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The Great Pivot: Investing in AI/Tech Infrastructure, GDP Growth and the Fifth Industrial Revolution

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**World
Pensions
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G7 Governments Rely Increasingly on Pension Investors for Economic Growth and ‘Nation Building’

This short primer summarizes some of the comments made by the coauthors in various forums and policy gatherings in the past three months – notably but not exclusively the 13 May 2025 **Windsor Roundtable** on Pension Investment & Governance,¹ the **Natl. Assn. of Brazilian Pension Funds/ABRAPP** International Seminar (Lisbon, 13 – 17 June), the **G7 Pensions Dialogue** (Lisbon/+Zoom, 15 June) and the **RAISE AI Summit** (Paris, 8 – 9 July 2025), as well as closed-doors meetings with North American, European, Australian and Arabian Gulf policy makers and trade union leaders (Apr. – Jul. 2025), and our readings of recent policy papers in the fields of retirement, actuarial science, financial economics and corporate strategy.

Following PM **Mark Carney’s** surprise victory (29 April 2025), for the first time in history, the **Privy Council** and Secretariat to the **Canadian Cabinet**, the highest echelons of the Canadian government, were staffed by pension industry executives: **Marc-André Blanchard** and **Michael Sabia**, both C-suite alumni of the **Caisse de Dépôt et Placement** du Québec (CDPQ), will lead the federal government core machinery at a critical juncture for the country (effective 7 July). This strategic HR decision made by the new Canadian Prime Minister happens at a time of trade dislocation with the **United States**: going forward, Canada may need to harness its vast pool of pension resources (over C\$3 trillion in assets, 80% invested outside of the country) to help reorient the nation’s economy.²

Assuming free trade would last forever, Canadian political–financial elites had built the country’s economy along a North–South axis, integrating Toronto to **Illinois** and **Michigan** and tying Montreal to **Massachusetts** and Upstate **New York**. That model worked fairly well until April/May 2025, when President **Donald Trump** embarked on a rapid reordering of world trade and investment conventions to ensure US strategic dominance in AI, energy, aerospace and defense (‘dual use technologies’) at a time when **China** is cementing its position as America’s only serious rival³ in the foundational sectors of the Fifth Industrial Revolution (FIR).⁴

Diversified Infrastructure Investment for Institutional Investors, Smart Concessions and Asset Recycling

The new Canadian prime minister is now trying to reorient the nation’s commerce and investment flows along a giant East – West axis, connecting **Ontario** to **Quebec** (homes to 3 of the world’s 10 largest pension funds) through a vast network of high-speed rails (HSR), highways and canals and, beyond the **Labrador Sea**, to Greenland/Denmark, the **Dublin Metropolitan** Area and the **City of London**. That new kind of state capitalism will need to mobilize domestic pension savings without infringing on the sacrosanct sovereignty of pension boards (trustees should always have the last word) and ensure there’s a viable pipeline of privatizable infrastructure assets and an ambitious asset recycling agenda at national level.

One country stands out as exemplary on both counts: “Australia offers a compelling model. Between 2014 and 2019, its Asset Recycling Initiative monetised over A\$23 bn through long-term leases of mature assets

with proceeds reinvested in new infrastructure without increasing public debt. The federal government incentivized participation by offering a 15% bonus on proceeds reinvested into new infrastructure projects”.⁵

The coauthor of this article, the Hon. **Nicholas Sherry**, whilst serving as the nation’s first pensions minister (**Ministry for Superannuation** and Corporate Law), worked with other senior cabinet members in the **Kevin Rudd** government to ensure the nation’s pension investors, asset managers and infrastructure proprietors at local, state and federal level “all spoke the same language”. That unique unity of purpose paved the way to the “Australin pensions miracle”⁶ and the emergence of “infrastructure as an investable asset class”, with Australia’s **Macquarie** Asset Management and **IFM Investors** emerging as global players in the field.



AI, AI Infrastructure and Fiduciary Ownership Fast Reshaping the World Economy

pictured here clockwise:

Chris Smith, Chair, City of Westminster Pension
Nick Sherry, Co-Chair, TeamSuper, the Australian
Transport, Energy and Mining Pension Fund
Steven Marshall, Executive Chairman, Cordiant Capital
Antony Heloin, Paris-Saclay University (Paris-XI)
Tony Kim, MD & Head of the Global Technology Team,
Fundamental Equities, BlackRock
M. Nicolas Firzli, Executive Director, World Pensions®

Understanding Data Centres, Digital Infrastructure and Energy Transition in the ‘AI Economy’

Alongside giant diversified Australian and US infrastructure asset managers active in all sub-sectors and geographies, a small group of sophisticated niche players has emerged, focusing on digital infrastructure assets such as data centers, mobile towers, fiber-optic networks and climate-related assets in select jurisdictions like the **United States**, the United Kingdom, **Ireland**, and the **Czech Republic**. The recent emergence of an ‘AI economy’ based on high-computing platforms (including cloud based), high-capacity storage and instant connectivity has made such assets particularly enviable. An interesting example in this space is **Cordiant Digital Infrastructure** (CORD), a specialist investment trust led by UK and Canadian industry veterans, including its CEO **Steven Marshall**, the former president of **American Tower Corporation’s** US Tower Division, who pioneered the notion of “network neutral telecommunications infrastructure”. Cordiant Digital Infrastructure follows a ‘Buy, Build, and Grow’ strategy, aiming for total returns of approximately 9% per annum but has achieved annualised returns of over 11% since inception.⁷

Another such rapidly growing niche player is **Switzerland's** Pan-European private debt specialist manager **Solas Capital**. Buildings consume 40% of the **European Union's** energy and generate over one-third of energy-related carbon emissions. With 80% of residential energy going to heating, cooling, and hot water, the potential for impact is enormous. Yet despite this opportunity, scaling energy efficiency retrofits remains constrained by a fundamental financing challenge. Traditional project finance models fall short for distributed building assets, as banks are reluctant to finance SMEs and institutional project finance only works for very large portfolios. What can be done to bridge the investment gap? We discussed that key issue at the **Windsor Roundtable** (13 May 2025) organised jointly by the **World Pensions®** forum and **SS&C Technologies**.

Decarbonising Europe's Building Stock: A New 'Green Asset Class' Bridging the Financing Gap

The solution could lay in portfolio aggregation combined with innovative guarantees structures which make smaller-scale energy efficiency projects investable for institutional capital. By bundling distributed assets into cohesive investment opportunities for pensions and insurance investors, the cost-competitive debt financing these projects need to scale could be unlocked sustainably without using government subsidies. This approach could transform fragmented opportunities into institutional-grade investments: a new asset class bridging the critical gap between climate necessity and financial viability. Speaking at the Windsor Roundtable¹, **Sebastian Carneiro**, CEO and Co-founder of Solas Capital, put it eloquently: "building sector decarbonisation isn't just an environmental imperative—it's a compelling investment opportunity waiting for the right financial architecture... at **Solas**, we're developing that opportunity for pension, SWF and insurance investors from across **Europe** and beyond".



The Windsor Roundtable on Pension Investment, Sustainable Development and Private Market Assets pictured here clockwise:

Wade McDonald, Sr. Managing Director, SS&C

Gail Klintworth, Chair, Shell Foundation, Chair, GlobeScan

Mark Moseley, fmr. Lead-Lawyer, World Bank PPPs, Sr. Advisor to the Asian Development Bank (ADB)

Sebastian Carneiro, Cofounder & CEO, Solas Capital

Michael Hunwick, Director, Investment & Wealth Mgmt., Deloitte UK

Patrick Lemcke-Brasemann, Co-CEO, AREAM

Modern Energy Storage: A Climate-Aligned Financially Attractive Frontier

AREAM, the European sustainable asset management company was another rapidly growing middle-market player attending the **Windsor Roundtable**¹ earlier this summer, represented by **Patrick Lemcke-Braselmann**, Co-CEO, and **Tim Van den Brande**, MD & Chief Growth Officer. They explored the evolution of **Germany's** renewable energy market, emphasizing its shift from early-stage growth to a more mature phase. With over 50% of electricity now sourced from renewables, the system faces new challenges—particularly price volatility and grid inertia—as fossil fuel baseload capacity declines. To address these issues, they highlighted the critical role of **Battery Energy Storage Systems (BESS)** in stabilizing the grid, enabling energy arbitrage, and ensuring reliability during intermittent renewable generation.

Braselmann and Van den Brande stressed that whilst **Germany** has made significant strides, the next leap requires substantial capital investment. Grid-scale BESS deployment remains underdeveloped compared to residential installations, yet it holds the key to unlocking flexibility and resilience in the energy system. They argued that “this creates a compelling opportunity for institutional investors, as the market offers long-term, **infrastructure-like returns** with growing policy support and revenue stacking potential”, insisting that “Germany’s energy transition is no longer just about adding renewables—it’s about optimizing and financing a complex, dynamic system. For pension funds and other long-horizon investors, the German BESS market represents both a climate-aligned and financially attractive frontier” . . .



The Natl. Assn. of Brazilian Pensions (ABRAPP)
Lisbon Forum 13–18 June 25: we discussed notably
Pension Reform in ‘The Age of Geoeconomics’.
pictured here left to right:

M. Nicolas Firzli, ED, World Pensions® and Devanir da Silva, Director-President, ABRAPP
Jarbas Antônio de Biagi, LC, ABRAPP and Guilherme Campelo, DLS, PREVIC
Dr. Elsa Fornero, fmr. Italian Pensions & Social Affairs Minister, Hon. Prof. College C. Alberto
Flávia Silva, Editor, Previdência Complementar and Eduardo H. Lamers, SG, ABRAPP

Ageing, Longevity Risk and the Socio-Economic Impact of Demographic Change

The authors also sat with **Diane Maxwell**, former CEO and Retirement Commissioner, **New Zealand Retirement Commission**, to discuss the policy crossroads where ageing, longevity risk and the socio-economic impact of demographic change meet. Ms. Maxwell insisted “our ageing populations present a profoundly important challenge ... Living longer is a privilege and a positive, but it comes at a cost. Increased healthcare spend, changing dependency ratios, and the growing funding gap, require us to ask, and answer, gnarly and unpalatable questions about who will pay for what”, asking “what can and should the government provide, versus individuals drawing on their private pensions? Can and should a shrinking group of taxpayers continue to fund a thirty-year retirement for government employees? Should we expect lifesaving hospital treatment at 98 or accept the finality of ageing”?

The persisting barriers to progress include notably “the lack of cohesion across government in developing a plan and the difficulty in getting necessary policy solutions over the line with voters, but it is also possible that we simply don’t want to think about ageing ... Demographic change is not as exciting or visually dramatic as climate change, and it struggles to gain our attention but the social contracts we live by, and take for granted, are becoming increasingly untenable, unworkable and unaffordable and the cracks are showing”. It is a ‘tomorrow problem’ that needs attention today.

These issues will be further discussed by the authors at the **G20/World Pensions®** global forum held in **London, 20 – 21 Nov. 2025**, on the sidelines of the G20 Summit and the United Nations **COP30** Conference, a multi-stakeholder high-level event chaired by M. Nicolas J. Firzli, cofounder of the G20/**World Bank** Group led Global Infrastructure Facility (GIF), the Hon. Nick Sherry, AO, Co-Chair, **TeamSuper**, the Australian Transport, Energy & Mining Pension Fund, **Gareth Tancred**, Chief Executive, **Pensions Management Institute** (PMI), and G20 Pensions Advisory Council cofounder **Christopher Smith**, Chairman of the Board, City of **Westminster Pension** (part of London LGPS).

The global event will feature the **AI Roundtable** chaired by Dr. **Iuliia Shpak**, Co-Head, Fundamental Investing, Xantium Fund, **Tudor** Investment Corp. and **Gene Podsiadlo**, ABM, **Park City** Angels, and some of America’s, Europe and ASEAN’s leading AI founders and investors.

Learn more, join us in London later this year: g20pensions.org PensionsSummit.org

***M. Nicolas J. Firzli** is founder of the World Pensions® conference, the retirement & savings industry research and advocacy platform, co-chair of the G20 Pensions Roundtable held on the sidelines of the G20 Summit, founding-member of the Advisory Board for the Global Infrastructure Facility (GIF), the World Bank and G20-led global initiative, and managing director of the Singapore Economic Forum (SEF). Nicolas is a graduate of Canada’s McGill University (Statistics & Financial Economics), an alumnus of the HEC Paris School of Management (MBA Corporate*

Strategy & Marketing) and the University of Paris Law School (LL.M. Corporate Law) and has conducted research at the University of Louvain (UCL) Doctoral School of Economics and Management in Waals Brabant (Belgium).

The Hon. Nicholas John Sherry is the former pension minister of Australia (Minister for Superannuation) and one of the fathers of the 'Australian pension miracle'. Nick Sherry is the cofounder of the EU ASEAN Centre (EuAC), Singapore Economic Forum (SEF), which he chairs, co-chair of TeamSuper, the Australian Transport, Energy & Mining Pension Fund, and chairman of the board of Household Capital, a leading Australian fintech providing home equity retirement funding and longevity income. He was educated at the University of Tasmania (BA Classics & Political Science) and is a fellow of the Australian Institute of Superannuation Trustees (AIST) and a graduate of the Australian Institute of Company Directors (AICD).

The views expressed herein are solely those of the coauthors of the primer and do not necessarily represent the views or positions of TeamSuper or the World Pensions[®] Centre and Conference Series or their stakeholders. More generally, the various perspectives, observations and estimations cited in this primer simply constitute a summary reflection of the authors' personal interpretations of some of the issues considered at the time of writing and/or interviewing, and thus do not constitute a recommendation to buy or sell any asset (class), security, derivative, commodity including gold, fund/trust share, ETF, currency, or any other investment vehicle.

ENDNOTES & RESEARCH RESOURCES

- ¹ The World Pensions[®] Conference and [SS&C Technologies](#) organised jointly the [Windsor Roundtable](#) on Pension Investment & Governance at the Fairmont Windsor Park Hotel, Tuesday 13th May 2025, right before the start of the 2025 SS&C Deliver EMEA Conference
- ² Odeh, Layan and Mathieu Dion. "Buy Canada Pressure Builds on Trillions in Pension Plan Cash". Bloomberg Law News. 11 March 2015
- ³ Polard, Jim. "US Seen Easing Chip, Product Curbs to Get China's Rare Earths". Asia Financial. 10 June 2025.
- ⁴ Firzli, M. Nicolas. "[IMF – World Spring Meetings: Experts Cut Global Growth Forecasts, Unfairly Blaming US Policies for Slowdown](#)". QNews (Cairo TV). 22 April 2025
- ⁵ Young, Rebekah. "A New Lease on Life: Time for Team Canada to Play Offence With Public Infrastructure Assets". Scotiabank Report. 26 June 2025
- ⁶ Sherry, Nick, Nicolas Firzli, Iuliia Shpak, & Christopher Smith. "The New Wealth of Nations: Pension Superpowers, Private Market Assets and GDP Growth." (2024)
- ⁷ Lyall, Ian. [Cordiant Digital Infrastructure: Disciplined Buyer with an Eye on Europe's AI Revolution](#). Proactive. 9 July 2025