

Mercer CFA Institute Global Pension Index 2025

Feature chapter:
Balancing government influence on
private pension fund investments



welcome to brighter

Contents

01

Foreword

As people live longer and labor markets evolve, pension systems face mounting pressure to adapt. Without action today, we may risk undermining financial security tomorrow, not just for retirees, but for entire economies built on the promise of long-term well-being.

Pension reform is never simple. It involves balancing the interests of millions of individuals across generations, income levels and working lives within systems shaped by decades of policy evolution and political compromise. Every decision carries the potential for unintended consequences — having the foresight to assess possible outcomes and moving forward with caution is essential. Employers, governments, and pension providers play a critical role in shaping more resilient and equitable pension systems.

We believe that meaningful pensions reform should focus on three core principles that help align stakeholders: **adequacy**, to provide individuals with the confidence that their retirement income will be sufficient for them to live a dignified retirement; **sustainability**, to ensure systems can withstand demographic and economic pressures over time to keep delivering benefits; and **integrity**, to uphold the long-term stability and reliability of regulatory frameworks that safeguard these promises. That is why we are proud to once again partner on the *Mercer CFAInstitute Global Pension Index* (the Index). Now in its 17th year, the Index now covers 52 systems, representing 65% of the world’s population. It provides a structured lens through which to evaluate and compare retirement income systems globally, offering insights into how reforms can strengthen adequacy, sustainability and integrity, the three pillars of effective pension design.

This year’s Index reminds us that while progress has been made, with no systems downgraded, challenges remain. The global shift from defined benefit (DB) to defined contribution (DC) systems, demographic change and evolving retiree expectations all demand renewed focus and innovation. As the World Economic Forum notes, *“The question is not whether change will come — but whether stakeholders will shape it.”*¹

2025 Index highlights

Retirement income provision is improving at a global level with **eight retirement income systems increasing** their Index grades, while no systems were downgraded. This is a critically important outcome as people live longer than past generations, coupled with declining birth rates.

System	Grade
Singapore	A
Chile	B+
Sweden	B+
Hong Kong SAR	B
Kazakhstan	B
Saudi Arabia	B
Malaysia	C+
South Africa	C

We also now have five A-rated systems, with **Singapore** joining the list of countries with a robust retirement income system that delivers good benefits, is sustainable and has a high level of integrity.

The four new retirement income systems included in the Index in 2025 — **Kuwait, Namibia, Oman** and **Panama** — all have some good features, with Kuwait rating as a B-grade system and the others as C or C+ systems.

The Index again includes a feature chapter considering a hot topic impacting on retirement income systems. Several governments have been openly discussing the ongoing role of private pension fund investments in the broader economy for the longer-term benefit of society. With this development in mind, our feature chapter takes a closer look and suggests some principles to balance between acting on the best interests of private pension fund participants and in the broader national interest.

I want to acknowledge the CFA Institute for continuing to sponsor the Index and their continued contribution, enthusiasm and partnership, and I hope you enjoy reading this report as much as I enjoyed taking the role of lead author.



Tim Jenkins
Partner, Mercer

We have a new lead author for the Index in 2025 — Tim Jenkins, Partner at Mercer. Using Tim's fresh perspective, we have looked to restructure the Index report to better reflect how readers engage with the Index and its insights. The new format is designed to make the report more accessible while still providing full transparency for interested parties, including policymakers. The Index is now structured as a main report that presents the core findings and a supplementary report containing background on the construction of the Index, a detailed review of the questions in each sub-index and a comprehensive record of each country's scores for each question in the Index.

We extend our sincere thanks to the Mercer consultants and international correspondents who provided critical input on their respective retirement income systems and helped ensure the accuracy and relevance of our findings. We also appreciate the support of the Finnish Centre for Pensions, the Icelandic Pension Funds Association, the Association of Pension Funds Management Companies and Pension Insurance Companies in Croatia, the United Accumulative Pension Fund of Kazakhstan, the Social Protection Fund of the Sultanate of Oman, Sun Life Vietnam, and Alexander Forbes with regards to Botswana, Namibia and South Africa.

We are also grateful to our Advisory Board, established by the Monash Centre for Financial Studies, whose ongoing engagement and expert guidance have shaped the development of this research.

We hope you enjoy reading this year's report and that it continues to promote pension reform to enhance the financial security of all retirees.



Christine Mahoney
Global Defined Benefit/Defined
Contribution (DB/DC) Leader at Mercer

A note from CFA Institute

CFA Institute is proud to continue our partnership with Mercer and the Monash Centre for Financial Studies on the Mercer CFA Institute Global Pension Index. The Index remains a vital global benchmark, evaluating the strength and sustainability of retirement systems around the world. It highlights both progress and where gaps persist.

As debate grows around whether governments should direct pension investments toward national priorities, the responsibilities of those who design and manage pension funds take on even greater significance. Proposals in this space raise difficult questions about how to balance national interests with fiduciary duty and underscore how such shifts would require robust frameworks to protect retirement security.

The 2025 Index makes one thing very clear: The core purpose of pensions is to secure retirement income for beneficiaries, guided by fiduciary duty above all else. Regulations and government actions, from tax policy to investment mandates, directly shape how funds allocate capital. As more public systems turn to private markets for returns, investment professionals must be well-prepared to evaluate, integrate and respond. We must explain how policy decisions can impact long-term outcomes.

We know that pension systems function best when they balance innovation and national priorities with the enduring responsibility to serve end-investors' best interests — delivering returns that will sustain benefits. The regulatory environment should reflect this, and policymakers must evaluate proposals through this lens.

This year, the Index introduces eight foundational principles for policymakers to consider if they seek to influence the direction of pension capital. These principles are designed to ensure that policy updates do not compromise the integrity of pension systems or the trust beneficiaries place in them.

At CFA Institute, we put ethics and professional judgment at the center of every conversation about the future of finance. We advocate for retirement systems that evolve responsibly, grounded in transparency, accountability and a clear understanding of risk. Our support of the Index is one example of this in action.

We extend our sincere thanks to Mercer for their continued leadership on the Index, lead author Tim Jenkins for his thoughtful reimagining of this year's report and the Monash Centre for Financial Studies for their commitment to global pension research.



Margaret Franklin
President and CEO, CFA Institute

02

Executive summary

Pension systems globally are under mounting pressure. Rising life expectancies, shifting workforce dynamics, and heightened geopolitical and economic uncertainty are reshaping the retirement landscape. Against this backdrop, the Index provides an established tool for benchmarking and comparing the world's retirement systems, offering insights that help inform policy reform and may drive better outcomes for current and future retirees.

The past year has seen a continuation of the strong growth in pension assets since 2023.² Across the Organisation for Economic Co-operation and Development (OECD) countries, assets earmarked for retirement grew by 10% in 2024, reaching US\$63.1 trillion. This was driven by stronger equity markets and steady contributions and marks a return to the long-term upward trend in global retirement savings. Assets have more than tripled in the OECD since 2003,³ supported by both market performance and policy reforms that have expanded participation and diversified pension funding models. This renewed growth is occurring in an increasingly complex environment that risks the well-being of retirees today and in the future.

It is within this context that the Index plays a critical role. With the inclusion of Kuwait, Namibia, Oman and Panama in 2025, the Index now examines 52 retirement income systems, covering 65% of the world’s population. The Index offers a comparative lens through which

to assess the adequacy, sustainability and integrity of different pension systems. These three sub-indices are weighted: 40% for adequacy, 35% for sustainability and 25% for integrity. Since the Index was first introduced in 2009, these weightings have remained unchanged, reflecting the enduring importance of balancing immediate needs with long-term sustainability and systemic trust. See Figure 1 below.

Importantly, the Index acknowledges that no single pension model fits all. Systems vary widely due to cultural, economic and political contexts, and what works in one country may not be easily replicated in another. Still, common features, such as inclusive access, robust governance and a minimum safety net pension, are consistently associated with stronger outcomes.

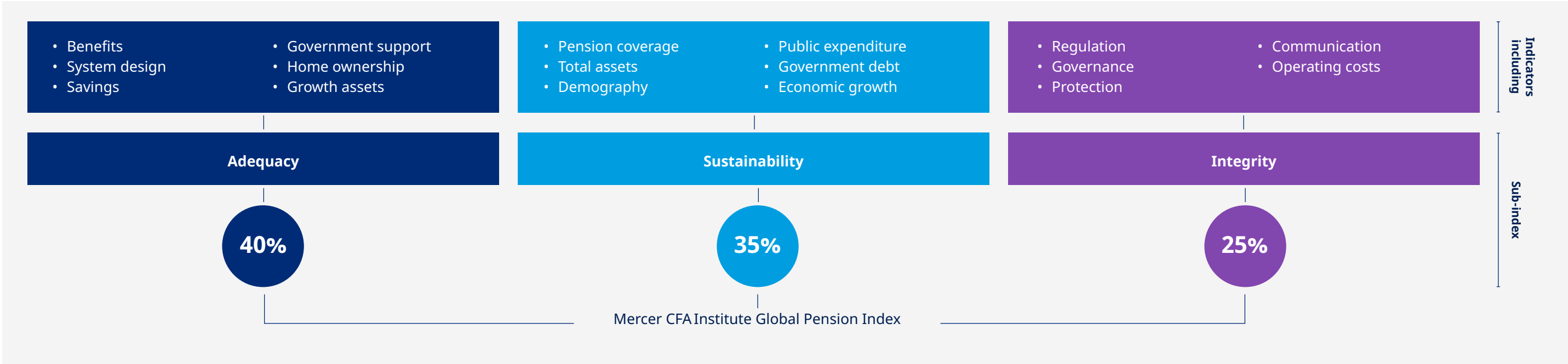
Each overall index score considers more than 50 indicators, some of which are based on data measurements that can be difficult to compare

between countries. For this reason, when the difference in the overall Index score is less than two or three points, a definitive statement that one system is better than another should be avoided. On the other hand, when the difference is five or more, it can be fairly concluded that the higher Index score indicates a better retirement income system.

As in previous editions, this year’s Index reveals wide disparities. Index grades and scores range from D grade and 43.8 in India to A grade and 85.4 in the Netherlands, highlighting the diversity in how nations approach retirement. While each system reflects its own context, the Index continues to offer a shared framework for dialogue, benchmarking and reform, helping decision makers navigate the challenges ahead with greater clarity and confidence.

We set out on the following page a summary of the 2025 Index grades for each system, with the eight systems whose grades have improved shown in bold.

Figure 1. Calculating the Mercer CFA Institute Global Pension Index



This year's results

Figure 2. Summary of the 2025 results

Grade	Systems			Description
A	Netherlands Iceland Denmark	Singapore Israel		A robust retirement income system that delivers good benefits, is sustainable and has a high level of integrity
B+	Sweden Australia Chile	Finland Norway		A system that has a sound structure, with many good features, but has some areas for improvement that differentiate it from an A-grade system
B	Switzerland UK Kuwait Uruguay Hong Kong SAR Canada	New Zealand France Mexico Belgium Croatia Germany	Ireland Saudi Arabia Portugal Kazakhstan	
C+	UAE Spain Colombia	USA Oman Malaysia		A system that has some good features but also has major risks and/or shortcomings that should be addressed; without these improvements, its efficacy and/or long-term sustainability can be questioned
C	Botswana Namibia Panama Poland Italy China*	Japan Brazil Peru Austria Korea Vietnam	Taiwan South Africa Indonesia Thailand	
D	Türkiye Philippines	Argentina India		A system that has some desirable features but also has major weaknesses and/or omissions that need to be addressed; without these improvements, its efficacy and sustainability are in doubt
E	Nil			A poor system that may be in the early stages of development or nonexistent

* In this report, “China” refers to the pension system in mainland China. The results for Hong Kong SAR and Taiwan are shown separately, as they have different pension systems.

This study shows that the Netherlands, Iceland, Denmark, Singapore and Israel have the best systems, each of them receiving an A grade in 2025. Although the Netherlands is currently undertaking significant pension reform, moving from a mostly collective benefit structure to a more individual defined contribution (DC) approach, its system continues to receive the highest Index score. The reason for this rating is that, notwithstanding these changes, the system may continue to provide very good benefits, supported by a strong asset base and very sound regulation.

No system in this year’s Index is an E-grade system, which would be represented by an Index score below 35. A score between 35 and 50, representing a D-grade system, indicates a system that has some sound features but also major omissions or weaknesses. A D-grade classification may also occur in the relatively early stages of the development of a particular retirement income system.

Figure 3 shows the Index grades for each system, including the grades for each sub-index.

Figure 3. Index grades for each system

System	Overall index grade	Sub-index grade		
		Adequacy	Sustainability	Integrity
Argentina	D	C+	E	D
Australia	B+	B	A	A
Austria	C	B	E	B+
Belgium	B	A	D	A
Botswana	C	C	D	A
Brazil	C	B	E	B
Canada	B	B	B	A
Chile	B+	B	B	A
China	C	C+	D	B
Colombia	C+	C+	C	B
Croatia	B	B	C+	A
Denmark	A	A	A	B+

System	Overall index grade	Sub-index grade		
		Adequacy	Sustainability	Integrity
Finland	B+	B+	B	A
France	B	A	D	B+
Germany	B	A	D	B+
Hong Kong SAR	B	B	C+	A
Iceland	A	A	A	A
India	D	E	D	C
Indonesia	C	D	C	B
Ireland	B	B	C	A
Israel	A	B+	A	A
Italy	C	B	E	B+
Japan	C	C	D	B
Kazakhstan	B	D	B	A
Korea (South)	C	D	C	B+
Kuwait	B	A	B	C
Malaysia	C+	C	C	B+
Mexico	B	B	C+	B
Namibia	C	C	C	B
Netherlands	A	A	A	A
New Zealand	B	B	B	A
Norway	B+	B+	B	A

System	Overall index grade	Sub-index grade		
		Adequacy	Sustainability	Integrity
Oman	C+	B	D	B
Panama	C	C+	C	C+
Peru	C	C	D	C+
Philippines	D	D	C+	E
Poland	C	C	D	B
Portugal	B	A	D	A
Saudi Arabia	B	B+	C	B
Singapore	A	B+	B+	A
South Africa	C	D	D	B+
Spain	C+	A	E	B
Sweden	B+	B+	B+	A
Switzerland	B	B	B	A
Taiwan	C	D	C	B
Thailand	C	D	D	C+
Türkiye	D	D	E	B
UAE	C+	B+	D	B+
UK	B	B+	C+	B+
Uruguay	B	A	C	B+
USA	C+	C+	C	C
Vietnam	C	C	D	B

Figure 4 shows the overall Index score for each system, together with the Index score for each sub-index: Adequacy, Sustainability and Integrity. Each Index score represents a score between 0 and 100.

Figure 4. Index score for each system

System	Overall index score	Sub-index score		
		Adequacy	Sustainability	Integrity
Argentina	45.9	60.8	31.3	42.4
Australia	77.6	69.0	81.1	86.4
Austria	54.5	67.5	24.0	76.4
Belgium	69.2	81.5	42.7	86.8
Botswana	59.8	54.3	48.0	85.0
Brazil	56.2	70.6	31.8	67.3
Canada	70.4	67.2	67.0	80.2
Chile	76.6	71.9	74.9	86.6
China	56.7	61.4	40.1	72.3
Colombia	62.5	64.3	55.9	69.0
Croatia	68.7	66.8	60.5	83.2
Denmark	82.3	82.9	85.0	77.6
Finland	76.6	77.4	65.6	90.6
France	70.3	85.2	48.6	76.8
Germany	67.8	81.0	47.5	75.0
Hong Kong SAR	70.6	66.6	62.0	89.2

System	Overall index score	Sub-index score		
		Adequacy	Sustainability	Integrity
Iceland	84.0	83.0	85.7	83.3
India	43.8	34.7	43.8	58.4
Indonesia	51.0	40.1	50.3	69.3
Ireland	67.7	72.9	51.6	81.8
Israel	80.3	75.6	83.2	83.6
Italy	57.0	69.4	27.9	77.8
Japan	56.3	57.1	48.0	66.8
Kazakhstan	65.0	47.0	74.2	81.1
Korea	53.9	40.1	53.3	76.8
Kuwait	71.9	86.6	65.4	57.6
Malaysia	60.6	54.0	55.9	77.5
Mexico	69.3	73.5	64.1	69.8
Namibia	59.1	59.5	50.8	70.4
Netherlands	85.4	86.1	83.5	86.8
New Zealand	70.4	65.2	68.2	81.7
Norway	76.0	77.8	65.2	88.4
Oman	60.9	68.3	44.6	71.7
Panama	59.1	62.1	52.5	63.8
Peru	55.3	55.4	48.5	64.8
Philippines	47.1	40.6	64.4	33.2

System	Overall index score	Sub-index score		
		Adequacy	Sustainability	Integrity
Poland	57.0	59.5	45.9	68.6
Portugal	67.6	83.7	36.4	85.4
Saudi Arabia	67.6	75.0	54.6	74.2
Singapore	80.8	79.4	75.5	90.4
South Africa	51.0	38.0	48.2	75.7
Spain	63.8	83.0	34.2	74.4
Sweden	78.2	76.8	76.3	83.0
Switzerland	72.4	66.3	72.9	81.6
Taiwan	51.8	41.0	52.3	68.5
Thailand	50.6	47.9	44.8	63.1
Türkiye	48.2	49.0	31.1	71.1
UAE	64.9	79.4	40.6	75.5
UK	72.2	75.9	63.2	79.0
Uruguay	71.1	83.8	53.1	75.8
USA	61.1	64.1	59.9	58.0
Vietnam	53.7	57.1	38.7	69.3
Average	64.5	66.1	55.3	74.7

Call to action

The World Economic Forum recognizes that financial security is an important element as countries look to address the demographic and financial challenges of global aging and to support individuals to be resilient in their longer lives. It has highlighted three key areas that may have the biggest impact on the overall level of financial security in retirement.

These are to:



1. Provide a “safety net” pension for all



2. Improve ease of access to well-managed, cost-effective retirement plans



3. Support initiatives to increase contribution rates

These key areas must be viewed in the context of future-proofing retiree outcomes to reflect longer lifespans and falling birth rates. See the World Economic Forum report *Future-Proofing the Longevity Economy: Innovations and Key Trends*, for reference.

The World Economic Forum observations provide a good starting point to express the objectives of the overall retirement system as governments consider meaningful pension reform, noting that financial security should be considered as part of a holistic approach to the challenges and opportunities of an aging global population that balances health, financial stability and social considerations.

The Index seeks to promote pension reform to help enhance the financial security of all retirees. Accordingly, our report includes a series of suggestions for strengthening each retirement income system. This includes the A-grade systems, recognizing that even the best systems can be improved. While each system reflects its unique history, cultural and economic conditions, some common themes for improvement emerge from historical data. A range of reforms that can be implemented to help improve the long-term effectiveness of retirement income systems includes:

- Increasing coverage of employees (including nonstandard workers) and the self-employed in the private pension system, recognizing that many individuals will not save for the future without an element of compulsion or automatic enrollment
- Reducing the leakage from the retirement savings system prior to retirement, thereby ensuring that the funds saved, often with associated taxation support, are used for the provision of retirement income

- Improving the governance of private pension plans and introducing greater transparency to improve the confidence of plan members
- Increasing the state pension age and/or retirement age to reflect increasing health-adjusted life expectancy, both now and into the future, thereby seeking to reduce the costs of publicly financed pension benefits
- Promoting higher labor force participation at older ages, which can increase the savings available for retirement and limit the continuing increase in the length of retirement
- Encouraging higher levels of private saving, both within and beyond the pension system, to reduce the future dependence on the public pension, while also adjusting the expectations of many workers
- Introducing measures to help reduce the gender pension gap and gaps that exist for minority groups in many retirement income systems

03

Balancing government influence on private pension fund investments

Feature chapter

Executive summary

Governments around the world influence, and in many instances, restrict private pension funds' investments. Increased global uncertainty and the increasing size of pension fund assets are now leading some governments to consider encouraging more domestic investment by pension funds in areas of national priority for the longer-term benefit of society.

This chapter suggests the following eight principles to balance between acting in the best interests of private pension plan participants and acting in the broader national interest.

Principles to balance between pension fund participants' best interests and the national interest

1. **Retirement first.** The primary purpose of a pension fund is to provide retirement income to the fund's participants and their dependents.
2. **Fiduciary integrity.** Fiduciaries must act in the best interests of the pension fund's beneficiaries.
3. **Robust governance.** Pension legislation should require all pension funds to develop a comprehensive investment policy and follow sound investment governance practices.
4. **Full market access.** Pension funds must consider the full range of available investment opportunities appropriate for their size and complexity, recognizing that available opportunities are impacted by a country's economic development.
5. **Policy incentives, not mandates.** Governments can make particular investments attractive to pension funds without the use of compulsion and should refrain from requiring a "floor" level of investment in a particular asset class. The actual investment decision should be left to the pension fund.
6. **Collaborative scale.** Pension funds should collaborate with each other and with the government to increase investment opportunities in areas where they may not otherwise have the scale or risk appetite to invest; for example, infrastructure projects through public-private partnerships.
7. **Transparency, not constraints.** There should be transparent public disclosure relating to the actual investments held and their returns and risks, but no performance tests or fee caps should be applied to pension fund investments.
8. **Macro awareness.** When private pension fund assets are a significant percentage of GDP, governments must recognize the impact and interactions between their fiscal and social policies and the implications for present and future retirees.

Introduction

Governments around the world have regulated, restricted or influenced the investments of private pension funds in a variety of ways for many decades. In 2022, the OECD noted that “a minority of countries did not impose any specific ceiling on any asset class but expect pension providers to invest according to the prudent person principle.”⁴ In other words, most governments impose some restrictions on the assets held by private pension funds.

This chapter reviews some of the restrictions currently imposed, either directly or indirectly, and considers how such restrictions interact with the generally accepted objective for private pension funds to act in the best interests of pension plan participants. It does not consider any investment restrictions that may apply to public pension reserve funds, as governments have a fundamental responsibility to manage public pensions, which is quite different from managing private pensions.

The chapter suggests eight principles guiding how governments can work with the pension industry so investments that are in the long-term national interest can be encouraged while also acknowledging the primary need to act in the best interests of private pension fund participants.

The current direct regulations

Several types of regulations imposed by governments around the world directly affect the investments of private pension funds. The first type of investment regulation is the requirement for pension fund investments to follow a high-level framework, such as the **prudent person approach**, as in EU directives 2003/41 and 2016/2341. Often, legal standards require those managing assets for others to act with the same skill and care as a prudent person would when managing their own affairs. The aim is to ensure that decisions are made with reasonable diligence and caution without guaranteeing a particular outcome. The regulations or legislation supporting this general approach normally set out some principles for pension fund trustees or fiduciaries to follow rather than specific restrictions. These may include:

- The need to act in the best interests of the pension plan members and beneficiaries
- The benefits of diversification and the need to avoid any excessive reliance on a particular asset class, issuer or geography
- The balance between risk and net return, after allowing for costs and any taxation
- The need for appropriate liquidity considering future cash flows
- The recognition of the likelihood of conflicts of interest, together with a process for dealing with them
- Consideration of the long-term impact of environmental, social and governance (ESG) factors

The second type of regulation is much more prescriptive, with **caps or restrictions** placed on investments in particular asset classes or the balance between domestic and foreign investments.

As noted by the OECD, most systems impose a ceiling on at least one asset class. Examples of restrictions (that is, maximum caps) on investments by pension funds in particular asset classes include:

- **Botswana** — domestic equities (50%), property (25%) and alternatives (25%)
- **Finland** — a cap on equity weight of investments of 65%; this will increase to 85% as part of the 2025 pension reform
- **Hong Kong SAR** — limits on higher-risk assets in the default products, with these limits reducing from age 50
- **Iceland** — equities (60%) and real estate (60%)
- **India** — direct real estate (0%)
- **Indonesia** — real estate (20%)
- **Japan** — direct real estate (0%)
- **Korea** — a cap of 70% on risky assets
- **Namibia** — equities (75%) and real estate (25%)
- **Portugal** — assets in currencies other than those of the pension fund liabilities (30%)
- **South Africa** — listed shares (75%) and private equity (15%)
- **Spain** — real estate (30%)
- **Switzerland** — equities (50%) and real estate (30%)⁵
- **Türkiye** — direct real estate (0%).

Examples of restrictions on foreign investments include:

- 10% cap in Brazil
- 30% cap in Poland
- 45% cap in South Africa
- 50% cap on foreign equities in Botswana

Of the 52 systems included in the 2025 Index, only 12 had no specific restrictions other than common in-house asset restrictions that limit investment in the employer sponsor and related parties. Systems with no restrictions tended to perform better in the 2025 Index rankings. Nine of the 12 systems ranked among the top 12 countries

covered by the Index if ranked by GDP per capita. This highlights the fact that advanced economies with well-established private-sector pension systems and well-developed capital markets tend to have fewer investment restrictions. This outcome may also be linked to stronger prudential supervision in these systems, as suggested by Tumanyants (2021).⁶

Other restrictions are more nuanced. For example, the above-mentioned EU directives require assets to be invested predominantly in regulated markets, which leads to a limit of 30% in France, Italy, and Spain and 15% in Portugal for investments not traded in regulated markets.

The US Office of Foreign Assets Control enforces a list of economic and trade sanctions against various countries. These restrict US pension funds and those operated by US multinationals from investing in these countries. Many other countries have similar “sanctioned” countries.

Finally, a range of **additional restrictions** affect the investments of pension funds.

Chile, Colombia and Peru each require their pension funds (AFPs) to offer a small number of funds in which the equity and other asset ceilings reduce as the fund's risk profile becomes more conservative with the age of the member. Uruguay now runs three distinct sub-funds that separate accumulation from decumulation, with the retirement fund subject to the tightest limits on foreign-currency and credit exposure. In Mexico, most of the pension fund assets are invested in life-cycle funds in which the permitted levels of equity investments decrease with the participant's age.

In Canada, pension funds have been restricted from holding more than 30% of the voting shares of most corporations, with the original intention of limiting pension plans to a passive role in corporate ownership. In late 2024, the Canadian government announced its intention to remove this rule, with the objective of making it easier for Canadian pension funds to make significant investments in Canadian entities.

Kazakhstan has a very different type of control, as financial instruments require approval before they can be purchased by a pension fund.

A restriction present in 41 of the 52 pension systems in the 2025 Index limits the percentage of private pension fund investments in employer-sponsored and related companies. Most limits are 5% or 10% of the fund's assets, with a clear purpose of ensuring that the value of a member's accrued retirement benefit is independent from the financial position of their employer.

Why governments restrict pension fund investments

Historically, there have been two main reasons for governments to introduce restrictions on pension fund investments — the protection of pension plan members' retirement benefits and the development of domestic financial markets. Let's consider each of these drivers in turn.

Protecting members' benefits is often seen as a fundamental requirement of any funded pension fund. That is, long-term community confidence in the pension system is essential. But this is unlikely to be present if individuals and households have a reasonable doubt that their accumulated savings will not be there when they reach retirement. Governments have therefore introduced a range of measures that directly impact the investments of pension funds. Among these measures are:

- The prudent person approach, which includes the need for some diversification in the assets held and a sound approach to risk management
- A requirement that a portion of the assets be “safe” assets, which often include government securities
- A limit on the level of assets held in “risky” assets, which are less secure and are likely to have higher price volatility
- A limit on a significant investment (that is, higher concentration) in a single corporation, including the employer

- A limited exposure to certain risks, including liquidity risks (for example, unlisted assets), currency risks, and investments in alternative assets and unregulated markets
- Solvency or funding requirements for DB pension funds and other arrangements that include guarantees

In isolation, each of these requirements makes sense, but where they restrict the investments of pension funds, there are likely to be other consequences that may not be in the best interests of some or all pension fund members. For example, many countries limit real estate and other alternative investments, yet the OECD has noted that “attention should be given to investment limits affecting ... alternative investments, such as infrastructure and real estate, as they play a role in diversification.”⁷

Restrictions on pension funds' investment policies can cause a lack of diversification, price distortions, asset price bubbles and liquidity constraints. How to achieve the appropriate balance between the benefits for the individual and those for the broader economy and society is a topic we will return to later in this chapter.

There may also be other reasons some governments impose restrictions on the investment decisions of pension funds. The presence of local capital markets represents a necessary development for any funded pension fund. After all, without the ability to trade securities in an efficient and stable market, pension funds will not be able to develop optimal portfolios for their members. Thus, the development of some restrictions to protect these markets makes sense, at least for a period, as the pension system and necessary market infrastructure develop and the local asset management teams cultivate the necessary skills and expertise.

Other reasons may include the need:

- To raise capital for economic development in the local economy
- For governments to finance their budgets through bonds
- To respond to short-term societal needs, such as social housing
- To respond to emerging pressures within the community, such as the impact of climate change and ESG factors

Again, such intervention is likely to affect the investment returns received by pension fund members over either the short or longer term.

Indirect impacts of government regulations or decisions

Given the importance of funded private pension systems in many countries, it is inevitable that many government decisions and policies can have an indirect impact on the investment policies, decisions and returns of pension funds. However, with the global trend toward DC pension funds in which individuals bear the investment risks, it is critical that governments appreciate that their decisions can directly affect the retirement savings of their citizens.

There are myriad ways in which governments indirectly or unintentionally affect the investment portfolios of pension funds. These include:

- Introducing mandatory funded private pensions. Together with strong preservation requirements, these encourage investments by pension funds into a broader range of assets, including infrastructure and private markets.
- Requiring permission for pension funds to consider the potential long-term impact of investment decisions on ESG factors within the prudent person rule, such as the 2016 EU directive.
- Caps on the level of fees that can be charged to members, such as in Mexico and the UK. As these caps include investment

management fees, they can indirectly reduce the attraction of alternative investments where fees are higher.

- Risk-based levies payable to pension protection schemes, such as those applied in the UK and the US. For example, the levy paid to the PBGC in the US is partly based on the level of unfunded vested benefits, which is directly linked to the value of assets.
- Taxation differences between or within certain asset classes. For example, the dividend imputation scheme in Australia makes the dividends from domestic equities more attractive than those from offshore.
- Funding requirements for DB funds that highlight the importance of asset-liability management and have encouraged the development of markets in long-dated bonds in the UK and the US.
- A solvency test, which can force the selling of assets at unfavorable times, as can occur in Finland.
- Mandatory currency-hedging ratios, which can shape portfolios. For example, Chile required minimum hedge levels on foreign investments until 2010. Subsequent analysis shows the rule increased short-term volatility and, during the 2008 crisis, amplified losses for the growth fund.⁸
- A performance test that measures the investment performance of a pension fund against specified benchmarks with significant consequences for failure. Such a test, which occurs in Australia, has led to some funds following the prescribed benchmarks rather than investing more broadly.
- Relative performance rules that enforce a minimum return versus the industry average and encourage “herding.” Chile, Colombia and Uruguay penalize funds for underperforming the industry average by more than a set margin. In these cases, funds have a powerful incentive not to deviate from their competitors, discouraging funds from taking alternative positions that may be in members’ long-term interests.
- Political, taxation or economic decisions, such as fiscal austerity programs, which are likely to have different impacts on different asset classes.
- Announcements or implied threats from governments that if the pension industry does not follow a particular course of action, then the government will step in. For example, the UK Government has threatened to mandate levels of investment by pension schemes

to drive economic growth in the UK if the schemes do not do so voluntarily.⁹ Interestingly, as reflected in the Mansion House Accord of May 2025, 17 of the largest workplace pension providers in the UK have expressed their intent to invest at least 10% of their DC default funds in private markets by 2030, with at least 5% going to UK private markets.

As mentioned above, it is critical that the community have long-term confidence in its pension system, which is not helped when governments, either deliberately or accidentally, increase the price volatility in the capital markets or restrict the range of investments available to the pension funds. Consequently, when pension fund assets are a significant percentage of a country’s GDP (for example, 50%), the government should recognize the impact and interactions between its broader economic decisions in a range of areas and the implications for present and future retirees.

Current developments and discussions

The previous sections of this chapter discuss the existing direct and indirect impacts of governments on the investment decisions made by private pension funds around the world. However, as the importance of private pension fund assets has increased, many governments are reviewing the ongoing role of private pension fund investments in the broader economy for the longer-term benefit of society. Here are four recent examples:

- In June 2025, the UK government brought forward legislation that included new government powers to mandate that pension funds allocate 5% of their investments into UK private markets. This follows a review in 2024 that sought to encourage further domestic pension investment.
- To help spur greater investment in Canada, the government announced in its *Budget 2024* that Stephen Poloz, former governor

- of its central bank, would explore ways to facilitate domestic investment opportunities for Canadian pension funds, including in the priority areas of infrastructure, AI and venture capital investments. The *2024 Fall Economic Statement* announced the result of this work, including allowing Canadian pension funds to acquire a higher ownership share in municipal-owned utility corporations.
- Treasurer of Australia Jim Chalmers has noted the relationship between pension fund investments and national priorities, citing a need for “greater investment in our national priorities, in a way that delivers for members” and for “initiatives focused on embedding good member returns into the foundation of a better nation.”¹⁰ He has now committed to ensuring the performance test in Australia does not provide “unnecessary obstacles or impediments to ... investing in areas like housing ... where there’s clearly a national need.”¹¹
 - In May 2023, Malaysian Prime Minister Anwar Ibrahim urged the Employees Provident Fund to increase its domestic investments to 70% of its portfolio, with a focus on strategic infrastructure.

In addition, public discussion continues in many countries regarding increasing disclosures and priorities on sustainable finance and ESG-related investments, with the potential for further regulation. For example, the Swedish government is looking into ways to further embed sustainability criteria into how pension funds make investment decisions. This could involve creating new regulations or guidelines that encourage funds to prioritize investments in environmentally friendly projects and companies. Incentives could include tax breaks, subsidies or other financial inducements designed to encourage funds to allocate more resources to green investments.

In March 2025, the Government Pension Investment Fund (GPIF) in Japan released its approach to sustainability investment. It noted that “reducing the negative impacts of sustainability-related issues on capital markets is essential for a universal owner like GPIF to pursue long-term investment returns.” It concluded that “GPIF promotes Sustainability Investments including those which take into account non-financial factors such as ESG (environmental, social and governance) and social or environmental effects (impact), in addition to financial factors.”¹²

In the US, pension funds face changes in regulations regarding ESG considerations in their investments.

Although not solely related to ESG, in November 2024, the Netherlands Parliament accepted a motion with a two-thirds majority that states that pension funds should prioritize achieving a financially strong pension for their participants rather than focusing on activist or ideological investments.

Balancing best interests and long-term concerns

The previous examples highlight the key issues private pension funds face in developing their investment principles and policies. They also underscore the growing tensions in many societies between acting in the best interests of the pension fund participants (whether measured over the short or long term) and the broader, longer-term concerns of society and the national government. Inevitably, the need to balance these competing pressures results in a variety of practical and political outcomes around the world.

As the World Bank has recommended, “Pension funds should be allowed to pursue their primary goal of ensuring retirement security for their beneficiaries. This may actually be consistent with them playing a strong role in national development given the right investment structures aimed at sustainable growth with appropriate return provisions.”¹³

In many countries, pension fund trustees and fiduciaries are required to act in the best interests of their members. This duty goes beyond the short-term investment return (say, over the next 12 months) and should consider the likely longer-term developments and risks. After all, pension fund investment is about preserving and increasing assets to provide for retirement for decades to come. For example, in Canada, the

current regulatory environment is targeted toward the best interests of the pension fund’s members, and in Italy, pension funds’ fiduciary duty to act in the best interests of their members is enshrined in the regulations. This duty requires funds to prioritize the financial returns of their investments to safeguard and grow members’ retirement savings. Similarly, the Hong Kong SAR system prioritizes a member-centric approach, ensuring that retirement savings are effectively managed through sound investment strategies and robust risk management practices, all under the oversight of the regulator.

Yet this strong focus on providing the best outcome for members is beginning to change in some jurisdictions. After all, growing an economy creates a more prosperous environment for all residents in that economy; that is, it is a means to the end of acting in individuals’ best interests. For example, in Finland, recent public discussion has suggested that more funds should be invested to support the Finnish economy and, for example, to fund startup companies. Similarly, in Israel, questions have been raised as to why pension funds invest in infrastructure offshore rather than in Israel. In South Africa, retirement funds are widely recognized as playing a major role in the development of the South African economy and the transformation of broader society.

As mentioned above, the UK is also exploring this topic, and the pension industry is discussing the degree to which the impact of investment decisions on the wider economy should be considered in portfolio decision-making. There is no single or simple answer as to how to determine the right balance between acting in members’ best interests and the needs of the national economy. The Korean case study below provides an example of how investment restrictions can be eased as the pension system develops.

However, before we set out some principles that can be applied to help resolve the tension between pension plan participants and the national interest, we should recognize that:

- Members’ best interests are not uniform across all participants within a particular pension plan. For example, the best interests

of an 80-year-old pensioner and a 25-year-old employee are quite different given their time horizons and personal priorities.

- As with the membership of a pension fund, a government's national priorities are likely to change over time. For example, if a state of emergency or a war has been declared, it may be appropriate for the pension industry to support rebuilding or national defense.

Notwithstanding these variations, some fundamental principles can be used to ensure pension funds act in members' best interests while also acting in the national interest.



Case study

This case study is provided for informational purposes only and does not constitute investment advice or a recommendation to buy or sell any securities or financial products. Data are accurate as of April 2025 and subject to change without notice.

Gradual easing of investment restrictions in Korea

In December 2004, the Korean National Assembly passed the Employee Retirement Benefit Security Act, legally requiring external funding of retirement benefits.

Initially, the Act limited equity investments for DB funds to 30% of assets and required that they be made through a third-party fund. Subsequently, this limit was increased to 50%, and DB funds were also permitted to make direct equity investments, up to a maximum of 30%.

The investment restrictions for DC plans were stricter than those for DB plans to protect individual DC participants. For example, the Act initially prohibited equity investments of DC assets. Subsequently, this restriction was removed, and DC plans were able to invest 40% of their assets in equities through third-party funds.

These restrictions were further eased in 2015, when investments in third-party equity funds were allowed up to 70% of the pension reserve in both DB and DC funds. However, DC funds are not permitted to invest directly in equities.

In 2007, the Korean government launched overseas balanced funds (since equity funds were not permitted then, the overseas balanced funds were introduced first for overseas equity investment), and in 2014, the government launched overseas equity funds.

The current regulations differentiate between safe assets and risky assets, limiting investments in risky assets to 70% of total assets in all types of funds. Risky assets include equities, corporate bonds and real estate funds.

Investments of pension assets are primarily regulated by the Retirement Pension Supervision Regulations enacted by the Financial Services Commission. These regulations have been revised 14 times to reflect changing trends in financial products and the needs of investors, encouraging performance-based investments.

From 2014 to 2024, the assets in retirement pension funds have increased from 107 trillion KRW to 428 trillion KRW — a compound growth rate of 15% per annum. During the same period, the relative importance of DC funds and individual retirement plans grew from 21% and 7% of pension fund assets to 27% and 23%, respectively, with a corresponding reduction in the importance of DB fund assets.

Suggested principles for seeking the best balance

Principle 1. Retirement first

Recognize that the primary purpose of a pension fund is to provide retirement income to its participants and their dependents so they can have confidence that they can retire with dignity. This principle must remain as the fundamental priority in all investment decisions. This primary purpose does not mean the investment approach must be conservative. As the OECD noted, “Countries should ensure that their investment regulations are not constraining equity investments in a way that could reduce risk-adjusted returns.”¹⁴

Principle 2. Fiduciary integrity

Fiduciaries of pension funds must recognize that their primary duty is to the fund’s participants and their dependents. That is, their decisions must be in the best interests of these individuals. The definition of “best interests” could include second-order effects that go beyond the immediate financial return. We also recognize that the application of this principle is likely to require some compromise, as the personal circumstances of individuals vary considerably.

Principle 3. Robust governance

Pension legislation should require the governing body of all pension funds to establish an investment policy that reflects the principles of sound long-term investments. These include diversification in all its forms, consideration of both returns and risks over the long term, liquidity issues, and comprehensive disclosure to both the participants and the regulator. In addition, sound investment governance practices with relevant policies and procedures should be required. As the World Bank noted, “Improving the governance of pensions ... is key to improving security, diversification and returns.”¹⁵

Principle 4. Full market access

Pension funds must consider all available investment opportunities appropriate for their size and complexity (including public and private markets), recognizing that available opportunities may be impacted by the country’s economic development. As they do this, pension funds should consider the expected returns and likely risks associated with each investment during the expected period of that investment. For example, an investment in government-backed short-term treasury notes has a very different risk–return profile than investments in a startup renewable energy project. One investment is not necessarily better than another — both should be considered on their own merits and as part of a diversified investment strategy alongside broader investment principles.

Principle 5. Policy incentives, not mandates

Principle 5 relates to a government’s desire for pension funds to invest in a manner that is consistent with national priorities or promotes economic growth. This outcome is not necessarily contrary to the previous four principles. The fundamental criteria of such investments are that they must be in members’ best interests and recognize that each pension fund has different cash flows, and its members have different interests. Rather than compelling certain investment strategies, such as requiring a “floor” level of investment in a particular asset class, governments can make particular investments attractive to pension funds through a range of measures, such as direct subsidies, taxation concessions, financial incentives or public–private partnerships. As Ambachtsheer et al have noted with regard to the current discussion in Canada, “Government initiatives that reduce the barriers to domestic investing by facilitating access to strategic asset classes will not only retain and attract capital from Canadian pension funds but also bring in additional capital from the much larger pool of foreign investors.”¹⁶

In these cases, it should be left to the fund trustees or fiduciaries to consider these enhanced investment options and act in the best interests of their members. In such situations, governments should also clearly state the fundamental reason for making these investments attractive to pension funds. They should also explore the unintended consequences that may develop if the nominated investments are required or enhanced.

Principle 6. Collaborate scale

Pension funds should collaborate with each other and with government to increase investment opportunities in areas where pension funds may not otherwise have the scale or risk appetite to invest; for example, infrastructure projects through public–private partnerships. This principle recognizes that where pension funds are too small to make substantive individual investments in large projects, it can be in the interests of pension fund participants for the pension funds as a collective to co-invest and/or for the government to develop greenfield projects to such a stage that they become attractive investments for pension funds.

Principle 7. Transparency, not constraints

Governments should not impose performance tests or fee caps on investments made by private pension funds. Inevitably, such regulations or restrictions limit pension funds’ investment activities, such as alternative investments, which can have higher costs and/or are more difficult to test against well-accepted market benchmarks. Nevertheless, these investments can deliver excellent long-term returns and also bring increased diversification to the portfolio. A better option is for governments to require greater transparency in public disclosure of the actual investments held and their returns and risks.

Principle 8. Macro awareness

Principle 8 relates to the important roles pension fund assets have within the domestic economy, particularly when these assets exceed a significant percentage of GDP (for example, 50%). These effects were evident in many economies during both the global financial crisis and the COVID-19 pandemic. It is therefore crucial that governments recognize the many interactions that occur between their fiscal and social policies, their impact on pension funds’ investment decisions, and, consequently, the implications for present and future retirees.

04 Changes from 2024 to 2025

The social and economic environments in which retirement income systems operate are constantly changing. This is why we review the questions used in the Index every year for context and clarity. Given the importance of longitudinal analysis of each system's grades from year to year, we do this with the view of evolving the questions asked rather than promoting wholesale change.

Impact of new and updated questions

We have added a new question, *What is the creditworthiness of the system?*, to the Sustainability sub-index this year to consider the importance of the country's creditworthiness on retirement income sustainability. Looking at each system's credit rating gives an indication of the level of risk involved in investing in that system's debt. If the system is considered "low risk," then it is likely that the government will be able to meet its debt obligations (including public pensions) in the future. Conversely, if a system is considered likely to default, then the government will probably be unable to meet its debt obligations in the future.

We have given this additional question a 2% weighting in the Sustainability sub-index, with a corresponding reduction in the questions about government debt and public pension expenditure, from 5% to 4% each. This resulted in a reduction in the average Sustainability sub-index score of 0.23.

We also made minor but important adjustments to some existing questions. These included:

- Recognition that alternative home-equity-release schemes, such as capitalizing on long-term leases, can also be a potential source of retirement income
- Clarification regarding the division of assets in divorce and whether accrued pension benefits are considered in their assessment (regardless of the outcome)
- Clarification that the Integrity sub-index should be answered in relation to the most common or popular pension arrangements for private-sector employees; that is, mandatory funded pension plans (where they exist) over voluntary occupational pension plans

These question updates assisted our local country specialists in evaluating their retirement income systems in cases where ambiguities may previously have existed.

Updated data

Since the publication of last year's Index, the OECD has published an updated version of *Pensions at a Glance, Asia/Pacific 2024*, which updated several data items for the relevant systems. In particular, the basic (or targeted) state pension as a percentage of the average wage almost doubled for Malaysia and the Philippines and increased by 8% for Hong Kong SAR. In many cases, these were predominantly driven by updated wage figures and not the level of benefits received. This change materially increased the Adequacy sub-index score for these systems.

The Index uses data from the International Monetary Fund (IMF) World Economic Outlook database¹⁷ to measure the real economic growth rate averaged over the past four years and the next three years. Most systems saw an increase from last year's average, as the low economic growth in 2020 is no longer included in the seven-year averaging period. The real economic growth rate averaged over seven years increased from 2.3% in 2024 to 3.3% in 2025 for all systems.

Additional systems

The Index has been expanded in 2025 to include four new retirement income systems: Kuwait, Namibia, Oman and Panama. This addition continues our long-standing practice of considering a variety of systems from different economic, geographical and political backgrounds. This approach highlights an important purpose of the Index: to enable comparisons of different systems around the world with a range of design features operating within different contexts and cultures. The Index now includes 52 retirement income systems covering more than 65% of the world's population.

Significant score changes

The Index scores for retirement income systems change from year to year due to updated data, questions and/or pension reforms. Occasionally, scores are updated based on a better understanding of a pension system, often as local specialists interrogate the Index to see how a country's system could improve retirement outcomes for its citizens. The most significant changes in 2025 were for:

- **Saudi Arabia** — an increase in the Index score of 7.2, primarily due to updated data for the targeted pension
- **Hong Kong SAR** — an increase in the Index score of 6.7, primarily due to increases in both the targeted pension and net replacement rates as reported by the OECD
- **Botswana** — an increase in the Index score of 4.4, primarily due to updated data for the basic pension and net replacement rates
- **Malaysia** — an increase in the Index score of 4.3, primarily due to increases in the targeted pension and net replacement rates as reported by the OECD

A comparison from 2024 to 2025

Figure 5 compares the results for 48 systems from 2024 to 2025 demonstrating that the average score for the overall index has increased by 1.2, with the value of each sub-index also increasing.

Figure 5. A comparison from 2024 to 2025

System	Overall index score		Adequacy		Sustainability		Integrity	
	2024	2025	2024	2025	2024	2025	2024	2025
Argentina	45.5	45.9	61.5	60.8	29.4	31.3	42.3	42.4
Australia	76.7	77.6	68.4	69.0	79.5	81.1	86.1	86.4
Austria	53.4	54.5	67.2	67.5	22.0	24.0	75.2	76.4
Belgium	68.6	69.2	81.8	81.5	40.1	42.7	87.4	86.8
Botswana	55.4	59.8	39.7	54.3	52.0	48.0	85.2	85.0
Brazil	55.8	56.2	70.4	70.6	31.0	31.8	67.3	67.3
Canada	68.4	70.4	67.0	67.2	63.8	67.0	77.1	80.2
Chile	74.9	76.6	71.2	71.9	70.9	74.9	86.5	86.6
China	56.5	56.7	65.2	61.4	37.8	40.1	69.1	72.3
Colombia	63.0	62.5	63.9	64.3	57.4	55.9	69.5	69.0
Croatia	67.2	68.7	66.8	66.8	57.4	60.5	81.7	83.2
Denmark	81.6	82.3	84.0	82.9	82.6	85.0	76.3	77.6
Finland	75.9	76.6	77.0	77.4	64.2	65.6	90.8	90.6

System	Overall index score		Adequacy		Sustainability		Integrity	
	2024	2025	2024	2025	2024	2025	2024	2025
France	68.0	70.3	84.8	85.2	43.4	48.6	75.7	76.8
Germany	67.3	67.8	81.1	81.0	45.8	47.5	75.3	75.0
Hong Kong SAR	63.9	70.6	51.5	66.6	61.1	62.0	87.5	89.2
Iceland	83.4	84.0	82.0	83.0	84.3	85.7	84.4	83.3
India	44.0	43.8	34.2	34.7	44.9	43.8	58.4	58.4
Indonesia	50.2	51.0	38.1	40.1	50.4	50.3	69.3	69.3
Ireland	68.1	67.7	73.6	72.9	52.8	51.6	80.5	81.8
Israel	80.2	80.3	75.7	75.6	82.6	83.2	84.1	83.6
Italy	55.4	57.0	68.2	69.4	25.1	27.9	77.2	77.8
Japan	54.9	56.3	57.1	57.1	47.1	48.0	62.1	66.8
Kazakhstan	64.0	65.0	45.8	47.0	73.1	74.2	80.4	81.1
Korea (South)	52.2	53.9	40.5	40.1	52.4	53.3	70.5	76.8
Malaysia	56.3	60.6	44.5	54.0	54.6	55.9	77.4	77.5
Mexico	68.5	69.3	73.8	73.5	63.4	64.1	67.1	69.8
Netherlands	84.8	85.4	86.3	86.1	81.7	83.5	86.8	86.8
New Zealand	68.7	70.4	64.8	65.2	64.9	68.2	80.2	81.7
Norway	75.2	76.0	77.2	77.8	63.6	65.2	88.3	88.4
Peru	54.7	55.3	55.3	55.4	46.9	48.5	64.7	64.8
Philippines	45.8	47.1	41.7	40.6	63.4	64.4	27.7	33.2

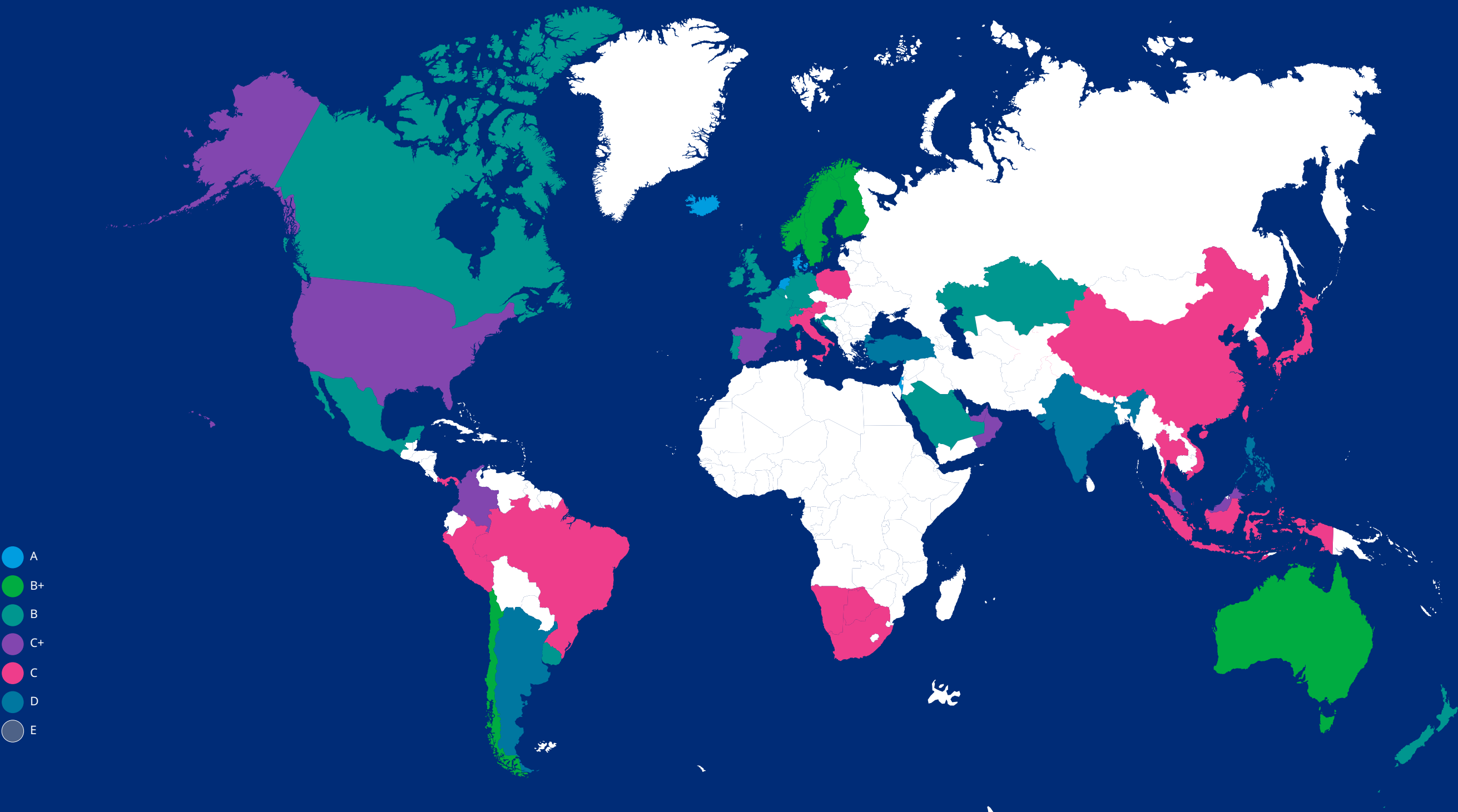
System	Overall index score		Adequacy		Sustainability		Integrity	
	2024	2025	2024	2025	2024	2025	2024	2025
Poland	56.8	57.0	59.2	59.5	45.2	45.9	69.4	68.6
Portugal	66.9	67.6	83.4	83.7	34.6	36.4	85.7	85.4
Saudi Arabia	60.5	67.6	61.1	75.0	58.0	54.6	62.9	74.2
Singapore	78.7	80.8	79.8	79.4	74.3	75.5	83.0	90.4
South Africa	49.6	51.0	34.7	38.0	48.0	48.2	75.7	75.7
Spain	63.3	63.8	82.9	83.0	30.7	34.2	77.6	74.4
Sweden	74.3	78.2	75.2	76.8	73.7	76.3	73.6	83.0
Switzerland	71.5	72.4	66.0	66.3	71.4	72.9	80.4	81.6
Taiwan	53.7	51.8	46.2	41.0	51.9	52.3	68.2	68.5
Thailand	50.0	50.6	50.2	47.9	43.8	44.8	58.2	63.1
Türkiye	48.3	48.2	48.3	49.0	32.2	31.1	70.8	71.1
UAE	64.8	64.9	77.1	79.4	43.3	40.6	75.3	75.5
UK	71.6	72.2	75.7	75.9	61.5	63.2	79.3	79.0
Uruguay	68.9	71.1	84.0	83.8	46.6	53.1	76.1	75.8
USA	60.4	61.1	63.9	64.1	58.4	59.9	57.5	58.0
Vietnam	54.5	53.7	56.8	57.1	41.3	38.7	69.3	69.3
Average	63.4	64.6	64.7	65.9	54.3	55.5	74.1	75.4

05

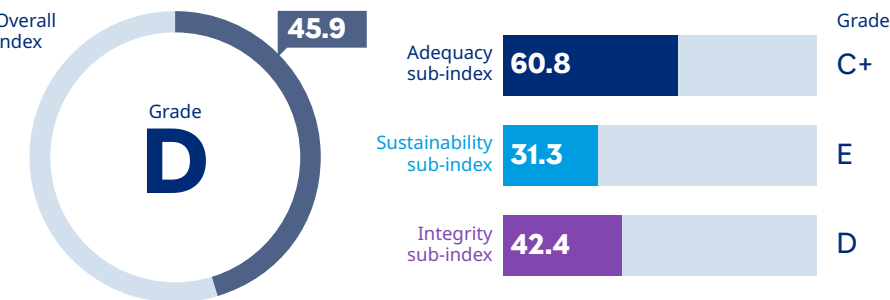
A brief review of each system

This chapter provides a summary of each retirement system and potential areas for improvement. Whether such developments are appropriate in the short term depends on the current social, political and economic situation. We have provided some comments on changes from 2024 to 2025 where relevant. As detailed in Chapter 3, many of these changes were due to updated data from the OECD.

Figure 6. Global grades



Argentina



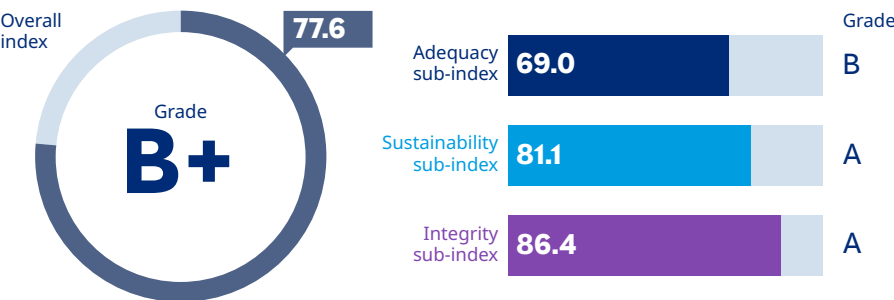
Argentina's retirement income system is composed of a pay-as-you-go social security system (comprising a basic pension and an earnings-related benefit), together with voluntary occupational corporate and individual pension plans that may be offered through employer book reserves, insurance companies or pension trusts.

The overall index value for the Argentinian system could be increased by:

- Expanding coverage of employees in occupational pension schemes through automatic membership or enrollment (combined with flexible contribution levels to address affordability challenges), thereby increasing the level of contributions and assets
- Exploring strategies to formalize employment and increase participation in the contributory system, reducing reliance on the non-contributory social system
- Introducing a minimum level of mandatory contributions into complementary private retirement savings schemes
- Introducing a minimum age to access benefits from private pension plans
- Improving the regulatory requirements for the private pension system

The Argentinian index value increased slightly from 45.5 in 2024 to 45.9 in 2025, primarily due to updated economic growth data published by the IMF.

Australia



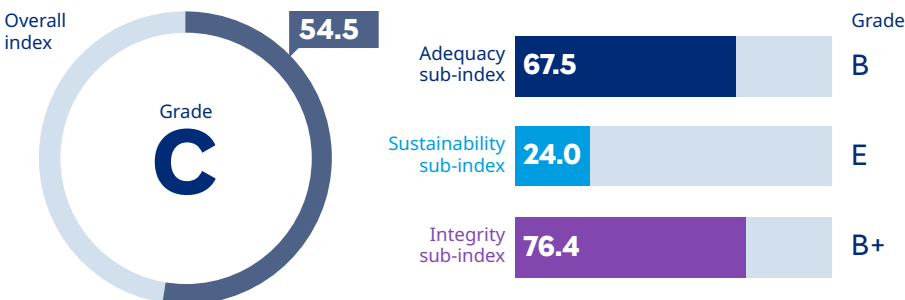
Australia's retirement income system comprises a means-tested age pension (paid from general government revenue); a mandatory employer contribution paid into private-sector superannuation arrangements; and additional voluntary contributions from employers, employees or the self-employed paid into these private-sector superannuation plans.

The overall index value for the Australian system could potentially be increased by:

- Focusing on retirement income as the primary purpose of superannuation
- Moderating the assets test on the means-tested age pension to increase the net replacement rate for average-income earners
- Raising the level of household savings and reducing the level of household debt
- Introducing a government superannuation contribution to primary carers of young children

The Australian index value increased slightly from 76.7 in 2024 to 77.6 in 2025, primarily due to an increase in the mandatory contributions set aside for future retirement benefits and updated economic growth data published by the IMF.

Austria



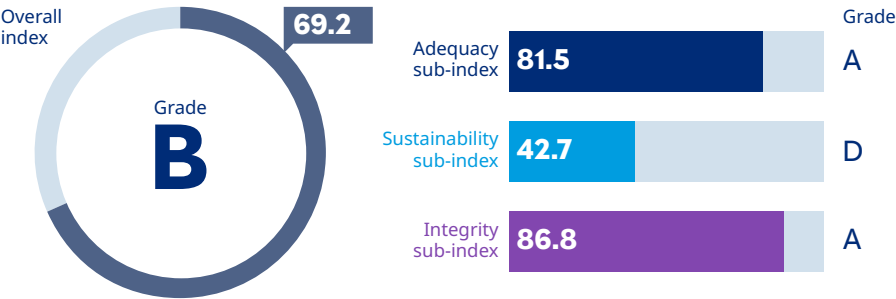
Austria's retirement income system is a comprehensive framework designed to provide retirement income through a combination of public, occupational and private pension schemes. Private pensions include a mandatory pay-as-you-go system, employer-sponsored pension schemes, and voluntary individual savings and investment plans, such as private pension insurance or savings accounts. The mandatory pay-as-you-go system is funded by social security contributions from both employees and employers, with benefits primarily based on the length of contribution periods and earnings history. Employer-sponsored pension schemes are often voluntary but are increasingly encouraged through legal frameworks and incentives.

The overall index value for the Austrian system could potentially be increased by:

- Increasing the minimum level of support for the poorest aged individuals
- Expanding coverage of employees in occupational pension schemes, thereby increasing the level of contributions and assets (which could be done by collective bargaining agreements or tax-effective regulation)
- Introducing arrangements to protect the pension interests of both parties in a divorce
- Increasing the labor force participation rate at older ages

The Austrian index value increased from 53.4 in 2024 to 54.5 in 2025, primarily due to the new question in the Sustainability sub-index and updated economic growth data published by the IMF.

Belgium

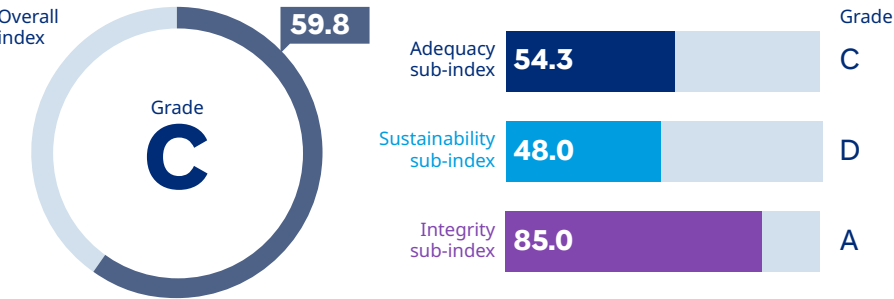


Belgium’s retirement income system comprises public, occupational and private pension schemes. The public pension scheme is earnings-related with a means-tested safety net. Voluntary private pension arrangements are typically operated by insurance companies.

- The overall index value for the Belgian system could potentially be increased by:
- Introducing a requirement that part of the retirement benefit be taken as an income stream
 - Introducing a minimum level of mandatory contributions into a retirement savings fund, thereby increasing the level of pension assets over time
 - Introducing greater flexibility relating to pension design as individuals transition into retirement
 - Increasing the labor force participation rate at older ages as life expectancies rise

The Belgian index value increased slightly from 68.6 in 2024 to 69.2 in 2025, primarily due to the new question in the Sustainability sub-index and updated economic growth data published by the IMF.

Botswana

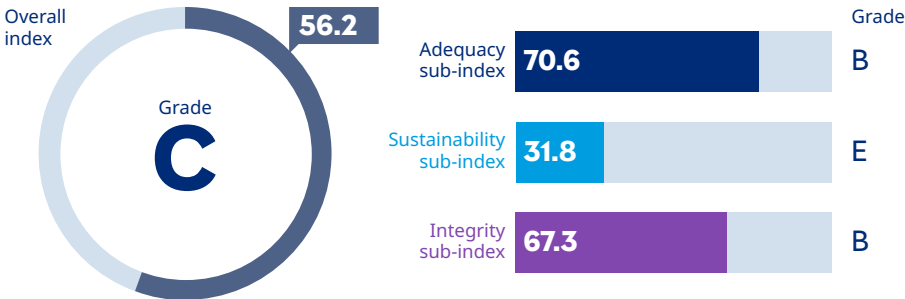


Botswana’s retirement income system consists of private and public pension systems. The Public Old Age Pension (POAP) is fully funded by the government and provides a benefit to all citizens above age 65 living in Botswana. The benefit is adjusted periodically based on cost of living and is non-means-tested. Private pensions consist of a mandatory pension scheme for public-sector employees and a voluntary pension system for private-sector employees. Private pensions include both DB and DC arrangements.

- The overall index value for the Botswanan system could potentially be increased by:
- Increasing the minimum level of support for the poorest aged individuals
 - Expanding coverage of employees in occupational pension schemes, thereby increasing the level of contributions and assets
 - Introducing greater flexibility relating to pension design as individuals transition into retirement
 - Increasing the level of home ownership

The Botswanan index value increased from 55.4 in 2024 to 59.8 in 2025, primarily due to increases in the base pension and net pension replacement rates.

Brazil

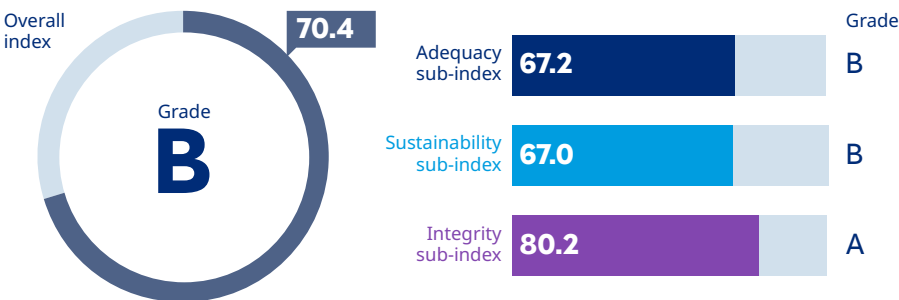


Brazil’s retirement income system comprises a pay-as-you-go social security system and voluntary occupational corporate and individual pension plans. These plans may be offered through insurance companies or pension trusts.

- The overall index value for the Brazilian system could potentially be increased by:
- Increasing coverage of employees in occupational pension schemes through automatic membership or enrollment and creation of micropensions that serve the informal sector, thereby increasing the level of contributions and assets
 - Introducing a minimum level of mandatory contributions into a retirement savings fund
 - Introducing a minimum access age so that the benefits are preserved for retirement purposes, including the pension plans operated by insurance companies
 - Introducing a minimum legal requirement for the inclusion of ESG issues in asset investment policies and strategies.

The Brazilian index value increased slightly from 55.8 in 2024 to 56.2 in 2025, primarily due to updated economic growth data published by the IMF.

Canada



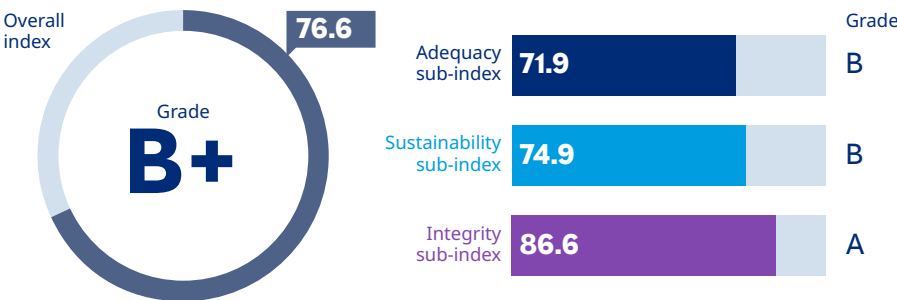
Canada's retirement income system comprises a universal flat-rate pension supported by a means-tested income supplement, earnings-related pensions based on revalued lifetime earnings provided through a national program, voluntary occupational pension schemes (many of which are DB schemes, although DC scheme prevalence is increasing) and voluntary individual retirement savings plans.

The overall index value for the Canadian system could potentially be increased by:

- Increasing the coverage of employees in occupational pension schemes, mainly in the private sector, through the development of an attractive product for those without an employer-sponsored scheme
- Increasing the labor force participation rate at older ages
- Increasing the level of household savings and reducing the level of household debt
- Reducing government debt as a percentage of GDP

The Canadian index value increased from 68.4 in 2024 to 70.4 in 2025, primarily due to the new question in the Sustainability sub-index, updated economic growth data published by the IMF, and clarification of the protection of benefits from fraud and mismanagement.

Chile



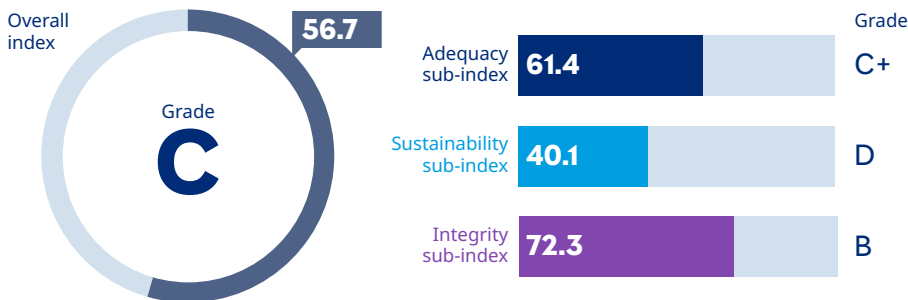
Chile's retirement income system comprises a near-universal old-age social pension, a mandatory privately managed DC system based on employee contributions, with individual accounts managed by a small number of Administradoras de Fondos de Pensiones (AFPs), and a framework for voluntary contributions. Recent changes in the pension system consider a new employer contribution that comprises individual saving and a new social insurance.

The overall index value for the Chilean system could potentially be increased by:

- Increasing the labor force participation rate at older ages
- Increasing the minimum pension age as life expectancies rise, with the same age for men and women
- Introducing a government pension contribution for those caring for young children
- Increasing the minimum level of support for the poorest aged individuals

The Chilean index value increased from 74.9 in 2024 to 76.6 in 2025, primarily due to updated economic growth data published by the IMF and clarification of transition-to-retirement arrangements.

China



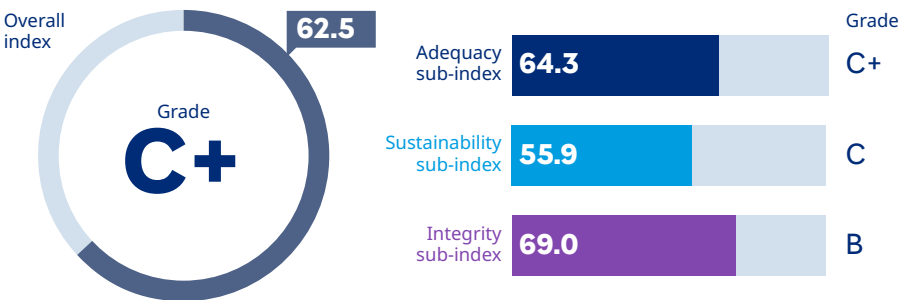
China's retirement income system comprises a mandatory pillar-one state pension, a voluntary employer-sponsored pillar two (enterprise annuity for corporates and occupational annuity for the public sector) and a voluntary pillar-three private pension arrangement unveiled in 2022. The state pension comprises an urban employee basic pension and an urban/rural residents (non-employed) basic pension system. The state pension has a pay-as-you-go social pooling account (a combination of contribution and fiscal expenditure) and funded individual accounts (from employee contributions).

The overall index value for the Chinese system could potentially be increased by:

- Increasing the minimum level of support for the poorest aged individuals
- Continuing to increase the coverage of the pension systems, thereby increasing the level of assets over time
- Introducing a requirement that part of the supplementary retirement benefit be taken as an income stream
- Increasing the state pension age over time
- Offering more investment options to members and thereby permitting greater exposure to growth assets

The Chinese index value increased slightly from 56.5 in 2024 to 56.7 in 2025, primarily due to updates to data available on labor force participation at older ages.

Colombia

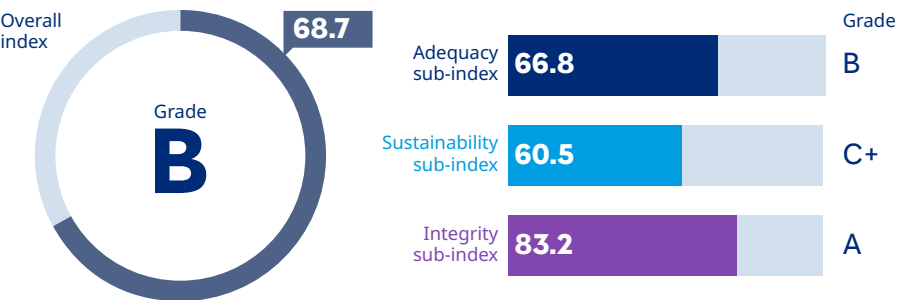


Colombia's retirement income system comprises a means-tested pension paid to the needy and two parallel and mutually exclusive pension systems. The first is a pay-as-you-go DB plan managed by a public-sector entity, and the second is a system of funded individual accounts offered through qualified financial institutions in the private sector. Individuals can make additional voluntary contributions to increase retirement benefits and/or reduce taxes. An employee elects to join one system, although there is the option to change later, with certain restrictions. The employer and employee contribution rates are the same for both systems, but retirement benefits differ between systems (DB versus individual accounts).

- The overall index value for the Colombian system could potentially be increased by:
- Increasing the minimum level of support for the poorest aged individuals
 - Raising the level of household savings
 - Increasing coverage of employees in the pension schemes, thereby gradually increasing the level of pension assets
 - Increasing the labor force participation rate, particularly at older ages, as life expectancies rise

The Colombian index value decreased slightly from 63.0 in 2024 to 62.5 in 2025, primarily due to stalled reform affecting retirement ages in the future.

Croatia

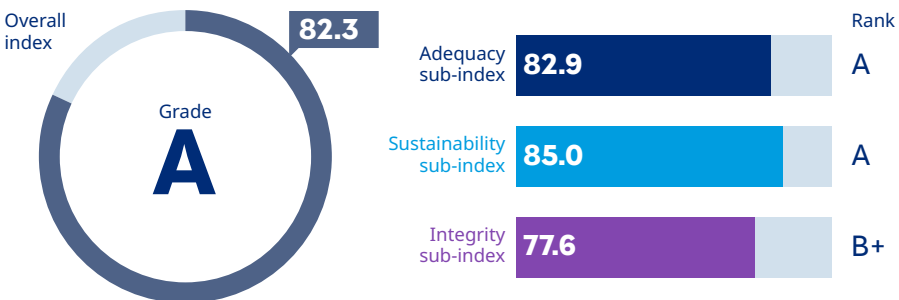


Croatia's retirement income system has seen major reform since 2002, resulting in a three-pillar retirement system. The first pillar comprises mandatory contributions of 15% of salary, resulting in a DB pension paid on retirement. The second pillar is DC, where employees contribute 5% of salary into an individual pot from which members draw a retirement pension. There is also a voluntary pension fund to which members can choose to contribute.

- The overall index value for the Croatian system could potentially be increased by:
- Increasing the minimum level of support for the poorest aged individuals
 - Increasing the level of funded contributions in private pension plans, thereby increasing the level of assets over time
 - Increasing the labor force participation rate, particularly at older ages as life expectancies rise
 - Introducing arrangements to protect the interests of both parties in a divorce

The Croatian index value increased from 67.2 in 2024 to 68.7 in 2025, primarily due to updated economic growth data published by the IMF.

Denmark

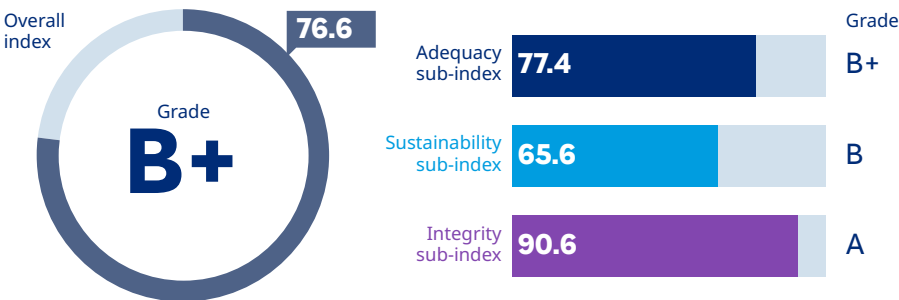


Denmark's retirement income system comprises a public basic pension scheme, a means-tested supplementary pension benefit, a fully funded DC scheme providing lifelong pensions and mandatory occupational DC schemes.

- The overall index value for the Danish system could potentially be increased by:
- Introducing arrangements to protect the interests of both parties in a divorce
 - Requiring all pension plans to produce an annual report available to all members
 - Introducing a requirement to show retirement income projections on members' annual statements

The Danish index value increased slightly from 81.6 in 2024 to 82.3 in 2025, primarily due to updated economic growth data published by the IMF.

Finland



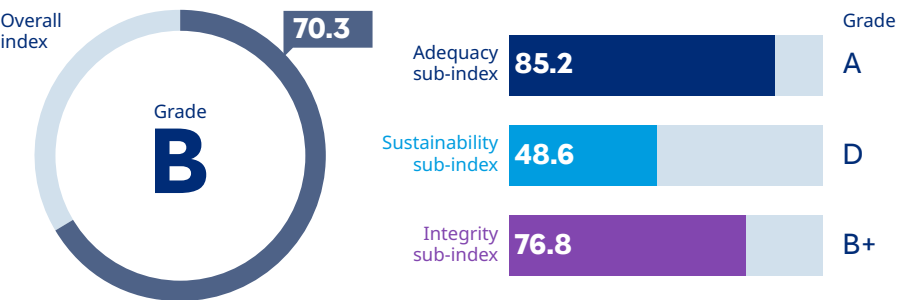
Finland's retirement income system consists of a basic state pension, which is income tested, and a range of statutory earnings-related schemes.

The overall index value for the Finnish system could potentially be increased by:

- Increasing the minimum level of support for the poorest aged individuals
- Raising the level of household savings and reducing the level of household debt
- Continuing to raise the level of mandatory contributions set aside for future retirement benefits, thereby also increasing the level of assets over time
- Introducing arrangements to protect the pension interests of both parties in a divorce

The Finnish index value increased slightly from 75.9 in 2024 to 76.6 in 2025, primarily due to the new question in the Sustainability sub-index.

France



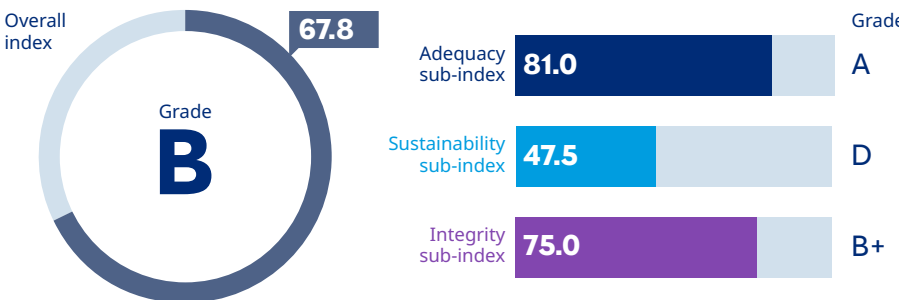
France's retirement income system comprises an earnings-related public pension with a minimum pension and a supplementary retirement pension scheme for private-sector workers (known as AGIRC-ARRCO). France also has voluntary occupational plans.

The overall index value for the French system could potentially be increased by:

- Increasing the level of funded contributions, thereby increasing the level of assets over time
- Increasing the labor force participation rate at older ages as life expectancies rise
- Improving the level of communication to members from pension arrangements
- Gradually reducing the level of public expenditure on pensions

The French index value increased from 68.0 in 2024 to 70.3 in 2025, primarily due to an update in pension plan coverage methodology and updated economic growth data published by the IMF.

Germany



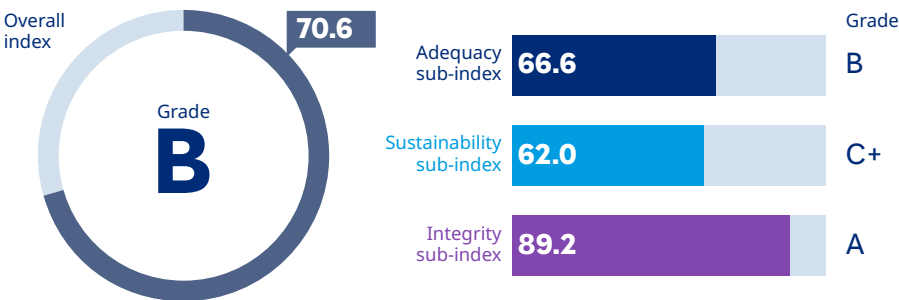
Germany's retirement income system comprises an earnings-related pay-as-you-go system based on the number of pension points earned during an individual's career, a means-tested safety net for low-income pensioners and supplementary pension plans that are common among major employers. These plans typically adopt either a book-reserving approach, with or without segregated assets, or an insured-pensions approach.

The overall index value for the German system could potentially be increased by:

- Increasing the minimum pension for low-income pensioners
- Increasing the level of funded contributions in private pension plans, thereby increasing the level of assets over time
- Increasing coverage of employees in occupational pension plans

The German index value increased slightly from 67.3 in 2024 to 67.8 in 2025, primarily due to the new question in the Sustainability sub-index.

Hong Kong SAR, China



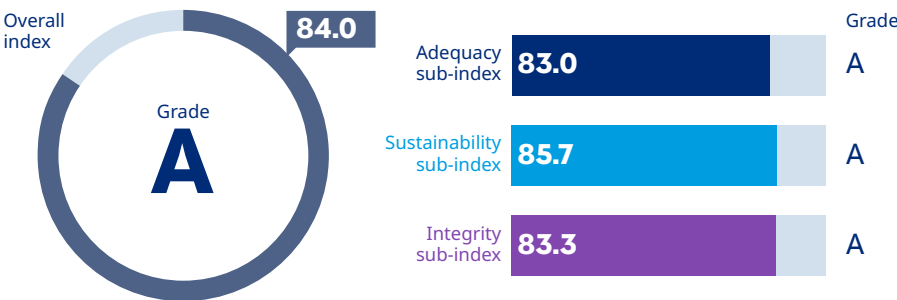
Hong Kong SAR's retirement income system consists of Mandatory Provident Funds (MPFs) in which employers, most employees and the self-employed are each required to make mandatory contributions of 5% of relevant income to the MPF scheme, subject to minimum and maximum relevant income levels. Scheme members who have reached age 65, or who have reached age 60 and have decided to retire early, can choose either to withdraw their MPF benefits as a lump sum or by installments or retain all their MPF benefits in their accounts for continuous investment.

The overall index value for the Hong Kong SAR system could potentially be increased by:

- Introducing a requirement that part of the retirement benefit be taken as an income stream
- Increasing the level of household savings and reducing the level of household debt
- Increasing the labor force participation rate at older ages as life expectancies rise
- Raising the state pension age over time

The index value for Hong Kong SAR increased from 63.9 in 2024 to 70.6 in 2025 due to increases in the minimum pension and net pension replacement rates as reported by the OECD.

Iceland



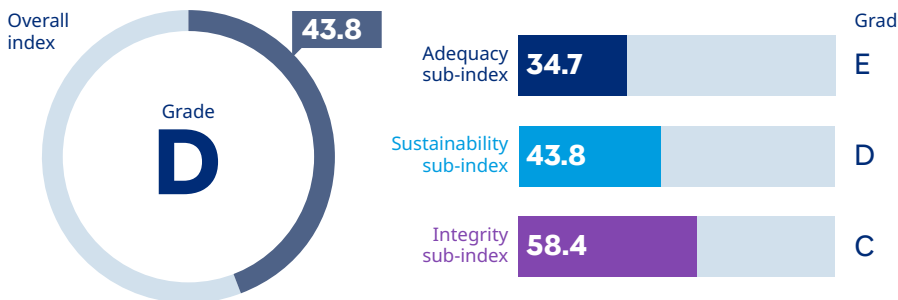
Iceland's retirement income system comprises a basic state social security pension and a pension supplement (both of which are income-tested according to different rules), mandatory occupational private pension schemes with contributions from both employers and employees, and voluntary personal pensions with contributions from both employers and employees.

The overall index value for the Icelandic system could potentially be increased by:

- Reducing the level of household debt as a percentage of GDP
- Introducing arrangements to protect all the pension interests of both parties in a divorce
- Reducing government debt as a percentage of GDP

The index value for Iceland increased slightly from 83.4 in 2024 to 84.0 in 2025, primarily due to updated economic growth data published by the IMF.

India



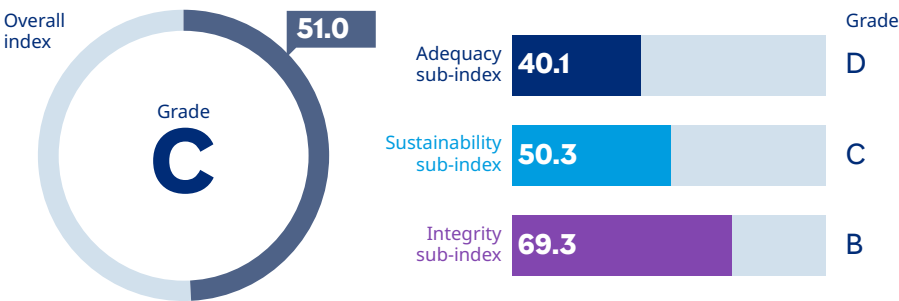
India's retirement income system comprises an earnings-related employee pension scheme, a DC employee provident fund (EPFO) and supplementary employer-managed pension schemes that are largely DC in nature. Government schemes have been launched as part of the universal social security program aimed at benefiting the unorganized sector.

The overall index value for the Indian system could potentially be increased by:

- Introducing a minimum level of support for the poorest aged individuals
- Increasing coverage of pension arrangements for the unorganized working class, thereby increasing the level of assets over time
- Introducing a minimum access age so that benefits are preserved for retirement purposes
- Improving the regulatory requirements for the private pension system

The Indian index value decreased slightly from 44.0 in 2024 to 43.8 in 2025, primarily due to the new question in the Sustainability sub-index.

Indonesia

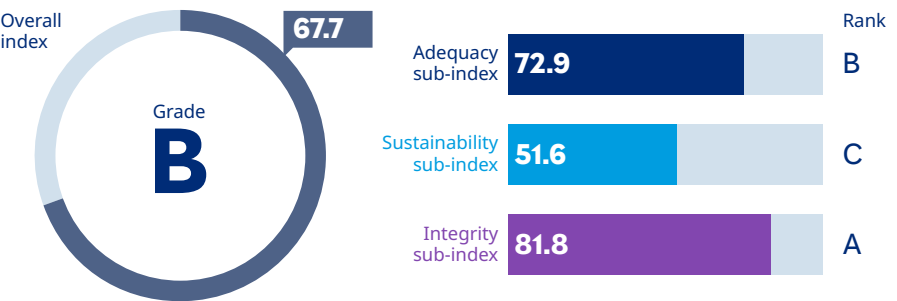


Indonesia’s retirement income system comprises earnings-based civil-service pensions and DB/DC plans for private-sector workers. The Government Social Security Program is a mandatory DC-based scheme funded through regular employer and employee contributions. The national statutory pension provides a DB-based payout with two components: severance pay and long-service pay.

- The overall index value for the Indonesian system could potentially be increased by:
- Establishing a minimum level of support for individuals below the poverty line
 - Expanding coverage of employees in occupational pension schemes, thereby increasing the level of assets over time
 - Continuing to improve the regulatory requirements for the private pension system
 - Introducing a requirement to show retirement income projections on members’ annual statements

The Indonesian index value increased slightly from 50.2 in 2024 to 51.0 in 2025, primarily due to an improvement in household savings and debt and clarification of tax treatment.

Ireland

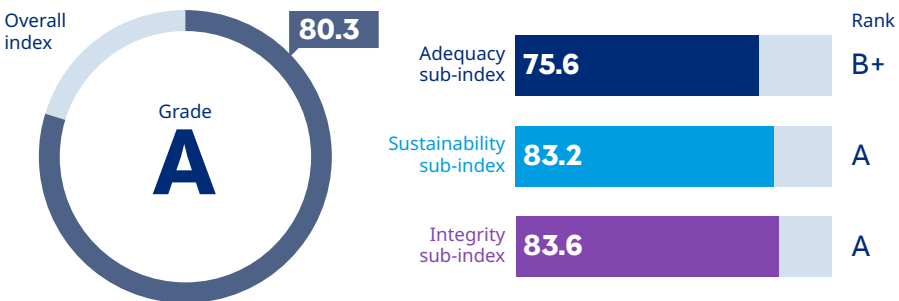


Ireland’s retirement income system comprises a flat-rate basic social security scheme and a means-tested benefit for those without sufficient social insurance contributions. Voluntary occupational pension schemes and personal pension schemes provide supplementary income in retirement. The occupational pensions market in Ireland has experienced a period of rationalization and consolidation over the past several years due to the introduction of the IORP II regime. As a result, many defined contribution plans have consolidated into master trusts, and more are expected to do so, which will increase the governance, operational standards and regulatory supervision of these plans over time.

- The overall index value for the Irish system could potentially be increased by:
- Implementing government plans to introduce an automatic enrollment retirement savings regime from January 1, 2026, thereby increasing pensions coverage for many employees
 - Increasing the level of contributions and assets, whether through employer-sponsored occupational pension schemes or gradually over a 10-year period as proposed in the state-operated auto-enrollment scheme
 - Increasing the labor force participation rate at older ages as life expectancies rise

The Irish index value decreased slightly from 68.1 in 2024 to 67.7 in 2025, primarily due to updated economic growth data published by the IMF.

Israel

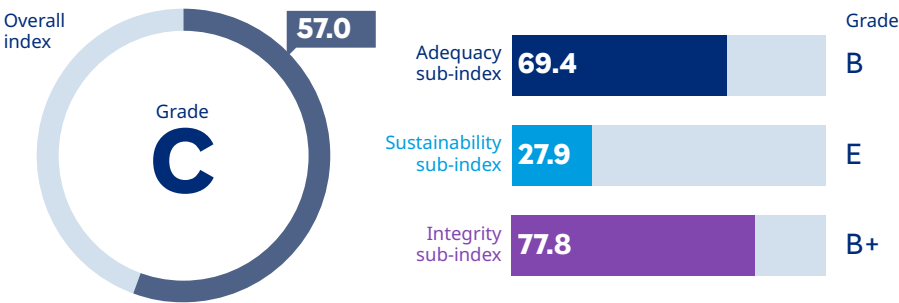


Israel’s retirement income system comprises a universal state pension with an income-tested supplement and private pensions with compulsory employer and employee contributions.

- The overall index value for the Israeli system could potentially be increased by:
- Reducing government debt as a percentage of GDP
 - Improving protection for members of private pension plans in the event of mismanagement or fraud
 - Introducing a carer’s pension credit for those caring for young children

The Israeli index value increased slightly from 80.2 in 2024 to 80.3 in 2025, primarily due to updated economic growth data published by the IMF.

Italy

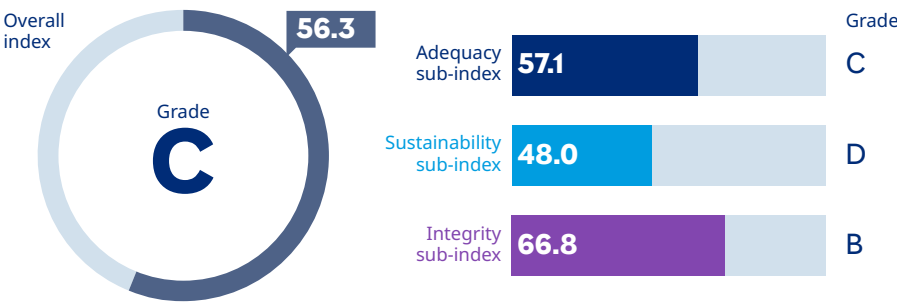


Italy’s retirement income system comprises a notional DC scheme for workers and a minimum means-tested social assistance benefit. Voluntary supplementary occupational schemes also exist.

- The overall index value for the Italian system could potentially be increased by:
- Expanding coverage of employees in occupational pension schemes, thereby increasing the level of contributions and assets
 - Continuing to raise the labor force participation rate at older ages as life expectancies rise
 - Restricting the availability of benefits before retirement (other than bridge pensions)
 - Reducing government debt and government spending on pensions as a percentage of GDP

The Italian index value increased from 55.4 in 2024 to 57.0 in 2025, primarily due to updated economic growth data published by the IMF and an increase in the net household saving rate.

Japan

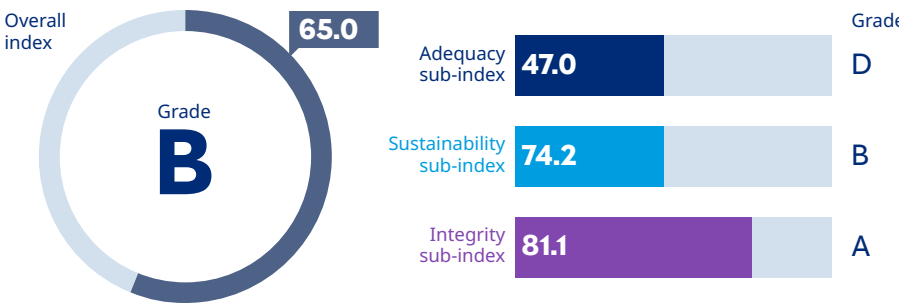


Japan’s retirement income system comprises a flat-rate basic pension, an earnings-related public pension and voluntary private pension plans.

- The overall index value for the Japanese system could potentially be increased by:
- Continuing to increase the level of private pension coverage, thereby increasing the level of contributions and pension plan assets
 - Introducing an encouragement that part of the retirement benefit be taken as an income stream, such as an annuity payment
 - Announcing a further increase in the future state pension age as life expectancy continues to increase
 - Reducing the level of government debt as a percentage of GDP

The Japanese index value increased from 54.9 in 2024 to 56.3 in 2025, primarily due to clarification of pension system regulations.

Kazakhstan

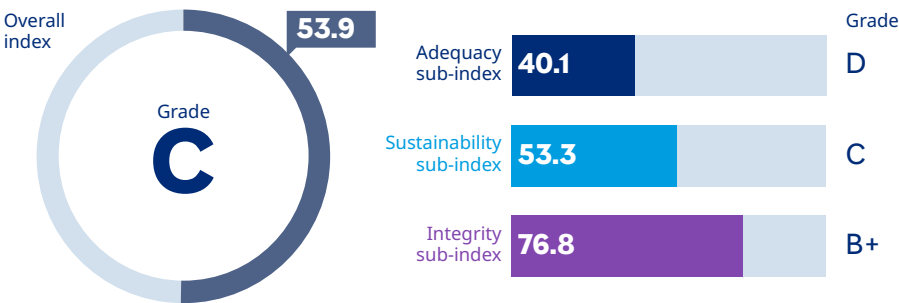


Kazakhstan’s retirement income system is multi-pillar and comprises public and private pensions. Public pensions are noncontributory and include a basic pension and an earnings-related benefit (for retirees with service before 1998), both paid from general government revenue. In 1998, a private, fully funded mandatory DC component was launched, with a compulsory employee contribution of 10% paid into individual accounts. In 2024, a new mandatory notional DC component was launched, with a compulsory employer contribution paid into notional individual accounts and rising from 1.5% in 2024 to 5.0% in 2028. There are also additional voluntary DC plans.

- The overall index value for the Kazakhstani system could potentially be increased by:
- Increasing the minimum level of support for the poorest aged individuals
 - Raising the level of household savings
 - Reducing preretirement leakage by limiting access to private pension funds before retirement
 - Increasing the labor force participation rate at older ages as life expectancies rise
 - Introducing a requirement to show retirement income projections on members’ annual statements

The Kazakhstani index value increased from 64.0 in 2024 to 65.0 in 2025, primarily due to updated economic growth data published by the IMF.

Korea (South)



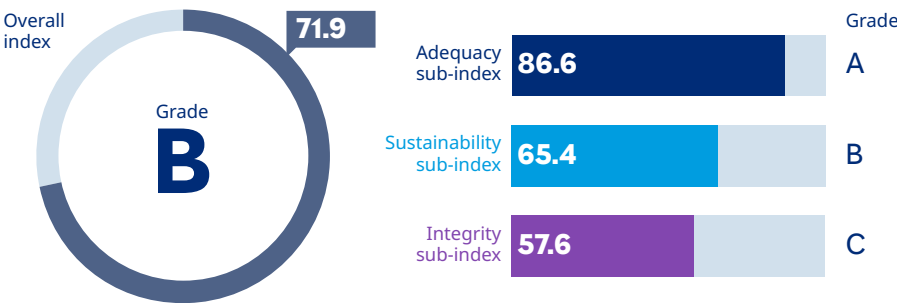
Korea's retirement income system comprises a public-earnings-related pension scheme, based on both individual earnings and the average earnings of the insured as a whole, and statutory private pension plans.

The overall index value for the Korean system could potentially be increased by:

- Improving the level of support provided to the poorest pensioners
- Introducing a requirement that part of the retirement benefit from private pension arrangements be taken as an income stream
- Further increasing the level of funded contributions over time, thereby increasing the level of assets over time
- Improving the governance and communication requirements for the private pension system

The Korean index value increased from 52.2 in 2024 to 53.9 in 2025, primarily due to several minor improvements in the Integrity sub-index.

Kuwait



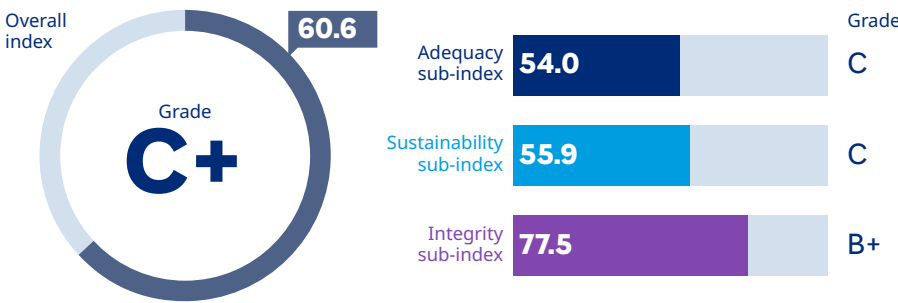
Kuwait's retirement income system comprises an earnings-related national employment-based scheme administered by the Public Institution for Social Security of Kuwait and a means-tested state pension for those who do not have a source of income and who are not covered by the earnings-related scheme. This system consists of a basic system providing a DB benefit and a supplementary system for those whose earnings exceed a cap, providing a credit, which is converted into a pension.

The overall index value for the Kuwaiti system could potentially be increased by:

- Increasing the minimum access age to receive benefits from pension plans, except in the case of death, invalidity or financial hardship
- Increasing the coverage of employees in the national occupational pension scheme
- Increasing the state pension age as life expectancies rise
- Increasing the level of information that must be provided to pension plan members

The Kuwaiti index value for 2025 is 71.9.

Malaysia



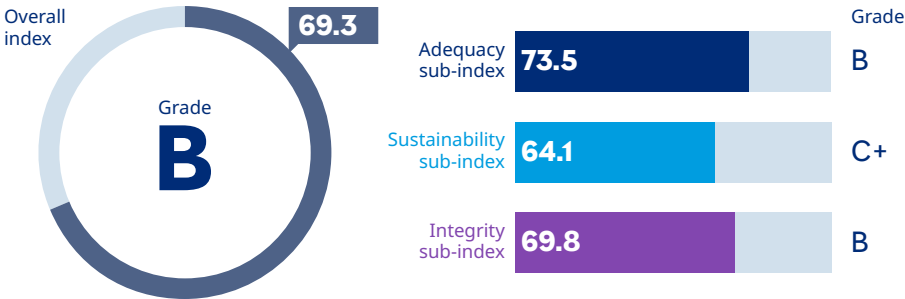
Malaysia's retirement income system is based on the Employee Provident Fund (EPF), which covers all private- and public-sector employees who are not covered under the KWAP pension scheme. Under the EPF, some benefits are available to be withdrawn at any time (under predefined circumstances, including education, home loans and severe ill health), with other benefits preserved for retirement.

The overall index value for the Malaysian system could potentially be increased by:

- Continuing to increase the minimum level of support for the poorest aged individuals
- Introducing a requirement that part of the retirement benefit be taken as an income stream
- Increasing the level of private pension coverage, thereby gradually increasing the level of pension plan assets
- Increasing the pension age and the labor force participation rate at older ages as life expectancy continues to rise

The Malaysian index value increased from 56.3 in 2024 to 60.6 in 2025, primarily due to improvements in the minimum pension and net pension replacement rate as reported by the OECD.

Mexico

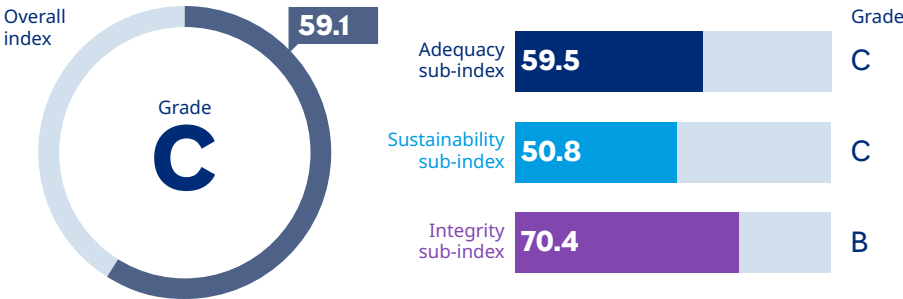


Mexico’s retirement income system comprises a universal pension from age 65, a mandatory funded DC system that includes a minimum pension and voluntary occupational pension schemes, and a transitional DB social security scheme for people who started working formally before 1997.

- The overall index value for the Mexican system could potentially be increased by:
- Continuing to increase the level of the universal pension paid to the poorest aged individuals
 - Increasing the level of funded contributions and proposing attractive tax-efficient policies for private companies to increase the prevalence of private pension plans as part of Mexico’s employee compensation market, both measures thereby increasing the level of assets over time
 - Introducing a requirement to show retirement income projections on members’ annual statements

The Mexican index value increased slightly from 68.5 in 2024 to 69.3 in 2025, primarily due to clarification of the need for regulatory approval for pension plans.

Namibia

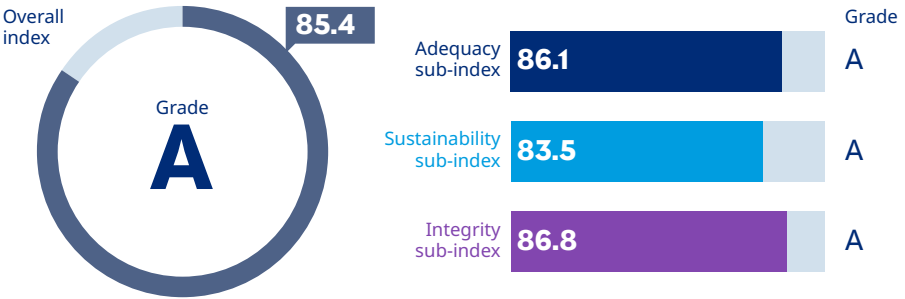


Namibia’s retirement income system comprises a Basic Social Grant (BSG) and a range of private pension funds. The BSG is non-contributory and pays a basic pension income to residents over age 60. The BSG is generally increased annually based on affordability. Private pension funds are voluntary. The Government Institutions Pension Fund (GIPF) is the largest pension fund in Namibia and was established by the Namibian Government in 1989. The GIPF provides pension and related benefits to civil servants and employees of government-related participating employers.

- The overall index value for the Namibian system could potentially be increased by:
- Increasing the labor force participation rate for those of working age to increase the number of people with a retirement savings plan
 - Introducing a minimum level of mandatory contributions into retirement savings
 - Increasing the level of household savings and reducing the level of household debt
 - Increasing the level of home ownership

The Namibian index value for 2025 is 59.1.

The Netherlands

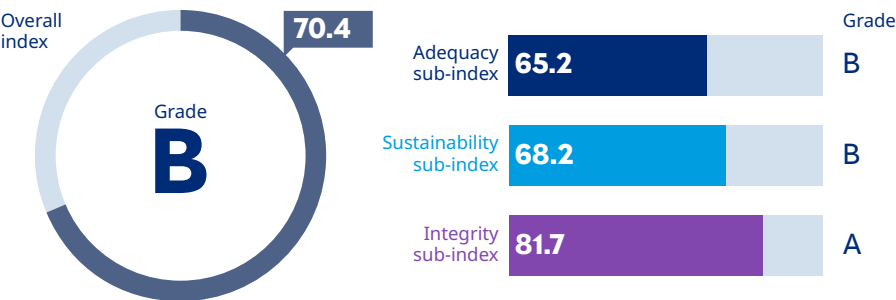


The Netherlands’ retirement income system comprises a flat-rate public pension and quasi-mandatory earnings-related occupational pension schemes linked to industrial agreements.

- The overall index value for the Dutch system could potentially be increased by:
- Reducing the level of household debt
 - Introducing a carer’s pension credit for those caring for young children
 - Providing greater protection of members’ accrued benefits

The Dutch index value increased slightly from 84.8 in 2024 to 85.4 in 2025, primarily due to the new question in the Sustainability sub-index and updated economic growth data published by the IMF.

New Zealand



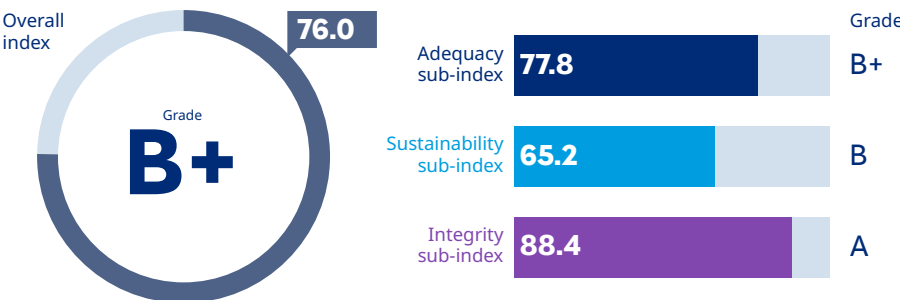
New Zealand's retirement income system predominantly comprises a universal public pension (NZ Super) and the KiwiSaver DC retirement scheme. There are also some occupational schemes. KiwiSaver is a voluntary scheme with contributions from the government, employers and members. New employees who are not already members of KiwiSaver are automatically enrolled by their employers and can remain in KiwiSaver unless they elect to opt out within a limited time of joining.

The overall index value for the New Zealand system could potentially be increased by:

- Increasing the level, coverage and tax efficiency of KiwiSaver contributions, thereby increasing the level of assets set aside for future retirement benefits
- Raising the state pension age over time
- Raising the level of household savings and reducing the level of household debt
- Introducing a carer's savings credit or contribution for those caring for young children that is not contingent on the carer making a contribution
- Focusing on retirement income as the primary purpose of KiwiSaver and working to increase decumulation options

The New Zealand index value increased from 68.7 in 2024 to 70.4 in 2025, primarily due to updated economic growth data published by the IMF and clarification of transition to retirement arrangements.

Norway



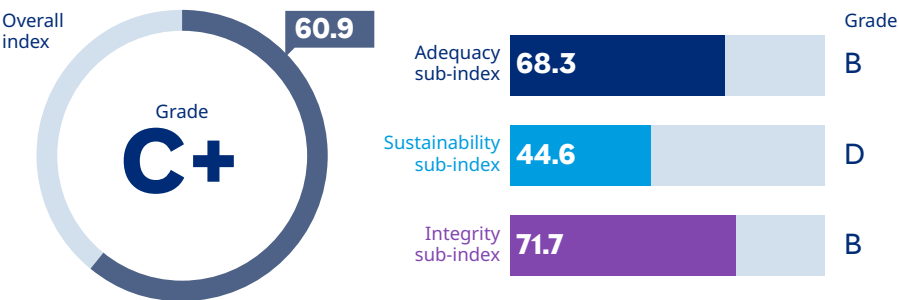
Norway's retirement income system comprises an earnings-related social security pension with a minimum pension level and mandatory occupational pension plans. Many voluntary arrangements also provide additional benefits.

The overall index value for the Norwegian system could potentially be increased by:

- Raising the level of household savings and reducing the level of household debt
- Increasing the level of mandatory contributions to DC plans, thereby raising the level of pension assets
- Introducing the option for voluntary contributions with tax relief for members of occupational DC plans
- Introducing arrangements to protect all the pension interests of both parties in a divorce

The Norwegian index value increased slightly from 75.2 in 2024 to 76.0 in 2025 due to improvements in several questions in the Adequacy and Sustainability sub-indices.

Oman



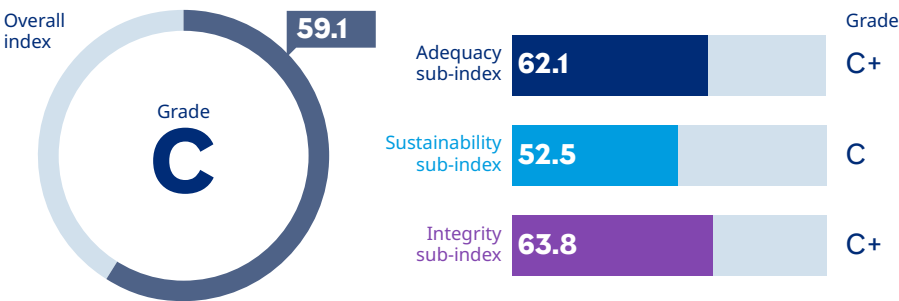
Oman's retirement income system comprises a basic pension (the elderly benefit) and an earnings-related national employment-based scheme administered by the Social Protection Fund. This system provides a DB benefit.

The overall index value for the Omani system could potentially be increased by:

- Increasing the minimum level of support provided to the poorest aged individuals
- Increasing the minimum access age to receive benefits from pension plans
- Increasing the coverage of employees in the national occupational pension scheme, thereby increasing the level of contributions and assets
- Early adoption of increasing the state pension age as life expectancies rise
- Increasing the level of information that must be provided to pension plan members

The Omani index value for 2025 is 60.9.

Panama



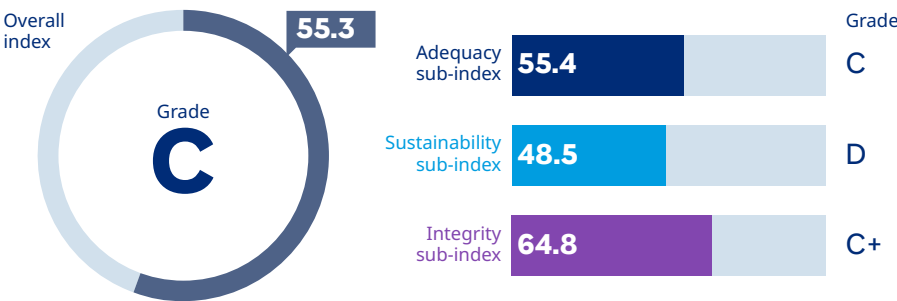
Panama's retirement income system comprises a basic pension and a mandatory earnings-related national employment-based scheme. This scheme, which has a solidarity guarantee, provides a DB component and a personal savings component, which is converted to a pension.

The overall index value for the Panamanian system could potentially be increased by:

- Increasing the minimum level of support provided to the poorest aged individuals
- Increasing the minimum access requirements to receive benefits from pension plans
- Increasing the coverage of employees in the national occupational pension scheme, thereby increasing the level of contributions and assets
- Increasing the state pension age as life expectancies rise
- Increasing the level of information that must be provided to pension plan members

The Panamanian index value for 2025 is 59.1.

Peru



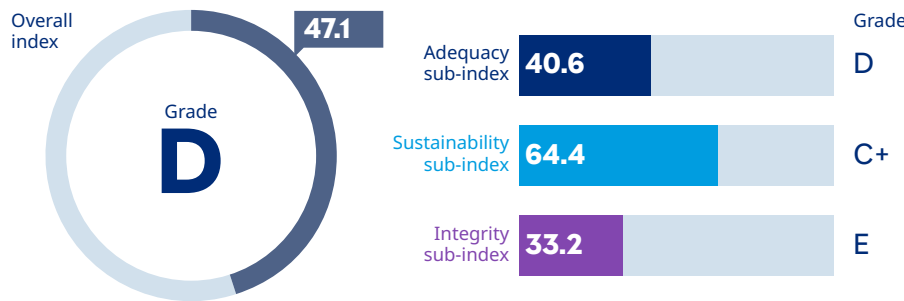
Peru's retirement income system comprises a means-tested pension paid to the needy and two parallel and mutually exclusive pension systems. At the time of enrollment, people choose between a pay-as-you-go DB public system and a fully funded DC system managed by the private sector. Individuals under the DB scheme can change; otherwise, it is an irreversible decision. Employers don't contribute to the system — all contributions are made by the employee.

The overall index value for the Peruvian system could potentially be increased by:

- Increasing the minimum level of support for the poorest aged individuals
- Reducing access to pension assets before retirement
- Expanding coverage of employees in occupational pension schemes (for example, by promoting tax benefits or flexible investment rules), thereby increasing the level of contributions and assets
- Introducing a requirement to show retirement income projections on members' annual statements
- Enabling individuals to retire gradually while receiving a partial pension

The Peruvian index value increased slightly from 54.7 in 2024 to 55.3 in 2025, primarily due to updated economic growth data published by the IMF.

The Philippines



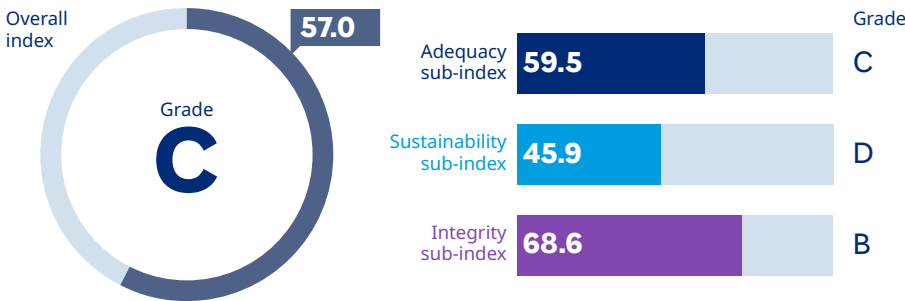
The Philippines' retirement income system comprises a small basic pension and an earnings-related social security pension. Members can receive a lifetime pension if they have contributed for a minimum of 180 months for government and 120 months for nongovernment members. Both schemes provide calibrated benefits if the minimum number of contributions is not satisfied.

The overall index value for the Philippine system could potentially be increased by:

- Increasing the minimum level of support for the poorest aged individuals and aligning the benefit to cost-of-living indices
- Improving vesting requirements in private-sector plans
- Introducing non-cash-out options for retirement plan proceeds so they are preserved for retirement purposes
- Improving the governance requirements for the private pension system

The Philippine index value increased from 45.8 in 2024 to 47.1 in 2025, primarily due to clarification of regulations in the pension system.

Poland

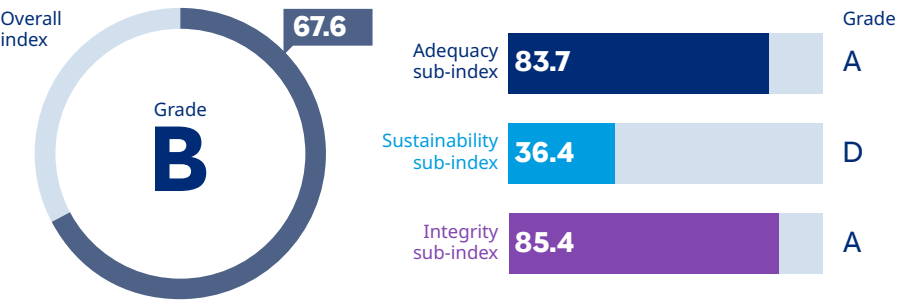


Poland’s retirement income system comprises a minimum public pension with an earnings-related pension based on notional accounts, supplemented by open private DC pension funds. The overall system, excluding the open DC pension funds, is pay-as-you-go. There are also mandatory auto-enrollment employer-sponsored pension plans with mandatory minimum employee and employer contributions, voluntary employer pension plans with voluntary employee contributions, and individual pension accounts.

- The overall index value for the Polish system could potentially be increased by:
- Increasing the level of funded contributions, thereby increasing the level of assets over time
 - Raising the minimum level of support available to the poorest pensioners
 - Raising the level of household savings
 - Increasing the labor force participation rate at older ages as life expectancies rise

The Polish index value increased slightly from 56.8 in 2024 to 57.0 in 2025, primarily due to updated economic growth data published by the IMF.

Portugal

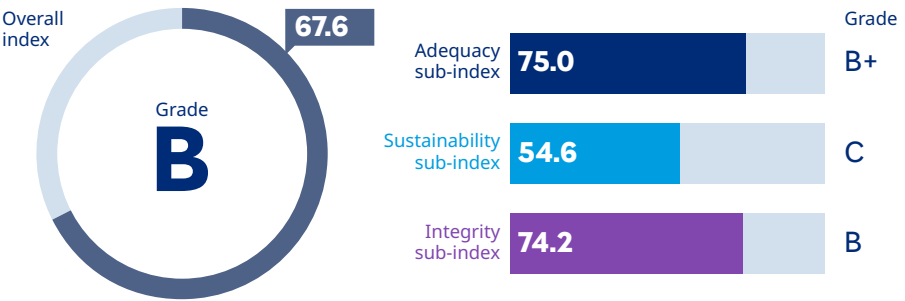


Portugal’s retirement income system comprises an earnings-related public pension with an income-tested safety net. There are also voluntary personal and occupational pension schemes, but coverage is low.

- The overall index value for the Portuguese system could potentially be increased by:
- Increasing the coverage of private pension plans, thereby increasing the level of contributions and the level of assets set aside for future retirement benefits
 - Gradually reducing the levels of government debt and public pension expenditure
 - Improving protection for members of private pension plans in the event of mismanagement or fraud

The Portuguese index value increased slightly from 66.9 in 2024 to 67.6 in 2025, primarily due to updated economic growth data published by the IMF.

Saudi Arabia

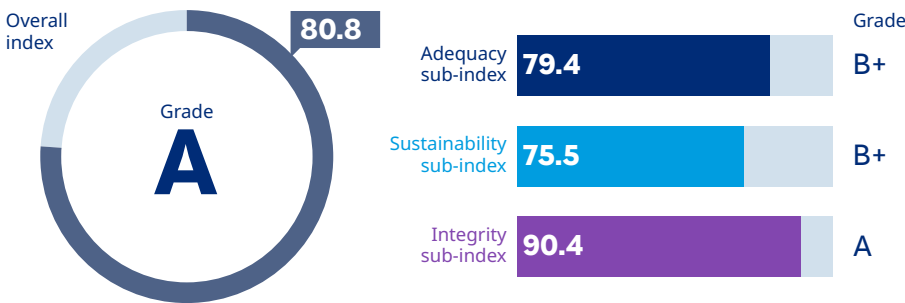


Saudi Arabia’s retirement income system comprises an earnings-related pension or an earnings-related lump-sum retirement benefit for individuals who do not fulfill any of the retirement conditions. In July 2024, Saudi Arabia enacted new regulation (Royal Decree no. 273). The decree included changes to the state pension age (increased to 65, subject to some transitional rules), contribution and accrual rates for new joiners.

- The overall index value for the Saudi Arabian system could potentially be increased by:
- Increasing the minimum level of support provided to the poorest aged individuals
 - Increasing the coverage of employees in occupational pension schemes, thereby increasing the level of contributions and assets
 - Increasing the labor force participation rate at older ages as life expectancies rise
 - Improving the required level of communication to members from private pension arrangements

The Saudi Arabian index value increased from 60.5 in 2024 to 67.6 in 2025, primarily due to improved data provided on the minimum pension.

Singapore

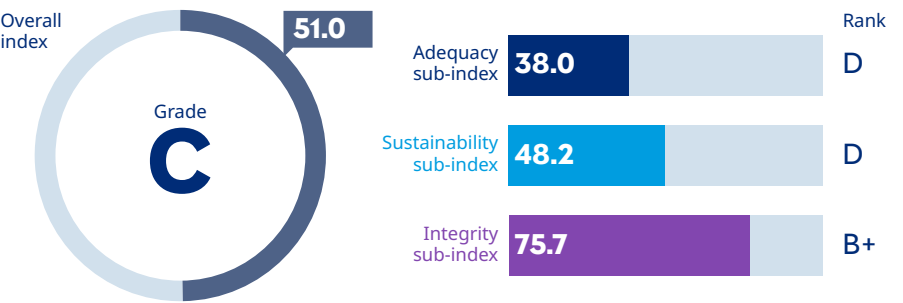


Singapore’s retirement income system is based on the Central Provident Fund (CPF), which covers all employed Singaporeans and permanent residents. Under the CPF, some benefits are available to be withdrawn at any time for specified housing and medical expenses, with other benefits preserved for retirement. A prescribed minimum amount is required to be drawn down at retirement age in the form of a lifetime income stream through CPF Life.

- The overall index value for the Singaporean system could potentially be increased by:
- Expanding employee coverage by reducing the barriers to establishing tax-approved group corporate retirement plans
 - Opening the CPF to nonresidents (who make up a significant percentage of the labor force)
 - Increasing the age at which CPF members can access their savings that are set aside for retirement
 - Introducing a requirement to show income projections on members’ annual statements

The Singaporean index value increased from 78.7 in 2024 to 80.8 in 2025, primarily due to the clarification of several questions in the Integrity sub-index.

South Africa

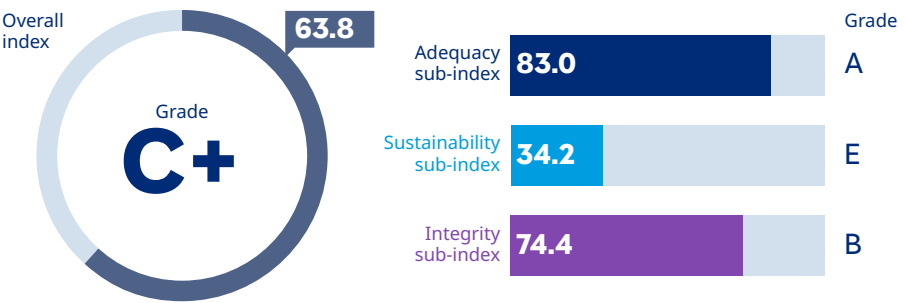


South Africa has adopted a dual-pillar retirement system comprising a means-tested social assistance grant or state old-age pension for the elderly alongside a voluntary, tax-incentivized occupational retirement savings scheme. Effective September 1, 2024, the two-pot system was implemented to enhance preservation and harmonize the treatment of retirement benefits. Under this framework, one-third of net contributions are allocated to an accessible savings component, allowing members to make annual withdrawals while employed. The remaining two-thirds are designated for the retirement component, which must be preserved until retirement, when members must purchase a monthly pension. This approach helps South Africans balance immediate financial needs with long-term savings goals, which can result in improved outcomes, as cash benefit access will be restricted to legacy benefits.

- The overall index value for the South African system could potentially be increased by:
- Increasing the minimum level of support for the poorest aged individuals
 - Increasing the coverage of employees in occupational pension schemes, thereby increasing the level of contributions and assets
 - Introducing a minimum level of mandatory contributions into a retirement savings fund
 - Increasing the labor force participation rate at older ages as life expectancies rise

The South African index value increased from 49.6 in 2024 to 51.0 in 2025, primarily due to the introduction of a minimum age individuals can access retirement benefits under the two-pot system.

Spain

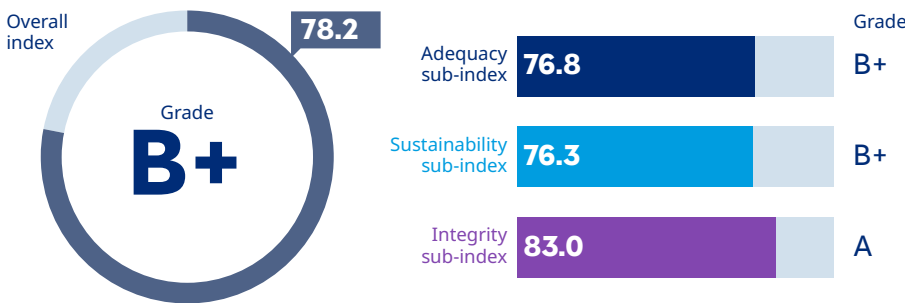


Spain’s retirement income system comprises an earnings-related public pension system and a minimum means-tested social assistance benefit. Voluntary personal and occupational pension schemes exist, but coverage is low. Legislation was passed in 2022 with the aim of promoting occupational pension coverage.

- The overall index value for the Spanish system could potentially be increased by:
- Expanding coverage of employees in occupational pension schemes through automatic membership or enrollment, thereby increasing the level of contributions and assets
 - Continuing to increase labor force participation rate at older ages as life expectancies rise
 - Introducing a requirement that part of the retirement benefit be taken as an income stream in most circumstances

The Spanish index value increased slightly from 63.3 in 2024 to 63.8 in 2025, primarily due to updated economic growth data published by the IMF.

Sweden



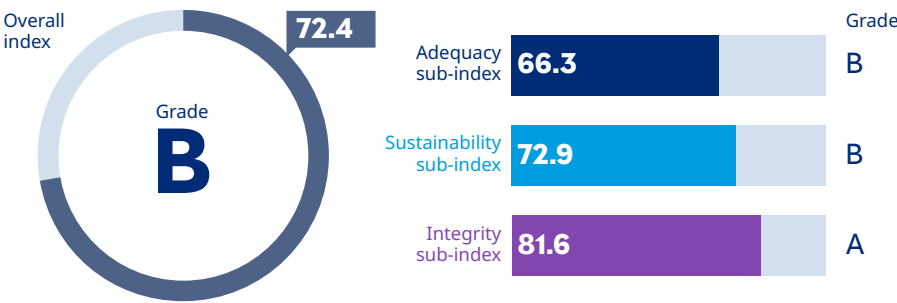
Sweden's national retirement income system comprises a pay-as-you-go earnings-related system with notional accounts and a mandatory DC pension system. The retirement age is continuously adjusted to reflect changes in the average life expectancy of the population. There is a benefit that provides a minimum guaranteed pension for those with low earnings during their working lives. Occupational pension schemes also have broad coverage.

The overall index value for the Swedish system could potentially be increased by:

- Reducing the level of household debt
- Ensuring that all employees can make contributions to employer-sponsored plans
- Reintroducing tax incentives for individual contributions regardless of salary
- Introducing arrangements to protect all the pension interests of both parties in a divorce

The Swedish index value increased from 74.3 in 2024 to 78.2 in 2025, primarily due to clarification on several questions in the Integrity sub-index.

Switzerland



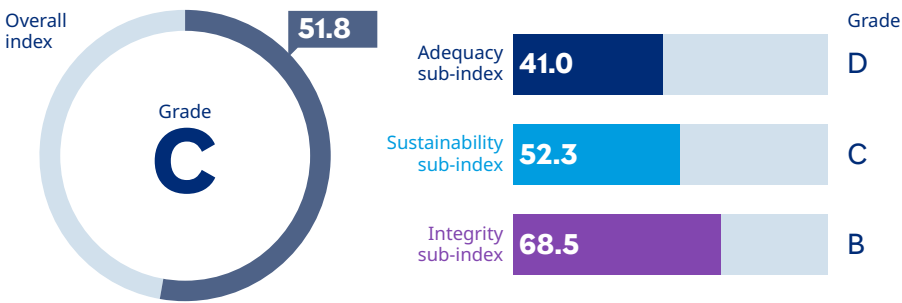
Switzerland's retirement income system comprises an earnings-related public pension with a minimum pension, a mandatory occupational pension system where the contribution rates increase with age. The majority of occupational plans provide benefits above mandatory standards. In addition, there are voluntary pension plans that offer tax-advantaged savings.

The overall index value for the Swiss system could potentially be increased by:

- Introducing a requirement that part of the retirement benefit be taken as an income stream
- Increasing the state pension age over time as life expectancies rise
- Enhancing the integrity of the pension system by increasing transparency and establishing stricter professionalism requirements for governing bodies
- Promoting further efficiency improvements through sustainable consolidation of the pension fund market

The Swiss index value increased slightly from 71.5 in 2024 to 72.4 in 2025, primarily due to the new question in the Sustainability sub-index and updated economic growth data published by the IMF.

Taiwan



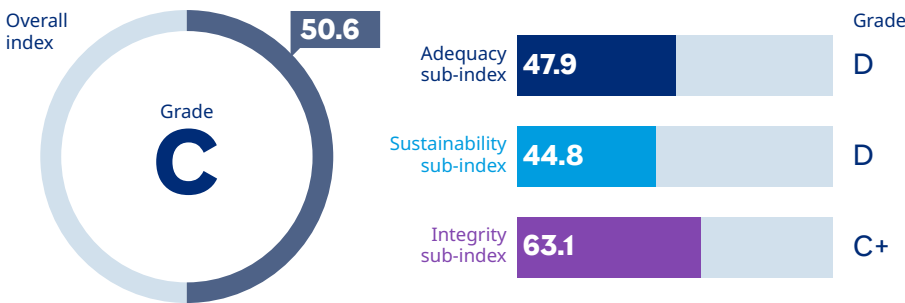
Taiwan's retirement income system consists of an earnings-related public pension and a national labor pension scheme in which the employer contributes 6% or more of a worker's monthly wage to an individual pension account overseen by the Bureau of Labor Insurance. Ownership of this pension account belongs to the worker. Upon reaching age 60, a worker may apply directly to the Bureau of Labor Insurance to receive the principal and investment earnings.

The overall index value for Taiwan's system could potentially be increased by:

- Increasing the minimum level of support for the poorest aged individuals
- Introducing a requirement that part of the labor retirement benefit be taken as an income stream
- Gradually increasing the state pension age as life expectancies increase
- Increasing labor force participation rate at older ages

The Taiwanese index value decreased from 53.7 in 2024 to 51.8 in 2025, primarily due to improved data available for household savings.

Thailand



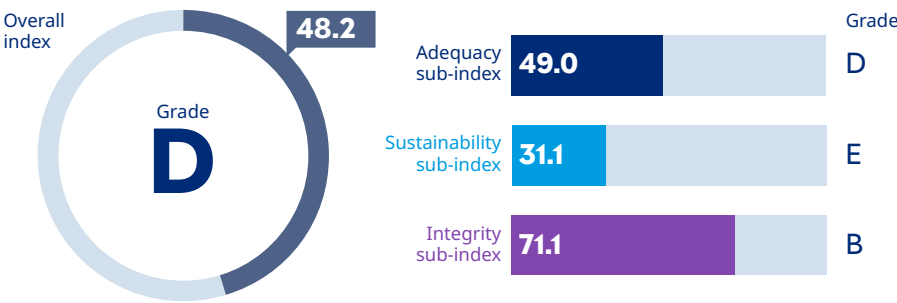
Thailand's retirement income system comprises an old-age pension, a social security fund for private-sector employees in the formal sectors, voluntary employer-sponsored DC plans and individual savings products.

The overall index value for the Thai system could potentially be increased by:

- Increasing the coverage of employees in occupational pension schemes, thereby increasing the level of contributions and assets
- Increasing the minimum level of support for the poorest aged individuals
- Reducing government debt as a percentage of GDP
- Continuing to enhance the governance requirements for the private pension system

The Thai index value increased slightly from 50.0 in 2024 to 50.6 in 2025, primarily due to an improvement in our understanding of the pension system requirements.

Türkiye



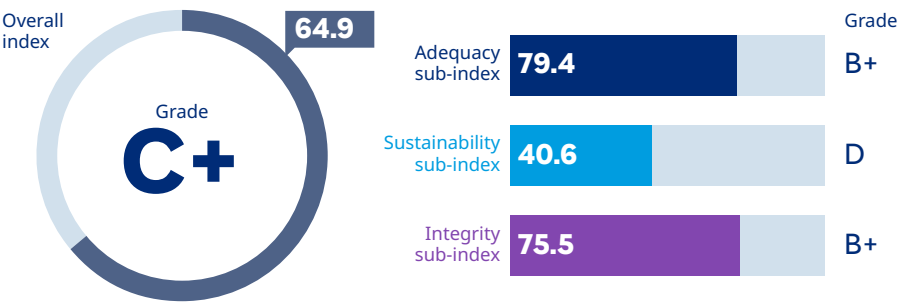
Türkiye's retirement income system comprises an income-tested public pension and an earnings-related public scheme. There are voluntary private pension systems that people can join to supplement their income in retirement, but coverage is low. There are also auto-enrollment plans in which employee contribution is mandatory but with the right to opt out at any time.

The overall index value for the Turkish system could potentially be increased by:

- Increasing the minimum public pension provided to the poorest aged individuals
- Expanding the coverage of employees in occupational pension schemes, thereby increasing the level of contributions and assets
- Introducing a requirement that part of the retirement benefit be taken as an income stream
- Reducing preretirement leakage by limiting access to private pension funds before retirement

The Turkish index value decreased slightly from 48.3 in 2024 to 48.2 in 2025, primarily due to the new question in the Sustainability sub-index.

United Arab Emirates (UAE)



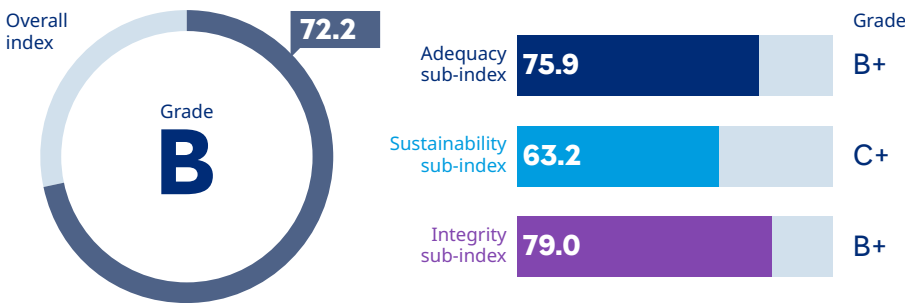
The UAE's retirement income system comprises a minimum means-tested state pension and an earnings-related national employment-based scheme administered by Abu Dhabi Pension Fund for the Emirate of Abu Dhabi, Sharjah Social Security Fund for the Emirate of Sharjah, and the General Pensions and Social Security Authority for the rest of the emirates.

The overall index value for the Emirati system could potentially be increased by:

- Increasing the coverage of employees in occupational pension schemes, thereby increasing the level of contributions and assets
- Improving the required level of communication to members from pension arrangements
- Increasing the state pension age as life expectancies rise
- Reducing the level of household debt

The Emirati index value increased slightly from 64.8 in 2024 to 64.9 in 2025, primarily due to a refinement in the approach for measuring pension coverage.

United Kingdom (UK)



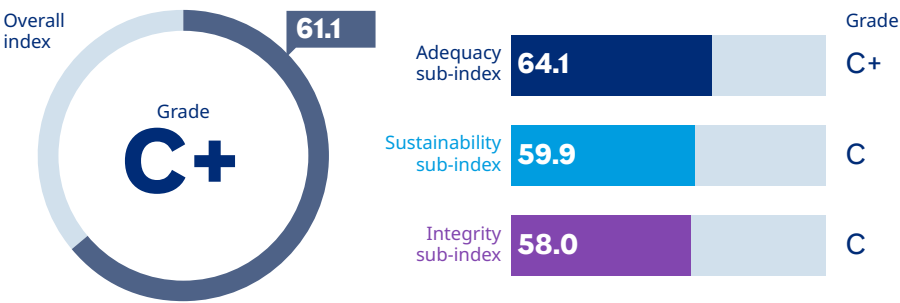
The UK retirement income system comprises a single-tier state pension supported by an income-tested pension credit and supplemented by voluntary occupational and personal pensions. Auto-enrollment now covers all employers, requiring them to enroll eligible employees (who can then choose to opt out) in pension schemes. The minimum contribution rate is currently 8%.

The overall index value for the UK system could potentially be increased by:

- Restoring the requirement to take part of the retirement benefit as an income stream
- Further increasing the coverage of employees and the self-employed in private pension schemes
- Increasing the scope and contribution levels required under auto-enrollment to deliver increased financial security for more people
- Reducing the level of household debt

The UK index value increased slightly from 71.6 in 2024 to 72.2 in 2025, primarily due to updated economic growth data published by the IMF.

United States of America (USA)



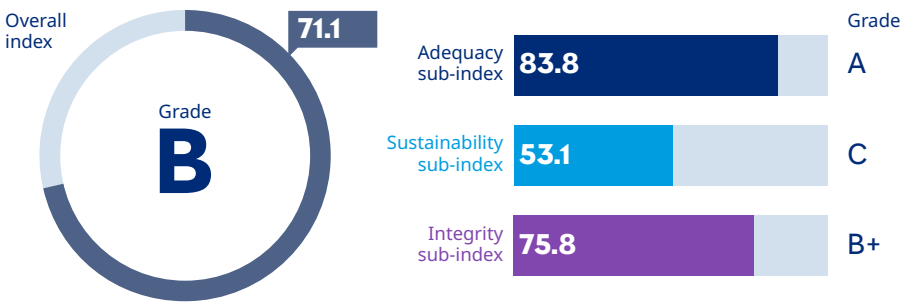
The US retirement income system comprises a social security system with a progressive benefit formula based on lifetime earnings, adjusted to a current-dollar basis, together with a means-tested top-up benefit and voluntary private pensions, which may be occupational or personal.

The overall index value for the US system could potentially be increased by:

- Raising the minimum pension for low-income pensioners
- Increasing the coverage of employees in occupational pension schemes
- Introducing a minimum level of mandatory contributions into a retirement savings fund
- Introducing a requirement that part of the retirement benefit be taken as an income stream
- Enhancing the governance requirements for the private pension system

The American index value increased slightly from 60.4 in 2024 to 61.1 in 2025, primarily due to the new question in the Sustainability sub-index and updated economic growth data published by the IMF.

Uruguay



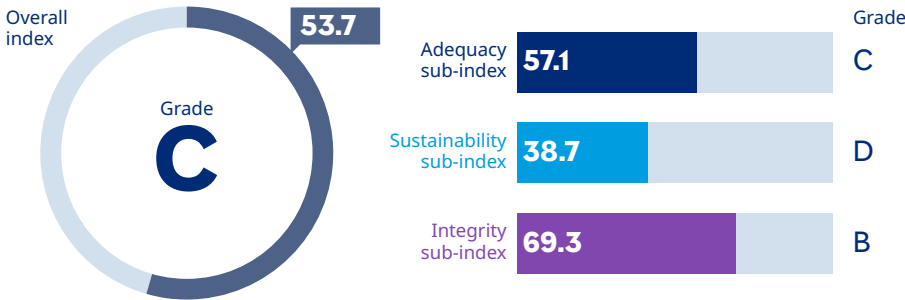
Uruguay's retirement income system comprises a means-tested state pension and mandatory private pension arrangements. Compulsory contributions from employers and employees are paid into both the pay-as-you-go social security system and a private pension fund.

The overall index value for the Uruguayan system could potentially be increased by:

- Increasing the level of contributions that are invested through the individual capitalization system (AFAP) for future retirement benefits, thereby increasing the level of assets
- Improving the required level of protection and communication to members from pension arrangements
- Increasing the state pension age as life expectancies rise
- Introducing arrangements to protect all the pension interests of both parties in a divorce

The Uruguayan index value increased from 68.9 in 2024 to 71.1 in 2025, primarily due to improved data available on pension coverage.

Vietnam



Vietnam’s retirement income system comprises a social security system. There are voluntary occupational corporate and individual pension plans, but since they are relatively recent developments, their coverage is low.

The overall index value for the Vietnamese system could potentially be increased by:

- Increasing the minimum level of support for the poorest aged individuals
- Expanding the coverage of employees in occupational pension schemes, thereby increasing the level of contributions and assets
- Increasing the level of individual contributions invested through the private pension arrangements

The Vietnamese index value decreased from 54.5 in 2024 to 53.7 in 2025, primarily due to the new question in the Sustainability sub-index.



Notes

- ¹ World Economic Forum. *Future-Proofing the Longevity Economy: Innovations and Key Trends*, 2025.
- ² OECD. *Pension Markets in Focus 2024*.
- ³ OECD. *OECD Pensions Outlook 2024*.
- ⁴ OECD. *Annual Survey of Investment Regulation of Pension Funds and Other Pension Providers*, 2022, p. 5.
- ⁵ These limits can be extended if the general principles of prudent management, security and risk diversification are met. In these cases, additional disclosure requirements may also apply.
- ⁶ Tumanyants K. *Determinants of Investment Regulation of Pension Funds*, 2021, https://www.gpif.go.jp/en/investment/sustainability_investment_policy_en_2.pdf.
- ⁷ OECD. *OECD Pensions Outlook 2024*, p. 104.
- ⁸ López F and Walker E. "Investment Performance, Regulation and Incentives: The Case of Chilean Pension Funds," *Journal of Pension Economics & Finance*, Volume 19, Issue 1, 2020, pp. 1–26.
- ⁹ UK Work and Pensions Committee. "MPs to Examine Boosting Pension Funds' UK Investment," April 30, 2025.
- ¹⁰ Jim Chalmers, Address to Conexus, Sydney, February 20, 2023
- ¹¹ Jim Chalmers, Press conference, Canberra, August 21, 2025.
- ¹² Government Pension Investment Fund. *Sustainability Investment Policy*, March 31, 2025, https://www.gpif.go.jp/en/investment/sustainability_investment_policy_en_2.pdf.
- ¹³ World Bank. *Pension Funds and Financial Repression*, 2021, p. 27.
- ¹⁴ OECD. *OECD Pensions Outlook 2024*, p. 21.
- ¹⁵ World Bank. *Pension Funds, Capital Markets, and the Power of Diversification, Policy Research Working Paper 8136*, 2017, p. 22.
- ¹⁶ Ambachtsheer K, Betermier S and Flynn C. *Should Canada Require Its Pension Funds to Invest More Domestically?*, June 17, 2024, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4858994.
- ¹⁷ The International Monetary Fund's World Economic Outlook Database, April 2025.

Mercer CFA Institute Global Pension Index

The Mercer CFA Institute Global Pension Index is published by Mercer in collaboration with CFA Institute, which provides some of the funding, and the Monash Centre for Financial Studies. Financial support has also been provided by the Finnish Centre for Pensions, the Icelandic Pension Funds Association, the Association of Pension Funds Management Companies and Pension Insurance Companies in Croatia, the Unified Accumulative Pension Fund of Kazakhstan, and the Social Protection Fund of the Sultanate of Oman.



Lead author

Tim Jenkins (Mercer)

Project managers

Sarah Hudson (Mercer), Nicola McGarel (Mercer),
Ryan Munson (CFAInstitute) and Dr. Nga Pham (Monash)

Marketing, media and communications support

Mercer: Magali Francisco, Amelia Woltering, Lauren Baumert
and Lynda Tsuboi

CFA Institute: Tina Gould, David Ross, Stacie Shure and
Missy Tierney

Mercer worldwide consultants

Juan Luis Alonso, Jannick Andersen, Tore Martin Andersen, Samuel
Annen, Simon Barker, Steven Bass, Manon Carlesi, Sue Cheng, Yin
Cheung, David Cuervo, Luca De Biasi, Cristina Duarte, Richard Dunn,
Ahmed Galal, Marc Heemskerk, Shaz Islam, Dirk Kemkers, Daniel
Lazcano, Michael Lie, Udo Mueller, Liliana Murillo, Pedro Nascimento,
Krzysztof Nowak, Evsen Olmez, Michaela Plank, Jean-Francois Poirier,
Joaquin Ramirez, Rickard Sundqvist, Vinithorn Thipputsakaew, Jyotsna
Tiwari, Florencia Vaquer, David Vargas, Chona Ventura, Lorna White,
Richard Wyatt, Sunghye Yoon, Jack Yuan

Other contributors

Craig Bentley (Alexander Forbes), Helga Run Gudjonsdottir (Icelandic
Pension Funds Association), Grigory Marchenko (Eurasian Development
Bank), Hrvoje Stojic (Croatian Employers’ Association), Belinda Sullivan
(Alexander Forbes), Dung Mahn Tran (Sun Life), Mika Vidlund (Finnish
Centre for Pensions), Professor Dan Weiss (Harel Center for Capital
Market Research)

Advisory board

Professor Hazel Bateman (Centre for Pensions and Superannuation,
UNSW), Syd Bone (CP2, Chair), Richard Boyfield (Mercer), Professor
Joseph Cherian (Asia School of Business and Cornell University), Olivier
Fines (CFA institute) , Manuel Garcia-Huitron (Nuovallo Ltd), Tim Jenkins
(Mercer), Ryan Munson (CFA Institute), Dr. Nga Pham (Monash Centre for
Financial Studies), Professor Deborah Ralston (Monash University), Fiona
Stewart (World Bank), Professor Susan Thorp (University of Sydney),
Maria Wilton AM (CFA Institute), Conrad Yan (Albamen Capital)

Reference

Mercer. Mercer CFA Institute Global Pension Index [Online], 2025,
available at <https://www.mercer.com/globalpensionindex>.



Mercer, a business of Marsh McLennan (NYSE: MMC), is a global leader in helping clients realize their investment objectives, shape the future of work and enhance health and retirement outcomes for their people. Marsh McLennan is a global leader in risk, strategy and people, advising clients in 130 countries across four businesses: Marsh, Guy Carpenter, Mercer and Oliver Wyman. With annual revenue of \$24 billion and more than 90,000 colleagues, Marsh McLennan helps build the confidence to thrive through the power of perspective. For more information, visit [mercerc.com](https://www.mercer.com), or follow us on LinkedIn and X.

Contact:

Tim Jenkins

timothy.jenkins@mercerc.com

<https://www.mercerc.com>

This report has been prepared on a partnership basis between Mercer and CFA Institute. This is intended as a basis for discussion only. While every effort has been made to ensure the accuracy and completeness of the material in this report, the authors give no warranty in that regard and accept no liability for any loss or damage incurred through the use of, or reliance upon, this report or the information contained therein.

All figures referenced are as of October 2025.



As the global association of investment professionals, CFA Institute sets the standard for professional excellence and credentials. We champion ethical behavior in investment markets and serve as the leading source of learning and research for the investment industry. We believe in fostering an environment where investors' interests come first, markets function at their best, and economies grow. Spanning nearly 200,000 charterholders worldwide across 160 markets, CFA Institute has 9 offices and 158 local societies. Find us at www.cfainstitute.org or follow us on LinkedIn.

Contact:

CFA Institute Public Relations

PR@cfainstitute.org

cfainstitute.org



A research center based within Monash University's Monash Business School, Australia, the MCFS aims to bring academic rigor into researching issues of practical relevance to the financial industry. Additionally, through its engagement programs, it facilitates two-way exchange of knowledge between academics and practitioners.

The Centre's developing research agenda is broad but has a current concentration on issues relevant to the asset management industry, including retirement savings, sustainable finance and technological disruption.

Contact:

Dr. Nga Pham

mcfsinfo@monash.edu

+61 3 9903 8315

monash.edu/business/monash-centre-for-financial-studies

References to Mercer shall be construed to include Mercer (US) LLC and/or its associated companies.

© 2025 Mercer (US) LLC. All rights reserved.

This content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity without Mercer’s prior written permission.

Mercer does not provide tax or legal advice. You should contact your tax advisor, accountant and/or attorney before making any decisions with tax or legal implications.

This does not constitute an offer to purchase or sell any securities.

The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed.

For Mercer’s conflict of interest disclosures, contact your Mercer representative or see [Conflicts of Interest](#).

This does not contain investment advice relating to your particular circumstances. No investment decision should be made based on this information without first obtaining appropriate professional advice and considering your circumstances. Mercer provides recommendations based on the particular client’s circumstances, investment objectives and needs. As such, investment results will vary and actual results may differ materially.

Information contained herein may have been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential, or incidental damages) for any error, omission or inaccuracy in the data supplied by any third party.

Investment management and advisory services for U.S. clients are provided by Mercer Investments LLC (Mercer Investments). Mercer Investments LLC is registered to do business as “Mercer Investment Advisers LLC” in the following states: Arizona, California, Florida, Illinois, Kentucky, New Jersey, North Carolina, Oklahoma, Pennsylvania, Texas, and West Virginia; as “Mercer Investments LLC (Delaware)” in Georgia; as “Mercer Investments LLC of Delaware” in Louisiana; and “Mercer Investments LLC, a limited liability company of Delaware” in Oregon. Mercer Investments LLC is a federally registered investment adviser under the Investment Advisers Act of 1940, as amended. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Mercer Investments’ Form ADV Part 2A & 2B can be obtained by written request directed to: Compliance Department, Mercer Investments, 99 High Street, Boston, MA 02110.

Not all services mentioned are available in all jurisdictions. Please contact your Mercer representative for more information.

Certain regulated services in Europe are provided by Mercer Global Investments Europe Limited and Mercer Limited. Registered officer: Charlotte House, Charlemont Street, Dublin 2, Ireland. Registered in Ireland No. 416688. Mercer Limited is authorized and regulated by the Financial Conduct Authority. Registered in England and Wales No. 984275. Registered Office: 1 Tower Place West, Tower Place, London EC3R 5BU.

Investment management services for Canadian investors are provided by Mercer Global Investments Canada Limited. Investment consulting services for Canadian investors are provided by Mercer (Canada) Limited.

Investment advisory services for Brazil clients are provided by Mercer Human do Brasil (Mercer Brazil), a company regulated by the Brazilian Securities and Exchange Commission to provide Financial Advisory services.

Investment advisory services for clients in Mexico are provided by Mercer Asesores en Inversion Independientes, S.A. de C.V., regulated by the Comision Nacional Bancaria y de Valores, with number of authorization 30125-001-(14754)-30/01/2019.

This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products or constitute a solicitation on behalf of any of the investment managers, or their affiliates. For the avoidance of doubt, this is not formal investment advice to allow any party to transact. Additional advice will be required in advance of entering into any contract.

The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed. Past performance does not guarantee future results. The services mentioned in this document refer to global investment services and some of them may not be provided locally by Mercer Brazil; please contact our local team for information.

The services mentioned in this document refer to global investment services and some of them may not be provided locally by Mercer Mexico; please contact our local team for information.