

## European Retirement Industry 2023

*Dealing with Shifting Circumstances*

### OVERVIEW & METHODOLOGY

This annual report builds on the legacy of the *European Institutional Dynamics* report series. In it, Cerulli examines the European retirement landscape in detail, drawing on a wide range of interviews, surveys of both defined benefit (DB) and defined contribution (DC) pension schemes, and other research to provide analysis and discussion of the latest developments in the region's pension industry.

The report includes more than 90 charts and tables that provide detailed insight into six key markets. It also offers an overview of the European retirement industry's size and growth projections and managers' plans for addressing pensions' needs, with data drawn from our surveys of DB and DC plans.

### USE THIS REPORT TO

- Gain insight into the evolution of the UK DC market and the key trends that will impact the market in the coming years
- Understand the repercussions of the UK liability-driven investment (LDI) crisis and the implications for managers
- Review quantitative analysis of six key markets including the UK, the Netherlands, Switzerland, Germany, France, and Italy

### QUESTIONS ANSWERED

- How have UK pension schemes emerged from the UK LDI crisis?
- What are the trends that are likely to reshape the UK DC market over the next three to five years?
- What types of strategies and products are UK DC schemes pursuing?
- What does the European retirement industry look like and where are the growth opportunities in each market?

### PRODUCT DETAILS

#### Included with Purchase

- Digital report in PDF format
- Unlimited online firm-wide access
- Exhibits in Excel
- Key findings
- Interactive Report Dashboards

#### Interactive Report Dashboards

*Interact and explore select report data with Cerulli's visualization tool.*

**European Retirement Landscape:** View in-depth sizing of the European retirement market in Europe with historical and projected pension assets under management (AUM) and outsourced pension assets by country and year. Additionally, customize a side-by-side comparison of retirement AUM and asset allocation breakdowns across major European markets.

**Outsourcing of Pension Investment Management:** View pension schemes' anticipated changes to fixed-income and private debt investments by regional exposure. Additionally, view and compare the evolution of addressability rates across different countries.

**LDI in the UK:** Explore how UK defined benefit schemes have adapted their approach to CDI and LDI strategies following the "mini-budget" crisis in September 2022 and their anticipated changes over the next 12 months.

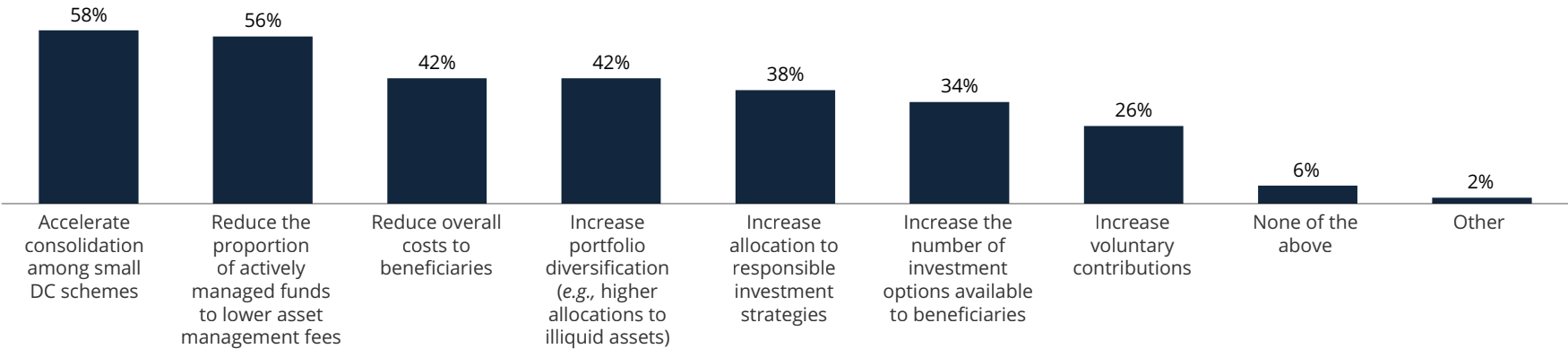
**DC Pensions:** Understand the size of the defined contribution market on a European and country level, and see its annual growth forecasts over the next five years. Furthermore, understand managers' default fund strategies, their current allocations, and their expected changes to these. Delve into the UK's defined contribution scheme ecosystems and discern managers' attitudes toward allocations to index funds and ETFs and their preferred strategies by asset class. Finally, explore managers' anticipated impact of new sustainability frameworks, through the lens of trust-based and contract-based pensions.

The UK DC schemes Cerulli recently surveyed regard further concentration as the most likely outcome of the government’s VFM framework over the next two to three years—58% of respondents believe that consolidation of small DC schemes into larger ones will accelerate in 2024–25 (see [Exhibit 2.03](#)). Moreover, when asked about the most significant changes they have planned for the next 12 to 24

months, one in five trust-based schemes (excluding contract-based schemes and master trusts) Cerulli surveyed said that they intend to move to a master trust ([Exhibit 2.04](#)). Consolidation is also expected in the master trust space—different industry sources we consulted expect the total number of master trusts to fall from 36 at the beginning of 2023 to between 10 and 20 within the next five years.

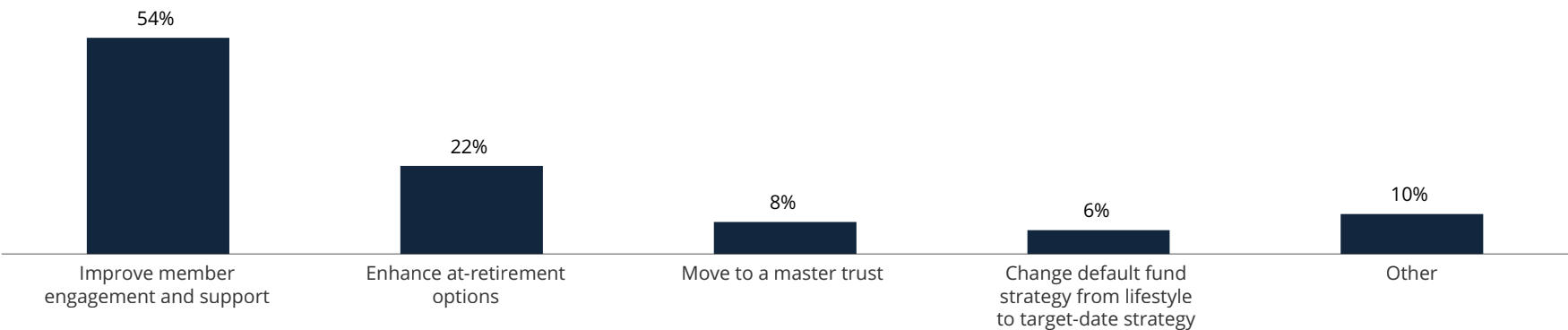
**Exhibit 2.03**  
**UK Defined Contribution Pension Schemes: Anticipated Impact of the New Value for Money Framework Over the Next Two to Three Years, 2023**

Source: Cerulli Associates | Analyst Note: “Other” response is “reduction in return.”



**Exhibit 2.04**  
**UK Defined Contribution Pension Schemes: Planned Changes Over the Next 12–24 Months, 2023**

Source: Cerulli Associates



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