Mansion House Accord FAQs

Is the Accord legally binding?

The Accord is a non-legally binding initiative.

Will organisations be mandated to invest in private markets assets?

No, the Accord is an industry-led, voluntary initiative which aims to encourage greater investment into private assets.

Which schemes have signed the Accord?

Aegon UK, Aon, Aviva, Legal & General, LifeSight, M&G, Mercer, NatWest Cushon, Nest, now:pensions, Phoenix Group, Royal London, Smart Pension, the People's Pension, SEI, TPT Retirement Solutions and the Universities Superannuation Scheme (USS).

How does this accord interact with the Mansion House Compact?

The Mansion House Compact is a separate agreement. The ambition of the 2023 Compact is to allocate at least 5% of the DC default funds to unlisted equities, including venture and growth equity, by 2030. For those signed up to the Mansion House Compact that commitment is not changed by their signing up to the Mansion House Accord. Investments in the scope of the Compact contribute to the Accord.

Could the Accord encourage investments in assets that are not appropriate for the risk profile of savers?

No.

Signatories will continue to invest in savers' best interests and according to appropriate risk levels for them.

Could signing the Accord have an impact on Trustees' statutory duties?

Signatories have agreed to these asset allocation ambitions, where investment in relevant assets is in members' best interests. Therefore, trustees' fiduciary duty to their members will be unaffected.

What asset classes are included in the Accord?

The definitions of both global and UK private markets assets include directly held, or investment through unlisted funds in property, infrastructure, private credit, private equity, venture capital. AIM and Aquis Growth Market shares may also count towards the target.

What is the timeline for the Accord?

Signatories are expected to achieve the 10% global and 5% UK allocations by 2030, subject to fiduciary and consumer duties and critical enablers.

How will progress against this initiative be tracked?

The organising bodies will work with government and regulators to ensure that data demonstrating progress against the Accord will be tracked.

What is meant by ‘main default funds’?

The defaults in scope of this Accord are all open/go-to-market defaults. It excludes legacy defaults, which are expected to be consolidated into the current, open defaults when rights to bulk transfer without consent, where it is in savers’ interests, will come into force.

Only provider-designed defaults are in scope, as opposed to bespoke defaults, which are often tailored to employers or types of employers. This approach is aligned with the Mansion House Compact.

Only growth phase, pre-derisking glidepath assets should be considered. This approach is also aligned with the Mansion House Compact. Individual signatories may go further by investing in private market assets beyond the scope described above.

The ambition is set at the aggregate level across all in-scope funds, which means that some funds can have allocations below the set ambition and others above. This is the same approach as for the Mansion House Compact.

How are UK assets to be defined?

For private equity and venture capital, UK assets should reflect underlying investments in UK registered private companies or partnerships.

Infrastructure and property is a UK asset if it is located in the UK. Note that only unlisted assets under these asset classes are in scope of the accord.

For private debt / credit, UK assets should reflect borrowers located in the UK.

These definitions will continue to align with the regulatory definitions per the VFM framework.