IMA Annual Asset Management Survey 2012-2013

Highlights of industry figures

Industry size

- The UK continues to be the second largest asset management centre in the world, after the US.

- Total assets managed in the UK by IMA member firms reached a record level at £4.5 trillion as at the end of 2012 – an increase of 7.9% from the previous year.

- Funds under management of UK authorised funds (OEICs and unit trusts) are at their highest level at £660 billion – a 14% growth from the end of 2011.

- The wider industry is estimated at £5.2 trillion worth of assets under management at the end of 2012 – 85% of which is represented by IMA member firms.
The UK fund management industry remains highly competitive with the top 10 firms representing approximately 45% of total UK authorised funds under management.
Asset allocation

Of the £4.5 trillion assets managed by IMA member firms:

- 42% was invested in equities which continue to see a slow decline from the high levels seen in the 1990s.

- 37% was invested in fixed income.

- 11% was invested in the ‘other’ category (3% in 2007) which primarily includes a range of alternative asset classes and structured solutions such as currency, private equity and commodities.

- 7% in cash/money market funds (11% in 2008).

- 2.7% in property.

**Chart 10: Overall allocation of UK-managed assets (2007–2012)**

Client type

- The majority (81%) of UK assets under management continue to be managed on behalf of UK and overseas institutional clients.

- Of these, the largest client type continues to be pension funds (38%), which grew by over 8% annually since 2005.

- The second largest client type is insurance, which decreased from 24% to 22%.

- Assets managed on behalf of UK and overseas retail clients stood at 17%. 
Institutional market

- At the end of 2012 IMA members managed £2.5 trillion in UK institutional client assets around the world - £1.7 trillion is accounted for by the third party market and in-house mandates are estimated at £788 billion.

- The wider UK institutional market (including non-IMA members) is estimated at £2.7 trillion.
Pension fund clients of IMA members fall into three categories:

- Corporate pension funds, which account for 42% (£1 trillion) of UK total institutional mandates. This includes a number of occupational pension schemes estimated at £116 billion.

- UK-based local government pension schemes represent 6.9% (£171 billion).

- Approximately 2.4% (£58 billion) is made up by other types of pension funds – run by trade unions or not-for-profit organisations.

- In terms of the wider UK pension market, total UK pension fund assets stood at £2 trillion:

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**Figure 5: The UK pensions landscape**

**Total pension assets £1,962bn**

**Workplace pensions**

- Occupational DB £1,250bn
- Occupational DC £183bn (accumulation)
- Contract-based DC £93bn (accumulation)
- DC decumulation £110bn

**Personal pensions**

- £243bn (accumulation)
- £83bn (decumulation)

Asset management companies operate across the pensions market in three main ways:

- **Investment-only component suppliers**: Investment component suppliers via segregated mandates or pooled vehicles (e.g. global equities, emerging market debt)
- **Investment-only pensions specialists**: Pension solutions specialists for both DB and DC markets (e.g. LDI in DB space, target-date in DC)
- **Full DC product provision**: Bundled administration and investment services

**Note:** Figures based on UK client assets, not location of asset management. Some of the DC data is based on estimates from December 2010.