Alternative factors driving pension fund investments

Propositions

accompanying the doctoral dissertation

Alternative Factors Driving Pension Fund Investments

by

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1. The multiple layers of delegation in the governance structure of a pension fund hinder optimal decision making. (Chapter 2, 3)
2. If board members value their characteristics in designing the investment policy of a pension fund, then this investment policy might not fully reflect the beneficiaries' characteristics. (Chapter 2)
3. Pension funds' trustees are like elected politicians. They strive for the common good. Furthermore, they manage the expectations of their constituencies and safeguard personal interests. (Chapter 2)
4. External advisors transfer their investment beliefs by providing advice. These beliefs can overrule pension fund characteristics. (Chapter 3)
5. Following other investors' decisions in the stock market does not always pay off. (Chapter 4)
6. Although pension funds are set up to provide retirement income, they also foster capital markets, market efficiency and corporate governance.
7. People typically do not think about saving for retirement, but many have strong opinions about the features of the pension scheme they participate in.
8. Diversification across asset classes is a risk management tool for a pension fund. If all pension funds diversify in the same way, it becomes a systemic risk.
9. Economists are trained to solve allocation problems, it is up to elected representatives to decide on redistribution levels.
10. There is not such a thing as someone's idea. Everything people think or do is shaped by their background, life events, social network and by the context in which they are.