

## ABSTRACT, KEYWORDS AND JEL CODES

A wide-ranging amount of papers on the topic of this dissertation were published in the last decades, and the importance of this subject has taken great proportions in the global debate. The fiscal challenges faced by governments around the world, the relative fragility of the global financial system, the ageing of the population and even the evolution of labour activities are arguments of strong impact on the challenge of post-retirement income assurance. In this context, the assignment of engaging pension funds in the complex compliance of their liabilities - the central pillar of the *raison d'être* of such funds, is even more evident.

This dissertation provides new insights on the essential question about pension fund asset allocation and its consistency with the fundamental economic theory assumptions. The research consists of an empirical confirmation through linear regression calculations, where the investment rate of return was established as the central variable and dependent on the indicative variables of asset allocation in equity and asset allocation in bills and bonds, using ten years' worth of data, specifically for the period from 2008 to 2017 and hereinafter recalculating for a longer period of fifteen years, i.e. from 2003 to 2017.

The most reliable results suggest that for a specific group of countries, where defined benefit (DB) type of pension funds represents the majority of assets, in a long-term scenario with widespread crisis damage, it is possible to construct an explanatory model where the investment rate of return responds positively to higher asset allocation in equity. Nonetheless, this finding is inverted when we consider the imbalances and distortions in the market resulting from financial crises. Still for this specific group of countries, higher bonds supply plus losses in stock markets may lead to portfolio rebalancing, with better results in this case for assets allocation in bonds.