



GLOBAL INVESTMENT FUTURES

Supporting Investment
Management UK

Global Investment Futures The UK's offering for global asset owners and managers

November 2023

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Images left to right: Cardiff, London, Newcastle, Edinburgh



THE
GLOBAL
CITY



UK Government

THE
INVESTMENT
ASSOCIATION



01

Helping you
exceed your
investment
ambitions



The Mall, London

Our joint commitment to you

With a favourable time zone and language, a trusted legal system, and a diverse talent pool, the UK is the gateway to global capital.

Our investment management industry is a major success story and a vital part of the British economy. Internationally, the UK is the second largest investment management centre in the world, accounting for approximately 13% of global assets under management (AUM).

From our strength in sustainable investment and green finance to our pioneering fintech sector, the UK has much to offer international asset owners and managers. Stretching from Glasgow to Cardiff, from Belfast to London, financial and professional services in the UK are innovative, globally connected and provide services to partners around the world.

Ultimately, we are a great place to do business, a great place to connect to global markets and talent, and a great place to invest in a greener future.

The Global Investment Futures campaign is a joint effort by the City of London Corporation, HM Government and the UK’s Investment Association to showcase the UK as a leading investment management centre globally and as an attractive destination for international capital.

We are thrilled to be presenting the tangible reasons why the UK is the ideal location for you to invest, grow and excel.



Alderman Nicholas Lyons
The Rt Hon the Lord Mayor
of the City of London



**Lord Dominic Johnson
of Lainston CBE**
Minister for Investment,
Department for Business & Trade



Chris Cummings
CEO, The Investment
Association



London skyline

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**We understand
your needs**





The global asset management industry experienced exceptional growth in the past decade thanks to robust performance in global equity markets. Yet the world is now facing a very different macroeconomic environment. The forces that drive growth in asset management are evolving.

To unlock new investment opportunities, global investors need managers who can help them to navigate the changing investment landscape.

Our mature market offers established centres of excellence, expertise and talent, an open business environment, global language and favourable time zone. Together, these factors make the UK one of the easiest places to invest, set up, scale and grow.

We spoke to senior leaders from the global asset management community to understand what guides their international expansion. The UK is the only global investment centre that can meet all your needs.

<div>What we heard</div> <div></div>	<div>What the UK has to offer</div> <div></div>
Access to assets and the ability to manage them (either primary access or through partnerships)	One of the world’s most internationally connected financial markets and a truly international investment management centre
Investment opportunities in private assets and other alternatives	An international asset management centre with extensive access to global private and alternative investment opportunities
Access to information, relationships and ease of building networks	A concentrated network of investment managers, with thriving support systems in one location
Talent mobility and access to a diverse workforce that can operate across global markets	A diverse, multilingual and experienced workforce with flexible labour laws
Ease and cost of doing business	Physical and digital support infrastructure, with relatively lean regulatory compliance procedures
ESG and responsible investment opportunities and expertise	A recognised leader in sustainable finance with a comprehensive ecosystem to accelerate sustainable investment
Investment opportunities in new and innovative technologies	One of the most competitive tech ecosystems in the world, in size and activity, co-located alongside a strong financial services industry
Global business connectivity, ease of travel, common business language	English is the global business language and the UK has travel connections to almost all countries

The UK asset management industry is a long-standing partner to investors from all geographies: managing assets and providing unmatched investment opportunities to pension funds, sovereign wealth funds (SWFs) and other institutional investors. In an increasingly challenging global landscape, the UK has the ecosystem and diversity of expertise to enable you to achieve your investment goals.

Key themes of the global asset management market

Sustainable and responsible investing

Sustainable and responsible investment (SRI) is gaining traction globally. Environmental, social and governance (ESG)-oriented AUM are expected to grow much faster than the asset management market as a whole, from a 14% share of the total global AUM in 2021 to 22% in 2026. Accessing and retaining ESG expertise is vital to keeping up with growth in SRI.

Increasing allocations to alternatives

Investors are increasingly looking to alternative assets classes such as private equities, private debts and infrastructure to boost returns and fulfil their long-term investment goals. As competition for assets increases, close access to assets, and having the expertise and capability to manage and drive value from those assets is key.

Long-horizon investing

Institutional investors such as pension funds and SWFs have unique roles in generating growth for the future. They have a strong focus on long-term value creation and are willing to ride out short-term fluctuations. They benefit from long-standing relationships and a stable investment environment, which allow them to assess long-term hold scenarios.

Finding the right talent and culture

Increasing competition for talent means infusing a sense of organisational purpose has proven a crucial factor for recruiting and retaining top talent. There is a need to access networks and deep pools of talent to create value for beneficiaries, and operate in locations where people want to live and work.

US\$23.4tn

in global AUM is controlled by the top 100 asset owners

53%

of total AUM of the top 100 asset owners is managed by pension funds

34%

is Asia-Pacific's share of total AUM of the top 100 asset owners. This is the largest among all regions

US\$11.4tn

of assets were managed by global SWFs in 2022. Half of the world's top 10 SWFs are from the Asia-Pacific

US\$34tn

is the projected global ESG AUM by 2026. Shares in total AUM are predicted to increase to 22% from 14% in 2021

21%

of global assets under management are allocated to alternatives

Sources: Thinking Ahead Institute Asset Owner 100 2022, BCG, Global SWF 2022, PwC

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Why the UK?



Image courtesy of Coney, © Ross Kernahan

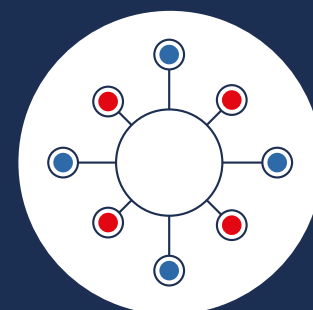


Glasgow skyline



A great place to do business

As the largest centre for asset management in Europe and second largest in the world, the UK is a trusted and dynamic place for you to do business internationally.



A great place to connect to global markets and talent

The UK offers unrivalled access to international deal opportunities, capital and talent.



A great place to invest in a greener future

The UK has a proven track record of scaling innovative ecosystems as well as the investment management expertise to finance a greener future.

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A great place to do business



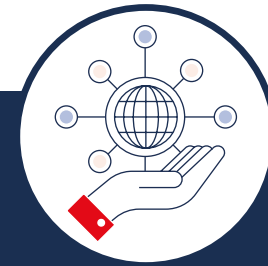
Global investment powerhouse



The UK is one of the largest and most diverse centres of investment management in the world.

- Europe's number 1 asset management centre with two of the region's largest asset management hubs: London and Edinburgh.
- Close to half (£4.2tn) of UK AUM are managed on behalf of overseas clients.
- A hotspot for global managers – more than half of the UK's AUM is managed by firms with overseas headquarters.

Strong specialist offerings



An unparalleled distribution network is driven by the prevalence of specialist managers with innovative products.

- UK managers offer strategies that provide investors with wider access to different asset classes, investment themes and geographies.
- Half of all the third-party UK institutional client mandates focus on specific asset classes or geographical regions.
- Many UK managers are early adopters of ESG.

Backed by a thriving and supportive ecosystem



The UK has one of the world's largest and most developed professional services markets, with a supportive regulatory environment for financial services firms.

- Access to a network of companies, investors, advisers and decision-makers all in one place.
- An established financial services ecosystem, deep technology capability and unrivalled domain expertise.
- Relatively lean regulatory compliance procedures.

Sources: The Global City, The IA, ONS



The Bull Ring, Birmingham

From private equity to crypto, the UK has competitive capabilities and deal opportunities in a wide range of asset classes and sectors.



Private equity

The UK is the world's second largest Private Equity (PE) & Venture Capital (VC) hub and the best location for PE investment in Europe.

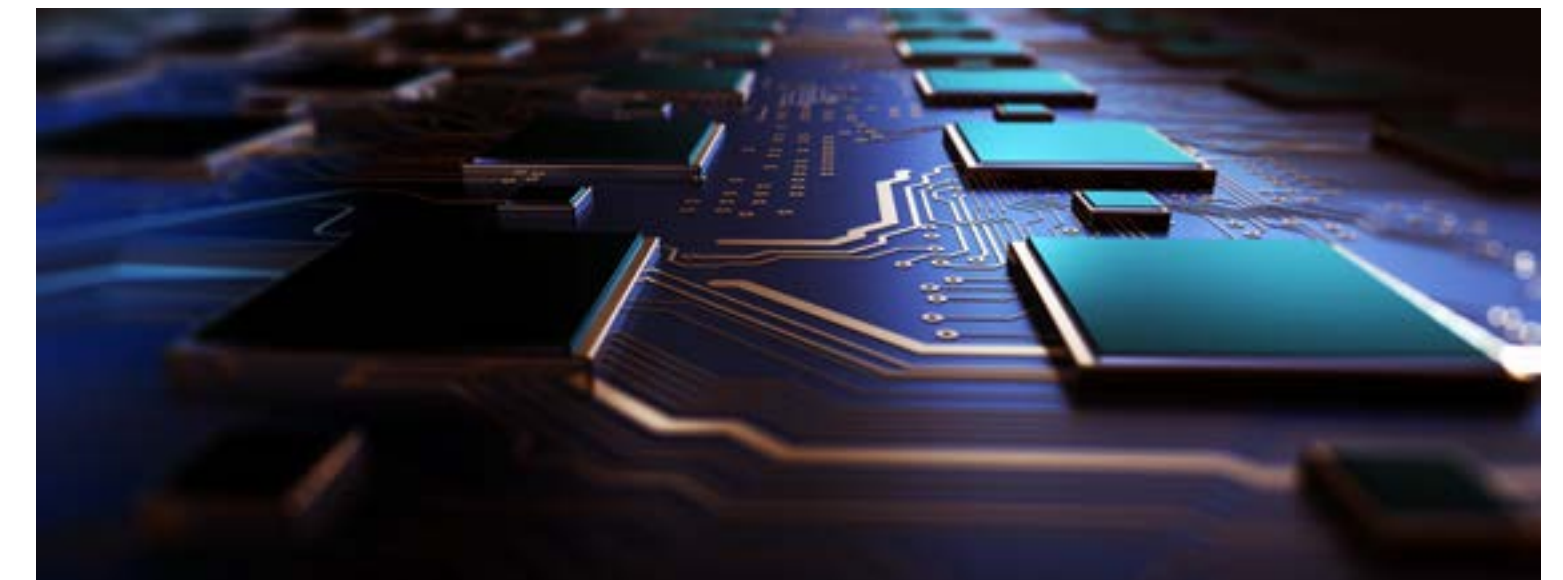
- The UK attracted £164bn in PE and VC investment in 2022, significantly higher than Singapore, Germany and France.
- UK PE and VC invested £46.9bn in 1,944 companies worldwide in 2022, 62% of the funding was invested outside the UK.
- The UK is a global fundraising hub, reflecting its attractiveness to global capital. 72% of funds raised were from overseas investors.



Other alternatives

The UK provides great opportunities in other alternative investments, including infrastructure and real estate.

- The UK is Europe's largest private debt market with 50% more deals than the second largest, France.
- Welcoming investment policies and strong, respected institutions make the UK a great spot for infrastructure and real estate investment.
- Infrastructure in the UK has a strong track record in attracting global institutional investors. For example, Heathrow Airport has attracted institutional investors from the North America, Asia-Pacific and EMEA regions.



Tech investment deals

The UK is Europe's tech ecosystem and investment hub, with a strong track record in scaling tech companies.

- The UK tech ecosystem was valued at just under US\$1tn in 2022, seventeen times more than in 2012.
- More than 70% of UK tech venture capital is of international origins, showcasing the UK tech sector's attractiveness to global investors.
- The UK has more than 100 unicorns, more than the rest of Europe combined.

Sources: The Global City, Deloitte, Pitchbook, Big Innovation Center, BVCA, Tech Nation, British Business Bank, CB Insights

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**A great place to
connect to global
markets and
talent**



A truly international investment management centre

The UK is the leader in taking international assets to international markets.

- A global mix of players, including more than 1,100 asset management firms from 37 countries.
- Firms include those from advanced markets, as well as emerging markets such as Mexico, India, South Africa and the Gulf regions.

A gateway to Europe

The UK is Europe's largest asset management centre.

- Its market share is higher than the next three combined – France, Germany and Switzerland.
- Europe continues to be the largest overseas client base, accounting for 56% of AUM for all overseas clients.
- The UK asset management industry's share of European assets under management remains stable at 37%.

A globally connected financial services ecosystem

Organisations in the UK have access to a leading financial services market that is globally connected across all disciplines.

- A globally connected banking centre with physical presence of over 200 foreign banks.
- The world's largest specialist insurance and reinsurance market, operating in 200+ countries.
- The world's largest centre for international debt issuance and foreign exchange trading.
- Strong ties to developing markets in Asia, Africa and the Middle East.

An efficient time zone

The UK benefits from a time zone that is central to the global business and trading day, enabling deals to be completed quickly and efficiently.

- 99% of the world's business activities take place in time zones that overlap with the UK's working day.
- UK business hours overlap with 27 global markets, bridging Asia and North America and every region in between.

UK asset managers invest globally

75%+

of the equities managed in the UK are international equities

60%

of fixed income assets managed are in non-UK and non-sterling bonds

Sources: The Global City, The IA, Pitchbook, Investopedia

The UK has one of the most diverse workforces in the world in terms of skill, culture and gender. This provides an environment for a broader range of businesses to generate new ideas and innovate.

Global talent



There is a multilingual talent pool with the insights, language skills and knowledge to be able to operate across global markets. This, partnered with the a rich and diverse culture and flexible labour laws, makes the UK a gateway for investment into other countries.

A multicultural, multilingual workforce with connections to every corner of the world

2.4m

Strong talent pool of UK workers in financial and professional services

Globally connected

The UK has been consistently ranked as one of the top countries for international travel links. Almost all countries offer direct flights to London (along with all major UK regional cities), making the capital a global travel hub and launchpad to access Europe and beyond.

The UK's **High Potential Individual Visa** aims to attract recent graduates of top global universities. The **graduate visa scheme** allows international students to stay in the country for at least two years after graduation to work or look for work.

London was **ranked the most appealing destination for global workers** in the BCG Global Talent Survey.

300 languages are spoken in the UK.

There are more than **150 different nationalities** resident in the UK.

The UK has the **highest share of women on executive committees** in financial services firms compared other major financial centres.

Around **30%** of the City's workforce is of minority ethnic origin.

More than one in five employees in the UK investment industry is from overseas.

The UK has the **largest** American, Japanese, Chinese and Australian populations in Europe.



Sources: The Global City, UNESCO, BritishCouncil.org, IATA, ONS, The IA, Oliver Wyman 2020

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A great place to
invest in a greener
future



Tower Bridge, London

A leader in green finance



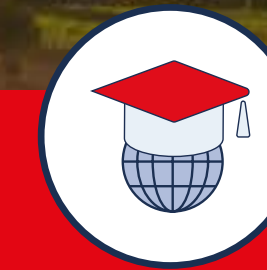
- London ranks number one in the Global Green Finance Index (GGFI), coming top in both green finance quality and depth.
- ESG is already embedded in the UK investment management industry – close to 80% of the assets managed in the UK are subject to ESG stewardship activities.
- The industry is bringing technology and sustainability together to enact real change through initiatives such as the *IMP+ACT Classification System (ICS)*.

Transparency and credibility



- The UK Government and regulators are enhancing the transparency and credibility of green finance by bringing ESG disclosures and best practices into the mainstream.
- Full TCFD disclosure across all players in the financial system will be in place by 2025.
- The Financial Conduct Authority (FCA) published a new Sustainability Disclosure Requirements and an investment label regimes to enhance the credibility of the UK sustainable investment market.

Leading academic institutions and research



- The Cambridge Institute for Sustainability Leadership (CISL) and the Investment Leaders Group (ILG) aim to advance the practice of responsible investment.
- The University of Oxford and UK Research and Innovation (UKRI) have launched the UK Centre for Greening Finance and Investment (CGFI), an initiative aiming to support financial services professionals to make environmentally sustainable decisions.

A government committed to a sustainable future



- At COP26 the UK set out plans to become the world's first net zero-aligned financial centre.
- The UK was the first country to adopt a climate change act (2008 Climate Change Act), the first to embed net zero carbon emission targets in its legislation and the first to make climate change financial disclosures mandatory across the economy.

£91bn

Close to £91bn of responsible investment funds under management in 2022

400+

Funds with responsible investment characteristics in 2022, up 31% from 2021

£7tn+ AUM

Firms with £7tn+ AUM in the UK now signed up to the Net Zero Asset Managers Initiative commitment

Sources: The Global City, Investment Association, Corporate Knights Better World MBA Ranking 2021, LSEG, GOV.UK, Maanch, Refinitiv, London Stock Exchange, FCA

The UK is a recognised leader in scaling innovative companies and is actively investing in tech that supports the green transition.

A collaborative tech ecosystem championing innovation, growth and sustainability



The UK's tech ecosystem is one of the most competitive in the world. Alongside a strong financial services industry, this creates a multitude of opportunities both for investing in green solutions and innovating within your own business.

- The UK is one of the top locations on the Global Innovation Index.
- A strong track record of success in scaling tech companies: tech scaleups in the UK were valued at £118bn in 2021, 53 times larger than a decade ago.
- A collaborative ecosystem: the Investment Association's *IA engine* – an initiative to fuel adoption of technology within investment management – has worked with more than 200 fintechs.
- A supportive regulatory environment: in 2015 the FCA pioneered the world's first regulatory sandbox, a safe space for testing new regulatory processes.



A great place to invest in a greener future

~£230bn

The UK attracts the highest amount of foreign investment in renewable energy

£50bn

The UK's net zero commitment represents £50bn of investment opportunities in low-carbon technologies by 2030

1st

The UK start-up ecosystem ranked 1st in Europe and 2nd globally, behind Silicon Valley

Sources: The Global City, FCA, Tech Nation, fDi Markets, Resolution Foundation, the IA

07

Our support to your business

Testimonials

“

We established our European base in London in 2016. **The benefits of an on-the-ground presence in London have certainly been realised – access to talent, increased investment opportunities, and being part of a mature and substantial investment and financial ecosystem.** Our office has received support and encouragement from the Government, the City and the finance sector here, both in terms of direct advice and assistance but also in making us and our team feel welcome, valued and connected.”

Head of Investment, Europe
AustralianSuper

“

Thanks to its long history of development, UK asset managers can win new clients by demonstrating a strong track record of generating returns. **UK expertise helps our profiling in Japan – we are seen as a capable player that operates at the highest standard.** Sometimes our major institutional clients visit our UK office as part of the assessment and relationship management exercise.”

President, Japan Office
Orbis Investments

“

The UK is a centre of excellence for asset management and that is reflected in our service – we demonstrate strong performance records against competitors and continue to roll out unique specialist products. Resourcing and close communication with the UK office is part of our offer in Japan. The UK’s expertise also enriches offerings in the Japanese market. Japan already has a large exposure to US managers and their products, most of which are US-centric and denominated in US dollars. **The UK offers more options for diversification, such as products denominated in pound sterling and euro.”**

Partner, Tokyo Office
BlueBay

“

There is... an appreciation from US allocators that **as a Scottish fund manager we do have that strong risk heritage** and a mindset that, whilst looking for strong investment returns, we operate strong risk management controls. Going forward, we are going to continue to be a leader in emerging markets for equity and fixed income. That is a major focus of our business.”

Head of US Business Development
abrdn



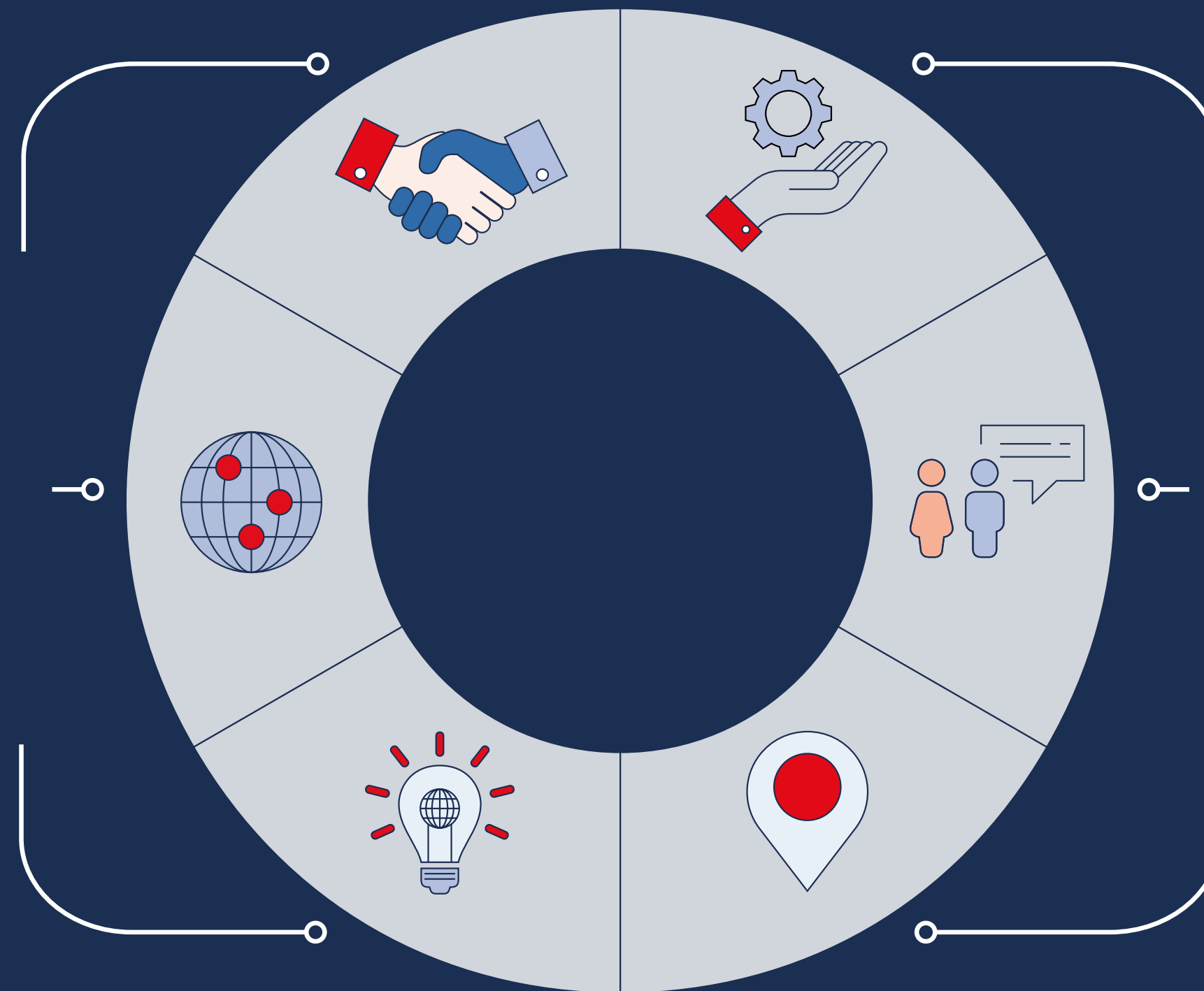
[Read the full case studies](#)

We are here to support you

Access to market opportunities and introductions to industry specialists

Opportunity for the International membership of the Investment Association

Guidance and support on navigating the UK's regulatory and tax frameworks including the FCA's asset management authorisation hub



Networking opportunities to interact with global events and the asset management ecosystem in the UK

Facilitating introductions with local UK organisations and building bespoke programmes for visiting asset owners/managers

Advice on setting up in the UK and selecting the best market location



Get in touch with us

T&I-AdvancedMarkets@cityoflondon.gov.uk



About the Global City campaign:

The Global City campaign is the City of London Corporation’s overarching initiative to promote the UK as a world-leading international financial centre. It showcases the UK as a great place for financial and professional services firms to invest, locate and grow.

www.theglobalcity.uk



About the City of London Corporation:

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK.

We aim to:

- Contribute to a flourishing society
- Support a thriving economy
- Shape outstanding environments

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

www.cityofondon.gov.uk



The Investment Association (IA) champions UK investment management, supporting British savers, investors and businesses. Our 250 members range from smaller, specialist UK firms to European and global investment managers with a UK base and manage £10 trillion of assets. The investment management industry supports 122,000 jobs across the UK. Our mission is to make investment better. Better for clients, so they achieve their financial goals. Better for companies, so they get the capital they need to grow. And better for the economy, so everyone prospers.

Our purpose is to ensure investment managers are in the best possible position to:

- Build people’s resilience to financial adversity
- Help people achieve their financial aspirations
- Enable people to maintain a decent standard of living as they grow older
- Contribute to economic growth through the efficient allocation of capital

The money our members manage is in a wide variety of investment vehicles including authorised investment funds, pension funds and stocks and shares ISAs. The UK is the second largest investment management centre in the world, after the US and manages over a third (37%) of all assets managed in Europe.

www.theia.org



Department for International Trade

The UK’s Department for International Trade (DIT) helps businesses export, drives inward and outward investment, negotiates market access and trade deals, and champions free trade.

We are an international economic department, responsible for:

- Supporting and encouraging UK businesses to drive sustainable international growth
- Ensuring the UK remains a leading destination for international investment
- Opening markets, moulding the trade environment with new and existing partners which is free and fair
- Using trade and investment to underpin the government’s agenda for a Global Britain and its ambitions for prosperity, stability and security worldwide

To see things differently, choose the UK.

www.great.gov.uk/international