CONTENTS

MILA MITREVA*

336.763.268(4-672EU)"2014/2019"
336.763.268:368.03(4-672EU)"2014/2019"
336.763.268:331.25(4-672EU)"2014/2019"
(Original scientific paper)

INVESTMENT TRENDS OF INSTITUTIONAL IINVESTORS

Abstract: Institutional investors are very important players in the global financial markets. Their presence and contribution to the financial industry is inevitable. Almost every institutional investor, such as the pension funds, insurance companies and investment funds are growing throughout the years and are obtaining leading positions. In this context, asset allocation is crucial decision-making process for each of the mentioned institutional investors. The asset allocation decision determines the investment strategies and assist in anticipating the rates of return. Hence, the aim of this paper is to show the asset allocation decision of the institutional investors, to understand their investment strategies and determine the differences in the investment portfolio of these investors. Thus, the investment portfolio of the institutional investors mostly consists of cash and deposits, bills and bonds, loans, equity and land and building. The main difference exists in the amount they invest in each of these instruments and as a determining factor are the economic and financial conditions in the country.

Keywords: institutional investors, insurance companies, pension funds, investment funds, ETF, investments

JEL Classification: G20, G22, G23, G52,

* MSc, University "Goce Delcev", Faculty of Economics-Shtip, Republic of North Macedonia, e-mail: mila.mitreva@ugd.edu.mk

1. Introduction

Institutional investors represent legal entities that manage and invest the money of other people, which are also synonymous with the classification "intermediary investors". They represent important part of the global financial system, due to their contribution to the capital markets. The institutional investors' main activities include investing in various financial instruments, which consequently increase the value, the activity, and the stability of the securities market. Furthermore, developed capital markets are characteristic of developed countries, while less developed capital markets are characteristic of the developing countries. Nevertheless, institutional investors are major players not only in the developed markets, but in the emerging markets as well. Salehi and Sehat (2019) in their paper found that institutional investors play a major role in the corporate governance structure. It is worth mentioning that institutional investors are mainly consisted of pension funds, insurance companies and investment funds. The importance of each of the institutional investor differentiates among the countries. In some countries, pension funds play the main role (Australia, Israel), while in others, insurance companies are the most important (Norway, Germany) (OECD, 2011). Within the OECD area, institutional investors became very important players, with a continuous increase in their assets. The United States holds the major position, followed by Japan and United Kingdom (Gonnarad, et al, 2008). In the last two decades there has been evolution of the institutional investors in the global economy and financial system. Hence, the share of the assets held by nonbank financial institutions grew for more than 50%, which shows that institutional investors crucial in supporting the global economic activities (Garcia, et al, 2021). Considering the importance of each of the institutional investors, the main purpose of this paper is to present the investment strategies of the pension funds, the insurance companies and the investment funds. Hence, this paper presents in which assets these investors mostly invest in and how much they take part of the GDP for each of the mentioned countries.

2. Assets under management and investment trends of institutional investors

Assets under management refers to the total market value of the investments that an entity or a person manages on the clients' behalf. The total asset management industry since the global Covid 19 pandemic has been growing, reaching $103 trillion in 2020. Interesting achievement is of the institutional investors that have reached $61 trillion or 59% of the global market (Heredia, et al, 2021). However, the asset allocation of institutional investors has been changing in the past several years. In the early 1970s, pension funds mostly invested in domestic, fixed-income instruments. In the following years, institutional investors started to reshape their investments strategies by investing more in equity markets, with a long-term strategic allocation of 60% equities and 40% fixed income (CFA Institute, 2022). It is worth mentioning that regulatory developments have been very important for the institutional investors' development and their asset allocation strategies (CGFS, 2007).

Moreover, digitalization, the aging population and climate change are considered the key factors that affected the long-term investing perspective of institutional investors in 2021 (Hamlin, 2021). Nevertheless, the long-term nature of the liabilities of the pension funds are affected by the inflation and interest rate changes. It is worth mentioning that the investment activities of the pension funds are usually oriented towards private equity, infrastructure, and venture capital. Literature shows that pension funds are moving away from investing in stocks and bonds, because investing in alternatives has shown to provide greater returns and lowered the risk. However, in the past several years, institutional investors recognized the infrastructure investment as an important asset class because it ensures diversification. The long-term orientation of pension liabilities matches the infrastructure projects which are generally long-term investments. Additionally, infrastructure investments are beneficial because they decrease the sensibility to increasing inflation (Croce, 2012). Nevertheless, the level of pension funds' investment in infrastructure differentiates among the countries and it mostly depends on the maturity of the infrastructure markets, the regulation that exists in the financial sector and the pension fund system (Croce, 2012). For instance, hedge funds do not represent a single asset class, but they diversify their investment strategies to obtain better returns. According to the Preqin Hedge Fund database (2022), hedge funds obtain their returns by implementation of various strategies, such as equity strategies (43%), relative value strategies (8%), managed futures/CTA (7%), credit strategies (12%), macro strategies (8%), niche strategies (3%), event driven strategies (111%), multi-strategy (8%), alternative risk premia (1%).
From the traditional point of view, institutional investors mainly have been investing in shares and other equity. However, literature shows that institutional investors' assets under management also include bonds, loans, and deposits.

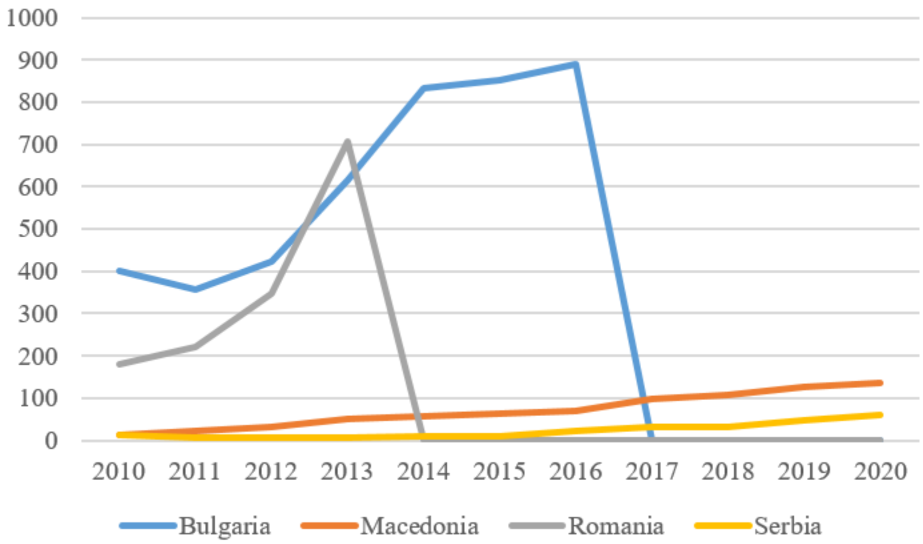
2.1 Investment strategies of pension funds

Pension funds are very important players in the financial markets globally. Their importance has grown in the past several years due to their contribution to the financial flows in the capital markets (Kim, 2010). The level of the development of a country is a determinant for the contribution and the role of the pension funds. Considering their investment activities in the capital markets, it can be said that the capital market development is directly related to the pension funds' growth (Faure, 2007). Competitive advantage of the investment strategies of the pension funds is their long-term investment nature and their investment scale, which no other institutional investor matches (Raisa, 2012). Moreover, the investment of pension funds abroad depends on the country. For instance, Dominican Republic, Egypt, India, Nigeria etc. forbid the pension funds to invest abroad, while other countries, such as Finland, Iceland, Israel etc. permit investments abroad only in those countries that are considered "eligible". Contrary to those countries, Switzerland does not impose any limitations on the investments that can be made abroad by the pension funds (OECD, 2021).

The investment preferences and regulation of the pension funds is directly associated with the capital markets' development. Those countries that have underdeveloped capital markets usually have strict investment regulation, contrary to those that have developed capital markets where pension fund have less strict investment regulation. The differences that exist in the asset allocation of the pension funds can be explained by the liability structure and the investment regulations. Hence, in some countries, pension funds have entire portfolio composed of fixed-income securities, while in others this is not the case. The asset allocation strategies depend on several factors, such as the members' age structure, the capital market return forecast, and historical reasons (Hinz, et al, 2010). According to the OECD analysis, at the end of 2020, the pension fund assets have increased compared to 2019 and exceeded 35 trillion dollars. For this period, it was estimated that out of the overall pension fund investment, the equities and bonds were around 75%. Only bonds alone accounted for more than 50% of pension fund investments. Nevertheless, investments in equities was mostly detected in Hong Kong (China), Poland, Malawi, Lithuania and Namibia. However, there are differences among the countries regarding the assets of the pension funds. Therefore, seven countries in the OECD area account for more than 90% of total pension funds' assets (OECD, 2021).

Furthermore, pension funds are important players in the financial markets, since they have accelerated growth in these markets. Nevertheless, literature shows that financial market growth does not necessarily promotes stability, but contrary it can be source of instability and stagnation (Fumagali and Lucarelli, 2011). The demand of various instruments by the pension funds can be source for innovation and development in the capital markets. In the last years of the previous century, new instruments such as zero-coupon bonds, mortgage-backed securities, indexed future, and options were created to meet the demand of the pension funds (Bonizzi and Churchill, 2016). Considering that innovation is demand-driven phenomenon, all institutional investors are linked in with financial innovation. Therefore, financial innovation is a necessity for pension funds and their demand for an asset which offer attractive risk/return portfolio (Whalen, 2012). It is worth mentioning that the investment strategy of the pension funds has changed in the last fifteen years. Up until 2000's, equities were the main category in which pension funds invested, because it offered them higher returns which were needed for their long-term investment orientation. Furthermore, in the Graph 1 below is presented the total amount investment in equity by the pension funds. Macedonia and Serbia have continuity in their investment in equity, while Bulgaria and Romania show some fluctuations. From 2011 until 2014, there is a slight increase of investment in equity in Bulgaria, when it reached its peak in 2016. From 2017 onwards there was sharp decline of investment in this instrument. Romania has reached its peak in 2013 and in the years that followed, sharp decline can be detected as well.

Graph 1. Pension funds' investments in equity (in US dollar, millions)



Source: OECD Statistics (2022) (a)

In the Table 1 below is presented the asset allocation of the pension funds for Austria, Belgium, Finland and Hungary. In Austria, the highest percentage is for cash and deposits, in Belgium for bills and bonds, in Finland for equity and in Hungary for bills and bonds (OECD website (b), 2022). Hence, there are differences among the pension funds in different countries and which investment strategies they will use or in which financial instrument they will invest, depend on many factors. Nevertheless, the investment portfolio of the pension funds in these countries is similar, because it consists of cash and deposits, bills and bonds, loans, equity and land and building.

Table 1: Asset allocation (% of GDP) of pension funds

ASSET ALLOCATION (% of GDP)					
country	cash and deposits	bills and bonds	loans	equity	land and building
Austira	2%	0.5%	0.2%	0.2%	0.2%
Belgium	1.9%	10.6%	0.6%	7.1%	0.4%
Finland	4.1%	22%	3.6%	47.9%	11.7%
Hungary	3.1%	57.5%	0.1%	9%	0.5%

Source: OECD website (b) 2022

In the table 2 are presented the financial assets as percentage of GDP of the pension funds in Austria, Belgium, Finland and Hungary for the period 2014-2019. In Austria it can be seen that there is a growth of the contribution of the financial assets to the GDP, reaching the highest percentage in 2019. Similar situation is in Belgium, contrary to Finland, where the highest percentage is in 2017, followed up with a decline in 2017, 2018 and 2019. Similarly to Finland, there is decline in Hungary throughout the years, with the lowest percentage in 2019 (OECD website (b) 2022).

Table 2: Financial assets (as % of GDP) of pension funds

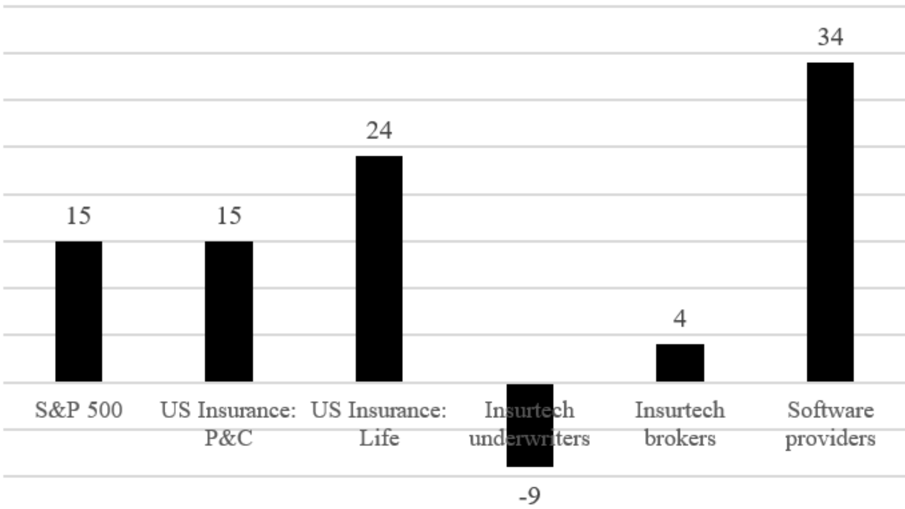
FINANCIAL ASSETS (AS % OF GDP)						
country	2014	2015	2016	2017	2018	2019
Austira	5.8%	6%	6%	6.2%	5.9%	6.5%
Belgium	6%	5.7%	6.8%	7.6%	7.4%	8.4%
Finland	1.4%	1.4%	1.7%	1.5%	1.4%	1.3%
Hungary	4.2%	4.1%	4%	4.4%	4%	3.9%

Source: OECD website (b) 2022

2.2 Investment trends of insurance companies

The insurance industry has been on the rise, especially during the period and after the corona crisis. According to Smolarova and Tentis (2021), insurance companies in 2020 were mostly interested for balance sheet investments, because they see it as a source of permanent capital. In Graph 2 are presented the results of the total shareholder returns for the first quarter of 2021. Hence, contrary to the 2020 when most of the insurance companies, and generally the insurance industry experienced disruptions, in 2021 there were improvements. During the first quarter of 2021 the insurance stocks have recovered and software providers and life insures showed best results.

Graph 2: Total shareholder returns (%) for the period 01.01.2021-30.06.2021



Source: Smolarova and Tentis (2021)

Moreover, theory shows that consolidation, digitalization and specializations are factors that will play an important role in creating the investors' decisions and their value-creation strategies in the upcoming years (Smolarova and Tentis, 2021). Although the economic turbulences that have occurred from the corona crisis, many of the insurance companies believe that they will experience economic recovery in 2022, especially through digital technology investments. Nevertheless, a research made by Deloitte Center for Financial Services (2022) shows that the rising rates of inflation combined with the flat interest rates can represent an obstacle for obtaining positive results by the insurance industry. For better understanding the insurance companies, and overview of their investment portfolio and investment strategies should be made. According to the research made by Stojakovic and Jeremic (2016), the investment portfolio of insurance companies is composed of debt securities, shares and loans. More specifically, the largest share have the debt securities, where the bonds account for 35% of the total investment portfolio. Nonetheless, shares also have important position in the insurance companies' investment portfolios, but they contribute to higher risk of the portfolio. Lastly, loans are also present in the investment portfolio, but, their share has been decreasing, especially in the period from 2002-2010, from 17% to 15.4% (Stojakovic and Jeremic, 2016).

Moreover, insurance industry is very important for the global financial market stability. Insurance companies are large investors, they are connected with the banks and they serve as a safeguard of the businesses and the households by insuring their risks. The insurance companies' balance sheets are composed of illiquid liabilities through which they protect the insures against liquidity shortages. Through their investment strategies, which include investment in corporate and government bonds they can affect the interest rates and the pricing in the secondary market on a long-term horizon. The insurance companies and the pension funds hold around 20% of the debt securities that are issued by the governments in the euro area. Furthermore, insurance companies are also involved in the credit derivatives market. Nevertheless, they invest in less risky credit products (ECB Financial Stability Review, 2009). Insurance companies, as well as the pension funds have long-term investment horizon. Therefore, they help in stabilizing the prices in the financial markets. Additionally, profitability is one of the key factor for the insurance sector's performance. Hence, in this context, low interest rate, slow economic growth and poor equity market performance negatively affect the profitability rate of the insurance companies (Dorofti and Jakubik, 2015). According to the Sigma (2012), when there is a weakness in the financial market conditions, the profitability of the insurance companies is negatively affected. This is due to the fact that the stock market index and the asset side of the insurance companies are connected, because equities are part of the investment activities of the insurance companies.

Additionally, development of the investment strategies is very important for the insurance companies. A primary decision has to be made regarding the asset categories that will be included in the portfolio. In this process, the market conditions are initially monitored in order to predict the rates of return for the holding period. As it can be seen from the Table 3, insurance companies in Belgium, Finland, Hungary and Germany mostly invest in cash and deposits, bills and bonds, loans, equity and land and building. More specifically, in Belgium, insurance companies invest mostly in bills and bonds (59%), flowed up by investment in loans (11.9%), equity (4.86%), land and building (2.81%) and cash and deposits (2.1%). Similar situation is in Finland, where insurance companies mostly invest in bills and bonds (18.6%), cash and deposits (6.1%), equity (4.18%) and land and building (1.76%). In Hungary, insurance companies also invest mostly in bills and bonds (45.67%), then in cash and deposits (1.95%), land and building (1.57%), equity (0.8%) and loans (0.54%). Las but not least, insurance companies in Germany mostly invest in bills and bonds

(41.76%), equity (7.84%), loans (5.72%), land and building (1.61%) and cash and deposits (0.8%) (OECD website (c), 2022).

Table 3: Asset allocation (% of their total investment) of insurance companies

ASSET ALLOCATION (% of their total investment)					
country	cash and deposits	bills and bonds	loans	equity	land and building
Belgium	2.10%	59%	11.90%	4.86%	2.81%
Finland	6.10%	18.60%	1.89%	4.18%	1.76%
Hungary	1.95%	45.67%	0.54%	0.80%	1.57%
Germany	0.80%	41.76%	5.72%	7.84%	1.61%

Source: OECD website (c) (2022)

In the Table 4 are presented the financial assets as % of GDP for Austria, Belgium, Finland and Hungary for the period 2014-2019. Hence, it can be seen that the highest percentages in Austria are in 2014 and the lowest in 2019. In Belgium, the highest percentages are as well in 2014 and the lowest in 2018. In Finland, the highest percentages are in 2016 and the lowest in 2018, while in Hungary the highest percentages are in 2014 and 2016, while the lowest in 2018 and 2019. As a general conclusion it can be said that the financial assets of the insurance companies (as % of GDP) are highest in Belgum (OECD website (a) (2022).

Table 4: Financial assets (as % of GDP) of insurance companies

FINANCIAL ASSETS (AS % OF GDP)						
country	2014	2015	2016	2017	2018	2019
Austira	36.1%	35.0%	34.0%	32.0%	29.8%	29.7%
Belgium	79.0%	76.2%	73.0%	70.0%	67.9%	74.7%
Finland	33.0%	34.0%	33.8%	33.5%	30.9%	32.3%
Hungary	8.0%	7.7%	8.0%	7.5%	6.8%	6.8%

Source: OECD website (c) (2022)

2.3 Investment trends of investment funds

The main purpose of the investment funds is to collect capital and invest it through a portfolio of assets. Their contribution for the capital markets is inevitable, because as institutional investors they contribute to growth and creation of jobs. In 2020, investment funds in EU held 18.8 trillion euros in assets, which were invested through a portfolio of assets that mainly incudes stocks, real estate, bonds etc. At the end of 2020, the European investment fund market was second largest in terms of assets under management. Around 60% of the total 18.8 trillion euros was invested in UCITS-undertakings for collective investment in transferable securities, while the rest were invested in alternative investment funds. Investment funds in EU have been continuously growing, especially in the period 2011-2020. This growth can be explained by the net sales of the investment funds and the market appreciation (European Court of Auditors, 2022). Interesting fact is that investments funds have increased their share in credit provisions to residents and non-residents through purchases of debt securities. This investment strategy of the institutional investors reflects cost efficiency and comparative advantage to the strictly regulated banking system (Garcia, 2021). Moreover, in the Table 5 are presented the financial assets as % of GDP of the investment funds in Austria, Belgium, Finland and Hungary for the period 2014-2019. In Austria, the highest share of the financial assets is the same for the period 2014-2017, while in 2018 there has been a slight decrease. In Belgium, there has been an increase in 2017, while for the rest of the years the share of the financial assets as a percentage of GDP is almost the same. In Finland, an increase can be noticed throughout the years, while in Hungary there are some fluctuations. Thus, the general conclusion for all of these countries is that there are fluctuations in the financial assets of the investment funds as percentage of the GDP. Nevertheless, in Austria and in Finland, the financial assets have the highest percentages.

Table 5: Financial assets (as % of GDP) of investment funds

FINANCIAL ASSETS (AS % OF GDP)						
country	2014	2015	2016	2017	2018	2019
Austira	48.6%	48%	48%	48.6%	43.7%	47.5%
Belgium	31%	35.6%	34.9%	40.5%	36.4%	38.9%
Finland	45.6%	51.5%	53.6%	57.5%	52.1%	56.6%
Hungary	16.6%	16.3%	16%	15.9%	14.1%	13.8%

Source: OECD website (d) (2022)

3. Institutional investors and ETFs (Exchange-traded funds)

Since the introduction of the ETFs, they have been continuously growing and attracting many investors. Therefore, ETF represent a fund that is traded like a financial asset that reflect a stock index (Petrova, 2015). With their advantages, ETFs have been attracting the institutional investors in the past several years. Institutional investors are interested in ETFs because they provide them stable liquidity and enable them to handle inflows or outflows without any major disruption to the share price (JP Morgan Asset Management, 2022). According to the Deutsche Bank study on institutional investors' investments in ETFs, it was estimated that institutions control almost two thirds of the US ETF market. More specifically, in 2018, around 900 new institutional investors have used ETFs. Nevertheless, out of all institutional investors, pension funds prefer open-ended index funds opposed to the ETFs (Tuckwell, 2019). Additionally, when it comes to ETFs and institutional investors different types of investment strategies can be used. Some of those strategies are related to index-based funds, actively managed funds, leveraged, inverse and inverse leveraged ETFs. After the investment strategies are chosen, there are also several ways through which ETFs can provide returns to investors. This process can be done through dividend payments, capital gains distributions or increased market price (SEC, 2022). It is worth mentioning that the exchange traded funds mostly track the more liquid market segments, but the US market has the leading position compared to the euro area, where the ETF sector can still grow. Nonetheless, the role of ETFs in the equity sub-segment has a good position, as they account for 10% of all equities held by the euro area investment funds. In the US, exchange traded funds represent around 15% of total investment fund assets, while in Europe it is around 5%. Out of the all institutional investors, investment funds are the largest investors in ETFs in Europe (ECB, 2017).

Conclusion

Financial stability and developed capital markets are the main factors on which the success of the institutional investors' investment is achieved. Although a growth in the financial sector across the globe is detected, there are still differences among the countries. United States still has the leading position. However, the financial sector must be included in the liquidity transformation process in order to contribute the financial growth at the current pace. In this context, institutional investors play very important role in the financial system. In this paper it was shown that pension funds, investment funds and insurance companies invest in cash and deposits, bills and bonds, loans, equity and land and building. Interesting finding was obtained for the insurance companies in Belgium, Finland, Hungary and Germany, where bills and bonds are mostly represented in their total investment activities. Additionally, an analysis was made for the financial assets as percentage of GDP for each of the institutional investors for the period 2014-2019. It can be concluded that the differences that exist among the investment strategies of the institutional investors may be explained by the differences of the economic and financial conditions that exist among the countries, the level of inflation and the interest rates. The amount of their investments in various financial instruments also varies, and this may be result of the anticipated rates of return. Undoubtedly, assets under management of institutional investors are constantly increasing, and this should be taken in consideration by the developing countries. The governments in these countries should work on developing better financial conditions and they should find ways to stimulate the growth of the capital markets. With those measures, more investments by the institutional investors will be made and the outcome will be beneficial for every participant in the financial sector.

References:

1 Bonizzi, B. and Churchill, J. (2016) Pension fudns and financialisation in the European Union . *Revista de Economia Mundial,* ISSN: 1576-0162. Retrieved from: https://www.redalyc.org/pdf/866/86652391004.pdf

2 CFA Institute (2022) Portfolio Management for institutional investors. CFA Institute website. Retrieved from: https://www.cfainstitute.org/en/membership/professional-development/refresher-readings/portfolio-management-institutional-investors

3 CGFS (2007) Institutional investors, global savings and asset allocation. Bank for International Settlements. Retrieved from: https://www.bis.org/publ/cgfs27.pdf

4 Croce, D. R. (2012) Trends in large pension fund investment in infrastructure. *OECD Working Papers on Finance, Insurance and Private Pensions*. No. 29, OECD Publishing. Retrieved from: https://www.oecd.org/daf/fin/private-pensions/trendsinlargepensionfundinvestmentininfrastructure.pdf

5 Deloitte Center for Financial Services (2022) 2022 insurance industry outlook. Deloitte Insights. Retrieved from: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www2.deloitte.com/content/dam/insights/articles/US164650_CFS-Insurance-industry-outlook/DI_Insurance-industry-outlook.pdf

6 Dorofti, C. and Jakubik, P. (2015) Insurance sector proftitability and the macroeconomic environment. Institute of Economic Studies of Charles University Prague; European Insurance and Occupational Pensions Authority (EIOPA).

7 ECB (2017) Euro area financial institutions. Financial Stability Review. Retrieved from: https://www.ecb.europa.eu/pub/financial-stability/fsr/focus/2017/pdf/ecb~316313375b.fsrbox201705_08.pdf

8 ECB Financial Stability Review (2009) The Importance of Insurance companies for financial stability. ECB website.

9 European Court of Auditors (2022) Investment funds EU actions have not yet created a true single market benefiting investors. Special report,

European court of auditors website. Retrieved from: https://www.eca.europa.eu/Lists/ECADocuments/SR22_04/SR_SM-for-Invest-Funds_EN.pdf

10 Faure, A.P. (2007), *The bond market*. Quoin Institute Publishers

11 Fumagalli, A. and Lucarelli, S. (2011) A Financialized Monetary Economy of Production. *International Journal of Political Economy*. Vol. 40, p. 48–68

12 Garcia, A., et al. (2021) Investment funds and financial stability. Monetary and Capital Markets Department. International Monetary Fund. Retrieved from: file:///C:/Users/mila.mitreva/Downloads/IFFSPCEA.pdf

13 Gonnard, E., et al. (2008) Recent trends in institutional investors statistics. OECD website. Retrieved from: https://www.oecd.org/finance/financial-markets/42143444.pdf

14 Hamlin, J. (2021) Investors are watching these major trends-and allocating accordingly.

15 Heredia, L., et al. (2021) The $100 trillion machine. *Global Asset Management 2021, Boston Consulting Group.* Retrieved from: https://web-assets.bcg.com/79/bf/d1d361854084a9624a0cbce3bf07/bcg-global-asset-management-2021-jul-2021.pdf

16 Hinz, R., et al. (2010) Evaluating the financial performance of pension funds. The International Bank for Reconstruction and Development, The World Bank. Retrieved from: https://documents1.worldbank.org/curated/en/664431468337199780/pdf/527090PUB0pens101Official0Use0only1.pdf

17 JP Morgan Asset Management (2022) *Trends in institutional ETF investing.* JP Morgan website. Retrieved from: https://am.jpmorgan.com/us/en/asset-management/institutional/investment-strategies/etfs/trends-in-institutional-etf-investing/

18 Kim, H.S. (2010), "Spillover effects of pension funds on capital markets – the mechanism and preconditions". Bank of Korea.

19 OECD (2011) The role of institutional investors in promoting good corporate governance. OECD website, doi: 10.1787/9789264128750-en. Retrieved from: https://www.oecd.org/daf/ca/49081553.pdf

20 OECD (2021) Annual Survey of investment regulation of pension funds and other pension providers. OECD website. Retrieved from: https://www.oecd.org/pensions/annualsurveyofinvestmentregulationofpensionfunds.htm

21 OECD (2021) Pension funds in figures. OECD website. Retrieved from: https://www.oecd.org/finance/private-pensions/Pension-Funds-in-Figures-2021.pdf

22 OECD Statistics (2022) (a) Funded Pension Statistics. OECD website. Retrieved from: https://stats.oecd.org/Index.aspx?DataSetCode=PNN_NEW

23 OECD website (b) (2022)Pension funds' assets. OECD website. Retrieved from: https://data.oecd.org/pension/pension-funds-assets.htm

24 OECD website (c) (2022) Destinations of investments by direct insurance or reinsurance companies: Insurance companies' domestic and foreign investments by type of assets 2020. OECD website. Retrieved from: https://stats.oecd.org/index.aspx?DataSetCode=PT6

25 OECD website (d) (2022) Institutional Investors' Assets and Liabilities. OECD website. Retrieved from: https://stats.oecd.org/Index.aspx?DataSetCode=QASA_7II

26 Petrova, E. (2015) A brief overview of the types of ETFs. *Annals of Spiru Haret University Economic Series.*Vol. 15, No. 3, p. 39-45.

27 Preqin Hedge Fund database (2022) Hedge Funds Strategies (2022). Preqin website. Retrieved from: https://www.preqin.com/academy/lesson-3-hedge-funds/hedge-fund-strategies

28 Raisa, M. (2012), "Spillover Effects of Pension Funds on Capital Markets: The EU-15 Countries Case". *Academica Brancusi*. No. 4/2012.

29 Salehi, M. and Sehat, M. (2019), "Debt maturity structure, institutional ownership and accounting conservation". *Asian Journal of Accounting Research.* Vol. 4, No. 1.

30 SEC (2022) Mutual funds and ETFs, a guide for investors. Ofice of Investor Education and Advocacy. Investor.gov website. Retrieved from: https://www.sec.gov/investor/pubs/sec-guide-to-mutual-funds.pdf

31 Sigma (2012) Understanding profitability in life insurance. Swissre website. Retrieved from: https://www.swissre.com/institute/research/sigma-research/sigma-2012-01.html

32 Smolarova, K. and Tentis, R. (2021) The insurance trends private-equity investors shouls understand in 2021. McKinsey & Company. Retrieved from: https://www.mckinsey.com/industries/financial-services/our-insights/creating-value-in-us-insurance-investing

33 Stojakovic, A. and Jeremic, L. (2016) Development of the insurance sector and economic growth in countries in transition. *Development of the Insurance Sector and Economic Growth.* Vol. 13, No. 3, p. 83-106.

34 Tuckwell, D. (2019) *How institutional investors are using ETFs.* ETF Stream website. Retrieved from: https://www.etfstream.com/news/how-institutional-investors-are-using-etfs/

35 Whalen, C. J. (2012) Money Manger Capitalism. *Handbook of Critical Issues in Finance,* p. 254-262.