Mansion House Compact

Purpose

This compact is a voluntary expression of intent by founding signatories to take action to secure better financial outcomes by facilitating access to the higher potential net returns that can arise from investment in unlisted equities as part of a diversified portfolio, acting consistently with the best interests of UK long-term savers.

Mansion House Compact

1. By signing this compact, founding signatories express an intent, on a voluntary basis, to take meaningful action within 12 months to secure better outcomes for UK long-term savers through facilitating access to the higher net returns that can arise from investment in unlisted equities, which will also benefit high-growth UK companies including but not limited to those operating in fintech, life sciences, biotech, and clean technology sectors.

2. The intention to achieve a minimum 5% allocation to unlisted equities through DC pension funds, and other sources of long-term savings, signals a bold ambition to unlock over £50bn of capital by 2030.

3. The long-term support of the UK Government, and of the relevant regulatory authorities, will be a key enabler to achieving the intent of this compact. Founding signatories note the recent and ongoing initiatives on pension reform, and highlight the requirement for further policy, legislative and regulatory changes to not only address the technical barriers that hinder investment in unlisted equities at scale but also the immediate and broader structural challenges.

4. A progressive set of reforms could include incentives, addressing fragmentation, enhancing operating frameworks and facilitating a sustained cultural shift to risk and reward to further embed the principle that the future financial interests of UK long-term savers is a result of maximising risk adjusted net returns, including value over cost, to deliver better outcomes.

Consistent with the supporting actions of Government and acting in the best interest of our savers, founding signatories commit:

- to increase the proportion of UK pension and other relevant assets, including DC default funds, invested in unlisted equities
- to the objective to allocate at least 5% of DC default funds to unlisted equities by 2030 in a way that is consistent with the requirement to act in the best interests of our savers

5. Depending on what will best serve their savers, signatories will invest in a variety of existing or new investment vehicles to fulfil their commitment. For some, including smaller institutional investors, there will be value in a joint vehicle as means for them to further their investment in unlisted equities.

Mansion House Compact Founding Signatories

Tim Orton, CIO, Aegon

Doug Brown, CEO, UK & Ireland Life Insurance, Aviva

Sir Nigel Wilson, Group CEO, Legal & General

Edward Braham, Chair, M&G

Phil Parkinson, Investments and Retirement Leader, Mercer

Mark Fawcett, CIO, Nest

Michael Eakins, CIO, Phoenix

Chirantan Barua, CEO, Scottish Widows

Ruston Smith, Chair, Smart

Mansion House Compact Further Signatories

Michael Clare, Head of UK Wealth, Aon

M C Clare

Ben Pollard, CEO, Cushon