Global Top 300 Pension Funds

A Thinking Ahead Institute and Pensions & Investments study | September 2026

Thinking Ahead Institute
An innovation network founded by WTW

The Thinking Ahead Institute

The Thinking Ahead Institute (TAI) is a not-for-profit research and innovation network motivated to influence the investment industry for the good of savers worldwide and to mobilise capital for a sustainable future. Since its establishment in 2015, almost 90 investment organisations have collaborated to bring this vision to light through designing fit-for-purpose investment strategies, working towards better organisational effectiveness and strengthening stakeholder legitimacy. This report was produced in collaboration with the WTW Montevideo Research Services team.

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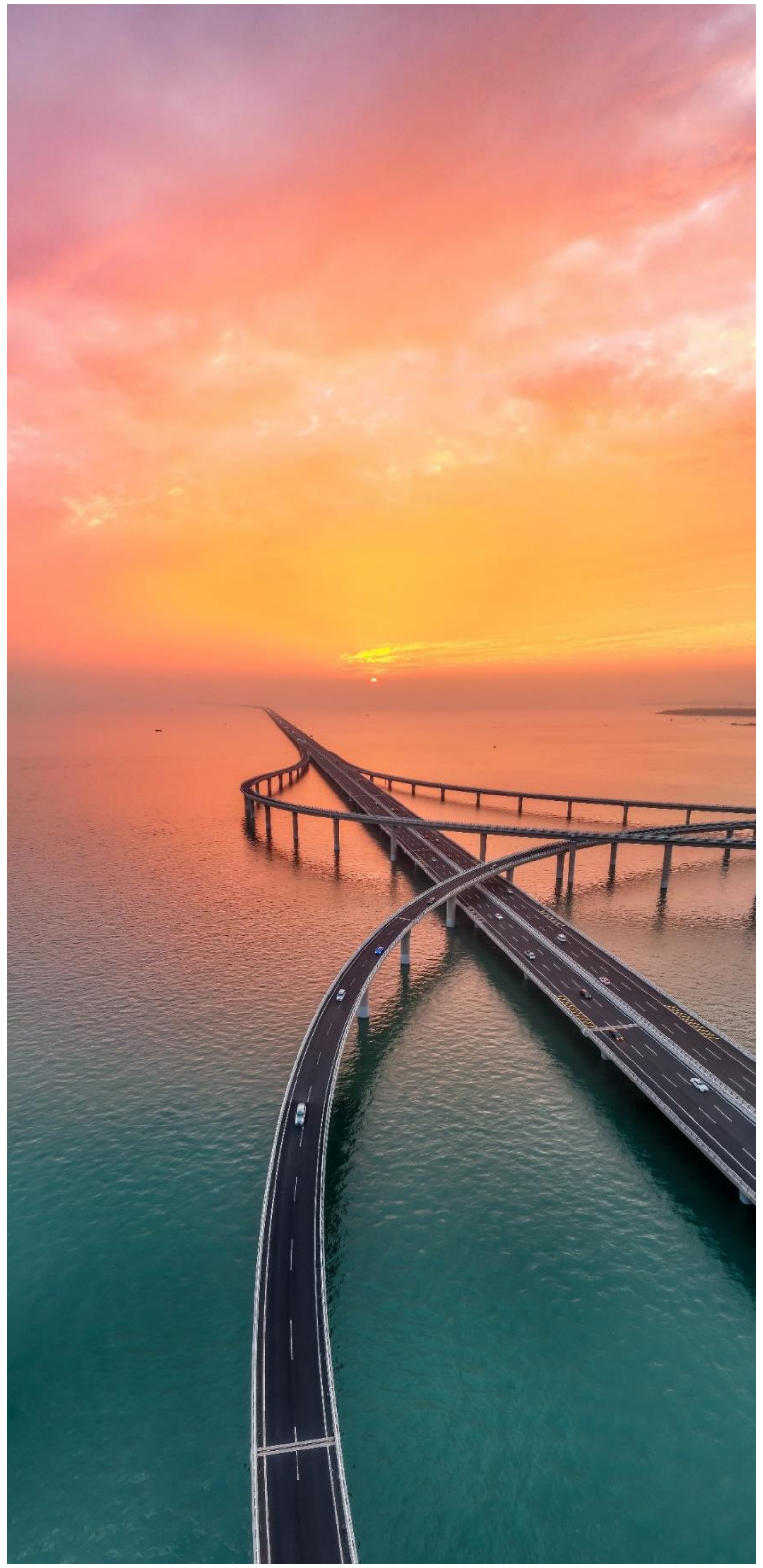
Executive summary

Overview and key findings

Pension fund industry trends (1)

1. The structural shifts reshaping pension funds



Pension systems are entering a new stage of maturity

Pension systems are entering a new stage of maturity. Growing DC assets are increasing the focus on retirement outcomes, while certain mature private sector DB schemes are increasingly focused on de-risking and transferring liabilities to insurance markets. Although assets among the world's largest pension funds continue to grow strongly, maturity is becoming a defining characteristic of many established systems. Pension funds are increasingly balancing affordability and growth objectives with the realities of benefit payments, cashflow and liquidity management and long-term sustainability.

Technology and AI are becoming strategic priorities

Technology is moving from an operational support function to a core driver of organisational effectiveness. Pension funds are exploring how artificial intelligence, data and digital capabilities can improve investment processes, strengthen decision-making and support more efficient operating models.

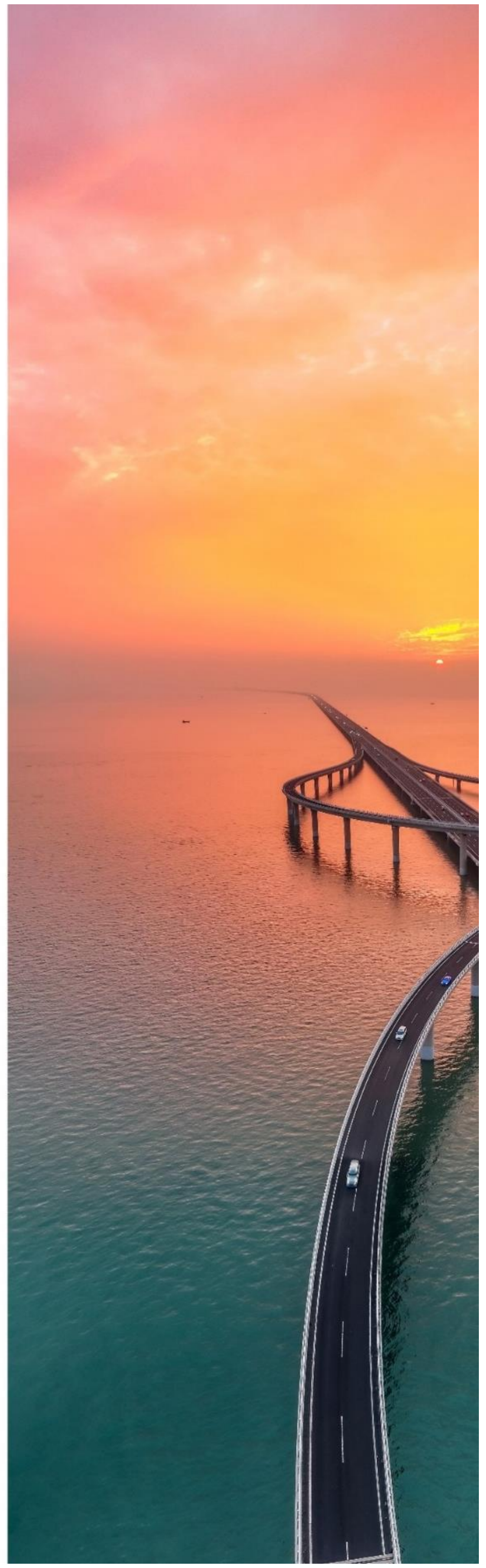
The rise of DC is reshaping retirement systems

Defined contribution systems continue to grow in importance across many markets, bringing new challenges and opportunities for pension funds. As responsibility for retirement outcomes shifts towards individual savers, funds are placing greater emphasis on member engagement, retirement income solutions and support through decumulation. Consolidation remains a defining trend, as pension organisations seek greater scale, capability and value for money.

Governance models are evolving to match growing complexity

The growing use of private markets and increasing interest in Total Portfolio Approach (TPA) operating systems are reshaping how investment organisations allocate capital and make decisions. For many, TPA represents a key inflection point, placing greater value on governance, collaboration and organisational effectiveness. As organisations become larger and more influential, governance is becoming more than a control function. It is increasingly a source of organisational advantage.

Pension fund industry trends (2)



2. Technology and AI are becoming strategic priorities

Emerging themes from the Global Asset Owner Technology and AI Peer Study 2026*

AI ambition is running ahead of organisational readiness
It is evident that AI will play a central role in the future of investing. However, many organisations are in the early stages of implementation at present. The strategic intent is clear, yet the foundations required to scale AI, including data, workflows and organisational alignment, are still being built. 69% of participants already describe AI as integral to their long-term strategy, and 56% expect significant industry-wide benefits over the next five to ten years.

The future is HI×AI
The future investment model is likely to be **a hybrid one** – human intelligence (HI) × artificial intelligence (AI). AI is increasingly seen as a powerful amplifier of human capability rather than a replacement for human judgement. The organisations making the most progress are focusing on combining data, technology and investment expertise into an integrated intelligence system.

The balance of value creation is shifting across people, process and technology
Today, investment outcomes are seen as being driven primarily by people, while technology plays a relatively modest enabling role. Looking ahead, however, asset owners expect technology's contribution to almost double, reflecting growing confidence in AI, automation and intelligence platforms. Importantly, this is not a story about technology replacing people. Instead, it points to an evolution in which people, process and technology become more interconnected, creating a more scalable and intelligence-driven investment system.

The real bottleneck is data and integration, not AI itself
There is a clear message that the greatest challenge is not access to AI tools but turning fragmented data into usable intelligence. As a result, competitive advantage may come from building the infrastructure that allows information, expertise and technology to be joined-up effectively. Data quality and standardisation were cited by 81% of participants as a key barrier to future success.

*Findings presented are preliminary and based on analysis conducted to date. The study remains in progress, and conclusions may be subject to change.

Pension fund industry trends (3)

3. DC growth and decumulation challenge

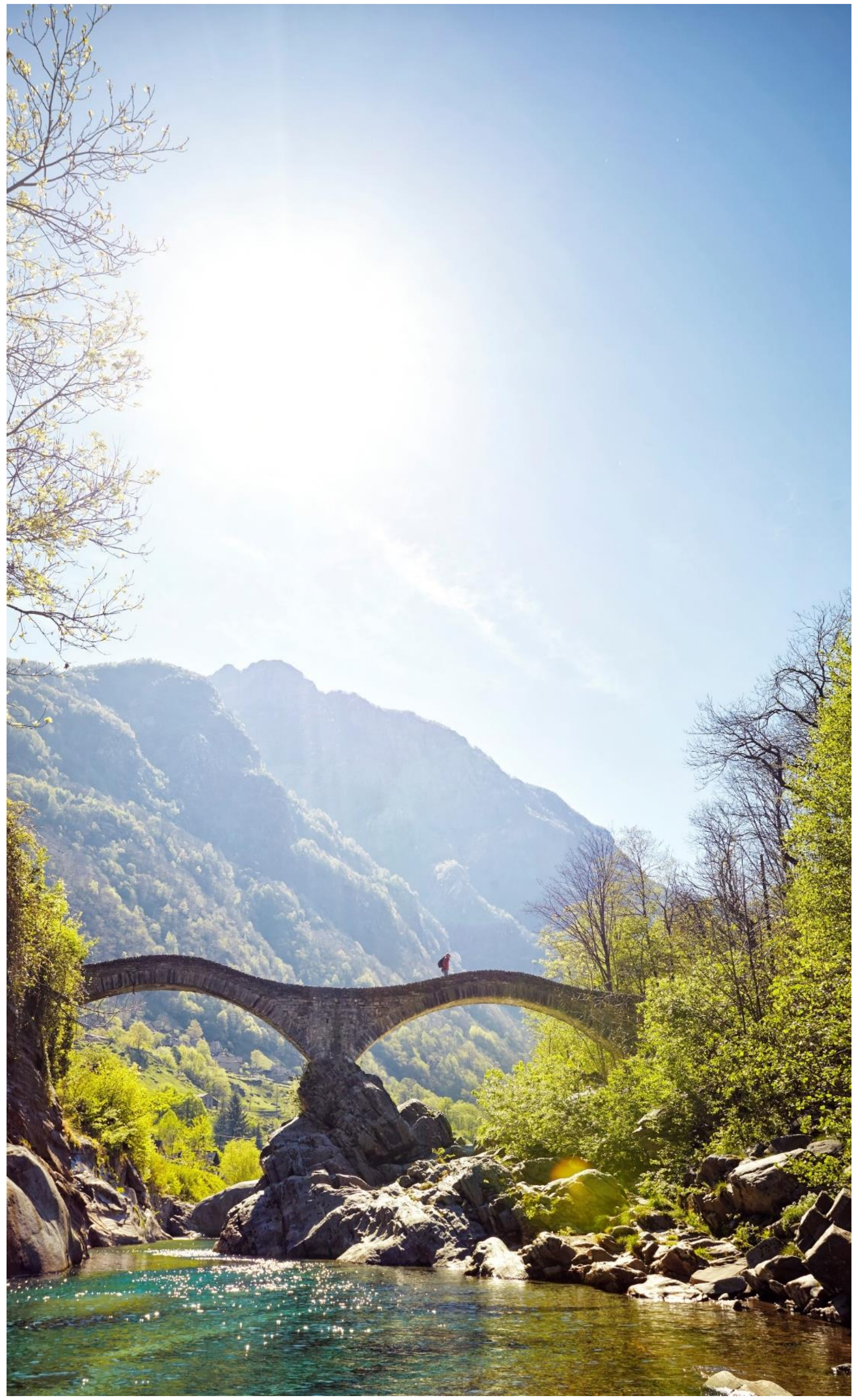
The largest pension funds are still heavily shaped by **defined benefit assets**, but the direction of travel is changing. DB assets increased by 9.4% in 2025, while **DC assets grew faster at 15.8%**. This points to an industry where future growth is increasingly linked to DC savings pools, a trend reinforced by major reforms such as the Netherlands' transition to a new pension system.

DC systems have become very **effective at accumulating assets** during working life, supported by scale, defaults, governance and institutional pricing. The weakness appears at retirement, when those benefits often fall away. As **members move from saving to spending**, they frequently transition from a structured institutional environment into a more individual and fragmented market, where decisions become more complex and support can be less consistent.

In the US, more than US$6.3 trillion[1] has exited DC plans over the past decade through rollovers and cash-outs, with participants often moving from an institutional plan environment into a more individual, fragmented retail market.

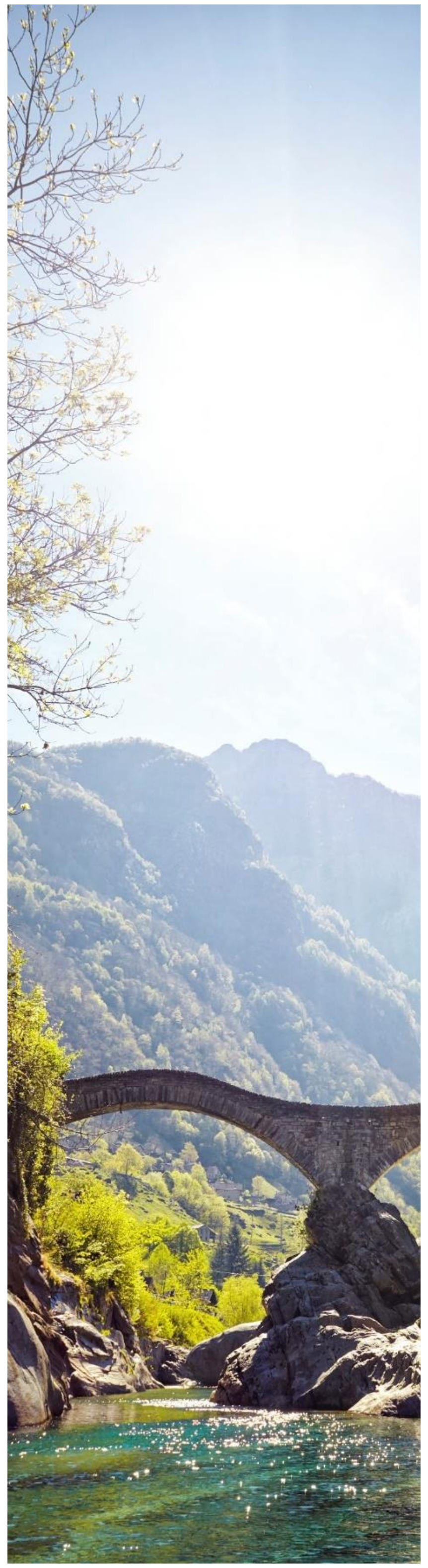
Other DC-heavy systems are facing similar questions about how to support members through retirement. In Australia, official guidance highlights that retirees may leave money in their super fund, set up an income stream, take lump sums, take all their super out, or use a mix of options. The Australian Government has also introduced reforms focused on improving the retirement phase of superannuation, including better guidance, better products and more transparency from funds.

As DC assets grow, **retirement savings are increasingly viewed as part of an individual's broader wealth picture**, not as a standalone pension pot, pushing the industry towards a more integrated pensions-and-wealth model.



[1] Source: Morningstar, 2026 Retirement Plan Landscape Report

Pension fund industry trends (4)



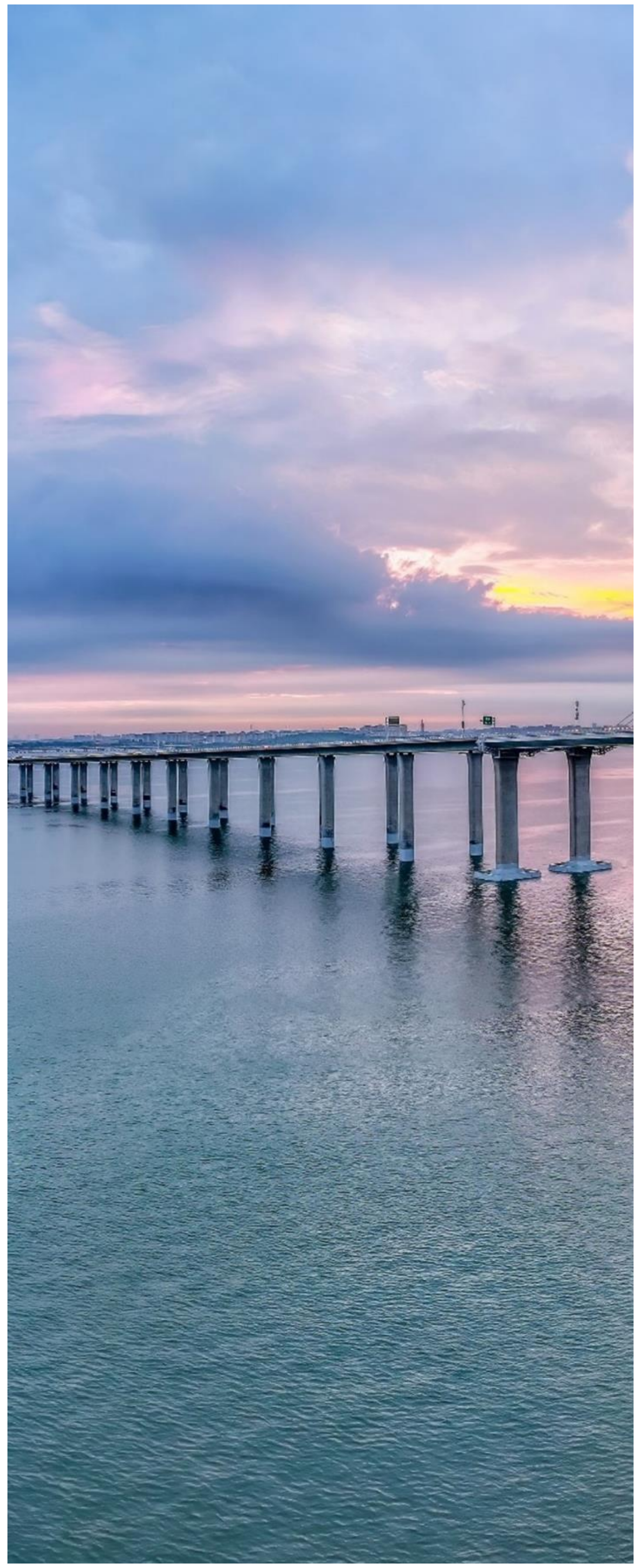
4. Hyperscaling in pension investment and why it matters

- The idea of hyperscaling comes from technology, where organisations create powerful platforms that combine scale, infrastructure, data and operating capabilities to deliver outcomes at ever lower marginal cost. The financing of data centres and computer power is a central example. Applying this concept to investing, hyperscaling is not simply about managing more assets. It is about converting capabilities, data, intelligence, relationships and governance into greater influence, better deployment of capital and stronger outcomes.
- An asset owner hyperscaler converts governance, decision-making capability, relationship capital and long-term ownership into influence over investment outcomes and system behaviour. This gives asset owners the opportunity to scale not only capital but also agency. Hyperscaling becomes particularly important in a world shaped by data and AI, infrastructure investment, decarbonisation and demographic change, where long-term capital providers can influence how markets evolve rather than simply allocating capital within them.

Catalysts driving a changing ecosystem

1. **The megatrends** – acceleration of deglobalisation, digitalisation and decarbonisation; and demography.
2. **The infrastructure supercycle**: infra private capital for AI & digitalisation centre-stage in the next decade
3. **The rise of asset manager hyperscalers:** aggregated capital deployment using platforms economies of scale
4. **The emergence of asset owner hyperscalers:** scaling their data and intelligence influence to drive better decisions

Pension fund industry trends (5)



5. Hyperscaling capability. Building advantage through connections

- **Growth is extending across the value chain**
  Consolidation remains a powerful force, but firms are increasingly pursuing growth beyond traditional manager-to-manager acquisitions. Activity is expanding across asset management, wealth management and insurance, as organisations seek broader capabilities, stronger distribution and deeper client relationships. For asset owners, this means engaging with providers that are expanding not only their scale, but also their **ability to combine expertise, technology and specialised capabilities**.
- **Partnerships are becoming a source of strategic advantage**
  Alongside M&A, partnerships are playing a growing role in how organisations build capabilities and access new markets. Rather than developing everything internally, firms are increasingly collaborating to combine strengths in areas such as product development, technology, distribution and client engagement. In many cases, partnerships are becoming a way to **hyperscale skills and capabilities** beyond the boundaries of the organisation.
- **Integration matters more than access**
  Successful collaborations tend to be those where capabilities are genuinely integrated into a coherent business model, rather than simply sitting alongside one another. This distinction matters because the value comes from **how effectively expertise, data and technology are connected** to support better decisions and outcomes.
- **Competitive advantage is becoming more connected**
  Investment expertise remains essential, but increasingly it is being amplified by an **organisation's ability to combine capabilities, data, technology and relationships**. As industry boundaries continue to blur, competitive advantage is becoming more about how effectively organisations can **hyperscale skills** through connected networks and partnerships.

Pension fund industry trends (6)

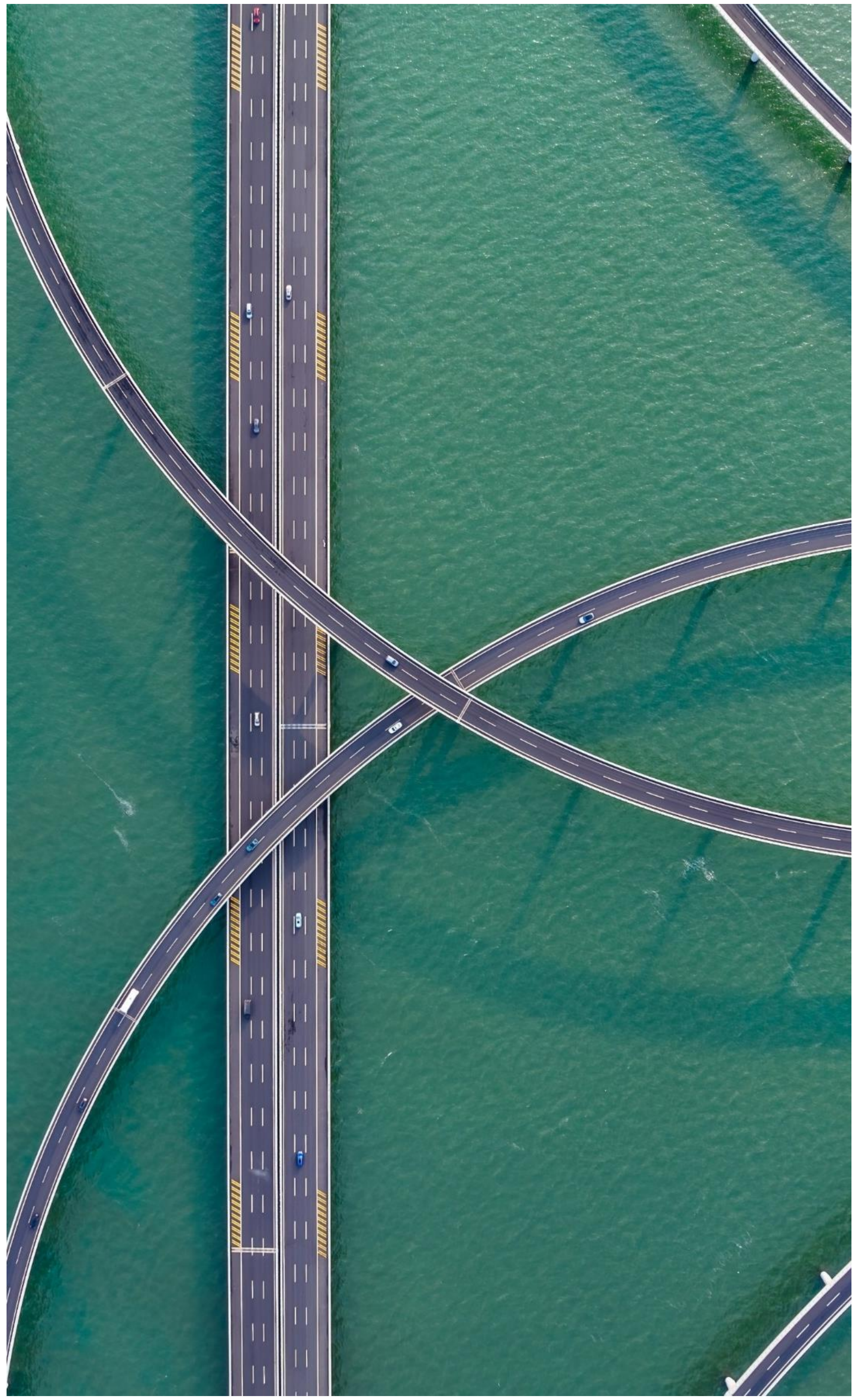
6. Investment macro

The macro backdrop in 2026 is characterised by **resilient equity markets despite heightened geopolitical and inflation uncertainty**. Equity markets delivered strong returns across most regions over the year, supported by continued earnings growth, fiscal support and investment linked to AI and digital infrastructure. Asia Pacific was the strongest-performing major region, while China remained a notable exception, highlighting an increasingly uneven global growth picture.

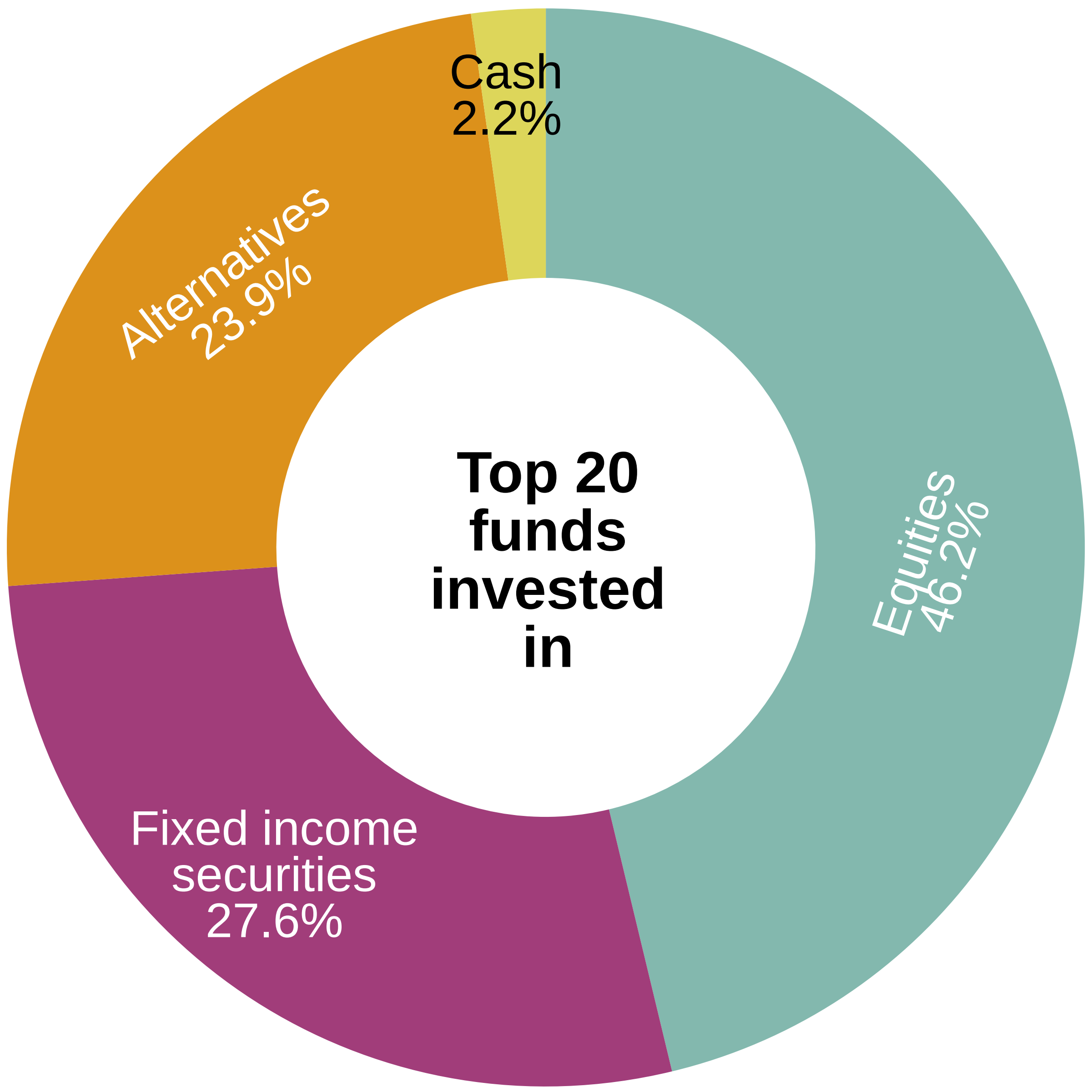
Pension funds continue to navigate **a higher-for-longer interest rate environment**, as central banks balance inflation risks against slowing economic momentum. Geopolitical tensions, energy market volatility and shifting expectations for monetary policy have prompted investors to reassess both return and risk assumptions. Markets have increasingly moved away from expecting a rapid rate-cutting cycle, reflecting concerns that inflation may prove more persistent than previously anticipated.

In the United States, the Federal Reserve **maintained its policy rate** at 3.5%-3.75% through the second quarter of 2026. While rates remained unchanged, policymakers adopted a more cautious tone, with some officials signalling that further tightening could still be required if inflation pressures persist. US inflation rose to 3.5% over the year to June 2026, reinforcing the Federal Reserve's wait-and-see approach.

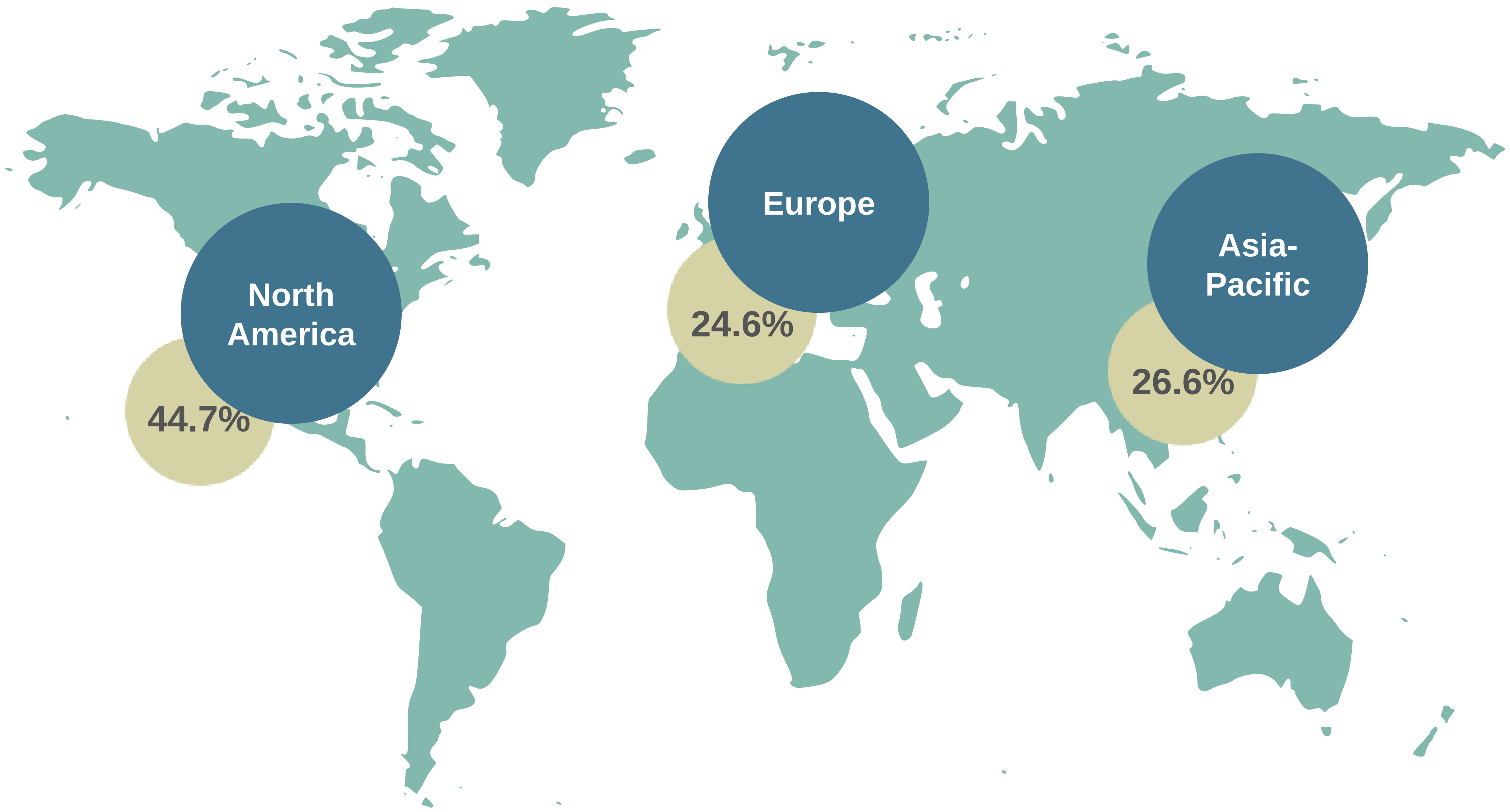
In the UK, the Bank of England **kept the base rate unchanged** at 3.75% throughout the second quarter of 2026, reflecting concerns that elevated energy costs could reignite inflation pressures. UK inflation eased to 2.6%, while eurozone inflation increased to 2.8%, illustrating the different inflation dynamics facing major developed economies. Sterling weakened modestly against both the US dollar and euro over the year, adding another consideration for globally diversified investors.



Insights



% of assets by region



Key findings

Assets Under Management (AUM) of the top 300 pension funds totalled US$ 27.7 trillion

AUM in top 300 funds increased by 13.4% in 2025, compared to an increase of 7.9% in 2024

The top 20 pension funds made up 42.8% of total AUM in 2025, up from 42.3% in 2024

Sovereign and public sector pension funds accounted for 151 funds in the top 300 and represent 71.1% of total assets

DB fund assets account for the majority of disclosed total AUM at 57.8%, followed by DC fund assets (28.5%), then Reserve Funds (12.8%) and lastly Hybrid funds (0.9%)

Most regions have mainly invested in equities, but there was a slightly stronger preference for bonds among Asia-Pacific funds

Figures to end of 2025, unless otherwise stated

AUM in the Top 300 increased by 13.4% over 2025, compared to a 7.9% increase in 2024

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The top 20 funds' AUM increased by 14.7% in 2025

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DB fund assets dominate, accounting for 57.8% of AUM

Key findings

The North American region's share of total assets decreased in 2025, accounting for 44.7% of all assets.

Europe's AUM represent 24.6%, increasing their share in 2025, while Asia-Pacific's represented 26.6%, also increasing their share in 2025.

North America posted the largest annualised growth during the last five years (6.4%), followed by Asia-Pacific (4.3%) and Europe (2.6%).

The US has the most funds in the top 300; 149 funds covering 38.9% of total AUM.

On average, the top 20 funds invested approximately 46.2% of their assets in equities, 27.6% in fixed income securities, 23.9% in alternatives and 2.2% in cash.

Figures to end of 2025, unless otherwise stated

Public sector and sovereign pension funds represent 71.1% of total assets

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North America remains the largest region in terms of AUM and share of funds

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46.2% of the top 20 funds' assets were invested in equities and 27.6% in fixed income

Limitations of reliance

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