Overview & Methodology

This annual report, in its eighth iteration, examines the shift among European pension systems away from defined benefit (DB) and toward defined contribution (DC) models and the DC pension offerings that are emerging. It delves into regulatory regimes and how these affect the design of schemes and the types of products they will buy. It analyzes product development, the evolution of platforms, delivery mechanisms, the evolving role of consultants, and trends in fees for DC products. The analysis focuses on various European pension markets and includes market sizing and Cerulli’s proprietary forecasts, among a raft of quantitative charts.

Data comes from more than 35 qualitative interviews with asset managers, pension funds, consultants, government officials, and regulators.

Benefits:

- Analysis of latest developments in the regulatory and political forces shaping Europe’s pension landscape.
- Concentrates on six country and regional markets: Germany, the U.K., Sweden, Switzerland, Ireland, and Italy.
- Discusses the impact of consolidation, competition, and fee pressure on manager profitability.
- Uncovers product development trends by managers targeting DC business.
- Explains the growing adoption of environmental, social, and governance (ESG)/sustainable investing by pensions.

Questions Answered:

- To what extent is DC business gaining traction and growing across Europe?
- How are managers adapting to increased competition and fee pressure?
- On which strategies are active managers focusing their product development efforts?
- Which DC markets offer most growth potential in the next five years?
- How important a consideration is ESG among DC schemes and how do they prefer managers to implement ESG factors?
- Who are the gatekeepers when accessing different asset pools?
- How should managers equip themselves to obtain mandates from the Future Fund?
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Exhibit 1.06
Profitability of Asset Managers’ Defined Contribution Business in the Following Markets, 2017
Source: Cerulli Associates

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<th>Hardly Profitable</th>
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