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NEW REPORT REVEALS USA IS THE TOP DESTINATION FOR AUSTRALIAN PENSION FUND INTERNATIONAL INVESTMENT

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Australian pension funds are forecast to invest trillions of dollars in international markets by 2035 as they scour the globe in their aim to deliver the best investment returns for their millions of members, with the US coming out as the top investment destination.

According to a new report commissioned by IFM Investors, based on analysis from the Super Members Council and Mandala, Australian pension fund investment in the US is expected to more than double over the next decade - from US\$400 billion to over US\$1 trillion.

Australia has one of the largest and fastest growing pools of retirement savings in the world, with the country's pension assets totalling approximately US\$2.8 trillion.

As this pool of capital has grown, IFM and Australian pension funds have looked overseas for private market investment opportunities, with international investments more than doubling since 2014. And the report finds international investments have grown faster than domestic investments, helping Australian pension funds achieve diversification and higher returns.

The report finds there are opportunities for more collaboration between Australian pension funds and the US. With stronger partnerships, Australian pension fund investments in US private markets could reach US\$240 billion or more by 2035.

Australian pension fund investments in American infrastructure could also increase from US\$20 billion today to US\$110 billion by 2035, across roads, ports and logistics, data centres, energy and telecommunications.

Australian pension funds have established themselves as trusted long-term investors supported by key policy settings, such as compulsory contributions and preservation, that underpin the strength of the Australian super system.

IFM Investors opened its New York office in 2007 and IFM funds are invested in infrastructure assets in more than 30 US states, including the Indiana Toll Road, Switch Inc, Swift Current Energy and Freeport LNG.

Australia's Ambassador to the United States, the Hon Dr Kevin Rudd AC, and Australia's Consul-General to New York, Heather Ridout AO, are convening the Superannuation Investment Summit for IFM Investors and leaders of Australia's superannuation funds to promote the profile of Australia's super system and explore new investment opportunities in the US.

A copy of the Mandala report 'Going global: Unlocking the growth potential of Australian pension capital' can be downloaded [here](#).

Quotes attributable to IFM Investors Global Head of External Relations David Whiteley:

"Australia has built one of the world's most successful pension systems, with the country's pension assets totalling approximately \$2.8 trillion US dollars. We already have a significant footprint in the US but now is the right time to invest more."

"Based on existing trends, Australian pension funds are forecast to have over \$2.6 trillion US dollars invested outside Australia by 2035. Investing in international markets helps to diversify portfolios and deliver healthy returns for Australian workers."

Quotes attributable to Super Members Council Executive General Manager Strategy and Insights, Matt Linden:

"Such is the size and scale of Australia's pension funds they need to scour the globe to find the best investment deals that will deliver their members a retirement they can look forward to."

"There is a great opportunity to unlock further investment opportunities for Australian super fund members in the US – the world's largest market. And in a win-win the US economy benefits from Australian pension fund investments strengthening and growing their businesses."

Quotes attributable to Mandala Managing Partner, Amit Singh:

"Our analysis shows that Australian pension funds are becoming major global investors, with investments in the US alone expected to reach \$1 trillion by 2035."

"Australian pension funds have grown beyond just domestic investments to become global players. Our research shows this trend will continue, especially in US private markets and infrastructure like roads and energy, which match well with Australian investors' long-term outlook."

About IFM Investors

IFM Investors was established more than 30 years ago with the purpose to invest, protect and grow the long-term retirement savings of working people. Owned by Australian pension funds, the organisation has approximately A\$230 billion under management as at 31 December 2024. Because IFM is owned by industry superannuation funds, we prioritise the interests of 745 like-minded investors worldwide by focusing on assets that combine excellent long-term risk/reward characteristics with broad economic and social benefits to the community. Operating globally from offices in Melbourne, Sydney, London, Berlin, Zurich, Amsterdam, Milan, Warsaw, New York, Houston, Hong Kong, Seoul and Tokyo, IFM manages investments across infrastructure equity, debt, listed equities and private equity assets. For more information, visit www.ifminvestors.com.

About Super Members Council

We are a strong voice advocating for more than 11 million Australians who have over \$1.5 trillion in retirement savings in profit-to-member superannuation funds. We protect and advance the interests of super fund members throughout their lives, advocating on their behalf to ensure superannuation policy is stable, effective, and equitable. We produce rigorous data and analysis to inform public policy discussions to strengthen retirement for millions of everyday Australians.

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