

Immediate release**Largest Asian pension funds gain prominence on the world stage***Value of Asia-Pacific pension funds rises by 20% in 2017, outpacing global rise*

Asia-Pacific, 03 September 2018 – Asia featured prominently with a total of seven pension funds in the top 20, according to [the latest global 300 research from The Thinking Ahead Institute](#). Their combined assets under management (AuM) accounted for \$3.3 trillion, surging by 25.6% during 2017 and representing 44.3% of assets in the top 20. Within the Global 300 the AuM of all Asia-Pacific pension funds (49) increased by 20% to almost \$5 trillion in 2017, outpacing the Global 300 funds' overall increase of 15.1%.

Jayne Bok, head of investments for Asia at Willis Towers Watson, said: “Strong performance gains especially in this region during 2017 helped boost many Asian pension funds. However, uncertainties over geo-political and economic events that led to increasing market volatility in 2018 are seen as headwinds to Asia and some emerging markets. We are living in a world with no easy answers for investors and plenty of stormy seas ahead. As the economic cycle continues to mature and the risks of a recession increase, funds with a long-term horizon should consider a broader opportunity set by looking beyond their home region and mainstream asset classes in order to maximise diversity and create resiliency. Now would be a good time to review portfolios and how they would perform under different risk scenarios.”

Among 49 Asia-Pacific pension funds including corporate pension plans in the Global 300, sovereign and public sector pension funds with a total of 32 funds had combined assets of US\$4.4 trillion in 2017 and accounted for 24.5% of the total assets. 14 are domiciled in the Asia ex Japan region, 10 in Japan, 7 in Australia and 1 in New Zealand.

Jayne said: “The past 12 months has been a period of change for large pension funds. We saw Asian sovereign and public sector pension funds seeking or taking actions to diversify investments as reflected by new mandates awarded to their asset managers. Examples include sustainability-linked or ESG portfolio, global infrastructure, multi-asset, absolute or total return strategy, private market investments, alternative credit and more overseas investing. This also puts a spotlight on their governance and how they operate.”

Among top 20 funds in the research, India's Employees' Provident entered the top 20 during 2017, moving up to the 19th spot (from 21st). Korea's National Pension (3rd), Japan's Local Government Officials (12th) and Malaysia's Employees Provident Fund (14th) climbed up one place from their previous year's ranking position. Both China's National Social Security Fund (6th) and Singapore's Central Provident Fund (9th) retained its previous position in the ranking. Japan's Government Pension remained at the top of the ranking, where it has been since 2002.

Jayne said: “The increased number of the largest funds originating from the Asian region is reflective of a longer-term trend. Some progress has been made in terms of governance structures and resiliency but there is much more that needs to be done. These countries are especially interesting to monitor as they are typically in the earlier stages of maturity and can continue to adapt and develop their investment models.”

North American funds remained the largest region, accounting for 42.3% of all assets in the research, followed by Asia-Pacific (27.3%) and Europe (26.5%). The U.S. continues to have the largest number of funds within the top 300 ranking (133), followed by the U.K. (25), Canada (18), Japan and Australia (both 17). There are 14 funds in other Asia-Pacific markets.

Among the top 300 funds, defined contribution (DC) assets increased during 2017 by 17.6% whilst defined benefit (DB) assets grew 13.5%. DB assets accounted for 64.7% of the disclosed total AUM, (down from 65.5% in 2016). The share of reserve funds (those set aside by a national government against future liabilities) saw a slight increase at 11.8% (11.5% in 2016), whilst hybrid funds (those with both DB and DC components) accounted for less than 1% of the total.

Top 20 pension funds (US \$ millions)

2017 Rank	2016 Rank	Fund	Market	Region	Assets (US\$ mn)
1	1	Government Pension Investment	Japan	Asia Pacific	\$1,443,554
2	2	Government Pension Fund	Norway	Europe	\$1,063,456
3	4	National Pension	South Korea	Asia Pacific	\$582,938
4	3	Federal Retirement Thrift	U.S.	N. America	\$531,489
5	5	ABP	Netherlands	Europe	\$494,796
6	6	National Social Security	China	Asia Pacific	\$456,853
7	7	California Public Employees	U.S.	N. America	\$336,684
8	8	Canada Pension	Canada	N. America	\$283,454 ⁽¹⁾
9	9	Central Provident Fund	Singapore	Asia Pacific	\$269,133
10	10	PFZW	Netherlands	Europe	\$235,995 ⁽¹⁾
11	11	California State Teachers	U.S.	N. America	\$216,193
12	13	Local Government Officials	Japan	Asia Pacific	\$209,880
13	12	New York State Common	U.S.	N. America	\$201,263
14	15	Employees Provident Fund	Malaysia	Asia Pacific	\$200,265
15	14	New York City Retirement	U.S.	N. America	\$189,794
16	16	Florida State Board	U.S.	N. America	\$167,900
17	18	Ontario Teachers	Canada	N. America	\$150,730 ⁽²⁾
18	17	Texas Teachers	U.S.	N. America	\$146,326
19	21	Employees' Provident	India	Asia Pacific	\$134,272
20	19	GEPP	South Africa	Other	\$133,944 ⁽²⁾
Total: Top 20					\$7,448,919

Fund data is as of 31 December 2017 except where shown. (1) As of 31 March 2018, (2) As of 31 March 2017

Asia Pacific sovereign and public sector pension funds in the global 300 ranking

2017 Rank	2016 Rank	Fund	Market	Assets (US\$ mn)
3	4	National Pension	South Korea	\$582,938
6	6	National Social Security	Mainland China	\$456,853
9	9	Central Provident Fund	Singapore	\$269,133
14	15	Employees Provident Fund	Malaysia	\$200,265
19	21	Employees' Provident	India	\$134,272
35	35	Labor Pension Fund	Taiwan	\$96,539
132	147	Retirement Fund-KWAP	Malaysia	\$34,665
174	185	Social Insurance Fund	Vietnam	\$26,820
184	195	Government Pension Fund	Thailand	\$25,242 ⁽⁴⁾
191	174	Labor Insurance Fund	Taiwan	\$24,374
206	196	Government Service Insurance	Philippines	\$21,810
212	197	Public Service Pension Fund	Taiwan	\$21,420
251	297	Teachers' Pension Fund	South Korea	\$17,994
273	277	Government Employees Pension	South Korea	\$16,640
Total: Asia ex Japan			<i>14 funds</i>	\$1,928,965
26	32	Future Fund	Australia	\$108,545
59	90	First State Super	Australia	\$67,610
65	72	QSuper	Australia	\$60,629
137	141	CSC	Australia	\$33,969
142	133	State Super	Australia	\$33,688
189	208	New Zealand Superannuation	New Zealand	\$24,420 ⁽⁵⁾
222	232	GESB	Australia	\$20,686
223	237	Super SA	Australia	\$20,553
Total: Australia and New Zealand			<i>8 funds</i>	\$370,100
Total: Asia Pacific ex Japan				\$2,299,065
1	1	Government Pension Investment	Japan	\$1,443,554
12	13	Local Government Officials	Japan	\$209,880
28	30	National Federation of Mutual Aid	Japan	\$106,629
29	26	Pension Fund Association	Japan	\$105,204 ⁽¹⁾
54	52	National Public Service	Japan	\$71,662
81	73	Organization for Workers	Japan	\$52,129 ⁽¹⁾
94	91	Public Schools Employees	Japan	\$46,081
109	107	Private Schools Employees	Japan	\$40,377
125	123	National Pension Association	Japan	\$36,368 ⁽³⁾
166	-	Japan Police Personnel Mutual Aid	Japan	\$27,724
Total: Japan			<i>10 funds</i>	\$2,139,608
Total: Asia Pacific sovereign and public sector pension funds			32 funds	\$4,438,673

Fund data is as of 31 December 2017 except where shown. (1) As of 31 March 2018, (2) As of 31 March 2017, (3) Estimate, (4) As of 30 September 2017, (5) As of 30 June 2017

About the Thinking Ahead Institute

The [Thinking Ahead Institute](#) is a global not-for-profit member organisation whose aim is to influence change in the investment world for the benefit of savers. The Institute's members comprise asset owners, investment managers and other groups that are motivated to influence the industry for the good of savers worldwide. It has 45 members with combined responsibility for over US\$13 trillion and is an outgrowth of Willis Towers Watson Investments' Thinking Ahead Group.

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