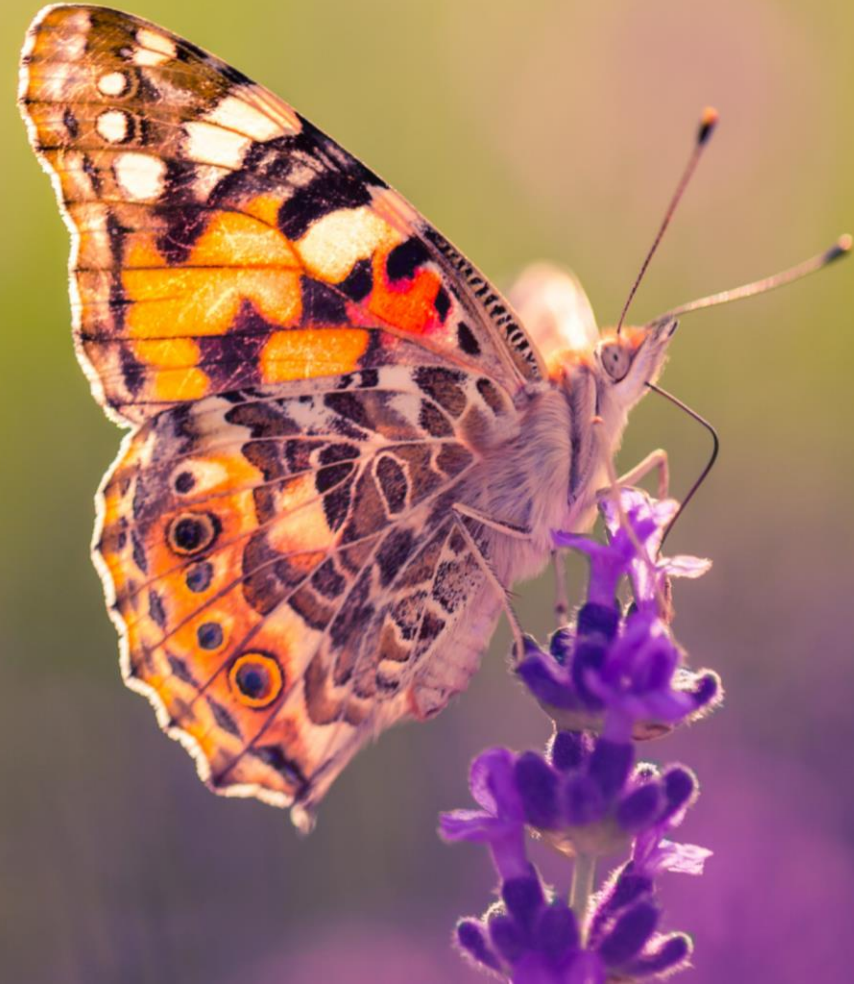


2025 Global DC Peer Study - summary report

Thinking Ahead Institute, in collaboration with LifeSight and Aware Super



2025 Global DC Peer Study

Final report

This document has been written by the Thinking Ahead Group. It summarises the findings of a study and survey of 20 DC organisations conducted in 2025. It compares and contrasts the perspectives and practices of these leading DC organisations and also compares DC current practices with the findings from our previous 2018 DC Peer Study.

The authors are very grateful to the 20 organisations that participated in the peer study for their input but stress that the authors alone are responsible for any errors of omission or commission in this paper.

Participants in the DC Peer Study

- Australian Retirement Trust (Australia)
- AustralianSuper (Australia)
- Aware Super (Australia)
- Cbus Super (Australia)
- CLAC Pension Plan (Canada)
- Co-operative Superannuation Society (Canada)
- Federal Retirement Thrift Investment Board (US)
- Fidelity International (UK & Ireland)
- FirstRand Retirement Fund (South Africa)
- HESTA Super Fund (Australia)
- Legal & General (UK)
- LifeSight (UK)
- NEST (UK)
- NRECA (US)
- Pensions Caixa 30 (PC30) (Spain)
- People's Partnership (UK)
- Plannera Pensions and Benefits (Canada)
- Retail Employees Superannuation Trust (Australia)
- Universities Superannuation Scheme (UK)
- Wespath (US)

Contents

Introduction.....	4
Study snapshot.....	6
TAI DC research journey	14
Putting members at the centre.....	20
DC organisations as enablers of better member outcomes	32
A resilient DC future needs a system that works.....	51
Final conclusion: a fit-for-future DC industry.....	63

Introduction

When we undertook [our first DC peer study in 2018](#), DC represented roughly half of pension assets across the major markets we track. Today it accounts for close to two-thirds of the \$68 trillion of pension assets across major markets¹. In many regions, DC is no longer a complement to the system – it is the system. A generation of savers is approaching retirement, for whom DC is the dominant source of pension income they rely on. As the industry moves from promise to proof, DC is increasingly being tested across the whole lifetime journey, from accumulation through decumulation, and shaped to function as a more complete pension system.

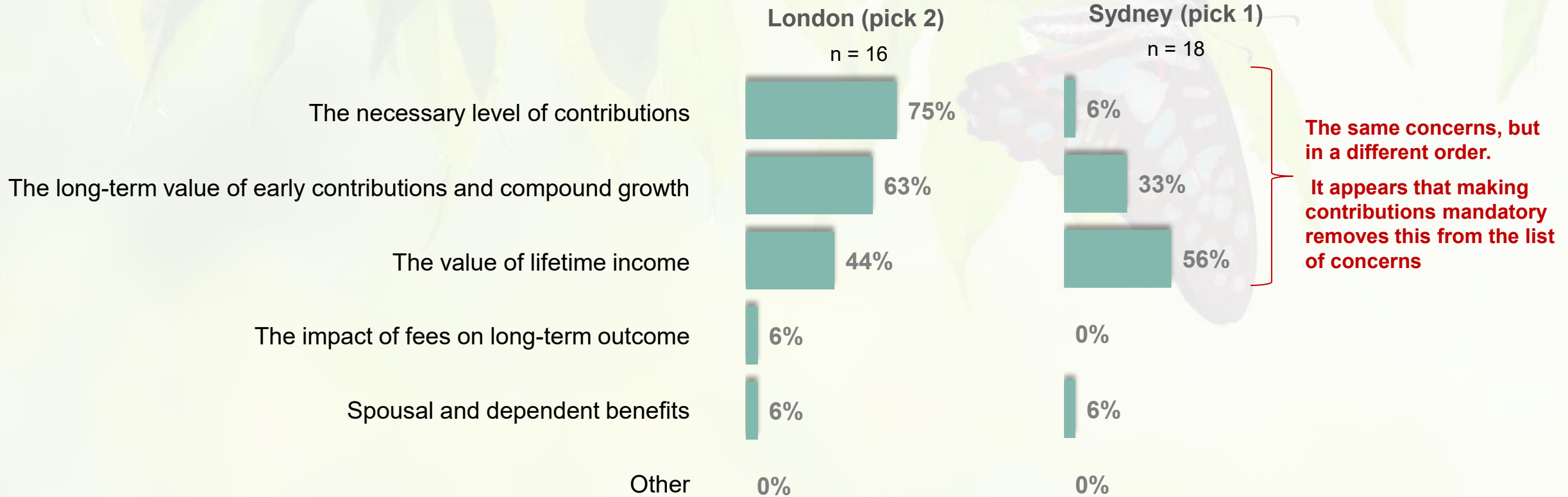
Against this backdrop, the Thinking Ahead Institute, in collaboration with LifeSight and Aware Super, undertook this 2025 Global DC Peer Study. Building on our 2018 study, this new research examines how the world's leading DC organisations are adapting to rising expectations and evolving member needs. Through surveys spanning over 250 data points, in-depth interviews with senior leaders, and peer forums held in London and Sydney, the study explores what has progressed, what has stalled, and where the industry must go next.

The findings highlight a strong, shared commitment to members across the peer group, alongside persistent challenges and marked regional differences. Retirement income remains the most widely cited priority. Governance is generally strong, though often stretched, and innovation is progressing at different speeds. A recurring theme is that investment alone cannot carry the weight of DC's promise. Better outcomes will depend on stronger end-to-end design, balancing defaults and choice, clearer guidance and more effective engagement. Many DC organisations are testing new approaches, from dynamic lifecycle design and integrated retirement pathways to greater use of private markets, stronger digital engagement and early AI-enabled capabilities. Even so, building a truly end-to-end whole-of-life pension system is still at an early stage.

This report offers a framework for progress. It highlights what leading organisations are doing today, where their beliefs differ, and which capabilities will matter most for the future. It also reflects the role DC organisations can play within the wider ecosystem: as stewards of capital, and as partners in delivering dignity in retirement. We are deeply grateful to the 20 organisations that contributed their insights, reflections and candid perspectives. Their willingness to share challenges as openly as successes enriches the sector as a whole. Our hope is that this study helps spark clearer conversations, accelerates innovation, and ultimately continues to support the evolution of DC toward a more complete, more resilient, and more member-centred pension system.

Polling results from DC events in London & Sydney, 2025

Which of the following do you think are least understood or most overlooked by DC members?

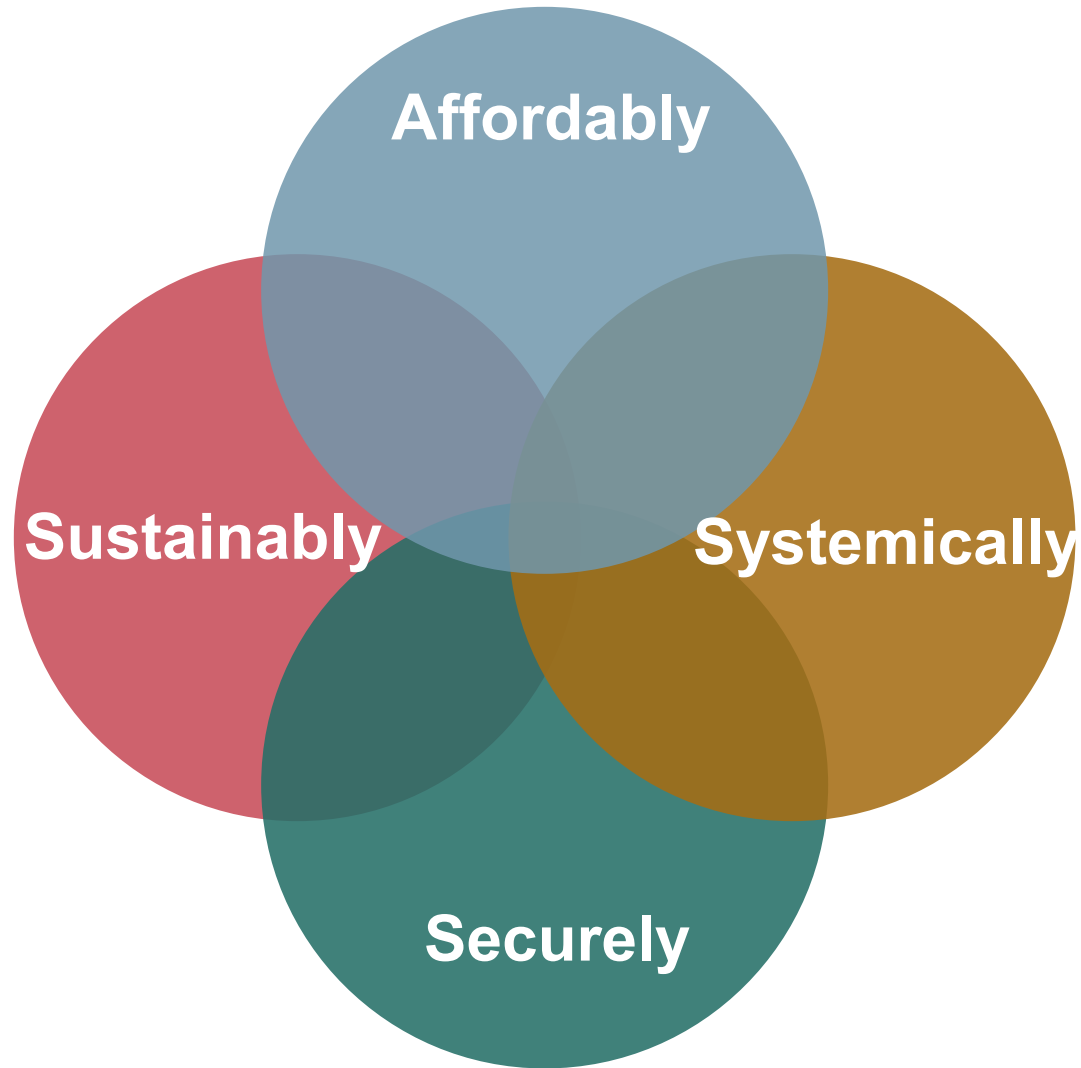


Study snapshot

10 key takeaways and data highlights



Key elements of the DC design

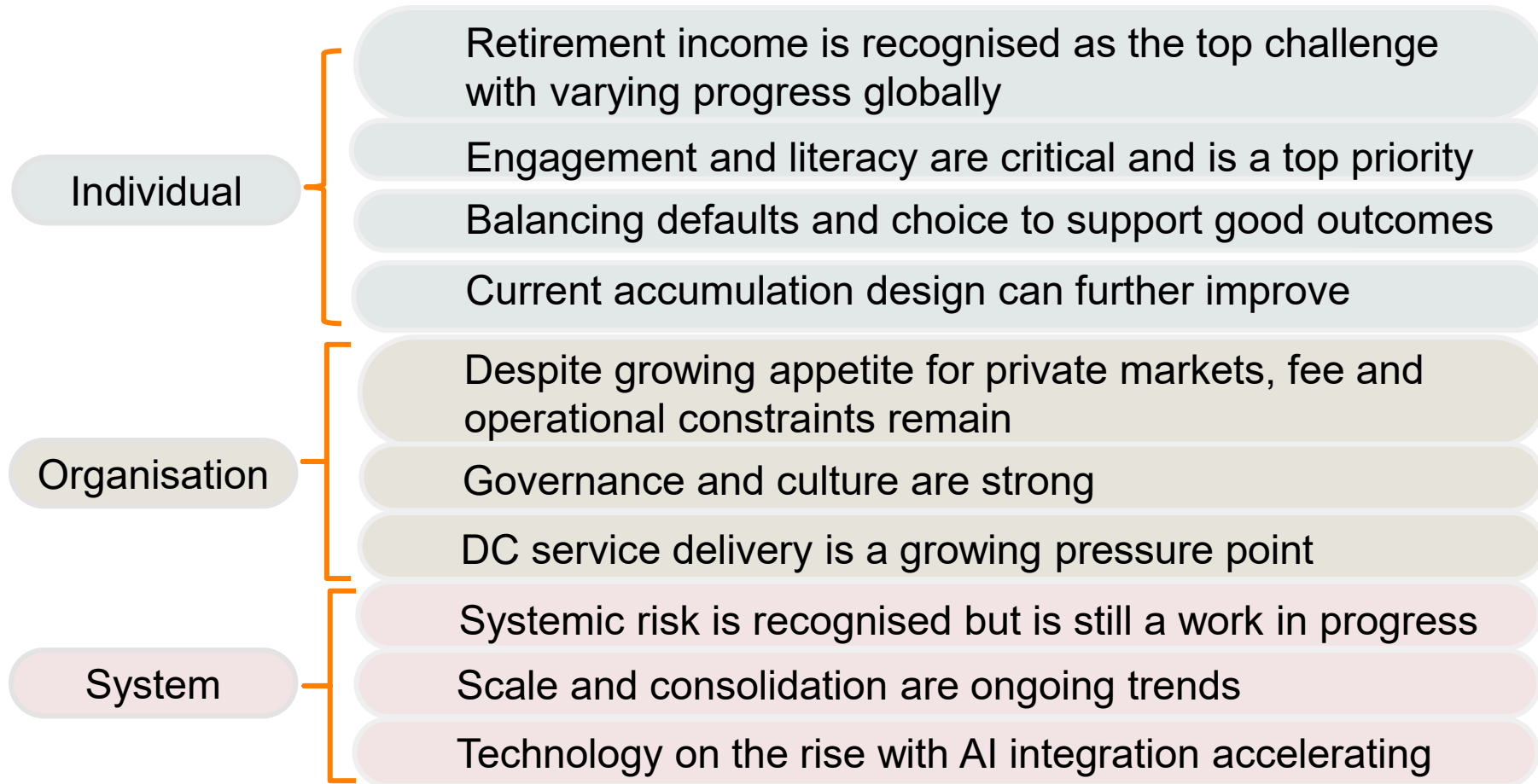


In TAI, we believe any pension system must have four core design elements: **secure, affordable, sustainable (inter-generational financial fairness) and systemic (inter-temporal systemic resilience).**

None of these elements live in isolation and some are in tension with each other. A pension that's more secure might be less affordable. A system designed for one generation might fall short for the next. It's about balancing trade-offs, managing through complexity and designing for resilience over time.

The key findings from the peer study in this section reflect how DC organisations are grappling with some of these tensions in real settings. We hope they highlight where the model is working, where it is strained and where the next steps for improvement may come from.

The 10 key takeaways



“DC is facing the challenge of transitioning to a more complete pension system”

Key takeaways - individual

01

Retirement income challenge

- Decumulation needs innovation – peers are trialling hybrids, defaults and CDC models. Decumulation expectations vary by region
- 60% flagged it as the top challenge for the next decade
- Retirement income needs to be addressed as part of whole-of-life optimisation, with an appropriate level of risk-taking across accumulation and decumulation.

02

Engagement and literacy are critical

- Individual decision making can improve or worsen pension adequacy
- The majority of peers believe improving member understanding is a top-five-year priority
- Financial research suggests education can improve individual decision making if provided shortly before the decision. Its effect declines overtime.
- Some peers believe better defaults need to also supplement this approach.

03

Balancing choice and default

- Peers discussed the benefits and roles of defaults and choice
- Organisations differ in their preferred balance reflecting their beliefs, member needs and regulatory context
- Rather than a single right answer, peers highlighted the importance of clarity about the role each element plays in supporting good outcomes.

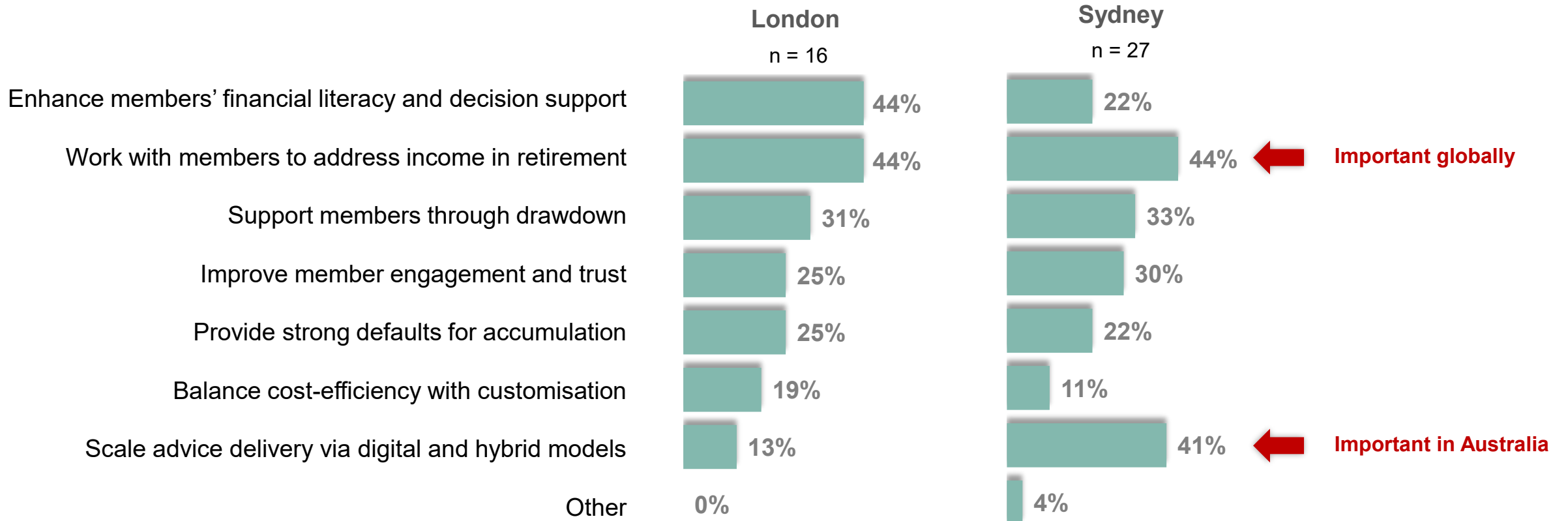
04

Accumulation design

- There are mixed views on current lifecycle designs, with some seeing scope to revisit early-career risk settings and the pace of de-risking
- The risk budget should be time-dynamic - reflecting members' changing capacity to bear risk, especially as human capital declines with age
- Effective systems combine strong defaults with supported choice, using clear guardrails and guidance

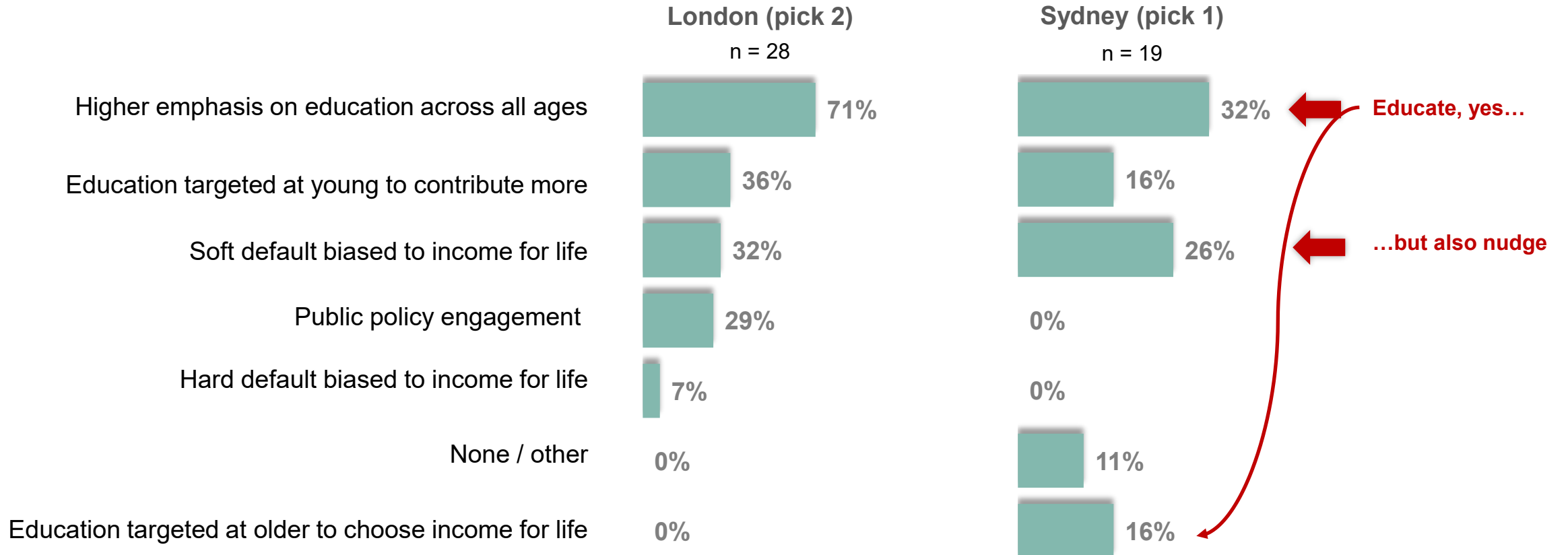
Polling results from DC events in London & Sydney, 2025

What do you think are the top priorities for DC funds in the next 5 years



Polling results from DC events in London & Sydney, 2025

What should DC organisations do to encourage members towards better pension adequacy?



Key takeaways - organisation

05

Private markets

- Average peer allocation 19% to alternatives – but markedly different between Australia (27%) and rest of world (16%)
- Australia's DC started when infrastructure assets were being privatised
- Private markets are desired, but most DC organisations compete on cost
- Governance and operational readiness are further barriers

06

Governance and culture are strong

- 94% of organisations said that the governance of the Board and senior leadership in their organisations is strong and effective
- The high score prompted discussion among peers. They suggested (1) surveys generally completed by investment people, and (2) providing retirement income could introduce more tension

07

DC service delivery

- Service delivery is a growing pressure point – member expectations of digital experience make DC payments and processing look slow
- This operational friction risks undermining member trust and satisfaction
- Cybersecurity is undervalued and ranked low in participant concerns. This was flagged as a potential blind spot

Key takeaways - system

08

Systemic risk

- 67% of peer participants have committed to net zero. 50% also have the ambition to address inequality and biodiversity loss
- The commitments are well-thought-through and pragmatic
- Systemic risks cannot be fully addressed by DC organisations or our industry alone. Meaningful progress requires coordinated action from governments, regulators, and broader society.

09

Scale and consolidation

- Lines of best fit through the survey data show cost advantages to increasing scale
- 63% of pension assets in Australia are managed by 8 super funds.¹ In the UK, 5 master trusts hold 60% of trust assets²
- Some peers noted the benefit of maintaining a diverse DC landscape, through competition, innovation and differentiated propositions.

10

Technology on the rise

- We estimate the peers, on average, allocate 16% of their total spend to technology
- Half the peers expect their spending on tech to grow over the next 5 years
- In early 2025, 75% of the peers were thinking about AI, and almost 33% had pilots or projects. But in 3-5 years time 40% believe it will be integral and foundational for their organisation

¹ [Super insights KPGM](#); ² [Evolving the regulatory approach to master trusts](#), DWP UK

Limitations of reliance and contact details

Limitations of reliance – Thinking Ahead Group 2.0

This document has been written by members of the Thinking Ahead Group 2.0. Their role is to identify and develop new investment thinking and opportunities not naturally covered under mainstream research. They seek to encourage new ways of seeing the investment environment in ways that add value to our clients.

The contents of individual documents are therefore more likely to be the opinions of the respective authors rather than representing the formal view of the firm.

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