

01 / 01 / 2022

Annual update market report Netherlands

- **Shifts in asset allocation for Dutch pension funds**
- **Addressable fee potential various types of assets**
- **Elasticity analysis**

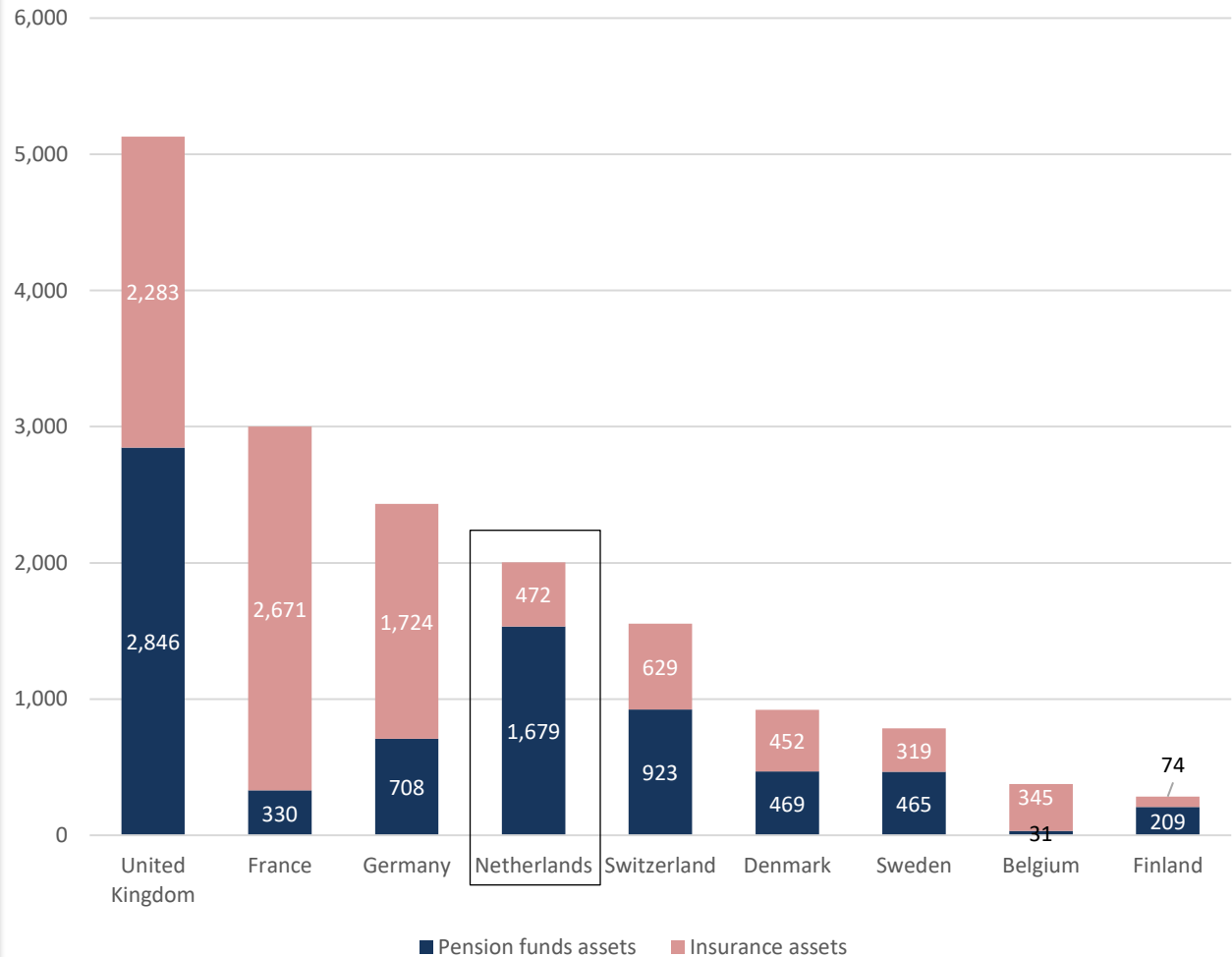
Overview Assets under Management

Institutional assets in Europe by sector and country in € bln

The Dutch pension fund market is the second largest pension fund market in Europe in terms of assets under management.

The UK is the largest market.

On the insurance side France, the UK and Germany have the most assets under management.



Source: Avida research

Asset Allocation in 2020

Dutch pension fund market 2020

Fixed Income: 53.8%

Of which
 Gov. bonds: 33.3%
 Credits: 13.5%
 Mortgage: 4.3%
 Cash: 2.8%
 Index-linked: 0.9%

Equities: 30.3%

Of which
 Mature markets: 25.0%
 Emerging markets: 5.3%

Real estate: 8.1%

Of which
 Indirect unquoted: 3.8%
 Indirect quoted : 3.3%
 Direct: 1.0%

Alternatives: 5.9%

Of which
 Private equity: 3.8%
 Infrastructure: 1.8%
 Commodities: 0.3%

Hedge funds: 1.5%

Currency overlays: 0.1%



Source: DNB

77% of assets are owned by the top 13 pension funds

Dutch pension fund market 2020

Asset Allocation varies with size.

Large pension funds have on average a lower allocation to fixed income (>€25 bn: 42%) compared to small pension funds (<€0.5 bn: 56%)

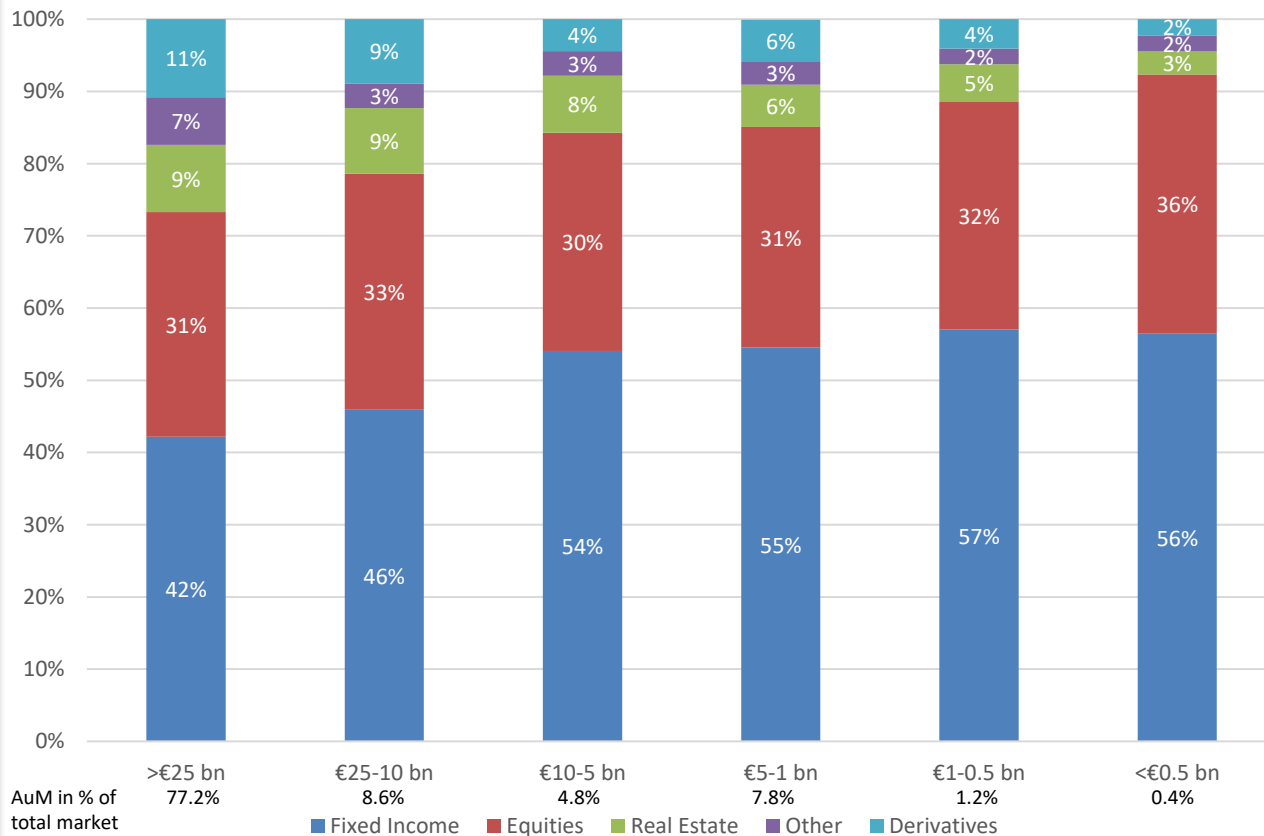
For illiquid asset classes we see the reverse:

>€25 bn: 16%

<€0.5 bn 5%

The allocation to equities does not correlate with the size of the pension fund.

Weighted asset allocation by size of pension fund



Source: Exelering

The addressable market varies per asset class

By asset class

The large fiduciary managers manage most of their assets inhouse.

Less than 30% of the assets in the Dutch pension fund market are managed externally.

Fixed income securities are mostly managed directly inhouse by the pension fund's fiduciary managers.

35% of liquid growth assets are managed externally whilst 37% of illiquid assets are managed externally.



Source: Avida research

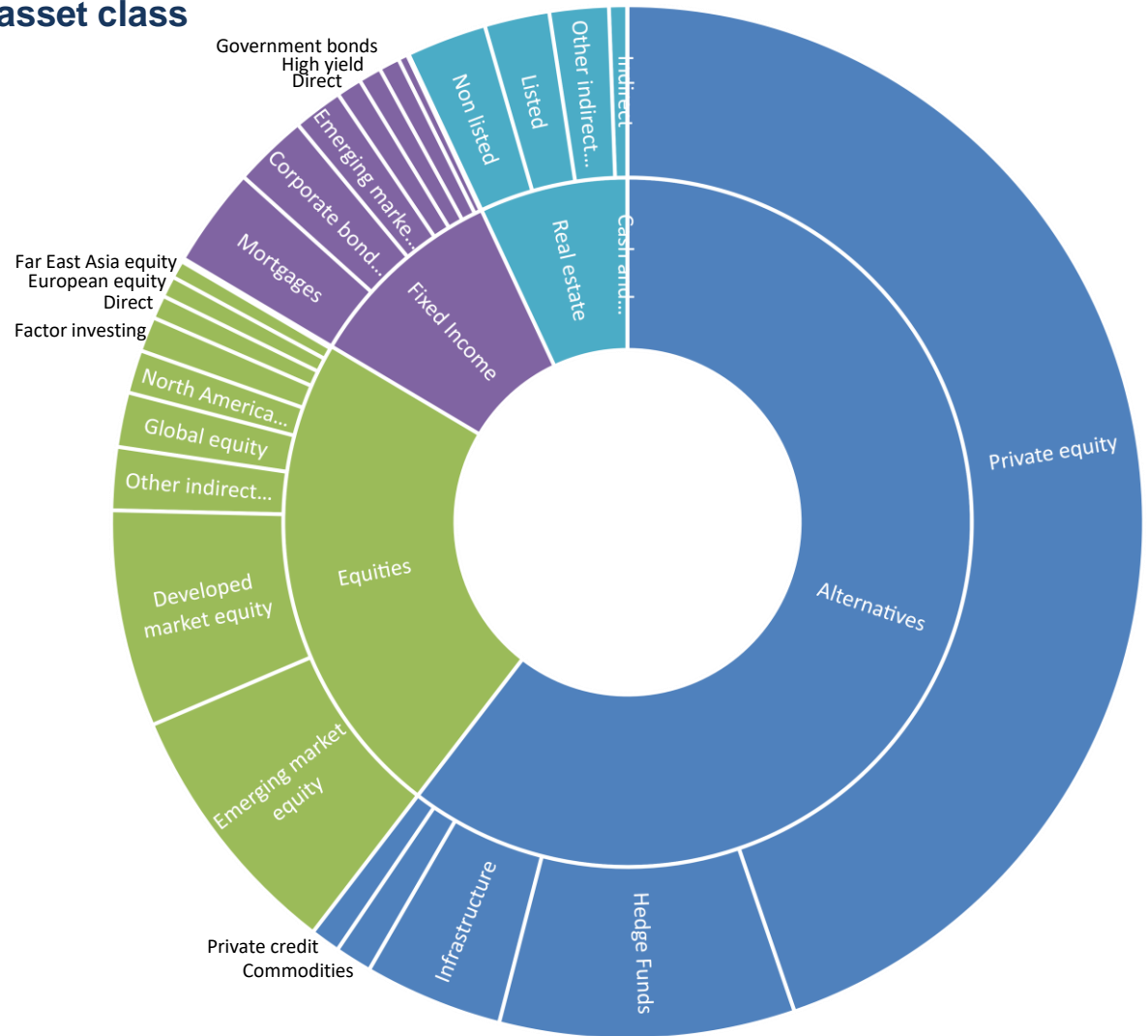
Fee potential per asset class

Dutch pension fund market by asset class

Considering the addressable market share per asset class and the expected fees, the illiquid assets represent the highest fee potential.

Private equity is on top of the list followed by other active liquid growth strategies follow.

The fee potential for fixed income securities is relatively subdued.



Source: Avida research

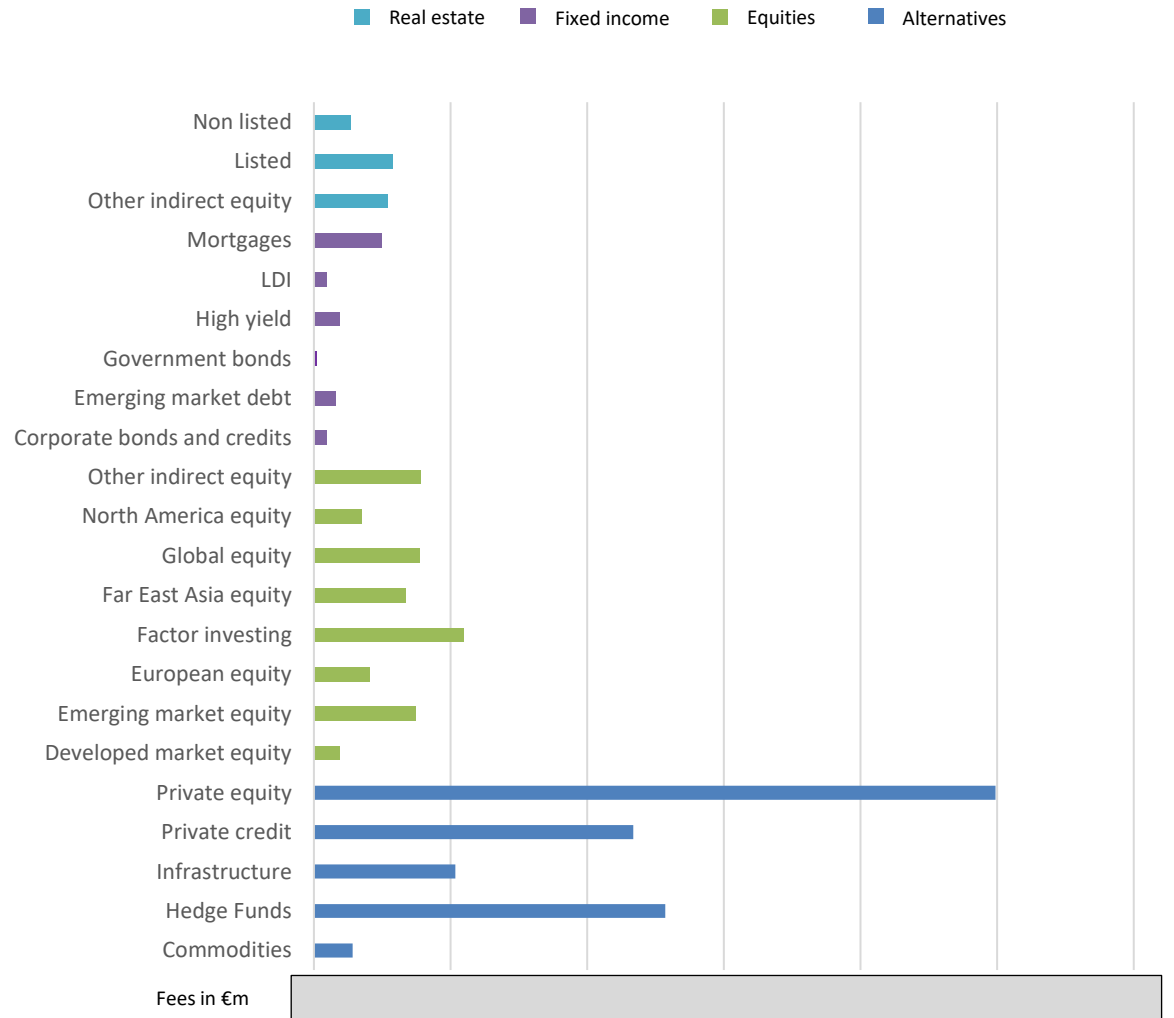
Elasticity analysis per asset class

Change in fee potential per asset class

Under the assumption that an asset class increases by an absolute of 1% (E.g. private equity increases from 3% to 4% of total asset allocation) the following change in fee potential can be expected.

We expect allocations to high yield assets to increase and this will give some protection against a rise in inflation.

Also, there is a trend to benchmark external teams through externally managed assets.

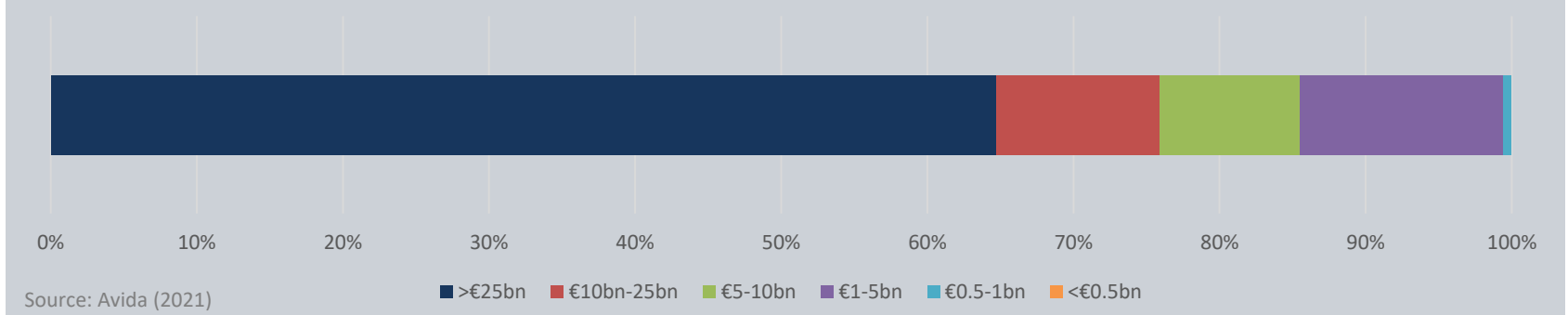


Source: Avida research

Where are the opportunities in infrastructure?

Total market in 2021	Addressable market	Fee potential	Level of competition		Key prospects	Addressable market infrastruct. <
€30-32bn	€11-12bn	€125-130m	Medium		APG	€5bn
Wrappers Customisable segregated accounts for large pension funds Fund solutions for smaller pension funds and IDC market			Competitors	Number of mandates <	PGGM	€3bn
			DIF	13	Achmea IM	€1bn
			Macquarie	8	MN	€0.4bn
			Achmea IM	6	Kempen CM	€0.4bn
			First Sentier	6	DSM pension service	€0.3bn
			Alinda	6		
			JP Morgan	4		

Sales potential infrastructure per market segment



The range of Avida services

A suite of tools

HOW WE CAN HELP YOU

A suite of tools

& consulting services to help you



Market Data

Most institutional markets are not very transparent. With its deep knowledge of institutional markets, the Avida analysts have build databases, which enable you to analyse the business potential of the largest product categories for Europe's largest markets. This market data is available from a top-down and bottom-up perspective For the main markets we have mapped the most important contacts.

Discover



Intelligence Reports

Annually we take deep dives into Europe's most important markets and make important "AuM" data available on an asset class basis. Furthermore, we conduct single asset class studies with an assessment of the market potential per country, and insights into overall market trends, the regulatory framework and client demands ("voice of the customer").

Discover



Consultancy and Coaching

Given our in-depth market knowledge, we can tailor our advice to your specific situation. This entails identifying the market potential of your investment products and solutions, evaluating flagship products, commercial positioning (incl. wrapper, pricing) & USP's. Furthermore, we advise on strategic positioning and branding strategies, go-to-market strategies, and the identification of potential clients and where possible, key clients.

Discover



Implementation

Our experienced team of advisors is available to support your business growth, by helping you with the implementation of your (ESG) strategies. We can also connect you to other interesting parties.

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