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decreased by 12.9% and now total \$20.6 trillion compared with \$23.6 trillion at the end of 2021.

Isaac M. O'Bannon • Sep. 12, 2023



The world's largest 300 pension funds saw their assets decline for the first time since 2018, according to this year's [Global Top 300 Pensions Funds](#) conducted by WTW's Thinking Ahead Institute. This drop is on par with the decline observed in 2008, occurring at a pace that has only been encountered twice in the 20-year history of this annual study.

The research highlights high-level trends in the pension fund industry and provides

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now, the 2008 fall had been the fastest annual decline recorded in the 20 years of the study.

The U.K. and Japan had the largest number of pension funds fall out of the top 300 globally. The U.K. gilts crisis of September 2022 and the ensuing market instability were significant contributing factors, as was the continuing shift from defined benefit pensions to smaller defined contribution plans.

In 2022, sovereign and public sector pension funds accounted for 152 funds in the top 300, representing 70.9% of total assets. Sovereign pension funds accounted for \$6.2 trillion in assets, while sovereign wealth funds totaled \$11.6 trillion. Sovereign wealth funds' assets grew by 13.9% during 2022, compared with a decrease of 10.6% for the sovereign pension funds in the Thinking Ahead Institute top 300 study.

“We sounded a note of caution last year when reporting on a previous record. In last year’s research, we anticipated rising inflation and interest rate pressures, as well as the potential for slowing growth the following year,” said Jessica Gao, director at the Thinking Ahead Institute. “With the latest data, we have witnessed the drop in the pension assets, with a fragile global economy seeing equity and bond markets reverse previous gains.

“2022 recorded historic levels of economic uncertainty and market instability. A convergence of regime, geopolitical and systemic risks magnified in a VUCA-fest (characterised by volatility, uncertainty, complexity, and ambiguity), challenging pension funds to navigate and adapt within this rapidly changing environment.”

Compared to all pension funds of any size, the world’s largest 300 pension funds now represent 43.0% of the global pension assets (compared to 41.1% in 2021), according to the Thinking Ahead Institute’s annual [Global Pension Assets Study](#)

which estimates global pension fund assets across 22 major pension markets (the

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under management (AUM) in the ranking, modestly above 2021’s share of 41.0%.

The Government Pension Investment Fund of Japan (GPIF) remains the world’s largest pension fund, with AUM of US\$1.4 trillion. It has ranked top since 2002. Meanwhile, the Employees’ Provident Fund of India was the only new entrant in the top 20 funds for 2022.

Gao concludes: “While market performance has improved from 2022 to 2023, we continue to proceed with a high degree of caution. Pensions schemes are operating in a new environment, where conditions are changing faster and faster each day.

“Asset owners are increasingly influenced by technological advancements and the rise of artificial intelligence. Balancing the need to catch up with asset managers’ AI-driven insights while retaining control over their investment mandates underscores the critical role of effective collaboration and strategic adaptation for AOs in an investment ecosystem with increasingly influential technologies.

“Likewise, rightsizing sustainability efforts has become a crucial balancing act, with overly ambitious commitments risking the fund’s legitimacy, and too small a commitment resulting in missed opportunities.”

Top 20 pension funds (US\$ millions)

Rank	Fund	Market	Total Assets
1	Government Pension Investment	Japan	1,448,643
2	Government Pension Fund	Norway	1,300,214
3	National Pension	South Korea	706,496

Rank	Fund	Market	Total Assets
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8	Central Provident Fund	Singapore	188,711
9	National Social Security	China	347,214 ²
10	California State Teachers	U.S.	290,384
11	New York State Common	U.S.	233,227
12	PFZW	Netherlands	231,781
13	New York City Retirement	U.S.	228,170
14	Employees Provident Fund	Malaysia	227,781
15	Local Government Officials	Japan	207,145
16	Florida State Board	U.S.	183,092
17	Ontario Teachers	Canada	182,410
18	AustralianSuper	Australia	176,446 ³
19	Texas Teachers	U.S.	173,277
20	Employees' Provident	India	158,722 ²

1. As of March 31, 2023

2. Estimate

3. As of June 30, 2022

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