# Financing growth in the UK

BlackRock.

## Foreword

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Earlier this year, BlackRock published 'The Virtuous Cycle: The Global Potential of Capital Markets,' outlining the tremendous power of capital markets to mobilise investment to support innovation, growth and job creation.[1]

Here in the UK, the Government has placed growth at the heart of its agenda, and finance can play a critical role in supporting its ambitions.

Driving corporate growth and the economy of tomorrow requires investment in innovations that generate productivity gains. In turn, increasing the level of investment requires both capital supply – investors who are willing and able to invest –and capital demand - companies offering compelling investment opportunities as they seek to start or expand their operations across the UK.

The policy debate in recent years has focused on the role of UK pension schemes in providing capital for investment, and the health of the UK's listed equity and Initial Public Offering (IPO) markets.

While important sources of capital supply and demand, respectively, we think concentrating too narrowly on the role that people's pension pots can play in supporting the stock market risks missing the bigger picture.

Notably, as our Chairman Larry Fink explained in his annual letter, fast-growing private markets will play an increasing role in financing growth and democratising investment.[2]

The full spectrum of capital markets needs to be considered, including expanding opportunities for retail investment to give more people more opportunities to help finance growth.

At the same, pursuing growth-oriented economic policies will encourage companies to raise capital and finance from across this spectrum. While removing barriers to infrastructure expansion will boost demand for finance from projects, too.

In this paper, we set out how policy aimed at boosting both capital demand as well as supply can kick-start a virtuous cycle, unlocking investment to finance growth and enabling more and more people to take a meaningful stake in it.

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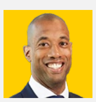

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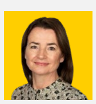

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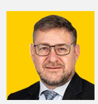

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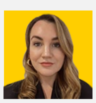

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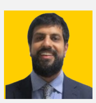

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**1** BlackRock (2025) global-capital-markets-paper.pdf 2. https://www.blackrock.com/corporate/investor-relations/larry-fink-annual-chairmans-letter

# Executive summary

Capital markets can boost UK productivity and growth by financing corporate investment in innovation and expansion, as well as funding infrastructure.

The debate around capital markets in the UK in recent years has focused on the role of pensions and the health of the public markets.[3] These are important parts of a dynamic capital market, but not the whole story.

The full spectrum of capital markets spans from private debt and equity through to public markets, as well as retail savers and other sources of capital supply.

Crucially, if additional capital is going to finance new, productivity-enhancing investment, then the level of demand for capital needs to receive just as much attention from policymakers as the level of supply.

Demand for corporate investment has been subdued in recent years; while barriers to building infrastructure limit the pipeline of investible projects demanding finance from investors.

The forthcoming industrial strategy and ongoing financial and pension sector reforms are an opportunity for government to take a whole-system approach. We explore suggestions here to stimulate both the demand for and supply of capital.

**Stimulating demand for capital:**

- Help more Small and Medium Enterprises (SMEs) tap capital markets by consolidating existing bodies into a UK Smaller Business Agency that can help them access finance, procurement opportunities and advice.
- Increase the number and diversity of investable companies by expanding eligibility for the Enterprise Investment Scheme (EIS) and the Venture Capital Trust (VCT) initiatives. Consider a similar scheme for scale-up companies.
- Crowd-in private investment for infrastructure through co-investment with the public sector. Use infrastructure projects to generate demand for goods and services in supply chains. Undertake planning reforms aligned with the wider industrial strategy, including setting a firm target to shorten consenting times to below 2012 levels.
- Prioritise growth and investment in regulatory body mandates for sectors with investable assets.

**Stimulating capital supply:**

- Implement the current round of pensions reforms, focusing on long-term value for money (VfM) not costs; expand scheme capacity to invest in private assets and ensure good governance.
- Roll out workplace saving schemes, which can tip into people's pension pots, meaning pension contributions rise, while mitigating the risks of doing so for those in precarious financial positions.
- Help more people invest by educating them about risk, redrawing the advice/guidance boundary, enabling Stocks and Shares ISA investors to access Long-Term Asset Funds (LTAF), progressively rebalancing the ISA allowance away from cash and expanding Exchange-Traded Funds (ETF) Savings Plans.
- Assess progress by considering targets for getting more people into retail investing and integrate these into the financial regulators' remit letters.
- Incentivise and attract investment into UK assets by reducing Stamp Duty on shares, zero-rating Value Added Tax (VAT) charges on investors in UK funds and revisiting the decision to cut tax reliefs for UK pension schemes investing in UK companies.

## About BlackRock in the UK

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable. For additional information on BlackRock, please visit www.blackrock.com/corporate

BlackRock has a long-standing commitment to the UK where we employ over 4,500 people. Our predecessor firms have been active for more than 50 years, and we are now the country's largest asset manager.

We manage approximately £850 billion on behalf of UK clients, which includes over 13 million individuals saving for their retirement in schemes from right across the economy, including pension funds like British Airways, Rolls Royce, and NEST, as well as the public servants saving for retirement via Local Government Pension Schemes (LGPS).

On behalf of our clients, we invest in jobs, growth, and innovation across a wide range of industries. Our investments include blue-chip FTSE companies, private companies, high growth innovative technology firms and companies supporting the transition.

**3** See 'Hunt calls Dorneywood summit to boost flagging UK stock market', Sky News, 27 April 2024.

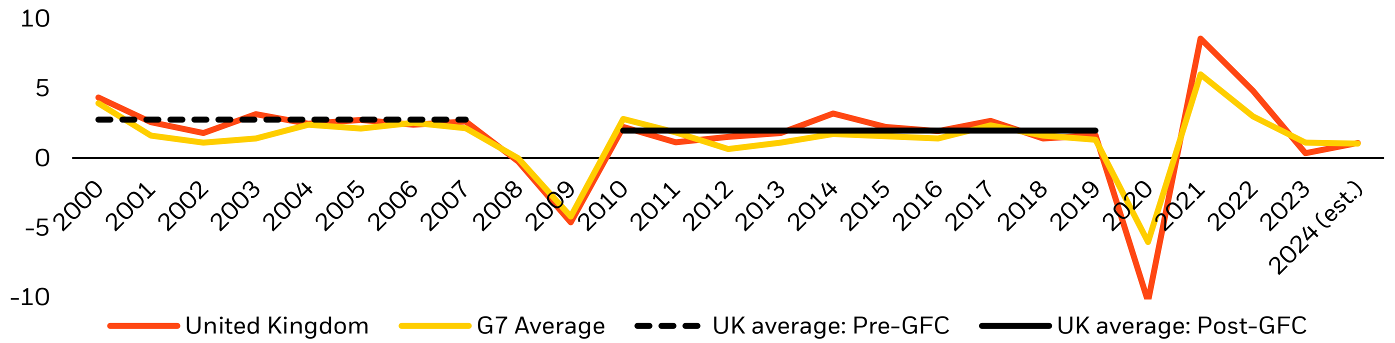
# Introduction

## Economic growth in the UK

The UK government has put growth at the heart of its economic mission, setting itself the ambition of becoming the fastest growing economy in the G7 by 2030.[4] The Government believes robust growth will deliver higher living standards, more revenues to fund public services and more and better jobs. To achieve this, however, the UK will need to reverse a period of subdued growth that has been evident over the longer term.

UK Gross Domestic Product (GDP) growth averaged 2.75% between 2000 and 2007, in line with or above the G7 average. In the period following the Global Financial Crisis (GFC), between 2010 and 2019, UK growth was lower, averaging 1.97%. While this was also broadly in line with G7 peers, the UK experienced both a sharper Covid-linked downturn and upturn, and its GDP growth rate in 2023-24 of 1.1% lagged the G7 average of 1.7%.

**Figure 1: UK and G7 real GDP growth, 2000 to 2024**[5]




In contrast, for 2025 the International Monetary Fund (IMF) has forecast growth for the UK behind only the US and Canada.[6] Relative to other G7 countries then, the UK's growth trajectory has been mixed. While the UK has outperformed some of its peers in certain years, it has been behind in others.

Meeting the Government's ambitious growth objective will require a multifaceted approach, including setting stable macroeconomic conditions, tackling skills and labour market shortages, boosting trading opportunities and, most importantly, tackling relatively poor productivity, which has been a major factor behind the mixed picture on growth.

From 2010 to 2022, the annual average growth in UK GDP per hour worked was 0.5%.[7] Productivity was particularly flat in the period after the financial crisis, as figure 2 shows.[8] While productivity began to pick up in the middle of the last decade, it has been flat since the Covid crisis and still well behind the US, Germany and France, see figure 3.[9]

**Figure 2: UK Productivity Growth Levels**

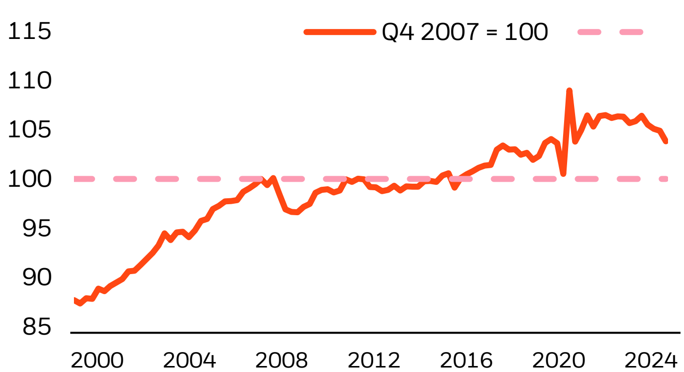
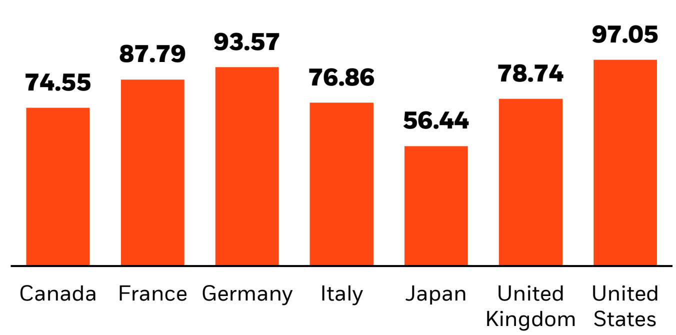



**Figure 3: UK Productivity Growth Levels Compared to other G7 Economies**

Productivity (GDP per hour), 2023. US$ (purchasing power parity)




**Source for Figure 1:** BlackRock, IMF (2024) World Economic Outlook Database. **Source for Figures 2 and 3:** House of Commons Library, Research Briefing, Productivity: Economic Indicators. **4** UK Government (2024) Plan for Change: Kickstarting Economic Growth. **5** IMF (2024) World Economic Outlook Database. **6** IMF (2025) World Economic Outlook Update. **7** The Productivity Institute (2024) What explains the UK's productivity problem? **8** Office of National Statistics (ONS) (2024) Output Per hour worked Dataset. Index (2022 = 100). **9** Organisation for Economic Co-operation and Development (OECD).

To help tackle the UK's productivity challenge and boost growth, this ViewPoint focuses on international and domestic investment, and in particular what role policy can play in both stimulating demand for and supply of investment. By seeking investment to grow and innovate, companies enhance their productivity, which, in turn contributes to growth.[10] Stimulating demand for equity and corporate bonds in the secondary market alone will not, on its own necessarily lead to innovation.

We consider the level of corporate sector demand for capital; the role policy can play in stimulating demand – including by facilitating investment in infrastructure – and then finish by reflecting on the role pension and retail investors can play in meeting demand for capital – which we believe is the right sequencing needed to help meet the Government's growth objective.

# Understanding the role of the UK's capital markets

**The full spectrum of capital markets drives growth**

The banking system and capital markets are each powerful drivers of economic growth, connecting savers with companies and other entities that need capital to innovate and expand.

The term 'capital markets' is often used as shorthand to refer to both the public equity markets and the public bond markets. But capital markets are a broader spectrum than that: they encompass 'private markets' – where investors trade assets like private equity, private credit, infrastructure and real estate privately – too. See figure 4.

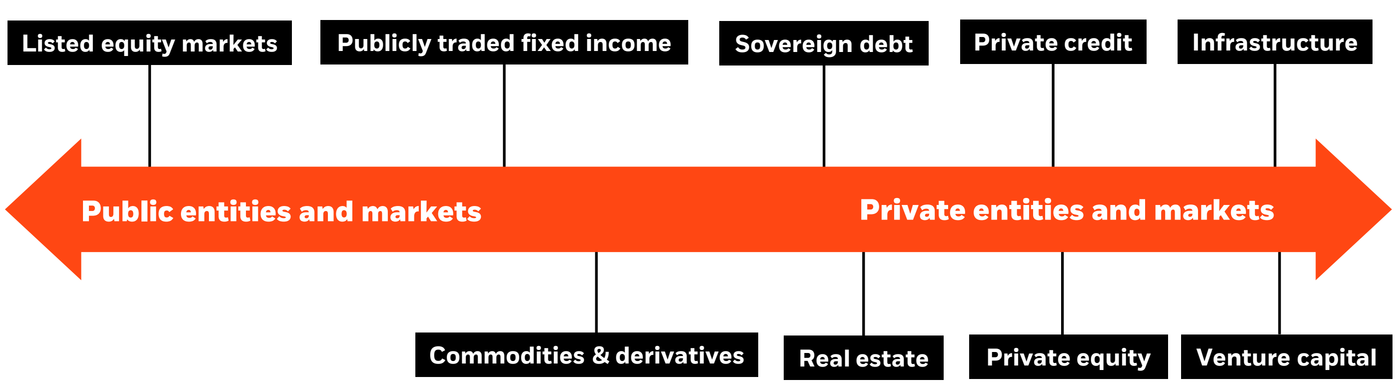
In fact, private markets are growing rapidly and are where many of the assets that will define the future —data centres, transport infrastructure, power grids, and some of the world's fastest-growing companies —are to be found.[11]

Concentrating too narrowly on one section of the capital markets will therefore overlook the vast amount of investment that can – and will need to – take place across the rest of the spectrum. There is a risk of this in the UK, where there has been a strong focus on public equity markets and IPOs in recent years.

Undoubtedly, these are a critical part of a well-functioning capital markets ecosystem – and an important mechanism through which companies access capital.

The decline in IPOs and exits from the UK markets have resulted in multiple initiatives to bolster their attractiveness.[12] Lord Jonathan Hill's UK Listing Review and Ron Kalifa's Review of UK Fintech in 2021, the FCA's subsequent Primary Markets Effectiveness (PME) Review, Rachel Kent's Investment Research Review in 2023, and the Financial Reporting Council's (FRC) revisions of the UK Stewardship and Corporate Governance Codes all aim to

**Figure 4: Capital markets are a spectrum**




**Source for figure 4**: BlackRock. For illustrative purposes only. **10** Zenghelis, D., Serin, E., Stern, N., Valero, A., Van Reenen, J., & Ward, B. (2024). Boosting growth and productivity in the UK through investments in the sustainable economy. London School of Economics and Political Science. **11** Larry Fink's 2025 Annual Chairman's Letter to Investors: The democratization of investing. **12** In 2024 only 17 companies floated, raising a total of £777 million, while 88 companies left the market. See The Times, The City is dying: here are four steps to bring it back to life, January 2025.

alleviate some of the perceived frictions and costs associated with being a public company. Most notably, these reforms included allowing founders to retain more control over their companies for longer, even as they broaden their company's ownership.[13]

However, the trends in public equity markets are not unique to the UK. This has happened in the context of a global decline in the number of companies issuing shares on listed markets. Global IPO volumes fell by 10% in 2024 and the number of listed companies has been decreasing worldwide.[14] Only 6% of UK companies with over $100mn in revenue are public – the vast majority are privately held, see figure 5.

Private UK companies' preferences for raising capital and financing are varied, too. Research by the ScaleUp Institute shows that UK 'scale-up' companies – some of the fastest-growing companies in the UK – are heavy users of credit, including bank lending and short-term and long-term loans, to finance their growth. Equity financing – which for this set of companies will be private – is also important, but peaks before they are ten years old. Thereafter, use of new equity declines as debt financing increases for more mature firms, see figure 6.[15]

### Capital markets need supply and demand

At their best, capital markets are a prosperity flywheel: savings are invested, channelled by markets into companies and industries, and any success flows back to investors. Clearly this requires two components. First, a supply of capital – provided by individuals, pension schemes, and other investors who are willing and able to invest. Second, demand for capital – companies and other users of capital offering a set of compelling investment opportunities as they look to begin or expand their operations, see figure 7.

Constraints on either side of this equation will limit capital markets' prosperity-generating potential. Within a given market, frictions in investors' ability to access capital markets – to supply capital – limit both the potential scale of investment and end-investors' ability to share in prosperity. Meanwhile, constraints on companies' ability to offer investible opportunities – to demand capital – could mean that available capital will flow elsewhere; or to less productive uses.

### Capital markets in the UK: what's constraining investment?

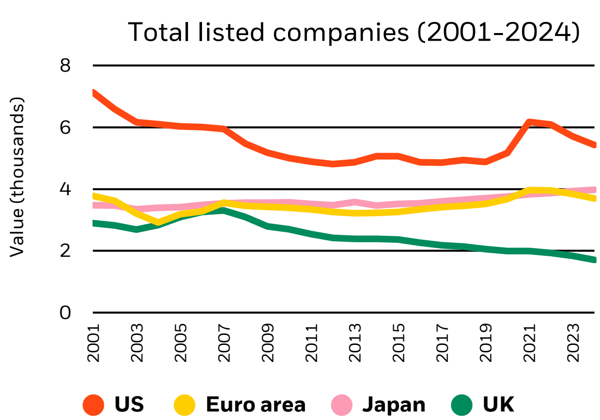
The UK's long-run growth and productivity challenges have generated significant discussion about how to spur more investment. Different commentators have focused on different parts of the capital markets ecosystem, with a lack of available capital supply for investment often being cited as the constraining factor.[16] However, this is far from the whole story – the corporate sector as a whole has not necessarily been seeking more capital to invest.

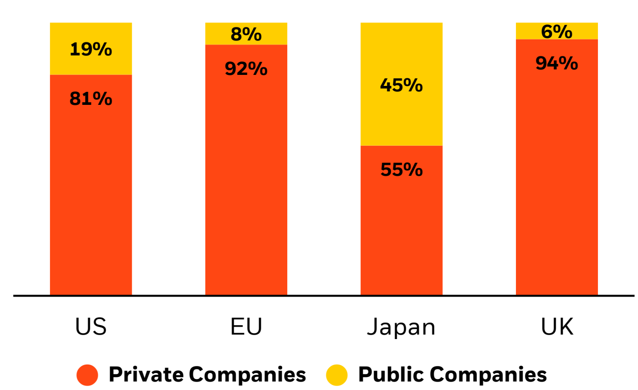
Available data suggests investments made by the UK corporate sector has been constrained, with the UK having the lowest level of business investment in the G7 for the past three years.[17] Moreover, since 2000, the annual financial balance for the UK's corporate sector has averaged at a surplus of 1% of GDP, see figure 8.

Put differently, UK companies' aggregate appetite to expand and invest has not been of a scale necessary to require external funding, with the corporate sector instead being able to finance its operations from retained revenues.

By contrast, the UK Government shows a consistent deficit – with spikes in 2008 and 2020 reflecting increased borrowing and the issuance of gilts to fund fiscal expansion. Equivalent data from Sweden - which has been singled out as a European capital markets success story - shows corporate sector deficits from 2010-2011 onwards, suggesting sustained demand for capital over the longer term.[18]

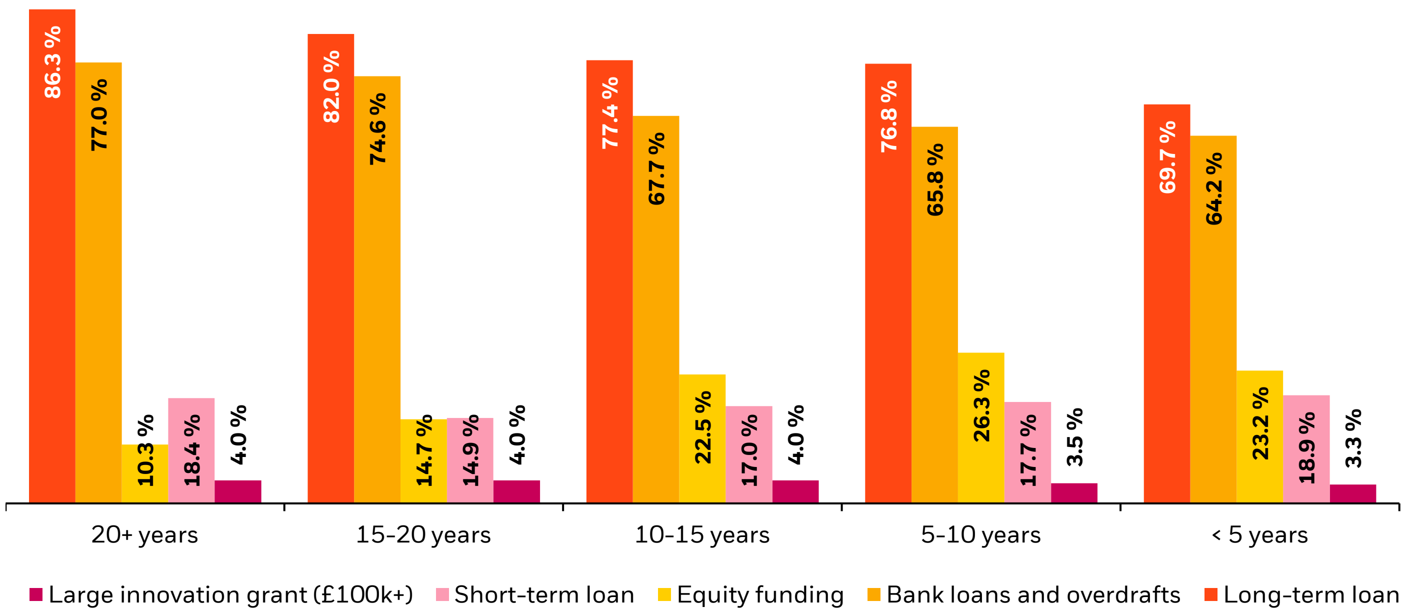
**Figure 5: Share of public vs private companies**




**Source for figure 5:** Source: BlackRock, The World Bank World Federation of Exchanges and Federation of European Securities Exchanges databases as of December 2024 **13** A dual-class stock structure (DCSS) usually involves a company offering two classes of stock – one class with fewer voting rights is offered to the public, while founders receive a class with significantly more voting power and control. **14** EY (2024) Global IPO Trends 2024 Press Release. Proceeds were also down by 4% year-on-year (YOY) in 2024. .**15** ScaleUp Institute (2023), ScaleUps Debt Finance Journey. **16** Conchie. C, CityAM (2024) The City needs a shake-up for Britain to attract the £1trillion it needs, warns Sir Nigel Wilson. **17** Dibb. G and Jung. C, Institute for Public Policy Research (IPPR) (2024) Rock Bottom: Low Investment in the UK Economy. **18** Asgari, N. Financial Times (2024) How Sweden's stock market became the envy of Europe.

**Figure 6: UK 'Scale-Up' businesses use of financing**




**Source:** ScaleUp Institute, ScaleUps Debt Finance Journey, January 2023. 'Scale-ups' are defined as firms growing their employment numbers and / or turnover by 20% or more per year, over three years.

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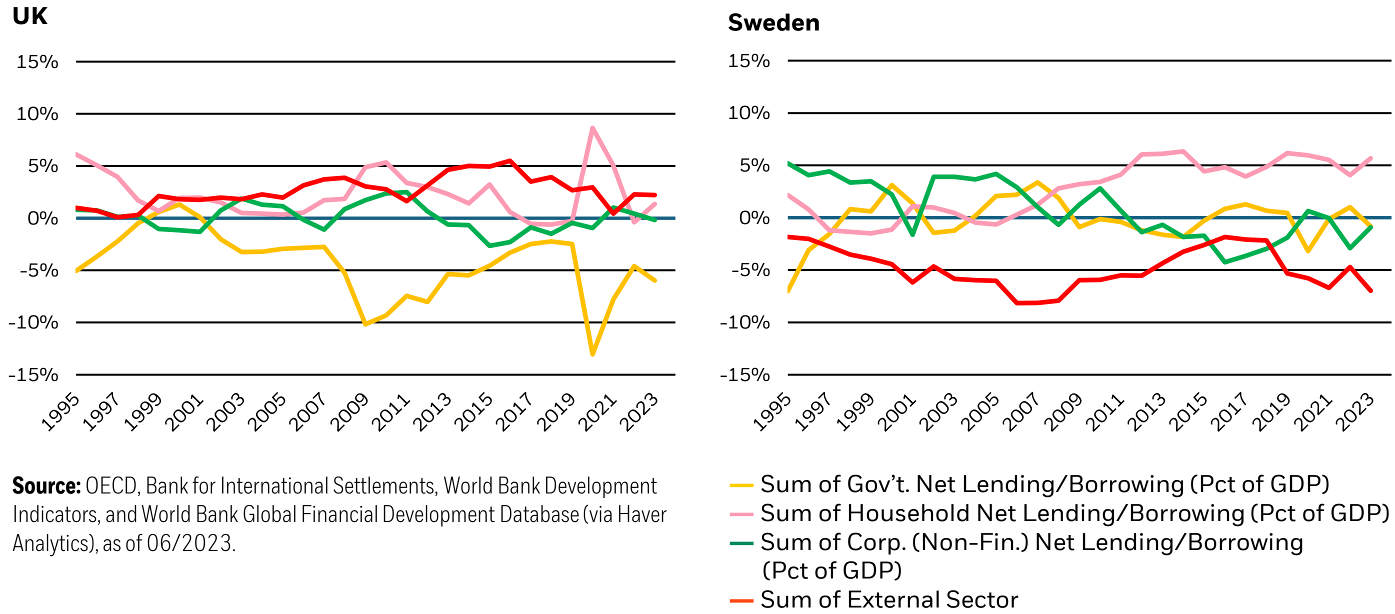
**Figure 7**:**Connecting capital supply and demand**


**Source :** BlackRock. For illustrative purposes only.

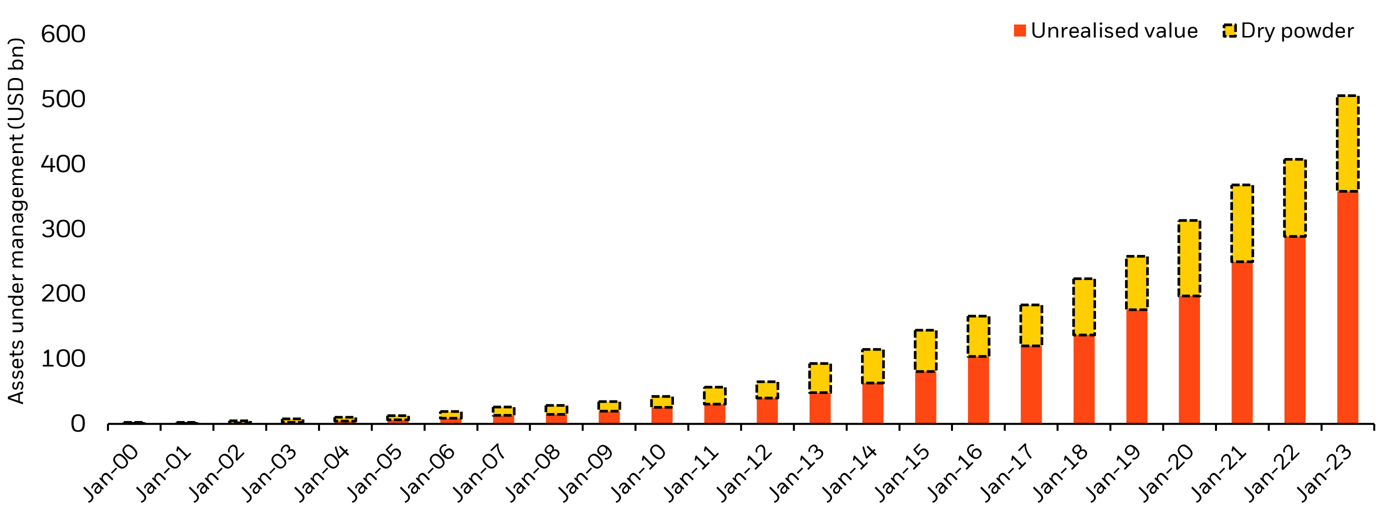
**Figure 8: Annual sector financial balances, UK and Sweden 2000-2023**




**Source:** OECD, Bank for International Settlements, World Bank Development Indicators, and World Bank Global Financial Development Database (via Haver Analytics), as of 06/2023.

Another data point suggests a similar story. Figure 9 shows the assets under management of private debt investors with a focus on European markets. The value of the 'dry powder' – that is, capital ready to be invested – held by these investors has steadily increased over recent years. This speaks to a rising supply of capital available to be invested (notwithstanding other forms of available debt financing, including bonds and bank loans).

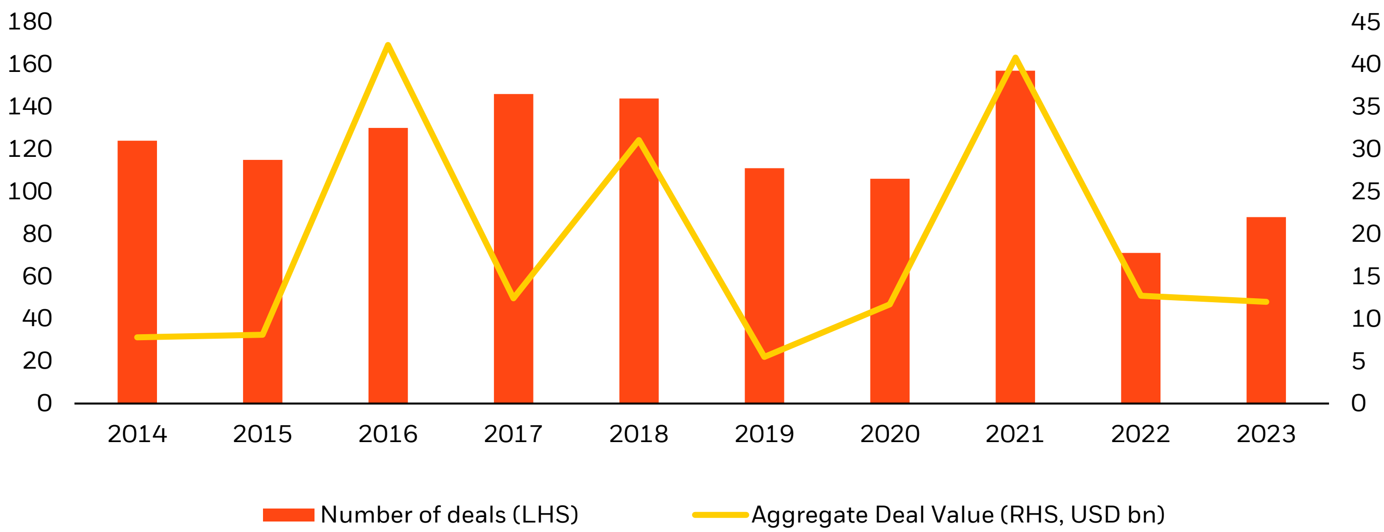
**Figure 9: 'Capital supply' from Europe-focused private debt investors**




**Source for figure 9:** Preqin. Private debt investors refers to funds making private market investments in debt. Unrealised value is the value of assets held by the fund. Dry powder is the amount of capital committed to the fund less the amount that has been used for investment. Covers funds with Europe as their primary investment focus.

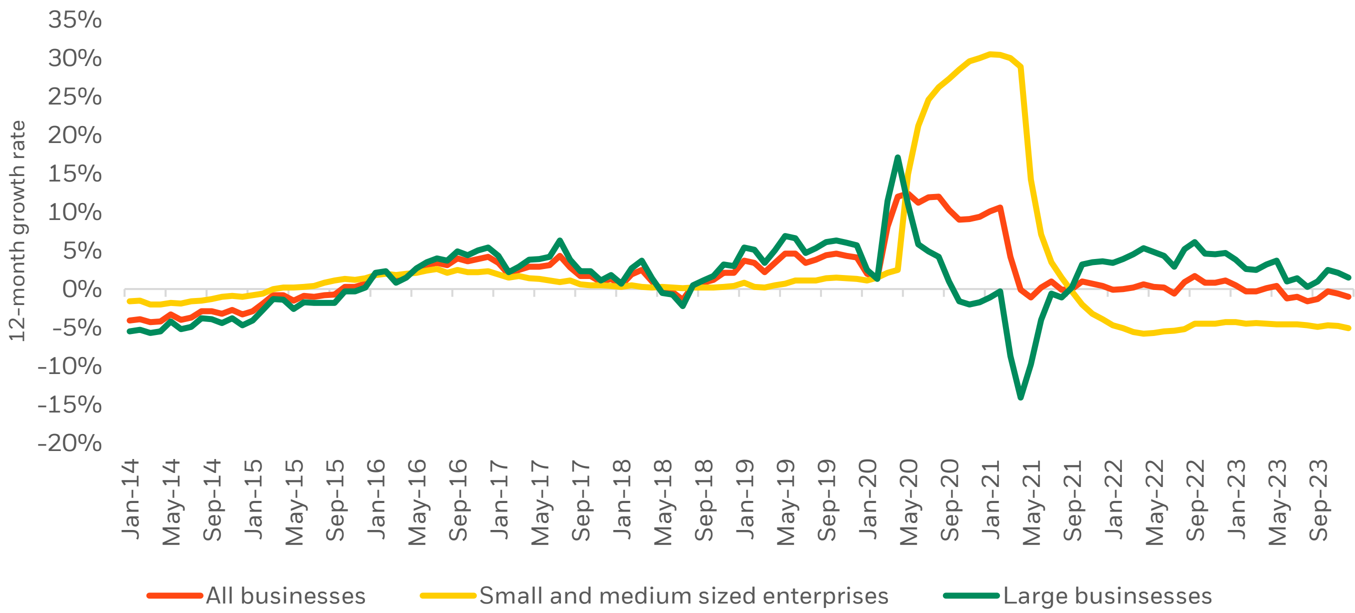
But this build-up in the supply of capital for private debt deals has not been reflected in the number of investments made in the UK. Figure 10, which looks at the number and value of private debt deals transacted in the UK market, shows no obvious upwards trend in either metric. Moreover, figure 11 suggests that this is not due to alternative financing sources: bank loans to UK companies have been broadly flat following a spike in lending to SMEs, supported by the government, during the COVID pandemic. These observations combined suggest a relative lack of investible opportunities in the UK market.

**Figure 10: Private debt deals completed in the UK**




**Source for figure 10:** Preqin. Covers deals completed by all private debt funds in the UK.

**Figure 11: Bank lending to UK companies**




**Source for figure 11:** Bank of England. Data shows monthly 12-month growth rate of monetary financial institutions' sterling and all foreign currency loans (excluding overdrafts) and reverse repos to total industrial sectors (in percent), seasonally adjusted.

In our view, this points to a need to better understand why the corporate sector's demand for investment has been subdued. Policymakers must consider blockages to both capital demand and supply together: focusing on either alone will risk a lopsided policy response. For instance, mandating pension schemes to invest in listed equities may simply increase asset values without necessarily generating additional productive investment.

The industrial strategy, being developed alongside ongoing reforms to the financial and pensions sectors, is an opportunity to stimulate *both* the demand for financing and supply of capital to meet it, creating a virtuous cycle to finance growth. In the subsequent sections we consider what policy can do to enhance both.

# Stimulating demand for investment

Productivity is a critical factor in the UK's growth story. Improvements in corporate productivity and growth are underpinned by innovation, financed by primary investment: that is, companies using capital to deploy in line with their business plans – investing in innovation, expanding their operations, and boosting their productivity. Four areas where policy can help stimulate investment in expansion and innovation are: providing a stable business environment; helping companies to access finance; creating a pro-investment regulatory regime, and infrastructure development.

**A stable business environment**

Governments have control or influence over many of the most important variables that influence enterprises to seek finance. The available labour supply and its mix of skills, industrial strategy, tax policy, trade, and the fiscal, monetary, and regulatory environment all influence the viability of new enterprises or projects.

But while the substance of policy in these areas is critical, stability and predictability are equally if not more important. Uncertainty can have a significant chilling effect on investment. The Government has put a new strategic mission-led approach to industrial strategy at the heart of its policy to boost growth and signalled that it will develop this in concert with the forthcoming Spending Review – a positive innovation, pointing to a closer alignment between HM Treasury and the Department for Business and Trade. To frame this work, the Government has identified eight growth-driving sectors, including clean energy, advanced manufacturing and defence, amongst others, in which the UK has strong advantages.[19] At the time of writing, the full set of policies underpinning this strategy are still being developed. However, we would emphasise that for companies and investors, long-term durable commitments to policies that support and enable investment in each sector are critical.

Much can be learnt from the success of clusters. Templates include the Oxford-Milton Keynes-Cambridge arc. This regional growth and innovation cluster comprises a deep concentration of high-tech, knowledge intensive industries such as life sciences, bio- technology, advanced manufacturing, Artificial Intelligence (AI), renewable energy and environmental tech. These companies sit alongside research institutions, universities and innovation hubs, and support more than 2 million jobs and contribute over £110 billion to the UK economy. Projections suggest that by 2050, the arc's output could exceed £200 billion. The Tribeca King's Cross development in London is also poised to advance the capital's position as a global leader in Life Sciences and innovation.[20] And Scotland's growing fintech sector is a case study on how many of these factors can combine to catalyse growth in clusters across the UK, see Box.

**19** Centre for Economic Performance and Resolution Foundation, (2022) Enduring Strengths, **20** TRIBECA is a life sciences development managed by BlackRock, and part owned by BlackRock's clients.

## Spotlight on Scotland

### Driving Growth and Innovation in the Scottish Fintech Sector

Scotland has emerged as a globally competitive fintech centre and is now the largest UK financial innovation hub outside of Greater London. The sector supports 247 fintech SMEs (22% of which trade internationally), sitting alongside 35 established financial and professional services institutions - including BlackRock, where our Edinburgh office of over 1,000 people includes one of our leading AI labs.

Scotland's fintech sector is recognised for its leadership in areas such as payments, open finance, wealth tech, and reg tech, and is estimated to generate approximately £568m gross value add (GVA) to the national economy. Success can be attributed to several factors that can serve as a template for regional growth:

- Access to leading research and innovation centres. Edinburgh, Glasgow and Strathclyde universities are all recognised for their work in fields such as data sciences, AI and machine learning.
- A focus on reskilling and upskilling digital competencies, which is helping the workforce adapt to rapidly evolving technology needs. Ten Scottish universities provide dedicated fintech courses, which combined with programmes such as Scottish Apprenticeships, cultivates a high-quality talent pool from which the fintech sector can draw.
- The establishment of a dedicated industry cluster organisation has been crucial in catalysing growth. FinTech Scotland, which is part of the FinTech National Network, was set up to connect fintech firms to education and innovation, financial service expertise, regulators, policy makers and government.

**Helping companies to access financing**

SMEs are a major part of the UK economy, accounting for 60% of private sector employment and 52% of private sector turnover.[21] Research by the Enterprise Research Centre (ERC) has evidenced the beneficial impact that coordinated support can have on business growth.[22]

The UK has a wide-ranging set of offerings to help SMEs grow, including support to understand and seek financing from capital markets. However, the breadth of these offerings may make it too complicated for many businesses to navigate. The Department for Business and Trade lists 128 different schemes operating on national, regional or sectoral bases.[23] These schemes exist alongside the more high-profile British Business Bank (BBB), which provides a range of debt and equity financing options, but does not engage directly with SMEs, with a delivery model instead reliant on partner institutions.

**Streamlining available support options in the UK into a single well-publicised administrative organisation could be easier to navigate for SMEs.**

This could be similar in substance to the US Small Business Administration (SBA). The SBA is a federal agency, whose head is represented in the US Cabinet. As well as being the distributor of government financial support, it provides what it calls the 'three Cs': *Capital, Contracts and Counselling* – describing itself as "the nation's only go-to resource and voice for small businesses." Combining these three powerful levers in the UK – financial support through State aid and financing, procurement policy and business advice – could be a powerful lever to help companies scale.

Early stage and scale-up financing is particularly important. The UK's Enterprise Investment Scheme (EIS), Seed Enterprise Investment Scheme (SEIS) and Venture Capital Trust (VCT) initiatives have been successful mechanisms for helping UK start-ups tap into capital markets. However, current eligibility requirements cause issues both for regional distribution - with firms outside London and the South-East taking longer to grow and raise capital - and for knowledge intensive companies (KICs) such as pharmaceuticals - who require more start-up capital.[24]

**Expanding the range of companies eligible for EIS and VCT could channel more early-stage financing to companies outside of London and in capital-intensive sectors.**

Such expansion could help boost demand for capital by helping a broader range of companies access scale-up finance, which a recent House of Commons Business and Trade Committee report found was a particular problem. Indeed, the committee suggested consideration be given to a similar scheme aimed at later stage companies.[25]

**EIS and VCT could be complemented by a 'Scale-up Investment Scheme', focused on later-stage companies.**

**Recalibrating regulatory frameworks**

Regulatory and related policy can have a strong influence over how individual sectors develop. A clear regulatory regime can set the direction for a sector, attract or deter businesses from setting up in the UK, and either enable firms to expand or constrain their business models. All of which helps determine the economic viability of a business, or, in other words, how investable it is.

**21** National Audit Office (2020) Value for Money, British Business Bank. **22** ERC (2024). The State of Small Business Britain 2023.
**23** Department of Business and Trade (2025) Finance and support for your business. **24** House of Commons Treasury Committee (2023). Venture Capital Report. Schemes currently limited to those under seven years and £12 million per company, and 10 years and £20 million for KICs.
**25** Priorities of the Business and Trade Committee, 13 February 2025.

It can sometimes be the case that there are tensions, or even direct trade-offs in regulatory objectives, and when this is the case, government is responsible for giving regulators clear steers at the sectoral level on how to balance these. One such objective is to drive corporate investment by creating regulatory frameworks that incentivise investment in operations and innovation, spurring demand for capital.

In many cases, regulators have direct influence over rates of return and capital expenditure within a sector: RIIO (Revenue = Incentives + Innovation + Outputs) regulation was pioneered in the UK, but the scale of investment required to meet a wide range of policy objectives may require re-calibration.[26]

**Permitted rates of return in regulated industries need to be considered against needs for greater private sector investment.**

Higher rates of return can lead to greater corporate investment in businesses, generating greater demand for capital and lower costs for consumers. Some examples include:

- Returns for the UK's telecoms sector, which are significantly below those for other markets, notably the US. [27] This has contributed to a material difference in corporate investment in networks. One outcome is that the percentage of time 5G can be accessed by customers ranges from 8-13% for UK operators, versus up to 68% for US operators.
- Similarly, analysis by National Grid found that the permitted regulatory rate of return for gas and electricity investment is 4.3-5.6% real return on equity in the UK, while US regulated businesses generate 8.8-10% real return on equity.[28] Wholesale energy costs in the US are markedly lower for a number of reasons, but higher investment levels encouraged by higher rates of returns are among them.
- The ability of companies to make acquisitions, expand operations, invest, and compete internationally is influenced by regulatory frameworks. The Competition and Markets Authority (CMA) is required to carefully balance the benefits of competition in UK markets with the competitiveness of the UK as whole; but speedier and more predictable decision-making enabling businesses to scale and expand at home and abroad will improve business confidence and attract investment. The CMA's 2025 Annual Plan suggests that its work will now be centred in the context of the Government's growth mission.[29]

Finally, regulation has an influence on the fast-growing industries of the future, and whether companies in these sectors decide to set up and grow operations in the UK.

AI, and in particular data centres, is the most obvious example. Given their significant power demands, attracting investment into data centres requires regulation of AI, energy and other infrastructure to be aligned. Having left the EU, the UK is not subject to the EU's AI Act, leaving open the question of how AI will be regulated.

Striking a balance between promoting innovation and security and appropriate consumer protection is a challenge, and how this is done will significantly impact the UK's competitiveness. The Tony Blair Institute (TBI) has recommended the creation of a new public-private institution to devise regulatory approaches that can keep pace with technological developments.[30]

**Driving infrastructure development**

Infrastructure development contributes to economic performance and companies' ability to build and grow, improving productivity. Investment in infrastructure also generates demand throughout supply chains, as companies provide goods and services to major projects.[31] Trends across the globe are driving a societal need for infrastructure, too. Energy security pressures, the transition to a low-carbon economy, demographic change, shifts in supply chains, and increased need for data centres to accommodate digitisation and the use of AI, will all need to be met with an increase in a range of different types of infrastructure.[32]

Private sector investment has already played a significant role in financing the UK's infrastructure base. [33] But meeting the ambitious targets set by the Government will require even more focus on getting the policy environment right to attract private capital. We believe there are three areas of policy reform that will help the UK to attract the investment it requires, which in turn will boost demand for investment from capital markets: public co-investment with the private sector; pro-investment policy and regulation for investable assets, and planning reform, see Box.

**26** RIIO is a framework used by industry regulators to ensure that individual network companies, operating in monopoly environments, provide a safe and reliable service, value for money, maximise performance, operate efficiently, and innovate and ensure the resilience of their networks for current and future customers. **27** As an example, AT&T's US mobile service EBITDA was 57% for Q4 2024, versus 30% for Vodafone. Factors behind this include a more consolidated market structure in the US, licensing mechanisms, and regulatory frameworks. As a result, capex-to-sales have been 15-16% for AT&T in recent years, versus 10-13% for Vodafone. **28** National Grid (2024) Rights issue prospectus. **29** CMA (2025) Annual Plan Press Release 30 See TBI (2023), A New National Purpose: AI Promises a World-Leading Future of Britain. **31** A wide body of literature shows that investment in infrastructure produces a disproportionate increase in economic output. In the US, for example, roughly 25% of the productivity increase between 1950 to 1989 was attributable to increased investment in the highway system. See for example US Federal Highway Administration (1996). 'Productivity and the Highway Network: A Look at the Economic Benefits to Industry from Investment in the Highway Network'. Transportation Policy Studies. **32** See BlackRock (2024), The New Infrastructure Blueprint 33 The UK's National Infrastructure Commission has commended the UK's regulatory model for infrastructure financing, noting that between 2018/19 and 2020/21, the vast majority of energy infrastructure was privately financed. See HM Treasury (2010) National Infrastructure Strategy: Fairer, faster, greener

## Policies to drive infrastructure investment

### Co-investment between the public and private sectors

Where needed public-private co-investment can offset risks involved in infrastructure projects, which are particularly acute where technologies or business models are unproven. For example, the UK's capacity in offshore wind generation – which saw 10% growth per annum between 2013 and 2023 – was supported by a PPP established in 2015 in the form of Contracts for Difference (CfDs). When the offshore wind sector was still nascent, CfDs helped to increase investor confidence in revenue streams in a market that can otherwise be volatile. [34]

The establishment of the National Wealth Fund and Great British Energy (GB Energy) provide an opportunity to replicate this success by partnering with the private sector to stimulate investments that would not be delivered by the private sector alone. The National Wealth Fund has begun making co-investments with the private sector, and investors are anticipating more detail about the scale and role GB Energy will play alongside it.

**Public-private partnerships can, where necessary, change risk-return profiles of projects, crowding in private investment**

### Pro-investment policy and regulation

Operators of investable infrastructure assets are often subject to stronger regulatory regimes, because they provide important services to the economy and the public. In the UK, the business model of infrastructure companies – including their ability or willingness to raise financing for new developments – is shaped by sectoral regulators, who receive their mandates and objectives from government.

**Clear signals and license from Government to prioritise development could create clearer, pro-investment regulation.[35]**

### Planning reform

In the UK, obtaining planning permission for infrastructure development is often a drawn-out multi-year process. Timelines for planning approval influence the economic viability of projects, and uncertainty over whether and when approvals will be received generates risk that businesses and investors cannot price or predict, deterring investment. This is particularly important when competing with international projects for the investment, where the relative attractiveness is what counts.

The Government has recently indicated its support for a number of infrastructure proposals, including the expansion of London's airports and the redevelopment of Old Trafford in Manchester. It has also proposed to overhaul the Nationally Significant Infrastructure Projects (NSIPs) regime and streamline the judicial review process. This is an important move that could help the UK replicate, for example, best practice in Ireland where laboratories, for instance, are earmarked as significant infrastructure for rapid approval.

The Planning and Infrastructure Bill is an opportunity for the UK to prioritise growth by creating a planning framework that streamlines decision-making. The Bill aims to make planning decisions faster, more certain and less costly. [36] We strongly support these measures, but delivery will be critical. According to the National Infrastructure Commission, average consent timelines for major infrastructure projects rose from 2.6 years in 2012 to 4.2 years in 2021.[37]

**Setting firm targets to shorten consenting times to below 2012 levels would send a clear signal to investors, facilitating more private investment.**

**34** For statistics on UK offshore wind generation capacity, see Energy Institute (2024), Statistical Review of World Energy, **35** The House of Lords Industry and Regulators Committee (2023) report, The affluent and the effluent: cleaning up failures in water and sewage regulation, recommends that the Government give Ofwat clear guidance on how it should balance its priorities (protect and enhance the environment, deliver a resilient water sector, serve and protect customers, and use markets to deliver for customers) in order to deliver infrastructure and environmental investment.
**36** Ministry of Housing, Communities and Local Government (2025) Planning Reform Working Paper: Streamlining Infrastructure Planning. **37** Rankl. F (2024) Planning for nationally significant infrastructure projects (NSIPs) Research Briefing, House of Commons Library.



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# The role of UK institutional and retail investors in supplying capital

Recognising their potential to power growth, many countries are working to develop and grow their domestic capital markets. The UK is no exception: as a net importer of capital, policymakers have understandably looked for measures to grow the UK domestic investor base.[38]

For example, the review of the Solvency UK regime for insurers is an opportunity to identify additional measures that can free up capital for investment.

> **Phoenix Group's proposed Matching Adjustment 'Sandbox' could allow insurers and the PRA to potentially expand the range of assets insurers are able to invest in.**

Stimulating the domestic investor base is important not just to deepen and diversify the UK's capital markets, but also to offer savers more opportunities to generate returns that can help them improve their financial wellbeing, now and in retirement.

**Institutional investors and household participation**

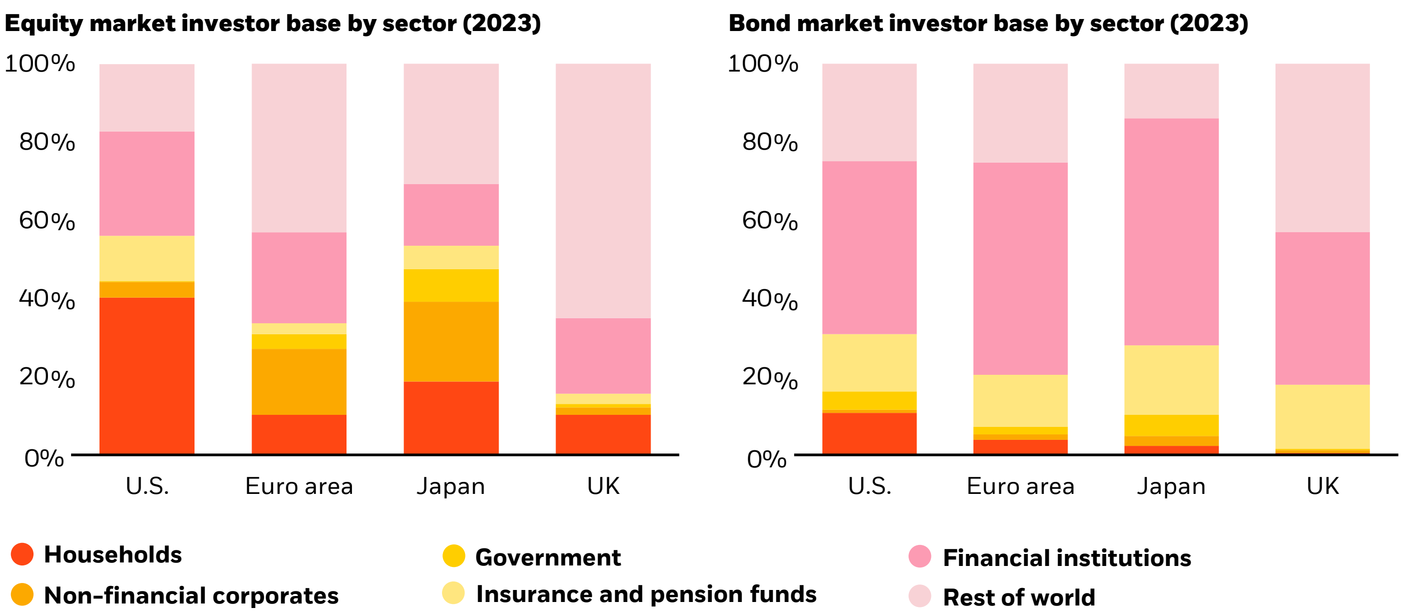
Capital market depth relies not just on there being many investors, but on there being many different *types* of investor as well. Their different investment goals, risk tolerances and time horizons bring a natural diversity to capital markets, which underpins market liquidity and resilience. Institutional investors such as insurers and private pension schemes as well as individuals are all important market participants - the latter being particularly diverse in their investment preferences.

The US has a long track record of investment by households, with 58% investing in shares, either directly or indirectly. This has made capital markets a powerful force in creating household wealth and raising living standards. By contrast, as figure 12 demonstrates, investment by individuals is less widespread in the UK.

We believe the constraint on growth and investment in the UK is just as much a question of capital demand as of supply. However, the link between the two is particularly relevant for households, because the more they invest their long-term savings, the stronger the link between economic growth and financial wellbeing.

In this section, we explore the role of pension funds, retail investors, and investment funds – considering ways to expand their capacity to invest productively, while protecting their crucial primary function as sources of financial resilience for savers.

**Figure 12: Equity market investor base by sector, selected countries**




**Source for figure 12:** BlackRock, U.S. Federal Reserve Board, European Central Bank, Bank of Japan, UK Office for National Statistics, with data from Haver Analytics, February 2025. The chart shows the share of total equity holdings broken down by investor segment. Equity holdings are defined as corporate equities directly held and those in closed-end funds and ETFs. 'Rest of world' relates to foreign holdings of domestic equity and debt securities respectively. **38** Office for National Statistics (ONS) (2024) The ONS notes that "A current account deficit, which the UK has experienced each year since 1984, places the UK as a net borrower with the rest of the world, indicating that overall expenditure in the UK exceeds national income. The UK must attract net financial inflows to finance its current (and capital) account deficit. This can be achieved through either disposing of overseas assets to overseas investors or accruing liabilities with the rest of the world."

## Pensions Reform

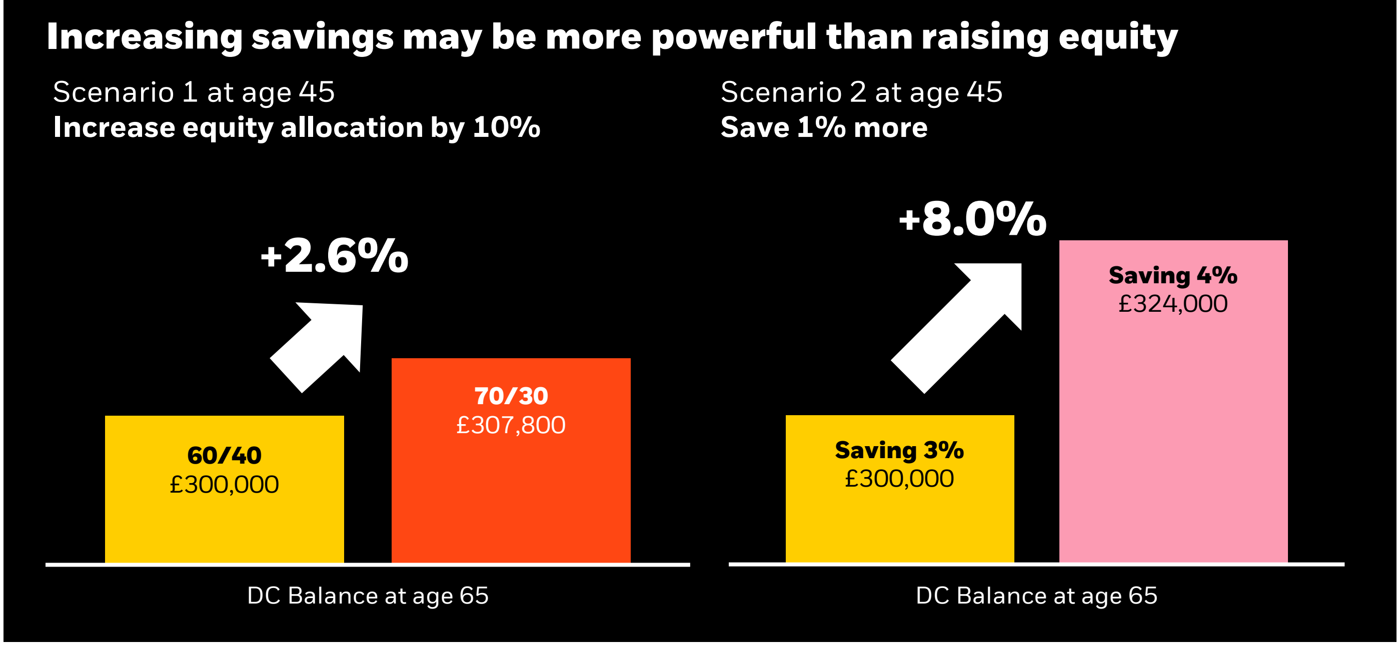
Auto enrolment has been a remarkable success story. Today, over 80% of UK workers contribute to a pension, and 13 million more people have been brought into pension saving. The Government has an opportunity to build on that success, putting more people on a sounder path to a financially secure retirement through its ongoing Pensions Review.

That means ensuring both that pension contributions are adequate, and that pensions are invested in a way that serves people's best interests. Assets that generate higher returns are a critical part of this equation, and there has been significant political and media debate over the last few years on how and where pension schemes invest and whether they are delivering adequate returns.

We believe the overriding priority for pensions reform must be their effectiveness as sources of income in retirement. But the UK is on the precipice of an adequacy crisis, with analysis showing that we are less than two decades from the point where nearly three in five (defined contribution) DC pension savers will enter retirement with inadequate savings, well below their expectations.[39] Higher contribution rates are a key component of adequacy, and we have supported industry calls for a glidepath towards a 12% contribution rate by 2030.[40]

Investment allocations are hugely consequential in terms of retirement outcomes for savers, but you cannot invest your way out of a lifetime of under-saving, see figure 13.

**Figure 13: Potential impact on retirement portfolio of increasing contribution vs increasing equity allocation**




**Increasing contributions via payroll autosaving**

The second phase of the Pensions Review will look at issues around adequacy and the savings rate. While this part of the Review has been delayed, we urge the government not to abandon vital work on contribution rates. This is not only important to the financial health of pension savers, but as New Financial highlighted in their recent work on global pension systems, further contributions would naturally lead to more UK investment.[41]

We appreciate, however, the difficulties of a blanket rise in pension contributions in the current climate, both for individuals and employers. Nonetheless, we need to begin a conversation now given the timescales that any change in contribution rates will take.

A more nuanced approach to a blanket increase, which helps to tackle both short-term financial resilience as well as the long-term savings rate, would be to make saving the norm in the workplace.

> **Rolling out opt-out payroll saving for employees could promote short-term financial resilience and increase pension savings.**

We have helped sponsor pilots by Nest Insight which show the tremendous impact in-work autosaving can have on peoples' financial health. Removing policy and regulatory barriers to expanding such schemes more widely, such as adapting anti-money laundering and employment rules, could bring significant benefits at the national level, see Box.

**39** Phoenix Insights (2024), Tomorrow's Problem? Analysing the future impact of DC undersaving. **40** BlackRock (2017) Planning for Retirement: Long term Savings and Investment in the UK and BlackRock's response to the Work and Pensions Select Committee's 2022 inquiry. **41** Wright. W and Thornhill. T, New Financial (2024) Comparing the asset allocation of global pension systems.

## Short-term financial resilience: the role of payroll saving

A quarter of UK adults have less than £100 in savings. That means an unexpected expense – such as a washing machine or boiler breaking down – can push people into a precarious financial situation. To help tackle this issue, since 2019 the BlackRock Foundation has supported Nest Insight's work on payroll savings. Trials of both opt-in and opt-out payroll savings models have shown the opt-out approach to be most effective – significantly boosting savings participation in the three workplace trials we have sponsored.[42]

In each of these trials, employees automatically start saving a default amount each pay period into an instant-access savings pot (unless they choose to opt out). The findings show that the number of people saving increases by around 50 per cent when compared to an opt-in approach. Employees save persistently and use their accounts actively, accessing their savings when they need them, and then replenishing their savings pots again.

The trials also show that workplace autosaving encourages saving through workplace pension schemes. When people have savings to cover today's expenses, they are more likely to save for tomorrow, tipping additional savings into their pension pots. This insight has meaningful implications for the future of auto enrolment.

Incorporating payroll savings as part of auto enrolment could enable pension contributions to rise, while mitigating some of the risks of doing so for those in highly precarious financial positions. People would only save more for retirement once they had already built an emergency buffer. This approach could help achieve a 12 per cent contribution rate, while addressing critically low levels of financial resilience among many working people.

We urge the Government to take forward this work and set new a standard for financial wellbeing in the UK. This would ensure people are not only better prepared for tomorrow but can handle the financial pressures they face today.

**UK Investment**

Given the current and previous government's focus on stimulating economic growth, there have been suggestions that government should mandate Local Government Pension Scheme (LGPS) and DC schemes to invest in the UK – both in equities and private assets.

While this might seem like a straightforward quid pro-quo for tax relief,[43] we remain concerned that any hard regulatory requirement could conflict with members' best financial outcomes. We support voluntary commitments, such as the Mansion House Accord made by DC schemes, whereby asset owners commit to invest in a particular asset class that they believe aligns with their fiduciary duty and has some flexibility around hard percentage cliff edges.

This Government also plans to introduce a 'backstop' to ensure schemes are meeting these voluntary commitments. We would urge caution with this approach and suggest that any power is strictly limited. Otherwise, we risk a situation where the long-term interests of savers may be compromised by policy priorities of successive governments.

It is also important to consider what can be done to incentivise or at least *stop disincentivising* investment in UK companies. At 0.5%, UK Stamp Duty is among the highest taxes on shares in the world - higher than France (0.3%), Spain (0.2%) and Italy (0.1%).[44] The US and Germany have no form of financial transaction tax, and tax treatment of domestic investment is more favourable in Australia, where dividends provided a 30% tax credit. Similar reliefs were available to UK pension schemes in the past, and their removal could be reconsidered.

> **Stamp Duty and the removal of dividend relief have been a disincentive to invest in UK companies. Reform would change the investment case.**

Reductions in stamp duty could be achieved incrementally, targeted at pension and retail investors, or at sectors the Government wishes to actively support. The reduction could be extended over time, with a view to lowering the cost of raising equity while stimulating investment in UK equities. Given the many ways in which Stamp Duty could be reformed, sticking rigidly with the status-quo looks like a missed opportunity.

As well as boosting the investment case for UK companies, revisiting the tax relief on dividends for retail and pension investors means more savers could also benefit from the UK market's robust dividend yields, with the dividend yield on the FTSE All Share at 3.5% outpacing peer markets.[45]

**Wider pension system reform**

As mentioned above, the Government has put forward proposals in both LGPS and DC to drive further consolidation, looking to create 'megafunds' which are

**42** NEST Insight Unit (2024) First major trials of opt-out workplace savings reveal huge potential for financial inclusion: new research from Nest Insight. **43** It is also important to note that pension income is anyway taxed as income at decumulation stage, and that the purpose of the tax incentive is to encourage saving for retirement, reducing the future burden on the taxpayer to provide a retirement income. **44** Centre for Economic Policy Research (CEPR) (2020) Financial Transaction Taxes Around the World. **45** McDermott. D, FT Adviser (2024) Dividends are still a key selling point for UK investments.

better equipped to invest in assets that have higher growth potential.[46] We are supportive of these proposals - consolidation could create efficiencies, and there are undoubtedly many benefits to scale. However, scale is not the sole determinant of scheme quality. Governance and investment oversight are crucial drivers of returns and capacity to invest in a wider range of asset classes. Insofar as scale allows further resource to be dedicated to these functions, we believe that members will see improved investment outcomes.

**Make governance and investment oversight the key measures for judging pension scheme effectiveness rather than measures like minimum Assets Under Management (AUM) .[47]**

To facilitate further investment in private markets, there have been several initiatives aimed at overcoming the barriers to DC investment in long-term, less liquid assets. These have included the development of Long-Term Asset Funds (LTAFs), reform to the so-called 'permitted links' rules, and carving performance fees out of the charges cap.

We support this important agenda, but there are also cultural and commercial factors at play. A 'cost is king' culture has emerged in the UK DC market, whereby an intense focus on price has led to competition to reduce costs rather than focus on long-term value. We see this as one of the major barriers preventing pension providers from investing in a wider range of assets classes. Indeed, Master Trusts have been vocal about the focus on costs limiting their ability to develop their investment proposition into private markets. [48]

We therefore support efforts to create a VfM framework, which seeks to ensure schemes move away from a focus on costs and deliver the best possible value and long-term outcomes for pension savers. But for this approach to be successful, it needs to cover all the actors involved in the pensions ecosystem, and to be reinforced by the public authorities - including the Department of Work and Pensions (DWP) and The Pensions Regulator (TPR) - they interact with. We welcome recent proposals to ensure that employers use the framework effectively in the first phase of the Pensions Review, as should consultants, too.

**All parts of the pensions investment chain have an influence over Value for Money: regulation could be adapted to reflect this.**

While care needs to be taken to ensure the framework encourages the right behaviours, we believe the framework has the potential to transform the DC market in terms of investment decision making, and we look forward to it being put on a legislative footing as part of the Pensions Schemes Bill later this year.

## Retail investment: an unrealised opportunity to boost savings and financial inclusion

### Engaging retail investors

Analysis by Barclays estimates that 13 million UK adults hold £430 billion of "possible investments" in cash savings.[49] This is a conservative estimate which focuses on savers holding more than six months' income in cash savings. This presents a significant opportunity for the Government to democratise access to capital markets and make investing easier and more attractive to retail investors.

**Consider setting a target for getting more people into retail investing and integrating it into financial regulators' remit letters could boost participation in markets.**

Many individuals understandably find investment decision-making daunting and would benefit from point-in-time support for financial decisions. The most obvious example is at retirement, where the decisions people make affect the rest of their lives. We strongly support the FCA's work on the advice/guidance boundary, particularly their proposal for 'targeted support', which we believe could meaningfully improve the financial wellbeing of people across the UK. We see building financial confidence as a crucial outcome of this regime and believe customers will benefit from being told they are on the right path and aligned with other people like them.

We also see a need to simplify the journey for retail investors in terms of declarations and risk warnings. Barclays' research shows consumers often interpret risk of loss as risk of losing everything. This was cited as the top barrier to investing by individuals who choose not to do so. Capital is always at risk when investing, but many investments are relatively low risk: this should be reflected in the information retail investors are given.

**The incoming UK Retail Disclosure Regime is an opportunity to create risk disclosures that prioritise informing and educating customers about investment risk, rather than simply issuing warnings.**

This shift would empower investors with a clearer understanding of risk and potential reward. By emphasising understanding over disclaimers, disclosures can demystify risk and foster a more engaged and confident investor base.

**46** HM Treasury (2024), Pension megafunds could unlock £80 billion of investment as Chancellor takes radical action to drive economic growth. In November 2024, the Government published its proposals to merge LGPS assets and consolidate DC schemes in order to create 'megafunds', they estimate that this could unlock £80BN in investment. The Government is proposing to drive consolidation in LGPS, moving from 86 administering authorities (AAs) to 8 'megafunds' which will build on the 8 pools that LGPS schemes have organised themselves around. In DC, proposals include a minimum AUM for multi-employer schemes (suggested at £25bn), as well as a maximum number of default funds a provider can operate. **47** BlackRock (2025) Pensions Investment Review: Unlocking the UK pensions market for growth and Local Government Pension Scheme (England and Wales): Fit for the future.**48** DC Investment Forum (2020) Growing Pains: Master Trusts Beyond Autoenrollment. **49** Barclays (2024) The UK investment gap: £430 billion in cash savings not invested by UK adults.

### Encouraging greater use of Stocks and Shares ISAs

The ISA framework plays a critical role in encouraging long-term savings and investments. The ISA brand is strong, and caution should be exercised around any large-scale reform. But there is untapped potential to enhance the impact of ISAs by expanding access to diverse investment opportunities and improving consumer understanding of their benefits.

In the 2022/23 tax year, the number of Cash ISAs was more than double that of Stocks and Shares ISAs, with total deposits into Cash ISAs exceeding investments into Stocks and Shares ISAs by 48%.[50] This demonstrates public perceptions of saving in cash versus investing. Polling by the Investment Association (IA) reveals that fewer than half of respondents felt confident about opening a Stocks and Shares ISA.[51]

The FCA's targeted support regime will in time help to address this by steering people toward investment. In the meantime, clear and accessible messaging should emphasise that, for most people, Cash ISAs are best suited for short-term but substantial savings purposes, such as for a downpayment, holidays or rainy-day funds. They are unsuitable for long-term financial planning, where risk-on allocations through Stocks and Shares ISAs will likely provide better risk/return outcomes for savers.

**Clearer guidance for savers on how to use the different ISA types would be complementary to a review of tax breaks for Cash ISAs.**

There is also debate around the whether the tax-free allowance for Cash ISAs should be removed to encourage investment. While there is a need to review the relative tax-free limits of the two products, unless Stock & Shares ISAs are made more understandable, it is not clear that people will immediately invest in them. Some savings may tip over into investments, but they may also end up in less advantageous bank deposits. The crucial issue is attitudes to investing.

### Easing retail savers' access to alternative asset classes

While the FCA has made the LTAF available for retail customers, which we welcomed, it is only eligible for the Innovative Finance ISA. The Innovative Finance ISA is a relatively niche product compared with the Stocks and Shares ISA. In the 2021/22 tax year only £144 million was held in Innovative Finance ISAs across 17,000 accounts, whereas more than £34 billion was held in Stocks & Shares ISA during the equivalent period.

Making LTAFs available in Stocks and Shares ISAs, could be achieved by adjusting ISA rules to allow products with longer redemption periods of over 30 days. Doing so would offer dual benefits: encouraging long-term savings among investors while driving more investment into private markets.

**Making the LTAF eligible for the Stocks and Shares ISA would significantly broaden the potential pool of investors.**

The FCA could also facilitate access to more low-cost investment options by drawing inspiration from the success of ETF savings plans in Continental Europe.[52] These plans allow for regular savings from £1 per month into diversified fund ranges, including access to fractional shares.

**UK policymakers could consider regulatory reforms to boost take-up of ETF savings plans.**

The reforms needed include measures to improve competition, order handling, reporting practices for retail orders, implementing volatility guardrails for retail orders and delivering a consolidated tape, as well as transparency on intermediation costs. All of which would improve take-up.

### VAT disadvantages UK funds and retail savers

Finally, UK retail savers also suffer tax disadvantages not found in other jurisdictions, that undermine the competitiveness of the domestic industry as well as potential returns.

Longer term, there are opportunities to reduce the tax levied on UK retail investors accessing collective investments, while at the same time strengthening the competitiveness of UK asset management. Under the current UK VAT regime, management fees for certain investment funds are subject to VAT. This is an explicit tax cost to the investors in the fund. By contrast, a UK investment manager managing a fund in the EU can benefit from full VAT recovery on its costs while no VAT is charged on the fund itself. This creates a disadvantages to UK funds, and to UK savers investing in them not found elsewhere in the world.[53] This is even more urgent as the UK seeks to establish the LTAF and newly introduced sustainable funds labels as world-leading investment vehicles.

**A zero rate VAT on investment funds would align the UK with many other jurisdictions.**

Introducing a zero rate of VAT would create a greater incentive for the kind of investing needed to provide returns to savers and invest in the UK; and incentivise funds - and the businesses supporting them - to domicile in the UK. What's more, a VAT zero rate for asset management is expected to be revenue accretive for the UK, increasing over a 5-year period (and then going forward in perpetuity) net tax revenues for the Exchequer.[54]

**50** HM Revenue and Customs (HMRC) (2024) Commentary for Annual savings statistics: September 2024. **51** The Investment Association (2025) Response to The Treasury Select Committee (TSC) Inquiry on the Lifetime ISA. **52** Boyde, E. Financial Times (2024) ETF savings plans look set to take Europe by storm and The ETF Savings Plan Market in Continental Europe 2024 **53** The US does not apply a VAT or Goods and Services Tax (GST) regime; while Japan, Singapore and Switzerland have VAT/GST or equivalent regimes that apply zero or minimal VAT costs. **54** The Investment Association (2024) Spring Budget Submission.

# Conclusion

The Government has put economic growth at the heart of its agenda. Capital markets can play a significant role in helping the Government achieve its objectives by channelling investment to productivity-enhancing innovation through primary investment. They can also help fund the infrastructure investment the UK needs to further boost productivity.

Although it is right that more can be done - particularly in the pensions and retail sectors - to boost the supply of capital to the economy, efforts need to be made in tandem to stimulate demand for investment as well.

This is both to enhance returns for investors and ensure new investment is used productively. The forthcoming industrial strategy and ongoing reforms to the financial and pensions sectors are an opportunity for government to take a whole system approach, unleashing the virtuous cycle of capital markets to finance growth in the UK.

# Want to know more?

More information about the themes and topics raised in this paper can be found in the footnotes throughout the text, and at the following sources in particular:

- The Virtuous Cycle: The Global Potential of Capital Markets
- HM Treasury Pensions Investment Review – BlackRock's Response
- HM Treasury Financial Services Growth & Competitiveness Strategy – BlackRock's Response
- HM Treasury UK ISA Consultation – BlackRock's Response
- FCA Discussion Paper 23/5: Advice Guidance Boundary Review – BlackRock's Response
- HM Government Update to Green Finance Strategy – Call for Evidence



BlackRock.