

## Mobilising Ireland's Retirement Capital for Domestic Growth

from Seminar to Action

*Summary and Forward Outlook following 11<sup>th</sup> June 2026 IAPF Seminar*

### Introduction

The seminar held on 11<sup>th</sup> June 2026 marked an important milestone in the ongoing evolution of Ireland's retirement landscape. Bringing together stakeholders from across the investment ecosystem, the event provided a timely and constructive forum to reflect on how Ireland funds retirement and, critically, how those funds are deployed.

The discussion highlighted both a success story and a strategic challenge. Ireland has established a robust multi-pillar retirement system, with substantial and growing pools of long-term capital. **Yet there is a structural imbalance: whilst the capital base is significant, allocation to domestic opportunities remains limited.**

Addressing this imbalance is driven not by sentiment or obligation, but by a compelling opportunity, supported by strong investment fundamentals, market development potential, and the advancement of long-term national resilience

This paper captures the key themes discussed and seeks to chart a pragmatic path forward.

### Ireland's Four-Pillar Retirement Framework

Ireland's retirement provision has evolved into a four-pillar system:

1. State Pension
2. Occupational and Private Pensions ("Pensions")
3. MyFutureFund (Auto-Enrolment System)
4. Personal Investment Accounts PIA (Public Investment Vehicles currently being established)

The State Pension remains the foundational safety net. However, it is pillars 2, 3, and 4 that now function as capital allocators. Together, they form a powerful and expanding investment base, with the capacity to influence both domestic and international markets.

\*PIA under the Savings & Investment Union (SIU) also discussed as Savings & Investment Accounts (SIA). For the purpose of this document we will solely refer to PIA when speaking to PIA/SIU/SIA.

The scale is already material. Pillar 2 alone holds approximately €145 billion in assets, with further growth expected as coverage widens and contribution levels increase. The introduction of MyFutureFund will further deepen long-term retirement savings, while the PIA framework will create additional channels for structured, policy-aligned capital deployment. It is estimated that some €170 billion is on cash deposit in Ireland which is being eroded significantly each year by inflation.

Collectively, these pillars constitute a strong pipeline of investable capital. The critical question posed during the seminar was how effectively this capital is being deployed, and in particular, whether Ireland is fully leveraging it to support domestic economic development where attractive opportunities exist.

### **A Structural Shift in Allocation Patterns**

The relatively low level of domestic investment is not consistent with Ireland's historical experience. Prior to the adoption of the euro, Irish assets accounted for a significantly higher share of institutional portfolios. Over time, globalisation, diversification requirements, and European market integration have driven a pronounced shift towards international allocations.

This evolution is understandable and, in many respects, appropriate. Investment decisions must remain grounded in robust financial rationale, risk-return considerations, and fiduciary duty. The objective is not to unwind global diversification, but to re-balance with purpose: ensuring that high-quality domestic opportunities are investable and accessible within well-structured portfolios. Put differently, should the median Irish allocation of the average Irish pension fund sector be 0-1%? It is estimated that the total Irish allocation by Irish pension funds is 3-4% mainly from a small number of large DB schemes.

The seminar made clear that this agenda is neither paternalistic nor protectionist. It is about ensuring that Ireland's own long-term capital can participate meaningfully in the country's economic development where compelling, risk-adjusted opportunities exist.

### **A Shared Responsibility Across Stakeholders**

The seminar underscored that no single stakeholder can address this challenge alone. Progress requires coordinated consolidated action across the ecosystem. This includes:

- Regulators
- Trustees
- Investment advisors
- Asset managers and allocators
- Government agencies and policymakers

The message was clear, **a collective alignment and common understanding across stakeholders across the value chain is essential.**

### **A Unique Moment: Ireland's EU Presidency and the PIA Catalyst**

The timing of this agenda is particularly significant. With Ireland assuming the **EU Presidency from 1 July**, there is a unique platform to demonstrate leadership in capital markets development and long-term investment frameworks.

### **From Discussion to Delivery: Three Key Actions**

To convert intent into impact, the seminar concluded with a clear call to action. Three priority areas emerged as critical to unlocking progress:

#### **1. Development of a suitable Fund Vehicle Across the Three Pillars**

There is a need to identify and establish an investment vehicle to invest mainly across asset classes in Ireland capable of accommodating capital allocations from Pensions, MyFutureFund, and PIA structures and beyond.

Such a vehicle must:

- Provide enhanced liquidity frameworks that can align to the time horizons of the retirement pillars.
- Meet institutional standards for governance, transparency, and scalability
- Enable efficient access to a diversified range of domestic opportunities
- Allow participation from additional investor groups, including international capital

Crucially, the vehicle must be sufficiently transparent and understandable to support trustee decision-making and member confidence. Without a suitable vehicle structure, allocation will remain constrained regardless of intent.

#### **2. Continued dialogue across stakeholders**

Noting the need to ensure symmetric information and the requirement for stakeholders to work together in completing the value chain, there is a need for continued dialogue between stakeholders. In a call to action, we would see the need for key engagements including:

- Pensions industry to consider investment approach to enable a workable solution within the PIA pillar and MyFutureFund pillar.
- Trustees to ask if an allocation to Ireland makes sense for their members.
- Regulatory engagement with key pension stakeholders to discuss the investment structure and associated cost.

- Relevant government body interactions with the pensions industry as a stakeholder including Master Trusts.

Whilst the range of issues are varied across stakeholders and we have called out key engagements above, there ultimately needs to be a collective approach to solving the value chain. Without a collective working group driving this agenda forward the fragmented discussions and different understandings will result in the status quo being retained.

### **3. A Refocus on Cost Towards Net Investor Outcomes**

Finally, the industry must shift its emphasis from headline costs to value delivered to underlying investors. A continued focus on cost in isolation risks excluding assets that can enhance absolute performance, diversification, income and resilience within portfolios.

This means:

- Prioritising net performance outcomes rather than purely fee minimisation
- Aligning fee structures with long-term value creation
- Ensuring cost transparency while recognising the need for appropriately resourced investment strategies

Without this shift, the necessary vehicles and strategies will struggle to gain traction. Investors must see clear, risk-adjusted value. Also, investing alongside a cornerstone investor, such as ISIF or EIF, will help significantly in this regard.

### **Conclusion: Seizing the Opportunity**

The 11<sup>th</sup> June seminar demonstrated that Ireland has both the capital and the capability to strengthen its domestic investment ecosystem. The challenge is not one of resources, but of coordination, structure, and execution.

By acting collectively, aligning incentives, and focusing on practical solutions, Ireland can create a model that balances global diversification with meaningful domestic participation.

The path forward is clear. The question now is whether we move decisively.

**This paper is authored by the IAPF Investment Committee**

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