

ABOUT THE INVESTMENT ASSOCIATION

The Investment Association (IA) is the trade body that represents UK based investment managers. Our members help to grow people's money, build financial resilience, and contribute to economic growth by funding businesses and infrastructure programmes. The UK is the world's leading centre for international investment management, holding one third of the value of UK publicly listed companies.

SECURING PEOPLES' FINANCIAL FUTURE

Our industry exists to deliver good financial outcomes for people looking to invest their money, either directly themselves or through institutions such as pension schemes. We provide our customers with a basket of shares, bonds, and other assets such as infrastructure, with the goal of delivering returns over many years and operate under a duty to act in the best interest of our clients.

The majority of this money is managed for people looking to secure their financial future, with at least 34% of all assets under management in different forms of pension scheme. The industry also invests £2.2 trillion on behalf of individuals, helping provide for a wide range of lifetime savings needs.

SUPPORTING UK ECONOMIC GROWTH

Our industry plays a pivotal role at the heart of the UK economy, investing in shares, bonds, commercial property, and infrastructure. The most significant part of this investment is in UK equities (£815 billion in 2022), providing the vital finance that businesses need.

In 2022, UK investment managers held an estimated £45 billion in infrastructure projects, a figure which has remained broadly stable for the last few years. 80% of this investment is in economic infrastructure such as utilities, transport, and renewable energy projects. The remaining 20% is invested in projects which provide a social benefit, such as schools, hospitals, or social housing.

Our industry footprint spans across the whole UK, with investments in every region, and employing 126,400 people in high-skill roles. Edinburgh plays a key role in UK investment management, as the second largest hub, and with just under £500 billion of assets managed in Scotland.

IA MEMBERS HAVE INVESTED **£1.4 TRILLION** IN THE UK ECONOMY THROUGH SHARES, BONDS, PROPERTY, AND INFRASTRUCTURE

GROWTH IN PRIVATE MARKETS IS A SIGNIFICANT FEATURE OF INTERNATIONAL CAPITAL MARKETS, WITH ASSETS MORE THAN DOUBLING GLOBALLY SINCE 2016 TO

\$12 TRN

DRIVING UK COMPETITIVENESS

In a rapidly changing world, and at a time of significant global challenge, if the UK does not continue to innovate then our international position is at risk of being lost. That is why the IA is working alongside government and regulators to put the UK at the forefront of innovation in investment management.

The industry is also closely engaged in the wider capital market reform discussion, supporting efforts to improve the UK as an attractive listings environment, as a strong pipeline of listed companies is vital to the UK's long-term competitiveness. As part of this agenda, we are also facilitating greater access to private markets, especially for pension schemes and retail investors through new products such as the Long-Term Asset Fund.

The IA's FinTech Accelerator, Engine, is also creating the conditions in which UK FinTech can flourish. Engine has over 150 members which are focused on boosting the industry's adoption of new technology, enabling investment managers to work more efficiently, ultimately benefiting our customers.



IN TOTAL, IA MEMBERS MANAGE

£8.8 TRILLION

ON BEHALF OF CLIENTS

THE EXPERTISE OF OUR INDUSTRY IS RECOGNISED GLOBALLY, WITH OVER

£4.2 TRN

MANAGED IN THE UK ON BEHALF OF OVERSEAS INVESTORS

A GLOBAL SUCCESS STORY

UK investment management is world leading. The £8.8 trillion that UK investment managers look after makes the UK the second largest investment management centre in the world, following only the US in scale, and bigger than France, Germany and Switzerland combined.

The UK is also one of the most international centres in the world, both in terms of the customers and businesses we serve and the assets that we invest in. Overseas clients account for 48% of total assets under management in the UK.

We manage £2.4 trillion for clients in Europe, £845 billion for North American clients, and £680 billion for clients in Asia. This brings immense benefits to the UK, as the scale and success of the industry contributes directly to the economy. The industry was responsible for £9.4 billion of net exports in 2021, which is 5.5% of total UK services exports.

THE SHARES HELD BY UK INVESTMENT MANAGERS MAKE UP

32%

OF THE VALUE OF UK PLC

INVESTING IN THE FUTURE

Investment managers' long-term view means that they focus on threats like climate change, which have the potential to undermine our economy and put at risk the value of investments.

As a result, our industry has a vital role in financing the transition to a cleaner economy. Helping the companies we invest in to consider and report on their environmental impact, and supporting government to create investible schemes that support low carbon growth.

Government estimates that to deliver on the UK's net zero ambitions, an additional £50 to 60 billion capital investment will be required each year of this decade and the next. Our industry is playing its part, investing in companies and projects which are leading the transition and by supporting the introduction of initiatives such as UK green gilts.

In 2021 the IA was also announced as the first partner to the Net Zero Asset Managers initiative, an international group of asset managers committed to supporting the goal of net zero by 2050, and IA members with £7.7 trillion of assets under management in the UK now support this initiative.

THE UK GREEN GILT RAISED **£26 BILLION** IN ITS FIRST TWO YEARS, HELPING TO PROVIDE INFRASTRUCTURE, REDUCE ENERGY BILLS AND SUPPORT GREEN JOBS

