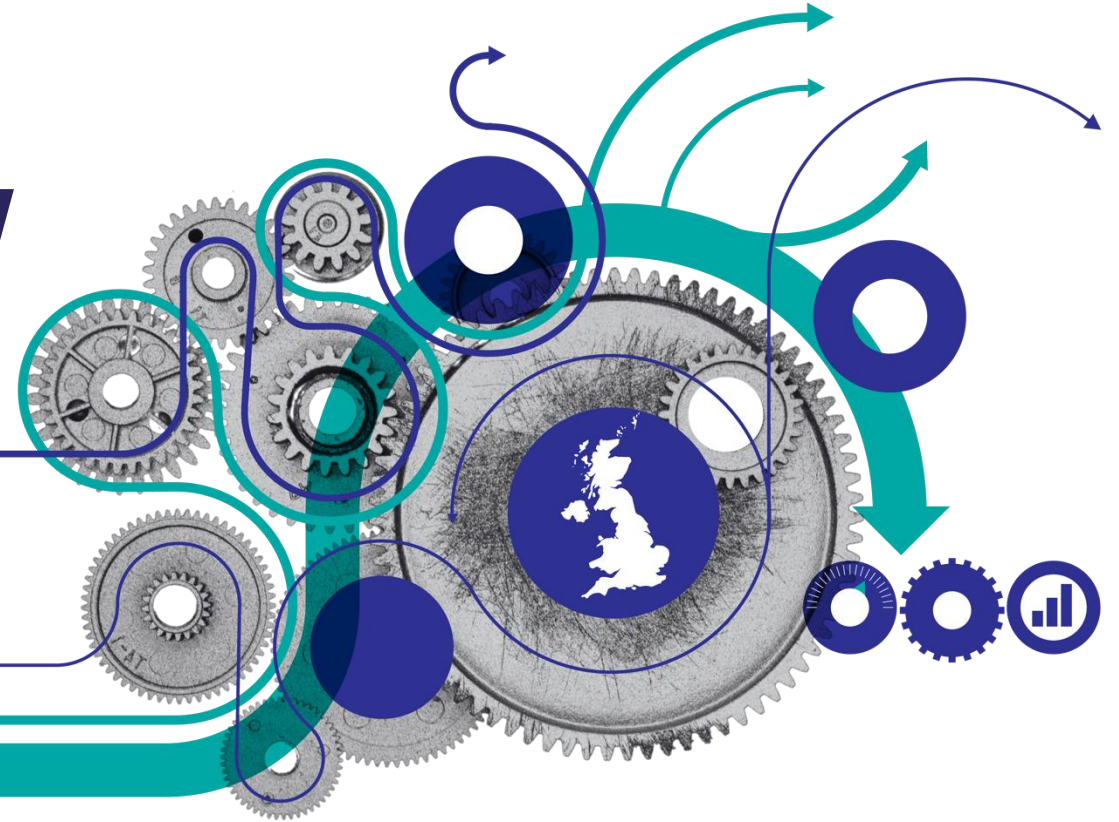




**New Capital
Consensus**

A better investment system for all

Reviving UK Investment Flow



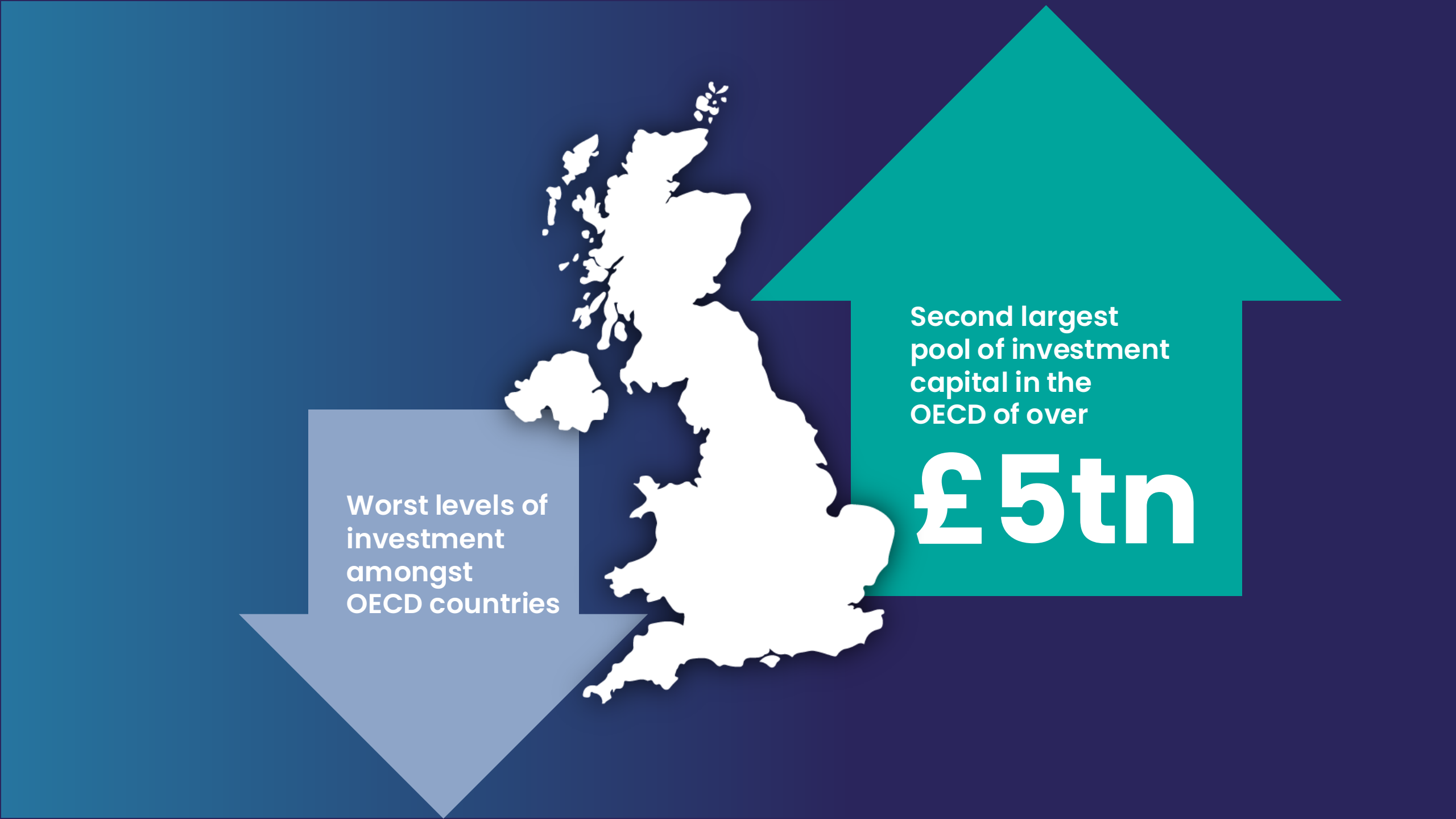
In partnership with

FinSTIC
Financial Systems
Thinking Innovation Centre


UNIVERSITY OF LEEDS


**RADIX
BIG TENT**


**CHATHAM
HOUSE**



Worst levels of
investment
amongst
OECD countries

Second largest
pool of investment
capital in the
OECD of over

£5tn





UK Investment System

New Capital
Consensus

Investment for all

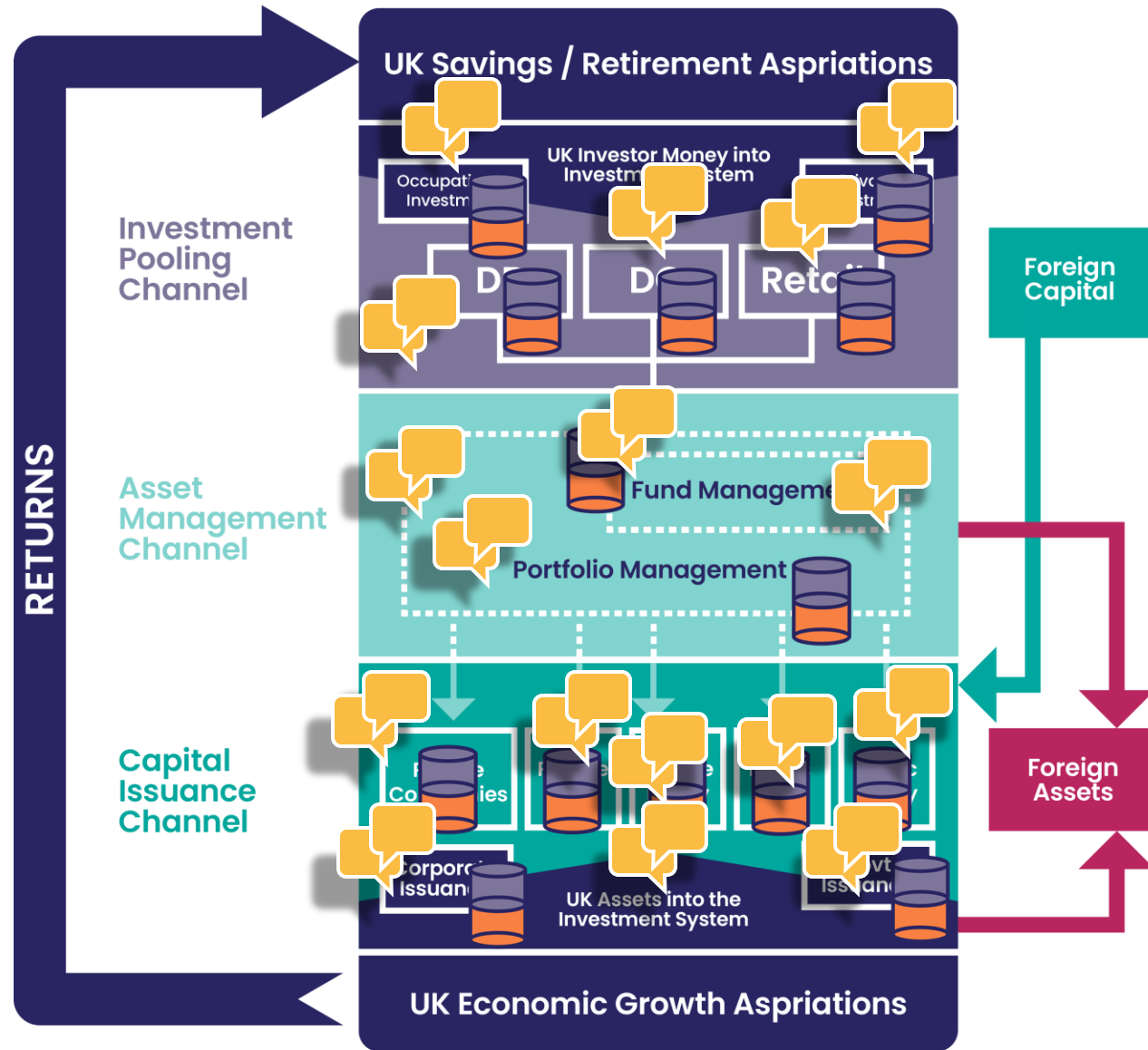
**What do we
mean by the
investment
system?**



UK Savings / Retirement Aspirations



UK Economic Growth Aspirations





#1

Fragmentation

5,000

sets of trustees managing

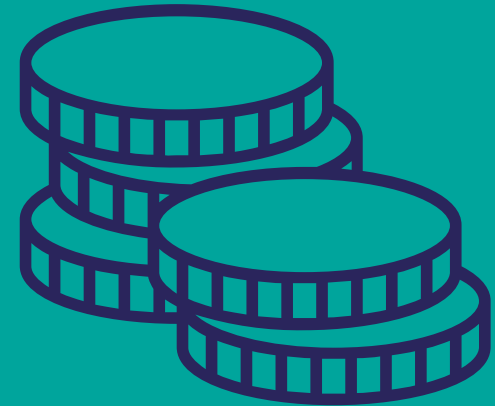
£1.2tn

Loss from LDI crisis

£650bn

#2

Costly Liquidity Requirements



#3

Capital Misdirection



Three **BIG** problems



#1 Fragmentation

#2 Short-termism

**#3 Misdirection and
leakage of money**

**No incentives within the
system to make returns**

NC...
AVE
initial
recommendations



Consolidate pensions funds
Set up Superfunds
More investment in real assets

#2

**Sort our obsession with
short-term liquidity**

**Remove requirement for daily
liquidity in the DC and retail markets**



#3



Change the system risk culture

Free up investment strategies

**Change regulatory and
industry risk measurement**

#4

**We direct more money into
the UK economy**

**Encourage savers to invest in
the UK and their communities**

Re-establish the social contract



#5

**New oversight of the
investment system**

**Rationalise fragmented
regulatory architecture**





**New Capital
Consensus**

A better investment system for all

Our briefest but this
Thank you.

