



P-Glossary



Pension fund

A pension fund is a pool of assets set up by a company, union, government entity, or other organization to provide pensions to the fund contributors at retirement age. Many pension funds, because of their sheer size, are actively investing in markets and hence are major shareholders in several companies. Since the amount of capital is huge, pension funds exert considerable influence on the stock market as institutional investors. Some pension funds employ their own fund managers. Others delegate responsibility to external fund managers. Fund managers try to achieve a diversified portfolio of investments, with some in low-risk areas, and others in high-risk areas.
