Wave 11

Summary Report

UK Institutional Market Study

Professional Investor Summary Report

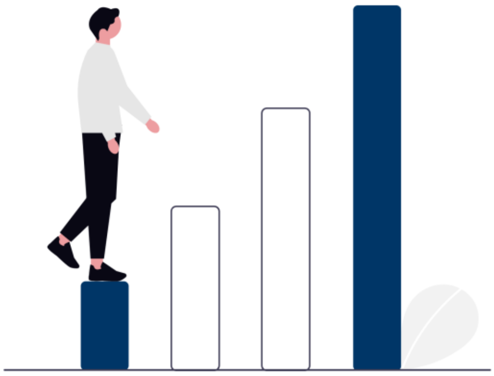
This is Research in Finance's UKIMS Wave 11 participant report, shared with those who took part in the study as a thank you for the continued support you provide to us and our clients.

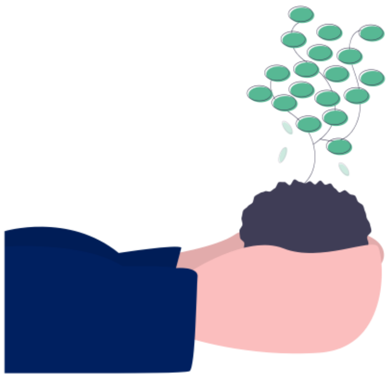
The report shares a summary of this year's findings, which cover topics such as asset allocation, end-game strategies and the asset managers you selected as market-leading.

Top Trends

With regards to asset allocation over 2026 we see the industry moving in two different directions, driven by the two different scheme types; Defined Benefit schemes (DB) and Defined Contribution (DC).

Safer, more stable options come out on top for DB schemes, such as fixed income/credit. DC schemes, however, are looking for value and growth, thus favouring asset classes such as private markets, and equities.





ESG/ responsible investing is still important to UK pension investors, but not as important as it once was...

We still see positive sentiment with regard to increasing investments in this asset class; however, they are not as high as they once were. The importance investors are placing on ESG is also slowly diminishing over time.

When it comes to end-game planning for DB schemes, running-on is the most popular strategy for the schemes that are still in the market. Despite this, over half of the market are still considering a buyout.

DC schemes see a continued movement towards the transferring of their DC sections to a Master Trust-like arrangement, likely driven by the UK Government's "mega-fund" requirements.

The majority of pension investors are already using artificial intelligence (AI).

The expected impact of AI on the industry is clear: process streamlining, efficiency, and personal productivity come out on top. There are also areas that are not expected to be largely impacted by AI and will continue to require a human touch.

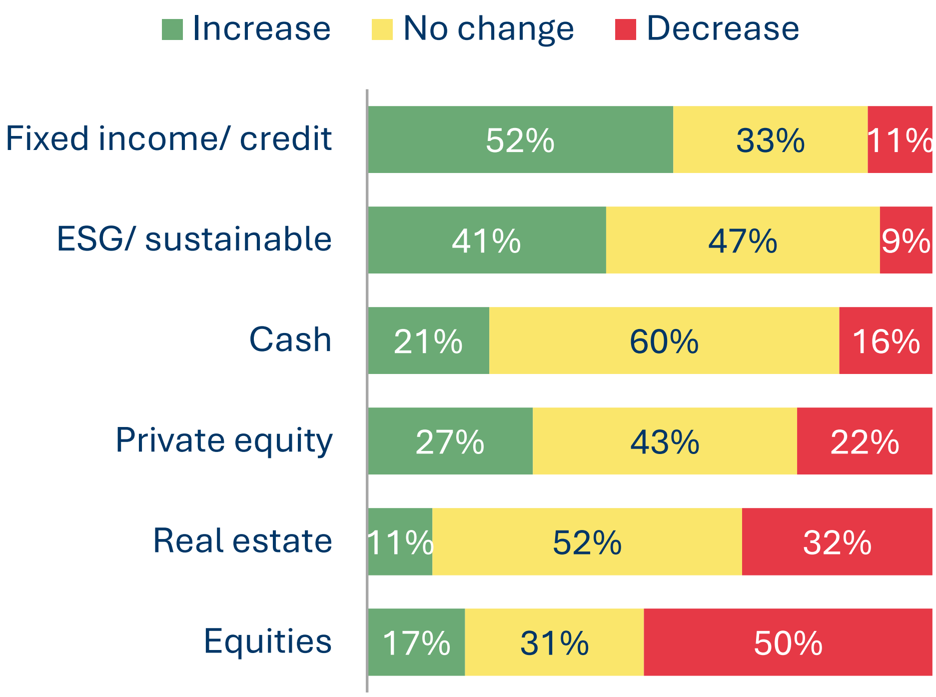
Asset allocation

How are UK pension schemes looking to invest in 2026, given the backdrop of geopolitical turmoil and a changing pension landscape for DB and DC schemes?

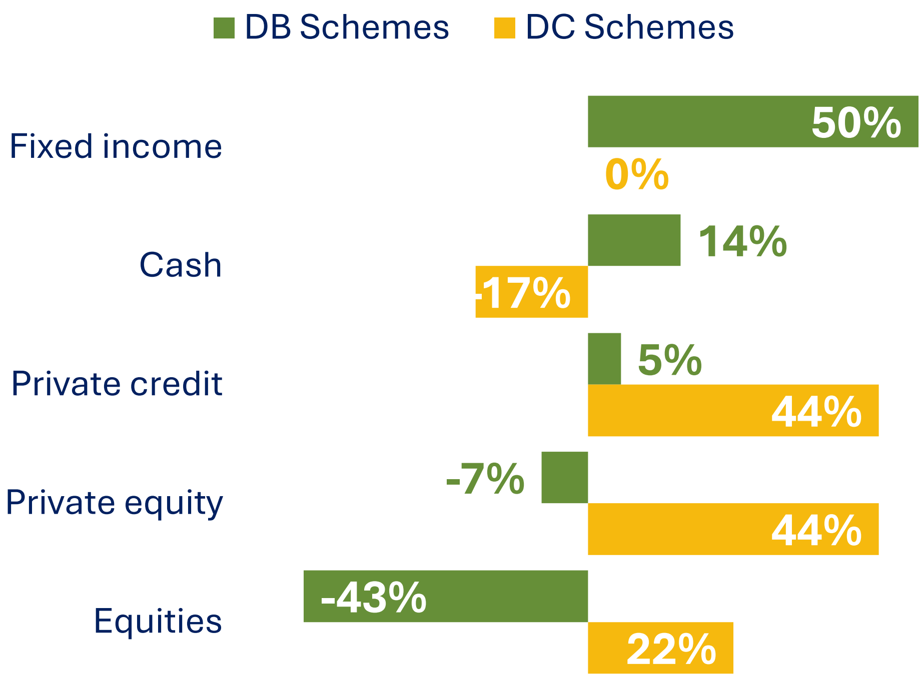
Mainly driven by DB schemes, fixed income is set to be the biggest winner of 2026, with half of pension investors looking to increase exposure to this asset class.

Equities are set to be the biggest loser, as half of pension investors are looking to decrease exposure.

Expected change in allocation in 2026



Net proportion increasing / decreasing to assets



The investment intentions of DB and DC schemes have never been more polar.

DB schemes are looking for safe and measured returns.

DC schemes are on the hunt for growth and are looking at private markets and equities to achieve this.

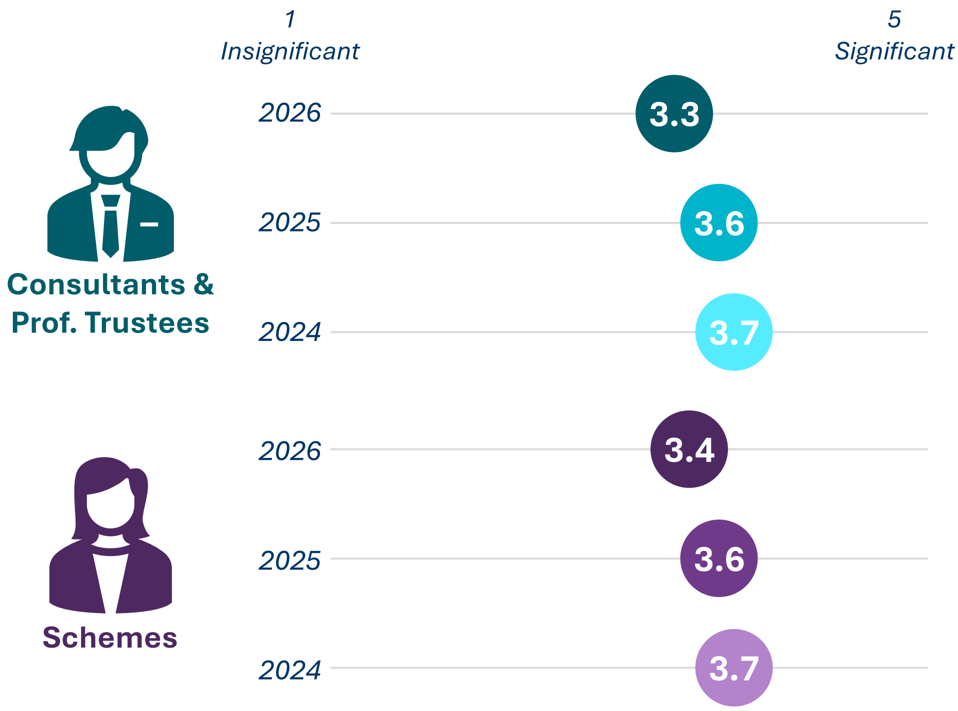
ESG

Amongst retail investors, responsible / ESG investing has taken a hit; how does the story look amongst UK institutions?

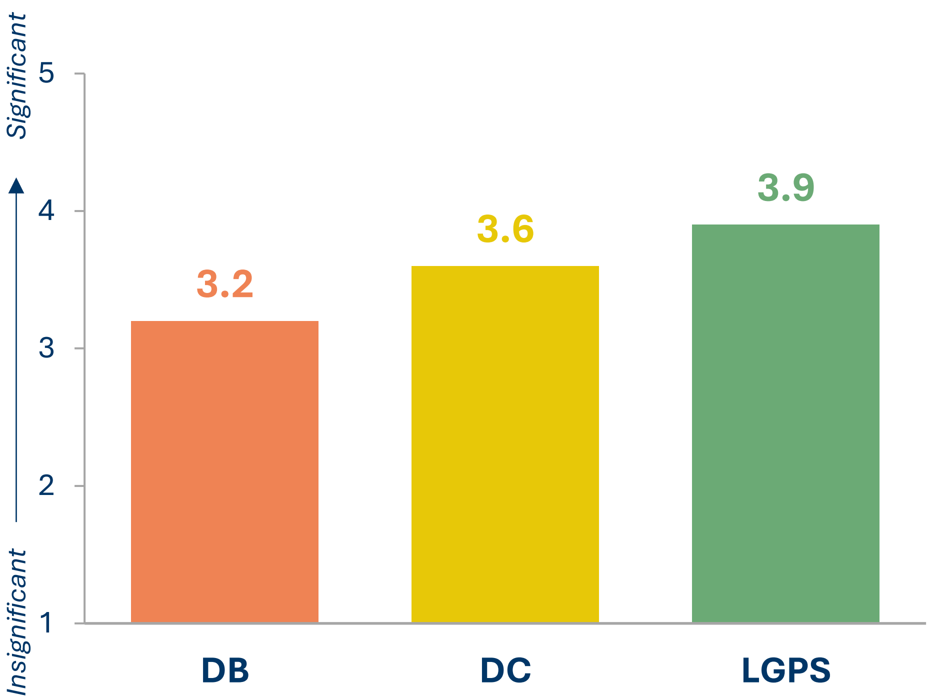
Significance of ESG over the next 1-2 years

The significance of ESG has been gradually diminishing for institutional investors over the last three years.

Despite this decline, it remains important, just not to the same extend as in previous years.



Significance of ESG by scheme type



The gradual decline in the importance of ESG is mainly driven by DB schemes, whose attention is more focused on end-game rather than responsible investing.

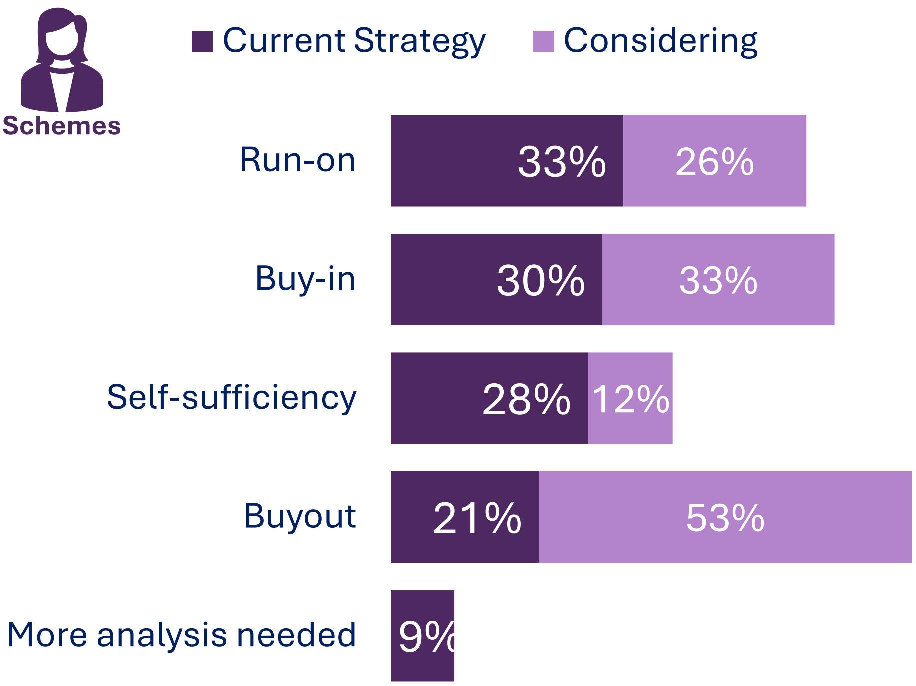
LGPS continue to hold the green flag high and place high significance on ESG over the next one to two years.

End-game strategy

UKIMS 360

To buyout or to run-on? UK pension schemes present a mixed picture: while running on remains popular, the majority are considering a buyout

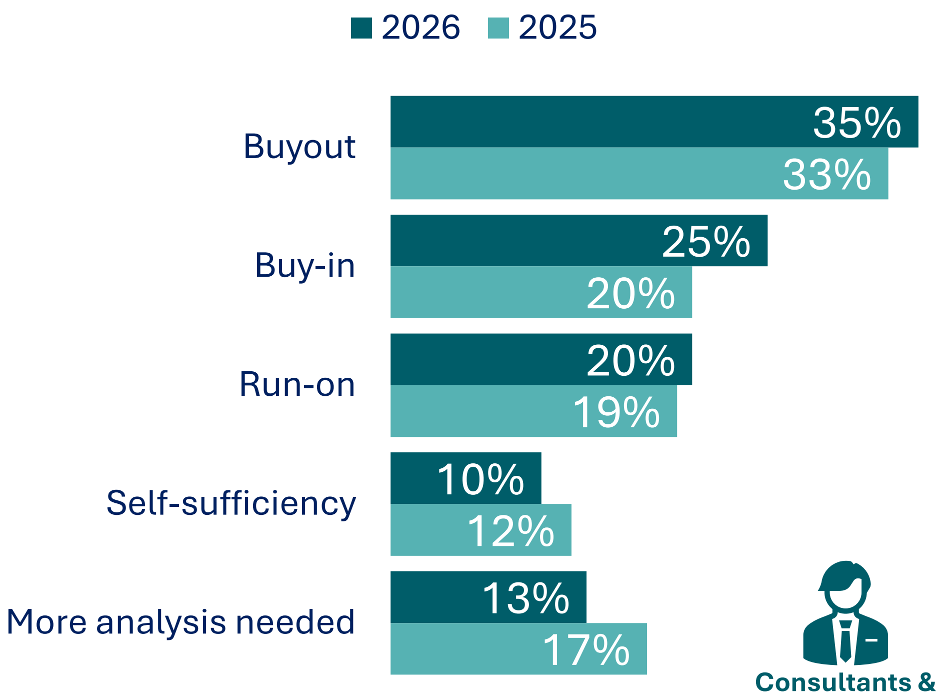
DB Schemes future end-game strategy



Over 350 DB schemes agreed a buy-in/ buyout across 2025. Of those remaining, run-on is the most popular strategy for.

With the UK government trying to encourage DB schemes to run-on the results are no surprise; however, a large proportion are still considering a buyout.

Consultants – % of DB clients discussing each strategy



When speaking with consultants, we see a slightly different picture.

Over a third of consultants are in discussions about buying out with their clients.

Only one in five are discussing running on.

Consultants & Prof. Trustees

Pension strategy

There are clear incentives to encourage DB schemes to run-on in surplus but significant barriers persist

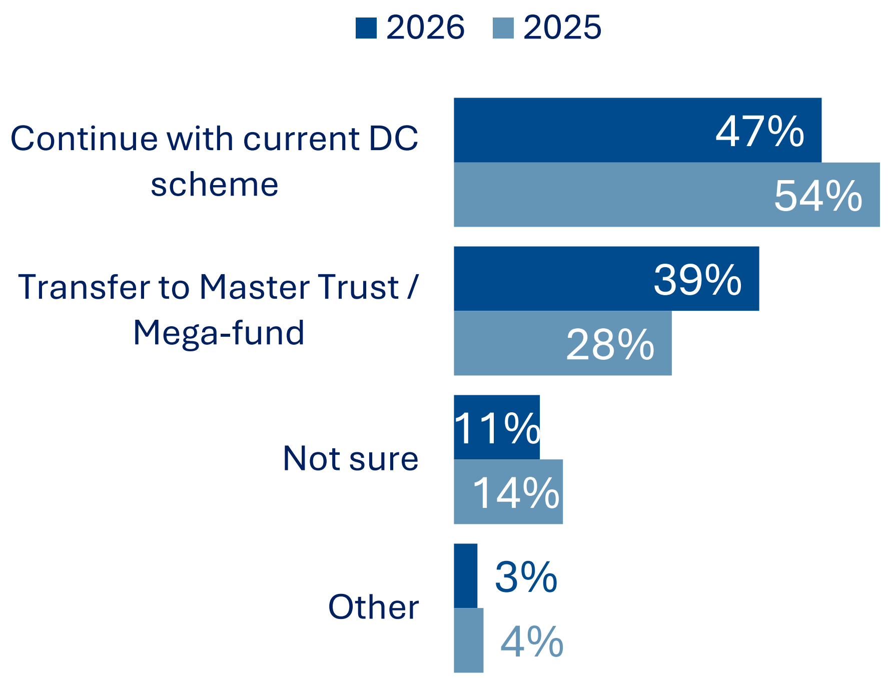
Refunding corporate sponsors and the potential to deliver increased benefits to scheme members are the top incentives for running a DB scheme in surplus.

Pressure to remove corporate sponsorship is the primary barrier and a strong preventive force.

Incentives and barriers to running-on

Potential to refund assets to corporate sponsors	60%
Potential to offer discretionary increases in benefits	58%
Corporate sponsors would prefer to remove pension liabilities from balance sheet	81%
Trustees would prefer to transfer the governance burden	48%

DC scheme future strategic plan



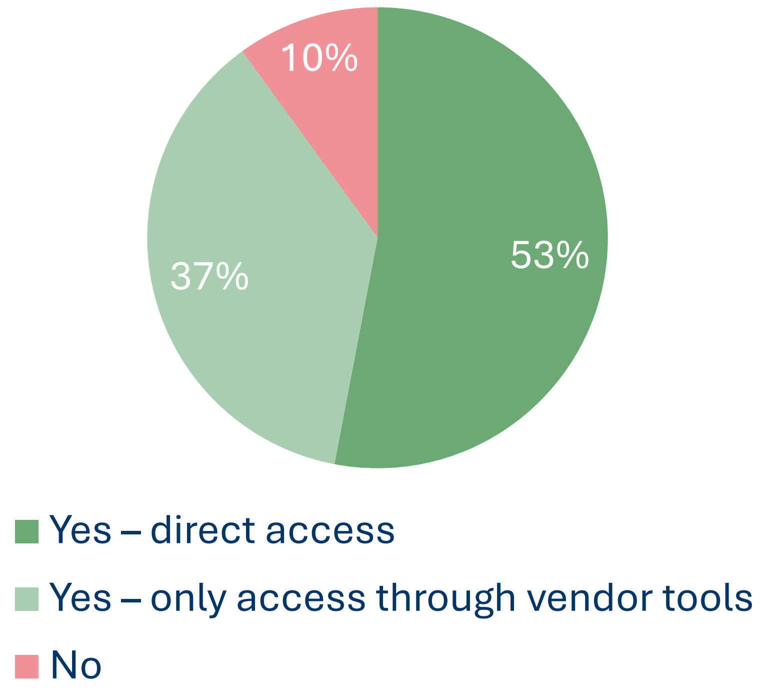
Likely driven by the UK government's DC mega-fund announcement, we have seen an increased proportion of DC schemes looking to transfer to a Master Trust-like arrangement.

We expect this trend to continue until the 2030 / 2035 targets are met.

Artificial Intelligence

Now that we have swiftly moved into 2026, AI no longer feels like a thing of the future, but more a tool of the present

Whether businesses allow access to AI tools



Only one in ten pension professionals are not permitted by their businesses to use AI.

The majority have free access to all AI tools on the market, such as ChatGPT, Gemini, and Microsoft Copilot.

Where AI is expected to have the greatest impact

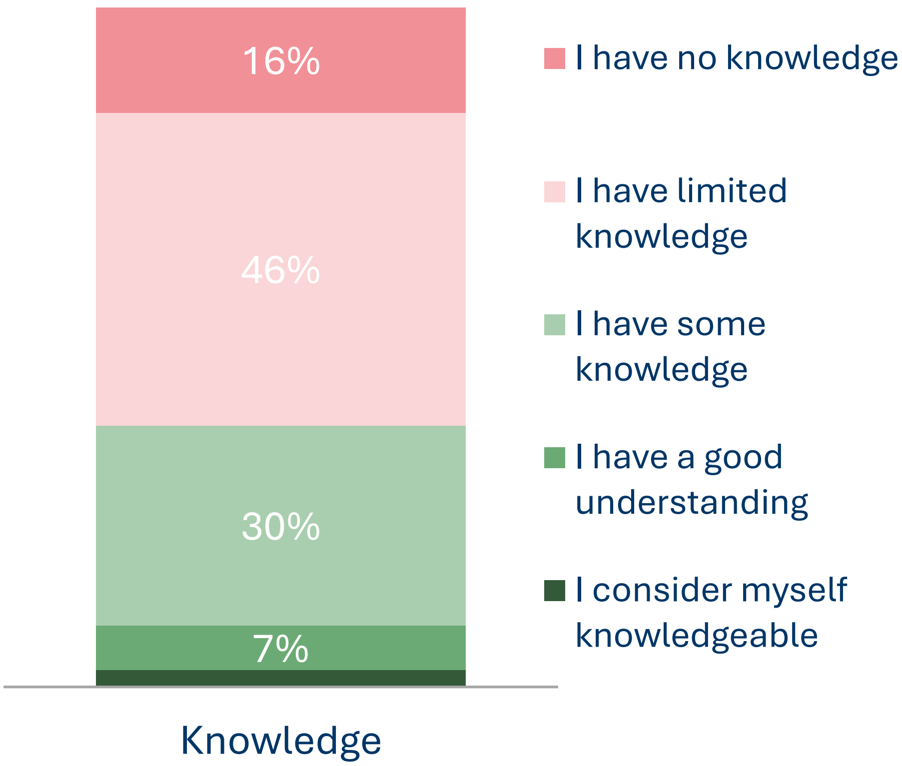
It is no surprise to see efficiency and productivity as the top areas in which AI is expected to have the greatest impact for investors.

Investors indicate that research & portfolio management and risk are areas that will require a human touch, with little expected AI impact.

Tokenised / Digital Assets

Tokenised investments / digital assets have been highlighted by asset managers as an investment area of the future. The UKIMS research has tested sentiment towards this investment type

Knowledge of digital assets / tokenised investments



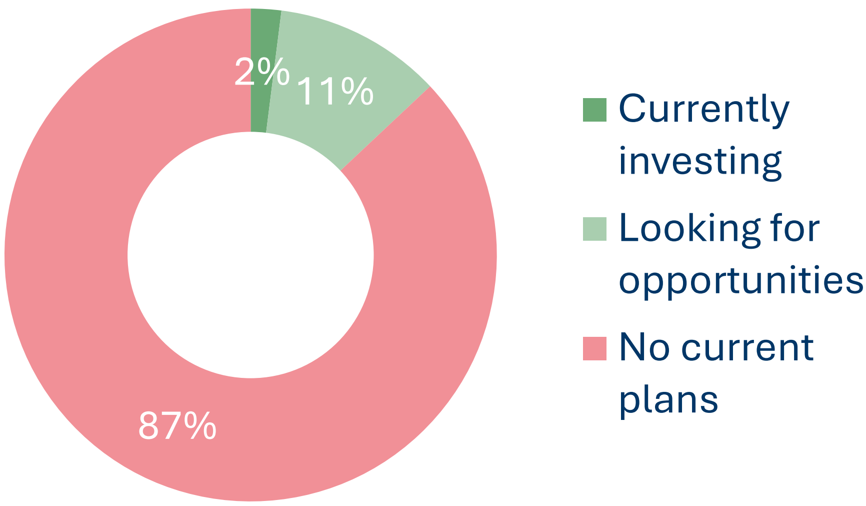
UK institutional investors display very limited knowledge about tokenised investments / digital assets.

Only one in ten consider themselves either knowledgeable or to have a good understanding of this form of investing.

Appetite for digital assets / tokenised investments

Current uptake of digital assets / tokenised investments is reflective of investors' knowledge levels – very limited.

Only 2% of the 200 institutional investors we spoke to currently invest in tokenised investments / digital assets.



Publications & Events

UKIMS 360

Beyond asset managers, investors engage with a diverse range of media and information sources. Professional Pensions stands out for both its strong readership and high event attendance

Industry publication readership/viewership

Professional Pensions	51%
Pensions Age	41%
FTfm	35%
Bloomberg	31%
Pensions expert	27%

Professional Pensions is the most popular publication, with just over half of institutional investors reading it.

FT Fund Management and Bloomberg are the most utilised news sites with around a third of institutional investors using them.

Trade/ industry event attendance (top 5 displayed)

Industry events continue to attract broad participation, with 66% of institutional investors attending at least one event last year.

Professional Pensions and Pensions UK recorded the highest attendance in 2025.

Professional Pensions	22%
Pensions UK (PLSA)	21%
PensionsAge	16%
mallowstreet	9%
SPS Conferences	9%
EPFIF/ PTC	9%

Leading providers

UKIMS 360

Who’s at the top? When asked, UK pension investors cite four top asset managers across multiple categories; L&G, BlackRock, Insight, and Schroders

BEST THOUGHT LEADERSHIP CONTENT

BEST COMMUNICATORS

BEST IN-PERSON EVENTS

BEST VIRTUAL EVENTS

Closing remarks

Methodology

Research in Finance (RiF) is an award-winning global market research, consultancy, publisher and data provider.

UKIMS is an annual research study now in its 11th wave! The study includes both a survey, conducted among 200+ institutional investors during the winter each year, and an online community each summer.

The findings are extremely important to asset managers in helping to shape their marketing materials, understand what institutional investors value and gain an insight into how trends are evolving over time.

Charity donations and partners

£150 has been raised for charity from the UK Institutional Market Study this year.

Thank you to those who completed the survey, for your kind donations and your continued support!

Partner charities:

Contact us

Visit the RiF website:
https://researchinfinance.co.uk

Via email:
Sam Chitty, Senior Research Manager
samchitty@researchinfinance.co.uk

Research

We sincerely hope you have found this summary report insightful, and that you will continue to take part in our UK Institutional Market Study in future years.

Share

If you have any friends, family or colleagues in the institutional investment industry who would be interested in taking part, please send them the link below, where they will be able to receive invites to surveys, in-depth interviews and online communities.

Thank You

As a thank you for sharing your views, we always offer a reimbursement for your time – either as a voucher or charity donation – as well as summary findings at the end of the project. Participation is entirely voluntary, and you can unsubscribe from survey invites at any time.

https://tinyurl.com/RiFPanel