

## The APK Group has been able to adapt to changes and turn them around

**Christian Böhm**, CEO of APK Pensionskasse, shares his insights with us



Please could you provide a brief overview of the group's operations in Austria?

The APK Group is predominantly a private pension fund provider, but we also provide severance payments, which is compulsory in Austria. Most of our assets are held in the pension fund, but the severance payment field is growing much faster. Our clients span all industry sectors, including private and public sector companies.

Austria started funding pensions later than other countries in Europe, and we began with occupational pensions in the 1990s. In Austria, about 25 percent of the workforce is covered by additional pensions, financed predominantly by companies. It is also possible for employees to make additional contributions on a voluntary basis.

According to Mercer, APK is the best long-term performer among Austrian pension providers. How did the company perform in 2018? It has been a bumpy road due to rising volatility in the capital markets. We haven't reached the end of the year yet and we already know that the macroeconomic environment has been affected by Brexit and Trump. I expect to be slightly down at the end of the year, but we have delivered above average returns. We have been able to build up buffers to cover such events. However, the capital market environment worldwide is affected by low interest rates, which will last longer in Europe than in the U.S. because of the euro crisis, and we have to take a longer-term view on investment and diversify our asset allocation.

**"We have always invested globally and using a well-diversified strategy, with no bias."**

Christian Böhm, CEO of APK Pensionskasse

What is the relative importance of the risk levels in APK's pensionskasse? The DC plan provides for people with different approaches to risk. But the other view of risk is opportunity, so higher risk level may mean a better pension in the long term.

Do clients have a choice of package? That depends on the company.

Is the current macroeconomic environment in Austria a challenge or an opportunity for APK?

It is a challenge across Europe, but it is an opportunity for APK pension funds because we can deliver money in a way that individuals cannot. As a large institution we offer greater product diversification and lower costs.

What is APK's contribution to the socio-economic landscape?

Our approach to sustainability in finance is perhaps a little different. Sustainability development goals set by the U.N. are useful, but we have to decide which investments will have a positive impact.

In an economy dominated by small businesses, does APK favor international investments over domestic?

We have always invested globally and using a well-diversified strategy, with no bias. But we believe Austria offers many opportunities; some of its small companies are global champions in their own niches.

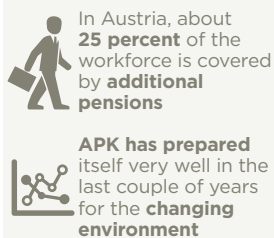
Austria has powerful but unknown economic players. How does APK use this to its advantage?

In the way we think about investments. We have links with different sectors of industry, which gives us a good picture of macro trends. We watch each sector closely for technological developments and R&D trends.

What is your final message to the readers of Newsweek?

We provide customized pensions plans for employees across different sectors. Austria is currently preparing for demographic change as more people reach retirement age in the future.

Austria has high living standards combined with high ecological awareness and natural resources. We do not have the big brand names, but we have highly successful companies. We know that Austria is rich with investment potential—you just have to know where the hidden opportunities are.



## Protecting families for generations



Consistently high investment yields and our global expertise have made APK Pensionskasse the leading independent provider of occupational pensions in Austria. With long-standing, satisfied clients that include everyone from major multinational companies to individual customers, you can be sure that your future is secure with APK.

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