

European Pensions

Autumn 2025

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EU supervision

How EIOPA and Europe's other institutions can play a stronger role in shaping better pensions

Member wellbeing:

Disability pensions

With rising claim rates, calls are growing for more preventative action

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Europe's 'independence moment'



**Natalie Tuck,
Editor**

European Commission President, Ursula von der Leyen, used her 2025 State of the Union address in September to call for Europe's "independence moment".

"To be able to take care of our own defence and security. To take control over the technologies and energies that will fuel our economies. To decide what kind of society and democracy we want to live in. To be open to the world and choose partnerships with allies – old and new," she said in her address.

Her message was in response to heightened geopolitical tensions, as she declared, "Europe is in a fight". Independence, in this sense, means resilience. The ability to withstand shocks, safeguard citizens and to act from a position of strength rather than vulnerability.

Europe's pension sector has a role to play in this. With trillions in long-term capital, pension funds are not just passive investors. When they allocate to European infrastructure, they strengthen the continent's backbone.

When they finance the green transition, they reduce dependence on imported energy. When they support innovation and industry, even defence as we explore on page 95, they are investing in Europe's ability to protect itself.

However, resilience isn't just about protecting Europe from external risks. It also means meeting social obligations at home, such as having retirement systems that provide adequate outcomes for citizens and to protect those in need.

That's why in this issue we look at Belgium's pension system, which has been described as "not broken but underperforming" by Better Finance director of communications, Arnaud Houdmont, in a guest comment [page 21], whilst we delve further into proposed reforms to the country's pension system [page 18].

We also look at disability protection across Europe, where in some countries the safety net is part of the pensions system. In others, it's a separate insurance. With claims rising, particularly for mental health issues, there are growing calls for more preventative support.

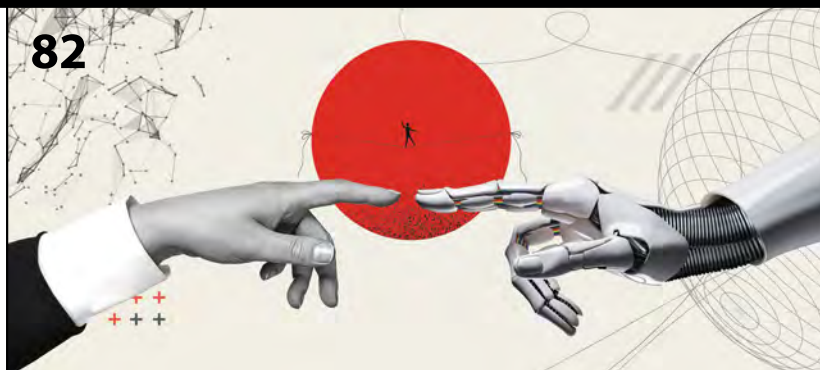
Indeed, in an age of rising conflict, it's more important than ever for Europe to keep its citizens healthy and achieve its independence moment. Enjoy!

**"WHEN THEY FINANCE
THE GREEN TRANSITION,
THEY REDUCE
DEPENDENCE ON
IMPORTED ENERGY"**

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



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The European Commission's (EC) consultation on supplementary pensions has triggered a broad set of responses from pan-European industry associations. While all agree on the need for urgent reform to close pension gaps, they remain divided over how best to adapt the Pan-European Personal Pension Product (PEPP) and its link with occupational pensions.

Stakeholders agreed that the current PEPP framework has failed to deliver, pointing out that only two providers currently offer PEPPs across the EU, underscoring the need for reform.

In particular, the European Insurance and Occupational Pensions Authority (EIOPA), the European Fund and Asset Management Association (EFAMA), the Cross-Border Benefits Alliance Europe (CBBA-Europe), and PensionsEurope all said the 1 per cent cost cap should be replaced with a value-for-money approach.

Unequal tax treatment emerged as a near universal concern. EFAMA called for a "true pan-European market" where PEPPs receive the same tax treatment as national products, while CBBA-Europe described current discrimination as "unacceptable" and demanded decisive action against protectionist practices.

The rigidity of the current design was another recurring concern, as EFAMA argued the basic PEPP was hampered by strict rules. PensionsEurope, EFAMA and CBBA-Europe all called for a simpler life-cycle approach, although they differed on application. EFAMA argued they should be the default, which would allow advice requirements to be lifted, reducing costs and increasing accessibility. PensionsEurope agreed on their value but warned they should not be automatic, since "the best investment strategy depends on the participant's financial situation".

Another recurring theme was the call to transform the PEPP into a label. EIOPA suggested renaming it "EuroPension", arguing that an EU-wide label would raise awareness, boost



EC plans to extend PEPP to workplace pensions met with mixed reaction

WHILST SOME HAVE SAID THE PLANS COULD BE A SUCCESS, OTHERS HAVE URGED THE COMMISSION TO PRIORITISE EXISTING SCHEMES

Written by: Natalie Tuck and Sophie Smith

uptake, and help providers achieve greater scale. Its 2025 Eurobarometer survey showed 54 per cent of consumers would be more likely to purchase a pension if it carried an EU label, rising to 65 per cent among those under 24.

EFAMA echoed this, and both groups suggested that the label could be extended to qualifying national products to help improve awareness and coverage.

EIOPA said such visibility would also benefit providers and the wider economy: "Through a pan-European system... providers can reach the scale necessary to achieve higher returns and lower costs while channelling funds into key investments for the EU economy."

The most divisive issue, however, was whether the PEPP should expand into the occupational space.

EIOPA supported allowing employer contributions, envisioning a hybrid EuroPension that combines individual and workplace savings. It argued this would provide flexibility to deal with differing tax treatments and contribution rules across member states, while avoiding regulatory fragmentation.

EFAMA also backed workplace PEPPs, especially in countries with limited occupational options, suggesting that a second-pillar PEPP could prove particularly beneficial to mobile and self-employed workers.

But whilst EIOPA warned against fully integrating the PEPP as an occupational product, stressing that this could cause fragmentation, CBBA-Europe said it "strongly" supported the creation of an occupational version of the PEPP. It also called for a dedicated occupational PEPP, to ensure it receives the same tax incentives as national workplace pensions.

By contrast, the European Association of Paritarian Institutions (AEIP) firmly opposed expanding the PEPP into the workplace, insisting that adequacy is best achieved through paritarian funds. "These institutions embody the European social model, being jointly managed by the social partners and serving not-for-profit purposes," said AEIP executive director, Simone Miotto. PensionsEurope warned that merging personal and occupational pensions could disrupt established schemes, calling for an opt-out clause for member states.

Despite shared recognition of the urgency, the responses revealed clear divides. EIOPA, EFAMA, and CBBA-Europe advocated for the reform and expansion of PEPP – whether through a hybrid EuroPension, PEPP 2.0, or a dedicated framework. By contrast, AEIP and PensionsEurope stressed the need to protect existing national and paritarian systems, cautioning against unintended disruption.

A point of agreement was the promotion of auto-enrolment (AE) as a way to improve pension coverage. EIOPA said EuroPension could serve as a default option in countries lacking second-pillar systems, while EFAMA said AE should be introduced to workplace pensions using life-cycle strategies by default. PensionsEurope agreed AE could improve access but cautioned it must not undermine national designs. AEIP similarly recognised potential benefits but stressed that AE must avoid disrupting well-functioning schemes and always involve social partners.

Supervision and enforcement were identified as critical to the success of any reforms. But whilst CBBA-Europe called for "strong and credible EU-level supervision", the AEIP argued that national competent authorities are best placed to supervise IORPs, given their understanding of national legal and social contexts.

The overall need for reform was another key aspect that united the organisations. As EIOPA chairperson, Petra Hielkema, said: "When done well, these reforms will not only help EU citizens live in dignity at all ages, but also support the goals of the Savings and Investments Union."

*"Done well,
these reforms
will help EU citizens
live in dignity at all
ages"*

News in brief

■ Members of PensionsEurope are split over proposed reforms to the **Sustainable Finance Disclosure Regulation**, with some pushing to embrace categorisation as a tool for transparency and others warning it could lead to high compliance costs. PensionsEurope revealed that while some believe IORPs must be excluded entirely from the categorisation system, advocates think it allows pension funds to communicate clearly and effectively with participants about their sustainability efforts.

■ The **Maltese government** held a seven-week public consultation on automatic enrolment (AE) plans. Under the proposed system, employees will be auto-enrolled into workplace schemes with a minimum contribution rate of €50 per month. Employer contributions will be voluntary, although the government has said it will match individual payments for public sector employees, up to a maximum of €100 per month.

■ Irish employee benefits platform, **Kota**, launched an alternative AE solution ahead of the rollout of the government system next year. The platform enables businesses to become AE compliant via an offering with Irish Life. Employers can sync data, set minimum contributions, and automatically enrol eligible hires.

■ **Norway** reclaimed the top spot in Natixis Investment Managers' 2025 *Global Retirement Index*, with an overall score of 83 per cent, while last year's leader, Switzerland, fell to third position with a score of 81 per cent. However, confidence overall remained "fragile", with 40 per cent worried they won't have enough saved to enjoy retirement.

Pension funds take action as influence of US asset managers laid bare

PENSION FUNDS ARE TAKING ACTION TO SUPPORT A GREEN TRANSITION BUT THERE ARE CONCERNS OVER THE US' INFLUENCE

Written by: Sophie Smith and Callum Conway

The Dutch Pension Fund for Healthcare and Welfare (PFZW) has cut the number of companies it invests in from around 3,500 to just 800 as part of a sweeping overhaul of its equity portfolio, aimed at improving long-term returns and strengthening sustainability oversight.

The move marks a significant reduction in holdings and a shift away from a passive index-tracking approach to a more selective strategy, as part of PFZW's 2030 Investment Policy.

By concentrating its listed equity exposure, PFZW said that it now has more control over the companies it invests in, while retaining diversification across regions and sectors.

The healthcare sector fund, one of the largest in the Netherlands, explained that holding thousands of index investments had previously left it exposed to reputational and operational risks when incidents occurred at companies that did not align with its long-term objectives.

Indeed, this follows recent research from The Centre for Research on Multinational Corporations (SOMO) that highlighted concerns over the growing influence of American asset managers in the Netherlands, raising particular questions over their influence on Dutch pension funds.

Whilst SOMO acknowledged that pension funds like

PFZW manage part of their assets through Dutch asset managers, they also outsource "billions" to the four largest American managers.

And although funds retain their voting rights formally, SOMO warned that the impact of this is limited as American parties manage much larger equity stakes and have a greater influence over the strategic direction of these companies.

But PFZW previously hit back at these concerns, arguing that external parties have no influence on its behaviour.

It has since also confirmed that its new approach will allow it to actively select companies based on return, risk, and sustainability criteria, with the market index now serving as a benchmark rather than a starting point.

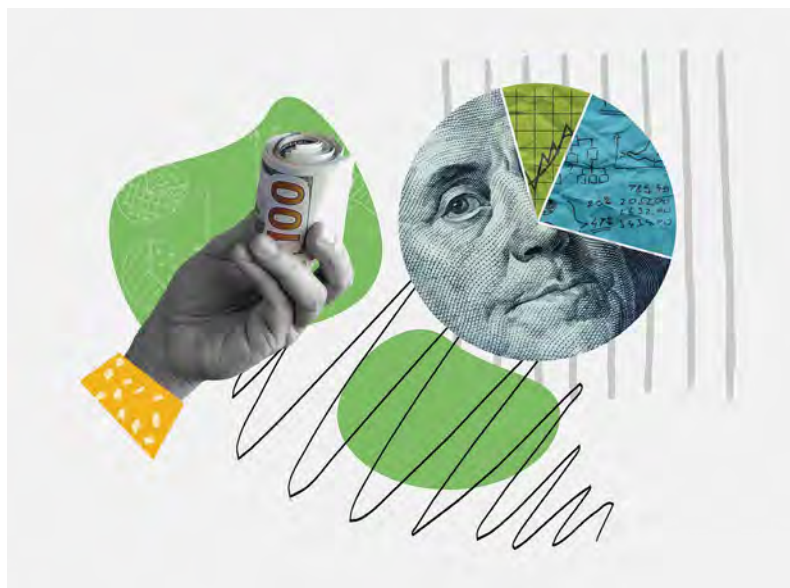
However, the Netherlands is not the only country facing such scrutiny, as there are concerns in the international space. For example, AP1 CEO, Kristin Magnusson Bernard, confirmed that the fund is "following with concern how shareholder rights are being challenged, especially in the USA, where new rules risk making it more difficult for shareholders to influence company development and in matters relating to climate and social responsibility".

"We are convinced that strong shareholder engagement is crucial for sustainable value creation, and we will continue to promote the right to dialogue, proposals and influence," she said.

Some are optimistic, however, as AkademikerPension chief investment officer, Anders Schelde, said that despite a recent slowdown, the green transition is expected to gain momentum again, with good investment opportunities expected as a result.

Schelde argued that although the green transition is not currently as fast as it was a few years ago, "we remain convinced that companies that do not transition will in the long term be characterised by large climate risks in terms of returns".

"In the long term, the transition should gain momentum again, with resulting good investment opportunities," he said.





NBIM drops GPFG's Israeli investments following govt concerns

THE GPFG MADE A NUMBER OF DIVESTMENTS AND EXCLUSIONS AMID GROWING SCRUTINY OVER ITS ISRAELI INVESTMENTS

Written by: Paige Perrin and Natalie Tuck

Norway's Government Pension Fund Global (GPFG) has faced growing scrutiny over its Israeli holdings, with Norwegian Finance Minister, Jens Stoltenberg, calling on Norges Bank to review the fund's investments given the "deteriorating situation" in Gaza and the West Bank.

At the end of H1 2025, the GPFG held shares in a total of 61 Israeli companies. Norges Bank Investment Management (NBIM), which is responsible for the GPFG, revealed that the value of its Israeli investments rose from NOK 22.2bn in 2024 to NOK 22.7bn in the first half of 2025, a NOK 500m increase.

The bank was quick to take action, however, as NBIM confirmed that it had divested its holdings in more than a dozen Israeli companies. This included Bet Shemesh Engines Holdings, which was specifically flagged by Stoltenberg; NBIM said that it now recognises that this asset should have been classified as high-risk and excluded.

NBIM CEO, Nicolai Tangen, later admitted in a press conference that information about Bet Shemesh Engines Holdings should have been picked up on and the company was initially assessed as medium risk.

"In retrospect, and in light of the information we now have, we must acknowledge that the company should have been categorised as high risk and that we should have shared this information with the Council on Ethics or sold the company ourselves," Tangen said.

In an update in August, NBIM confirmed that the fund's investments in Israel will now be limited to companies in the

GPFG equity benchmark index.

NBIM also revealed that in addition to its divestment from Bet Shemesh Engines Holdings, it has divested from 10 smaller companies based on its own risk assessment, rather than being based on a recommendation from the Council on Ethics.

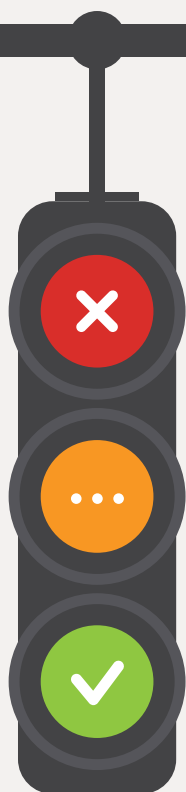
These sales are part of broader efforts to simplify management and reduce risk amid the conflict in Gaza and the West Bank.

NBIM also confirmed that it has brought the management of Israeli investments in-house, thereby terminating its contracts with external managers in Israel.

NBIM has since confirmed six further exclusions, as it announced that it had decided to exclude First International Bank of Israel Ltd and its parent FIBI Holdings Ltd, Bank Leumi Le-Israel BM, Mizrahi Tefahot Bank Ltd, Bank Hapoalim BM, and US-based Caterpillar Inc.

This aligns with a wider Nordic trend to divest from Israel amid humanitarian concerns in Gaza and the occupied territories. In recent months, several funds have announced divestments.

NBIM has also increased its cooperation with the Council on Ethics, including sharing newly developed artificial intelligence (AI)-based monitoring tools, in light of the scrutiny facing the GPFG over its Israeli investments.



Surplus mechanism introduced to Swedish income pension system

HOWEVER, THERE ARE ALSO GROWING CONCERNS OVER THE COST OF THE COUNTRY'S GROWING PENSION LIABILITIES

Written by: Paige Perrin

The Swedish Pensions Group has agreed to introduce a surplus mechanism to the income pension system, enabling excess funds to be distributed to pensioners.

This new feature, called a 'gas', complements the existing automatic stabiliser, or 'brake' (bromsen). The brake limits income pension increases during economic downturns when assets fall or contributions drop, and is lifted once the economy recovers. The brake and gas apply only to the income pension and do not affect premium, occupational, or guarantee pensions.

The group, which includes representatives from all parliamentary parties, confirmed that a formal proposal for the gas mechanism will be presented in autumn 2025, with the rules on dividends scheduled to take effect from 1 January 2027.

In recent years, the system has accumulated a surplus, and the gas mechanism will enable pensioners to benefit from these surplus funds.

A buffer will remain in place to protect the system from future shocks, ensuring that money is used efficiently for both current pensioners and future savers.

The Pensions Group has agreed on several key principles for distributing the surplus. For example, the surplus should not be greater than what is needed to finance pensions long term, and any extra funds should be distributed between both pensioners and pension savers.

Additionally, the group also agreed that dividends will

only be paid once there is no risk of financial imbalance, and surplus will be distributed when assets in the system are at least 15 per cent higher than its liabilities.

Anything above this level is distributed and will increase pensions.

It also confirmed that the pension system's remaining debt to the state, which was left over from the reform in the late 1990s, will be written off.

Pension Group chairman and Minister for the Elderly and Social Security, Anna Tenje, said she is "very pleased" to announce the Pensions Group has jointly supported the introduction of gas in the pension system, something she said "has been discussed for a long time".

"It will mean more money in the wallets of today's and tomorrow's pensioners," she said.

At the same time, however, concerns around the cost of the country's pension debt are on the rise, with research from Skandia revealing that pension liabilities in Sweden's regions and municipalities has risen "significantly", reaching just over SEK 600bn by the end of the 2024 financial year, a more than SEK 60bn increase compared to the previous year.

The provider said the recent period of high inflation "significantly" increased the municipalities and regions' pension liabilities, which rose by more than SEK 100bn over the past two years.

Skandia business manager for public business, Greger Gustafson, warned that this is a large sum of debt that could be passed on to future generations. He also cautioned that although some have a plan for how these debts are to be handled, "unfortunately", too few have a solution, warning that without a "clear financial plan, the growing pension liabilities risk becoming a cuckoo that crowds out other welfare investments".

"Municipalities may be forced to raise taxes or make painful investment priorities," he said.

Concerns over the transition to the new Dutch pension system have persisted, as Aon warned that the current schedules are "ambitious", with particular worries raised over the challenges facing administrators.

In its latest update, Aon noted that many pension funds are moving their transition dates, with 78 funds having recently adjusted their previously set transition dates.

However, these are mostly delays; of the funds that were scheduled to transition on 1 January 2026, 44 have postponed their transition.

This is perhaps unsurprising, as Aon noted that the process with De Nederlandsche Bank (DNB) is intensive, and the balancing issue, in particular, is proving complex, with recently published Q&As resulting in additional calculations for pension funds.

In addition to this, Aon said that there are concerns among administrators, particularly given the timeframes.

"Only a few schemes have transitioned, and many funds have planned the transition in the coming months," Aon Nederland director wealth, Frank Driessen, said. "The challenge for administrators is to be ready in time. We believe the schedules are ambitious."

More niche concerns surrounding the transition were also highlighted, as Aon pointed to issues around the test that will be applied for employers with a pension plan that is exempt from the industry-wide pension fund.

Dutch pension funds have been taking action to prepare for the shift, however, and are preparing to sell "significant" volumes of long-term government bonds in the coming years as a result. The shift will see funds take on more investment risk in pursuit of higher returns, reducing reliance on long-dated bonds as a hedge against interest rate risk.

And Driessen said that the new system will likely see "less demand for longer-dated interest rate sensitivity, so longer-dated swaps and long-dated euro government bonds".

Dutch pension transition continues; funds set for major govt bond sell-off

THE TRANSITION TO THE NEW SYSTEM HAS CONTINUED TO FACE CHALLENGES, WITH SEVERAL FUNDS POSTPONING THEIR SWITCH

Written by: Sophie Smith and Natalie Tuck

While the exact volume of bonds to be sold remains unclear – although some experts predict around €125bn – Driessen said it largely depends on the timing of individual funds' transitions and their portfolio structure.

Driessen described the shift as a "significant change" for the Dutch market, warning that large-scale sales of government bonds could put pressure on bond prices.

"Pension funds might run the risk that they lose money on the long-term interest hedge instruments," Driessen said.

"If this were to happen, it would negatively affect funding ratios or the value of the accrued assets of participants."

However, the gradual pace of the transition should allow funds time to adjust their investment strategies, he noted.

This is not the only market change, as Legal & General (L&G) has predicted a particularly significant change in the Dutch pension risk transfer market (PRT) amid the switch.

The trajectory and growth of the newly emerged Dutch PRT market is not yet completely clear, as L&G's estimates suggested that its ultimate size could vary considerably, from as small as €20bn to as large as €70bn.

However, L&G suggested that the Netherlands PRT market has "strong growth potential" as a result of the reforms, as funds that want to offer guaranteed benefits will typically need to consider an insurance solution.



Romania adopts private pension payout law despite backlash

THE PLANS HAVE SPARKED CONCERN FROM SOME, AS CRITICS WARN IT 'SERIOUSLY VIOLATES' CITIZENS' RIGHTS

Written by: Callum Conway and Natalie Tuck

The Romanian government has approved long-awaited payout rules for private pensions to support its plans to join the Organisation for Economic Cooperation and Development (OECD), but consumer groups argued the law restricts participants' control over their savings and unfairly favours state and industry interests.

The government adopted the proposal on 21 August after two weeks of debate, sending it to parliament for urgent procedure. The draft included two notable changes: The maximum lump-sum withdrawal at retirement has been raised from 25 to 30 per cent of assets, while the minimum duration of programmed withdrawals has been reduced from 10 to eight years.

The reforms aim to resolve a long-standing legislative gap – payout rules have been missing since 2011 – and speaking in a government meeting, Romania's Financial Supervisory Authority (ASF) said the law aligned with both European standards and OECD principles.

ASF vice-president, Dan Armeanu, described it as a "strategic objective" that both addressed OECD recommendations and defined the "entire architecture" of Romania's pension system *[read more on page 91]*.

Armeanu explained that payments would be subject to standard social contributions and capital gains tax, typically amounting to around 12 to 13 per cent of assets, depending

on how savers choose to draw their pension.

Pressed by reporters on why the proposal to allow full withdrawals in cases of serious illness had been excluded, Armeanu claimed that such provisions were "quite difficult to put into practice", given the wide variation in individual health circumstances.

Consumer groups, however, remain unconvinced.

Prior to its passing, the Romanian Association of Financial Services Users (AURSF) argued that the draft "seriously violates" citizens' rights to control their savings and instead consolidated an "oligopoly market" dominated by the state and financial industry.

The AURSF also criticised the exclusion of the illness clause and warned that obliging retirees to accept fixed payout rules, rather than letting them decide the pace of withdrawals, undermined personal freedom.

The AURSF, backed by Better Finance, also accused the ASF of excluding it from a debate on the law. AURSF chairman, Alin Iacob, said he does not "understand" why it was excluded.

Given these concerns, the AURSF has submitted proposals to the Ministry of Labour, the ASF, the Prime Minister's Office and Romania's governing parties, urging further consultation and the creation of a working group to develop "fair" legislation.

Separately, the ASF is also facing internal challenges, as it recently warned that government plans to restructure the institution could weaken its ability to oversee the country's private pension system, as well as insurance and capital markets. The ASF said the measures proposed carry significant risks.

In particular, it warned that these measures "have the potential to induce systemic risks in the performance of its fundamental functions, namely regulation, authorisation, supervision, and control of the non-banking financial market in Romania and its alignment with European standards in this area".



Austrian pension fund AUM 'unchanged' despite negative investment returns



THE LATEST UPDATE FROM THE AUSTRIAN FINANCIAL MARKET AUTHORITY ALSO REVEALED WIDE VARIATION IN COSTS

Written by: Callum Conway

Austrian pension fund assets under management (AUM) remained "virtually unchanged" at €28.6bn at the end of June, despite negative returns, the Financial Market Authority (FMA) has revealed.

The FMA said the 0.04 per cent increase in pension funds' AUM was primarily due to price corrections in equity portfolios, which reduced investment performance to -0.12 per cent in the second quarter (-0.87 per cent for the year to date).

The Association of Austrian Occupational Pension and Provision Funds also recently described geopolitical tensions and volatility in financial markets as a "difficult environment".

The investment mix of Austria's pension funds showed little change over the quarter, however, with 41 per cent in equities and 31 per cent in bonds, complemented by allocations to cash, property, loans and other assets.

The number of pension fund

beneficiaries did increase slightly, though – by 0.6 per cent – to approximately 1.12 million.

Of these, 155,000 members (14 per cent) are already in drawdown.

The FMA also revealed significant divergence in costs due to the variety of company agreements and pension fund contracts. It found that direct charges paid by members ranged widely from 0.2 to 0.9 per cent of assets in 2024, averaging 0.4 per cent (€103.3m in total).

Czech parties outline pension positions ahead of election

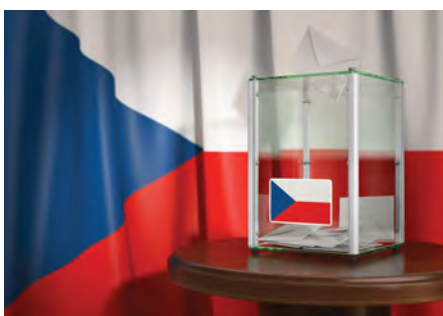
PENSIONS POLICY IS SET TO BE A KEY BATTLEGROUND AT THE UPCOMING OCTOBER ELECTIONS, WITH TWO OF THE MAJOR PARTIES OUTLINING PLANS TO RETURN THE MAXIMUM RETIREMENT AGE TO 65

Written by: Sophie Smith

Political parties in the Czech Republic have set out their stance on pensions, ahead of the upcoming elections in October 2025.

The Czech Parliament passed a pension reform in late 2024 to address the financial strain of an ageing population, which means that, for those born after 1988, the retirement age will gradually rise from 65 to 67.

However, the Freedom and Direct Democracy party (SPD) said that, if elected, it will return the maximum retirement age to 65, to 60 for so-called demanding professions, and also to return the increase in pension valorisation (indexation).



This was also a key theme for the ANO party, which polling suggests is currently the frontrunner, as the right-wing party outlined plans to cap the retirement age at 65 and restore fair pension valorisation.

However, ANO went a step further with plans to extend both measures.

Although the Mayors and Independents (STAN Coalition) omitted any changes to pension ages, it also put forward broader reforms to improve the pension system.

In particular, the coalition outlined plans to boost early retirement savings by offering incentives such as one-time contributions or tax deductions for young savers, as well as an opt-out system that automatically enrolls employees in supplementary pension savings.

It also outlined plans to make switching between pension products easier, abolish penalties, and introduce state pension funds.

Assets of world's top pension funds reach record high, TAI data reveals

DESPITE A SLOWDOWN IN GROWTH, ASSETS REACHED A RECORD HIGH, WITH NORWAY'S GPFN POACHING THE TOP STOP

Written by: Sophie Smith

The assets of the top 300 pension funds reached a record high of USD 24.4trn, despite a slowdown in growth, data from the Thinking Ahead Institute (TAI) has revealed.

TAI's latest report revealed that although total assets surpassed the previous record high seen in 2021, growth slowed, up 7.8 per cent in 2024, compared to 10 per cent growth in 2023.

In addition to this, the TAI found that asset concentration has continued, as the combined assets of the top 20 pension funds passed USD 10trn for the first time.

According to the TAI, these top 20 funds increased at a faster pace

than the top 300 pension funds and now account for 42.4 per cent of the top 300 as a whole by assets.

There was also movement in the make-up of the top 20, as the TAI revealed that Japan's Government Pension Investment Fund was overtaken by Norway's Government Pension Fund after more than 20 years at the top. Boasting USD 1.77trn in total assets, the update found that the Government Pension Fund is around 6.9 per cent larger than the former frontrunner.

Shifts were also seen in terms of the broader make-up. While DB schemes remained the largest share, DC assets grew at a faster rate.

US PRT market nears all-time-high

ONE STAND OUT TREND HAS BEEN THE RISE IN BUY-INS IN THE US

Written by: Sophie Smith

The pension risk transfer market in the US recorded USD 51.8bn of transactions in 2024, just shy of 2022's all-time high, analysis from Legal & General has revealed.

The analysis revealed that 2025 has seen a decline in transactions over USD 1bn, as well as a fall in overall volumes. The first half of the year closed at over USD 11bn, compared to USD 26bn in the first half of 2024 – a USD 15bn decrease.

However, the long-

term outlook is positive, with growth and aggregate volumes higher at the half-year stage, over a three-year cycle.

A notable trend is the rise in buy-in transactions, which have steadily increased over the years. These transactions are more common in the UK but are relatively novel in the US.

In particular, L&G predicted an increase of over 50 per cent in the number of buy-ins this year compared to any previous year.



News in brief

■ The funded status of the 100 largest corporate DB pension plans in the US improved by USD 4bn during July, as measured by the **Milliman 100 Pension Funding Index (PFI)**. The update revealed that, as of 31 July, the funded ratio rose to 105.7 per cent, up from 105.3 per cent at the end of June. This marks the fourth consecutive monthly improvement in the PFI funded ratio, pushing the plans further into surplus territory. The PFI clarified that while the pension plans covered by the research delivered a cumulative return of 5.93 per cent, the funded status increase is primarily due to discount rate increases.

■ The **Canada Pension Plan Investment Board (CPP Investments)** ended H2 2025 with net assets of USD 731.7bn, up from USD 714.4bn at the end of the previous quarter. The USD 17.3bn increase in net assets included USD 7.5bn in net income and USD 9.8bn in net transfers from the Canada Pension Plan (CPP). The report revealed that the fund, which includes the base CPP and additional CPP accounts, generated a 10-year annualised net return of 8.4 per cent. For the quarter, the fund's net return was 1 per cent.

■ Bermuda-based **Brookfield Wealth Solutions (BWS)** announced plans to acquire Just Group for GBP 220p per share in cash, in a move that the UK Chancellor, Rachel Reeves, highlighted as a demonstration of the "strong faith" in the UK economy. The offer of GBP 220p per share in cash marks a 60 per cent premium to the three-month volume-weighted average share price.

Diary dates 2025/26

The latest events occurring across the European pensions market



PENSIONS UK ANNUAL CONFERENCE 14-16 October 2025

[Manchester Central, Manchester](#)

This event will bring together pension professionals for a programme of world class keynotes, roundtables and educational sessions. The conference will aim to cover every aspect of pensions, from communications to investment and regulatory updates. Speakers include major names from the industry, such as Pensions Minister, Torsten Bell, with diverse perspectives, from leaders to early career professionals. There will also be unique networking opportunities, including a conference run and walking tours.

[PENSIONSUK.ORG.UK/EVENTS/CONFERENCES](https://pensionsuk.org.uk/events/conferences)



IRISH PENSIONS AWARDS 2025 4 November 2025

[The Round Room at The Mansion House, Dublin](#)

Now in their 14th successful year, the Irish Pensions Awards continue to go from strength to strength, giving well-deserved recognition to those pension funds, pension providers, advisers and pension professionals that strive to maintain the highest standards of excellence and professionalism in everything they do, despite the challenging economic and political landscape they find themselves operating in. The winners will be revealed at a gala dinner in November.

[EUROPEANPENSIONS.NET/EVENTS](https://europeanpensions.net/events)



IAPF WINTER CONFERENCE 26 November 2025

[Convention Centre Dublin](#)

At a pivotal time for the Irish pensions industry, the Irish Association of Pension Funds' Winter Conference will focus on the imminent introduction of MyFutureFund, and its potential to magnify issues around adequacy, pensions simplification and value for money. The event will also consider the increased regulatory oversight and challenge facing trustees. Delegates will hear from experts on a range of issues impacting the Irish pensions sector, and consider how the industry can continue to achieve good pension outcomes for people in Ireland.

[IAPF.IE/EVENTS](https://iapf.ie/events)

Not to miss...

CBBA-EUROPE ANNUAL CONFERENCE

9 October 2025

Brussels, Belgium

[CBBA-europe.eu/eventlist](https://cbba-europe.eu/eventlist)

EIOPA CONFERENCE

29 January 2026

TBC

eiopa.europa.eu/media/event

AEIP ANNUAL CONFERENCE

29 October 2025

Rotterdam, Netherlands

aeip.net/event/aeip-annual-conference-2025

PENSIONS AGE AWARDS

3 March 2026

The Great Room, Grosvenor House Hotel

pensionsage.com/awards/

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 natalie.tuck@perspectivepublishing.com



ROMA BURKE

The Irish government has appointed Roma Burke as the inaugural chair of the newly established National Automatic Enrolment Retirement Savings Authority (NAERSA). In addition, Dermot Griffin has been appointed as chief executive, marking a key milestone ahead of the launch of My Future Fund in January 2026. Six additional board members were also confirmed in the Department of Social Protection's latest announcement.



PÄR HEDÉN

The Swedish Pensions Agency (SPA) has appointed Pär Hedén as head of department for public pensions, as part of a wider organisational restructuring. Hedén, who joined SPA in 2019, has been acting in the role since May, following previous management positions at Lantmäteriet. Hedén said he looked forward to strengthening SPA's work on behalf of savers.



JUUSO KORHONEN

Sweden's AMF has appointed Juuso Korhonen as its new chief information officer and member of the management team. Korhonen joins from fintech company LeanOn AB, where he was chief executive officer, and has previously held senior positions at Folksam and Nasdaq. Korhonen succeeds Lena Ringström, who will leave AMF in 2026 to run her own business.



ANNIKA EKMAN

Finnish pension insurer Ilmarinen has appointed Annika Ekman as chief investment officer from 1 September, succeeding Mikko Mursula, who became CEO. Ekman, who joined Ilmarinen in 2004, was most recently director of equity and chief shareholder officer, and previously worked at Nordea and Goldman Sachs. Mursula said her expertise and leadership would help guide Ilmarinen's investment strategy.



JENS LINDBERG ANKELSTAM

SH Pension has named Jens Lindberg Ankelstam as head of business and marketing, joining the provider's management team. He takes responsibility for sales, intermediary distribution and marketing communications. Ankelstam previously held senior roles at SEB Trygg Liv, Ikano and, most recently, Folksam. SH Pension CEO, Annelie Helsing, welcomed his industry experience.



SØREN HERRESTRUP HUSTED

Danish Pension company Velliv has appointed Søren Herrestrup Husted as chief commercial officer, effective 1 September 2025. Husted replaced Morten Møller, who originally stepped in as interim CEO in 2023 after Velliv parted ways with its previous CEO, Steen Michael Erichsen, over a private investment that did not meet the company's guidelines. Husted also joined Velliv's executive board as part of his new role.



KRISTA NAUTA

The Dutch pension fund for general practitioners (GPs), Huisarts & Pensioen, has appointed Krista Nauta as its new executive director of customer service, effective 1 September 2025. Nauta brings extensive experience from across the Dutch pensions sector. Since 2021, she has served as general director of Pensioenfond's Wolters Kluwer, where she led efforts to prepare for the upcoming pension system reforms.



TOMMY SANDÅS

Finnish earnings-related pension provider Veritas has announced that current CFO, Tommy Sandås, will take on the role of acting CEO, following the departure of Carl Haglund. Haglund's last working day at Veritas was 4 August 2025, with Sandås taking over the role and continuing throughout any induction period of the new CEO. The company also announced that a recruitment search has begun to replace Haglund.



RIKKE BERG JACOBSEN

AkademikerPension has appointed Rikke Berg Jacobsen as head of ESG, joining from Nordea Asset Management where she led sustainability research. She brings expertise in EU sustainable finance regulation and will further develop the Danish fund's responsible investment strategy on behalf of its 170,000 members. Jacobsen said she was excited to support its long-term commitment to the green transition.



LARS MARTIN BJØRNSRUD HOPMOEN

Norway's Public Service Pension Fund (SPK) has appointed Lars Martin Bjørnsrud Hopmoen as pension expert. Hopmoen, an advisor at SPK's customer centre for the past decade, will provide member guidance and act as a public-facing pensions specialist. He will focus on raising awareness, particularly among younger members.



ÞORBJÖRG INGA JÓNSDÓTTIR

The Icelandic Farmers' Pension Fund (LSB) has revealed the results of its latest board elections, confirming that Þorbjörg Inga Jónsdóttir had been elected to the general board, after receiving 60 per cent of the votes at the fund's annual meeting on 22 July, whilst fellow nominee, Bjartur Thorlacius, received 40 per cent of the votes. Jónsdóttir has been appointed for a three-year term, joining the existing board of the fund.



COUNTRY SPOTLIGHT BELGIUM

Bursting under the pressure

Belgium's Arizona coalition is facing mounting pressure as it looks to push through sweeping pension reforms. Sandra Haurant explores whether the changes will bring more unrest than solutions

Belgium entered the *Guinness Book of World Records* in 2011 when it became the country to go the longest without a government in peacetime. The country, with its population of around 11.9 million, went for 541 days without a government, as politicians tried and failed to create a coalition following the 2010 federal elections.

The country appeared to cope relatively well, but Belgium does now have a government. A coalition nicknamed Arizona was formed at the start of this year, so-called because the colours of its five parties are the same as those in the Arizona state flag. It is led by Conservative, Bart de Wever, who became Prime Minister in February 2025.

According to Lydian lawyer, Alexander Vandenberg: “The most urgent thing for [the government] at that stage was making some savings in the state pension costs.”

“This cost has been increasing every year and will continue until at least 2040,”

“[STATE PENSION COSTS] HAVE BEEN INCREASING EVERY YEAR AND WILL CONTINUE UNTIL AT LEAST 2040”

Vandenberg says, noting that as the baby boomer generation retires, the demographic is shifting towards an ageing population.

Proposals were made for sweeping changes, but they were not met with unbridled joy. Days into the new government, pensions made the front page as thousands of protesters took to the streets in national strikes against proposed reforms. So, what are the proposed changes, and will they provide solutions?

Pension pillars

The Belgian retirement system consists of three pillars: A pay-as-you-go public pension (for employees, self-employed and civil servants), supplementary occupational pensions, and private personal pensions.

Occupational pensions exist both on a company level and an industry-wide level. In terms of coverage, it's a successful system, with more than 80

per cent of Belgian employees signed up.

Schemes are run by insurers or pension funds, with the choice depending on company size and scope. “Pension funds, in general, are used by large companies and insurance firms by smaller – as we have more smaller companies, the majority are held with insurance companies,” says Vandenberg.

Reforming pillar one pensions

“The basic role of the state pension is that everyone has a certain minimum retirement income – ideally more but at least that,” says Better Finance senior research and policy officer, Sebastien Commain.

To do more, though, it appears changes are required. So what changes are being made under the Arizona government to ensure the state can continue to deliver despite the demographic challenges faced?

One key aspect, Vandenberg says, is reducing the pension for civil servants. “Statutory employees have much higher pensions than others – it has been twice as high as those of employees, and those of employees have been twice as high as those of self-employed people,” he says. The idea, says Vandenberg, is to work towards closing that gap.

State workers do not have access to supplementary occupational schemes, which is one argument in favour of higher retirement incomes, but this is due to change. Reforms will extend occupational pensions to state workers as public and private regimes are harmonised.

The age of retirement has already been tackled in previous reforms and is set by law to increase to 67 by 2030. But as part of the government's goal to keep older people in work, early retirement will be discouraged. In 2024, some 42.8 per cent of employees in Belgium took retirement before the current legal minimum of 65, according to the HR firm Acerta.

The reforms will introduce stricter early retirement criteria, and a potential ‘malus’, or financial penalty, for those who do not meet them.

There are also changes due to the way in which pension rights are accrued, as part of a plan to bring public and private sector workers into closer alignment. This shift includes the abolishment of some of the other significant advantages enjoyed by state employees which, says Vandenberg, hark back to a time when “Belgium was still very rich”, and when civil servants essentially never retired.

A reworking of the way in which eligible pension years are calculated is anticipated, and valid reasons for breaks in work history will be heavily revised and the minimum number of workdays per year required



for accrual will be increased. However, this part of the reform has come under criticism, as some argue it will negatively impact people with fragmented work histories and part time workers, who are often more vulnerable to begin with.

NN longevity expert, Colin Sanders, says: “The impact on part-time workers varies significantly depending on their work intensity throughout their career. For employees to avoid the pension malus [*financial penalty*], they need 35 half-time years and 7,020 working days. It’s worth noting that care leave, maternity leave, military service, and temporary unemployment count as equivalent days, illness does not – but the government will provide for a ‘sickness correction’, under certain conditions.”

Guarantees and limitations

On the occupational side, there are two types of supplementary

**“MOST OF US DON’T
SAVE ENOUGH... WE
NEED FINANCIAL
PERFORMANCE SO THAT
SMALL CONTRIBUTIONS
ARE INCREASED”**



pensions, known as Branch 21 and Branch 23. Branch 23 schemes invest in a wide spread of assets and offer no guarantees to investors – returns depend on the markets. These make up a tiny proportion of the market. Branch 21, far and away the most used of the two plans, is unusual in that it offers a guaranteed annual return on contributions. The minimum guaranteed return is calculated annually by the Financial Services Market Authority (FSMA) based on the return of the Belgian state’s 10-year bonds.

“By law it can never be lower than 1.75 per cent, nor higher than 3.75 per cent,” says Commain. “It remained at 1.75 per cent from 2016 to 2024 and jumped to 2.50 per cent in 2025.”

This guarantee was implemented in the 1990s and has evolved over time to cover not just employee contributions, but those made by employers, too.

As a result, while technically Branch 21 pensions are not DB schemes, they are not exactly DC either,

at least not in the way the term is generally understood. And crucially, says Vandenberg, “the guarantee is part of labour law”.

This has a big impact on who is responsible for meeting obligations. “This guarantee is not supported by the insurance company or pension fund manager,” Commain says, “but by the sponsor (often, the employer), who must compensate any shortfall when the employee retires”.

In theory, then, Belgian employees benefit from a solid system that offers a secure income in old age based on a steady stream of contributions and returns. But not everyone thinks it is the optimum system – and some say that imposing a guarantee limits the potential of supplementary pensions.

“In practice, it is a bad idea,” says Commain. “If we want to guarantee [*returns*] every year, the manager will invest in low risk and low yields – typically sovereign debt. This brings small yields, and people are not generating capital on their pension. Most of us don’t save enough, so this is a problem: We need financial performance so that small contributions are increased by financial returns.”

Indeed, Better Finance’s report on Belgium found that “despite the nominal capital guarantee, the lack of revaluation over the past five years amidst high inflation has severely impacted the actual purchasing power of pension savings”.

Supplementary pensions for self-employed people are set to change though, as Sanders points out that “many of the measures still need to be developed or officially published in the Belgian Official Gazette,” where the country’s laws are published.

But, Sanders says, the initial plans have some contradictions. “The aim is to provide more substantial tax incentives for smaller self-employed workers, often working without a company, to encourage them to save more for their supplementary pension,” he says.

“At the same time, self-employed individuals with higher supplementary pensions will face increased tax pressure. As of 2027, for example, an additional 2 per cent tax will be levied on the portion of the disbursed supplementary pension capital that exceeds €150,000. This measure will also apply to employees receiving similar pension payouts.”

Rather like the country’s ability to operate relatively effectively without a government, the pensions system has held up despite challenges, but demographic pressures and resistance to reform could soon test the Arizona authorities.



BETTER FINANCE

Belgian pensions in the balance

Better Finance director of communications, Arnaud Houdmont, discusses the reforms that he says could dramatically improve outcomes for Belgian pension savers, warning that whilst Belgium's pension system is not broken, it is underperforming

Across Europe, we are living longer and having fewer children. This demographic shift isn't just a statistic; it is a ticking time bomb for retirement security. In Belgium, as elsewhere on the continent, the question is no longer hypothetical: Will you be able to afford to retire?

The latest report from Better Finance, combined with decades of scrutiny of Belgian pension products, paints a mixed picture. On one hand, the system works. On the other, it underperforms.

Belgium's pensions follow the familiar multi-pillar structure: The public pay-as-you-go pension (pillar one), occupational pensions (pillar two), voluntary private pensions (pillar three), and individual savings (pillar four). On paper, it looks robust. In practice, inefficiencies, high costs and conservative investment strategies hold it back.

Pillar one replaces roughly 61 per cent of pre-retirement earnings, slightly below the Organisation for Economic Co-operation and

Development (OECD) average. Add in occupational pensions, and the replacement rate rises to 74 per cent, ahead of France and Germany, yet trailing the Netherlands and Luxembourg. Its progressive design shields lower earners from old-age poverty. Yet demographic trends and fiscal pressures mean it is not guaranteed to remain sustainable.

The growth bottleneck

Occupational pensions cover an impressive 85 per cent of Belgian workers, yet most funds are trapped in 'Branch 21' life insurance products; capital-guaranteed, bond-heavy, and notoriously low-yielding. Branch 23 products are expensive and rare.

The result? Net real returns hover at 1-2 per cent per year, far below what a more dynamic, equity-oriented strategy could deliver.

Consider Sweden's AP7 S fa fund, for example. By investing heavily in global equities and gradually switching to bonds as retirement nears, it has produced real net returns exceeding 400 per cent over

24 years. The key? Life-cycling, global diversification, and minimal costs. In Belgium, by contrast, a culture of 'safety first' has ironically made long-term savings riskier: Low-yield bonds cannot preserve purchasing power over decades.

So, in short, the challenges for Belgian pensions are:

- **Opacity:** Most Belgians have little idea how their pensions perform. While mypension.be offers basic public pension projections, occupational and voluntary plans remain shrouded in complexity.
- **Conservative asset allocation:** Branch 21 dominance locks savers into low returns.
- **High costs:** Fees, insurance charges, and unnecessary guarantees erode wealth over decades.
- **Inflation risk:** Even modest inflation can silently sap the value of low-return pensions.

And what can be done about these? Policymakers should mandate clear reporting, encourage equity exposure, and foster competition through low-cost, innovative products like the Pan-European Personal Pension Product (PEPP).

Employers must review providers, prioritise performance and value, and educate staff about the trade-off between risk and return.

Individuals should demand transparency, explore low-cost global index funds, and use pillar four savings to diversify and supplement underperforming plans.

A system at a crossroads

Belgium's pension system is not broken, but it is underperforming. Modest reforms in transparency, investment strategy, and cost management could dramatically improve outcomes for savers. The question is whether Belgium will act before the next generation of retirees is forced to ask the hardest question of all: *Will I be able to afford to retire?*



CHURCH PENSION FUND

Returns with responsibility

Finnish Church Pension Fund CIO, *Ira van der Pals*, speaks to Paige Perrin about how the fund's strategy has evolved, its sustainability ambitions and the opportunities and challenges ahead

Can you provide a brief overview of Finland's Church Pension Fund?

■ The Church Pension Fund serves as the pension provider for the Evangelical-Lutheran Church of Finland. The fund is responsible for financing the pensions paid to church personnel and for managing the investment of pension funds. Established in 1991, the fund currently manages €1.9 billion in assets. The strategic aim of the fund's investment activities is to accumulate the assets needed to cover its pension liabilities in a profitable, secure and responsible manner.

With recent changes to public pensions in Finland, how is the Church Pension Fund adjusting its planning and investment strategy to ensure members continue to receive secure and sufficient retirement income?

■ The strategic aims of the investment activities steer the long-term operations of the Church Pension Fund. The purpose of the strategic aims is to ensure that the fund can pay future pensions and control the development of the pension contributions paid by the parishes.

The decision concerning strategic allocation is the most fundamental factor in achieving

“UNCERTAINTY IN THE INVESTMENT MARKETS IS EXPECTED TO CONTINUE, AND THE GEOPOLITICAL SITUATION REMAINS CHALLENGING”

long-term return and risk targets. At the same time, the aim has been to respond to upcoming changes in the Finnish pension system.

The fund has entered a transition period where pension payments exceed new contributions. How does the fund ensure this approach remains aligned with its long-term strategic aims?

■ The fund's pension liabilities are reviewed annually. In connection with the update of the investment strategy, the fund's equity allocation has been increased. The aim of increasing our equity allocation is to improve long-term investment returns, strengthen funding, and thereby support the goal of keeping parish contributions at a reasonable level.

The fund set interim climate targets for 2025, including reducing carbon intensity and increasing the share of green-themed investments. How far has the fund progressed toward these targets, and what lessons have been learned so far?

■ Since launching its first climate strategy more than a decade ago, the fund has purposefully proceeded in its climate work towards a net-zero portfolio and has achieved its interim goals. For example, the fund's green-themed investments share has increased steadily and now these investments cover 12.5 per cent of our portfolio. This year, we will be launching our updated climate strategy, with one of its goals being to raise the share of green-themed investments in its portfolio to 20 per cent by 2030. In the updated strategy, we have incorporated nature-related matters as sustainability work includes both climate and nature-related topics. A net-zero portfolio is possible, but requires joint, determined action to build a sustainable future and respect planetary boundaries.

Is the fund exploring new investment approaches, technologies, or engagement strategies to enhance outcomes for beneficiaries

or accelerate sustainability and climate goals?

■ Our investment team works actively and with commitment to finding new strategies and approaches to implement profitable and sustainable investment activities. To accelerate sustainability and successful portfolio management, the best results are achieved in collaboration with fund managers, organisations, initiatives and other stakeholders where everyone contributes their unique expertise and insights. We invest in collaboration and open-minded, active discussion. As an investor that wants to pursue sustainability, the fund continuously seeks new opportunities in green and impact investments across asset classes.

Looking ahead in 2025 and beyond, what are the fund's main challenges, key objectives, or priorities for the upcoming year?

■ Our strategy will guide our operations in the upcoming years. The strategy is based on our enduring values, and we aim to cover pension liabilities in a profitable, secure and responsible manner. Uncertainty in the investment markets is expected to continue, and the geopolitical situation remains challenging. Investing in such an environment requires careful analysis, planning, and strategic decision-making. We have a strong belief in long-term investing, and our decisions are guided by long-term return expectations.

In addition, we believe that effective diversification enhances the portfolio's risk-return profile. Alongside our liquid portfolio, we have built a well-diversified illiquid portfolio, which we continue to strengthen.

Technological development, and artificial intelligence in particular, offer vast opportunities for new economic growth and innovation. In addition, investments in sustainable development and the green transition provide hope for balancing and strengthening the economy over the long term.

The Church Pension Fund is committed to responsible investment and aims to remain a front runner in responsible investing in Finland. This means that the sustainability aspects are considered in all the fund's investment activities. We will publish our new climate strategy in autumn 2025, and our goal is to maintain ambitious targets while also placing more emphasis on nature alongside climate issues.

EU SUPERVISION

Europe's pensions puzzle

Earlier this year, the EU's auditors warned that EIOPA lacks the power to ensure consistent supervision across member states. So how can EIOPA – and Europe's other institutions – play a stronger role in shaping better pensions for citizens?

David Adams reports

The official mission statement of the European Insurance and Occupational Pensions Authority (EIOPA) is to advise the European Commission and the other institutions of the EU to help maintain the “stability, effectiveness and sustainability” of the financial system within the EU; and to promote “a sound regulatory framework and consistent supervisory practices in order to protect the rights of policyholders, pension scheme members and beneficiaries”.

EIOPA is a supervisory authority, not an EU-wide regulator; and pensions policy is under the control of individual EU member states, but EIOPA and other EU institutions are trying to address the pensions gaps appearing in most EU member states, as demographic and economic forces undermine the sustainability of long-established first pillar systems, while occupational and third pillar pensions systems and markets struggle to help close the pensions gaps.

In March 2025 the European Commission



launched a new Savings and Investments Union (SIU) strategy, to help boost economic growth, and digital and green transitions across the EU. It incorporates measures designed to encourage more use of auto-enrolment, pension tracking systems and dashboards; and reviews of the regulatory frameworks that support second and third pillar pensions, including treatment of Institutions for Occupational Retirement Provision (IORPs) and the Pan-European Personal Pension Product (PEPP).

EIOPA has embraced the strategy and will seek to help shape and deliver it. But in May it was condemned as being “in no position to ensure consistent supervisory practices across the EU”, in a report published by the European Court of Auditors (ECA). The ECA said EIOPA initiatives are not pursued by national authorities and the harmonisation frameworks it operates are inadequate. It stated that neither EIOPA nor the Commission have strengthened the role of occupational pensions, or boosted use of supplementary pensions, and highlighted the extremely limited take up of the PEPP to date. It made a series of recommendations intended to make EIOPA a more effective authority.

Despite the criticism it faces, EIOPA has endorsed the report's conclusions and recommendations. But, as a spokesperson says, while EIOPA “remains committed to helping close the continent's pension gap by enabling and supporting strong supervision of occupational pension funds... simple and portable savings products that offer good value for money, and enhancement of pension transparency... EIOPA can only carry out its activity within the limitations of the current legal framework”.

A national issue

But should changes to that legal framework include altering EIOPA's role in pensions regulation and policy? PensionsEurope is one of a number of influential sector bodies that responded to the ECA report by stating that it did not support any further centralisation of IORP supervision at EU level: because IORPs are not harmonised entities and take different forms in different member states; and obligations associated with more harmonised supervision could increase costs, damage some IORPs and negatively impact outcomes for members and beneficiaries. While PensionsEurope believes



“WE THINK COUNTRY-SPECIFIC RECOMMENDATIONS COULD AND SHOULD BE USED MUCH MORE IN SUPPLEMENTARY PENSIONS”

Matti Leppälä, PensionsEurope
secretary general and CEO

effective supervision is essential, this must complement, not override, national supervisory and regulatory frameworks.

“We think that pensions are and ought to be first and foremost a national issue,” says PensionsEurope secretary general and CEO, Matti Leppälä. “EIOPA should not be making pensions policy. It's there to supervise. In relation to second pillar pension funds under the IORP Directive, EIOPA can give guidance and issue opinions. But often they act as if they were a regulator.” He thinks it is difficult for some working at EIOPA to accept that the authority has to treat pensions in a different way to the insurance or asset management industries.

Germany's occupational pensions membership association Arbeitsgemeinschaft für betriebliche Altersversorgung (aba) noted, in a paper responding to the ECA report, that some of its recommendations “imply a shift in competence from member states and national competent authorities to EIOPA”. This, the aba suggests, “risks extensive reporting obligations for IORPs, with questionable cost-benefit ratios”. It described any call for greater supervisory convergence via EIOPA as “misguided”.

“EU supervisory regulations aiming at convergence may suit insurers, banks and fund managers – but not IORPs, whose directive aims for minimum harmonisation,” the aba paper stated. “The next revision of the EIOPA regulation should reflect this differentiated approach.”

This is also the view of the European Association of Paritarian Institutions (AEIP).

“National competent authorities are best placed to carry out supervision,” says AEIP policy adviser on pensions and financial affairs, Roberto Silvestri. “We don't envisage more supervisory convergence at EU level.”

Meanwhile, in late 2024, EIOPA





produced a paper outlining its views on why the PEPP has struggled to attract more consumers or providers and how those difficulties might be overcome. Factors blamed for a lack of progress to date included low participation in supplementary pensions in general, and the challenges of promoting the PEPP in competition with nationally-based third pillar products, which may offer tax incentives to consumers.

Among a series of proposals EIOPA lists to boost PEPP take-up are combining occupational and personal PEPPs into a single product, thus combining tax-efficient employer contributions with consumers' personal contributions; and making national sub-accounts voluntary, meaning it would not be compulsory to use the PEPP as a cross-border product. It also noted that continued development and roll-out of both pension tracking systems and pension dashboards could help boost demand.

Other observers have different views. The abapaper responding to the ECA report, for example, highlights "the incorrect assumption that this EU product fits into the existing pension systems of all member states and contributes to the expansion of funded pension provision". The PEPP is an idea that may yet become more useful, but many in the industry seem perplexed as to why EIOPA sees it as a high priority at present.

Other ways to make a positive contribution

Leppälä suggests that EIOPA and other EU institutions tend to have had a more positive impact on pensions when focusing on supporting first pillar provision in some member states.

"Where the EU facilitates coordination of social security pensions with country-specific recommendations, that has led to policy changes in many countries," he says. "That's up to member states, but most have changed the state retirement ages and have improved financial sustainability of the first pillar. We think country-specific

recommendations could and should be used much more in supplementary pensions."

The Dutch Federation of Pension Funds (Pensioenfederatie) chair, Ger Jaarsma, also believes the EU and the European Commission could do more to support reform and improvements to pensions systems in individual member states.

"The success of developing funded pensions largely depends on member states," he says. "The IORP II Directive applies a minimum harmonisation principle and that should be maintained."

"At the same time, the European Commission could and should do a great deal to promote funded pensions in member states where they are underdeveloped. [Pensions] should receive a more prominent role in the European Pillar on Social Rights Second Action Plan; and pension adequacy should be integrated in the European economic governance framework. Progress on pension adequacy should be part of the preventive and corrective rules of the Stability and Growth Pact."

In short, the majority view appears to be that while the fundamental principles and aims of EU member states pension systems may be shared, along with some supervision of, and support for pensions industries within individual states, neither regulation nor policy can be centralised.

EIOPA can still make a very positive contribution to the development of pensions provision in each of the three pillars, but the idea it could ever act as a regulator is unrealistic, says Deloitte Consulting partner and head of the Total Rewards practice in Germany, Peter Devlin. "Pensions are ultimately a tax issue, and tax issues are decided at a country level," he says. "You will never get harmonised tax regulations in the EU. Not in my lifetime, and I'm not that old."

He believes one of the most important ways EIOPA can help boost pension provision across the EU is by simplifying the regulatory environment.

"Simplification is important; not making it overly complicated or risky from a funding perspective to actually provide a pension," he says. "You can't build a pensions system where you're constantly changing the rules." That, perhaps, is a principle that the undoubtedly well-intentioned people working for the European Commission and EIOPA would be wise to remember.



"YOU CAN'T BUILD A PENSIONS SYSTEM WHERE YOU'RE CONSTANTLY CHANGING THE RULES"

Peter Devlin, Deloitte Consulting partner and head of the Total Rewards practice in Germany

European Pensions
AWARDS 2025



The Winners



European Pensions AWARDS 2025





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Congratulations!



It was another magnificent evening celebrating the hard work and dedication of the European pension fund industry at the European Pensions Awards 2025.

The beautiful Marriott Hotel on London's famous Grosvenor Square (which some might recognise as the hotel that features in *Friends*), played host to an event that saw trophies presented to over 30 companies and pension funds across a wide range of disciplines – from investment and technology to

diversity and communication. Performance, excellence and innovation are some of the most important areas of focus for our independent judging panel, and this year's entries displayed those qualities in abundance.

We would like to give a particular mention to Rosanne Corbett who won Personality of the Year in recognition of her deep commitment to pensions governance and risk management.

Congratulations to all our worthy winners!

Francesca Fabrizi, Editor-in-chief,
European Pensions

Judging Panel



Rob Barrett,
*Pensions and
Investment Expert*



David Butcher,
*Managing
Director,
Communications
and Content*



Chetan Ghosh,
*Chief Investment
Officer, Centrica
Pension Scheme*



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



Jana Bour,
*Head of Policy &
EU Partnership,
Impact Europe*



Evalinde Eelens,
*Board Member,
Multiple Dutch
pension schemes*



Matti Leppälä,
*Secretary
General/CEO,
PensionsEurope*



Clare Routledge,
*Client Director,
Vidett*



**Francesco
Briganti,**
*Secretary General,
CBBA-Europe*



**Snædís Ögn
Flosadóttir,**
*Head of
Institutional Sales
and Services,
Arion Banki*



Jerry Moriarty,
*Former CEO, Irish
Association of
Pension Funds*



**Oscar Van
Angeren,**
*Partner,
Houthoff*



Richard Poole,
*Former Legal Director,
Pensions & Employee
Benefits, Royal Mail Group*

The Winners 2025



European Pensions Consultancy
of the Year
Broadstone



Investment Manager of the Year
M&G Investments



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



Fixed Income Manager
of the Year
*TwentyFour Asset
Management*



Alternatives Investment Manager
of the Year
*GoldenTree Asset
Management*



Property Manager of the Year
AXA IM Alts



Infrastructure Manager
of the Year
Capital Dynamics



Private Equity Manager
of the Year
Unigestion



Private Assets Manager
of the Year
Nuveen



Emerging Markets Manager
of the Year
Fiera Capital



Risk Management Firm
of the Year
Aon



Currency Manager of the Year
HSBC



LDI Manager of the Year
SECOR



Multi-Asset Manager or Provider
of the Year
Mercer



ESG or SRI Provider of the Year
*AXA Investment
Managers*



Fiduciary Management Award
LPPI

European Pensions AWARDS 2025



European Pensions Law Firm
of the Year
CMS



Custodian or Transition
Management Firm of the Year
Northern Trust



Pensions Insurance Firm
of the Year
Rothesay



Pension Scheme Administrator
of the Year
*LifeGoals Financial
Services*



Pensions Technology Provider
of the Year
*Heywood and Money
Alive*



European Pensions Innovation
Award (Provider)
Gallagher



European Pensions Innovation
Award (Technology)
*Capita Pension
Solutions*
(Digital Mover Proposition)



European Pensions Innovation
Award (Investment)
L&G
(Private Markets Access Fund)



Master Trust Offering of the Year
Irish Life



Factor Investing Offering
of the Year
Russell Investments



European Pension Fund
of the Year
United Pensions



Best Investment Strategy Award
Nest



Pension Fund Communication
Award
*Landscape & Pearson
Pension Plan*



Pension Fund Innovation Award
(pension fund)
Clara Pensions



Diversity Award
*Coronation Fund
Managers*



Marketing Campaign of the Year
Scottish Widows



Personality of the Year
*Rosanne Corbett,
Director, Muse*



European Pensions Innovation Award (Provider)

Gallagher



Judge's comment

"This year's winner impressed the judges with its multitude of innovative propositions that are making a real difference to the pensions world"

As the pensions industry adapts to meet the changing needs of today's savers, it requires dynamic and innovative firms to lead the way and shape the modern retirement-saving sector. This award recognises those companies that have brought leading change to the pensions space and have responded to market pressures with originality and creativity.

This year's winner impressed the judges with its multitude of innovative propositions that are making a real difference to the pensions world.

As one of the world's largest insurance brokerage, risk management and consulting firms, Gallagher provides customised solutions and a full spectrum of services.

This range is vital as the industry is facing many significant challenges in efforts to innovate and utilise technology.

Therefore, Gallagher has been quietly and confidently pushing the technology envelope, providing best-in-class pension administration for scheme members while aligning with schemes' long-term strategies.

With all its clients' pension schemes serviced on a single proprietary platform, Gallagher is agile in its response to industry, commercial, and client demands.

Gallagher has also opened its workflow to members via its online portal, allowing members to see the real-time status of their cases through simple markers such as 'received', 'in progress', 'checking', and 'completed', along with the anticipated completion date, resulting

in seismic improvements for its pension administration clients.

For instance, before engaging Gallagher, one client's in-house team manually calculated over 1,500 quotations per month – an enormous use of hours and resources. Following digital implementation, member engagement increased so much that members were self-running 4,000 in-portal quotations per month. The team's manual processing effort dropped by over 95 per cent (< 200 per month), and they could redeploy that focus to other value-add engagements.

Overall, Gallagher's ease of automation has allowed it to achieve near-perfect coverage of automated member calculations. With 2.2 million member logins and counting, Gallagher has achieved outstanding engagement, reaching up to 75 per cent registration.

Along with Gallagher Guide's Pensions mobile app, Gallagher has also recently introduced RetireOnline, allowing members to retire entirely digitally.

Utilised by over 1,000 members since its introduction, its easy access ensures quality control and oversight from administration teams.

Gallagher continues to invest in AI including enhanced telephony and data cleansing solutions to drive better outcomes for members and scheme sponsors.

Congratulations to all the team at Gallagher on such an outstanding win at the European Pensions Awards 2025!

END-TO-END CAPABILITIES

NOW EVEN STRONGER

At Gallagher, we believe in doing things differently. In a pensions landscape defined by complexity, regulation and rising member expectations, we're building something bold that our clients value: a fully integrated, end-to-end service that empowers trustees, sponsors and institutional investors to make confident decisions.

From investment and actuarial consulting to governance, risk transfer, GMP equalisation, administration technology and member communications — Gallagher delivers a complete retirement solution.

We're specialists in innovation, with award-winning solutions and data and analytics running through everything we do. And now, with Redington part of Gallagher, our investment consulting power is unmatched.

Want to know more?

Get in touch at www.ajg.com/uk/european-pensions — we'd love to chat.



Gallagher

AJG.com

The Gallagher Way. Since 1927.

Insurance | Risk Management | Consulting

Gallagher Benefit Services is a trading name in the UK for Gallagher Risk & Reward Limited (Company Number: 3265272), Gallagher Communication Ltd (Company Number: 3688114), Gallagher Actuarial Consultants Limited (Company Number: 1615055), Gallagher (Administration & Investment) Limited (Company Number: 1034719), and Gallagher Consultants (Healthcare) Limited (Company Number: 172919), which all have their registered offices at The Walbrook Building, 25 Walbrook, London EC4N 8AW. All the companies listed are private limited liability companies registered in England and Wales. Gallagher Risk & Reward Limited, Gallagher (Administration & Investment) Limited and Gallagher Consultants (Healthcare) Limited are authorised and regulated by the Financial Conduct Authority.

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Why pensions administration needs a new standard centred on member experience

For decades, Service Level Agreements (SLAs) have been the cornerstone of performance measurement in pensions administration. They provide a common language for things like speed, accuracy, and throughput, and they give a seemingly objective snapshot of how well an administrator is performing. This helps ensure operational discipline and provides tangible proof that contractual obligations are being met.

But pensions administration is so much more.

The SLA focus within the industry remains a necessary part of the story, but it is far from the whole narrative. SLAs tell us that a task was completed and when. They celebrate administrative efficiency, but they are utterly silent on a crucial point: how a member felt about the experience.

That silence matters. Members often interact with their pensions at life's pinch points – changing jobs, facing ill-health, planning retirement, and experiencing bereavement. In those moments, the quality of the experience shapes confidence, decision-making and, ultimately, outcomes. During these moments, their interaction with their pension administrator is key. If our reporting doesn't illuminate that experience, we're managing what's easy to measure, not what's essential to improve.

Why SLAs are no longer enough

SLAs emerged for good reasons, but key shifts in the industry have made their limitations impossible to ignore:

1. Rising member expectations.

People now benchmark every

Are SLAs still fit for purpose?

service against their best digital experiences elsewhere. Clunky forms, confusing acronyms or long queues jar in a world of instant confirmations and intuitive journeys.

2. Complexity and consequences.

Defined contribution choices, transfer risks, and scam exposure have raised the stakes. A technically correct process that leaves a member confused may be compliant, but it is not protective.

3. Regulatory pressure.

The FCA's Consumer Duty has set a new bar for customer outcomes across financial services, and its influence is being felt by the pensions industry. While trustees themselves may not be directly bound, administrators and providers increasingly need to evidence that member journeys deliver good outcomes, not just operational compliance. This is a cultural shift as much as a regulatory one, and it demands better data on experience, not just process.

4. Trustee accountability.

Good governance is not only about evidencing process; it's about driving better outcomes. Boards increasingly want to understand quality of experience, not just quantity of tasks.

SLAs report the past. Members live in the present. Trustees need a view of both.

When the numbers look fine, but the experience doesn't

Consider a member who receives an annual statement on time and error-free: an SLA pass. But the statement is dense and the projections hard to interpret. The member calls the helpline, waits, calls back again, then gives up, none the wiser. The SLA box may be ticked, but none of this is captured and the experience creates anxiety and inertia. Over time, that inertia compounds into lower engagement, poorer decisions, and worse outcomes.

Similarly, a bereavement case handled within SLA could feel cold or transactional if tone and support are misjudged. Efficiency without empathy won't be experienced as service – especially at the most sensitive moments.

Trustees meet their fiduciary duty by ensuring administrative processes are sound, but they are not always empowered to truly understand or "drive real impact" for their members. So, if we were to change the status quo and design new reporting, what would it look like? What would we need to capture to move beyond the current limitations of stewardship reports?

A better standard for pensions administration

At Gallagher, we've considered it carefully. First and foremost, we would need to capture information in real-time. Instead of a periodic snapshot, imagine a dashboard that provides a "full and instant picture" of the member journey as it happens. We would be able to see not just the number of calls received, but the sentiment behind



those calls. We would track not just how quickly a transfer was processed, but the member's level of engagement and understanding throughout the process.

This new reporting would go beyond the traditional SLA and focus on putting members at the heart of everything we do. This means breaking down the member experience into a more holistic framework, moving beyond just speed and accuracy:

- **Clarity:** Are communications and processes easy to navigate? Do members understand what to do next—and why? Clarity is the gateway to confidence; without it, even fast, accurate processes can leave people stuck.
- **Empathy:** Do interactions feel human, respectful and situationally aware, especially during important life events? Are vulnerable members identified and supported appropriately?
- **Quality:** Not just “how fast did we process?” but “how well was it done, and how much effort did the member expend?” Low effort, high quality service beats speed alone every time.
- **Digital engagement:** Are members using digital tools to complete key journeys? Do those journeys feel seamless and intuitive, with sensible hand offs to people when needed?

By focusing on these four areas, we can turn the abstract concept of mem-

ber experience into something that is truly measurable, meaningful, and actionable. This allows for more valuable benchmarking, where schemes can compare not just how quickly they process a transfer, but the level of member satisfaction they achieve. This helps schemes identify and share best practices, ensuring every scheme can be a leader in providing a best-in-class member experience.

What trustees can do differently – starting now

Trustees don't need to wait for a complete system overhaul to start making improvements. There are practical steps that can make a difference right now:

1. **Reframe the questions you ask.** Alongside “Did we hit the SLA?” add “Where did members struggle most this quarter, and what are we changing as a result?” If the answer relies on anecdotes rather than data, there's a measurement gap.
2. **Prioritise high-impact journeys.** Focus on moments that most shape trust and outcomes, such as bereavement, retirement options, and transfers.
3. **Insist on member effort and clarity measures.** A simple two-question pulse – “How easy was that?” and “How clear do you feel about your next step?” – can provide more insight than pages of SLA tables.

Governance improves when boards can see both how well the machine runs and how it feels to use it.

Leading the change

For us at Gallagher, this isn't a theoretical debate; it's the reality we work with every day as a pensions administrator. We know SLAs matter, but they can't be the only measure of success. That's why we've been rethinking what good looks like and building a way to make it real. We've developed an approach that combines operational discipline with genuine insight into the member experience. It's designed to give trustees the visibility they've been asking for and help schemes focus on what truly improves outcomes.

Our goal is simple: Members who feel informed, supported, and confident at every stage of their journey. When clarity rises, confidence follows. When digital journeys just work, engagement grows. And when empathy is evident, trust deepens.

SLAs helped professionalise pensions administration, and they still have a place. But the future belongs to those who measure and manage what members actually experience. That's the standard our industry needs next.

If anything here resonates with you, get in touch with the Gallagher team and let's explore what this could mean for your scheme.

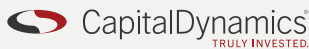
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WINNER

Infrastructure Manager of the Year *Capital Dynamics*



Judge's comment

"The winner was praised by the judges for demonstrating an exceptional dedication to pension matters, along with a commitment to responsible investing and active participation in local communities"

During one of the most challenging periods for pension fund investment, European pension investors are increasingly recognising infrastructure as a serious asset class. This award acknowledges the industry players who grasp the complexities of this asset class and are actively helping pension funds unlock its potential benefit.

The winner was praised by the judges for demonstrating an "exceptional" dedication to pension matters, along with a commitment to responsible investing and active participation in local communities. Congratulations to Capital Dynamics!

Capital Dynamics is an independent global asset management firm with extensive knowledge and experience in developing solutions tailored to its diverse, global client base. Its investments primarily focus on private assets, including clean energy and private equity.

Over the past 18 months, the firm has achieved significant milestones in its business, including the launch of two flagship funds: Clean Energy UK, targeting the UK market with 65 per cent of its backing from Local Government Pension Schemes as of Q4 2024, and Clean Energy Europe, focused on the European market, and has attracted 70 per cent of its capital from European pension funds, as of Q4 2024.

The firm's commitment to the pensions sector is evident, with pension funds representing over 30 per cent of its platform assets under management. And in 2023, pension funds accounted for over 60 per cent of new capital

commitments across its various mandates, highlighting Capital Dynamics' ongoing leadership and trusted position within the pensions sector.

Throughout the same year, the firm completed and acquired 11 projects across the UK, Spain, and Italy, totalling 880 MW. It also made the final investment in its UK-focused fund, CEI VIII, comprised of nearly 80 per cent UK-based pension funds.

Proving its capability as an industry leader in responsible investment, Capital Dynamics was an early signatory to the United Nations Principles for Responsible Investment (UNPRI) and received the highest marks from the UNPRI in multiple categories, including a five-star rating for Clean Energy in 2023.

The company's transparency is evident in various operational areas, particularly through its consistent and straightforward reporting to investors using the R-Eye rating system. Based on the UN Sustainable Development Goals, the system scores and assesses proposed investments and is reviewed by the investment committee at every stage, embedding impact considerations from the start.

In 2023, Capital Dynamics contributed £242,000 to local causes through its wind and solar assets in the UK through Community Benefits Funds. Its Clean Energy team has over a decade of experience developing greenfield solar PV and onshore wind assets into operational projects, contributing to the energy transition and supporting local communities. Congratulations to the team!



Driving Europe's Energy Future. Turning Change Into Opportunity, Together.



Dario Bertagna
Co-Head Clean Energy



Barney Coles
Co-Head Clean Energy

Our Clean Energy platform brings over a decade of experience in successfully transforming greenfield solar PV and onshore wind assets in key European markets into contracted, de-risked, and cash-generating portfolios. We target stable, double-digit returns while advancing the energy transition and supporting local economies where we operate.

Visit us at: www.capdyn.com



Capital Dynamics named *Infrastructure Manager of the Year* at the European Pensions Awards 2025

Capital Dynamics is delighted to have been named 'Infrastructure Manager of the Year' at the European Pensions 2025 Awards. This recognition underscores our leadership in advancing Europe's energy transition and reflects the trust that some of the UK and Europe's most forward-looking pension funds have placed in us. We are building a portfolio that aims to deliver both attractive financial performance and measurable impact for our investors and in the communities in which we operate.

Investing in the energy transition since 2010

As Europe accelerates towards a sustainable energy future, institutional investors are increasingly looking for opportunities that combine stable returns, strong execution, and demonstrable outcomes. Renewable energy infrastructure has emerged as a core allocation in this context, offering long-duration, inflation-linked cash flows alongside environmental and social benefits.

Capital Dynamics has been at the forefront of this evolution. Since 2010, we have been investing in renewable energy assets across Europe, focusing on construction-ready solar PV and onshore wind. Our expertise spans the entire project lifecycle – from origination and development, to construction, operation, and divestment.

We are active in the UK, Northern Ireland, Spain, Italy, and Germany, where we have built a reputation for

successfully transforming greenfield solar PV and onshore wind assets into contracted, de-risked, and cash-generating portfolios. With over a decade of consistent delivery, our Clean Energy platform has proven its ability to generate resilient returns for investors while also accelerating the energy transition and supporting local economies.

Pension funds at the core of our strategy

Our partnerships with pension fund investors have been central for our growth. Pensions schemes – particularly the UK Local Government Pension Schemes (LGPS) and major European funds – now present a significant share of our assets under management. In recent years, they have consistently provided the majority of new capital commitments across our mandates.

This support is not just financial; it reflects a broader conviction that renewable energy is an essential building block for long-term portfolios. Pension funds face dual imperatives: delivering predictable returns to their members while also aligning with sustainability objectives. Clean energy infrastructure is uniquely positioned to meet both.

Our flagship funds benefit from strong backing across the institutional landscape, with repeat commitments from sophisticated investors who recognize the strategic importance of clean energy. This depth of support demonstrates how

firmly renewable infrastructure has moved from a niche allocation to a mainstream component of European pension fund portfolios.

Vertically integrated platform

A defining strength of Capital Dynamics is our vertically integrated platform, which combines investment expertise with technical and operational capabilities. At the heart of this model is the close collaboration between our Clean Energy team and our affiliated asset manager, Netro Energy.

This integration allows us to oversee the full lifecycle of every project — from acquisition and financing through construction, operations and divestment. It ensures efficiency, alignment of interests, and value creation at every stage. By managing projects end-to-end we are able to optimize returns while reducing execution risk.

Our Clean Energy platform is co-lead by Barney Coles and Dario Bertagna and is supported by over 35 professionals across five European offices. This combination of technical expertise and local presence provides the insight and agility needed to navigate diverse markets and regulatory environments.

Protecting returns from market volatility

Renewable assets face a key challenge: exposure to fluctuating power prices. At Capital Dynamics, we mitigate this risk through long-term power purchase agreements



(PPAs) with investment grade counterparties, including leading global corporations such as BP, HSBC and S&P 500 companies.

These agreements link revenues directly to actual electricity generation, creating transparent and predictable cash flows. They also provide flexibility in structuring deals, aligning project performance with market realities. For investors, this means greater confidence in revenue forecasts, reduced risk from market volatility, and improved resilience across different market cycles

Leveraging local relationships

Another critical element of our success is our commitment to local partnerships. In each of our core markets, we collaborate with developers that bring deep knowledge of local regulations, permitting processes, and market dynamics.

These relationships often give us early access to projects before they are widely available, allowing us to secure construction-ready renewable assets at competitive valuations. In the UK alone, Capital Dynamics has acquired over thirty renewable projects since 2010, representing over 550MW of gross capacity.

Beyond financial outcomes, these projects generate positive local impact by creating jobs, strengthening supply chains, and contributing to sustainable growth in local communities. For us, success is measured not only in megawatts installed but also in long-term value created for local economies.

Sustainability and ESG integration

Sustainability is embedded in everything we do. Capital Dynamics'

clean energy funds are aligned with the EU Taxonomy and classified under Article 9 of the Sustainable Finance Disclosure Regulation (SFDR) – the highest standard for sustainable investment strategies in Europe

From the earliest stages of due diligence, we integrate environmental, social, and governance (ESG) considerations into our investment process. This continues through active ownership, where we leverage technologies such as battery storage, smart grid technology, and advanced forecasting tools to enhance resilience and facilitate greater renewable integration.

"At Capital Dynamics, we are proud of the trust we have built with investors and communities alike"

We also prioritize community engagement. Whether partnering with schools to promote renewable education or supporting municipalities in workforce development, we seek to ensure that the benefits of our projects extend beyond clean energy. Importantly, a proportion of our returns is tied to achieving measurable impact targets, underscoring our accountability in delivering sustainability outcomes.

A trusted manager

At Capital Dynamics, we are proud of the trust we have built with investors and communities alike. Partnering with us means working with a manager who combines financial discipline, technical expertise and a deep commitment to sustainability. Our strategy is well aligned with the objectives of long-term investors:

aiming to generate attractive, risk-adjusted returns while contributing meaningfully to the global transition to a low-carbon economy.

In focus – Capital Dynamics and Clwyd Pension Fund

A powerful illustration of our partnership model is our long-standing collaboration with Clwyd Pension Fund ("Clwyd").

In 2024, Clwyd expanded its mandate with Capital Dynamics following the successful deployment of its initial investment in Welsh renewable infrastructure. This new mandate was structured as a Separately Managed Account (SMA), designed specifically to channel capital into new green energy projects across Wales.

Aligned with the Welsh Government's National Development Framework, the SMA directly supports Wales's ambitious targets to produce 100 percent of its electricity from renewable sources. By focusing on projects with strong local ties, the investment helps ensure that economic benefits remain rooted in Welsh communities.

For Capital Dynamics, the Clwyd partnership exemplifies how institutional capital can drive national energy goals while delivering secure returns. It also highlights the value of building enduring relationships based on trust, performance, and shared vision.

Looking ahead

Winning Infrastructure Manager of the Year is a milestone we are deeply proud of. Europe's energy transition is accelerating, and the role of pension funds and institutional investors will remain critical in financing this transformation.



WINNER

Property Manager of the Year *AXA IM Alts*



Judge's comment

"The judges described the winning entrant as a superbly experienced property manager with a high level of professional excellence"

Property has gained true recognition as an essential asset class for pension funds across Europe seeking to diversify their portfolios, with managers seeking out returns from both the traditional and less accessible property markets across the world.

This award recognises those managers who have excelled in property investment, demonstrated innovation in their product offerings, and consistently delivered excellence in managing this diverse and dynamic asset class.

The judges described the winning entrant as a superbly experienced property manager with a high level of professional excellence. The expert panel noted that its detailed submission was inspiring and impressive. Congratulations to AXA IM Alts, this year's Property Manager of the Year!

AXA IM Alts is serious about real estate; its €113 billion real estate portfolio represents a significant proportion of its overall operations and puts AXA IM Alts in the top spot for real estate management in Europe and in the top 10 globally.

A cornerstone of its real estate business is its approximately €27 billion global commercial real estate (CRE) debt platform, which raised over €4 billion in the past year through the launch of new strategies and dedicated mandates. During the same period, AXA IM Alts invested around €3 billion into loans secured against high-quality assets across multiple real estate asset classes, including logistics, residential and data centre sectors.

It is this ability to generate substantial fundraising and

deployment in a single year that highlights the firm's leadership in CRE debt, using its global network and expertise to offer clients diverse alternative lending opportunities.

Key transactions for AXA IM Alts in 2024 included the acquisition of the iconic BBC Elstree Centre in north west London, marking its first investment in the UK's TV and film studio market on behalf of clients. This move reflects AXA IM Alts' strategic focus on the TV and film sector, a high-growth asset class driven by rising demand and limited supply of production space.

Furthermore, in a joint venture with Cabot Properties, AXA IM Alts completed a 114kW rooftop solar array on a 261,000 sq ft industrial property in Fontana, California, and its first solar project in the state. It supplies low-cost renewable electricity to the tenants, supporting their operations and is expected to generate over 200,000 kWh annually, cutting on-site CO2 emissions by more than 141 metric tonnes each year.

Recognising that the built environment is a major contributor to carbon emissions, AXA IM Alts has made decarbonisation a core priority. Backed by a dedicated team of over 140 asset managers and 12 ESG experts, AXA IM Alts takes a proactive, data-driven approach to energy performance across all assets.

To conclude, AXA IM Alts received the award for its strong performance, innovative strategies, and consistent value delivery for pension clients across Europe. Well done to the team!

Delivering sustainable returns in **alternative** investments

A truly long-term approach

Our Alternatives capability is structured around four investment pillars – Real Estate, Alternative Credit, Infrastructure, and Natural Capital & Impact. For over 30 years, we have consistently pioneered innovative products that redefine the Alternatives landscape.

Our conviction is that long-term performance generation, demonstrated over multiple market cycles, can only be built on a fundamental understanding and proximity to the assets we manage, and by fully integrating best-in-class ESG practices into our investment processes.

This is why clients trust us to manage €190 billion in assets under management¹.

Investments in financial markets involve a capital risk.

Learn more about AXA IM Alts

alts.axa-im.com

¹ Source: AXA IM Alts (unaudited) as at 31 March 2025. For institutional investors only as defined by applicable local laws and regulation. Circulation must be restricted accordingly. This promotional communication does not constitute on the part of AXA Investment Managers 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. In other jurisdictions, this document is issued by AXA Investment Managers SA's affiliates in those countries. Design & Production: Internal Design Agency (IDA) | July 2025 | 19-11400 | Photo Credit: Gettyimages.



WINNER

ESG/SRI Provider of the Year *AXA Investment Managers*



Judge's comment

"The judges praised the winner for its impressive submission that truly understands the complexities and nuances of the ESG space and is making a huge difference"

European pension funds are growing increasingly conscious of how environmental, social, and governance (ESG) factors and socially responsible investing (SRI) influence their portfolio performance. This award honours the frontrunners in this vital market.

The judges praised the winner for its impressive submission that truly understands the complexities and nuances of the ESG space and is making a huge difference.

Congratulations to the team at AXA Investment Managers (AXA IM)!

This year, AXA IM has continued to innovate to meet clients' growing sustainability needs. In particular, 2024 saw the firm expand its range of Paris-Aligned Benchmark and ESG-related exchange-traded funds (ETFs) to 10. This offered investors transparent, simple, and cost-effective ways to reduce ESG risk, based on AXA IM's responsible investment expertise.

Additionally, in January 2024, AXA IM launched the Carbon Transition Global Short Duration Bond Fund, seeded with £127 million by Aon.

This fund aims to enhance cash returns while supporting the transition to a net-zero world through an explicit decarbonisation objective.

AXA IM also embraced the UK Financial Conduct Authority's Sustainable Disclosure Requirements, with three funds receiving official labels.

The AXA UK Sustainable Equity and AXA Global Sustainable Managed funds adopted the Sustainability Improvers label in January 2025, while the AXA People & Planet Equity fund adopted the Sustainability Impact label

in March 2025.

Another major focus for AXA IM in the ESG/SRI space this past year has been enhancing client service, especially as clients' reporting requirements expand.

In terms of actions on this, the firm updated its annual impact reports for the Biodiversity and Social Progress Funds, as well as working to improve its portfolio-level ESG Report.

Key advancements to the report include the addition of a corporate biodiversity footprint metric and a new 'Net Zero Alignment' page that tracks portfolio emissions over time.

The report update also incorporated commitments to the Science Based Targets initiative and a proprietary net zero 'colours' framework allocation, based on the Institutional Investors Group on Climate Change (IIGCC) Net Zero Investment framework.

AXA IM continues to demonstrate strong momentum, earning praise from the judges for its dedication to transparency and accountability in driving industry-wide progress.

Notably, AXA IM developed a framework last year to assess sovereigns' progress toward net zero, aligned with IIGCC guidelines.

The firm continued to push boundaries by developing its responsible investment education training programme, with 100 per cent completion by employees.

It also conducted dedicated client training on nature and biodiversity, and throughout 2024 hosted a series of training workshops for consultants, pension fund clients and prospects. Congratulations to the team at AXA IM!



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Investment involves risk
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WINNER

Investment Manager of the Year *M&G Investments*



Judge's comment

"The judges praised M&G's leadership in private credit, noting its ability to create real-world solutions for pension investors"

With volatility, inflation and demographic change continuing to reshape the pensions landscape, this award celebrates investment managers that deliver for schemes through both innovation and consistency.

This year's winner, M&G Investments, stood out for its commitment to delivering excellence across multiple strategies and asset classes, while playing a key role in the evolution of European pension provision. The judges praised M&G's leadership in private credit, noting its ability to innovate and create real-world solutions for pension investors.

One of Europe's longest-established investment managers, M&G manages €369 billion in assets, including €167.54 billion in fixed income, and is trusted by more than 800 institutional clients globally. M&G has long been a leader in private markets, currently managing €86 billion in private assets.

In 2024, it received regulatory approval for its Long-Term Asset Fund (LTAF), opening new opportunities for UK defined contribution schemes.

Meanwhile, its European Long-Term Investment Fund (ELTIF) – the first open-ended, semi-liquid private credit ELTIF in the market – offers further flexibility, alongside the M&G Diversified Private Credit Fund. Overall, M&G has continued growth across all areas of the business, including the launch of 34 funds and 14 mandates.

M&G also expanded through strategic acquisitions, adding BauMont Capital and acquiring a majority stake in P Capital Partners, thereby boosting its expertise in real estate and non-sponsored lending. In 2024, the firm completed three bulk purchase annuity (BPA) transactions, including an innovative value-share BPA that allows scheme sponsors to share in potential upside.

A long-standing champion of responsible investment, M&G aims to achieve net-zero carbon emissions across all its assets by 2050. With this in mind, the £5 billion Catalyst Programme invests in projects tackling environmental, social and governance (ESG) challenges, from green infrastructure to sustainable farming.

Diversity and inclusion remain central to M&G's strategy, with the introduction of new family-friendly policies and a Level 3 Disability Confident Leader accreditation from the UK government. Indeed, the firm continues to attract diverse talent while maintaining strong staff retention and expertise, as well as introducing market-leading family policies, including neonatal leave and a menopause policy with extended healthcare benefits.

In a fast-changing environment, M&G has proven itself to be a reliable and innovative partner to pension funds across Europe and beyond. Congratulations again to the team at M&G Investments!

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WINNER

Pensions Insurance Firm of the Year

Rothesay



Rothesay

Judge's comment

"This year's winner demonstrated an incredibly successful year and was praised by the judges for their ability to set a high standard for the BPA market with their excellence and strong delivery"

With demand in the de-risking market remaining strong, this category recognises performance in providing bulk annuities, longevity insurance and other pensions insurance structures to address the ongoing derisking needs of pension funds throughout Europe.

This year's winner demonstrated an incredibly successful year and was praised by the judges for their ability to set a high standard for the bulk purchase annuity (BPA) market with their excellence and strong delivery.

Congratulations to all of the team at Rothesay on a very well-deserved win!

2024 was another record-breaking year for the European bulk purchase annuity market and this was particularly true for Rothesay, who stood out from the crowd with an impressive level of business.

Estimated to have provided insurance to around 30 per cent of total liabilities that transferred to insurers in 2024, Rothesay secured £15.7 billion of pension liabilities in 2024, written across seven transactions. This covered the lives of a further 120,000 people, meaning that Rothesay now insures the pensions of over one million people.

It also included the acquisition of Scottish Widows' bulk annuity portfolio from Lloyds Banking Group, Rothesay's sixth acquisition of in-force annuities, which further reinforced its position as a trusted home for annuity back-books from

insurance counterparties.

Even omitting the Scottish Widows transaction, Rothesay's new business volumes represented the largest from any insurer in 2024, marking the second year in a row that Rothesay has executed the largest volume of annuity transactions across the market.

The firm has not only been able to survive in a fiercely competitive market but thrive, delivering one of its strongest years ever, while still maintaining strong price discipline, carefully managing risks and delivering exceptional service to its policyholders.

The group has also continued to innovate to ensure it is meeting the needs of all schemes from across the pensions landscape, working to provide the best possible solution for schemes of all sizes and types.

Rothesay has also worked hard over the past year to take advantage of emerging opportunities, having been particularly supportive of the push for more UK-based investment, investing more than £3 billion in UK productive assets throughout the year. This UK-focused investment expands productive capacity, furthers sustainable growth and is an important contribution to the real economy.

In an already competitive market, Rothesay has continually strived to raise the bar, and encourage a high standard across the bulk purchase annuity market. Congratulations again to the team at Rothesay!

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European Pensions

AWARDS 2025



WINNER

European Pensions
Insurance Firm of the Year



WINNER

Fixed Income Manager of the Year *TwentyFour Asset Management*



Judge's comment

"This firm continues to display passion and dynamism for fixed income investing in the pensions arena, as well as a desire to serve and educate the industry about this important asset class"

The European Pensions Fixed Income Manager of the Year award recognises those managers that provide a real specialisation in this key area and can offer their clients a variety of solutions to meet the ever-changing market conditions.

This year's winner, TwentyFour Asset Management, impressed the judges with its passion for this essential asset class, its consistency of performance, its focus on ESG, and the effort it puts into educating the industry about the role fixed income can play in pension portfolios.

In the words of the judges: "This firm continues to display passion and dynamism for fixed income investing in the pensions arena, as well as a desire to serve and educate the industry about this important asset class."

TwentyFour Asset Management, a boutique of the Vontobel Group, is a specialist fixed income investor, which aims to provide investors with superior risk-adjusted returns, with a strong focus on capital preservation throughout the economic cycle.

It has seen solid results across the board since inception, and saw strong performance in 2024. For example, its flagship Multi-Sector Bond fund, Strategic Income, delivered in excess of 9 per cent, while its asset-backed securities (ABS) funds also delivered impressive returns.

TwentyFour Asset Management additionally works hard to understand the needs of the pensions space and develops offerings to meet those

needs, as evidenced by its impressive growth in pensions assets under management. In 2024, for example, over £1 billion of net new money was gained from 11 new pension clients; while total pension assets grew from £1.6 billion to £3.2 billion.

It also saw material inflows from existing clients forced to disinvest during the liability-driven investment (LDI) crisis, which the judges agreed clearly demonstrates client trust and satisfaction.

ESG is also a key focus for TwentyFour Asset Management, which again the judges saw as important, and is something the firm continues to evolve. In 2024, for example, the firm revamped its Task Force on Climate-Related Financial Disclosures reporting; while it also increased its ESG focus in the European ABS space and securitisation markets – again, testimony that the firm is constantly striving to be the best it can be.

Finally, since inception, TwentyFour Asset Management has stood out for its commitment to educating its client base, developing its offerings to now include an Education Hub as well as a webinar series on a range of topics, again something which the judges felt put this firm ahead of the rest.

All in all, with solid performance, unquestionable expertise, and a refusal to stand still in everything it does, TwentyFour Asset Management was a worthy winner in this competitive category. Congratulations to the team on an outstanding achievement!



TwentyFour

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We are fixed income specialists.

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

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For further information visit the TwentyFour Asset Management website.



WINNER

Master Trust Offering of the Year *Irish Life*



Judge's comment

"Its entry showcased a true understanding of the pensions space and how a desire for meeting the diverse needs of members can make a real difference"

Master trusts have rapidly transformed the pension landscape, as funds seek effective ways to reduce costs while maintaining high standards of quality and governance.

Congratulations to Irish Life, winner of the Master Trust Offering of the Year award for its EMPOWER Master Trust. In the words of the judges, its entry showcased a true understanding of the pensions space and how a desire for meeting the diverse needs of members can make a real difference.

With €8.95 billion in assets under management, 2,020 plans and 160,138 members (figures correct at 17 February 2025), Irish Life's EMPOWER Master Trust offers up some impressive figures reflecting the strength and quality of this best-in-class solution.

Irish Life brings 83 years of experience in pensions, combined with an innovative and visionary approach that puts the EMPOWER Master Trust on the front foot for success. In particular, it benefits from robust and independent governance, ensuring high standards of oversight and accountability.

Irish Life acts as the Registered Administrator for the EMPOWER Master Trust, with a dedicated team of over 100 pension specialists who have successfully scaled to support 160,000 members, delivering consistently high-quality service, earning industry recognition, and showcasing the agility and strength of the administration platform.

Irish Life works with carefully selected partners to provide an independent trusteeship and governance structure, and an environment of robust

challenge to ensure continual improvement of the offering. These include Law Debenture Master Trust (Ireland) DAC, which serves as the trustee firm, while Grant Thornton and LCP Ireland are the key function holders, providing independent professional services for the master trust. Indeed, no other master trust in Ireland offers this level of independent oversight.

When it comes to investment, the EMPOWER Master Trust offers the market's only end-to-end lifestyle investment solution requiring no member action, delivered via a life assurance platform and supported by Irish Life Investment Management, with access to a broad fund range and independent oversight by the trustees.

Irish Life is also able to offer a seamless, automated transition process for schemes joining the EMPOWER Master Trust. Employers benefit from impactful insights, effective cost controls and dedicated support, while members enjoy quality service and proactive engagement to support them achieve a no-regrets retirement.

Combining engaging member communications and digital tools e.g., Irish Life Pension Portal and App, used by over 170,000 members, Irish Life empowers individuals to take control of their pensions and finances by simplifying decisions, reducing paperwork, and cutting through inertia.

With its market-leading innovation, exceptional member experience, and proven ability to scale while maintaining quality and governance, EMPOWER Master Trust is a truly deserving winner. Congratulations!



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Equities Manager of the Year

Cantor Fitzgerald Asset Management Europe (CFAM)



Judge's comment

"The judges were particularly impressed by CFAM's flagship Global Equity Fund, which has delivered an annualised return of 10.1% over the past six years"

This award celebrates those investment managers who have delivered exceptional performance in equities management over the past year. In a market where volatility remains high and pension funds continue to seek consistent returns, this year's winner has proved itself an invaluable partner to European schemes.

Congratulations to Cantor Fitzgerald Asset Management Europe (CFAM), which has demonstrated outstanding skill in equity management, achieving strong results while carefully managing risk on behalf of pension fund clients.

With over 30 years of experience managing investments for pension funds, life companies, charities, and other institutions, CFAM has established a reputation for delivering steady, long-term outperformance.

Backed by the global reach of Cantor Fitzgerald, the firm has access to a worldwide network of market specialists, helping to inform its investment decisions and support its diverse range of active strategies.

The judges were particularly impressed by CFAM's flagship Global Equity Fund, which has delivered an annualised return of 10.1 per cent over the past six years – outperforming the MSCI AC World Index by 1.8 per cent per annum.

In 2024 alone, the fund returned 34.2 per cent, significantly ahead of its benchmark's 25.6 per cent return. Over the past five years, the strategy has outperformed its peers in the Citywire Selector universe, consistently ranking in the top 1-2 per cent across all time periods.

CFAM's success is underpinned by a robust and repeatable investment process, centred on three key pillars: Macroeconomic analysis, technical analysis, and valuation. This style-agnostic approach allows the team to remain flexible and responsive to changing market conditions. As CFAM CIO, Phil Byrne, explains: "The robustness of our three-pillar process has been pivotal to our decades-long success, consistently driving long-term outperformance for our clients."

Meanwhile, the team's agility and disciplined decision-making have been particularly valuable in recent years, enabling pension schemes to navigate market cycles and respond effectively to global economic events. CFAM's ability to manage risk while capturing growth opportunities has made it a trusted partner for pension fund investors.

In addition to the Global Equity Fund, CFAM also manages a range of equity solutions, including its Technology Fund, which returned an impressive 42.8 per cent in 2024, outperforming its benchmark by 2.1 per cent in the year and delivering an exceptional 10.9 per cent annualised outperformance over the past five years.

CFAM remains committed to expanding its market presence while continuing to deliver exceptional service to its existing clients. With a proven track record, a disciplined investment philosophy, and a clear focus on client outcomes, the firm has once again set the standard for excellence in equities management.

Congratulations to the team!

Cantor Fitzgerald Asset Management Europe's Award-Winning Global Equity Fund

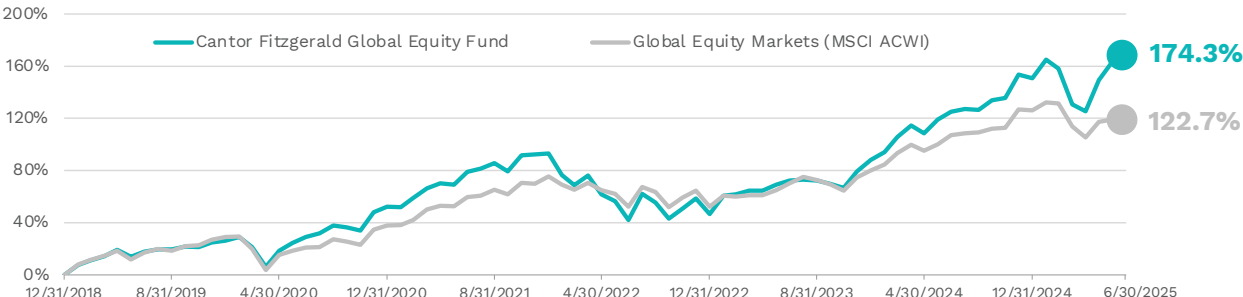


Our Global Equity Fund Vs Global Equity Markets (MSCI ACWI)

The Cantor Fitzgerald Global Equity Fund has consistently delivered top-tier returns*, outperforming the MSCI AC World Index across multiple timeframes. With a style-agnostic investment approach, this is an active stock picking fund in a thematic world and follows a disciplined three-pillar investment process. Our fund reflects the strength of active management and the power of global insight.

2025 has been a milestone for the Cantor Fitzgerald Asset Management team. We were delighted to receive the prestigious European Pensions Equities Manager of the Year award in London, building on our Irish award from 2024.

*Current investment team tenure 1/1/2019



FUND / BENCHMARK	YTD	1 YEAR	3 YRS P.A.	5 YRS P.A.	7 YRS P.A.
Cantor Fitzgerald Global Equity Fund (Net)	9.7%	21.4%	19.9%	16.5%	13.8%
MSCI AC World Total Return (EUR) Index	1.1%	9.6%	11.0%	13.5%	10.9%

Source: Bloomberg & CFAM as at 31.07.2025. Fund performance (RIAIF) figures are quoted Net of all fees.

WARNING: Past performance is not a reliable guide to future performance.

WARNING: The value of your investment may go down as well as up.

WARNING: If you invest in this fund you may lose some or all of the money you invest.

WARNING: This fund may be affected in changes in currency exchange rates.

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For further information please contact:

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Lorem ipsum

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European Pensions Innovation Award (Technology)

Capita Pension Solutions (Digital Mover Proposition)



Judge's comment

"This year's winner was praised for using innovation and expertise to develop a proposition that is making a real difference in the pensions space"

With pension funds facing continued uncertainty, growing regulation and a never-ending list of issues, this award looks to recognise those firms that have brought innovation to the pensions marketplace, using technology to stay one step ahead and meet the evolving needs of the industry amid growing market pressures.

In particular, this year's winner was praised for using innovation and expertise to develop a proposition that is making a real difference in the pensions space. Congratulations to all of the team at Capita Pension Solutions, and particularly the team behind its Digital Mover proposition!

Choosing to break the status quo and take a proactive rather than reactive approach, Capita Pension Solutions launched its Digital Mover proposition in 2024 to solve the many challenges schemes face when tracking down members. After all, if you never actually lose somebody, you won't need to try and find them.

Indeed, losing contact with members has long been a key challenge for pension schemes, and despite industry efforts, solutions to this issue have been few and far between.

This is in part due to the fact that tracing efforts have typically been 'reactionary', dealing with the event after the fact, being the remedy but not dealing with the root cause.

The benefits of this solution for

pension schemes themselves are clear, offering a more sustainable approach to maintaining member records, better member engagement, and reduced risk.

A live tracker system, the solution flags when savers move home, collecting data and information to inform the firm about the activities that often lead to a change of address, by taking advantage of a variety of sources and intel.

The solution was developed in-house, working with a specialist firm, which provided Capita with clear visibility on pre-move data and actual move data, giving it the ability to see both the cycle of change being completed, whilst also engaging with members and providing them the facility to keep their data up to date.

And whilst developed with the pensions industry in mind, the reach for this solution is much wider, with growing cross-appeal for a number of other industries.

As part of its initial testing, Capita Pension Solutions has already seen the benefits in the utility sector where business-to-consumer (B2C) relationships are key to operational management.

With strong interest already building, this exciting new solution is poised to deliver even greater impact across the pensions market, and beyond.

It is clear to see why Capita took home this year's award for innovation in technology. Congratulations again to the team!

Capita Pension Solutions



Administration



Consulting



Data



Communications



For more details, please contact:

pensionsmarketengagement@capita.com

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Pensions Technology Provider of the Year *Heywood and Money Alive*



Judge's comment

"The judges said this entry showcased engaging and useful tools for members, which are making a real difference in the pension fund space"

Effective and reliable technology is essential for the success of any pension fund offering. This award recognises those firms that are leaders in the field of pensions technology, and ultimately rewards who is the best of the best.

This year's winners were Heywood and Money Alive for an entry which, the judges said, "showcased engaging and useful tools for members, which are making a real difference in the pension fund space".

The technology category has become one of the most competitive categories at the European Pensions Awards, as advancements in this space are fast-moving, particularly as artificial intelligence (AI) continues to play an increasing role.

But it is technology that is making a real difference to members that the judges are particularly keen to reward; this collaboration between Heywood and Money Alive not only identified a real need in the pensions market but has clearly produced an offering that is making a difference to the pensions experience of so many.

In 2023, Heywood and Money Alive announced plans to collaborate in order to tackle one of the biggest challenges in pensions – shortfalls in member engagement.

This was done by integrating personalised video content – powered by Money Alive's Video Canvas – into Heywood's existing member-focused solutions. This led

to the development of Heywood Video Engage, which uses AI to provide a secure, dynamic, interactive and highly personalised engagement tool.

The tool also addresses some of the shortcomings of other engagement offerings in the market – for example, by avoiding too much jargon, using plain English, being available in multiple languages, as well as offering enhanced accessibility such as a text-to-speech function for those experiencing difficulties reading on-screen text.

The positive impact of this tool on pension schemes and members has been significant as evidenced by the positive testimonials from pension funds included in the submission; one pension fund saw an 80 per cent increase in engagement for active annual benefit statements.

Due to its traction and positive impact, it has also been reducing the need for paper-based benefit statements, as well as leading to a marked reduction in member queries via email and telephone as these needs are being met by the videos.

All in all, the collaboration between Heywood and Money Alive highlights how a shared passion for making a difference, combined with genuine expertise and a deep understanding of pensions, can truly enhance the pension member journey.

Congratulations to the team at Heywood and Money Alive on such an outstanding achievement!



Talk human to me: Is your scheme speaking the right language?

Every member. Three minutes. A pension they actually understand.

Digital pension platforms promise higher contributions and access to disconnected demographics. But is simply having a digital presence enough, or does success require a little more human touch?

A new wave of technologies can help providers move beyond generic, one-way interactions and provide truly hyper personal experiences with minimal effort.

Going digital is not enough

Research from Heywood and Money Alive has shown a common theme in disconnected members - a lack of understanding.

"It can be a battle to get members' eyes on things - pensions can often put people off," said a Scottish pension fund with 75,000 members.

The use of technical terminology and financial values presented without context can result in member confusion. Conversely, members feel empowered when content is clear, data-driven and respects their time

One Welsh pension fund said, "We had tried our best to make annual benefit statements as clear and easy to understand as possible, but they still contained a lot of information. We wanted to share something easy to understand".

Hyper personalisation

Enter Heywood's Video Engage, a dynamic and interactive engagement tool that uses a human voice and presenter to display member

information in just three minutes.

The AI avatar uses a human face and voice to explain pension figures, including monthly retirement incomes and lump sum impacts. Video Engage presents a clear and practical oversight and flexibly accommodates multiple languages.

After launching Video Engage, a London-based customer said "It covers everyone - we have had feedback from senior fund members who have said that it isn't patronising or too simple or low level".

AI, but make it secure

Artificial intelligence (AI) offers opportunities to move beyond 'one size fits all' member content, though caution is needed.

Video Engage deploys the Money Alive video technology into the Heywood ecosystem, seamlessly extracting relevant information from pension statements.

In doing so, member data is not exposed, while the power of AI is harnessed in the presenter avatar and script.

Proof, not hype

Video Engage connects members with their pension, breaking down barriers to support informed financial decisions.

"The queries we now receive from

members are less about statements and more about taking action. People appreciate that the video is succinct, easy to understand, and gives key information."

An English scheme reported the ultimate engagement outcome - proactive interaction and increased contributions from those on the lower end of the pay scale. This forgotten and hard-to-reach demographic cited the use of 'plain English' to help them understand their pension.

"The monthly information is a clearer picture of what members will

have to live on in the future. Video Engage clarifies everything - in a couple of minutes, members get how it works and the figures, all without jargon."

"Video Engage clarifies everything - in a couple of minutes, members get how it works and the figures, all without jargon."

One size does not fit all

The timing, delivery method and format of pension information will dictate the future of member engagement, and Heywood is here to help schemes take the next step.

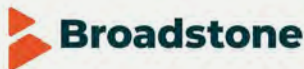
Pension details don't have to overwhelm. Heywood Video Engage makes them clear, engaging and memorable.

More information and customer stories are available at www.heywood.com

Emma Booth, Marketing Manager.



European Pensions Consultancy of the Year *Broadstone*



Judge's comment

"The judges were impressed with the winning firm's deep passion for meeting the needs of its clients and scheme members"

In a time of great change for the sector, those managing schemes require consultants that can navigate them through the pensions maze, and this award celebrates those companies that are not just helping, but leading the way.

The judges were impressed with the winning firm's deep passion for meeting the needs of its clients and scheme members, along with its innovative and forward-thinking consultancy approach – congratulations to Broadstone!

Broadstone helps trustees, sponsors and scheme members navigate the increasingly complex occupational pensions landscape through its approach of high-quality people, support and systems providing a friendly and personable service. It offers bespoke, practical and innovative consulting and administration solutions. As an independent pensions consultancy firm, Broadstone is truly innovative and forward thinking.

For instance, Broadstone recently worked with the trustees (and other advisers) to secure the UK's second-ever superfund transaction for the Debenhams Retirement Scheme with Clara – it was also the first transaction from a scheme with an insolvent employer that has been through a Pension Protection Fund assessment.

The benefits for the 10,000 members have been secured in full and Broadstone continues to administer the Debenhams Section of the Clara Trust. This transfer required Broadstone to handle idiosyncratic issues, such as multiple insolvency dates, salary link, closure guarantee, variable part-time

hours, guaranteed minimum pension (GMP) offsetting and correcting lost data pragmatically.

Broadstone also recently worked with a leading independent school on a scheme buyout transaction. The school governors had, in principle, agreed to meet the deficit of £2.5 million and had preliminary conversations with their bank to fund the shortfall on the £9 million scheme.

However, the scheme trustees were concerned over the response from their existing advisers, leading to Broadstone being appointed.

Thorough data preparation meant there was a choice of two insurers to obtain quotes from, despite the scheme value now reducing to below £6 million, with Aviva selected.

The cash contribution required was halved thanks to insurer engagement, preparation, and the effort expended on working through a discretionary benefit, reducing the cost and data requirements.

While always focusing on excellent service for its clients, Broadstone also takes the time to see how it can improve internally, for its own benefit and beyond. For instance, having measured its carbon emissions for years now, Broadstone's goal is to use 100 per cent renewable electricity by 2030, and to reduce its commuting and business travel emissions per person by over 58 per cent between 2023 and 2032.

Broadstone is a worthy winner for its efforts to continually improve across all elements of pensions consultancy. Congratulations!



Broadstone: Combining innovative risk transfer with responsible investment

At a time of complexity and change, Broadstone is committed to helping its clients secure the best outcomes for scheme members through its award-winning risk transfer services and investment consulting capabilities.

Broadstone prides itself on helping trustees and sponsors navigate the increasingly complex pensions and macroeconomic landscape through outstanding support from high-quality people delivering bespoke solutions tailored to each scheme.

Risk transfer transactions often require a problem-solving approach to idiosyncratic issues specific to individual pension schemes. This demands innovative thinking and a genuinely independent approach to meet the unique needs of different clients and to support their members.

Broadstone has gained a particular reputation in advising on risk transfer projects for small and medium sized schemes. When working with Broadstone, these schemes realise that the care, attention and individual solutions required need not come at disproportionate cost.

A defining example of Broadstone's market-leading capabilities came in our work with a leading independent school on a scheme buyout transaction. Faced with a funding deficit of £2.5 million and a scheme value falling below £6 million, the trustees were understandably cautious and brought us in to manage the whole project as a trusted adviser.

Through meticulous data work and sustained insurer engagement, Broadstone not only cleared up historical benefit and data

uncertainties, they delivered a far better financial outcome for the trustees, scheme's members and also the school, which was then able to further their investment in education.

The ability to tackle and resolve complex pain-points in the de-risking process is our *modus operandi* and underpins our capabilities. Hence, Broadstone was also appointed to advise the Debenhams Retirement Scheme, as a part of its position on the PPF panel, and execute just the second ever superfund transaction and the first involving a scheme with an insolvent employer that has been through the Pension Protection Fund assessment.

"The ability to tackle and resolve complex pain-points in the de-risking process is our modus operandi"

Again, our award-winning service resulted in a successful transaction giving long-term financial confidence to the members with Broadstone appointed to administer the Debenhams Section of the Clara Trust on an ongoing basis.

Broadstone also recognises the wider impact of our pension advisory services as well as the need to continually assess and improve the impacts of our own processes.

Our Investment Consulting team is dedicated to supporting clients with sustainable investment advice, enabling trustees and sponsors to align their investment strategies with responsible, productive objectives.

Our proportionate outcomes-based advice aims to help schemes achieve their long-term ambitions and protect their members – while also ensuring compliance with ESG regulatory changes and scheme requirements.

Where possible, we seek to help clients achieve successful financial outcomes while minimising environmental impacts so that we can leverage sizeable investment portfolios as a force for good.

As part of this commitment we must also practise what we preach and set high internal standards by applying the same rigour to our own operations.

That is why ESG is imbedded throughout Broadstone. We have set ourselves ambitious targets – and are making excellent progress to achieve these – to be running on 100% renewable energy by the end of the decade and significantly reduce travel-related emissions.

Written by



Nigel Jones
Head of Broadstone's
Pensions Advisory division



WINNER

European Pension Fund of the Year *United Pensions*



UnitedPensions

Judge's comment

"The judges described it as a trailblazing pension fund, which impressed the judging panel, with its innovation, strong governance, impressive use of technology, and more"

Pension provision across Europe faces unprecedented challenges – from rising life expectancy and volatile markets to growing scrutiny around governance and risk management. We honour the pension funds that are meeting these challenges with innovation, resilience, and a commitment to long-term security.

Congratulations to United Pensions, our European Pension Fund of the Year. The judges described it as a trailblazing pension fund, which impressed the judging panel with its innovation, strong governance, impressive use of technology and more.

United Pensions is a unique and innovative multi-employer European pension fund established under the IORP legislation in Belgium. It was founded by Aon and has operated as a cross-border pension fund, delivering local defined contribution (DC), Collective DC (CDC), cross border (CB) and defined benefit (DB) pension benefits in different European countries, for over 10 years.

Clients choose United Pensions for its robust governance framework, advanced investment solutions, clear and impactful communications and ongoing administrative support.

United Pensions helps clients consolidate DB liabilities into a single vehicle, optimise financing strategies, and gain greater control over surplus and cashflow. The pension fund also supports the consolidation of DC plans, delivering consistent member communications across jurisdictions that drive better member outcomes and strengthen corporate governance

internationally.

The pension fund prides itself on its strong governance framework, which ensures plans are managed in the best interests of the members and beneficiaries. Its investment offering, meanwhile, is consistent but not identical for all countries or sponsoring employers. As a cross-border fund, it understands that different regions have different requirements and local needs.

United Pensions leverages a team of over 750 professionals monitoring over 4,000 fund managers to provide tailored investment solutions. DB assets are invested separately for each sponsoring company, with flexible risk and strategy options, while DC members can select from various levels of involvement and diversified asset blends.

Its sophisticated investment solution is regularly reviewed as markets and fund manager ratings change and is integrated with Aon's market-leading fiduciary investment business. Additionally, United Pensions integrates responsible investment by incorporating ESG factors through manager engagement, screening, and ongoing monitoring to support sustainable long-term outcomes.

On the technology front, United Pensions' Risk Analyzer tool advances plan digitalisation by enabling multi-country monitoring of funding status, providing valuable insights for governance.

It is clear to see why United Pensions is this year's winner, as it delivers flexible, cost-effective cross-border pension solutions. Well done to the team for a great achievement!



Ten years, an international solution:

UnitedPensions

Aon International Wealth Solutions partners, *Emmy Verbist* and *Helen Hatt*, reflect on a decade of innovation in delivering scalable, compliant pensions across Europe

United Pensions (UP) is Aon's multi-employer multi-country pension solution for employers offering pension plan services on behalf of employers across different EU member states, but also providing an international DC solution (International Retirement Savings Plan or IRSP) for internationally mobile employees since 2023. UP is always looking to extend the activities to other EU member states.

This unique and innovative funding vehicle, established under the IORP legislation in Belgium, is celebrating 10 years of operational excellence delivering local DC, CDC, CB and DB benefits in different European countries. UP provides a complete solution with best practice governance, tailor-made financing methods respecting IORP funding requirements, access to the reinsurance market, access to world class investments and optimal retirement and savings outcomes for members.

The management of individual pension plans can be both costly and time-consuming, especially with increasing governance requirements and evolving regulations. Therefore, the strong governance model, sophisticated investment solutions, engaging and effective communications strategy, efficient implementation, efficient broad

risk management framework and on-going administration support are key criteria for companies to join UP. There is no impact on the design which remains aligned with local requirements, whilst economies of scale deliver value for money for both companies and their employees.

UP delivers strong governance at all levels with in-depth knowledge at Board level on home and host country legislation (also independent board members), an investment committee with independent chair, country operational committees, a central coordination team as well as other experienced service providers as required.

The investment strategy and underlying funds are regularly reviewed and updated as markets and fund manager ratings change. The investment platform is integrated with Aon's market leading investment business.

Imaginative member communications are consistent across jurisdictions, driving better DC member outcomes, enhancing member education and financial wellness. Short video graphics help engage a broader population, whilst the newest technology of AI efficiently translates the audio message into different languages to make communications both accessible and inclusive.

Specific features of UP:

- The IRSP enables employers to deliver good quality defined contribution retirement savings benefits to internationally mobile employees and those in locations with no established or suitable market for supplementary retirement plans. As an onshore solution in the EU (Belgium), UP delivers a strong level of governance for an international pension plan.
- The Dutch pension reform to provide DC retirement benefits by 2028 impacts the existing and potential new Dutch sections. United Pensions has a flexible framework and makes it possible to keep or onboard past service DB liabilities in a separate ringfenced fund, potentially in combination with DC for future service. Social partners need to decide how past service benefits will be treated.
- DB liabilities can be consolidated across Europe in one single vehicle, which leads to more consistency in defining the investment strategy and facilitates access to higher quality, more diversified investments, leading to potentially better performance.
- Administrative ring-fencing of assets can be applied for a specific company in one legally separate fund allowing plan sponsors to manage different types of pension plans with the option of tailor-made solidarity optimising the overall financing strategy.



WINNER

Alternative Investment Manager of the Year *GoldenTree Asset Management*



Judge's comment

"The firm stood out for its excellence, commitment to the alternatives space and to delivering value to the pensions sphere"

Given the bigger role alternatives are playing in most European pension fund portfolios, this accolade recognises the leaders in the management and provision of alternative assets, whether they are experts in multiple alternative assets or a specialist in any specific area.

The winner of the Alternative Investment Manager of the Year proved itself to be the best of the best in this area and has displayed a commitment to the European pensions market with its product offerings.

In particular, the judges said the firm stood out for its excellence, commitment to the alternatives investment space and to delivering value to the pensions sphere. A big congratulations to GoldenTree Asset Management, the winner of this award!

2024 marked an exceptional year for GoldenTree Asset Management, with the firm's flagship hedge fund achieving net returns of 14 per cent – a top decile performance among peers.

This marks the fund's 16th consecutive year of positive returns, underscoring its consistent ability to generate value across diverse market conditions. The firm's success is driven by a broad opportunity set, with all asset classes contributing positively.

As part of its impressive submission, the firm demonstrated its dedication to innovation with the launch of its Tactical Opportunities Fund, a global credit strategy capturing opportunities across asset classes while allowing for greater allocation to private assets.

The fund held its first close in Q4

2024, securing USD 1.3 billion in commitments from a diverse range of investors, including corporate and public pensions, sovereign funds, endowments, and family offices worldwide. Additionally, the fund has already drawn 15 per cent of commitments and delivered a net internal rate of return of 20 per cent.

GoldenTree's dedicated distressed funds, a cornerstone of the firm's alternative strategies, continue to impress with top decile or top quartile returns across every vintage.

Averaging a 23 per cent annual return over time, these funds have nearly doubled in value.

The most recent vintage, Distressed Fund IV, delivered net returns of 31 per cent in 2024, outperforming the Hedge Fund Research, Inc. Distressed Index by 1,900 basis points and maintaining a top 10 per cent ranking for its net since-inception internal rate of return of 30 per cent.

The judges also commended the firm for its private credit strategy that stands out for its ability to structure creative solutions that generate premium returns. The dedicated private credit fund closed in Q1 2024 with USD 1.4 billion in commitments, surpassing its initial target, with nearly 25 per cent coming from European pension investors.

All in all, GoldenTree Asset Management is a firm that understands the demands of its investors and ensures that it is equipped to meet their changing needs with innovation and tailored solutions. Well done to the team on this achievement!



Winner of the

European Pensions

AWARDS 2025



Alternatives
Investment Manager
of the Year



Pension Fund Communication Award *The Pearson Pension Plan & Landscape*



Judge's comment

"The judges said this entry involved so much more than just a communications project – showcasing a future-proofed digital experience fit for the pensions sector today and for the coming years"

This award recognises pension funds that have elevated their communications to engage members meaningfully through innovation, clarity and measurable impact.

Congratulations to Landscape and The Pearson Pension Plan, whose partnership has transformed the way Pearson's pension members access, understand and act on their retirement information.

The judges said this entry involved so much more than just a communications project – showcasing a future-proofed digital experience fit for the pensions sector today and for the coming years.

Faced with the complexity of over 20 different defined benefit and defined contribution scheme sections, legacy content duplication and high operational demands, Pearson sought to overhaul its member communications completely.

With support from digital specialists Landscape, the team delivered a streamlined, accessible and user-focused website, empowering members to make informed financial decisions throughout their working lives and beyond.

The transformation included a complete content overhaul, removing more than two-thirds of outdated material, and introducing a dedicated information centre structured around members' life stages. It explains how major life

events, such as marriage, illness, or retirement, affect their pensions with clarity and relevance.

Landscape also digitised over 20 paper-based forms, introduced a pension knowledge quiz, and enabled online appointment booking with pension advisers. This shift reduced administrative overheads while boosting member interaction at key decision points. The site was designed to W3C AA accessibility standards and independently accredited by the Shaw Trust, ensuring inclusivity for all users.

Crucially, the results speak for themselves. The platform experienced a 44 per cent increase in users from 2022 to 2024, with more than 9,000 form submissions during that period.

In 2024 alone, it recorded 38,000 users, 62,000 sessions and 109,000 page views, reflecting a step change in both engagement and efficiency. Views of the homepage increased by 32 per cent, with traffic up across all key metrics.

With a robust analytics framework and a strong focus on continuous improvement, the website has evolved into a dynamic tool – not just a source of information, but a hub of engagement.

Well done to the teams at Landscape and the Pearson Pension Plan. Both teams have demonstrated why collaboration is to be applauded in the industry. A truly deserved win!

Member engagement creates better outcomes

Landscape supports pension schemes and administrators to:

- + Improve the member and employer experience
- + Increase usage and registrations of websites
- + Reduce member queries to the back-office
- + Create tools that provide actionable results
- + Analyse member data to maximise engagement

Our results speak for themselves – see our award win opposite for **Best Pension Fund Communications** with The Pearson Pension Plan.



Looking to improve member engagement?
Contact info@yourlandscape.co.uk

Visit yourlandscape.co.uk

Landscape.

part of the Wealth at Work group



WINNER

Currency Manager of the Year HSBC



With market volatility and geo-political uncertainties throwing a renewed focus on the importance of currency and the increasingly important and diverse role it plays in pension fund portfolios today, this award highlights those currency managers who have displayed a capability and an expertise in this sector.

This year's winner was praised by the judges for its clear understanding of the important and varied role currency plays in the pensions world, and its impressive case studies that showcased thought-leadership and a real passion for making a difference. Congratulations to all of the team at HSBC!

HSBC's FX Overlay provides an open platform enabling pension funds to choose from a range of dynamic strategies from different industry expert providers, in what is thought to be a globally unique offering.

The benefits are clear, as the automation and outsourcing solution helps clients improve FX hedging efficiency, reduce operational risk and increase transparency.

With a client-led approach at its core, the platform allows clients to leverage HSBC's size, strength and commitment of resources in the execution of their chosen strategy.

This has proven popular in the market too, as the solution was selected by a UK LGPS client which has invested around USD 2 billion in foreign markets, thanks to its ability to offer dynamic hedging strategies while still using one streamlined process through one provider.

And the firm's platform is specifically tailored to work for each of its clients' needs, as pension funds are able to use their own custom signals for FX hedging. These can either be provided by the client in an automated workflow or calculated by HSBC, meaning that clients don't need to worry about the need for any further technology investment.

This can be seen in HSBC's work with one client, a European Real Money Account, which decided to provide HSBC FX Overlay with their strategy, creating daily hedging signals and consequential automated trade calculation, execution and reporting.

The benefits for the platform don't stop there, as whilst typical hedging setups result in both collateral payments and notional settlements to be exchanged with multiple counterparts, HSBC FX Overlay is different, with additional benefits for clients, including prime brokerage light, collateral netting and collateral financing.

Previous experience has seen the team behind HSBC FX Overlay grow from building a product with flexibility and market-leading functionality, to one that is creating a product centred around the client experience itself.

Never resting on its laurels, HSBC has continued to grow and develop the offering, with significant annual investment allowing it to enhance the platform with further digitisation, optimisation and innovation, in order to deliver a truly best-in-class service.

Congratulations again to all of the team at HSBC!

Judge's comment

"This year's winner was praised by the judges for its clear understanding of the important and varied role currency plays in the pensions world"



Graph 1: Strategy review on HSBC's Global FX Services Overlay client portal

powered by processing nearly 900 million news articles across 13 languages each month. This enabled tighter risk control and new opportunities for return enhancement.

● Automating Custom Hedging Strategies

A European multifamily office was burdened by manual, complex FX hedging across several portfolios. HSBC translated their custom strategy into its quantitative platform, enabling fully automated calculations, execution, and reporting. Real-time dashboards, audit logs, and scenario simulations now provide clients with clear, efficient, and informed oversight.

● Optimising Hedge Rollovers & Liquidity Management

A large investor looking to automate hedge rollovers also wanted better liquidity management. With HSBC's service, they achieved automated workflows and enhanced liquidity through asymmetric CSAs and netting, significantly releasing cash collateral.

Why HSBC for FX Overlay?

The HSBC Global FX Services Overlay team offers tailored solutions to meet any scale or complexity. Through automation, transparency, and advanced analytics, HSBC empowers investors to optimise and future-proof their currency risk management, whatever the challenges of tomorrow's markets.

Contact us:

UK: HSBCOverlayFX@hsbc.com
Continental Europe: currency.overlay@hsbc.de
Learn more: <https://www.gbm.hsbc.com/solutions/fx-overlay>



Beyond Borders: Managing Currency Risk in Global Portfolios

For European institutional investors, balancing risk with returns is fundamental. Currency exposure, often an unintentional outcome of global diversification, rarely provides a guaranteed source of return but remains a major contributor to portfolio risk and volatility. Recent shifts in the US Dollar, Euro, and British Pound illustrate how foreign exchange (FX) risk can rapidly impact investment outcomes. Effectively managing this risk is crucial for preserving returns and achieving long-term objectives.

Bespoke, Scalable, and Risk-Focused

HSBC's Global FX Services Overlay provides institutional investors with a robust platform dedicated to currency risk management. Moving beyond traditional hedging, the platform offers both passive and dynamic strategies customized for each client's asset mix, investment horizon, and risk tolerance.

This platform's foundation is an

automated risk management system that seamlessly integrates trade execution, comprehensive reporting, analytics, and powerful simulation tools. Trade transparency, detailed audit trails, and scenario planning equip clients with strong governance and flexibility for ongoing portfolio optimization. As a result, investors can efficiently manage both routine and complex currency management at scale, adapting quickly as global conditions evolve.

Client Success Stories: FX Management in Action

● Model Diversification & Alpha Generation

A major pension fund sought a unified approach to managing FX volatility and liquidity risk, as well as pursuing alpha generation. HSBC delivered an overlay solution combining multiple hedging models—from classic multi-factor (momentum, carry, value) approaches to a cutting-edge market sentiment model,



WINNER

Diversity Award *Coronation Fund Managers*



CORONATION
FUND MANAGERS

Judge's comment

"Coronation Fund Managers leads the way when it comes to showcasing diversity and it has been doing so for several years, setting the bar high for the marketplace"

The European Pensions Diversity Award goes to the pension provider that has shown a true understanding of the importance of diversity and inclusion in today's climate, either in the way it has shaped its business, its product offering or otherwise. Over recent years, this category has become increasingly competitive, as more firms across the pensions system realise the value of having a truly diverse workforce; as well as ensuring its offerings meet the needs of a diverse member and client base.

This year's winner was Coronation Fund Managers which, in the words of the judges, "leads the way when it comes to showcasing diversity and has been doing so for several years, setting the bar high for the marketplace".

Coronation Fund Managers is a South African-based global investment manager which follows a long-term valuation-driven investment approach across a range of equity, fixed income and multi-asset strategies. It manages USD 36 billion on behalf of individuals and institutions across the UK, Europe, the US, Canada, and Southern Africa.

Coronation Fund Managers' commitment to diversity and inclusion is, in the words of the judges, "undeniable", and is reflected in a workforce that is varied in terms of gender, ethnicity, religious and socioeconomic backgrounds and more. Black individuals also represent 80 per cent of its board of directors, while 50 per cent of the board are women, and its board's chair is female.

The judges weren't only impressed

however with the facts and figures outlined in the award submission, but also with the firm's ongoing initiatives in this area which have made a real difference over the years and continue to do so. For example, its internship programme which, in 2024, comprised 60 per cent black individuals and 60 per cent women, has benefitted a total of 96 interns since inception; while its Portfolio Manager Accelerate Programme, which was launched to fast-track the development of black and female professionals in its portfolio management teams, is already seeing impressive results.

Additionally, at the end of 2024, the firm finalised an empowerment transaction that saw new shares equivalent to almost 9.7 per cent of Coronation's share capital transferred to black beneficiaries, including employees and a broad-based empowerment trust, lifting its black ownership to 52 per cent – clear evidence of its ongoing commitment to meaningful transformation.

Add all of this to an extensive list of successful past and present external initiatives, such as co-sponsoring an industry initiative to train and support black financial advisors (2016); and more recently the launch of the Coronation Catapult Programme, a 23-month work readiness programme, in collaboration with stockbrokers (2023), and it's easy to see why the European Pensions Awards judges held this entry in such high regard.

Congratulations to Coronation Fund Managers!



*It's not about seats
at the table.
For us, it's about
voices in the room.*

Winner of the 2025 European Pensions Award for Diversity.

Since we opened our doors in 1993, we have been committed to achieving real and meaningful diversity. Why? Because we genuinely believe that true diversity makes for a more competitive organisation.

We have always employed people who come from different academic, ethnic, gender and socioeconomic backgrounds. Their unique and varied perspectives have led to greater results for our clients. Today, we have a 30-year track record of delivering superior investment outcomes to prove it.



CORONATION

TRUST IS EARNED™



WINNER

Best Investment Strategy Award

Nest



Judge's comment

"This year's winner impressed the judges with excellence that sets the bar high and showcases much-needed dynamism in a challenging marketplace"

Getting the investment strategy right is one of the greatest challenges for any pension fund, particularly in today's economic climate. This year's winner impressed the judges with excellence that 'sets the bar high' and showcases much-needed dynamism in a challenging marketplace.

Congratulations to Nest, whose mission to deliver the best possible retirement income for members underpins every investment decision. With assets under management now exceeding £50 billion, Nest's approach is disciplined, forward-looking, and built on diversification, active stewardship and responsible investment.

Nest's strategic asset allocation is reviewed annually by its in-house investment team to ensure members' money is managed by the leading fund managers in each asset class. Only those managers who align with Nest's values and investment beliefs are selected, giving members the benefit of a carefully chosen network of experts. Active ownership is a cornerstone of the strategy: Nest engages with companies, fund managers and policymakers to improve the long-term health of the markets in which it invests.

Its 2025 voting and engagement policy sets clear expectations for companies Nest invests in and fund managers it works with, outlining expectations for structure and behaviour. Using Minerva Analytics, it monitors voting intentions and ensures alignment with its principles.

The journey from a first contribution

of £19 to a £50 billion portfolio built over 14 years has been driven by continuous innovation. Nest's growth includes strategic moves into emerging markets, private markets, thematic investments and timberland. By 2030, assets under management are projected to exceed £117 billion.

These strong results demonstrate the robustness of Nest's investment approach. Over the past three years, Nest delivered a 9.3 per cent annualised return net of annual management charges (AMC) in its default fund for members retiring in 2045 - beating its CPI+3 benchmark of 7.6 per cent. According to Q4 2024 CAPA data, Nest has delivered excellent returns while taking significantly less risk than other providers.

Charges remain among the lowest in the market: a 0.3 per cent annual management charge plus a 1.8 per cent contribution charge. For many types of savers, Nest's charges work out to be roughly the same as a 0.5 per cent AMC over their savings lifetime. Most savers will experience a slightly lower rate, particularly if they have contribution breaks.

Responsible investment is integral to Nest's philosophy, taking action to address ESG priorities that range from climate change and human rights to diversity and health.

Through strategic diversification and responsible stewardship, Nest has created an investment strategy that not only delivers for today's members but is built to adapt and thrive in the years ahead.



nest

An award-winning investment strategy

Our expert in-house investment team works with the leading fund managers in every asset class to access a wide range of global investments. We design our default funds around the year we expect members to retire, aiming to produce strong returns without taking undue risk. Our size and scale opens doors to exciting investment opportunities, including private equity.

Find out how our award-winning strategy is delivering for customers.

nestpensions.org.uk



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WARDS

It's been four months since connection to pensions dashboards in line with UK government guidance began, and there has already been fantastic progress. Many millions of personal and workplace pension records have been connected, along with millions more state pension records. We're now preparing for the start of consumer testing with the state-provided MoneyHelper Pensions Dashboard.

As we continue to make steady progress towards delivering dashboards, let me give you an update on the latest developments, as well as a look at some of the lessons we've drawn from across Europe.

40 million pension records connected

The Pensions Dashboards Programme (PDP) has been working closely with a cohort of industry participants who are directly connecting to the pensions dashboards ecosystem – enabling



PDP

pensions data to be viewable on a dashboard. Of this group, 13 have completed connection, including the state pension. In total, 19 have passed the important stage of integration testing, and the remainder are moving through the journey.

At the same time, hundreds of pension providers and schemes who are connecting through a third party in line with government guidance have also completed connection. Back in July, the Minister for Pensions announced that 20 million pension records were connected to the ecosystem. Just a couple of months later, I'm pleased to confirm this has more than doubled to over 40 million personal and workplace pension records, in addition to 10s of millions of state pension records.

We're now looking ahead to consumer testing with the MoneyHelper Pensions Dashboard, being developed by the Money and Pensions Service. Starting with industry experts to validate data accuracy, we'll move into phase one, involving targeted testing with a small number of users. Phase two will gradually scale up to volumes of 20,000 users.

Learning from European dashboards

Our approach has been one of constant research, testing and learning. As part of this, we've looked to the experiences of other countries that have successfully implemented pensions dashboards,

particularly in Europe. I would say there are three important lessons we've taken away.

Firstly, if you look at some of the European examples, they do not view the dashboard, once launched, as a final product. Instead, they look to continually refine and update the service, responding to feedback on users' experiences. In the UK, private sector dashboards will create opportunities for innovation, and they will enable industry and government to learn from how people are using the service, and make recommendations on where to take it in future.

The second lesson is collaboration with industry. European dashboards have involved industry in different ways, but always giving pension providers and schemes a significant role. For example, Sweden's dashboard emerged from a collaboration between their government and insurance industry. From its earliest days, PDP has adopted a collaborative attitude with industry that involves engagement and listening. Our progress to date owes much to the co-operative spirit they have shown.

Finally, we have learnt a 'one-size-fits-all' approach will not work for dashboards. Each country has a distinct pensions system and relationship between government and industry, and the UK is no different. Our pensions landscape involves 10s of thousands of providers and schemes with multiple pension types, unlike in other nations. So, we've needed to work towards dashboards in a way that best fits our needs.

Looking forward

There is still some way to go, but I'm excited about where we are today. If your organisation needs support or has a technical query, feel free to get in touch, or visit <https://www.pensionsdashboardsprogramme.org.uk/>

Moving forwards with pensions dashboards

PDP principal, Chris Curry, looks back on the progress made in delivering pensions dashboards in the UK, and the key lessons learnt from the European experience



DISABILITY PENSIONS

The safety net

Disability benefits act as a safety net across Europe, delivered through insurance, occupational pension funds or the state. But with rising retirement ages and a concerning mental health epidemic, calls for preventative solutions are growing. Natalie Tuck reports

Amid rising retirement ages as Europe wrestles with the sustainability of its pension systems, one consideration is often left out of the debate – disability pensions. They are the safety net for workers when health fails, but the strength and structure of that net varies across Europe.

When it comes to claim rates, data tends to be local and specific, but figures from Eurostat released during EU Diversity Month 2025 shine a partial light on the situation. The data shows that Estonia has the highest proportion of people aged 50 to 74 receiving disability pensions in the European Union (EU).

Indeed, 11.5 per cent of Estonians in this limited age group receive disability-related benefits, more than double the EU average of 4.6 per cent. Denmark follows at 10.1 per cent, while Lithuania stands at 9.1 per cent. At the opposite end of the scale, just 2.2 per cent of individuals in Malta and 2.5 per cent in Greece receive such benefits.

A pension problem?

When it comes to disability protection there is a dichotomy between countries and/or schemes that provide it as a pension benefit, and those that don't. In some countries payments are provided directly from pension providers and funds (sometimes as an add-on insurance), whereas in others, incapacity to work is covered by a separate insurance (through employee benefit packages or personal policies) or state benefits.

Scheme design also plays a part in whether disability payments fall on the pension scheme. For example, in traditional defined benefit (DB) schemes, early ill-health pensions can generally be granted to eligible members. In contrast, the nature of a defined contribution (DC) scheme does not allow for this type of benefit, leaving members to rely on other sources of income.

In some countries, such as Iceland, Switzerland and Finland, disability cover is part of their pension systems. In the latter, for example, it falls under the earnings-related pension system, and Kela's national pension scheme.

Elo director of work ability, Kati Korhonen-Yrjänheikki, explains that, in Finland, a disability pension can be granted before the old-age retirement age if a person's work ability is significantly, at least 40 per cent, reduced due to illness or injury, and this reduction is expected to last continuously for at least one year.

"Often, before being granted a disability pension, individuals receive sickness allowance, which is a Kela benefit. Rehabilitation options are always assessed as a primary measure before a disability pension is granted. The pension may be awarded either for a fixed term or until further notice," she says.

A similar system operates in Switzerland with the country's state (IV pension) and occupational pension funds (BVG) paying disability pensions to around 60 per cent of earnings. On top of this, disability insurance is available to help further bridge the gap.

Meanwhile in Germany, its statutory pension scheme (GRV) offers citizens 'Erwerbsminderungsrenten' disability pensions if they have contributed to the scheme for a minimum of five years, and immediately in the past three years before they became unable to work.

In contrast, particularly in countries that have seen a big shift from DB to DC schemes, such as the UK, the link is diminishing. Mercer partner, Graham Pearce, says: "The general trend has been away from this sort of coverage in the DB world... some countries have mandatory plans where disability is included but elsewhere the trend is away as the world moves from DB to DC. In DC it would be a separate insurance that would include disability cover."

While these schemes do not have a responsibility for disability pensions, there can be indirect consequences. For example, individuals unable to work due to ill health may accumulate lower savings, or they may access their DC pots earlier than intended, and before reaching state pension age. Therefore, Haines Global Pensions co-founder and CEO, Colin Haines, believes DC trustees do have some responsibility for members.

“Given their cost and complexity, ill-health retirements have long been a focus for many DB trustees. However, DC members face a far harsher reality with ill-health retirement meaning a smaller pension pot stretching out for decades and workplace benefits that could stop well before state pension age. DC trustees could monitor incidence, signpost support, and work with employers to limit the risk of financial hardship,” Haines says.

Impact

Pension providers with responsibility are generally seeing a rise in disability applications, although not all are approved. This trend raises concerns about both member wellbeing and the financial sustainability of systems and schemes, with the scale of impact depending on their design.

Haines Global Pensions’ *Ill-Health and Disability Pension Claims – International Overview* notes that in public systems, higher ill-health incidence can accelerate cash outflows. For example, schemes offering partial or graded benefits may have a broader claimant base but pay lower benefits per person and often over longer durations. Whereas stricter systems awarding only full benefits may have fewer claims, but each case is more costly over time.

For occupational pensions, especially DB schemes, the report states that higher ill-health incidence increases liabilities, particularly where pensions are paid unreduced from an earlier age. In DC schemes, early access on ill-health grounds typically results in earlier drawdown and a greater risk of inadequate income later in life.

In Iceland, Gildi, the country’s largest pension fund, has warned that reforms to disability pension rules could raise claim rates and force cuts to old-age pensions. The changes would prevent funds from offsetting certain state benefits when assessing loss of income, which Gildi estimates would increase disability outgoings by around 12 per cent a year and reduce old-age pensions by 3 per cent.

The fund also warned that in some cases

“THE GENERAL TREND HAS BEEN AWAY FROM THIS SORT OF COVERAGE IN THE DB WORLD...”

SOME COUNTRIES HAVE MANDATORY PLANS

WHERE DISABILITY IS INCLUDED BUT

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disability pensions could exceed income from work, potentially discouraging rehabilitation.

“Insurances are usually designed to cover losses, for example, in cases of disability but this proposed design of the system seems to go beyond that,” a spokesperson for Gildi says.

Cost is also becoming a growing problem in Denmark, as recent figures published by Insurance and Pension Denmark (I&P Denmark) reveal that the country’s pensions industry is paying out more than DKK 10bn annually in compensation for loss of earning capacity.

Analysis from I&P Denmark revealed that more than 86,000 Danes are receiving a payment for lost working capacity from their insurance or pension company after completely or partially losing their ability to work.

Like Denmark, Finland is also seeing a rise in disability pension applications; however, in Finland these have not yet led to higher costs, as a high proportion are not approved. Here, disability pension applications are increasing most rapidly among people under 35 due to mental health.

“This has not yet manifested as a rise in costs, since the number of actual disability pensions granted to young people has not significantly increased,” explains Korhonen-Yrjänheikki, adding: “However, the risk for the future is clear if the growing trend of mental health symptoms is not addressed with broad measures both in workplaces and society at large.”

Indeed, a general trend seen in Finland is a rise in the rejection rates of disability pension applications.

According to the Finnish Centre for Pensions (ETK), 40 per cent of claims were rejected in 2024, twice the level in 2007.

But the financial consequences extend far beyond the pension funds themselves.

For individuals, a long-term illness often causes an income gap of 40 per cent, according to Zurich.





Meanwhile, Insurance at Heart CEO, Gitte Kristiansen, says that business leaders should be aware that even the cost of only one day of sick leave is extremely expensive – at least €300-€1000 per day – but little action is being taken. She adds: “Typically corporate HR and finance departments are not correlating cost to people benefits across the whole organisation.”

For governments, rising disability claims drive up spending on benefits and healthcare while reducing tax revenues as more people exit the workforce. This creates difficult policy trade-offs between protecting vulnerable citizens and maintaining fiscal sustainability.

Alternatives

For those unable to rely on a pension scheme or provider to cover disability insurance, the alternatives often come down to chance. Disability insurance is also far less common in employee benefits packages than life insurance, leaving many without adequate protection.

“You are much more likely to become disabled or unable to do your job than you are to die so life insurance is relatively cheap compared to disability insurance. It’s a much bigger cost for employers and for that reason it is probably less commonly provided,” Pearce explains.

He continues: “A lot of companies only offer accidental death and dismemberment (AD&D) where you become disabled because of an accident. That’s a lot cheaper because usually it is not an accident that leads to a disability, that’s a very small proportion of cases.”

According to figures from Zurich, disability is nine times more likely to be caused by illness than by an accident. Over the past five years, however, Pearce has observed growing international debate around

minimum standards, though the focus has largely been on life insurance, as disability cover tends to be far more costly.

In these cases, the onus, as is the case with DC schemes, lies with the individual. Therefore, Pearce believes that employees need to think about how to protect their own financial resilience.

“A state plan might help to some extent, but it will not leave people anywhere near the position they were in before. Another problem is that disability cover is increasingly offered as a separate insurance rather than part of a comprehensive pension package. With job-switching now far more common as the idea of a 40-year career fades, people moving jobs in their 50s face added challenges,” Pearce says.

“Unless they join a very large company that automatically accepts the risk, they are more likely to encounter underwriting restrictions, which can limit when benefits are paid. In practice, this often depends on the medical assessment made when they first joined the employer.”

Causes

Among all the many illnesses that exist, there are two umbrellas that the majority of disability claims sit under: musculoskeletal (MSK) and mental health, says Kristiansen, with everything else grouped as ‘other’.

According to Haines Global Pensions’ overview, in countries where there is detailed diagnostic reporting, mental health conditions have become the leading cause of new disability awards.

For example, in Germany, around 40 per cent of new disability awards in 2023 were linked to mental disorders. In Finland, mental health and MSK conditions each account for roughly one third of cases. Switzerland reports psychological conditions in more than half of all awards, while in Belgium, mental disorders make up 37 per cent, with depression and burnout alone representing about a quarter.

There is also a gender divide at play in some sectors. In Norway, for example, women in the public sector are more than twice as likely as men to retire on a disability pension, according to KLP’s *Working Life Report 2025*, which warns of the toll taken by demanding health and childcare roles.

One in 10 pensioners at KLP receive a disability pension; among women, the rate is 11.4 per cent, compared to 4.5 per cent for men.

“These are professions characterised by close contact with people, high emotional stress, low levels of self-determination, role conflicts and, unfortunately, not infrequently, violence and threats.

“DC MEMBERS FACE A FAR HARSHER REALITY WITH ILL-HEALTH RETIREMENT MEANING A SMALLER PENSION POT STRETCHING OUT FOR DECADES AND WORKPLACE BENEFITS THAT COULD STOP WELL BEFORE STATE PENSION AGE. DC TRUSTEES COULD MONITOR INCIDENCE, SIGNPOST SUPPORT, AND WORK WITH EMPLOYERS TO LIMIT THE RISK OF FINANCIAL HARDSHIP”



In addition, the work is often physically demanding,” the report states.

More specifically, mental health issues are a key driver in younger workers leaving the workforce, and their wellbeing is of great concern to Korhonen-Yrjänheikki.

“The highest risk of social exclusion is among long-term unemployed youth. At Elo, between 2018 and 2024, the number of disability pension applications filed by individuals under 35 due to mental health reasons increased by 37 per cent,” she notes.

But what is behind this cause? A spokesperson for the World Health Organization (WHO) states that it is difficult to say definitively why mental health issues are rising among young people.

“Mental health is influenced by a range of biological, psychosocial, environmental and economic determinants, and it is unlikely that there is one single factor at play,” the spokesperson says.

The spokesperson, citing findings from a recent Lancet Psychiatry Commission on youth mental health, noted that rising rates of mental health problems among young people stem from multiple pressures.

These include “changes in education and the transition to adulthood, rising inequality, the spread of smartphones and unregulated social media, academic pressures, and broader technological and economic shifts such as artificial intelligence and climate change”.

The drivers of MSK issues are clearer: rising retirement ages and ageing populations are increasing vulnerability, while sedentary work and lifestyle factors such as low physical activity and obesity add further strain. Meanwhile, employees in physically demanding sectors such as construction, logistics, and healthcare face heightened risks of injury.

A need for prevention

There is growing recognition that as retirement ages increase, ensuring people remain healthy enough to work longer will be a significant challenge. Kristiansen argues that preventative health measures are key to addressing this but not enough is being done.

“Prevention is not at all in focus enough, not at all. Neither at governmental level, nor with corporates – of course with some exceptions in the private sector. Society wise, the big issue is that politicians have known the high sick leave stats for years. Denmark has used years and years to ‘talk about it’ but no one has made this a priority,” she says.

Indeed, Kristiansen, who has previously served as head of global pensions and insurance at ISS and Carlsberg, among others, received acclaim for her out-of-the-box approach to preventative care.

Highlighted in Swiss Life’s white paper, *Why insurers should take responsibility for customer employees’ wellbeing*, Kristiansen was initially concerned about the high-risk factors and health issues resulting from back strain for people providing cleaning services and physical jobs.

In search of solutions, she deployed a smart vest that measures the strain caused by different positions and efforts, helping the wearer learn to reduce the risk of injury by adjusting their movements to lower pressure on the spine.

She then correlated data gathered by the smart vests with global sick leave outlays, developing a risk management approach designed to drive down the costs arising from employees’ back problems and used this to lower the company’s insurance premiums.

Despite being proactive in this area (she left her job at ISS to form her own company after the success of the project), she is perplexed at the lack of action from governments and business alike. In her native Denmark, she raises concerns about the government’s action in this area.

“Some initiatives on healthy living have been taken and built into public thinking – many years of campaigning to eat healthier, stop smoking, exercise more and drink less – but there are no laws or regulation requiring actions specifically on workplace sick leave,” she says.

“We need workplaces to ask themselves, how they can help their employees live better, so they don’t run into sickness and attrition. My dream for Denmark – as people are suffering with pain and sickness, putting pressure on the public health system – is that we make it mandatory for all public workplaces to make sick leave and prevention a strategic priority.”

Kristiansen believes that if public workplaces are required to address the sickness burden, it will push the private sector to follow – with a focus on business cases, efficiency, and return on investment.

**“THIS HAS NOT YET MANIFESTED AS A RISE
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DISABILITY PENSIONS GRANTED TO YOUNG
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A tough question is where responsibility for preventative health measures should lie. For example, Pearce thinks that the business case is “probably strongest for governments and individuals”.

He adds: “For private sector employers, you can invest in people’s health but there is also going to be a degree of turnover.” In his view though, employers do have a role to play in facilitating education around the topic but he thinks governments have the biggest incentive as they look to increase state retirement ages.

Prevention in action

While concerns remain about the limited measures to prevent disability pension claims, positive examples are emerging, and more broadly there are signs that the business community is beginning to take the rise in mental health issues seriously.

For example, one of Elo’s strategic objectives is to be a “forerunner in work ability services”, says Korhonen-Yrjänheikki. The provider has made “significant investments in the development of work ability services, both in disability risk management services, as well as in vocational rehabilitation and disability pensions”.

“We help client companies reduce disability risks and extend working careers through vocational rehabilitation. In cases of disability, we secure the livelihood of our insured individuals,” she says.

It is this kind of proactive management seen in Finland that Haines would like to see more of in the UK, stating that ill-health retirements should be “firmly on trustee risk registers”.

“Regulators expect demographic risks to be managed, and acting in members’ interests ought to mean trustees being proactive in managing and preventing ill-health claims. However, even if not a strict legal duty, trustees could find it difficult to argue that it’s inappropriate for them to be helping members at risk of major financial loss.”

He highlights further examples of good practice across Europe, such as Sweden’s Alecta, which is working with AFA Försäkring on preventing mental ill-health and long absence. The SEK 30 million project will run for three years and it is hoped that the outcome will provide increased knowledge on sickness absence in relation to mental health.

He adds: “In the Netherlands, many pension funds, including ABP, operate within occupational health frameworks, which coordinate prevention and return-to-work measures before disability pensions are granted. In the UK, the Local Government Pension Scheme

“WE NEED WORKPLACES TO ASK THEMSELVES, HOW THEY CAN HELP THEIR EMPLOYEES LIVE BETTER, SO THEY DON’T RUN INTO SICKNESS AND ATTRITION”

offers insurance to help employers manage large ill-health pension costs. These examples show that practical models exist that other pension fund boards and trustees could adapt.”

There are countless other examples, particularly in Scandinavia. In Denmark, pension providers are leveraging technology to achieve measurable results. PFA, for example, has reduced the risk of long-term illness by 70 per cent for customers receiving early intervention through an AI-powered prevention tool that helps healthcare professionals spot those at risk.

The technology, combined with new digital solutions, is enabling faster access to treatments such as physiotherapy and psychological support.

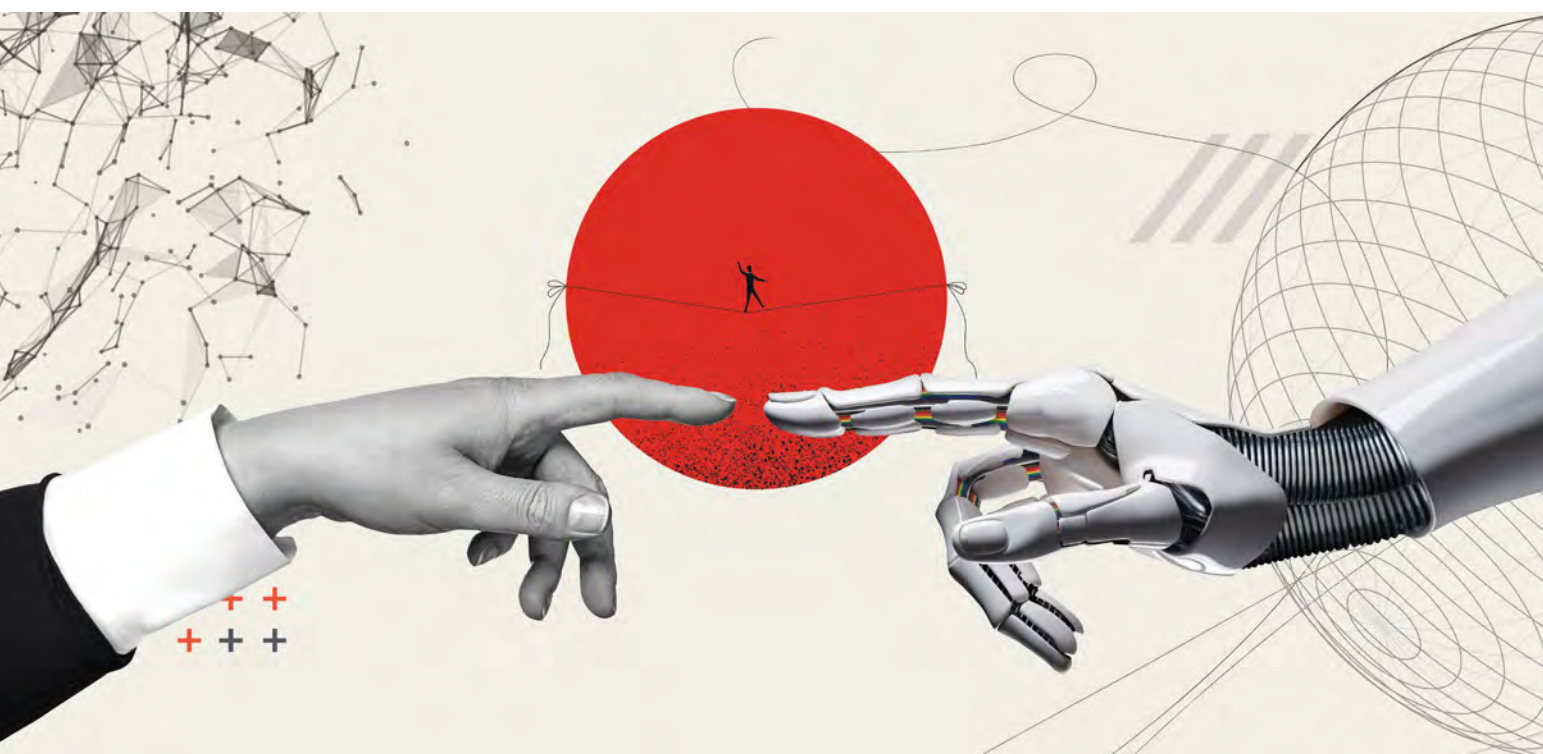
In the wider business community, Pearce says that progress is already visible as a lot more companies are “offering training to managers to try to recognise signs of mental health issues, offering training to employees to also help them understand the importance of mental health and trying to make sure that they are doing the things that they should be doing to keep a balance”.

This practice aligns with guidance from the WHO, as its spokesperson says that the organisation has developed guidelines and a policy brief on mental health at work, which, while not specific to young people, are highly relevant to those entering or already in the labour market.

“The guidelines recommend multi-component interventions such as organisational changes to reduce psychosocial risks, training for managers and supervisors to build supportive practices, individual interventions including psychosocial support and physical activity, and programmes to support entry into work and return-to-work for those with mental health conditions,” the spokesperson says.

While employers and pension providers are taking important steps, the bigger question is how to embed these approaches across Europe’s diverse systems. If prevention is not given equal weight to provision, the safety net fraying just as more people depend on it.





ARTIFICIAL INTELLIGENCE

The digital tightrope

Although approaches to AI in pensions vary across Europe, the industry is grappling with the same challenge – how to harness the technology’s benefits while managing the risks associated with data, governance, and regulation. Paige Perrin reports

Artificial Intelligence (AI) is no longer just a buzzword in the pensions industry – it is slowly becoming a practical tool for improving efficiency, member engagement, and operational decision-making. Yet adoption varies widely across Europe, and the industry is navigating a fine line between opportunity and risk.

Recent initiatives show why AI is becoming increasingly relevant. Dutch pension asset manager APG is piloting an AI tool that combines internal information sources to help employees quickly find answers without switching systems. Expected to be fully operational by the end of 2025, the tool aims to streamline administrative processes and reduce human error.

Meanwhile, Danish pension provider PFA has deployed an AI-powered prevention tool that has led to a 70 per cent reduction in long-term illness among pension members receiving early intervention. By helping healthcare professionals identify members at risk, this approach demonstrates AI’s potential beyond administration, improving both health outcomes and financial security for members.

These practical applications coincide with the European Commission’s (EC) targeted stakeholder consultation on the classification of AI systems as high-risk, part of the AI Act, underscoring why the

industry must act now to navigate both opportunities and regulatory challenges.

Although the act has been broadly welcomed by the industry, PensionsEurope and other industry bodies have voiced concerns, including that regulation should reflect the unique characteristics of occupational retirement institutions, particularly that a one-size-fits-all approach could create unnecessary burdens for smaller, more collective funds.

This moment also presents an opportunity to consider not only what AI can achieve but how its adoption raises important questions around transparency, accountability, and ethical use.

Adoption

“AI adoption across the European pensions sector is at an early stage,” says Actuarial Association of Europe (AAE) AI & data science working group co-vice chairperson, Jonas Hirz. “The most common applications are in customer interaction, sales support, automation, and other high-frequency tasks.”

Finland offers a clear example of this adoption, as according to the Finnish Centre for Pensions (ETK) director of information management, Maarit Selin, in Finland’s earnings-related pension sector, the adoption of AI is progressing in a “controlled manner” with the initial phase focusing on AI-powered productivity tools and strengthening data capabilities.

Elo chief technology officer, Juha Sivonen, explains that Elo has “long used” AI and advanced analytics across operations, including chatbots and several generative AI tools in production. Sivonen and Selin confirmed both organisations are using Copilot in their operations, with ETK stating they are using it for information retrieval.

The Swedish Pensions Agency has taken a similar structured approach, with five AI tools in operation, 10 in pilot, and 15 in planning phases. A dedicated AI group oversees strategy, infrastructure, legal compliance, and cross-agency collaboration, showing how authorities can integrate AI while balancing efficiency, transparency, and risk management.

In contrast, the UK is seeing AI adoption gain momentum more rapidly, as Pensions UK senior

policy adviser, Olivia Sizeland, says: “Increasing numbers of schemes and other organisations within our sector are using AI to support with different areas of work.”

In particular, Sizeland suggests that pension schemes across the country are experimenting with chatbots to improve member engagement, while AI is also being used to support administrative tasks, such as minute-taking – a growing necessity amid staff shortages.

Heywood head of products and propositions, Tim Carpenter, observes that many funds are moving from passive curiosity to active exploration.

One area representing a “huge opportunity”, Carpenter says, is member engagement. AI-powered tools can transform complex pension information into personalised, easy-to-understand formats, helping members better understand their benefits. He says that data from early implementations indicate that most members prefer digital communications, with only a small fraction requesting traditional paper statements.

Together, these examples illustrate the range of AI adoption in Europe: Some providers are prioritising controlled, supportive deployment, while others are experimenting more broadly to enhance efficiency and member experience. Predictive analytics, chatbots, and workflow automation are freeing staff from routine tasks, allowing them to focus on higher-value work.

However, Hirz notes that adoption in high-risk areas such as pricing remains cautious because of governance and legacy system constraints but emphasises that the overall trend is positive: “Nonetheless, momentum is growing, and the industry is preparing for broader AI integration as regulatory clarity improves, and technical foundations are strengthened.”

Challenges and risks

As AI adoption grows, pension providers are facing questions of transparency, accountability, and ethical use. Across Europe, industry bodies and regulators are seeking to define what constitutes high-risk AI in pensions and how firms should manage associated challenges.



“NONETHELESS, MOMENTUM IS GROWING, AND THE INDUSTRY IS PREPARING FOR BROADER AI INTEGRATION AS REGULATORY CLARITY IMPROVES, AND TECHNICAL FOUNDATIONS ARE STRENGTHENED”



The AAE recently responded to the EC's targeted stakeholder consultation on the classification of AI systems as high-risk, emphasising that areas such as annuity pricing and longevity modelling carry inherent risks.

Hirz explains that bias in pricing models, for example, can be “opaque and lead to exclusion of certain groups”, such as members from lower-income regions if factors like postcode are used as proxies for socioeconomic status, life expectancy, or even ethnicity.

He notes that rigorous testing, validation, and human oversight are essential to prevent such outcomes, with actuaries playing a central role in ensuring models are fair, transparent, and compliant with the EU AI Act.

Concerns around “AI washing” – where providers overstate or misrepresent the use and benefits of AI – have also emerged. Danish fund Akademiker Pension, for instance, has urged Google to address the human rights impact of its AI technologies, highlighting the broader ethical responsibility of vendors as well as deployers.

On a more operational level, outdated technology adds another barrier.

“Legacy systems remain the most significant barrier to AI adoption in the pensions sector. They often lead to operational complexity, which makes it hard to get timely, validated data into AI workflows or to deploy models. Legacy constraints block end-to-end implementation and make progress far slower,” Hirz says.

Sivonen agrees, explaining that while Elo has modernised much of its infrastructure, “often the challenge is that data is in old legacy systems and not available for AI solutions”. Both stress that unlocking AI's potential requires up-to-date, well-structured data that can be accessed reliably.

Selin emphasises that AI must also comply with regulations, protect personal data, handle personal data securely, and be deployed only with appropriate oversight, while Sivonen adds that external AI services, often provided by American companies, require careful legal and contractual review, as well as robust internal governance frameworks.

Alongside legacy issues, data privacy and

cyber-security remain central challenges. Generative AI in particular presents risks of “hallucination” or unintentional exposure of sensitive member information.

Across Europe, providers are investing in strong data governance frameworks, often building on existing Solvency II and General Data Protection Regulation (GDPR) standards, while also aligning with emerging regulations such as the Digital Operational Resilience Act (DORA) and the AI Act.

These challenges underline why regulatory clarity and consistent standards are becoming so important for the sector.

Regulation and risk management

The EU's approaching AI Act is set to play a central role in shaping the sector, but questions remain about how it applies in practice.

Selin has raised concerns about unclear definitions in the act, including whether ‘high-risk’ applies to earnings-related pensions. She also warns that expanding regulation nationally to pension insurance decisions could stifle innovation, and questions whether companies using AI tools might be held to the same responsibility as developers.

Hirz, however, sees the emerging regulatory framework more positively. He argues that the AI Act, combined with established rules such as Solvency II and the General Data Protection Regulation (GDPR), provides a “solid foundation for harmonised rules” across borders.

He highlights the role of the European Insurance and Occupational Pensions Authority, which is working to promote consistency through initiatives such as its Consultative Expert Group on data use in insurance. Additionally, he points out that many firms are already strengthening their governance structures in anticipation of stricter rules.

“Newer frameworks such as DORA and the AI Act are currently leading to further professionalisation of data use, with many companies recently building up dedicated teams and executive roles that are responsible for this field,” Hirz notes.

Looking ahead, most experts agree that AI in pensions remains in its infancy. Over the next three to five years, greater regulatory clarity is expected to accelerate adoption in practical areas such as risk modelling, fraud detection, and member engagement.

For pension providers, the future will not be about experimenting with AI as a novelty but embedding it as a core tool, but one that demands ongoing human oversight, ethical safeguards, and regulatory scrutiny.



Q & A

Bus dreams & pension schemes

Keva CEO, Jaakko Kiander, discusses pension misconceptions, flying to the moon, and why Machiavelli might have something to say about today's politics

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

I started my career in the 1980s as an academic economist at the Helsinki University. Then I gradually moved closer to applied economics and management tasks in research institutes before entering the pension business in 2010.



What's the biggest misconception people have about pensions?

It is usual that younger people do not know their pension system and do not believe that they will get their pensions, though we have an auto-enrolment system with relatively large public funds in Finland. Many also have over-confidence in their own abilities and think that they would be better investors than the professionals working in the pension funds. However, when people age, their trust and knowledge of the pension system increases.



What was your dream job as a child?

Bus driver. I still enjoy driving my car although it is not a bus.



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

I am a family guy. I like to spend time with my grandchildren and take care of our lakeside summer cottage. I like classical music, too.

Is there a particular sport/team that you follow?

I try to follow the Finnish ice hockey league and UEFA football matches.

What was the last book you read or film you watched that you really enjoyed?

In the summer I read *Fourteen Rulers* by Michael Psellos, a thousand year old book on the Byzantine politics. Although there were many problems they succeeded in maintaining the Eastern part of Rome for a pretty long time. A biography of Nietzsche by Sue Prideaux was also fascinating and well-written.

What's your go-to karaoke song?

Fly Me to the Moon. I don't do much karaoke, but the song is nice, and the moon would be an interesting place to visit, especially the dark side.

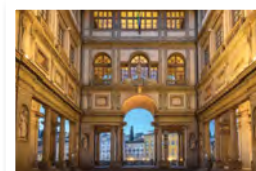


If you could meet any historical figure, who would it be and why?

I guess it might be interesting to discuss the current global politics with Niccolo Machiavelli who was the father of realist politology. I think he would be able to analyse present conflicts.

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

I think Florence is great with all of its renaissance treasures. I have been there many times.



Is there an inspirational quote/saying you particularly like?

I like the thoughts of Stoics like Epictetus and Marcus Aurelius. "No man is free unless he is the master of himself."

JOYCE BRENNAN

Guiding Irish pensions through change

From the rise of master trusts to the rollout of auto-enrolment, newly appointed CEO of the Irish Association of Pension Funds (IAPF), *Joyce Brennan*, shares her vision for simplifying the system, supporting trustees, and securing better retirement outcomes for all

Please tell us about your professional background to date and how you got into pensions/investment.

■ I began my career as a student actuary. In the early part of my career, I worked mainly on actuarial valuations for defined benefit (DB) pension schemes. Working at a small consulting firm gave me an understanding of the broad range of services to pension schemes. I held various roles for Mercer and KPMG, ranging from helping trustees fulfill their obligations to helping companies manage their pension plans and wider remuneration strategies.

About 10 years ago I became a professional trustee, acting as chair to boards of trustees of a range of pension plans. For the past five years, I have been managing director of the trustee companies of New Ireland Assurance Company, focusing on developing the governance model for their master trust. I have also acted as non-executive director for a range of insurance companies over the past 10 years.



What appealed to you about the CEO role at the IAPF?

■ We have nine main master trust providers in Ireland currently, which account for approximately one-quarter of the market. In three years' time, master trusts may represent more than half of the market, because this is where most new entrants join and transfers of DC schemes continue. Providing services to master trusts is a priority for me. We will provide them with information, training, a networking forum and an opportunity to lobby for policy change. Each master trust will also have to decide how their offering will evolve when post-retirement savings become an option, and we will support them through this journey.

Most of our DB schemes are very mature, with strong governance and another priority for me is to support them as they seek opportunities to further de-risk, articulate their end game strategies, and get through the first round of the supervisory review process.

What do you believe are the biggest strengths of the Irish pensions sector?

■ The state pension provides a strong foundation to the Irish pensions system, with universal eligibility to a flat rate pension. In addition, approximately two out of three workers have a supplementary pension through their employer, though this percentage varies significantly by age. Pension savings receive tax relief, and a tax-free lump sum is available on retirement. Coverage will be substantially enhanced next year when the state implements the new auto-enrolment system, which introduces compulsory employee and employer contributions, topped up by a contribution from the state.

The Irish pensions system is mature, with strong standards of governance, regulation and funding requirements, ensuring a good level of protection for members. Occupational pension

schemes are established under trust, and there is a strong tradition and legacy of trustees providing excellent oversight and challenge to ensure members' interests are at the forefront in managing pension schemes. Trustees in Ireland are supported by a strong system of expert service providers, including consultants, insurance companies, investment managers, lawyers, professional trustees, auditors and risk managers.

And what are the biggest challenges you believe need tackling?

■ The IAPF continues to lobby for simplification in the pensions system. There continues to be a range of rules in key areas such as maximum contributions, maximum benefits, and transferring between pension plans, depending on the type of plan. This can act as a deterrent in engaging people in pension savings. The auto-enrolment system will operate very differently to pension plans, which may cause more confusion, however more awareness of pensions and more conversations around retirement planning can only be a good thing. Trustees and providers are very focused on clear and engaging member communications, trying to simplify key messages and improve take-up rates.

There is also wide proliferation of benefits, with most workers having pension savings across multiple schemes and multiple providers each time they change their job. This can result in the provider's contact information becoming out of date. We would like to see a pension tracing system introduced in Ireland.

How is the sector likely to transform in the coming years?

■ Master trusts are likely to increase substantially in size. The governance burden on pension schemes continues to increase and the supervisory review process, which the regulator commenced last year, is very time consuming. The introduction of post-retirement savings options is likely to further grow master trusts, as members are likely to appreciate the opportunity to remain within a trust structure through their retirement.

The introduction of the auto-enrolment system is a substantial milestone for the pension market, and many employees who have not joined their employer's pension scheme are likely to reexamine this option.

**"WHEN THE ROLE OF CEO WAS
ANNOUNCED, I WANTED TO TAKE
THE NEXT STEP TO CONTRIBUTE
TO THE LONGEVITY AND
SECURITY OF IRISH PENSIONS"**

PRIVATE MARKETS



European pension funds are deepening their push into private markets, with a focus on mid-market buyouts and local opportunities. While digitalisation and ESG remain key themes, investors face growing pressure to conduct rigorous due diligence to manage risks. **Lynn Strongin Dodds** reports

Over the past five years, private assets have become a feature in European pension fund portfolios.

However, views are mixed as to whether schemes will maintain or increase their holdings given the current turbulent environment driven by the Trump administration's onerous tariff policies and ongoing geopolitical tensions in Ukraine and the Middle East.

Some such as Man Group head of European institutional sales, Chris Parker, believe it will not be that straightforward and will depend on the country, pension-type and the legislative framework.

In general, though, "what we are seeing from large allocators is a review of portfolio strategy given the

current climate, which includes private assets," he adds.

"This includes looking at portfolio weightings to ensure schemes are positioned correctly for the next 10 years as opposed to the past 10," he adds.

Goldman Sachs Asset Management co-head of EMEA institutional client coverage, Max Ramirez, also notes that many corporate defined benefit (DB) plans are fully allocated into private equity and have paused their allocations.

"If there is interest, then it is in the buyouts, especially in the mid-market space and we are also seeing a greater focus on secondaries and hybrid capital."

Others believe that pension funds will increase

their exposure to private assets across the board. This is reflected in Aviva Investors' seventh private market study. It showed that 51 per cent of the 500 institutional investors – DB and defined contribution (DC) – canvassed plan to continue adding to their portfolios with European schemes in the lead at 57 per cent. This compares to 47 per cent in North American and 44 per cent in Asia-Pacific.

Key factors

There are three key factors driving pension funds to steadily increase their allocations to private equity, according to J.P. Morgan Asset Management global market strategist, Aaron Hussein. The first is the sheer scale of the opportunity set.

In the US, around 85 per cent of companies with revenues over USD 100 million are privately owned, and in Europe the figure is closer to 95 per cent.

"That means most of the corporate universe lies outside public markets, offering a broader pool of potential investments," he adds.

Second, he says there is the potential for higher returns. Over long periods, US and European buyout funds have consistently outperformed public equity benchmarks, providing the prospect of enhanced returns for pension portfolios.

Moreover, there is the evolution of fund structures that has made private equity more accessible.

"The rise of evergreen, semi-liquid vehicles have allowed pension schemes to integrate private equity exposure more seamlessly, improving diversification without the same liquidity constraints that once limited allocations," he adds.

There is also a regulatory push. As Nuveen head of UK pensions, global client group, Sophie Ballard, points out, allocation decisions are increasingly being shaped by a complex mix of regulatory reform, liquidity management and political dynamics.



**"REGULATORY CHANGES
IN SEVERAL EUROPEAN
JURISDICTIONS HAVE EASED
ACCESS TO PRIVATE MARKETS,**

**ENCOURAGING SCHEMES TO DIVERSIFY INTO
INFRASTRUCTURE, PRIVATE CREDIT AND
NATURAL CAPITAL"**

Nuveen head of UK pensions, global client group, Sophie Ballard

"Regulatory changes in several European jurisdictions have eased access to private markets, encouraging schemes to diversify into infrastructure, private credit and natural capital," she adds.

In addition, Ballard notes political pressure is influencing strategy, especially around climate commitments and the energy transition.

Governments are signaling strong support for investment in renewables and carbon reduction, creating both opportunities and expectations for institutional investors.

"However, political divergence and upcoming elections introduce uncertainty that schemes must navigate with care," she adds.

Increased efforts

A recent report from Goldman Sachs, however, reveals that policymakers are ramping up efforts to unlock Europe's roughly USD 4.9 trillion of assets into longer term, higher-risk investment to spur economic growth. Countries are moving at different paces, with the Netherlands home to one of the world's largest occupational pension systems at €2 trillion at the forefront.

The goal is to get schemes to increase private equity and credit allocations by around five percentage points over the next five years, with around €100 billion directed toward these so-called riskier assets.

This marked a change from the country's old DB system, which pushed schemes into liquid, low-risk assets such as government bonds by requiring them to closely match assets with long-term liabilities.

The UK is also hoping its Mansion House Accord will significantly move the needle. Currently, 17 of the country's largest pension funds have pledged to invest at least 10 per cent of their default DC funds to private markets assets by the end of the decade, half of which will be targeted in the country.

For instance, Nest already invests 15 per cent of its assets in private markets, 60 per cent of which is domestically based.

Many market participants also believe the UK's long-term asset funds (LTAFs) and Europe's equivalent – long-term investment fund (ELTIF) – will generate greater interest among DC plans and retail investors. They are both designed to offer easier access to alternative and longer-term illiquid assets such as private equity, venture capital, and private debt.

While political forces have been an impetus, Legal & General Asset Management global head, investment strategy & research, private markets, Rob Martin,

expects that fiduciary obligations and liquidity requirements will remain the overarching drivers of allocation decisions and how far schemes will shift into illiquid strategies.

“In response, an increasing number of products are being created to provide more liquid access to private investments for different types of investors,” he adds.

In terms of current and future prospects, opinions vary. Schroder Capital Global head of business development, Ingo Heinen, notes that private equity remains the preferred private market asset class for long-term return opportunities among institutional investors, citing its latest *Global Investor Insights Survey*, which surveyed 1,000 respondents with a combined USD 1 trillion in assets looking across public and private strategies.

He notes that private equity was the second-ranked asset class for returns for European investors, and the number one for pension investors globally. However, small and mid-market buyouts will continue to be seen as the most attractive because they typically involve domestically focused companies, offering insulation from shifting global trade and geopolitical dynamics.

Russell Investments managing director and head of EMEA strategic client solutions, David Rae, echoes these sentiments.

“Many investors are looking more at their local environments rather than globally which they did in the past,” he says. “Some countries are being pushed by their governments, but it is also in response to stakeholder demand.”

Meanwhile, Martin expects that the secular trends within infrastructure, such as energy transition and digitalisation will drive very large capital requirements across both debt and equity and are increasingly overlapping.

“We are also increasingly pursuing opportunities in emerging markets debt, particularly through innovative private credit structures that meet the needs of insurance investors and DC clients whilst delivering real world sustainable outcomes and supporting nature conservation,” he adds.

Ballard agrees, adding that European pension schemes are looking at opportunities where financial returns intersect with structural trends.

Core allocations

Infrastructure debt is expected to remain a core allocation, driven by the energy transition and digitalisation while private credit will continue to



“EUROPEAN PENSION SCHEMES HAVE BEEN CAUTIOUS, BUT THIS IS CHANGING”

Schroder Capital Global head of business development, Ingo Heinen

expand, offering diversification, reliable income and resilience in a higher-rate environment. Natural capital investments are also poised for growth, offering stable returns and measurable ESG outcomes.

As for venture capital, selectivity remains the watch world. “European pension schemes have been cautious, but this is changing,” says Heinen, adding that schemes are recognising it can diversify portfolios and meet savers’ expectations to support positive change.

Education is key to unlocking broader participation,” he adds. “While the US continues to dominate, nearly half of all unicorns now originate outside the US. For instance, in Europe fintech leads the way and accounts for 11 of the top 20 European unicorns.”

Investors need to be aware of the challenges across the entire private markets arena though. As Ballard notes, liquidity management remains critical, particularly as schemes weigh illiquidity premia against the need for flexibility.

Political uncertainty, especially around climate policy, may complicate planning while competition for high-quality private assets could compress returns, requiring careful manager selection and underwriting discipline.

“Finally, integrating ESG measurement and reporting into private portfolios will be essential to meeting regulatory and stakeholder expectations,” she adds. “Success will depend on disciplined allocation, robust governance and the ability to navigate a dynamic and increasingly complex investment landscape.”

Morningstar manager research analyst, Dan Haydon, echoes these sentiments. “Investors need to be aware that there is a lot of money chasing the same ideas and that there can be a greater correlation between private and public markets than first meets the eye,” he says.

He adds: “They also need to do careful due diligence around fees because in private equity, for example, there is not just the management and trading fees but also the monitoring fees charged to the company.”



APAPR

Romania's private pension system at a crossroads

As Romania prepares to launch the long-awaited payout phase of its private pension system, Romanian Pension Funds Association (APAPR) adviser, Mihai Boboce, explains how it has ignited a nationwide debate

Romanian private pension funds have seen assets under management triple to €36 billion over the past six and a half years and are projected to triple again in the next eight to 10 years. At this pivotal juncture – the rollout of the long-anticipated payout-phase framework – public opinion is sharply divided between the technically sound phased withdrawals and annuities model and the more immediately attractive lump-sum payout provisionally applied so far.

The dilemma is not merely technical, it reflects deeper societal traits favouring short-term consumption over longer-term prudence, set against a backdrop of persistently low trust in public authorities and financial institutions.

The forthcoming payout phase – in which accumulated account balances will be disbursed at scale as either programmed withdrawals or annuities, with an upfront lump-sum

option of 25 per cent – represents a significant operational challenge and an opportunity to consolidate the gains of the private pension funds.

Since their 2007–08 launch with modest contributions and small participant base, the mandatory 2nd pillar and voluntary 3rd pillar private pensions have grown rapidly. Mandatory participation has been instrumental in this growth, mitigating the behavioural biases and inertia that often undermine individual long-term savings decisions. The result has been the accumulation of significant national savings, producing tangible macroeconomic benefits.

One of the most visible spillover effects has been in the capital markets. The steady, predictable inflow of contributions has provided a stable domestic investor base for Romanian equities and fixed-income instruments, improving liquidity, deepening available instruments, and contributing to the gradual

maturity of the Bucharest Stock Exchange.

The presence of long-term institutional investors has encouraged better corporate governance, fostering transparency and accountability among listed companies.

In fixed income, fund demand has supported sovereign debt issuance and catalysed corporate bond market development. From plan members, investment returns have been remarkable: 2nd Pillar funds have posted annual average returns of 7.8 per cent since inception, against 4.4 per cent inflation. All in, this a successful story combining personal savings, growing domestic financial markets, and increased awareness of private pension provision to compensate for the shortcomings of the pay as you go system.

As for the ongoing debate on payout phase legislation – international experience, particularly within the OECD, underscores the importance of flexibility, transparency, and consumer protection. Romania's policy discussions show encouraging signs of alignment with best practices, recognising the need to balance long-term income security with personal choice and efficient use of accumulated assets. As broader segments of the Romanian population hopefully embrace the social role of private pension wealth, focus is likely to shift from short-term bias toward phased decumulation.

The best part of current talks? The debate around the payout phase provision has created constructive public engagement with the concept of retirement preparedness. Citizens are becoming more interested and aware of their rights and the long-term implications of policy choices. This moment should be seized to reinforce the public's trust in the system, clarify expectations, and ensure the framework is not only technically sound but socially legitimate.

APG to launch AI tool by end of 2025

Dutch pension asset manager APG has announced it will launch ChatAPG, a generative AI tool designed to boost member engagement, by the end of 2025. The service will provide participants with personalised answers about their pensions and financial situation. APG said the chatbot will support members in navigating often complex information, offering quicker and more accessible engagement than traditional channels. The fund hopes the tool will empower savers to make more informed decisions and improve their overall pension experience. APG handled nearly 493,000 participant interactions in 2024 and aims to make support faster and more accurate but stressed that the tool would not be replacing real humans.

Ilmarinen and MYRY join forces to support micro-enterprises

Ilmarinen, the Finnish earnings-related pension provider, has formalised a partnership with the Finnish Association of Micro and Sole Entrepreneurs (MYRY) to deliver targeted pension advice and support services tailored to the micro business sector. The collaboration includes educational webinars, in-platform pension guidance, and coordinated research, focusing on topics like YEL pension reform and long-term financial resilience. This initiative is part of a broader European trend of adapting pension models for non traditional workers. The partnership will provide clearer information, tailored resources and better outreach, which Ilmarinen hopes will address long-standing gaps in coverage and awareness.

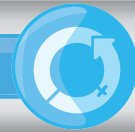
Czech savers showing growing enthusiasm for pensions

A survey by the Czech Association of Pension Companies (APS) found that the number of pension savers aged 18-26 doubled between 2019 and 2024 – from around 81,000 to 162,500 – while those aged 27-35 increased their participation from 146,000 to 338,500. This surge in take-up signals greater awareness of the need to prepare for retirement among younger workers. However, knowledge gaps remain, as the survey revealed only 70 per cent understand how pension products work, just half are aware these can be invested in stocks, and more than 60 per cent are unfamiliar with compound interest. Unless this momentum translates into informed savings decisions, experts warn that many workers may still face financial insecurity in retirement, highlighting the need for stronger engagement and education strategies.

COMMUNICATION

Hot or not?

Callum Conway takes the temperature of Europe's pensions industry, exploring which approaches to member engagement are catching fire – and which risk leaving savers cold



SPA survey reveals low awareness of occupational pensions in Sweden

A Swedish Pensions Agency (SPA) survey found only 17 per cent of respondents mentioned occupational pensions as important for shaping overall retirement income. Meanwhile, 57 per cent highlighted 'lifetime income' and 21 per cent cited the 'age of pension commencement'. On a more positive note, 53 per cent of those aged 20–65 knew how to find pension information in 2024 (up four per cent from 2023), and 70 per cent had a "certain or good" idea of how large their future pension would be – an uptick of per cent. However, experts warn that without better education and communication, Sweden risks seeing strong structural systems weakened by low engagement and poor financial literacy.

Alarming gap in UK workplace pension communication fuels lost pots crisis

In the UK, new research from Penny has revealed that inadequate workplace pension communication is a major driver behind the country's 2.8 million lost pension pots. The survey showed that 88 per cent of those changing jobs couldn't remember being informed about their pension during exit interviews. Half of respondents said their employers did nothing at all, and 33 per cent felt more could have been done, with only 17 per cent believing 'basic information' had been covered. This lack of communication contributes directly to the UK's 3.3 million lost pension pots, worth an estimated £31 billion. Average lost pots are valued at £9,470, rising to £13,620 for those aged 55-75.

FIN-FSA flags shortcomings in self-employed pension marketing

The Finnish Financial Supervisory Authority (FIN-FSA) has raised red flags over how self-employed pensions (YEL) are marketed online. While general information was deemed accessible, the regulator identified "shortcomings" in communication, including misleading wording around statutory benefits. In particular, some websites implied that the 22 per cent start-up discount for new entrepreneurs was a company-specific offer, despite it being enshrined in law and available to all. The review also found inconsistencies in YEL calculators, with identical inputs producing different outcomes due to undisclosed assumptions. The FIN-FSA warned that such practices undermine transparency and risk damaging customer trust, calling on providers to improve clarity and align with good insurance practice.

"EXPERTS WARN THAT WITHOUT BETTER EDUCATION AND COMMUNICATION, SWEDEN RISKS SEEING STRONG STRUCTURAL SYSTEMS WEAKENED BY LOW ENGAGEMENT"

COMMUNICATION

Behaviour meets AI: Rethinking engagement

WRITTEN BY CALLUM CONWAY

Our engagement thermometer (pg. 92-93) outlines some of the key developments we've seen across Europe in recent months.

If there's one word that keeps coming up in pensions conversations and debates, it's engagement. For all the progress the industry has made in auto-enrolment, dashboards, and digital tools, the reality is that many savers still remain disconnected from their pensions.

The research continues to highlight this: In the UK alone, there are around 3.3 million lost pension pots worth £31 billion, much of it linked to weak communication when workers switch jobs.

Across Europe, too, surveys reveal low levels of awareness of occupational pensions - as highlighted by the Swedish Pensions Agency's finding that only 17 per cent of respondents recognise their occupational scheme as the most important component of retirement income.

Many also remain unsure of key pension details. In the Czech Republic, for example, fewer than 70 per cent of younger savers fully understand how their pension product works, and only 50 per cent know they can invest in stocks.

And yet, the thermometer's 'hot' side shows there is momentum towards reversing this pattern. Dutch pension giant APG, like an increasing number of European firms, is betting on generative AI by developing its personalised ChatAPG

tool. With APG handling nearly half a million participant interactions last year, the potential to utilise AI to expedite support and make guidance available around the clock is enormous.

If designed responsibly, AI tools can not only answer questions but also anticipate member needs and nudge them towards better financial decisions, significantly boosting engagement.

Similarly, Ilmarinen's partnership with the MYRY signals fresh thinking about how to reach groups that too often fall through the cracks.



**"PEOPLE DO NOT ENGAGE
WITH PENSIONS THE
SAME WAY THEY DO WITH
A BANK ACCOUNT OR
MORTGAGE"**

The rapid growth of the 'gig economy' requires a pensions response, ensuring these workers have the guidance and support needed to build an adequate retirement income.

For me, a missing link in the engagement debate is behavioural finance. People do not engage with pensions the same way they do with a bank account or mortgage. Savers are influenced by inertia, short-term biases and decision paralysis, causing

them to often act irrationally. By embedding insights from behavioural science into policy and product design – whether through better defaults, smart nudges or simplified messaging – schemes can help members make decisions that are in their long-term interests, without overwhelming them. Engagement isn't just about grabbing attention once; it's about building systems that align with real human behaviour.

The potential of AI could accelerate this shift by combining behavioural prompts with personalised digital guidance at key life moments, turning pensions from a yearly statement into an ongoing financial companion. Of course, safeguards and cybersecurity measures are essential, but the opportunity to innovate in this area should not be underestimated.

Ultimately, engagement cannot be an afterthought. Without it, even the best-designed systems risk underperforming because members fail to participate fully.

Encouragingly, the *European Pensions* thermometer shows sparks of innovation – and when combined with behavioural insights and AI-driven personalisation, these sparks could ignite a fundamental transformation in how people interact with their pensions.

The future lies not just in telling savers what their pension is worth, but in showing why it matters and how to act with confidence.



DEFENCE HOLDINGS

In defence of returns

Sophie Smith takes a closer look at how retirement savings are being mobilised in uncertain times, with recent geopolitical tensions sparking a shift in attitudes as security tops the agenda

The investment policies of European pension funds are undergoing a shift, and what was once a near-taboo is increasingly being reframed as both strategically responsible and financially prudent. Once hesitant to engage with the defence sector due to ethical and reputational concerns, many funds are now reassessing their stance in light of Russia's invasion of Ukraine, the Gaza conflict, NATO expansion, and mounting government pressure to strengthen Europe's industrial and security resilience.

From taboo to strategic imperative

From Finland to Denmark, and even in the UK, pension schemes are beginning to see defence and dual-use investments not as a contradiction to responsible investing, but as a means of safeguarding the stability on which responsible investment frameworks depend.

Recent geopolitical shocks have helped to widen the conversation, as AkademikerPension CIO, Anders Schelde, says: "The war in Ukraine has made it clear that Europe's security can no longer be taken for granted. Under democratic control and within the boundaries of international law, we believe that directing investments towards European defence is not contrary to responsible investing, but a part of

safeguarding the freedoms and stability on which responsible investing itself depends."

Mercer European head of investments, Eimear Walsh, agrees, explaining that, "as many more European countries and their governments respond to developments in Europe, we are seeing a greater focus on boosting defence spending and collaboration", and this is being reflected in pension schemes' exclusion policies.

Doubling down in Denmark

Nowhere is this shift more visible than in Denmark. The Danish pensions industry has doubled its exposure to defence investments, according to figures from Insurance & Pension Denmark (I&P), growing from around DKK 9 billion in early 2023 to nearly DKK 19 billion by April 2024.

I&P deputy director, Tom Vile Jensen, highlights this as a "clear shift", driven by rapidly changing geopolitical realities and government engagement, including a proposed DKK 50 billion defence fund.

And Jensen points out that this realignment extends beyond listed equities, explaining that funds are focusing on both direct holdings in publicly listed defence companies and infrastructure partnerships, such as public-private projects.



Indeed, a consortium of Danish pension investors – including Industriens Pension, AkademikerPension, P+, and AP Pension – is already backing a public-private partnership to build new military barracks.

It is not only supportive of defence aims, as Industriens Pension described it as a “socially critical task,” using lower-CO₂ construction methods.

Jensen also highlights the broader social benefits of such investments, stating that “the Danish government’s strong commitment, highlighted by a new defence fund and active invitations to the pension industry to engage, has reinforced the idea that defence-related investments can align with both societal needs and long-term financial returns”.

Still, Denmark’s relatively small domestic defence sector means much of this capital flows abroad, particularly into US-listed firms.

“That stems from the relatively small size of Denmark’s defence industry and lack of listed domestic firms,” Jensen explains. “As a result, pension funds are keenly monitoring the development of Denmark’s defence-industrial strategy, hoping to see nascent opportunities emerge closer to home.”

There is still a geographical focus, however, with some funds choosing to extend their definition of local to cover Europe more broadly. Schelde says that AkademikerPension “deliberately focuses on European companies” as it aligns the purpose of supporting Europe’s ability to defend itself.

Similar approaches have been seen in Finland, as Varma senior vice president for sustainability and communication, Hanna Kaskela, explains that although Varma does not explicitly favour domestic investments, it does apply strict geographic criteria.

“Varma has excluded companies with a confirmed connection to controversial weapons and whose headquarters are not located in NATO, Japan, South Korea, Australia, New Zealand (Indo Pacific Four) or Switzerland,” she explains.

Finland: NATO membership and strategic resilience

Despite these exclusions, Varma, one of Finland’s largest pension insurers, has still been upping its interest in defence assets, having updated its responsible investment principles multiple times since 2022 in response to enable this.

“These changes were motivated, in part, by the emergence of new business opportunities in areas such as defence and dual-use technologies like drones, cybersecurity, and communications systems,” Kaskela explains.

“THE EMERGING SECURITY LANDSCAPE HAS REFRAMED DEFENCE FROM A NICHE, CONTROVERSIAL SECTOR TO A STRATEGICALLY IMPORTANT AND RESPONSIBLE ONE”

Much like its Danish peers, Varma now sees defence investment as contributing both to security and economic resilience.

However, safeguards remain. In particular, Kaskela underscores the importance of openness to ensure success, stating: “Externally, heightened public debate, media scrutiny and political signals have increased the need for transparency in defence-related investment decisions.”

Schelde echoes this, explaining that whilst some members may have reservations, this is why the fund has been fully transparent about the change, sharing its investment lists, and maintaining a clear, consistent exclusion criteria.

And the balance between transparency, accountability, and security has become central to Europe’s pension debate, with an increasing focus on member desires as a result.

Holding up a mirror: member views in focus

In the UK, for instance, the Avon Pension Fund is taking a cautious yet inclusive approach. Before making a final decision, it is polling around 20,000 members – roughly a fifth of its base – on whether to continue investing in aerospace and defence.

The survey reflects a commitment to democratic engagement in contested sectors, as the fund’s leadership stressed that the consultation is designed to ensure diverse demographic representation and to build legitimacy for future decisions.

Whilst not as bold as some of the action seen in Denmark, the news nonetheless signals that across Europe, pension capital is navigating the defence question in ways that reflect national context and saver expectations.

Ethical lines redrawn – not erased

The embrace of defence investments is not without limits though. “Diverse member opinions mean some pension providers proceed cautiously,” Jensen says. “This is where dialogue with savers – clarifying investment goals and the rationale behind new defence exposure – is crucial to maintain trust and alignment. Ethically, there are still issues with defence

investments, which are important to be aware of and to disclose to the savers.”

And across Europe, certain exclusions remain firmly in place, as a WTW spokesperson confirms that controversial weapons remains an “almost universal exclusion”.

Specific ethical dilemmas have also persisted, particularly on conflicts that have been the centre of more controversy, such as the ongoing crisis in Gaza.

In Norway, Norges Bank Investment Management (NBIM) – manager of the Government Pension Fund Global – faced criticism over its Israeli investments, before it joined a growing number of pension providers choosing to exclude such holdings, despite positive financial returns *[read more on page 9]*.

It is not only Norway where such trends are being seen, as Jensen argues that “pension funds are now responding to powerful external signals – from government policy platforms to EU strategic calls – that underscore defence as a vital societal domain”.

But Denmark’s pension leaders insist that, more broadly, defence investment is not an abandonment of responsible principles but a reframing of them.

Jensen points out that the European Commission has also explicitly stated that sustainability regulations shouldn’t impede defence investment.

As Jensen puts it: “The emerging security landscape... has reframed defence from a niche, controversial sector to a strategically important and responsible one.”

It is not just attitudes to defence investments that are changing, but the definition of the asset class itself, as defence holdings are quickly expanding beyond traditional equities. Pension funds are targeting infrastructure projects – such as Denmark’s super-ports, logistics hubs, and military facilities – that serve both civilian and defence purposes.

Cybersecurity, software, and communications systems are also attracting attention, as they represent dual-use sectors critical to both industrial resilience and national security.

Indeed, Walsh says that “defence is digitalising and we have seen an emergence of private equity and venture capital (PE/VC) firms raising dedicated funds to invest in aerospace and defence which also includes areas such as cybersecurity and robotics”.

“In Q1 2025 alone, S&P reported that global PE/

VC investment in aerospace and defence hit USD 4.27 billion, nearly matching all of 2024’s USD 4.31 billion,” he says. “This nascent trend warrants a word of caution though – it is a relatively new and emerging sector where established track records and proven ability to manage risk will be limited.”

But broader reforms may be needed; industry leaders have recently called for more structured investment platforms tailored to pension funds.

“To strengthen access, it would be beneficial to develop structured instruments or platforms tailored to pension funds – such as funds focused on dual-use technologies, dedicated debt or equity vehicles for infrastructure projects, or co-investment frameworks in public-private defence initiatives,” Jensen says. “We also have to open up for more investments and development of non-listed defence companies.”

“As national and EU frameworks evolve, and with instruments like the proposed DKK 50 billion defence fund, there is growing scope for dual-use and infrastructure investments via public-private partnerships,” he explains. “This can include co-financing technology development, building essential defence infrastructure, and supporting dual-use innovation – all contributing to a more self-sufficient and robust European defence ecosystem.”

Regardless of future reforms, Kaskela agrees that pension insurance companies like Varma and other investors are poised to play a growing role in bolstering industrial resilience and dual-use technology development.

“By updating their responsible investment frameworks, they can support defence capabilities while maintaining ethical standards,” she explains.

“This includes investing in companies that contribute to national security, innovation, and conflict prevention. Of course they need also to meet strict sustainability and legal requirements.”

Even those holding back on investing directly in defence may want to pay attention to the trends in this asset class, particularly from a European macro-economic perspective; Walsh says the likely increase in defence spending will impact sovereign finances, and in time, potentially put pressure on credit ratings and borrowing costs. “Investors in euro sovereign bonds will need to keep this under review,” he says.

The shift is clear: European pension funds are no longer standing apart from defence and are instead choosing to become strategic partners.

But the challenge ahead is to sustain momentum without sacrificing transparency, accountability, or ethical credibility.

“MEMBER OPINIONS MEAN SOME PENSION PROVIDERS PROCEED CAUTIOUSLY”



SRT DEALS

Passing the parcel

Banks are shifting slices of loan risk to pension funds through significant risk transfer deals, offering schemes fresh diversification and returns, but also drawing regulatory scrutiny. Giovanni Legorano reports



A once-obscure corner of bank finance, significant risk transfer (SRT) deals are fast becoming the latest hunting ground for pension funds eager for yield and diversification.

In essence, a typical SRT deal sees a bank hedge a pool of loans against default by selling credit-linked notes to pension funds and other investors, such as sovereign wealth or hedge funds.

Such deals allow banks to free up capital they would otherwise need to meet regulatory requirements. This capital can then be used to back the issuance of more loans.

These transactions have long been used by European banks, but they have become prominent among global investors more recently after US banks entered the market.

Investors

Pension funds are no longer just dipping a toe into the SRT pool, they now account for a meaningful slice of the market, according to the European Banking Authority.

Its *Spring Assessment Report* issued in July, found that pension funds account for 13 per cent of the SRT market but could have indirect exposures to the asset class via other investments.

Private credit funds are the main investors in SRTs, with around a third

of the market, followed by other investment funds, insurance companies and the schemes, showing the interlinkages in the financial sector, Europe's top banking regulator said.

Dutch investment manager PGGM, which manages €248.5 billion in assets for Dutch pension fund PFZW, has become a prominent player in the risk transfer space, with €6.7 billion invested in credit risk sharing by the end of 2024 – exposure that corresponds to some €80 billion worth of loans.

It made a 9.9 per cent return over these assets last year and an average annual return of around 12 per cent since 2006.

For PGGM Investments senior director, credit risk sharing, Angelique Pieterse, SRTs are an important tool to diversify credit risk for pension funds and get solid returns, while making a contribution to society.

"We see it as a win-win," says Pieterse. "We can access credit risk, which we wouldn't be able to find otherwise in the market. And it is a very helpful instrument for banks to be competitive, support them with capital tailored for specific lending activities, while ensuring that all the loan exposure that banks keep on their books, on their own account, is sufficiently capitalised."

She adds: "This also allows us to contribute specifically to lending that supports the carbon transition of the

economy, like loans to renewable energy projects and loans with specific transition-related KPIs."

Pieterse says that PGGM, which has made 86 such deals with 18 leading banks over the past 19 years, has been applying a number of ground rules.

For example, it always requires the bank originating the loans and engaging in a credit risk sharing transaction with them to retain at least 20 per cent of the risk associated with loans included in the deal.

In addition, PGGM only invests in funded SRTs and is very conscious of the counterparty risk related to the funding.

"The funding should not be on an unsecured cash deposit with the bank [*originating the loans*], because if it faces an overnight issue, your money falls within the bank's bailout plan. We wouldn't be exposed to a diverse group of borrowers anymore, but to a large bank," she says.

Pieterse and her team spend considerable time in the due diligence phase to understand both the underlying exposures as well as the approach of the banks with whom PGGM partners to the specific lending business.

"We speak to everybody in the channel that originates. To the senior management team, to the bankers who have client contacts, to the risk management team, to the workout

team, to the sustainability team and to the know-your-customer team," she says.

"You really need to know what you risk share. If you don't understand the market, don't start risk sharing it, because you can't do a good, proper due diligence. You don't know the right questions to ask," she adds.

This is why PGGM engaged in transactions involving several different types of loans, such as loans to large corporates and small and medium enterprise, trade and project finance, but wouldn't, for instance, risk share loans to the shipping sector.

Regulatory warning

As the market gathers pace, Europe's banking watchdog has sounded a note of caution, warning that risk transfer can sometimes mean risk concentration.

"It remains important that this risk is also properly managed by banks going forward, not least amid their rising SRT usage: If these newly issued SRTs have similar maturities, it can quickly happen that a maturity wall is built up in the future," the EBA said in its July report.

However, it added that data for the wider banking sector didn't point to the existence of such a "maturity wall".

The regulator also warned about the potential "circles of risks" being created by banks providing funds to investors that are taking on credit risk from other lenders.

M&G Investments head of structured finance, James King, says they are both legitimate concerns from a regulator's point of view.

"It's important to stress that capital is linked to a defined portfolio of reference obligations, not reference entities," he says. "I think it all comes down to balancing. It's never going to be 100 per cent of the banks' capital [involved in these transactions], so it's a regulatory question of what the

right percentage is. I think it varies from bank to bank and jurisdiction to jurisdiction."

King adds that SRTs can be quite "thick" and, therefore, leverage can potentially be introduced safely from an investor's perspective, but it is an understandable regulatory concern.

"We are very nervous about leverage anyway. We think the way to do it is to work with a third-party investor who can pick the tranche that you don't want, because probably it's an investment grade and, for a high-yield manager, that would dilute your returns," he says.

A spicy alternative

For investors, the appeal lies in flavour – SRTs offer a spicier premium than the plain-vanilla high yield options on the menu.

For example, King sees SRTs as an attractive investment if they offer a premium compared to the returns coming from more vanilla forms of high yield credit.

"We think that SRT has consistently delivered that, even though we have seen some spread tightening in the past two years. Most SRT transactions still provide that premium, although there are clearly deals that we think don't offer the kind of premium to take on the risk," he says.

Veritas portfolio manager, Ville Iso-Mustajärvi, says his pension fund has a meaningful allocation to SRTs.

"It allows you to get significant premia compared to the plain vanilla, liquid forms of instruments," he says.

"WE SEE IT AS A WIN-WIN. WE CAN ACCESS CREDIT RISK, WHICH WE WOULDN'T BE ABLE TO FIND OTHERWISE IN THE MARKET"

He adds that the market has evolved into many different sub-asset classes depending on the underlying loans.

"There are a lot of relationship driven aspects to this market and there is a lot of modelling involved to make an informed decision," Iso-Mustajärvi continues.

"Since we are a relatively small pension fund, with around €5 billion of assets under management, we decided to use external managers to get exposed to this asset class," he says.

In recent years, Iso-Mustajärvi has seen a lot of new players entering the market, which translated into increased volatility in the pricing of these transactions. However, he says he still has a cautiously positive outlook on the asset class.

Such investments are popular primarily in European countries where pension funds have substantial amounts of assets under management and a more sophisticated investment approach, says Aon Italy partner and head of wealth, Claudio Pinna.

For instance, in Italy, they haven't gained a lot of traction so far, he says. In particular, he says that for defined contribution pension funds, Italian savers tend to be very risk-averse, and this type of investments would be included in the riskier plans, which tend to be shunned by the majority of members.

However, he says that it remains an interesting asset for pension funds and is used by larger schemes around Europe, which have a longer track-record of looking into less plain vanilla investment options and an even stronger need for diversification than smaller schemes. "It is clearly in line with the investment strategy of this type of investors," he says.

As Europe's pension funds keep searching for diversification and yield, SRTs may be moving from niche to mainstream – albeit under the watchful eye of regulators wary of the risks that come with the rewards.

Ask the industry

With pension fraud on the rise and becoming more sophisticated, European Pensions asks the industry what regulatory or industry-led measures should be prioritised to better protect schemes and savers – and which countries are leading the way in tackling pension-related fraud?

Fraud has become a mainstream threat to pension systems across Europe, with savers increasingly targeted by scams that exploit trust in well-known brands and regulatory structures. Younger members appear particularly vulnerable, with incidence rates often outpacing those seen among older savers.

In the UK, regulators and trustees have secured compensation worth over £80 million for more than 2,000 victims of fraudulent schemes, thanks to a landmark High Court ruling that widened access to redress. While this response highlights the value of robust compensation mechanisms, the emphasis across jurisdictions remains firmly on prevention. Scams promising unrealistic returns, 'pension liberation' offers, and misleading cash incentives continue to circulate widely.

Elsewhere in Europe, Finland's largest providers, including Ilmarinen, Varma, and Keva, have all issued urgent alerts about their names being misused in scam text messages and phishing campaigns. Members were lured to fraudulent websites under the guise of legitimate pension communications, often with the aim of harvesting banking credentials.

With regulators and industry leaders now deploying advanced tools, such as AI-driven pattern recognition and coordinated intelligence sharing, the fight against fraud is becoming increasingly technologically sophisticated. Therefore, savers' security ultimately depends on a dual approach: Resilient regulatory frameworks to provide redress where harm occurs, and proactive industry-led vigilance to stay ahead of ever-evolving scams.



We believe it is important to be aware of the increased scope of threats and sophisticated methods used in attempts to obtain rights and payments within the pension area fraudulently. We lack reliable statistics that provide a clear picture of the extent, but we assume that there are significant unreported figures. Constantly new automated solutions for processing disability cases are an example of an area that dishonest individuals can exploit. This can lead to erroneous payments at the expense of the community.

At KLP, we prioritise efforts to uncover fraud. It is important that this work takes place within well-defined, legal, and responsible frameworks.

Among prioritised measures, we believe there is a need for research to prevent and detect fraud related to deception within the pension area.

We also wish that the public agency Nav, which is responsible for labour and welfare services, actively informs pension companies about erroneous decisions and payments.

Doctors who declare disability also play an important role in uncovering fraud, and their confidentiality should be evaluated to ensure that they can respond to attempts at fraud.

The Nordic countries and the Netherlands have achieved good results in the fight against fraud within the pension area. This is something we see through global indexes such as the Mercer CFA Institute Global Pension Index 2024. The indexes provide an indication, but not a complete overview of which countries are leading in the fight against pension-related fraud.

THOMAS NIELSEN

KLP senior vice president of financial crime and group money laundering reporting officer

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The Finnish statutory earnings-related pension insurance is largely regulated and supervised. FIN-FSA (The Finnish Financial Supervisory Authority) and regulation actively intervene in grievances.

One challenge is the increased identity fraud, which is a challenge for any business or individual. Anti-money laundering (AML) and know your customer (KYC) legislation is the most important measure to prevent fraud, such as criminal money being used to pay excessive insurance premiums, which are then requested to be refunded to launder the money as insurance premium returns. From an individual's viewpoint, the strong electronic authentication used in Finland is a way to tackle the identity fraud challenge.

TIINA NURMI

Ilmarinen executive vice president



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Social security fraud harms those who finance benefits, as well as insured persons who rely on social security. It is therefore a matter of great importance to the Pensionsversicherung (PV) to prevent social security fraud. PV takes measures to prevent fraud from occurring and, if it does occur, to detect and punish it. This includes carrying out all necessary checks within the legal framework, and if suspicion is confirmed in an individual case, recovery of all benefits wrongfully received. If there is suspicion that benefits are being deliberately obtained wrongfully or that an attempt is being made to obtain social benefits deliberately and unlawfully, then criminal proceedings will be initiated.

WINFRIED PINGGERA

**Pensionsversicherung Österreich
director general**

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In the Finnish earnings-related pension system, an insured person cannot transfer the funds. However, a company can change its pension insurance company, establish a pension foundation, or join a fund, but this is a highly regulated activity. So, there is no pension fraud in the traditional sense, but fraud attempts targeting, for example, pensioners' banking services are growing rapidly in Finland.

JANNE PELKONEN

Tela public advocacy manager

In their own words...

Industry personalities' comments on the hot topics affecting the European pensions space

On the Church Pension Fund Finland's progress on its climate goals

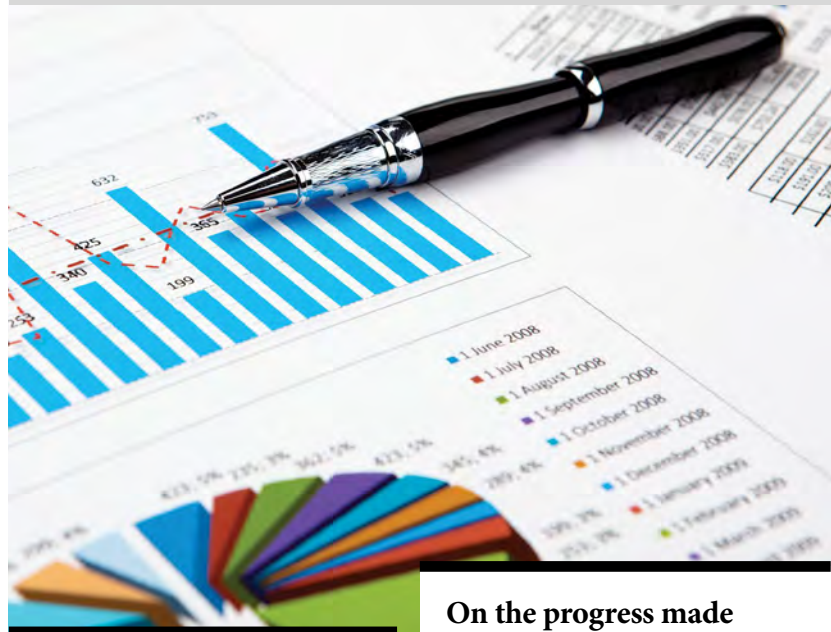
"Since launching its first climate strategy more than a decade ago, the fund has purposefully proceeded in its climate work towards a net-zero portfolio and has achieved its interim goals. For example, the fund's green-themed investments share has increased steadily and now these investments cover 12.5 per cent of our portfolio. This year, we will be launching our updated climate strategy, with one of its goals being to raise the share of green-themed investments in its portfolio to 20 per cent by 2030."

IRA VAN DER PALIS
The Church Pension Fund
Finland CIO

On the launch the long-awaited payout phase of Romania's private pension system

"This deliberative moment should be seized to reinforce the general public's trust in the system, clarify expectations, and ensure that the legislative framework is not only technically sound but also socially legitimate."

MIHAI BOBOCEA
Romanian Pension Funds Association adviser to the board



On the attraction of significant risk transfer deals for pension funds

"We see it as a win-win. We can access credit risk, which we wouldn't be able to find otherwise in the market. And it is a very helpful instrument for banks to be competitive, support them with capital tailored for specific lending activities, while ensuring that all the loan exposure which banks keep on their books, on their own account, is sufficiently capitalised."

ANGELIQUE PIETERSE
PGGM Investments senior director
credit risk sharing

On the progress made in delivering pensions dashboards in the UK

"It's been four months since connection to pensions dashboards in line with UK government guidance began, and there has already been fantastic progress. Many millions of personal and workplace pension records have been connected, along with millions more state pension records. We're now preparing for the start of consumer testing with the state-provided MoneyHelper Pensions Dashboard."

CHRIS CURRY
Pensions Dashboards Programme
principal



**On the
adaption of AI in the
European pensions industry**

"Nonetheless, momentum is growing, and the industry is preparing for broader AI integration as regulatory clarity improves and technical foundations are strengthened."

JONAS HIRZ

Actuarial Association of Europe AI & data science working group co-vice chairperson

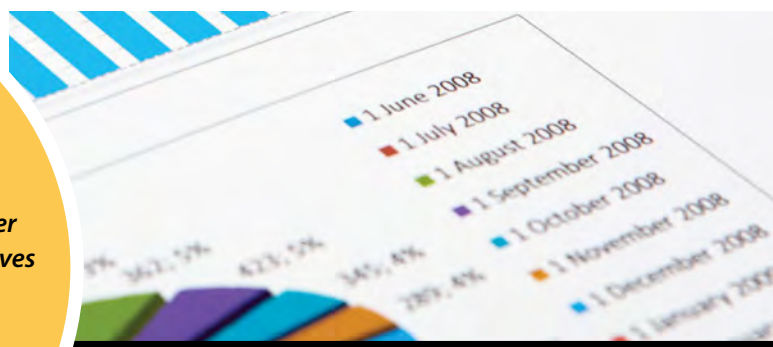


On her priorities coming into her new role as Irish Association of Pension Funds CEO

"We have nine main providers of master trust in Ireland currently, which account for approximately one-quarter of the market. In three years' time, master trusts may represent more than half of the market, because this is where most new entrants join and transfers of DC schemes continue. Providing services to master trusts is a priority for me. We will provide them with information, training, a networking forum and an opportunity to lobby for policy change."

JOYCE BRENNAN

The Irish Association of Pension Funds CEO



On how the European Insurance and Occupational Pensions Authority and Europe's other institutions can play a stronger role in shaping better pensions for citizens

"Simplification is important; not making it overly complicated or risky from a funding perspective to actually provide a pension. You can't build a pensions system where you're constantly changing the rules."

PETER DEVLIN

Deloitte Consulting partner and head of the Total Rewards practice in Germany

On the impact of the reforms that could dramatically improve outcomes for Belgian pension savers

"Belgium's pension system is not broken, but it is underperforming. Modest reforms in transparency, investment strategy, and cost management could dramatically improve outcomes for savers."

ARNAUD HOUDMONT

Better Finance director of communications

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