

Europe's Best Pension Fund

Stockholm (HedgeNordic) - Danish pension provider PensionDanmark has been named the European Pension Fund of the Year at the IPE 2020 awards. PensionDanmark, the largest labour market pension fund in Denmark, also received top honours in the "Real Assets & Infrastructure" category and was named Danish Pension Fund of the Year for the third consecutive year at the IPE Awards, an annual ceremony held last week as a digital conference.

"We're extremely proud to receive this award in recognition of our efforts to generate solid returns for our members in a sustainable manner," Torben Möger Pedersen (*pictured*), the CEO of PensionDanmark, commented on the distinction. "It encourages us to continue our work and to aim higher going forward," he added. "We're delighted to receive such high praise, and it's an extra motivation to be commended for the measures that constitute the cornerstones of the way we run our pension fund. Healthy investment, responsibility, sustainability and innovation are at the core of PensionDanmark's approach."

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"With strong ESG credentials and a sound investment strategy with solid execution, PensionDanmark consistently comes up with market leading and outstanding innovation in different aspects of its asset allocation," one IPE Awards judge commented on the recognition for PensionDanmark. In addition to the main award, PensionDanmark also won the "Real Assets & Infrastructure" category and was named Danish Pension Fund of the Year.

The Danish pension provider won the "Real Assets & Infrastructure" prize in recognition of a successful strategy and a diverse investment portfolio with a focus on long-term impact. The award for the Danish Pension Fund of the Year, meanwhile, was motivated with the conclusion that PensionDanmark continues to be a frontrunner within direct investments in infrastructure, lending and real estate.

PensionDanmark offers defined contribution pensions, insurance policies and healthcare schemes to approximately 710,000 individuals employed in 26,000 companies in the private and public sector. With about €36 billion under management at the end of 2019, PensionDanmark combines traditional investments in public markets with alternative investments to diversify risk and harvest illiquidity premiums. The pension provider follows a lifecycle strategy, which implies that older members are exposed to less risk than younger members.

At the end of 2019, for instance, a typical account for a member under the age of 46 would have an asset allocation of 44.8 percent to global equities, 5.6 percent to private equity, 8.5 percent to real estate, and 10.1 percent to infrastructure and renewable assets. For members at the age of 67, on the other hand, the allocation would be 16.6 percent global equities, 2.1 percent private equity, 8.5 percent real estate and 10.1 percent infrastructure and renewable assets.

Earlier this year, Pedersen said that unlisted investments such as infrastructure and real estate served as a "stabilizing factor" during the turbulent first quarter of 2020. "The fact that we have a relatively large allocation in real estate and infrastructure has helped to cushion the blow of the

value drops in listed investments,” said Pedersen. “The unlisted investments have, therefore, fulfilled their function of being a stabilizing factor,” he added.

With unlisted investments accounting for about one-fourth of PensionDanmark’s investment portfolio, infrastructure and real estate continue to represent an important pillar for the pension provider’s portfolio. “During the current crisis, they have proved their worth by helping to protect the overall return by not reacting as violently as the market as a whole,” said Pedersen.