PME PENSIOENFONDS

Navigating structural change

PME Pensioenfonds chairman of the executive board, *Alae Laghrich*, sits down with Paige Perrin to discuss the Dutch fund's transition to the new pension system, its improved funding position and sustainability ambitions

Can you provide a brief overview of PME Pensioenfonds and its current priorities?

■ PME pension fund is responsible for the pensions of roughly 630,000 (former) participants and pensioners of the metal and high-tech industry. There are over 1,500 companies associated with PME. Our total assets at the end of 2025 were €59.5 billion. The number one priority for our fund has always and will always be a stable return on our investments, with a long-term horizon, to ensure financial stability for our pensioners. Another priority this year is the transition to the new Dutch pension system. This must be done well, securely, and flawlessly. Our implementation plan is up for review at the Dutch Central Bank, and our conversations are intense and very fruitful at the same time. Finally, we invest in our own sector, stimulating high-tech innovation, keeping technology, patents and knowledge in the Netherlands and Europe. We also focus on affordable real estate and the creation of sustainable housing. We have achieved our CO2-reduction goals on the equity and bond portfolio and aim to hit net zero in 2050.

PME confirmed it will transition to the new Dutch pension system on 1 January 2027. How is the implementation progressing?

■ Originally, we aimed to transition on 1 January 2026. As we progressed in 2024, we made the difficult decision to postpone the transition by a year. We felt that both our organisation and our pension administration provider, TKP, were not ready. PME wants to implement the transition flawlessly and with the best, most secure governance in place. The decision to postpone gave us extra time. Our implementation is now on schedule; we have all the right safeguards and measures in place to ensure a smooth transition. While the work on the transition is on schedule, we are navigating a more unstable geopolitical period. The coverage ratio is very important during the transition phase. With roughly a year to go, there is heightened economic uncertainty, with possible volatility in the financial markets. We have several measures in place to protect the coverage ratio. However, at the beginning of 2026, our coverage ratio is very strong. So, I have confidence that things will work out.

Looking beyond the 2027 transition date, how does PME expect the new system to influence its investment strategy, risk management, and member engagement?

■ As a long-term investor, focused on stability instead of short-term gains, our strategy will not change on day one or in one go. This is a gradual process. Nevertheless, within the new system, we will have more flexibility. For younger generations, we can increase the risk of our investments, which means, on balance, a higher return. As our participants age, we will slowly decrease their exposure to riskier assets. This ensures a more stable benefits period when they reach retirement age. Overall, this means that once the younger generation reaches retirement age, they will retire with higher monthly benefits compared to the older system. PME has always taken pride in engagement with our members. We focus on personal communication with our consultants. It is important to continue this approach in the new system, including by applying more focused and personal communication, based on segmentation. We'll also continue to use webinars, newsletters, events, and workshops to engage with participants.

At a time when more European funds are exploring defence opportunities, how is PME's recent investment in a high-tech defence fund aligned with its strategy?

■ PME believes that our members should be able to retire in a sustainable, livable world. However, to enjoy their retirement, that world also needs to be secure, free, and democratic. By investing in defence companies and funds that aim at the Dutch and European market, we do just that.

How does PME balance strong returns with sustainability? What lessons from the BlackRock review will shape your future oversight of external managers?

■ We do not believe in the frame conjured by critics that investment returns and sustainability are mutually exclusive. They simply aren't. It is certainly possible to align your investment portfolio with the Paris Climate Agreement, divest from fossil fuel companies, and still make great returns. Moreover, focusing on sustainability is also an investment risk reduction measure. Concerning BlackRock, I think much has already been said and written. To reiterate, we will more strongly look at the beliefs and ambitions of our external managers regarding sustainability and what their long-term horizon is in that regard.

The fund reported a stronger financial position recently. Has the improved funding ratio and board appointments improved corporate governance and decision-making?

■ I became the chairman of the executive board of PME at the beginning of November 2025. The board, myself included, wanted a more focused approach to the transition to the new pension system. Our previous chairman, Eric Uijen, was the right man for the job. In the end, it was this decision that made it possible to completely focus his agenda and skills on that matter. Together, we looked at the succession planning. To ensure a smooth transition and stability for the coming years, the joint board asked me to step up as chair.

The increase in our coverage ratio is quite incredible. Over 2025, it increased by over 12 percentage points. From 113.1 per cent at the end of 2024 to 125.3 per cent at the end of 2025. It depends on how the coverage ratio develops as the year progresses, but certainly, at the point it is now, it is much easier to facilitate the transition.

As we enter the new year, what does PME see as its main challenges, key objectives, and priorities for this year and over the next five years?

■ Our key objective this year is to facilitate a smooth transition to the new pension system. That is our priority with pension administration.

Over the next five years, we will continue to focus on stable investment returns, in balance with risks, costs, and sustainability. We aim to ensure a stable monthly benefit for our pensioners. We want to increase our connection with participants and employers. Focusing on personal communications, real-life events, webinars, newsletters and specific group segmentation. We will continue to make our investment portfolio more sustainable and aimed at the decades to come. Finally, we want to decrease our operational costs following the transition.

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