-term investment option with higher return potential but without a capital guarantee. The reforms will also allow Abfertigung Neu savings to be transferred into pension funds or life insurance under certain conditions. Zakostelsky says changes could “create new investment options with higher long-term return potential, particularly for younger employees”.

However, Plank argues: “The [second-pillar] reforms alone are unlikely to be sufficient to drive a material increase in participation. International experience shows that voluntary systems often face challenges in achieving meaningful scale.”

For Mayer, the “logical next step” would be stronger default mechanisms, including automatic enrolment into the new Pension Investment Pool with the possibility to opt out.

Austrian Trade Union Federation social security law expert, Martina Lackner, highlights further barriers to occupational pension take-up, including “limited public awareness, comparatively low returns, and the fact that its structure, governance, and investment decisions are difficult for many people to understand”.

Plank summarises: “Expanding the second pillar is therefore not only a matter of legal and regulatory design, but also one of trust, financial literacy and institutional simplification.”

Future

As WTW Austria senior director retirement, Eva Girsch, suggests, Austria is likely to move gradually towards a stronger multi-pillar pension model, combining sustainable public pensions with a greater role for occupational and private retirement provision.

She also acknowledges the importance of reducing the gender pension gap as part of Austria’s pension system reform, which she says “represents one of the key social challenges for the future”.

However, Mayer emphasises that the “key reforms” would be automatic enrolment, stronger incentives for employers and employees, and simpler access for self-employed people.

“Austria does not need to abandon its strong public pension system, but it does need to give the second pillar a larger role,” he argues.

Plank stresses that “the key will be to ensure that occupational pensions are no longer treated as a niche product for certain sectors or larger employers, but instead as a systemically relevant complement to the state pension”.

Lackner takes a different view, suggesting that the priority should be to stabilise the existing system.

“One thing is clear: automatic pension cuts or raising the statutory retirement age will not alleviate the strain on the pension system but will instead exacerbate poverty among the elderly. The existing system must therefore be stabilised rather than fundamentally overhauled,” Lackner says.

Austria’s challenge, therefore, is not simply to reduce the cost of its first pillar or increase the size of its second. It is to find a sustainable balance between the two. The direction of travel may be clear, but whether the second pillar can become a meaningful complement to the state pension remains an open question.





VALIDA

Austria's pension reform: cautious steps towards a stronger second pillar

Austria's planned occupational pension reform is welcome for a country still heavily reliant on its public pay-as-you-go system. Yet the measures fall short of the structural change needed. Valida Vorsorge Management member of the executive board, Philipp Mayer, explores

The Austrian government has agreed on a reform package for the second pillar, with a parliamentary vote expected this autumn. The reform is aimed at broadening access to long-term, capital-funded retirement savings and modernising parts of Austria's occupational pension framework.

The most important changes concern Austria's severance pay system, new transfer options at retirement, tax treatment of personal contributions and the introduction of life-cycle investment models.

Severance pay: a new Pension Investment Pool

Austria's mandatory severance pay system has been in place for more than two decades. Employers contribute 1.53 per cent of employees' gross wages each month to occupational provision funds, which administer and invest these contributions. Employees may generally access the

accumulated assets when employment ends, and at the latest upon retirement. Under the reform, these occupational provision funds will be able to offer a new Pension Investment Pool to employees and the self-employed. The product is intended to channel severance-related assets into long-term funded retirement provision. Beneficiaries will be able to opt in voluntarily and choose at retirement between a lump sum and a lifelong supplementary pension.

Pension funds: tax incentives and more modern investment models

Occupational pension provision in Austria is voluntary and remains comparatively limited. Fewer than one in four employees currently benefit from an employer-sponsored occupational pension arrangement, leaving the public pension system to carry most of the retirement income burden.

A) General pension fund agreement

A new general pension fund agreement will primarily target employees and self-employed individuals without access to an employer-sponsored pension fund arrangement. Assets from occupational provision funds may be transferred into such an agreement and converted into a lifelong supplementary pension.

B) Personal contributions

Employees covered by a pension fund contract can generally make additional personal contributions from their net income. In future, supplementary pensions financed by such personal contributions will be fully exempt from tax, improving the attractiveness of voluntary top-ups.

C) Life-stage model

Pension funds will also be permitted to offer life-cycle investment models, allowing investment strategies to reflect beneficiaries' age and investment horizon. This brings Austria closer to international practice in defined contribution pension design.

Assessment

Taken together, the measures represent a modest but positive step towards strengthening Austria's funded second pillar. They improve flexibility, create an additional vehicle for long-term retirement savings and remove some tax disadvantages for personal contributions. However, the reform doesn't amount to a structural shift in Austria's retirement system. It does not introduce mandatory occupational pension coverage, automatic enrolment or broad-based employer contribution requirements. As a result, the impact is likely to be gradual and limited. If Austria wants to relieve pressure on the state pension pillar and expand funded retirement provision materially, more ambitious reforms will be needed. Automatic enrolment into the Pension Investment Pool would be one particularly effective next step.



LUKAS MÜLLER-BRUNNER

Built to last

Swiss Pension Fund Association director, *Lukas Müller-Brunner*, sits down with *Paige Perrin* to speak about the strengths of Switzerland's multi-pillar pension system, the challenges the Swiss pension industry is facing, and the importance of preserving employer involvement and improving efficiency without simply relying on further consolidation of pension funds

Could you explain the role of the Swiss Pension Fund Association (ASIP) within Switzerland's pension landscape?

■ The Swiss three-pillar system combines state (first pillar), occupational (second pillar) and private pension provision (third pillar) to ensure financial security in old age, in the event of disability or death. The ASIP is the umbrella organisation for occupational pension provision in Switzerland. It represents over 900 pension funds and, through its members, accounts for around two-thirds of those insured under occupational pension schemes and pension assets totalling some CHF 650 billion.

From ASIP's perspective, what are the greatest strengths of Switzerland's pension system?

■ The second pillar is particularly robust; it is based on the funded scheme financed by employees and employers, which, thanks to its compulsory nature, ensures broad participation and creates an excellent foundation for long-term saving. Each insured person, together with their employer, builds up retirement savings that are continuously invested in the capital market and can be drawn down after retirement as a pension, a lump sum or a combination of the two. Together with the first pillar, it serves to safeguard the accustomed standard of living in old age. The third pillar is voluntary and based on individual savings. It supplements the benefits provided by the first two pillars and enables individuals to take personal responsibility for additional financial security.

What are the biggest challenges currently facing Swiss pension funds and what issues are the highest priorities for ASIP at the moment?

■ A key challenge for occupational pension provision is the population's rising life expectancy. For pension funds, it means that they must, ideally, finance benefits of the same level over an ever-longer lifespan. In this case, from a purely arithmetic perspective, either contributions must increase or the number of years over which benefits are drawn must be reduced by adjusting the retirement age. We are observing with some concern the increasing trend towards taking a lump-sum payment on retirement at the expense of a pension. Both options have their merits: A pension offers security, while a lump sum provides greater flexibility. ASIP is committed to ensuring that insured persons understand the differences between a pension and a lump-sum payment and can make an informed decision.

The OECD argued in its latest economic survey of Switzerland that substantial pension reform is overdue. Do you agree with this statement?

■ We do not share the OECD's criticism. There are some areas in need of improvement in the Swiss pension system, particularly in the first pillar, the AHV. In the second pillar, however, we have a major asset in the form of the supplementary scheme, which goes beyond the statutory minimum framework and can be applied very flexibly. It allows most funds to adapt their pension plans flexibly, for example to rising life expectancy or increased part-time work. Furthermore, it counteracts an unjustified redistribution between generations and enables the modernisation of outdated statutory requirements. Occupational pension provision is therefore characterised precisely by the fact that it can develop gradually without a backlog of reforms, whilst adhering to its tried-and-tested fundamental principles.

Swiss pension funds are facing a changing landscape. How is the sector evolving to ensure it can continue to deliver secure retirement outcomes?

■ The major advantage of the Swiss system is that pension funds are organised on a decentralised basis and can adjust their schemes independently within the flexible legal framework. Furthermore, certain measures can be implemented without any change to the law. Swiss pension funds are in very good shape; their governing bodies, composed equally of employee and employer representatives, are doing an excellent job alongside those responsible for day-to-day operations. Thanks to healthy reserves, the pension funds achieved their highest real return in 25 years last year.

The proposed reform of Switzerland's occupational pension system was rejected in 2024, but the challenges it was intended to address remain. What should policymakers focus on in discussions about the future of occupational pensions?

■ Another attempt to amend the BVG would once again lead to a political tug-of-war in parliament, resulting in an extremely shaky compromise and costly transitional measures. We saw what became of such proposals in 2010, 2017 and 2024: all three

reform proposals failed at the ballot box. It's now important to focus on targeted and broadly supported improvements. In this regard, ASIP attaches great importance to policymakers bearing in mind their subsidiary role and intervening in the occupational system only where necessary. Funds can resolve many problems themselves without the need for legislation. Selective tweaks to the law, for the sake of modernisation, aren't appropriate.

The Swiss pensions regulator, the Oberaufsichtskommission Berufliche Vorsorge, called for clearer responsibilities and stronger supervisory powers to enhance pension fund oversight. What is ASIP's view on these proposed changes?

■ In principle, it is up to the supervisory authorities to determine the most appropriate method for supervising funds. ASIP merely notes that a risk-based approach generally – and when correctly implemented – leads to more targeted supervision and fewer unnecessary, or at least more effective, supervisory actions. Against this background, we welcome supervisory authorities adopting a risk-based approach rather than operating in a 'bureaucratic' manner without a risk focus. This is, however, conditional upon the correct identification of risks and methodical implementation.

How does ASIP expect the Swiss pension landscape to evolve, and what developments could shape the future of the sector?

■ We view the market consolidation that has been underway in Switzerland for several years with a degree of scepticism. We note that the efficiency gains resulting from a declining number of funds are extremely modest. Should employers nevertheless move away from actively shaping occupational pension provision and the number of company-owned funds continue to decline, a 'commodities' market would emerge. Such a step backwards must be prevented. Real potential for even greater efficiency lies, amongst other things, in the automatic exchange of data, in management based on social partnership and, not least, in the legislator's realisation that pension funds shouldn't be burdened with ever more tasks.

"ANOTHER ATTEMPT TO AMEND THE BVG WOULD ONCE AGAIN LEAD TO A POLITICAL TUG-OF-WAR IN PARLIAMENT"



AEIP

IORP II: Putting proportionality back at the centre

As IORP II advances, proportionality must remain central, argues AEIP executive director, *Simone Miotto*

As the review of the IORP II Directive moves through the legislative process, one of the principles on which the European occupational pensions framework was built risks being overlooked: proportionality.

IORP II is unusual in EU financial regulation. It is a minimum-harmonisation framework that does not provide for delegated acts – and for good reason. Occupational pension systems differ profoundly across member states in their design, governance, risk-sharing and relationship with social and labour law. Many IORPs are not-for-profit institutions embedded in collective bargaining and jointly governed by employers and workers. In such a heterogeneous landscape, minimum harmonisation and effective proportionality are essential.

Proportionality was a key element of EIOPA's work leading up to the review. Its 2023 technical advice examined proportionality in depth. EIOPA proposed raising the Article 5 threshold, allowing member states to exempt IORPs with fewer than 1,000

members and beneficiaries combined and less than €25 million in assets from certain requirements. At the same time, it recommended a more risk-based approach to general proportionality provisions, removing references to size.

Why this selective approach? One possible explanation lies in the broader policy context. The Savings and Investments Union has renewed the emphasis on occupational pensions as long-term institutional investors and their potential contribution to deeper European capital markets. In a policy agenda that also favours greater market integration and supervisory convergence, a more uniform, risk-based approach may appear attractive. Yet IORP II itself recognises that IORPs are pension institutions with a social purpose and should not be treated as purely financial service providers. Their diversity reflects different national pension systems, labour markets and social-partner arrangements – not a market imperfection to be regulated away.

Retaining size as a criterion for

proportionality also matters. Size alone is not a reliable proxy for risk: a small IORP may still be complex or have a significant risk profile. But size affects organisational capacity, access to expertise and the relative cost of compliance, making it a relevant consideration in its own right. Size and risk are therefore not mutually exclusive criteria. DORA, for example, expressly takes account of both size and overall risk profile when applying proportionality.

The relevance of Article 5 also extends beyond IORP II itself. Under SFDR, IORPs for which a member state applies the Article 5 exemption fall outside its definition of an IORP, meaning that a recalibration of Article 5 would also have consequences beyond the directive itself. DORA, by contrast, applies a separate threshold for its simplified regime for small IORPs, which EIOPA recommended aligning with a revised Article 5 threshold. By leaving Article 5 unchanged, the commission also left unchanged the reach of the Article 5-linked exclusion under SFDR, reinforcing the case for considering proportionality across the wider EU regulatory framework.

There are reasons for cautious optimism. In its negotiating position, the Council has restored references to size in several provisions and preserved greater national discretion, although it left the Article 5 threshold essentially unchanged. The European Parliament can now go further. The final outcome will ultimately depend on the inter-institutional negotiations once Parliament has adopted its position.

Putting proportionality back at the centre of IORP II would not mean lowering standards. It would mean recognising diversity, focusing requirements where risks lie and ensuring that Europe's regulatory ambitions support, rather than frustrate, the development of occupational pensions.

European Pensions

AWARDS 2026

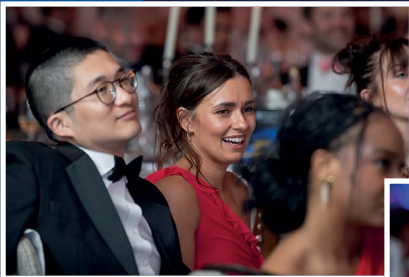
Celebrating excellence in
European pension provision



The Winners

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of the Year
Russell Investments



Congratulations!



It was a wonderful evening of celebration at the European Pensions Awards 2026, recognising the achievements and commitment of the European pensions industry.

Set against the backdrop of London's iconic Grosvenor Square, the Marriott Hotel welcomed guests for an evening that saw more than 30 companies and pension funds recognised across a

diverse range of categories, celebrating the organisations and individuals making a real impact across the industry.

A special congratulations goes to Shay Iverson-Morgan of Allspring Global Investments, winner of our inaugural Emerging Talent Award, and Marie Laure Humbert of Goldman Sachs, who was recognised with the highly deserved Industry Contribution Award. Well done all!

Francesca Fabrizi, Editor-in-chief,
European Pensions

Judging Panel



Rob Barrett,
Pensions and Investment Expert



Evalinde Eelens,
Board Member, Multiple Dutch pension schemes



Matti Leppälä,
Secretary General/CEO, PensionsEurope



Clare Routledge,
Client Director, Vidett



Jana Bour,
Director of Policy & Advocacy, Impact Europe



Snædis Ögn Flosadóttir,
Head of Institutional Sales and Services, Arion Banki



Jerry Moriarty,
Chairperson, Redbruckee



David Taylor,
Legal and pensions adviser



Francesco Briganti,
Secretary General, CBBA-Europe



Chetan Ghosh,
Chief Investment Officer, Centrica Pension Scheme



Richard Poole,
Legal and Pensions Expert



Oscar Van Angeren,
Partner, Houthoff



David Butcher,
Managing Director, Communications and Content



Tim Reay,
Treasurer, International Employee Benefits Association (IEBA)

The Winners 2026



ETF Firm of the Year
Xtrackers by DWS



Private Markets Manager
of the Year
Nuveen



European Pensions Consultancy
of the Year
Mercer



Emerging Markets Manager
of the Year
**Global Evolution
Asset Management**



Investment Manager of the Year
L&G



Risk Management Firm
of the Year
**PIC (Pension Insurance
Corporation)**



Equities Manager of the Year
**Cantor Fitzgerald Asset
Management Europe**



Currency Manager of the Year
HSBC



Fixed Income Manager
of the Year
**TwentyFour Asset
Management**



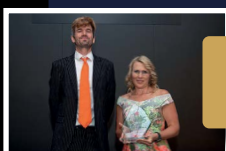
Governance Award
Aviva Master Trust



Alternatives Investment Manager
of the Year
**BNP Paribas Asset
Management Alts**



Multi-Asset Manager or Provider of
the Year
**GoldenTree Asset
Management**



Property Manager of the Year
M&G Investments



Sustainability Award
Aviva Investors



Infrastructure Manager
of the Year
**KGAL Investment
Management**



Fiduciary Management Award
**Goldman Sachs
Asset Management**



European Pensions Law Firm
of the Year
Loyens & Loeff

European Pensions AWARDS 2026



Custodian of the Year
Northern Trust



Transition Management Firm
of the Year
Russell Investments



Pension Insurance Firm
of the Year
Standard Life



Pension Scheme Administrator
of the Year
Broadstone



Pensions Technology Provider
of the Year
Festina Finance



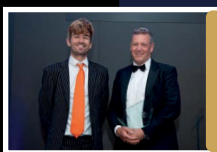
European Pensions Innovation
Award
*TPT Retirement
Solutions*



European Pensions Innovation
Award (Technology)
Gallagher



Master Trust Offering of the Year
L&G



Factor Investing Offering
of the Year
*Osmosis Investment
Management*



European Pension Fund
of the Year
United Pensions



Best Investment Strategy Award
People's Pension



Pension Fund Communication
Award
Skanska UK



Pension Fund Innovation Award
Nest



Diversity Award
Pinsent Masons



Marketing Campaign of the Year
Quietroom



Emerging Talent Award
*Shay Iverson-Morgan,
Consultant Relations Associate,
Allspring Global Investments*



Industry Contribution Award
*Marie Laure Humbert,
Head of the Business Strategy
EMEA, Goldman Sachs*

Highly commended:

European Pensions
AWARDS 2026
HIGHLY COMMENDED

Private Markets Manager
of the Year
WTW



WINNER

Pension Fund Innovation Award Nest



Judge's comment

"This fund continues to display an excellent and innovative investment strategy, to include access to new markets, strong performance, embedded stewardship and strong governance"

Innovation is at the heart of the ongoing transformation of the European pensions sector. This award celebrates the pension funds across Europe that are leading the way through bold thinking, original ideas, and innovative solutions that create meaningful impact and help shape the future of retirement provision.

Congratulations to this year's winner of the Pension Fund Innovation Award, Nest, which the judges praised for its excellent and innovative investment strategy, including access to new markets, strong performance, embedded stewardship, and strong governance.

2025 was a year marked by inflationary pressures, volatile interest rates and market uncertainty. For defined contribution (DC) schemes, the challenge remained how to deliver robust, long-term outcomes in a cost-effective, resilient way.

Traditionally, DC schemes have faced barriers to accessing private markets at a meaningful scale due to daily pricing requirements and liquidity constraints, with such investments often limited to the largest institutional investors.

In 2025, Nest transformed access to private markets for DC savers by partnering with IFM Investors, a leading private markets manager. This partnership made Nest the first overseas owner of IFM, acquiring a 10 per cent stake in its holding company, which has been traditionally owned by major Australian pension funds for the past 30 years.

Nest immediately began its work with a commitment of €530 million

(£450 million) to seed IFM's new Global Infrastructure Debt Fund – the first phase of a planned £5 billion programme.

Additionally, in October 2025, Nest completed two UK investments: £40 million to expand rural broadband in Scotland and the North of England and £45 million in an energy-from-waste and decarbonisation business in the Midlands and the North.

By December 2025, around 18 per cent of Nest's assets were allocated to private markets, marking progress toward its 30 per cent target by 2030.

Another benefit of IFM's platform is that it provides access to a substantial pan-European pipeline across transport, digital infrastructure, energy transition, and regulated utilities.

Through this partnership, UK savers benefit from private market opportunities domestically and across Europe, while the model offers a pathway for other European DC schemes to expand their private-market capabilities responsibly.

This approach is practical, scalable, exportable and establishes a new standard for how DC schemes can deliver cost-effective, member-aligned access to private markets.

It also demonstrates that partnerships among large DC schemes can drive innovation, influence global investment platforms and deliver real-world results that improve retirement prospects for millions.

Congratulations to Nest on this outstanding achievement!



nest

Built for what's ahead.

How we invest at Nest.

14m+

members

£61.6bn

of assets under
management

19%

of total AUM
invested in
private markets

We're delighted to have won the
Pension Fund Innovation Award.

This recognition reflects how our investment approach has evolved, from expanding access to private markets through our pioneering partnership with IFM Investors to building a sophisticated, diversified portfolio.

Making sure our members have a better financial future is at the heart of everything we do. We use our scale to access opportunities others can't and draw on in-house expertise to set up our members for a retirement they can look forward to.

Visit our website or scan the QR code to find out more.

European Pensions

AWARDS 2026

WINNER

Pension Fund Innovation Award



nestpensions.org.uk

All investment data correct as at 31 March 2026.
As pensions are investments, their value can go down as well as up.
Past performance is not a guide to what might happen in the future.





nest

Turning £60 Billion of Scale into Member Value

By combining scale, strategic partnerships and responsible investment, Nest is helping more than 14 million members access opportunities traditionally reserved for the world's largest institutional investors

Innovation with purpose

At Nest Pensions, innovation is not an end in itself. It is a means to achieve our ambition to be the best-in-class pension provider and deliver the best possible financial outcomes for our members to and through retirement.

We're well placed to deliver on our ambition. As the UK's largest workplace pension scheme by number of members, we manage more than £60 billion of assets on behalf of workers who have historically been overlooked¹. That scale, combined with a robust and sophisticated investment strategy that has evolved over time, gives us the reach to access opportunities that could make a real difference to members' retirements.

Expanding access to private markets

A major part of our strategy has been the growth of our private markets programme.

Historically, private equity, private credit, infrastructure, real estate and timberland have often been accessible only to the largest institutional investors. Yet these asset classes can provide diversification, inflation resilience and access to long-term growth opportunities that can benefit all pension savers. Our modelling suggests that increasing exposure to private markets could add around £15,000, or 6.7%, to a typical member's retirement pot over their working life.²

Today, around 19% of Nest's assets are invested across private markets, with a pathway towards 30% by 2030³. We have already committed more than £4 billion to UK private markets, demonstrating our conviction that UK defined

contribution savers should be able to access opportunities traditionally reserved for institutions and high net worth individuals.

Scale has been a critical enabler of this expansion, opening up new opportunities as we aim to deliver greater value for members.

Results that support the strategy

Good ideas matter. What they deliver for members matters more.

Around 97% of Nest members are invested in our flagship Retirement Date Funds, making the performance of the default strategy central to member outcomes. Our 2046 Fund, which sits in the growth phase of the strategy, delivered 13.5% over one year and 11.2% p.a. over three years, ahead of its CPI+3% benchmark of 6.3% and 6.0% respectively.⁴

The Retirement Date Funds invest across a broad and evolving range of assets, including global developed and emerging market equities, bonds, property, infrastructure, and timberland. This diversification is central to how our strategy manages risk, reduces volatility and builds resilience across market cycles.

Building through partnerships

Delivering that diversification in private markets means working with the right people. This includes selecting and partnering with leading specialist managers across different sectors and strategies, helping us access some of the best investment opportunities available.

One important milestone was our partnership with IFM Investors. In early 2025, Nest became its



nest

"We have already committed more than £4 billion to UK private markets, demonstrating our conviction that UK defined contribution savers should be able to access opportunities traditionally reserved for institutions and high net worth individuals"

first overseas owner, joining an ownership structure previously limited to Australian pension funds. We've since expanded our work together across infrastructure and private credit opportunities, including a €530 million commitment to seed IFM's Global Infrastructure Debt Fund.

Alongside this, we launched a £200 million venture capital sleeve with Schroders Capital⁵, expanded our private credit programme through Crescent Capital⁶ and continued to grow our exposure to natural capital through further timberland investment.

Innovation beyond asset allocation

Responsible investment is embedded throughout our investment process because we believe environmental, social and governance factors can materially affect long-term financial outcomes.

Active stewardship is also an important part of our approach. During the 2024-25 voting season, Nest overrode our external fund manager voting recommendations on 413 occasions where we believed doing so was in members' long-term interests. Whether the issue relates to governance, climate transition planning, executive pay or broader sustainability concerns, our objective

remains the same: protecting and enhancing long-term value for members.

Looking ahead

The challenges facing pension schemes may vary across Europe, but many of the underlying questions are shared. How can pension funds improve diversification? How can they access private markets efficiently? How can they continue delivering better outcomes while maintaining strong governance and value for money?

Our experience suggests innovation does not always mean greater complexity. Sometimes it means using scale more effectively. Sometimes it means building stronger partnerships. And sometimes it means finding new ways to open doors that have long been closed to ordinary savers.

That's what this award recognises: not innovation for its own sake, but innovation that works hard for members.



Written by

Elizabeth Fernando,
Chief Investment Officer, Nest Pensions

Important information

Pension investments can fall as well as rise in value and members may get back less than has been paid in. Past performance is not a reliable indicator of future results.

1 As at 31 March 2026.

2 Modelling using JP Morgan 2025 Forecast Scenarios.

3 As at 31 March 2026.

4 Annualised returns, as at 31 March 2026. Figures are net of

Nest's annual management charge and transaction costs but not contribution charges.

5 Announced in July 2026.

6 Announced in April 2026.



WINNER

Alternatives Investment Manager of the Year *BNP Paribas Asset Management Alts*



BNP PARIBAS
ASSET MANAGEMENT

Judge's comment

"This firm delivered strong performance across a broad range of alternative asset classes and is committed to serving the needs of its pension fund clients throughout Europe"

Alternative investments play an important role in European pension fund portfolios and understanding how they can add value while maintaining appropriate risk levels is a delicate balancing act.

That is why the Alternatives Investment Manager of the Year award is one of the most prestigious accolades at the European Pensions Awards.

This year's winner was BNP Paribas Asset Management Alts (BNPP AM Alts), a firm that, in the words of the judges, "has proven itself to be the best of the best in this field and has shown a real commitment to the European pensions market with its product offerings and innovation in the alternatives space".

The judges also praised this entry for its "strong performance across a broad range of alternative asset classes, and its continual evolution in this diverse market, consistently striving for excellence in response to the needs of its client base".

BNPP AM Alts is the alternative investments platform of BNP Paribas Asset Management. It is the largest alternatives asset manager in Europe, with approximately €300 billion in assets under management (AUM).

The judges noted that, despite its size, this firm refuses to stand still and continues to push boundaries in the alternatives space, always focusing on delivering strong results while pushing for growth, with a keen eye on environmental, social and governance (ESG) integration and robust governance.

On the real estate side, the numbers

don't lie – BNPP AM Alts boasts c.€135 billion AUM in real estate.

Demonstrating its continued momentum in the real estate space and its passion for evolving its offering, BNPP AM Alts secured €660 million in March 2025 for its European Student Accommodation Strategy.

The judges also highlighted BNPP AM Alts' strength in alternative credit. The firm manages €93 billion in securitised and structured assets and, again highlighting its refusal to stand still, in March 2025 it launched a diversified evergreen private credit strategy spanning direct lending and asset-backed finance.

BNPP AM Alts' infrastructure platform also impressed, offering both debt and equity capabilities. Since 2013, its infrastructure debt platform has invested more than €23 billion in core and core-plus assets across Europe, while its equity platform has invested €6 billion through 15 major direct investments since 2017 and now manages €13 billion in direct and indirect investments.

The firm's private equity business is equally well established, having invested €29 billion globally over the past 20 years. Its strategy focuses on sectors and markets with the strongest growth potential, supported by a substantial secondaries platform and a successful track record in European mid-market and impact investing.

Overall, BNPP AM Alts impressed the judging panel with its scale, innovation and expertise across the alternatives spectrum. Congratulations to BNPP AM Alts!



Delivering sustainable returns in alternative investments

A truly long-term approach

As Europe's largest alternative investments platform and one of the largest worldwide¹, our investment strategies and alternative products cover the whole spectrum including real estate, alternative credit, private equity, and infrastructure.

We have more than three decades' experience of meeting clients' needs through our performance, innovation, and diversified product offering.

This is why our clients entrust us with c.€300 billion in assets under management¹.

bnpparibas-am.com



BNP PARIBAS
ASSET MANAGEMENT

¹Source: BNP Paribas Asset Management Alts as at 31 March 2026. Not for Retail distribution: This marketing communication is intended exclusively for Professional, Institutional or Wholesale Clients / Investors only, as defined by applicable local laws and regulation. Circulation must be restricted accordingly. This marketing communication does not constitute a solicitation or investment, legal or tax advice. This material does not contain sufficient information to support an investment decision. Issued in the UK by AXA Investment Managers UK Limited, which is authorised and regulated by the Financial Conduct Authority in the UK. Registered in England and Wales No: 01431068. Registered Office: 22 Bishopsgate London EC2N 4BQ. Design & Production: Internal Design Agency (IDA) | Jul 2026 | 19-11692 | Photo Credit: Shutterstock/Adobe Stock.



WINNER

Currency Manager of the Year HSBC



Judge's comment

"This firm impressed the judges with its expertise in managing complex currency risk for European pension funds, working closely with clients to develop tailored strategies that meet their specific needs"

Currency management has become an increasingly critical element of pension fund investment strategies as geopolitical tensions and market volatility drive greater uncertainty. This award celebrates those managers that have demonstrated outstanding expertise in delivering effective currency solutions for pension investors.

HSBC, for the second year in a row, is the well-deserving winner of the 2026 Currency Manager of the Year award.

The judges praised HSBC for its expertise in managing complex currency risk for European pension funds and for working closely with clients to develop tailored strategies that meet their specific needs.

HSBC's foreign exchange (FX) Overlay, a division within HSBC Global FX Services, provides an open platform that allows pension funds to choose from a range of dynamic strategies from different industry providers, in what is thought to be a globally unique offering.

Standard hedging arrangements result in both collateral payments and notional settlements exchanged with multiple counterparts. But at HSBC FX Overlay, clients can choose from a range of reduced cash requirements, including prime brokerage light, portfolio net present value, collateral netting, and collateral financing.

This can be seen in HSBC's work with one client, which decided to use HSBC's FX Overlay infrastructure

to automate the rollover of its maturing FX hedge position as part of its overall hedging requirements. As a result, the client benefited from an automated workflow and the benefits of a single broker setup regarding settlement risk and optimal capital allocation.

The benefits of the platform don't stop there, as it also allows clients to use their own custom signals for FX hedging, and its extensive standard reporting includes FX risk/return effects and causalities in the portfolio, transaction cost analysis and more.

The simulation and back-testing functionalities are integrated into HSBC's core overlay infrastructure and allow the manager to historically simulate any strategy (passive/dynamic/diversified/tenors, etc.) to the client's exact exposure development.

All in all, HSBC is dedicated to delivering a highly flexible solution with market-leading functionality and an exceptional client experience. And the company has seen great client feedback for its FX Overlay franchise, growing by almost 50 per cent in the past 12 months (+USD 59.5 billion) to USD 184 billion.

The judges also praised HSBC for its dedication to providing the best service to its clients and growing its offering to ensure that it is equipped to meet their changing needs with innovation and tailored solutions. Congratulations again to the entire team at HSBC!



HSBC FX Overlay: a smarter edge in currency risk

HSBC is helping pension funds turn FX hedging into a source of resilience, efficiency and opportunity through a more flexible, technology-led overlay model.

For European pension funds, currency risk has become too important to treat as a secondary consideration. As their overseas allocations grow and markets remain volatile, they may need hedging solutions that do not just dampen FX swings but can also improve liquidity, reduce operational burden and support stronger portfolio outcomes.

That is exactly where HSBC FX Overlay stands out.

HSBC has developed an overlay platform built around flexibility, efficiency and innovation. Clients can implement traditional static hedging programmes cost-effectively, but they can also access a broader set of dynamic strategies through a single, streamlined framework. That includes established multi-factor approaches based on momentum, carry and value, as well as more advanced models that use AI and natural language processing to interpret market sentiment from global news flow.

This matters because pension funds increasingly want more from their hedging programmes. One client with a globally diversified investment portfolio selected HSBC to centralise FX risk management, reduce liquidity pressure from negative mark-to-market moves and access

additional alpha opportunities. HSBC's ability to offer multiple dynamic strategies within one operating model proved a clear differentiator. Just as importantly, it allowed the client to access sophisticated hedging expertise without adding complexity to its day-to-day operating model.

Liquidity efficiency is another major strength. Traditional hedging arrangements can create significant cash demands through fragmented settlements and collateral requirements. HSBC addresses this with solutions including single-broker netting, portfolio NPV management, collateral netting and collateral financing structures. The result is a more capital-efficient model that can reduce cash drag and help clients manage liquidity with greater confidence, particularly when markets are moving quickly and funding flexibility matters most.

HSBC FX Overlay also helps clients simplify implementation. Investors can bring their own FX hedging signals into HSBC's infrastructure or work with HSBC to code bespoke strategies directly onto its proprietary quantitative platform. This turns manual processes into automated workflows spanning signal generation, trade calculation,

execution and reporting, all supported by robust governance and full auditability.

The proposition is reinforced by sophisticated reporting and analytics. Clients benefit from real-time valuation tools, scenario analysis, back-testing and performance attribution that provide a clearer understanding of FX risk and hedge effectiveness. HSBC's Hedge Efficiency Analytics Tool adds further insight, helping investors assess how hedging decisions affect overall fund performance and giving them a stronger basis for oversight, governance and strategic decision-making.

Taken together, these capabilities show why HSBC FX Overlay is gaining momentum. For pension funds navigating a more complex investment landscape, the message is clear: FX hedging no longer needs to be viewed simply as a defensive necessity. With the right partner, it can become a strategic advantage. HSBC FX Overlay is proving exactly that.



Written by

Marc Tuehl
Managing Director,
Global Head –
Overlay and Auto Risk
Management | HSBC
Global FX Services



WINNER

Equities Manager of the Year *Cantor Fitzgerald Asset Management Europe*



Judge's comment

"This firm has demonstrated strong investment performance in the equities space, coupled with strong governance, risk management, and client focus"

Equity markets have continued to test investors over the past year, rewarding managers able to navigate volatility while identifying long-term opportunities. This award honours the firms that have excelled in equity management, distinguishing themselves through investment expertise and consistent performance for European pension funds.

This year's winner, according to the judges, put forward an entry that "demonstrated strong investment performance in the equities space, coupled with strong governance, risk management, and client focus".

Winning for the second consecutive year, congratulations to Cantor Fitzgerald Asset Management Europe (CFAM) on an exceptional achievement!

With over three decades of experience managing investments for pension funds, life companies, charities, and other institutions, CFAM has established a reputation for delivering steady, long-term outperformance.

The firm has around €26 billion in assets under management and benefits from the strength of a global parent company, giving it access to a Global Investment Network.

The submission put forward by CFAM demonstrated that over the past year, the firm's disciplined process has consistently delivered better outcomes for pension savers, combining peer-relative outperformance with rigorous risk

management and a client-first ethos. CFAM's unique investment approach sets it apart from the rest. The approach is based on three key pillars: macroeconomic, technical and valuation analysis. This style-agnostic approach allows the team to remain flexible and responsive to changing market conditions.

In particular, the judges praised CFAM's flagship Global Equity Fund, which has delivered an annualised return of 202 per cent over the past seven years – outperforming the MSCI AC World Index by 58.5 per cent over the same period.

In 2025 alone, the fund delivered an excellent return of 16.7 per cent for its investors, ahead of its benchmark's 8.8 per cent. In the past three years, the fund outperformed its benchmark by an impressive 9.2 per cent per annum and 3.2 per cent per annum over the past seven years.

These results are a clear testament to the hard work and expertise of CFAM's investment team and its robust investment process.

This approach, as shown by the results, has also been extremely rewarding for CFAM's clients, and the firm is confident it will continue to succeed, given that it has already proven effective in various market conditions to date.

Over the past year, CFAM demonstrated numerous achievements, solidifying its position as a leader in the field and a deserving winner!

THIS IS A MARKETING COMMUNICATION



Invest with Conviction.

Best-in-class Multi-Asset and Global Equity solutions designed to deliver consistent outcomes for institutional investors.

Award-Winning Expertise

Equities Manager of the Year 2026/2025/2024

Investment Manager of the Year 2025



Equities Manager of the Year



Independent Recognition

All Multi-Asset Funds: Morningstar 5-Star Rated



Discover our approach

CantorFitzgerald.ie | CFAMEinfo@Cantor.com | +353 1 633 3800

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**WARNING: Past performance is not a reliable guide to future performance.
The value of your investment can go down as well as up.**

Cantor Fitzgerald Asset Management is a registered business name of Cantor Fitzgerald Ireland Limited. Cantor Fitzgerald Ireland Limited is regulated by the Central Bank of Ireland and is a Member Firm of Euronext Dublin and The London Stock Exchange.



WINNER

European Pensions Innovation Award *TPT Retirement Solutions*



Judge's comment

"This firm impressed the judges with its innovative approach to tackling a major challenge in the pensions space, with strong direct impact on member outcomes"

The European Pensions Innovation Award recognises the firms that have brought exceptional innovation to the pensions market, whether through a particular product, service offering or overall business approach.

This year's winner, TPT Retirement Solutions, put forward an entry which, in the eyes of the judges, showcased an "innovative approach to tackling a major challenge in the pensions space, with strong direct impact on member outcomes".

TPT is one of the UK's leading workplace pension providers, looking after more than 500,000 members and approximately 2,500 employers, with around £11.2 billion in assets under management.

TPT had an impressive year in 2025, with the announcement of its intention to launch both a new defined benefit (DB) superfund and the UK's first multi-employer collective defined contribution (CDC) scheme.

However, these two innovations are not the only key focus areas TPT had in 2025 as its entry centred on its groundbreaking new solution for its DC scheme.

This offering is truly one of a kind in the UK and is a revolutionary solution that removes the barriers and complexity historically associated with DC pensions.

The service offers three game-changing innovations: First-of-their-kind managed income solutions, pioneering to-and-through retirement default investment strategies, and a next-generation portal with 'accounts for life' and fully guided cradle-to-

grave member journeys.

This innovative solution is clearly focused on members, as it recognises that people's needs change over time and provides an optimum blend of flexibility and security.

For example, managed income-75 allows members to futureproof their retirement income, with protection against potential cognitive decline in later life, by targeting annuity purchase at age 75 (when rates are typically more favourable).

The submission also highlighted the firm's new portal and 'accounts for life', enabling members to manage their savings and retirement in one place and even link their pensions with other providers if they wish.

Designed to provide an experience that mirrors the best modern banking and investment platforms, the portal is packed with tools to help members plan, model and shape their future.

The portal also allows members to consolidate their pensions, easily check their progress against the Retirement Living Standards and even retire online – setting up and managing drawdown within the same portal.

And the results of this service speak for themselves. On average, members are spending five times longer on the new portal compared to its old member portal. They are also viewing twice as many pages each visit.

All in all, TPT submitted an impressive entry that demonstrated its capability as a true innovator among its peers in the European pensions market. Congratulations to the team on an outstanding achievement!



True At-Retirement Innovation

A new way to retire

Retirement can be an uncertain time. While DC pensions provide flexibility for members, decisions at retirement can be complex. This can leave members overwhelmed and unsure of the best route for them. So, we've built member guidance into our online account and launched a fully managed income for life solution that offers members a managed monthly income for life (to age 95), ensuring a smooth transition into retirement while staying invested in their chosen strategy.

These options offer a simple, easy-to-use solution for members who prefer not to make investment decisions, carry out complex calculations, or seek independent financial advice.

Managed Income

A regular monthly income, reviewed each year, with a target end date of age 95.

Flex and Fix

A regular monthly income, set each year, with the aim of taking a level annuity from age 75.

Our managed income options are available alongside traditional retirement choices like drawdown and annuity purchase. For added convenience, members can mix and match different options, all accessible through their pension account.

Our managed income options pay a monthly income and remain completely flexible.

Members can:

- ✓ Make ad-hoc withdrawals and we'll adjust their regular payments accordingly.
- ✓ Easily manage their drawdown within their account.
- ✓ Change their drawdown strategy or choose to purchase an annuity, at any time.



* To age 95.

Want to find out more
or talk to one of our team?



tpt.co.uk/DC



adam.tudor@tpt.co.uk



WINNER

Factor Investing Offering of the Year *Osmosis Investment Management*



Judge's comment

"The firm impressed the judges by developing a high-quality factor investing solution that meets the complex needs of pension funds now and into the future"

As pension funds increasingly seek diversified sources of return and improved risk management, this award celebrates firms that have shown outstanding expertise in factor investing, delivering sophisticated strategies tailored to the long-term needs of institutional investors.

The judges were impressed by the winning firm's development of a high-quality factor investing solution that meets the complex needs of pension funds now and into the future. Congratulations to Osmosis Investment Management!

It's no surprise to see why this firm was the winner, having created its unique signal – Osmosis' Factor of Resource Efficiency (RE) – which sits at the centre of all its equity portfolios.

Osmosis research demonstrates that resource efficient companies have, on average, higher future firm value, gross profits, free cash flow, lower leverage and invest in more research and development. For pension investors, these attributes are considerable over long-term investment horizons, playing a vital role in their portfolios.

Based on Osmosis' proprietary database, RE measures carbon emitted, water withdrawn, and waste generated by companies to produce one unit of revenue. Its research has demonstrated that this comprehensive approach to addressing the corporate environmental balance sheet leaves investors less exposed to a broader range of current and future externality risks.

Osmosis' data is collected in-house by a team of environmental experts

and is interpreted through the lens of sector-specific economic frameworks that link the corporate environmental footprints back to the companies' operational processes.

It's worth noting that the RE scores derived from collected environmental data are uncorrelated with environmental, social and governance (ESG) scores. The data collection and validation, economic frameworks, and focus on three attributes of environmental sustainability, generate different insights to publicly available ESG data.

This innovative solution has proven its appeal. Osmosis' flagship Core Equity Strategy has attracted clients from across Europe. This includes large Dutch and Danish pension funds, among others.

Not resting on its laurels, Osmosis launched its Emerging Markets Core Equity UCITS Fund in December 2025, following a three-year proprietary research programme. This has extended its factor investing offering to regions where environmental risks and capital misallocation are most acute.

Using the same framework as developed markets, the strategy delivers significant environmental footprint reductions as a natural outcome of the investment process, including 62 per cent reductions in carbon emissions and water withdrawal, and a 59 per cent reduction in waste generation relative to the MSCI Emerging Markets (as of December 2025).

Congratulations to the team at Osmosis Investment Management on this well-deserved win!



A SMARTER APPROACH
TO SUSTAINABLE INVESTING

20 YEARS

of proprietary
environmental
data.

THE NEXT PHASE OF OUR FACTOR RESEARCH

Our award-winning Resource Efficiency factor is forming the foundation of a new multi-factor approach:

A distinct investment signal, not an ESG overlay

Built by financial architects, using two decades of proprietary data

Evolved beyond standard factor definitions

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Factor Investing
Offering of the Year





Fiduciary Management Award *Goldman Sachs Asset Management*



Goldman Sachs

Asset Management

Judge's comment

"This firm submitted an outstanding entry highlighting how it supports clients across Europe with its fiduciary management/OCIO offerings, demonstrating strong growth across Europe, innovative solutions, and strong client retention"

The Fiduciary Management Award recognises those firms that lead the way in the fiduciary management/outsourced chief investment officer (OCIO) sector, tailoring their offerings to meet today's ever-evolving pension fund needs.

This year's winner, Goldman Sachs Asset Management, submitted an outstanding entry highlighting how it supports clients across Europe with its fiduciary management/OCIO offerings, demonstrating strong growth, innovative solutions, and strong client retention. Congratulations!

The past year has been transformative for Goldman Sachs Asset Management's European fiduciary management and OCIO business, marked by exceptional client wins, material expansion of assets under management, and industry leading delivery in an environment shaped by market volatility and shifting endgame priorities.

It has seen strong growth across multiple European markets, innovative solutions addressing complex client challenges, the successful onboarding of significant new mandates and scalable fiduciary solutions supporting pension consolidation and reform.

In 2025, the manager's European fiduciary management platform achieved significant expansion, securing 16 new mandates across the UK, The Netherlands, Germany, and Switzerland, representing approximately €30 billion in new assets.

Goldman Sachs Asset

Management's pan-European fiduciary management capability now exceeds €100 billion, positioning it among the leading fiduciary management providers in Europe.

It has also maintained a high long-term client retention rate across Europe, excluding schemes that have transitioned to buyout, underscoring the manager's dedication to high client satisfaction and trust.

Over the past year, the manager has introduced multiple enhancements to equip trustees across Europe with the tools, insights, and portfolio solutions needed to navigate increasingly complex endgame challenges.

In The Netherlands, it has supported the transition to the new pensions framework; in Germany, it has onboarded a new fiduciary mandate from a pension scheme with approximately £2 billion in assets and in the UK, it has developed a suite of advanced surplus management frameworks.

Several industry results and surveys have also shown Goldman Sachs Asset Management's growth performance.

Elsewhere, it has shown its commitment to sharing best practices and discussing key issues across Europe. Goldman Sachs Asset Management holds and sponsors seminars and conferences across Europe and has published the European Pension Survey, providing insights from over 120 senior pension executives on market outlooks, asset allocation, and sustainability.

Congratulations again to Goldman Sachs Asset Management!

As an Outsourced Chief Investment Officer (OCIO) provider with one of the largest open architecture platforms globally, Goldman Sachs Asset Management seeks to help institutional investors achieve their investment outcomes through higher risk-adjusted returns, while seeking to lower costs and reducing the administrative and operational burden on the in-house team.

#1

Ranked US OCIO
Provider by Assets*

#2

Ranked Global OCIO
Provider by Assets*

\$485bn+

Assets Under
Supervision**

am.gs.com

OCIO and Fiduciary Management

*Provider rankings from The Cerulli Report: 2025 U.S. Outsourced Chief Investment Officer Function, based on 2024 AUM; report published November, 2025. **AUS as of March 31, 2026. Assets Under Supervision (AUS) includes assets under management and other client assets for which Goldman Sachs Asset Management has full or partial discretion. Goldman Sachs Asset Management is not affiliated with the mentioned award providers. Awards do not represent compensated endorsements. There is no guarantee that objectives will be met. Assets Under Supervision (AUS) as of December 31, 2025; DC Advisory/OCIO Asset Under Advisement/Supervision as of December 31, 2025; Alternatives AUS as of December 31, 2025. AUS includes assets under management and other client assets for which Goldman Sachs does not have full discretion. This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. There is no guarantee that objectives will be met. THESE MATERIALS ARE PROVIDED SOLELY ON THE BASIS THAT THEY WILL NOT CONSTITUTE INVESTMENT ADVICE AND WILL NOT FORM A PRIMARY BASIS FOR ANY PERSON'S OR PLAN'S INVESTMENT DECISIONS, AND GOLDMAN SACHS IS NOT A FIDUCIARY WITH RESPECT TO ANY PERSON OR PLAN BY REASON OF PROVIDING THE MATERIAL OR CONTENT HEREIN. PLAN FIDUCIARIES SHOULD CONSIDER THEIR OWN CIRCUMSTANCES IN ASSESSING ANY POTENTIAL INVESTMENT COURSE OF ACTION. **CONFIDENTIALITY:** No part of this material may, without Goldman Sachs Asset Management's prior written consent, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person that is not an employee, officer, director, or authorized agent of the recipient. United Kingdom: In the United Kingdom, this material is a financial promotion and has been approved by Goldman Sachs Asset Management International, which is authorized and regulated in the United Kingdom by the Financial Conduct Authority. FOR INSTITUTIONAL OR FINANCIAL INTERMEDIARIES USE ONLY—NOT FOR USE AND/OR DISTRIBUTION TO THE GENERAL PUBLIC. For Third Party Distributors Use Only —Not for Distribution to your clients or the General Public. Use for Existing clients invested in the particular Product/Strategy that is the subject of the material: This material is provided at your request solely for your use. Use for Prospects who are not invested in the particular Product/Strategy: This material is provided at your request for informational purposes only. It is not an offer or solicitation to buy or sell any securities. The portfolio risk management process includes an effort to monitor and manage risk, but does not imply low risk. THIS MATERIAL DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT WOULD BE UNAUTHORIZED OR UNLAWFUL TO DO SO. Prospective investors should inform themselves as to any applicable legal requirements and taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant. This material is provided for informational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. This material is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate investment strategies depend upon the client's investment objectives. ©2026 Goldman Sachs. All rights reserved. Date of First Use: August 3, 2026. 525554-OTU-2585977.



WINNER

Fixed Income Manager of the Year *TwentyFour Asset Management*



TwentyFour
a boutique of Vontobel

Judge's comment

"This firm impressed the judges with its impressive client wins, product launches in response to pension fund demands and its focus on both service and performance"

European pension funds rely on fixed income for a reliable revenue stream, making the market diverse and sophisticated. This award recognises the managers who offer their European pension clients a variety of solutions to meet ever-changing market conditions.

TwentyFour Asset Management, this year's winner, impressed the judges with client wins, timely product launches, and a strong focus on service and performance. This marks their second consecutive win – congratulations to the team for their leadership in the fixed income sector!

TwentyFour Asset Management, a boutique of the Swiss-based Vontobel Group, is a high-conviction, active fixed-income specialist focused on generating attractive risk-adjusted returns while preserving capital.

In 2025, the firm delivered strong growth in assets under management across all strategies, supported by increasing demand from pension schemes. In particular, it attracted over £0.5 billion of new capital from 22 new pension clients, demonstrating the strength of its proposition.

Notably, this included five former clients who had disinvested during the 2022 liability-driven investment crisis, endorsing the firm's investment capabilities and client service. As a result of these movements, TwentyFour Asset Management saw its total pension assets grow to £3.5 billion.

During the year, the firm also committed to delivering innovative solutions to its clients. For example, it launched an asset-backed finance fund in response to significant

demand from UK pension scheme investment consultants, expanding investor access to a high-interest segment of private credit.

Environmental, social and governance (ESG) policy remained a key priority for TwentyFour Asset Management, specifically in advancing its ESG data and reporting capabilities.

A particular focus has been on the European asset-backed securities and securitisation markets, as regulatory expectations and investor scrutiny have intensified; the industry has worked to improve ESG disclosure standards and establish clearer frameworks for assessing ESG risks in securitised products.

Throughout this process, the firm has remained at the forefront of market development, helping to shape both standards and implementation.

Additionally, the firm undertook its first-ever Fixed Income Investor survey in 2025, which surveyed 200 institutional investors and found renewed optimism in fixed-income allocations as investors anticipate steady returns amid elevated yields.

The findings will help shape and evolve TwentyFour Asset Management's investment solutions, ensuring future product development is directly informed by client and consultant needs rather than purely market-led trends.

It is clear to see why TwentyFour Asset Management took home this year's award for Fixed Income Manager of the Year.

Congratulations again!

We are fixed income specialists.

**We are high-conviction,
active fixed income specialists.**

This focus enables us to seek value across
global bond markets and deliver long-term
outperformance to our investors.

Experience our award-winning approach
twentyfouram.com

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For further information visit the TwentyFour Asset Management website.



WINNER

Governance Award *Aviva Master Trust*



Judge's comment

"This firm's submission demonstrated a passion for delivering high levels of governance in the pensions arena, impressive innovation, and a strong focus on members"

This award recognises those who offer their European pension clients a variety of solutions to meet ever-changing market conditions.

Strong governance underpins the long-term success of pension funds, supporting effective decision-making, accountability and member outcomes. This new award recognises the firms that have demonstrated excellence in pensions governance and set a high standard for the industry.

The judges praised the winner for its passion for delivering high levels of governance, impressive innovation, and its strong focus on members. Congratulations to the Aviva Master Trust!

As one of the UK's largest workplace pension arrangements, the Aviva Master Trust serves nearly 600,000 members and over 600 employers, stewarding more than £17 billion in retirement savings. The trust's success is built on a deeply embedded governance framework that ensures robust oversight, long term strategic thinking, and a relentless focus on improving outcomes for every member.

And at the heart of its governance model is its trustee board, committed to evidence based decision making and continuous improvement.

In 2025, the trustees oversaw a suite of enhancements to strengthen member outcomes and future proof the scheme. This included evolving core investment strategies, new retirement developments, expanded inclusion initiatives, and stronger digital governance controls, all

underpinned by extensive member research and independent analysis.

My Future Vision launched in 2025 with a market-leading 20-25 per cent strategic allocation to private markets, including private equity, infrastructure, real estate, and private debt. Independent modelling suggests that this strategy will outperform peer defaults over the long term whilst taking less risk, demonstrating a clear benefit for trust members.

The entry also highlighted the launch of the UK's first Shariah compliant lifestyle solution. This product demonstrates the trustees' ability to identify underserved groups and implement appropriate investment strategies.

The trust's digital offering was also commended by the judges as an area that sets it apart from the rest of the European pensions market.

Aviva has invested in digital transformation, incorporating innovations like Speech Analytics AI and Clever Nelly AI to enhance member support.

In 2025, it launched a career break modeller based on feedback from members, aimed at helping those who might be overlooked.

On top of that, the Discovery Hub, a community of about 500 members, allows users to provide feedback through polls and discussions, helping shape the pension products offered. It's a great example of how Aviva is integrating member voices into their innovation strategy.

Congratulations again to the Aviva Master Trust on a worthy win!

Aviva Workplace Pension
For employer use only

The pension that works for every type of business

Our workplace pensions give a wide range of options

- ✓ Flexible investment and retirement options for employees
- ✓ Simple set up and ease of administration for employers

**The value of investments can go down as well as up.
Employees may get back less than has been paid in.**



**Search 'Aviva Workplace
Savings' to find out more**

*Subject to T&Cs





WINNER

Investment Manager of the Year L&G



Judge's comment

"This firm demonstrated an outstanding understanding of the industry and continues to adapt its offerings to its needs. This firm continues to innovate for its clients and provide them access to new markets"

Reserved for the industry's standout investment managers, this award recognises firms serving pension funds across Europe that combine strong investment performance with innovation, sophisticated solutions and the strategic foresight needed to deliver long-term value.

The judges said the winning firm demonstrated an outstanding understanding of the industry and continues to adapt its offerings to its needs. They added that the firm continues to innovate for its clients and provide them access to new markets. Congratulations to L&G, winner of the Investment Manager of the Year award!

With £1.177 trillion in assets under management (AUM source: L&G, as at 31 December 2025), a global presence, and a range of investment solutions on offer, it is no surprise to see L&G crowned the winner. L&G's investment solutions range from index-tracking and active funds to liquidity and liability-based risk management strategies.

Through its private markets business, L&G utilises its rich heritage and extensive network of partners to offer access to a wide range of purposeful investment opportunities, including specialist real estate, clean energy, infrastructure, venture capital, unlisted equities and private credit.

It's this mix of asset management expertise, combined with its global distribution capabilities, that benefits its clients. Indeed, its investment philosophy, "investing for long term, our future depends on it", particularly stands out for pension funds, which share the same principles.

In its home market of the UK, the firm is supporting the pensions industry as it undergoes its most significant transition in a generation – the move towards productive assets, consolidation and delivering genuine value for money.

Demonstrating its aptitude for innovation, L&G has developed products that enable both UK defined benefit (DB) and defined contribution (DC) schemes to access productive assets. For larger schemes, it offers direct access to segregated liability-cashflow-matching private credit, seeking enhanced yield as public credit spreads remain tight.

L&G's financials speak for themselves; in October 2025, its UK DC assets surpassed £200 billion, making it the country's largest DC pension provider. In addition, its investment platform grew by £28.5 billion during 2025 and its default funds have reached over £57 billion in combined AUM. Congratulations to L&G on this outstanding achievement!

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WINNER

Master Trust Offering of the Year L&G



Judge's comment

"This firm is a leader in the master trust arena, setting the bar high with its innovation, service excellence, strong performance and complex client solutions"

Master trusts have transformed the pensions landscape, enabling schemes to reduce costs while maintaining high standards of governance, investment and member service.

This award recognises the provider that is leading the way in delivering innovative, high-quality master trust solutions to both employers and members.

This year's winner stood out from a competitive field, with the judges describing it as "a leader in the master trust arena, setting the bar high with its innovation, service excellence, strong performance and complex client solutions".

Congratulations to L&G, whose Mastertrust continues to demonstrate why it is regarded as one of the UK's leading defined contribution (DC) pension arrangements.

Combining scale with innovation, the master trust has continued to evolve over the past year, delivering new digital capabilities, pioneering investment solutions and consistently high levels of client and member service.

Operating at significant scale, the L&G Mastertrust now manages £46.3 billion in assets, serving 369 employers and 2.2 million members. This scale has enabled the provider to invest heavily in innovation while maintaining robust governance and operational resilience.

One of the standout developments has been the continued evolution of its digital guided retirement planner. Developed using behavioural insight, real-time data and digital-first testing with disengaged members, the

personalised guidance tool adapts to members' individual circumstances and levels of financial literacy.

Since its launch, it has helped reduce the number of members facing retirement shortfalls by 50 per cent after adjusting their plans.

Innovation has also extended to investment design, with the launch of a target-date fund range incorporating access to private markets. It was the first UK pension provider to offer DC members exposure to private markets within this structure. The rollout represented one of the largest default investment transitions in the UK DC market.

Digital engagement remains another key strength. The L&G Workplace App now supports 5.8 million pension scheme members, has recorded more than 20.3 million visits and, as of February 2026, was the UK's highest-rated workplace pension app based on user reviews.

Meanwhile, L&G continues to play an active role in shaping the future of UK DC pensions through industry research, policymaker engagement and work focused on pension adequacy, long-term value and retirement outcomes.

Through continued innovation, market-leading service standards, strong investment performance and the ability to deliver increasingly sophisticated solutions for employers, L&G has established itself as a leader in the master trust market.

Well done to the team on an exceptional and well-deserved win in a competitive space.

For professional investors only.
Capital at risk.



Wish you were here!

We've packed a lot into our DC private markets access fund - over £3 billion of assets to be exact.

Follow the journey >



Source: L&G as at May 2026



WINNER

Pension Insurance Firm of the Year *Standard Life*



Standard Life

Judge's comment

"This firm put forward a comprehensive submission, showcasing landmark transactions, positive customer service statistics, a commitment to ESG, and impressive thought leadership"

This award celebrates pension firms' performance in providing bulk annuities, longevity insurance and other pension insurance structures to address the ongoing derisking needs of pension funds.

This year's winner put forward a comprehensive submission, showcasing landmark transactions, positive customer service statistics, a commitment to environmental, social and governance (ESG) policy, and impressive thought leadership. Congratulations, Standard Life!

Over the past seven years, Standard Life has evolved from a market challenger into one of the industry's most trusted pension insurance partners, selected by some of the UK's most sophisticated and complex pension schemes.

Standard Life had an exceptional year in 2025, delivering sector-first innovations, leading the market on ESG, and consistently providing exceptional service to clients.

Proving itself integral to the pension insurance space, Standard Life also completed its largest-ever transaction in 2025, a £1.9 billion buy-in deal with the Sedgwick Section of the MMC UK Pension Fund.

The deal covered the retirement benefits of all 6,500 members. The transaction was also the first bulk purchase annuity (BPA) transaction to feature multiple longevity swap novations, including coverage for deferred life annuities, and was Standard Life's first BPA transaction where it novated overseas credit and interest rate swaps into its internally

managed portfolio.

This transaction reinforces the firm's position as a go-to insurer for complex and large-scale pension risk transfer transactions.

However, transactions were not Standard Life's only priority in the pension insurance space in 2025, as the firm committed to improving its ESG through governance and engagements with companies on human rights and controversies.

In a similar vein, the firm also reported that it invested in sustainable transition assets, temporary accommodation properties and sustainable energy infrastructure growth in 2025, as well as partnering with Cancer Research UK. Standard Life has helped to raise £250,000 for the charity over the past three years.

Not one to rest on its laurels, Standard Life also conducted research and development, focusing on its Retirement Voice survey and Behind the Numbers report. Both pieces of research found that members expressed a desire for clearer information, greater predictability and support that builds real understanding – not just trust. This research demonstrates that the firm listens to its members and acts on member feedback.

As shown by the dedication and work undertaken in 2025, Standard Life is a worthy winner of the Pension Insurance Firm of the Year award. Congratulations again to the team on this outstanding win, in a competitive category.

Standard Life

For the life we live

Award-winning expertise. Proven certainty.

Our award-winning team support you through every step of the Pensions Risk Transfer journey, helping to navigate even the most complex transactions with confidence.



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**European Pensions
AWARDS 2026**

WINNER



Pensions Insurance Firm
of the Year

www.standardlife.co.uk

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WINNER

Pension Scheme Administrator of the Year **Broadstone**



Judge's comment

"This firm impressed the judges with its innovative technology in the pensions administration space and a passion for tailoring its offering to meeting the specific needs of pension funds today and into the future"

The role of the administrator is often overlooked, but without an excellent administration service, pension fund members would not receive the level of service they deserve.

This award recognises those administrators that have gone above and beyond the standards required to offer a truly valuable service to their clients.

This year's winner impressed the judges with its innovative technology in the pensions administration space and a passion for tailoring its offering to meet the specific needs of pension funds today and in the future. Congratulations to the entire team at Broadstone!

The UK has experienced a surge in scheme funding levels and is currently facing a highly competitive buyout market. These demanding market changes mean trustees face unprecedented pressure to prepare their schemes for insurer engagement.

Broadstone, in response to this challenge, has worked hard to meet this head-on for its clients. In response to increased funding levels, Broadstone launched SM&RT Admin in 2023, designed to guide pension schemes, especially small and medium-sized ones, seamlessly through the complex journey to buyout and wind-up.

The service, which supports schemes through five critical stages of the de-risking journey, includes access to a dedicated and

accountable administration team, integrated expertise, fixed-cost certainty, and technology-enabled processes, such as in-house tools and proprietary software to streamline data management and communications.

Broadstone's SM&RT Insure buyout proposition, which covers all elements of pension risk transfer continues to go from strength to strength. SM&RT Insure has now transacted on over 50 risk transfer deals in the last 24 months, covering close to £1 billion in insurance premiums and helping secure the benefits of many thousands of members.

Alongside this, Broadstone has recently launched its Guaranteed Minimum Pension Equalisation (GMPE) Now proposition, which sees the firm complete these complex projects for schemes that don't use Broadstone for administration services.

This service highlights the firm's ability to deliver large, critical projects in tight timescales.

All in all, Broadstone's SM&RT Admin proposition is redefining what's possible for pension scheme administration in the buyout era.

By combining innovation, expertise, and a relentless focus on client outcomes, SM&RT Admin delivers certainty, value, and peace of mind for trustees and members at the most critical stage of their scheme's journey.

Congratulations again to Broadstone on this achievement!



Raising the standard for pension scheme administration

Pension scheme administration has always played a fundamental role in ensuring good outcomes for trustees and members.

However, its importance has become even more pronounced as improving funding levels bring a growing number of defined benefit (DB) schemes closer to insurance transactions and eventual wind-up.

For many trustees, particularly those responsible for smaller and medium-sized schemes, reaching buyout is not simply a matter of securing attractive insurer pricing.

In a competitive market, schemes must also have accurate data, clearly documented benefits and robust administrative processes. Without these foundations, transactions can be delayed, costs can increase and a window of opportunity may be missed to secure members' pension benefits for the long-term.

This was the challenge we sought to address through the development of Broadstone's SM&RT Insure - Admin service. It provides a structured administration framework that supports schemes throughout the entire de-risking journey, rather than focusing only on the transaction itself. Our service brings together Broadstone's award winning administration expertise with the process

discipline and insurer readiness of the SM&RT Insure framework.

The service begins with a comprehensive assessment of the scheme's data and existing administration practices. This includes preparing benefit specifications in line with insurer requirements and seeking the necessary legal input at an early stage, reducing the risk of unexpected issues (and costs!) emerging later.

From there, data is validated and cleansed to support accurate insurer pricing, before the scheme is prepared for the quotation process. Following a transaction, the same expert team supports the post transaction data cleansing, transition of administration to the insurer and the final stages of wind-up, helping trustees meet their regulatory obligations while minimising disruption for members.

The proposition combines fixed-cost certainty with dedicated administration teams, integrated risk-transfer expertise and technology-enabled processes. Trustees therefore benefit from clear timescales, transparent costs and a single accountable team with a detailed understanding of their scheme.

While the service was designed particularly with smaller schemes in mind, it has supported schemes ranging from fewer than 100 mem-

bers to those with several thousand.

This is important because, ultimately, administration must remain focused on the people behind the data and member outcomes are at the core of everything we do.

At Broadstone, this member-centric approach ensures that they have the time and support needed to understand their benefits and make informed decisions. It informs our relentless commitment to get things right first time, on time, every time, supported by appropriate resourcing and continuity of service.

As more schemes move towards their endgame, administration cannot be treated as a secondary workstream. It is absolutely critical for creating certainty, reducing risk and delivering a smooth transition for trustees and members.

With this approach, Broadstone continues to build an outstanding reputation for providing the best administration service in the industry, consistently exceeding the expectations of members and clients alike.



Written by

Nigel Jones
Executive Director –
Pensions
(Defined Benefit),
Broadstone



WINNER

Private Markets Manager of the Year Nuveen



nuveen
A TIAA Company

Judge's comment

"This firm sets the bar high in the private markets arena, with its deep knowledge and understanding of the important role it can play in European pension portfolios"

The role of private markets has increased significantly in the European pensions space. This award celebrates the managers who excel in the private markets arena and work hard to meet the diverse needs of their pension fund clients.

The judges described the winning entrant as a firm that has set the bar with its deep knowledge and understanding of the important role private markets can play in European pension portfolios.

Congratulations to Nuveen, this year's winner of the Private Markets Manager of the Year award!

Nuveen is a global investment leader managing USD 1.4 trillion in assets for clients worldwide, with a private markets track record that spans nearly a century.*

As highlighted in Nuveen's 2026 EQuilibrium survey, there is a significant shift occurring, with institutional investors becoming more interested in private markets. The survey found that globally, 81 per cent of institutions plan to increase private market allocations over the next five years, with 45 per cent planning to increase private fixed-

income allocations.♦

Nuveen has built one of the most comprehensive and deeply experienced private markets platforms in the world. The platform spans alternative credit, real estate, infrastructure, natural capital and private equity and has USD 371 billion in alternatives assets under management.*

Additionally, the firm also has its Nuveen Private Capital offering, which is a holistic, middle-market-focused private capital platform offering local expertise at global scale. With USD 97 billion in committed capital,† and combining Churchill Asset Management, the leading US-based private capital manager, with Arcmont Asset Management, this platform provides European pension investors with cross-Atlantic coverage across the full capital structure.

As an example of this platform's impact, in early 2025, a local government pension pool appointed Arcmont to manage a £200 million Middle Market Lending mandate for them, underscoring the confidence European institutional investors place in Nuveen's private capital capabilities. Congratulations again on a worthy win!

* Nuveen, 31 March 2026. AUM inclusive of underlying affiliates; totals may not equal 100% due to rounding

♦ Nuveen EQuilibrium Global Institutional Investor Survey, Global Edition, 2026. Fielded by CoreData

† As of 31 January 2026. Committed Capital refers to capital committed to client accounts in the form of equity capital commitments from investors, as well as committed, actual or expected financing from leverage providers. For purposes of this calculation, both drawn and undrawn equity and financing commitments are included. Committed capital figures may be adjusted over the course of a financial period, based on accounts transitioning the calculation methodology from capital commitment to invested capital. Estimated and unaudited

Investing involves risk, including the loss of principal and there is no assurance that an investment will provide positive performance over any period of time. Past performance does not guarantee future results.



nuveen

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H2 2026 Alternative credit insights - Diversifying, not accumulating, risk

With opportunity comes complexity

The alternative credit universe has expanded dramatically in recent years, creating genuine opportunity - alongside growing complexity - for institutional investors. This broad opportunity set offers diversification potential, as many institutional investors now recognise. According to Nuveen's latest EQuilibrium survey, 46% of global institutional investors now prioritize diversifying within alternative credit over the next five years.

The various forms of alternative credit offer distinct risk-adjusted return profiles. Understanding these differences is essential for building diversified portfolios and improving the chances of achieving long-term investment objectives.

Creating diverse alternative credit portfolios

Alternative credit asset classes are driven by different forces. Senior direct lending, for example, is exposed to sponsor-backed corporate borrowers, while

infrastructure debt is often anchored to contracted, essential-service cash flows from physical assets. These exposures differ not only in return drivers but in credit quality, geography, cash-flow profile and the speed of capital deployment and return. The segments do share some common risk and return drivers. Floating-rate structures recur across direct lending, CLOs and parts of infrastructure, and broad macro shocks or sharp repricing can affect several segments simultaneously. The challenge in building alternative credit exposure lies in understanding these risk and return drivers across a wide range of investments.

Understanding objectives and constraints

A well-constructed alternative credit portfolio begins with a clear understanding of investor objectives - extending beyond return targets and time horizons to include factors such as liquidity needs, tax domicile and operational capacity.

Investment risk constraints, including liabilities, hedging and collateral needs, must also be considered.

Initial portfolio allocation

Effective diversification draws on investments from distinct universes, providing exposure to different fundamental factors and risk-adjusted return profiles. Beyond asset class diversification, investors should also consider geographic and sector diversification through the lens of geopolitical shifts and supply chain contingencies.

Structuring exposure

Practical factors such as fund domicile, performance reporting and tax considerations across multiple jurisdictions can also determine whether investors can achieve exposure. Successful implementation often requires partnering with experienced asset managers who can navigate these issues and provide local market insight, ideally paired with a global perspective.

Diversifying, not accumulating, risk

Investors need to look through any investment vehicle to understand underlying fundamental risk exposures across their entire portfolio. Ongoing risk monitoring should focus on these combined factors.

Explore the full paper: [Alternative credit insights: Diversifying, not accumulating, risk | Nuveen](#)

Disclaimer.

Investing involves risk, including the loss of principal and there is no assurance that an investment will provide positive performance over any period of time. Past performance does not guarantee future results. Alternative investments, including private equity and private debt, are speculative, subject to substantial risks including the risks associated with limited liquidity, the potential use of leverage, potential short sales and concentrated investments and may involve complex tax structures and investment strategies. Alternative investments may be illiquid, there may be no liquid secondary market or ready purchasers for such securities, they may not be required to provide periodic pricing or valuation information to investors, there may be delays in distributing tax information to investors, they are not subject to the same regulatory requirements as other types of pooled investment vehicles, and they may be subject to high fees and expenses, which will reduce profits.

1 EQuilibrium 2026 Global Institutional Investor Survey



WINNER

Risk Management Firm of the Year *PIC (Pension Insurance Corporation)*



Judge's comment

"This firm impressed the judges with its new business numbers, its execution of both large and small transactions, and its strong customer focus"

Effective risk management has become a priority for pension funds as they contend with increasing market volatility, tighter regulation and rising scrutiny of governance standards.

This award recognises the firms that have helped pension schemes strengthen their risk management in an unstable economic environment. This year's winner impressed the judges with its new business volumes, its ability to execute transactions of all sizes and its strong focus on customers. Congratulations to Pension Insurance Corporation (PIC)!

Through a combination of financial strength, transaction expertise and policyholder service, PIC has established itself as a leading provider of pension risk transfer solutions.

PIC's performance during 2025 reflected the scale of its proposition. By August 2025, the insurer had completed £5.5 billion of new business, while its portfolio stood at £51.5 billion at the half-year, compared with insurance liabilities of £44.8 billion.

At the same time, it had insured the pensions of 399,200 people and made £1.2 billion of pension payments during the first half of the year, taking its total payments to more than £17.8 billion. Its financial resilience was supported by a solvency ratio of 236 per cent, while Fitch reaffirmed its A+ insurer financial strength rating.

The breadth of PIC's transaction capabilities was a particular highlight throughout the year. At the upper end of the market, it completed a £4.3 billion buy-in with the Rolls-Royce UK Pension Fund in August 2025. At the

other end of the scale, PIC completed a £37.5 million buy-in with the Dr Martens Airwair Group Pension Plan in December 2025.

PIC also demonstrated its ability to deliver transactions across the wider market. This included a £213 million full buy-in for the Siemens Healthineers UK Benefits Scheme, as well as a £230 million buy-in for the Peel Ports Final Salary Pension Scheme. Together, these transactions showed the firm's capacity to provide tailored risk transfer solutions for schemes with differing sizes, structures and objectives.

Customer service remains at the heart of PIC's proposition. In 2025, customer calls were answered in an average of nine seconds, while 97.05 per cent of cases were addressed within three days. This customer focus was also seen through PIC's policyholder events programme, which allows policyholders to meet and question the senior management responsible for securing their benefits.

Underpinning PIC's risk management approach is an investment strategy designed to generate secure, long-term cash flows that match pension liabilities extending decades into the future. By the first half of 2025, PIC had invested £14.6 billion in UK housing and infrastructure. Investments included £300 million in the Haweswater Aqueduct Resilience Programme, supporting drinking-water supplies for its 2.5 million customers. Congratulations once again to PIC, winner of the Risk Management Firm of the Year award!



We're for Ken's future...

...and for the future of 437,999 more people like him.

At PIC, we have a simple purpose: to pay the pensions of our current and future policyholders.

Ken is one of them. When he retired, he still had plenty of wind in his sails, so he volunteered to help the next generation of British sailors to grow and thrive. We're now part of his future, thanks to the pension he receives on time, every time from PIC.

So far, we've paid £19.3 billion in pensions to policyholders like Ken, with customer service satisfaction levels of 99%.

We're securing pensions for our policyholders and shaping a positive future.

We're for a future where individuals, businesses and communities flourish.

We're for infrastructure and housing, prosperous lives and a dynamic economy.

For policyholders, for families, for trustees.

For the future.

If you would like to find out how we can help your defined benefit pension scheme, visit:

pensioncorporation.com/forthefuture

Scan here to
watch Ken's story



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WINNER

Transition Management Firm of the Year *Russell Investments*



Judge's comment

"This firm impressed the judges with its bespoke, outcome-focused solutions across a wide range of transition types, and its proven track record of success"

The role of the transition manager has increased in importance as European pension funds seek help in negotiating the minefield of moving to more complex investment strategies to meet increasing market demands.

This award celebrates the firms that have proven themselves as experts in the transition management space.

Russell Investments impressed the judges with its bespoke, outcome-focused solutions across a wide range of transition types and its proven track record of success. Congratulations!

In the 18 months to December 2025, Russell Investments strengthened its position as a trusted transition manager, delivering bespoke, outcome-focused solutions across a wide range of transition types.

A key highlight for Russell Investments was the successful execution of two of its largest-ever transition events.

Both transition events were for European clients and completed ahead of schedule, with reduced tracking errors and provided significant cost savings.

The feedback from clients was glowing, with Russell Investments' unconflicted business model, along with its approach to trading across multiple counterparties, which minimised the risk of information leakage, highlighted as standout features.

Additionally, the firm's flexible and consultative approach, as it prepared

and proposed numerous scenarios in its planning ahead of the events, was also acknowledged in the feedback.

The judges also commended Russell Investments for its ability to reduce costs, with the firm being completely transparent in how it is remunerated when acting in a fiduciary and pure agency capacity.

And as verified by external transaction cost providers, the firm can consistently reduce market impact relative to its peers in all asset classes, resulting in real cost savings for its transition clients.

Clients favoured the firm's pure agency business model, which led to a record €348 billion traded, fuelled by strong European client demand.

To offer the best to its clients, the firm uses foreign exchange (FX) Transparency to provide transaction cost analysis for all FX trading and provides full transparency, including time stamps.

Independent verification for spot FX trades illustrated that Russell Investments was able to achieve an average -0.13 basis points transaction cost, including emerging markets and restricted currencies. This is a price improvement of over 5.7 basis points relative to the median of all custodians in the FX Transparency peer universe.

These results demonstrate how Russell Investments delivers outcomes in line with expectations while minimising opportunity cost. Congratulations again to the whole team at Russell Investments on this well-deserved win!



Are bigger transitions changing transition management?

Transition events are getting bigger. Recent transition events have involved tens of billions in assets, with the largest potentially exceeding \$100 billion. As the size of these events grow, so does the importance of how the portfolio transition is planned, managed and ultimately executed.

The challenge is that portfolios remain exposed while assets are being moved and restructured. Markets fluctuate, individual securities can experience sharp price movements, and information about a large buyer or seller can affect execution. Across a large portfolio, even relatively small inefficiencies or adverse movements can translate into significant costs.

The challenge with large transition management events

Investors typically want to minimise transaction costs while controlling tracking error, maintaining market exposure and completing the transition within the required timeframe. However, the larger the portfolio, the greater the consequences of getting that balance wrong.

Scale can introduce complexity. A transition may span multiple asset classes, markets, currencies and trading venues. Certain securities may be difficult or expensive to transfer. Tax considerations can

influence whether assets should be transferred, crossed in the market or sold and replaced. Settlement requirements can create additional demands on cash and operational resources. Therefore, for particularly large events, to balance different objectives and variables institutions may implement scenario planning well before the first trade takes place.

Why does a larger transition require a more consultative approach?

There is rarely one way to execute a complex transition. An institution might move the portfolio in a single event, divide it into smaller transitions or adopt different approaches for different parts of the portfolio. A transition manager can model those alternatives before implementation, examining expected costs, risks and operational requirements.

A consultative process allows the institution and transition manager to determine which approach best reflects the investor's objectives. This can be particularly valuable where transferring assets is difficult or costly, allowing different implementation approaches across the portfolio.

How important is a transition manager's business model?

Large transitions involve sensitive information. As the size of a transition

increases, controlling how information is handled and limiting unnecessary information leakage becomes essential. Investors need to understand how a provider is incentivised and whether competing economic interests could influence how, when or where trades are executed.

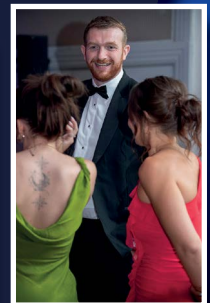
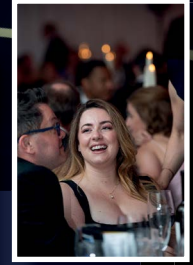
An unconflicted model can help simplify that question. Using multiple counterparties and independent execution venues creates competition for trades while allowing execution decisions to be made according to the requirements of the transition.

The impact of market concentration

Stock-specific risk has become more pertinent with the evolution of AI, the growth in these stocks, their index weightings and underlying volatility. For a portfolio in transition, a large exposure left outstanding can become a meaningful source of risk. A portfolio-level view can identify securities contributing disproportionately to tracking error and inform execution priorities as the transition progresses.

The overall impact of larger transitions is simple: they magnify both costs and risks. For the largest and most complex events, having the right partner and a carefully considered plan can therefore be just as important as execution in delivering an effective transition.

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CBBA EUROPE

Completing the single market for supplementary pensions

Cross Border Benefits Alliance-Europe secretary general, Dr Francesco Briganti, outlines the association's vision for improving retirement outcomes and strengthening Europe's competitiveness

When the Cross Border Benefits Alliance-Europe (CBBA Europe) was launched in December 2017, its mission was clear: to contribute to completing the European single market for supplementary pensions and employee benefits. From the outset, we advocated a simple principle: wherever competition already exists within a member state, providers from other member states should be able to compete on equal terms. This approach has never challenged mandatory pension systems or nationally based solidarity schemes. It simply calls for the consistent application of single market principles to those parts of the second and third pension pillars already open to competition.

At the time, this vision was far

from mainstream. Today, however, reports by Enrico Letta and Mario Draghi, together with the European Commission's Savings and Investments Union strategy, have confirmed the same diagnosis – fragmentation of European financial and pension markets undermines both retirement adequacy and Europe's long-term competitiveness. This position, consistently advocated by CBBA Europe since its foundation, is now widely shared across the European policy community.

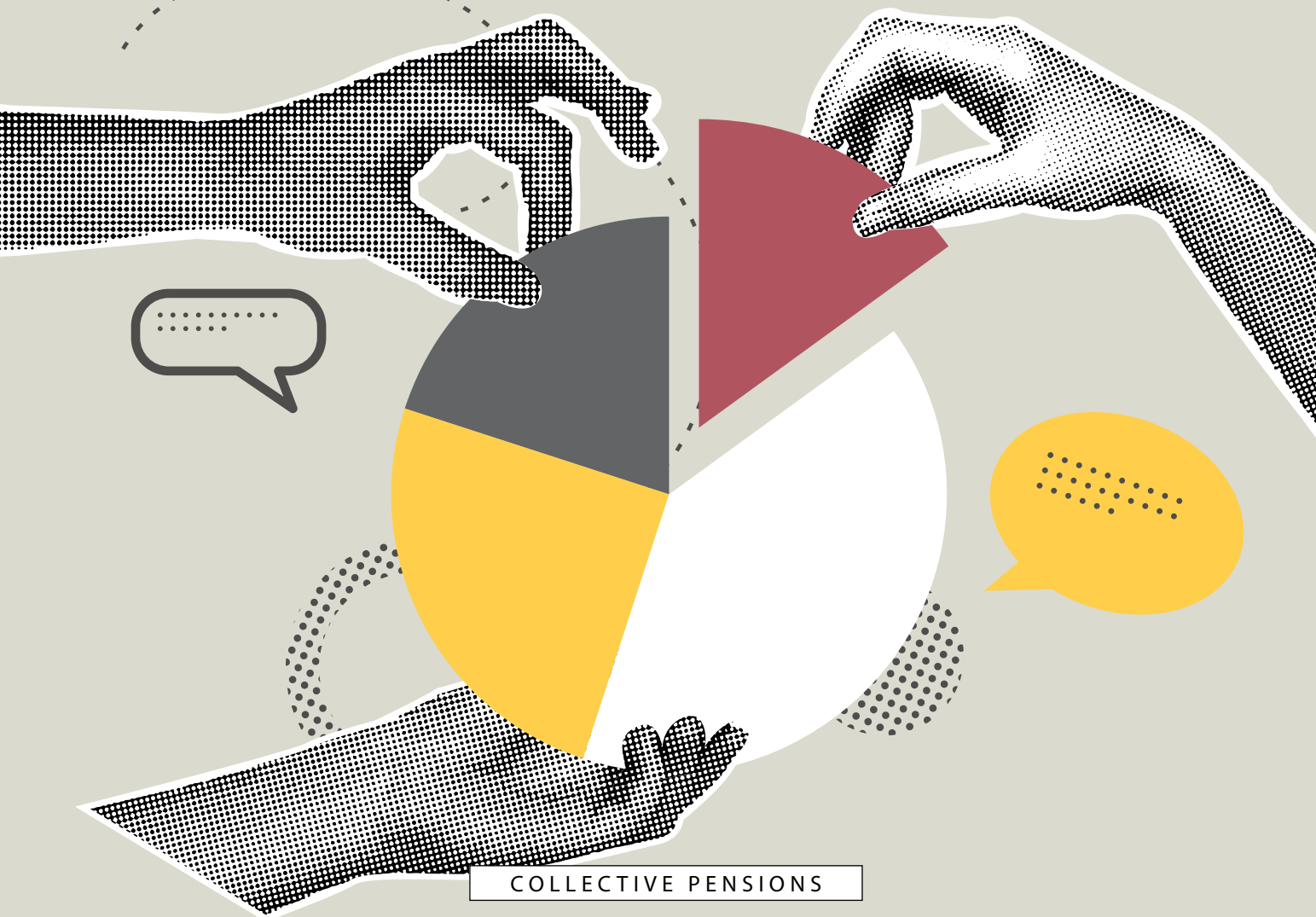
Against this backdrop, CBBA Europe has published its position papers on the revision of both the IORP II Directive and the pan-European personal pension product (PEPP) regulation, proposing practical reforms to create a more integrated, competitive and citizen-centred

supplementary pension market.

Regarding IORP II, we welcome the commission's efforts to simplify the cross-border framework, many of which reflect recommendations long promoted by CBBA Europe. Yet the central challenge remains unresolved. Despite more than two decades of European legislation, cross-border occupational pensions remain the exception rather than the rule. Opening national markets to genuine cross-border participation would foster innovation, improve efficiency, generate economies of scale and better support an increasingly mobile European workforce.

The case for the PEPP is even more compelling. Since it operates in an already competitive market, there is no justification for treating a European personal pension product less favourably than a comparable national one. CBBA Europe therefore welcomes the commission's proposals to simplify the PEPP framework. Further progress is needed: greater portability between national personal pension products and PEPPs, together with a genuine level playing field, would represent the logical next step towards a truly European personal pension market.

The debate has now entered its decisive phase. The commission has tabled ambitious legislative proposals, but their success will depend on the European Parliament and the willingness of member states and national stakeholders to embrace meaningful reform. Since 2017, CBBA Europe has consistently argued that completing the single market for supplementary pensions is essential both for better retirement outcomes and for a more competitive Europe. Today, that diagnosis is broadly shared. The real question is whether Europe is finally prepared to act upon it. Europe no longer lacks the diagnosis. What it needs now is the political courage to act.



COLLECTIVE PENSIONS

Who shares wins

Collective sharing of risks or rewards form part of almost every national pensions system. As the UK launches a new type of collective defined contribution scheme, *David Adams* asks what policymakers, the pensions industry and employers can learn from the different ways collective elements are used in pension systems across Europe

The UK pensions landscape has seen a lot of change in recent years, including the introduction of auto-enrolment for workplace pensions, and multiple regulatory reforms. But might one of the less heralded changes prove to be one of the most significant – the development of new collective defined contribution (CDC) schemes?

The UK version of CDC doesn't offer scheme members a guaranteed level of pension, which is good news for employers seeking to escape financial risks associated with DB schemes. But it could give individuals a higher retirement income than an equivalent DC pension, in part because it allows active and retired members to benefit from collective investment returns derived from larger allocations of higher risk, potentially higher growth assets.

In both a whole-of-life CDC arrangement, covering accumulation and decumulation phases, and collective arrangements for decumulation (this is called retirement CDC in the UK), longevity risks are also pooled, freeing individuals from needing to make choices about how to use their DC savings based on their likely life expectancy.

"I think the principle of longevity pooling is such an obviously good idea that finding some way to make it work has to happen," says Gallagher global head of quantitative modelling, Alex White. "Something with longevity pooling is obviously better than DC."

Pension systems across Europe already use collective elements in a range of different ways, with the design and operation of workplace or multi-employer – sometimes industry-wide or sector-wide – schemes often negotiated between employers and social partners.

In the UK, The Pensions Regulator (TPR) has published an updated Code of Practice for CDC schemes and is allowing applications to run multi-employer CDC schemes; while the UK government has clarified legal and regulatory requirements. Further regulatory announcements related to the decumulation phase – so-called retirement-only CDC – are expected within the coming months. Several employers and pension

providers have now expressed an intention to set up new CDC schemes or incorporate CDC elements in existing schemes or products.

"Collective solutions do not suit everybody," says PensionsEurope Secretary General and CEO, Matti Leppälä. "Using collective solutions means you cannot have individual freedoms to the same extent, but collective solutions can be much more cost-effective, and lead to better outcomes."

The benefits of solidarity

The Netherlands is often said to have the best pensions system in the world, and arguably the collective elements of the system are a crucial factor in its success. Its second pillar is based on many industry or sector-wide DB schemes, alongside DB or DC company schemes. Membership of at least one occupational scheme is mandatory for all Dutch employees.

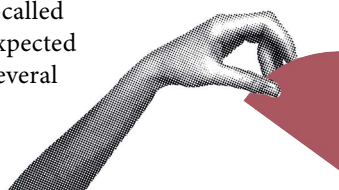
But, as elsewhere, during the 21st century the effects of increased longevity, intergenerational unfairness, and an unstable financial and economic backdrop undermined the financial sustainability of many second pillar schemes, forcing reforms intended to safeguard schemes, and reduce both intergenerational unfairness and the financial risks faced by employers.

A new second pillar system, based on the 2023 Future Pensions Act, or Wet Toekomst pensioenen (Wtp), is largely DC-based but retains some collective risk-sharing. There are two types of DC arrangement: 'solidarity' or 'flexibility' schemes. The solidarity model, by far the most popular option, retains collective investments and risk-sharing. Contributions tend to be set at similar levels to those used in DB schemes, and investment returns are distributed among members in different age groups according to a predetermined formula.

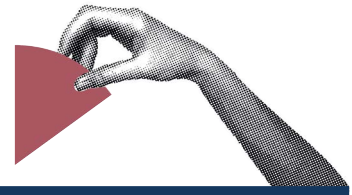
During decumulation Wtp schemes provide, in effect, a collective variable annuity: an income for life, the level of which is determined by investment returns. Schemes also include a capital buffer, to be drawn upon if investment returns are lower than expected, so avoiding, or minimising, any need to cut pension benefits.

"It's a relatively small buffer, but it generates a lot of security for members," says PwC Netherlands senior director and pensions adviser, Willem Eikelboom.

A spokesperson for the Dutch Federation of Pension Funds (Pensioenfederatie) says this form of collective risk-sharing "ensures that millions of participants are stronger together than if they were



"THE PRINCIPLE OF LONGEVITY POOLING IS SUCH A GOOD IDEA THAT FINDING SOME WAY TO MAKE IT WORK HAS TO HAPPEN"



to bear such risks individually. By pooling contributions and investments, risks are shared, costs are controlled, and economies of scale are leveraged.”

The Danish pensions system, also well-regarded internationally, includes sector-wide occupational schemes that offer many workers a choice of DC or CDC-like arrangements. Danish technology provider Festina Finance CTO, Jesper Lauritsen, believes many people opt for the CDC-like approach because this means they do not have to make investment decisions. But he also thinks a collective approach is popular in both Denmark and the Netherlands in part because it is aligned with widespread attitudes to sharing financial risks and rewards.

He notes that much of the debate in the UK has focused on the possibility that CDC pension schemes could deliver higher investment returns and pension benefits.

“Actuaries in Denmark might also say that this is the case, but I don’t hear that argument here or in the Netherlands,” he says. “In both countries it’s more about having a collective mindset in a broader sense.”

Different routes to a common goal

There are collective elements in use in the pensions systems of a number of other European countries, but the positive effects they may have on some aspects of the system are sometimes overshadowed.

“In Germany, what looks like quite a good model has been slowed down by some of the unions,” says LCP partner and head of CDC pensions, Steven Taylor. “The German system means you have to be within a unionised environment to use CDC.” This has restricted access to these pensions significantly: currently there are about 10 in operation, serving only about 100,000 members in total.

In other European countries, such as Finland or Sweden, collective elements in occupational pensions take different forms. In Finland, a basic state pension is combined with a compulsory occupational pensions system based on company or industry-wide schemes. In Sweden, the second pillar of the pensions system is dominated by a handful of very large schemes reserved for different sets of public and private sector workers, governed by collective agreements with trade unions and other social partners.

The UK is not building a model for CDC pensions based on compulsion. But UK policymakers are in favour of further consolidation of the country’s many small workplace schemes.

“BY POOLING CONTRIBUTIONS AND INVESTMENTS, RISKS ARE SHARED, AND COSTS ARE CONTROLLED”

Increased use of both whole-of-life and retirement CDC may encourage further consolidation, which may make regulation of the country’s pensions system more straightforward.

“In the UK we have 5,000 DB schemes; and in a few years’ time there might also be 10 or 20 CDC schemes in the UK, so regulating those is going to be easier,” says Taylor. “Are they individually slightly more complex? Yes, but if you’ve got similar benefit structures being delivered by a smaller number of collective schemes it becomes easier to notice specific issues affecting individual schemes.”

PwC UK partner and pensions consultant, Minesh Rana, is not so sure: He points out that in the UK regulation of CDC schemes is considerably more complex than regulation of DC schemes, and will involve multiple regulators, with TPR in charge of trust-based workplace schemes, while the Financial Conduct Authority oversees pension providers’ retirement CDC products.

One aspect of that regulatory complexity will be the rules governing how schemes and providers communicate with CDC scheme members, while also explaining how the CDC model works.

“You need to focus on clearly articulating to members what they are getting: a targeted pension, most likely a higher pension than they would get with DC – but there are no guarantees,” says Taylor. “It’s important to get that message across in a way that is not scary.”

Leppälä wonders if the persistence and redevelopment of collective elements in pensions represents a pushback against the trend in recent years of forcing more individuals to take on more risks through membership of DC schemes. He points out that the Wtp schemes in the Netherlands retain risk-sharing within a DC framework and suggests that we may see similar trends in other countries in future.

Whether via DC or CDC arrangements, “sharing longevity risks is crucial for people entering the retirement phase,” says Leppälä.

“These risks don’t go away; they come back to these individuals – and to society, in the end – if they can’t be shared. We hope that policymakers in Europe and elsewhere understand that.”

European Pensions



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ENGAGEMENT



Pension schemes and providers are increasingly offering services that go beyond retirement saving. But as member expectations evolve and schemes look to improve engagement and retirement outcomes, where should they draw the line between providing a pension and supporting broader financial wellbeing, asks *Pete Carvill*

Financial literacy is one of those things where it is always better to have more than less; an informed population is one that makes better decisions when it comes to their retirement choices and provisions.

“A financially literate population”, writes European insurance and reinsurance federation, Insurance Europe, in *Advancing Financial and Insurance Literacy in the EU*, “is more likely to grow long-term savings, invest confidently, and engage with capital markets.”

This, says Insurance Europe, is more than optimal, calling financial and insurance literacy the “essential foundations of financial wellbeing”.

The federation goes on: “When people understand how to manage risk, save, and plan for the future, they are better equipped to make informed choices, handle unexpected events, and achieve long-term financial goals. This strengthens individual resilience and contributes to the broader stability, inclusiveness, and sustainability of Europe’s financial system.”

And yet there is a gap to fill. In April 2023’s *EU Barometer* survey, fewer than one in five were said to have a ‘high level’ of financial literacy. And a joint survey by Insurance Europe and the European Youth Parliament found that just 11 per cent of young people felt they received sufficient education in school to make informed financial and insurance decisions.

As Insurance Europe wrote, “in other words, eight out of ten young people lack the knowledge and tools needed early in life to confidently manage their finances and plan for the future. The resulting knowledge gap contributes directly to underinsurance, poor risk management, and low participation in long-term savings”.

Steps towards aiding financial



“IT IS IMPORTANT TO THE EMPLOYER AND VALUABLE TO THE EMPLOYEE WHEN AN EMPLOYER TAKES AN ACTIVE ROLE IN FINANCIAL WELLBEING”

literacy and wellbeing are also increasingly becoming part of the offerings from funds and schemes seeking to add value to their proposition. Recently, the Dutch fund PFZW partnered with the independent NSR Foundation’s Geldfit programme to provide its customers with what it called ‘information, tips, and useful tools about money’. Those participating can take a two-minute test with Geldfit to see what their spending, saving, and investing habits are, the overall aim being for them to take control of their financial health.

There have been similar moves in the UK, with Royal London and Aviva launching new financial wellbeing services this year, while the Norwegian pension giant KLP and the pan-European firm Warren have also tried to tackle the same issue.

As Warren points out, “78 per cent of working people feel stressed about money. Not because they earn too little, because nobody ever taught them. Schools didn’t. The system won’t.”

And there is an argument that the promotion of financial literacy, as a workplace benefit, benefits both employees and employers.

“When an employer is looking at the best uses of their employee benefit spend,” says WTW DC consulting director, Stuart Arnold, “financial wellbeing is a key area that

provides a return on investment. Notably, the WTW *Global Benefits Attitude Survey 2024* found that employees with financial problems are 1.9 times more likely to miss work and 1.6 times more likely to look for a new job. As such, it is important to the employer and valuable to the employee when an employer takes an active role in financial wellbeing.

The role providers can and should play

Funds and schemes are in a good position, with the requisite knowledge, to help promote financial literacy amongst their clientele. As a broad rule, an improvement in outcomes for customers means a better outcome for the fund or scheme.

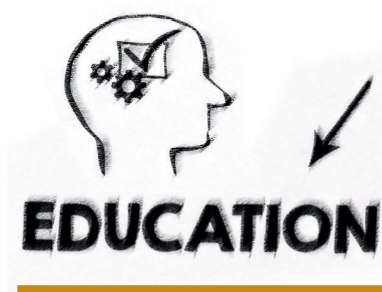
Yet despite this expertise, providers cannot simply be a one-stop shop for all the needs of consumers.

Trafalgar House client director, Dan Taylor, says that there is a real appetite across the industry for coaching, budgeting tools, and wellbeing platforms. But while much of it is good, he adds, that’s not what the client is asking for. The thing they are seeking is much simpler – knowing what they have saved while also knowing that that figure is accurate.

He adds: “The role of the industry is narrower than the industry would

like it to be. We're well placed to make someone confident about their own pension. We're not well placed to make them financially literate in general, and the two get conflated far too easily."

PFA DK director of communications and business development, Tim Smidemann, also says that while providers can be hamstrung by not being able to solve all the challenges that relate to financial literacy, there remains a lot that they can do.



**"I WOULD LIKE TO SEE
PROVIDERS BECOMING
MORE INVOLVED IN
FINANCIAL EDUCATION
FROM AN EARLIER AGE"**

Fundamentally, Smidemann says that funds and schemes should take responsibility for explaining complex issues in plain language and showing customers the consequences of different choices. The focus should, he says, be on empowering people, but not trying to make them into financial experts.

There is also an argument that such education should come sooner, before the customer even becomes a customer. Once someone takes an independent interest in their pension, the day may already be a little late.

Cartwright Employee Benefits employee benefits lead, John Mulally, has an idea of what he

would like to see.

He says: "I would like to see pension providers becoming much more involved in financial education from an earlier age. Rather than waiting until someone joins their workplace pension, providers could work alongside schools and colleges to introduce younger people to the basics of pensions and long-term saving. In the past, banks regularly visited schools to teach children about opening their first savings account and the value of managing money responsibly."

The line between advice and adviser

The provision of information to customers of their options and resources walks a fine line. While many regulators would appreciate the engagement between the industry and the general public, there will naturally be a wariness over what that advice is. Informing someone is one thing, but it is another to use that opportunity to try and guide them down a path – especially if that path ultimately benefits the fund or scheme.

For Arnold, the boundary between giving advice and being an adviser is whether the customer is being helped to understand their choices or being told which choice is right for them. While a member can be told what their options are and what each option means, being told which option to pick seems to cross that line.

"That distinction is well understood in administration, and it holds up under pressure," says Taylor. "The space in between is where it gets awkward, and the regulatory boundary there is moving. Whatever lands, the safeguard is the same. Accuracy. A projection that's materially wrong isn't guidance, it's misinformation with a friendly interface."

Adds Smidemann: "General

information explains options and concepts. Advice is personal and takes the individual's circumstances, goals, and risk tolerance into account. Providers should always be clear about whether they are offering information, guidance, or a specific recommendation."

An intriguing proposition

There is perhaps a role for the industry to come together and create a space between its component organisations to promote financial literacy. In the UK, the industry was able to coalesce around pension tracking. If advice was to kept broad and generic, improving overall literacy rather than providing guidance, might there be a role for pension providers to tackle this en masse rather than through individual attempts?

"Providers could collaborate," says Smidemann, "on neutral and easy-to-understand information about pensions, costs, risk, inflation, insurance, and the importance of saving early. Competition should remain on products and services, while cooperation can help make the system easier for everyone to understand."

Taylor agrees that an industry that can agree common standards for finding pensions can do the same for explaining them. He adds that consistent language would do more for public understanding than a hundred initiatives all saying the same thing with slightly different wordings.

But any such road would be a long and hard one.

He adds: "Whether it actually happens is a different question, and I'd be less hopeful there. Engagement has quietly become competitive ground. Tools, apps, modelling, guidance journeys – it's all part of how providers and administrators win work now."



Q & A

Behind the wheel

Alecta pension economist and spokesperson, *Staffan Ström*, shares his passion for classic cars, his interest in Swedish history, and what he believes is the biggest misconception about pensions



What's your employment history (including jobs outside of pensions)?

I began my career in what had been my hobby: restoring classic cars. After countless visits to my local Volvo dealership, the parts manager offered me a job in the parts department. A few years later, I enrolled at university to study political science and urban and regional planning. During my studies, I learned that I was going to become a father. I decided to take what I thought would be a short break from academia and spend a year working in pensions. That 'one-year break' turned into a career, and I am now in my 26th year in the pensions industry.

What's the biggest misconception people have about pensions?

That your retirement outcome depends on selecting the single best fund from hundreds of available equity funds. In reality, a good pension is built through the right asset allocation, low fees, and, above all, patience.

What was your dream job as a child?

To become a police officer or an



archaeologist. Becoming a pension expert was nowhere near the top of my list...

Do you have any hobbies or things you love doing in your free time?

My passion for classic cars has never faded, and I'm currently restoring a 1958 Volvo PV544. I also enjoy improving my modest summer cottage. As a contrast to my largely abstract work, I enjoy working with my hands in my spare time.

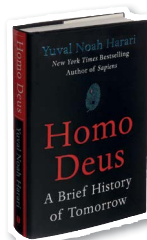


Is there a particular sport/team that you follow?

Not really, to be honest. I can become fascinated by many things, but sports have never been one of them.

What was the last book you read that you really enjoyed?

This summer, I reread *Homo Deus: A Brief History of Tomorrow* by Yuval Noah Harari. It's one of those rare books that rewards a second reading, and one of my goals this year is to persuade my daughters to read it as well.



What's your go-to karaoke song?

Ride On by AC/DC.

Whatever happens during the performance, one thing is certain: the audience will get to hear one of the greatest guitar solos of all time.

What's one of the most interesting places you've travelled to?

I'm fascinated by Sweden's industrial history, so some of the most interesting places I've visited are old ironworks, mines, and historic industrial communities around the country. I often try to persuade my family to come along. On rare occasions, I even succeed.



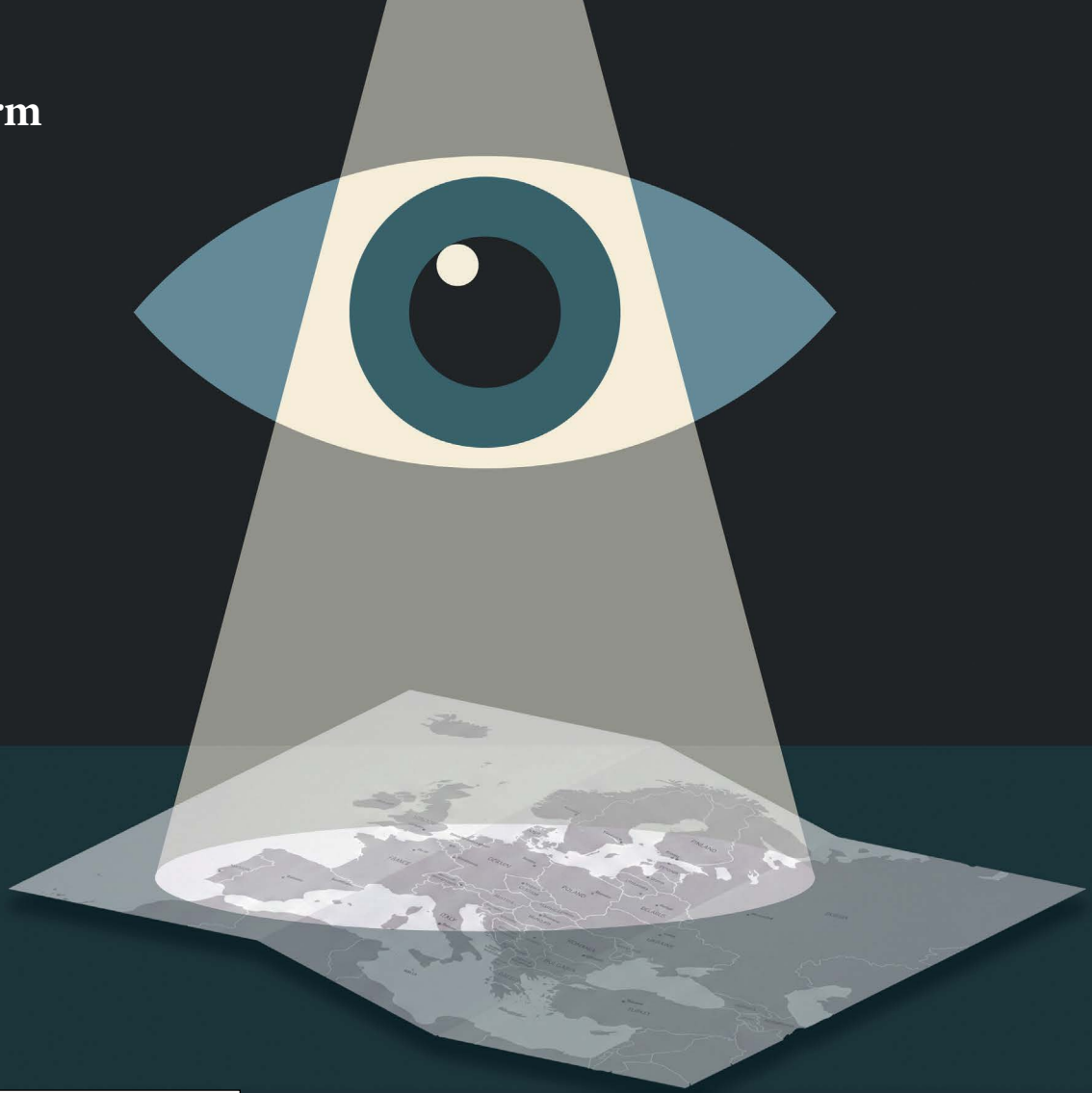
If you could meet any historical figure, who would it be and why?

That's a tough one. Probably Gustav Vasa, the king widely regarded as the founder of modern Sweden, who laid the foundations of the country in the early 16th century.



Is there an inspirational quote/saying you particularly like?

"The best time to plant a tree was 20 years ago. The second best time is now."



REFORM

Savings under scrutiny

From France and Hungary to Estonia and Slovenia, a series of recent Organisation for Economic Co-operation and Development (OECD) Economic Surveys has placed pension reform firmly on the agenda. *Callum Conway* rounds up the organisation's latest country recommendations and the very different retirement challenges facing policymakers across Europe

Ageing populations are forcing European governments to revisit questions that have shaped pension policy for decades: How long should people work? How generous can state provision remain? And where should private and occupational pensions play a greater role?

The OECD's latest economic surveys show these questions are becoming increasingly urgent, although its recommendations vary sharply from country to country. In some of Europe's more generous first-pillar systems, the emphasis is firmly on fiscal sustainability, later retirement and tighter early-retirement routes.

Elsewhere, particularly where future public pension provision is expected to be less generous, the OECD is placing more weight on funded retirement saving, occupational pension coverage and second-pillar participation.

The organisation's latest recommendations therefore give a snapshot of the very different stages of pension reform across Europe.

**HUNGARY**

Retirement age should move with longevity

Hungary received one of the OECD's clearest calls for further pension reform, with the organisation warning that ageing-related spending pressures would place increasing strain on the public finances.

Pension expenditure is projected to increase by 4.4 percentage points of GDP by 2070, while the statutory retirement age, currently 65, is not linked to life expectancy. Therefore, the OECD recommended gradually linking the retirement age to longevity.

Under one scenario examined in the report, which reflected two-thirds of future gains in life expectancy in the retirement age, it could rise to around 67 by 2045 and 69 by 2070.

The Women-40 scheme was another focus. It enables women to retire after 40 years of eligibility without an actuarial reduction, contributing to almost half of women retiring before the statutory age, at an average age of around 60.

The OECD suggested linking the 40-year requirement to developments in life expectancy, while retaining scope for some early retirement with actuarial reductions.

It also questioned the cost of additional pension payments, recommending that Hungary consider capping the 13th- and 14th-month pension benefits, for example, at the average pension level, to protect lower-income retirees while limiting payments to those on higher pensions.

**FRANCE**

Resume reform and consider going beyond 64

France's pensions debate remains dominated by retirement age, and the OECD's latest recommendations offered little support for stepping back from reform.

The organisation said implementation of the suspended 2023 pension reform should resume from 2028, ultimately raising the statutory retirement age from 62 to 64. It also suggested that this may not be sufficient over the longer term.

Indeed, public pension spending stood at around 14.1 per cent of GDP in 2025 and, even with the 2023 reform implemented, is projected to remain at around this level over coming decades.

Meanwhile, the French Pensions Advisory Council expects the pension system's financing requirement to increase over the longer term.

The OECD therefore argued that France should consider moving its statutory retirement age closer to that of comparable countries and linking it to changes in life expectancy.

Such a move, it claimed, could deliver a double benefit by reducing pension expenditure while increasing labour supply and tax revenues.

**AUSTRIA**

Reduce the cost of one of the OECD's most expensive systems

Austria's pension system also attracted scrutiny because of the scale of first-pillar expenditure.

Public pension spending is among the highest in the OECD, at around 14.7-14.8 per cent of GDP, and is expected to continue increasing until around 2035.

Austria is already gradually raising women's statutory retirement age from 60 to 65 between 2024 and 2033, bringing it into line with men.

But the OECD called for further changes to guarantee long-term sustainability.

Its central recommendation was to link the statutory retirement age to future gains in life expectancy, with continued restrictions on early-retirement routes.

It also suggested a modest reduction in pension accrual rates, which remain among the highest in the OECD, and reform of pension indexation so adjustments differ between lower and higher pensions.

Austria has already tightened access to its corridor pension, with the required contribution period gradually increasing from 40 to 42 years and the minimum entry age moving from 62 to 63.

**SLOVENIA**

Build the second pillar alongside retirement-age reform

Slovenia illustrates a different challenge, with the OECD focusing not only on the sustainability of the public pension system but also on the underdevelopment of private retirement provision.

Recent reforms will gradually raise the statutory retirement age from 65 to 67 between 2028 and 2035 for those with at least 15 years of contributions. Those with 40 years of contributions will be able to retire

without penalty from 62 rather than 60.

Regardless of these changes, the OECD said Slovenia should consider linking its minimum retirement age to life expectancy over the medium term.

However, its recommendations also placed considerable emphasis on occupational pensions.

In Slovenia, private pensions remain underdeveloped, and the OECD recommended employer matching contributions or automatic enrolment in occupational pension schemes to increase retirement savings. It also called for continued efforts to raise awareness of workplace pension provision and to foster greater competition among providers.



ESTONIA

Rebuild second-pillar saving after liberalisation

Estonia's challenge is less about the cost of generous public provision and more about ensuring sufficient private savings as the role of state pensions declines.

A 2021 reform gave individuals broad freedom to withdraw their second-pillar pension savings. Around one-third of contributors subsequently withdrew their funds, equivalent to approximately 4.6 per cent of pre-reform GDP.

Although assets have since recovered, participation and contribution levels remain a concern.

The OECD argued the future old-age provision would increasingly depend on private savings and called for clearly defined conditions around withdrawals from the second pillar. It also recommended measures encouraging workers who have withdrawn their savings to make up for missed contribution years.

At present, those leaving the second pillar cannot rejoin for 10 years, although the government has proposed reducing this to five years. The OECD went further, recommending abolition of the existing 10-year re-entry rule and a review of the favourable tax treatment of third-pillar payouts.



LATVIA

Address poverty while protecting funded provision

Latvia faces an especially difficult balancing act between retirement adequacy and system sustainability.

The OECD warned that old-age poverty could increase without further policy intervention, partly because future pension replacement rates are low.

The report noted that the contributory minimum pension after a full 43-year career was equivalent to about 17 per cent of the average wage in 2024, while non-contributory old-age safety-net benefits were roughly 10 per cent.

The OECD therefore recommended increasing minimum pension provision and strengthening the safety net for older people.

It also acknowledged concerns about access to contributory pensions after the minimum contribution period was increased from 15 to 20 years.

Alongside adequacy, funded pensions remain an important part of the debate.

The OECD has voiced concerns about measures that temporarily shift contributions away from the funded second pillar towards the first pillar and has stressed the importance of maintaining strong long-term retirement savings.

As in several other countries, longevity also features in the recommendations, with greater alignment between retirement-age rules and rising life expectancy seen as a potential way to strengthen sustainability.



ITALY

Preserve life-expectancy link and avoid reopening early retirement

Italy's pension system is another of Europe's most expensive, with pensions accounting for a very high share of public spending.

Its statutory retirement age is 67, while future increases are linked to life expectancy.

The OECD welcomed the 2026 Budget's decision not to extend the temporary Quota 103 and Opzione Donna early-retirement programmes and to maintain planned increases linked to longevity.

However, it warned that breaking the life-expectancy link would produce lasting fiscal pressures and reduce labour-force participation.

Instead, the organisation recommended rationalising the remaining early-retirement pathways and improving older workers' ability to remain in employment, including through skills development and opportunities to move away from physically demanding occupations.

At the same time, supplementary pensions are

becoming more important in Italy.

Around 10 million workers were enrolled in supplementary pension schemes by the end of 2024, although total assets covered just 10.8 per cent of GDP.

Other recent reforms have strengthened automatic transfer of severance pay contributions into private pension funds unless workers opt out, while the 2026 Budget introduced more incentives to participate in the pension system.



PORTUGAL

Extend longevity link to early retirement

Portugal already goes further than many countries in adapting retirement ages to demographic change.

Its statutory retirement age is linked to life expectancy and increased to 66 years and nine months in 2026.

However, the minimum age for early retirement remains fixed at 60 for those who meet the relevant contribution requirements.

The OECD recommended extending life-expectancy indexation to that minimum age.

It also suggested reviewing early-retirement arrangements for specific professions and strengthening incentives for workers to delay retirement.

The report noted that around 20 per cent of new retirees with full contribution histories in 2023 had retired before the age of 60.

Although Portugal's statutory and effective retirement ages are already comparatively high, the OECD argued that further changes may be needed, as pension expenditure is expected to increase until the mid-2040s.

At the same time, it cautioned that reform should protect retirement adequacy, particularly for workers on low incomes or in physically demanding occupations.



ROMANIA

Protect second-pillar gains and continue reform

Romania's recent pension reforms received a more positive assessment, although the OECD urged the country to maintain momentum.

The 2024 reform changed benefit calculations,

strengthened the relationship between contributions and pensions, and contained measures designed to improve long-term sustainability.

In addition, the retirement age for women is being increased, while the overall retirement age is due to become linked to life expectancy from 2035.

Alongside the public system, Romania's mandatory second-pillar defined contribution scheme is expected to become more important.

OECD modelling suggested that, once mature, the DC system could add around 20 percentage points to the replacement rate of a median worker who entered the labour market in 2022.

Meanwhile, recent measures have also removed exemptions from second-pillar participation for sectors such as IT, construction, agriculture, and food, thereby widening coverage.

The OECD noted that the combination of public and private mandatory pensions could produce replacement rates above the OECD average, and noted that the 2024 reform had been effective in improving outcomes for lower earners.

However, it also stressed the need to complete reforms to special occupational pensions and maintain the contributory principle.

Different systems, similar demographic pressure

The OECD's recommendations differ across Europe, but the direction of travel is clear.

Countries including Hungary, Austria, France and Italy face pressure to contain public pension costs and encourage longer working lives, while Estonia, Slovenia and Romania are being pushed towards stronger funded and occupational provision.

Latvia highlights the continuing adequacy challenge, while Portugal shows how longevity links could increasingly extend into early-retirement rules.

A common theme is the greater use of automatic mechanisms, including retirement ages linked to life expectancy and default participation in private pensions. These can reduce the need for repeated reforms, but they do not remove difficult trade-offs around adequacy, coverage and the ability of different workers to remain in employment for longer.

Across Europe, ageing populations are forcing governments to rebalance public provision, funded saving and working lives. The solutions remain national, but the overall direction is towards later retirement, stronger supplementary pensions and systems that adjust more automatically to demographic change.

SUSTAINABILITY

Moving with the times

European pension funds remain committed to
sustainable investing, but approaches are evolving
to meet new demands and a changing world,
says Lynn Strongin Dodds





“SUSTAINABILITY CONSIDERATIONS ARE NOW INTEGRATED INTO INVESTMENT DECISION- MAKING”

Despite political headwinds in the US and cost of living concerns, European pension funds remain firmly committed to sustainable investing. They have been at the forefront of this type of investing over the past decade, but their approaches have become more comprehensive and refined. Today data-driven research, detailed analytics, risk management tools and active engagement are key components.

As Robeco pension & insurance solution specialist, Lukas Steyn, puts it, 10 years ago, responsible investment for many pension funds focused primarily on negative screening and omissions, sitting alongside the ‘real’ portfolio rather than being embedded within it.

Instead, he notes, sustainability considerations are now integrated into investment decision-making, with financially material environmental, social and governance (ESG) factors incorporated across investment processes, with stewardship becoming a core investment tool rather than a bolt-on.

Invesco head of sustainability strategy EMEA and private markets, Maximilian Kufer, also highlights the growing focus on systemic risks and outcomes. He explains that pension funds increasingly measure success not by the number of policies adopted, but by whether sustainability-related considerations are improving investment decisions, strengthening portfolio resilience and supporting long-term value creation.

Leading the way are the Nordic and Dutch pension funds, which have put active ownership front and centre. For example, the €533 billion Stichting Pensioenfondsen ABP, The Netherlands’ largest pension fund,

has moved from a static screening approach to a more outcome-driven stewardship and active ownership. Meanwhile, the €266 billion Pensioenfondsen Zorg & Welzijn (PFZW) for healthcare and social welfare, alongside fund manager PGGM, launched a ‘3D’ framework whereby financial performance, risk, and sustainability impact are weighed equally.

Although Dutch and Nordic pension funds have been long-term sustainable investors, regulation has also promoted a shift. The most notable are Solvency II for insurance companies and the IORP II Directive which requires occupational pension funds (IORPs) to integrate ESG issues into risk management and investment decisions.

There is also the Sustainable Finance Disclosure Regulation (SFDR) which aims to mitigate greenwashing and provide a more detailed framework to, among other things, help investors compare and contrast. There is a new version, SFDR 2.0, currently working its way through the EU regulatory maze with the goal to simplify the original framework from a complex disclosure regime into a clearer, product-categorisation system.

European regulation is doing the heavy lifting for pension funds through tightening up what qualifies as an ‘ESG’ or ‘sustainable’ label, with less room for discretion on

sustainability claims, according to Allianz Global Investors lead of sustainability strategists, Dennis Baas.

While legislation has been a driver, market participants also believe that European pension funds have a greater sense of fiduciary duty and current events have only strengthened their resolve. As M&G global head of ESG distribution, Kelly Hébert, notes, for many pension schemes, ESG integration has been approached through the lens of fiduciary responsibility. This not only means understanding financially material long-term risks but also the opportunities on behalf of their beneficiaries.

“As a result, while the language and sentiment around ESG may have changed considerably, we have seen much less fundamental change in the way many pension funds approach these issues,” she adds.

There has been no shortage of challenges. Over the past six years, they have had to deal with the fallout of Covid, the Ukraine war, conflicts in the Middle East, and US vacillating tariff policies. Moreover, environmental threats, albeit not new, have become even more pressing given the past summer where the region was hard hit by extreme heat, wildfires and floods.

This contrasts with the US, where there has been a backlash to ESG investing. This has prompted some to change their allegiance this year with BlackRock losing two Dutch pension mandates – PME Group and PFZW – worth a combined €19 billion due to its approach to climate action. State Street suffered the same fate earlier in 2025 with the UK’s People’s Pension fund pulling its £28 billion mandate.

Although some may be withdrawing from US asset



managers, they are also expecting much more from their European fund managers. Schroders global head of sustainable investment, Andrew Howard, notes that sustainable investment strategies have become more focused and data-driven over the past decade. Asset owners are increasingly setting specific priorities and targets and paying closer attention to the relationship between sustainability objectives and investment performance.

Take climate. The conversation has matured significantly, according to Steyn. He explains that five years ago, much of the focus was on portfolio decarbonisation, climate targets and Paris-Aligned Benchmarks (PABs). Many investors looked at reducing portfolio carbon intensity and demonstrating alignment with net-zero pathways.

Today, he says there is a shift towards climate transition investing. Pension funds are increasingly interested in whether companies have credible transition strategies, how investors can finance climate solutions, and how stewardship can support decarbonisation among high-emitting sectors. In other words, the emphasis is moving from portfolio alignment towards real-world alignment.

In addition, many pension funds are also looking at the wider sustainability picture and the interconnected risks and opportunities. Hébert explains that while climate remains important, it is no longer the only sustainability issue on the agenda.

She believes that biodiversity and nature-related risks are becoming more prominent, alongside social considerations and the broader implications of the energy transition. Increasingly, pension funds are

"IN OTHER WORDS, THE EMPHASIS IS MOVING FROM PORTFOLIO ALIGNMENT TOWARDS REAL-WORLD ALIGNMENT"

looking at the interaction between these issues rather than treating them in isolation.

This more comprehensive view requires greater resources, and it is no surprise that pension funds are turning to advanced technology across not just for sustainable investments but across the investment horizon. Recently, large pension funds across the Nordic region have embraced the rapidly developing technology, to both reduce costs as well as improve performance and gain insights. They are, though, proceeding slowly due to concerns about aspects of AI integration and adoption such as data privacy and ethics.

In terms of ESG integration in particular, Ninety-One global sustainable equity portfolio manager, Stephanie Niven, notes that AI adoption is proving a multifaceted challenge and opportunity that will impact strategies in various ways.

On the positive side, she says it's helping address the perennial issue of data to inform ESG analysis with large language models' capability to analyse a breadth and depth of unstructured data that is predominant in ESG analysis. However, AI is a significant accelerator of a range of ESG risks – product safety; cyber security and data protection, human rights as well as the environmental impacts of energy and water use required for the growth in compute capacity.

"Understanding these risks and ensuring companies are addressing these, while capturing the opportunities that AI brings for productivity, as well as potential social and environmental benefits (e.g. health services; energy efficiency) is top of mind for many responsible investing teams," she adds.

There has also been progress in the tools pension funds use to measure the success of ESG policies. Baas points to ESG scoring, emissions-reduction trajectories, as well as related engagement and proxy voting data. He notes that the most advanced funds maintain broader, more granular dashboards with more specific data.

These might comprise Sustainable Development Goals (SDG) alignment, dated decarbonisation targets, transition-financing volumes, biodiversity footprint, EU taxonomy alignment and principal adverse impact (PAI) indicators. The list could also include key performance indicators (KPIs) by asset class and very specific measures on thematic engagement and proxy voting.

However, assessing success may still prove difficult. It is not straightforward, according to Global Evolution senior corporate ESG analyst, Ethan Gibbs. He points out success can mean different things depending on an investor's objectives.

For some funds, it may be linked to achieving sustainability or impact related goals, for others it could be maintaining returns while avoiding controversial sectors. There are also those where ESG may be a form of risk management and this would entail avoiding materialisation of these risks or underperformance caused by these risks.

PRIVATE MARKETS

Building blocks of the future

Giovanni Legorano examines the growing appeal of private markets among European pension funds and their prospects for continued growth

European pension funds are piling up more resources into private markets, in a partial reshaping of their portfolios aimed at including additional less-liquid but potentially higher-return assets, schemes, consultants and asset managers say.

The reasons behind the increase range from regulatory changes to national government initiatives aimed at mobilising private assets into domestic economies and the desire of pension funds to increase the protection of their portfolios from the volatility of public markets.

These more recent drivers towards private markets add to the traditional factors that attracted pension funds to these types of assets for the past two decades: the search for additional yield and protection from inflation coupled with the ability, as long-term investors, to tolerate a certain degree of illiquidity in their portfolios.

In its *2026 Private Markets Study* published in January, Aviva Investors found that the average private market allocation by European institutional investors had risen to 12.1 per cent of overall portfolios. It also found that global institutional investors' allocation to private markets rose to 12.5 per cent of their assets under management.

The research found that 88 per cent of global institutional investors planned to increase or maintain private markets allocations over the next two years, with 76 per cent expecting private markets to outperform public markets over the next five years.

European pension funds' plans are increasingly turning into concrete decisions.

UK's Nest said in July it would expand its

investment in “high-growth private companies” through the creation of a dedicated venture capital sleeve, managed by Schroders Capital. The initial £200 million allocation to Schroders is part of a total £1 billion in fresh resources to be invested in venture capital.

The £68 billion pension scheme’s additional investment in venture capital followed an initial commitment of £450 million to be deployed over multiple years to Crescent, an alternative credit investment firm, to further strengthen its exposure to private direct lending.

Both moves are part of the UK state-backed scheme’s plans to increase its investments in private markets from 18 per cent to 30 per cent of its assets under management by 2030.

Similarly, Italy’s pension fund Enpam unveiled plans in mid-July to allocate €100 million to 10 different venture capital funds, which invest in Italian companies, and €30 million to real estate, including student housing.

A July report by the De Nederlandsche Bank (DNB) found that not only did Dutch pension funds’ investments in private assets rise to 23 per cent of their assets under management in 2025, from 21 per cent in 2021, but also that several schemes expected to increase their strategic allocation to private assets over the next five years – partly due to the transition to the new Dutch pension contract.

The new rules under the Future Pensions Act, introduced in phases since 2023, free Netherlands-based funds from committing to a defined retirement payout for workers and allow more risk to be taken, including reducing the money kept in lower-yielding but liquid government debt.

“We see growing interest in private markets among our pension fund clients,” says Dutch pension fund investment manager APG’s chief investment officer, private markets, Patrick Kanter.

“A key reason is that an increasing share of the global investment universe is now found in private rather than public markets. Long-term investors should have exposure to the broad opportunity set.”

He adds that the new Dutch pension system also creates more room to assess long-term risk premia economically (versus rules driven), while private markets can also offer greater opportunities for real-world impact because investors are often “closer to the underlying asset or company”.

Kanter continues that geopolitical tensions, climate risks and a more fragmented global economy increase the potential for future volatility and, possibly, inflation. “This strengthens the case for resilient and diversified portfolios with meaningful allocations to assets such as infrastructure,” he says.

Investors’ appetite for more private markets assets is primarily a feature of defined contribution schemes, especially in the UK.

In May last year, several UK schemes signed the so-called Mansion House Accord, a voluntary, industry-led agreement, pledging to achieve a minimum allocation of 10 per cent of their assets to private markets across all main default funds in their DC schemes by 2030 – with at least 5 per cent of the total going to UK private markets.

“The Mansion House Accord falls into this category of policy initiatives where the government is trying to nudge the DC market to consider these value-added strategies,” explains Legal & General head of diversified strategies, Martin Dietz.

He adds that, over the past three years, there has been a focus on trying to find better ways of running DC schemes with more value-added strategies. “Where people are willing to pay a bit more is very much on private markets,” says Dietz, who also manages L&G’s Private Markets Access Fund.

“Both the Financial Conduct Authority, the UK regulator, and the government have been pushing in this direction because they have an interest in people having enough when they retire. And they also want to have some of these resources invested domestically,” he says.

The investment universe under the category of private markets has broadened considerably, including a variety of assets ranging from private equity to private debt, infrastructure and also direct investment in secondaries.

A feature of the debate at the pension fund level is whether their focus should be more on private equity, a more traditional private markets asset, or on private debt, an asset which has increasingly attracted schemes’ attention more recently.

“Private debt and private equity play a similar role

**“WE SEE GROWING INTEREST IN
PRIVATE MARKETS AMONG OUR PENSION
FUND CLIENTS”**

in a portfolio to bonds and stocks,” says M&G Investments global head of client group, Neil Godfrey. “Pension funds’ assessment is based on whether they want to lend money to an enterprise and collect a healthy income in the form of debt, or whether they want to invest in an asset to capture more growth-like equity-like returns.”

He adds that the intersection of certain parts of the private credit market may actually cross over with some of the less high risk, more conservative end of the private equity market.

“The choice ultimately boils down to the risk budget of pension schemes. Do you want to put more capital at risk to generate those returns, or would you prefer to stay within a lower level of capital at risk to generate those returns?” he asks.



“PRIVATE EQUITY GIVES US ACCESS TO LONG-TERM COMPANY GROWTH AND HIGHER RETURN POTENTIAL”

In his opinion, the debate oscillates.

“When rates were incredibly low, places like the private credit markets would give you pretty healthy levels of return for senior secured assets, relatively low loss and given default risk outcomes,” he says.

However, currently, with higher levels – or persistently higher levels – of interest rates, he argues that investors get to the point where they have to appraise: ‘What is the level of risk acceptance and the level of return the market is going to give me? Do I still feel that equation balances?’

Finnish pension provider Veritas portfolio manager, private equity, Jussi Häkkinen, says there isn’t a universal answer to the private equity versus private credit question.

“For us, it’s clear that the current priority is to build both private equity and credit exposure further. Private equity gives us access to long-term company growth and higher return potential, while private credit provides contractual income, greater seniority and also downside protection,” he says.

He adds that the lower valuation frequency of private markets investments is an important feature.

“This is because it helps smoothen the reported volatility and it reduces the impact of short-term market noise,” he says. “We don’t have to pay too much attention to what’s going on in the public markets and to the ups and downs of the cycle.”

Commenting on whether private equity or private credit suits pension funds’ strategic investment needs better, Kanters says that it isn’t “really an either-or decision”, because the two asset classes serve different purposes.

“For many pension funds, both can add value. The real question is not which asset class is better, but whether it improves the overall portfolio’s expected return, diversification, liquidity profile and ability to deliver long-term pensions,” he says. “A combination of the two is an interesting addition to a traditional portfolio of public equity and bonds.”

Ask the industry:

Imagine you have €1 billion (or equivalent value in local currency) of new capital to invest today for your pension fund/pension fund client. How would you allocate it, what opportunities would you avoid, and what factors would most influence your decisions?

“
Diversification remains, in our view, ‘the only free lunch in investing’, as observed by Harry Markowitz. With €1 billion of new capital, we would seek to build a diversified portfolio designed to perform across market cycles rather than rely on any single theme or region. We would combine passive exposure to core asset classes – equities and bonds – with active strategies that may offer less correlated returns, alongside selective private market allocations.

Within equities, we would remain constructive but diversify beyond US large caps (which are dominated by tech stocks) by including emerging markets and small-cap stocks. In fixed income, we would spread risk across government, corporate, investment-grade, high-yield, emerging market and inflation-linked debt. We would also consider liquid alternatives and private market strategies that add diversification, and access to return drivers less dependent on public markets.

We would seek to avoid concentration risk, stretched valuations and areas where expectations already appear fully priced. Our allocation decisions would be driven primarily by diversification, inflation protection and portfolio resilience – aiming to improve downside resilience through periods of sustained negative performance, whilst recognising that losses remain possible.

ORLA AHERNE, Mercer Ireland head of investment

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If I had €1 billion to invest today for long-term pension commitments, the goal would not be to predict the next market winner. Instead, I would build a diversified all-weather portfolio: 20 per cent high-quality bonds and credit, 40 per cent listed equities across regions, 15 per cent private companies, 15 per cent real estate and infrastructure, and 10 per cent in liquid or strategic opportunities. I would avoid complicated, highly leveraged assets and fashionable themes whose valuations assume perfect outcomes. Decisions would be driven by expected risk-adjusted returns, liabilities, inflation sensitivity, liquidity, fees, governance, and sustainability. The priority would be resilience: preserving flexibility while compounding capital steadily enough to meet pension commitments across different economic and market environments.

MATTIAS MUNTER

Skandia pension economist and head of public affairs

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There is a pension reform taking place in Finland. The reform allows us to increase our portfolio allocation to equities. Thus, additional new money would go to equity markets. But of course, depending on the prevailing market situation and valuation.

ANNIKA EKMAN

Ilmarinen CIO



If we were allocating €1 billion of new pension capital today, artificial intelligence and digital infrastructure would be among the highest-conviction themes under consideration. Artificial intelligence has moved from a speculative theme to materially shaping markets, capital expenditure and the real economy. In our view, the AI revolution is real, substantial and still in its early stages. As the implications of AI stretch across asset classes, regions and sectors, it has the potential to create a wide set of winners and losers across portfolios. A Total Portfolio Approach is thus essential to assess the investment opportunity.

Much of the market debate has focused on the largest US hyperscalers, listed technology platforms and leading private AI laboratories. These businesses are clearly important to the theme, but their valuations already reflect a great deal of optimism. We think investors need to also consider opportunities beyond the largest and most visible beneficiaries. Value could accrue to chipmakers, cloud providers, data centre owners, AI labs, energy providers or a broader ecosystem of enabling technologies.

Data centres are a newer addition to the investment universe and represent the physical infrastructure required to house, power and cool the servers that train and run AI models. If AI adoption continues, demand for compute capacity should rise materially. Renewable energy has become an increasingly attractive indirect beneficiary of AI-driven infrastructure growth and would therefore rank highly among the areas we would consider for incremental allocations.

Listed data centre companies and infrastructure securities provide one route to access the trend, but a significant share of the opportunity is in private markets where we have invested through specialist funds, development platforms and direct co-investments. For an investor deploying substantial capital, private market opportunities can be particularly attractive because they provide access to parts of the value chain that are

often unavailable in public markets.

However, if allocating a €1 billion portfolio today, we also need to remain alert to the risks. Some existing business models may face disruption, such as software and SaaS companies which are already under pressure around pricing power and competitive advantage as AI lowers the cost of producing software and automating white-collar workflows. Another important consideration is that transformative technologies rarely follow a straight line. As capital flows into a new theme, periods of exuberance, sharp corrections and excessive valuations are often part of the price discovery process.

For long-term investors, maintaining diversification, discipline around valuations and concentration risk will be just as important as identifying the opportunities themselves.

MARTIN DIETZ

L&G head of diversified strategies



Decisions on the strategic asset allocation are based on our long-term expectations for asset classes returns and the risk preferences of the fund participants. It would make sense to invest this unexpected €1 billion new capital in the same proportions, unless the current portfolio deviates from the portfolio deemed optimal. This is actually why we regularly rebalance the portfolio: market developments cause deviations from intended weights, rebalancing brings the portfolio back in line. Perhaps for a smaller fund a billion could make a difference (assuming the assets increase, but the liabilities remain the same). So, if a pension fund were to receive €1 billion of additional capital today, our starting point would not be to chase short-term opportunities. Rather than trying to predict short-term market movements, we focus on maintaining a resilient portfolio that can perform across different market environments.

CHARLES KALSHOVEN

APG macroeconomist and expert strategist

In their own words...

Industry personalities' comments on the hot topics affecting the European pensions space

On the European Commission's proposals to simplify the Pan-European Personal Pension Product (PEPP) framework

"The case for the PEPP is even more compelling. Since it operates in an already competitive market, there is no justification for treating a European personal pension product less favourably than a comparable national one. CBBA Europe therefore welcomes the commission's proposals to simplify the PEPP framework. Further progress is needed: greater portability between national personal pension products and PEPPs, together with a genuine level playing field, would represent the logical next step towards a truly European personal pension market."

DR FRANCESCO BRIGANTI
Cross Border Benefits Alliance-
Europe secretary general

On how Finland's latest pension reforms are expected to affect Veritas

"From an investment perspective, the reform should improve long-term expected returns by allowing greater risk-taking within pension portfolios, although this will also increase volatility and widen the variation in annual returns. Both Veritas and the pension system as a whole, therefore, need to be capable of withstanding weaker outcomes at times. For the wider system, the reform should strengthen long-term pension funding, but the benefits will take time to materialise."

LAURA WICKSTRÖM

Veritas Pension Insurance chief investment officer



On how to invest €1 billion for a pension fund/pension fund client

"I would build a diversified all-weather portfolio... I would avoid complicated, highly leveraged assets and fashionable themes whose valuations assume perfect outcomes. Decisions would be driven by expected risk-adjusted returns, liabilities, inflation sensitivity, liquidity, fees, governance, and sustainability. The priority would be resilience: preserving flexibility while compounding capital steadily enough to meet pension commitments across different economic and market environments."

MATTIAS MUNTER

Skandia pension economist and head of public affairs

On whether the investment profession is ready for private markets to go mainstream

"We've done a good job building access, but the next stage in our industry's growth won't be addressed with more or better products. Instead, we have to train the judgment to use the ones that already exist. That's a harder thing to build than a fund, and a USD 20 trillion market won't wait for the industry to catch up."

LAURA MERLINI

CAIA Association managing director EMEA

On what policymakers and the pensions sector should focus on regarding the future of occupational pensions

"Another attempt to amend the BVG would once again lead to a political tug-of-war in parliament, resulting in an extremely shaky compromise and costly transitional measures. It is now important that we focus on targeted and broadly supported improvements. In this regard, ASIP attaches great importance to policymakers bearing in mind their subsidiary role and intervening in the occupational pension system only where necessary. Pension funds can resolve many problems themselves without the need for legislation. Selective tweaks to the law, merely for the sake of modernisation, are not appropriate."

LUKAS MÜLLER-BRUNNER

Swiss Pension Fund Association director

On whether the second pillar pension reforms in Austria will increase participation

"The reforms alone are unlikely to be sufficient to drive a material increase in participation. International experience shows that voluntary systems often face challenges in achieving meaningful scale."

MICHAELA PLANK
Mercer Austria principal

On increased interest in private markets

"We see growing interest in private markets among our pension fund clients. A key reason is that an increasing share of the global investment universe is now found in private rather than public markets. Long-term investors should have exposure to the broad opportunity set."

PATRICK KANTERS
APG chief investment officer, private markets

On the solution to Austria's current pension system challenges

"If Austria wants to relieve pressure on the state pension pillar and expand funded retirement provision materially, more ambitious reforms will be needed. Automatic enrolment into the Pension Investment Pool would be one particularly effective next step."

PHILIPP MAYER

Valida Vorsorge Management member of the executive board

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Assets Under
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OCIO and Fiduciary Management

*Provider rankings from The Cerulli Report: 2025 U.S. Outsourced Chief Investment Officer Function, based on 2024 AUM; report published November, 2025. **AUS as of March 31, 2026. Assets Under Supervision (AUS) includes assets under management and other client assets for which Goldman Sachs Asset Management has full or partial discretion. Goldman Sachs Asset Management is not affiliated with the mentioned award providers. Awards do not represent compensated endorsements. There is no guarantee that objectives will be met. Assets Under Supervision (AUS) as of December 31, 2025; DC Advisory/OCIO Asset Under Advisement/Supervision as of December 31, 2025; Alternatives AUS as of December 31, 2025. AUS includes assets under management and other client assets for which Goldman Sachs does not have full discretion. This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. There is no guarantee that objectives will be met. THESE MATERIALS ARE PROVIDED SOLELY ON THE BASIS THAT THEY WILL NOT CONSTITUTE INVESTMENT ADVICE AND WILL NOT FORM A PRIMARY BASIS FOR ANY PERSON'S OR PLAN'S INVESTMENT DECISIONS, AND GOLDMAN SACHS IS NOT A FIDUCIARY WITH RESPECT TO ANY PERSON OR PLAN BY REASON OF PROVIDING THE MATERIAL OR CONTENT HEREIN. PLAN FIDUCIARIES SHOULD CONSIDER THEIR OWN CIRCUMSTANCES IN ASSESSING ANY POTENTIAL INVESTMENT COURSE OF ACTION. **CONFIDENTIALITY:** No part of this material may, without Goldman Sachs Asset Management's prior written consent, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person that is not an employee, officer, director, or authorized agent of the recipient. United Kingdom: In the United Kingdom, this material is a financial promotion and has been approved by Goldman Sachs Asset Management International, which is authorized and regulated in the United Kingdom by the Financial Conduct Authority. FOR INSTITUTIONAL OR FINANCIAL INTERMEDIARIES USE ONLY—NOT FOR USE AND/OR DISTRIBUTION TO THE GENERAL PUBLIC. For Third Party Distributors Use Only —Not for Distribution to your clients or the General Public. Use for Existing clients invested in the particular Product/Strategy that is the subject of the material: This material is provided at your request solely for your use. Use for Prospects who are not invested in the particular Product/Strategy: This material is provided at your request for informational purposes only. It is not an offer or solicitation to buy or sell any securities. The portfolio risk management process includes an effort to monitor and manage risk, but does not imply low risk. THIS MATERIAL DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT WOULD BE UNAUTHORIZED OR UNLAWFUL TO DO SO. Prospective investors should inform themselves as to any applicable legal requirements and taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant. This material is provided for informational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. This material is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate investment strategies depend upon the client's investment objectives. ©2026 Goldman Sachs. All rights reserved. Date of First Use: August 3, 2026. 525554-OTU-2585977.