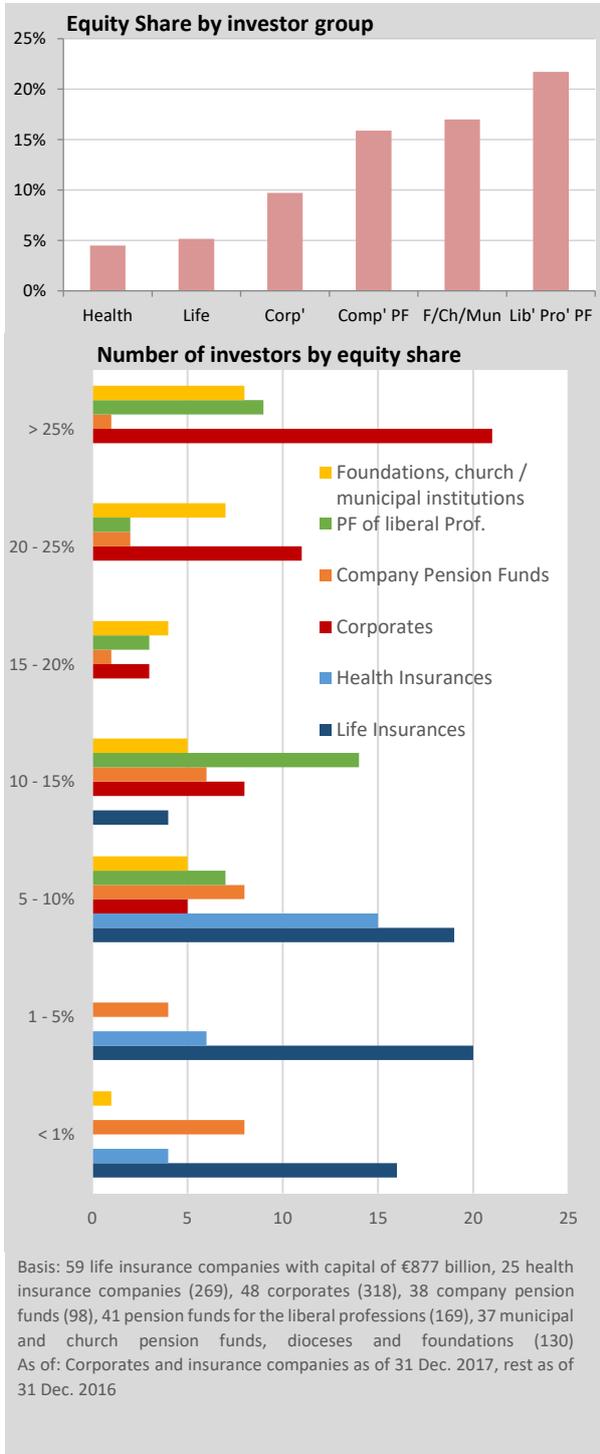


Equity investments by institutional investors

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In comparison to other asset classes, in Germany the equity share was raised by numerous investors only to a below-average extent. Many have not yet reached their pre-crisis level.

GAC



By international comparison, the equity shares of German institutional investors continue to remain at a low level. Since the financial crisis, (direct) investments in bonds have been scaled back, and equity investments have increased in the low interest period, but many investors have still not returned to their pre-crisis level. Not even one in every six of the almost 250 investors examined in total has an equity share of at least 25%. Company pension funds in Austria have invested one third of their funds in equities, for example.

But the equity weights are very different, depending on the investor group. This often has regulatory or product-specific reasons. The equity weighting is the highest with corporates, which are not subject to any investment restrictions. The exposure has been between 20 and 25% for years, but before the financial crisis it was well over 30% on average. Corporates with an equity weighting below 10% are the exception.

By contrast, insurance companies continue to have a low share of around 5%. Although this is almost twice as high as in 2011, it is well below the level in 2006/07. More than one in every four life insurance companies has no investment in equities (share of <1%), although equity investments are well suited for them due to the long investment horizon. Not even one in ten insurance companies has a share of 10% or more.

Pension funds for the liberal professions have significantly increased their equity investments to an average of more than 15%, and company pension funds have raised them to around 10% of their total investments. Numerous pension funds for the liberal professions and foundations as well as municipal and church institutions have equity exposure of at least 20%. Company pension funds usually have a share of between 5 and 15%. Pension funds for the liberal professions with an equity share of less than 10% are the exception.

The detailed reports as a book and the InstiPortal on the GAC website provide insight into the structure and development of various investor groups with an investment volume of over €3 trillion (company pension funds, pension funds for the liberal professions, corporates, insurance companies, municipal and church pension funds, churches, proprietary custodial accounts (Depot A), foundations, social security funds), and offer systematic access to the individual structure, asset allocation and performance of over 400 institutional investors.