

# The Rule of Law under pressure: implications for investors

By Marlies van Boven

"I am truly an asset manager," says Olaf van den Heuvel, Chief Investment Officer at Achmea Investment Management for over a year. "I love markets and investing, and I have been active in that field for a long time." Achmea is known as a highly successful financier and insurer, but according to Olaf, it is also one of the larger asset managers in the Netherlands. €227 billion as of January 31, 2026. That is quite a well-kept secret. "We actively invest large sums: in credits, government bonds, and equities, among others. For me, the challenge is how we can make that more visible and in what way can we become even more successful in this area?"

A broader conviction also plays a role here. The Netherlands is a country with an enormous amount of assets, but in recent years, a portion of the management has partly flowed abroad. 'It sometimes seems more attractive to work with a manager in San Francisco than with a manager in Zeist. But that, of course, does not mean that an American does a better job. I find it really important that the Netherlands retains strong, professional asset managers, and I am happy to dedicate myself to that.'

## RULE OF LAW AS INVESTMENT REALITY

According to Olaf, the link between the rule of law and investing is fundamental. In government and corporate bonds, you always look at governance: to what extent are your rights protected, how predictable is the policy, and does what you can reasonably expect happen? This touches upon both classic credit risk and normative risk choices

Achmea, with its cooperative background, considers it important to look at stakeholders more broadly than just shareholder value, such as labor rights. In practice, some large companies try to discourage union formation.

That is a growing theme. In the United States, the right to union membership is legally protected, but companies sometimes wage aggressive anti-union campaigns, such as at Amazon and Tesla.

This may prompt investors to take a position. Ultimately, we manage the money of our clients and pension funds. It is their money, so it is their rules. But we do have a certain lower limit.' And that is where those normative frameworks lie.

Dutch investors are historically accustomed to a principle-based approach: relying on reasonableness, principles, and institutional continuity. Internationally, you see a rules-based approach more often, where rules are followed literally – or

looked up – as long as they are formally valid. That sometimes takes some getting used to for us. 'Especially when rules are applied in such a way that they undermine the spirit of what you consider important'.

## CHINA AS THE MOST CONCRETE EXAMPLE

Where the rule of law has had a truly direct impact on allocation is China. In recent years, global allocation to China has declined, partly because investors were concerned about shareholder rights and ownership structures. 'The feeling that you could be expropriated without warning, or that your rights are suddenly interpreted differently, weighs heavily.'



Olaf van den Heuvel, CFA, is Chief Investment Officer at Achmea Investment Management.

He began his career in the financial sector in 2000 when he joined Aegon Asset Management as a portfolio manager and strategist. During his career at Aegon, he held various positions within the investment teams and was appointed CIO and member of the Executive Board in 2017.

Since December 2024, Van den Heuvel has been appointed Director. Asset management at Achmea Investment Management. Van den Heuvel studied economics at the University of Tilburg and is a CFA charter holder.

## UNITED STATES: MUCH DISCUSSION, LITTLE REALLOCATION

In the United States, the situation is different. 'There, the discussion regarding the rule of law, labor rights, and ESG policy has visibly increased, but the actual allocation shifts remain limited for the time being.' 'There is also a practical reason for that,' says Olaf.

The US carries enormous weight in stock indices. It is not easy, and often not desirable either, to move substantially away from that.

Normative considerations do play a role, however. 'You see that it is sometimes becoming more difficult to implement ESG or diversity policies. These are themes that could lead to exclusions in the long term, but we are not yet at the point where this affects the entire portfolio.'

Also the discussion about the dollar and the role of the US as an anchor of the financial system primarily leads to debate, not to direct action. Olaf hears many conversations, but sees little active reallocation yet – not even in currency hedging.

## EUROPE: LESS NAIVE, MORE REALISM

The elections in the United States have noticeably changed the European perspective. 'We have become less naive,' states Olaf. According to him, Europe lives in a world where higher defense investments are inevitable. With expenditures of approximately 3% to 5% of GDP, we are dealing with substantial amounts, the economic consequences of which are still uncertain.

Olaf also sees that sense of realism reflected in European regulations. Entrepreneurs are hampered not so much by a lack of capital, but by high energy prices and increasing regulatory pressure. At the same time, there is a growing realization that not all challenges can be solved through regulation.

Europe has achieved a great deal in the field of sustainability, but not always in the most efficient way. Olaf points to China in this regard, where sustainable industry has been built up more quickly in some sectors. Regulatory stability is possibly more important than a continuous stream of new rules – something that both investors and entrepreneurs can anticipate.

He does not expect the energy transition in the United States to structurally reverse, despite political rhetoric. The route from A to B may change, but the direction remains the same.

## LOCAL VISIBILITY VERSUS GLOBAL IMPACT

A recurring dilemma in sustainable and impact investing is the tension between local recognizability and global effectiveness. 'People like to see what they are investing in: a wind turbine in the North Sea, a battery project in Flevoland,' says Olaf.

But if you look at global impact, what is happening in countries like India is probably much more relevant. Economic development there is accompanied by rising demand for energy and raw materials.

The real sustainability challenge lies at scale. This requires difficult choices: how do you combine visibility for customers with maximum global impact?

According to Olaf, that starts with a fundamental question: do you want to invest sustainably, or do you want to achieve actual impact?

For the latter, private markets are often more suitable than public markets. We are indeed making real progress in this area together with our clients.

## MORE UNCERTAINTY CALLS FOR MORE FLEXIBILITY

For the coming years, Olaf expects geopolitical uncertainty to be a lasting feature of the investment landscape.

Not so much because one specific disaster scenario is dominant, but precisely because there are multiple possible outcomes. Consider trade tensions, geopolitical conflicts, or unexpected political decisions. Such developments can have significant effects on financial markets, for example via currencies, energy prices, or risk premiums.

According to Olaf, this does not mean that investors should structurally withdraw from certain regions. However, it does call for an investment process that offers sufficient flexibility and makes it possible to respond tactically when circumstances demand it.

This could mean that categories that were less popular in recent years become relevant again. Hedge funds, or broader asset allocation mandates, can help deal with outliers. In a pension environment where returns are compared more transparently and frequently, that flexibility becomes more important.

## SKILLS AND TOOLS OF THE FUTURE

The changing world also requires different skills.

Olaf sees strong growth in impact, data, and quant teams. Data is crucial: where does your data come from, how do you make it comparable, and how do you report on it? Private markets continue to grow, and quant investing is also receiving a new boost from better data and smarter models.

He sees AI as a potential game changer, particularly for credit and ESG analysis. These were already trends, but they are accelerating now. You can see that teams are growing and that we are actively looking for people with this expertise.

## EUROPE AND INNOVATION

Olaf is cautiously optimistic about European innovation. There is more focus on removing barriers, but the structural challenge remains: Europe is fragmented.

The problem is not so much capital, but scale. One market, one language – that is the great advantage of the United States. The strength of Europe is pluralism, but that is also its weakness.

## FINALLY

In conclusion, Olaf returns to his starting point. It would be good if the Dutch financial sector regained a bit more self-confidence. There is an incredible amount of knowledge and quality here.

It is important that we continue to see that – and convey it.