

Investment management: overview

Consumers served



Portfolio operators (governing bodies of portfolios) are agents who purchase services from the investment management industry on behalf of end-investors

Types of portfolio operators:

Operators of retail portfolios	UK pension fund portfolios	UK institutional portfolios	Overseas institutional portfolios
20% of AUM	33% of AUM	10% of AUM	37% of AUM

AUM: assets under management

Types of portfolio



Collective portfolios

e.g. unit trusts, open-ended investment companies (OEICs); investment trusts; exchange-traded funds (ETFs); life funds

42% of AUM



Segregated portfolios

private pools of capital closed to public investors

58% of AUM

Products and services

The investment management industry provides four services to the portfolio operators



Develop an investment strategy



Portfolio governance and administration



Investment decision-making



Execution, research and stewardship

Key facts

The UK is the second largest centre globally for investment decision-making

£7 trillion

of funds allocated to capital markets on behalf of UK and overseas investors

12%

UK share of global AUM

4%

of global AUM is domiciled in the UK

74% of AUM is managed using active strategies, versus 23% of AUM managed in passive strategies (and 3% in smart beta)