

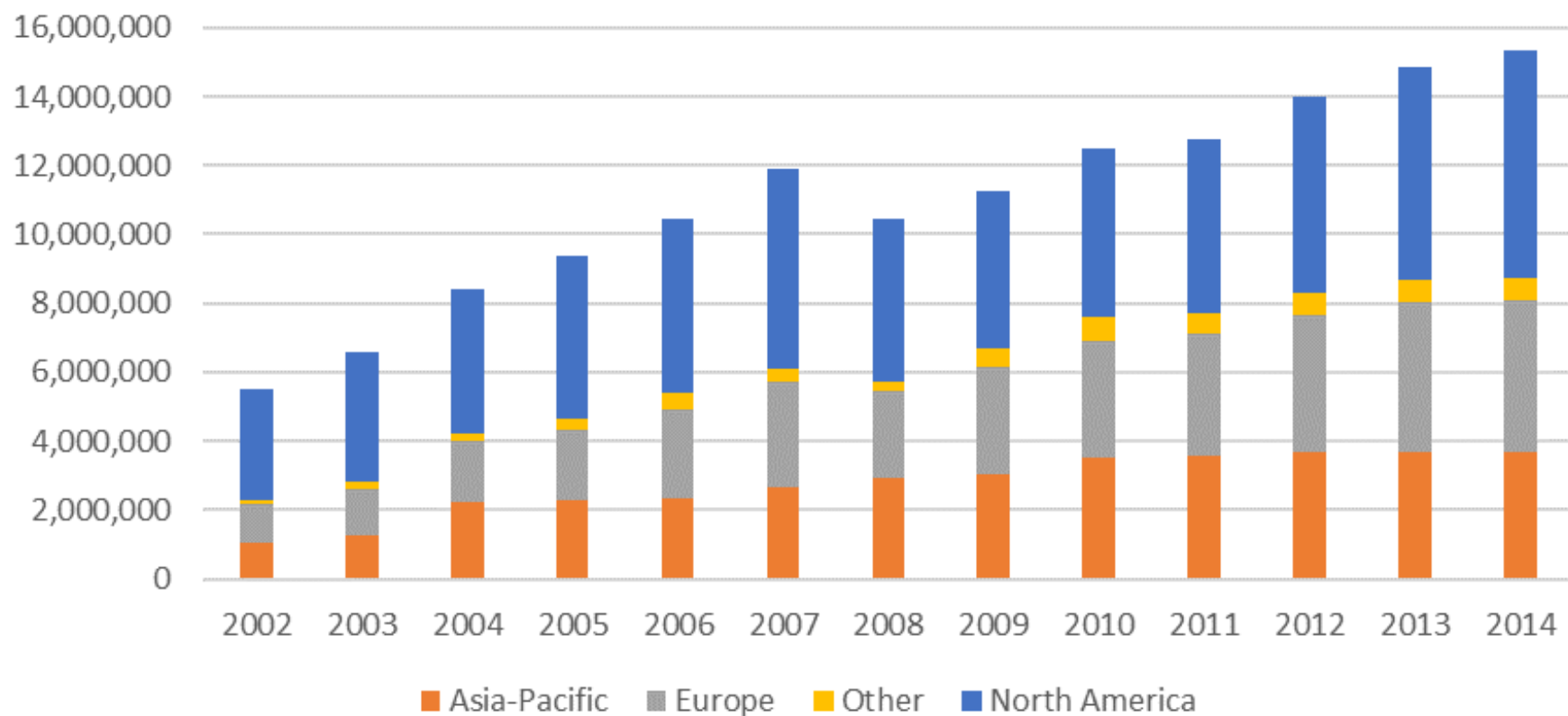
Large Pension Funds

Some Data and Thoughts

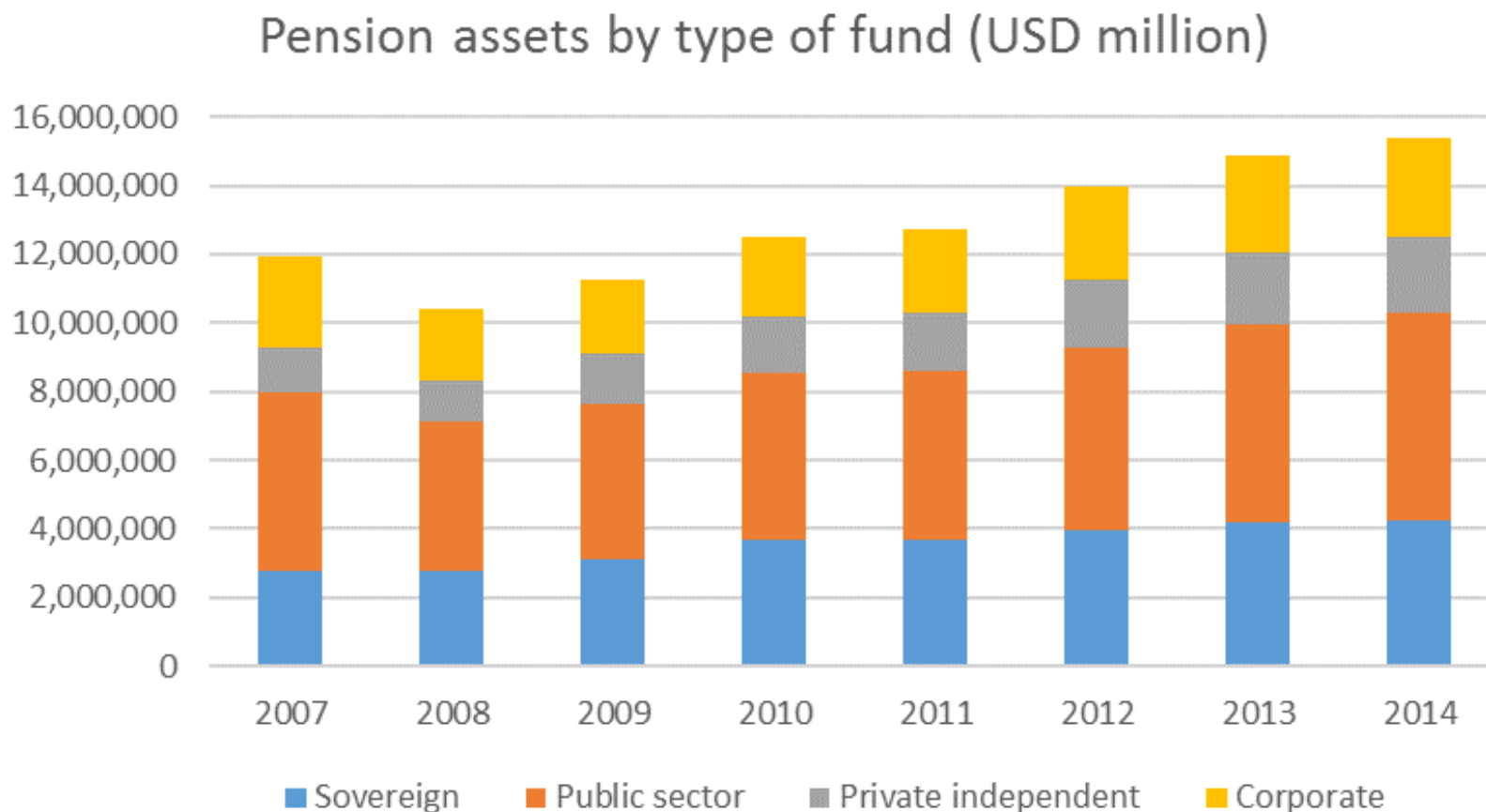
Mike Orszag, October 2015

Large Pension Funds – Data from TW/P&I 300 analysis since 2002

Pension assets by region (USD million)



Large Pension Funds – Data from TW/P&I 300 analysis since 2002



Some Observations

- **Large Pension Funds are roughly 2/3rds sovereign or public funds (66.8% in 2007, 66.9% in 2014)**
- **Large Pension Funds – while significant – are only part of pension assets:**
 - Between 25-30% of US total pension fund assets in 2014
 - Between 25-30% of UK total pension fund assets in 2014
 - But in other markets such as Japan, Germany percentages can be much larger

Large funds less important over time in some markets because of rise of DC

Some Observations

- **Corporate funds are less prominent:**
 - under 19% of large pension fund totals in 2014, down from 22% in 2007
 - Largest US fund in 2014 ranked 21st globally, largest UK fund ranked 44th, only 21 of top 100 global pension funds are corporate
 - In 2007, top US fund ranked 12th and 20 of top 100 global pension funds were corporate
- **More concentration of top funds:** top 10 funds in the world: 15% of totals for top 300 in 2014 (and about that level since 2008) as opposed to 11% in 2002. (Japan pension fund grows from 2.6% of total large assets in 2002 to 3.7%)

Conclusions

- While large pension funds play a significant role in preparing for retirement, public sector funds or other collective funds are the vast bulk of large pension fund assets.
- In ten or fifteen years, main pools of assets will be DC and public/collective funds. Policy debate should be forward looking and address both areas.