

The ownership of investment companies

Understanding the industry's shareholder base



March 2025

Foreword



Welcome to our second ownership report. With three years' worth of data, we are now able to measure the trends that are reshaping investment companies' shareholder base.

Institutions, private investors, wealth managers and advisers all remain vitally important shareholder groups. It is a strength of the investment company sector that it can draw support from all these different types of investor. A diverse shareholder base contributes to liquidity and makes the sector more vibrant and healthy.

But change remains a constant. Private investors have become increasingly important shareholders of mainstream equity investment companies, and now hold 37% of the shares of such companies – up from 35% at the end of 2022. Income remains important for these self-directed investors, as you can see from the fact that they hold 55% of the UK Equity Income sector.

Meanwhile, consolidation in the wealth management industry, along with a cost disclosure regime that has inflated the apparent costs of investment companies, has regrettably made it less attractive for wealth managers to hold investment companies. Their ownership stake in the sector has declined from 27% to 24%. The cost disclosure issues have been particularly acute for alternative asset investment companies, where wealth managers' stake has fallen more sharply, exacerbated by higher interest rates reducing the appeal of some alternative income strategies.

Institutions are replacing some of that lost demand. 2025 looks set to be a year of activism, with Saba's engagement with the sector far from over and the first IPO of the year, Achilles Investment Company, targeting some of the deep discounts on offer within the alternative asset sectors. Institutions' stake in investment companies has risen from 46% to 48% since the end of 2022, and from 65% to 72% for alternative investment companies.

Partly because of this increasing institutional ownership, the shareholder base of investment companies is geographically more diverse than one might expect. While it is true that UK investors account for 74% of our shareholder base, this falls to 60% for alternative investment companies, with US investors holding 25%.

Boards remain focused on engaging with this diverse shareholder base. The close relationship between investment companies and their investors was demonstrated in the high turnouts we saw in the first seven Saba-requisitioned votes. Engagement with AGMs has increased now that investors can participate or view them online. Our campaign, 'My share, my vote' aims to ensure that no shareholder is disenfranchised because they hold their shares through a nominee.

A better understanding of who owns investment companies is essential for the sector to serve its investors. We hope this report will contribute to that understanding.

Richard Stone, Chief Executive, AIC

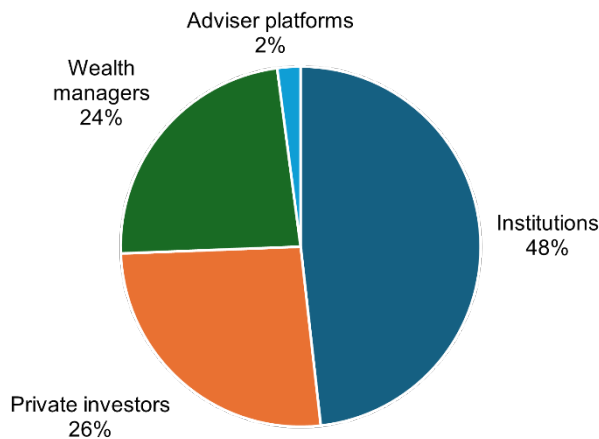
Executive summary

- Institutions hold 48% of investment company shares by value, with private investors holding 26%, wealth managers 24% and adviser platforms 2%. This means that the value of institutional holdings is £90 billion, private investors hold £49 billion, wealth managers hold £44 billion and adviser platforms £4 billion.
- Institutions are the main shareholders of alternative asset investment companies, holding 72%. They are particularly dominant in the private equity asset category.
- More than a third (37%) of the shareholder base of equity investment companies is made up of private investors, amounting to £41 billion in value. Private investors own more than either institutions or wealth managers in some mainstream equity sectors such as Global and UK Equity Income.
- Wealth managers make up a larger part of the shareholder base of equity investment companies (28%) than they do of alternative investment companies (17%). Their most favoured alternative asset category is infrastructure where they account for 32% of shareholdings.
- Since 2022, wealth managers' share of investment companies has declined from 27% to 24%. The decline is particularly sharp in alternative asset investment companies, where it has fallen from 24% to 17%.
- Institutions' share of alternative asset investment companies has risen from 65% to 72% since 2022, while private investors' share of equity investment companies has increased from 35% to 37%.
- UK investors make up 74% of investment company investors, with US investors owning 13%. The ownership of alternative investment companies is more geographically diverse, with US investors holding 25% and other non-UK investors holding 16%.
- Asset managers dominate the ranking of largest institutional investors in investment companies, including BlackRock, Vanguard and Legal and General.
- The wealth managers with the largest stakes in investment companies are Rathbones/Investec, Evelyn Partners, Brewin Dolphin and Quilter Cheviot.
- The most significant private investor platforms for investment companies are Hargreaves Lansdown and interactive investor, while Transact, Raymond James and Embark are the highest ranked adviser platforms by investment company shareholdings.

A snapshot

This research covers investment company holdings worth a combined £186 billion, or 89% of the industry’s total market value at the end of December 2024. Of this, institutions hold £90 billion (48%), private investors £49 billion (26%), wealth managers account for £44 billion (24%) and adviser platforms £4 billion (2%).

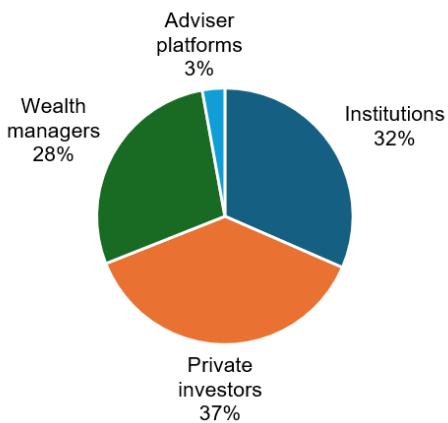
Investment company universe



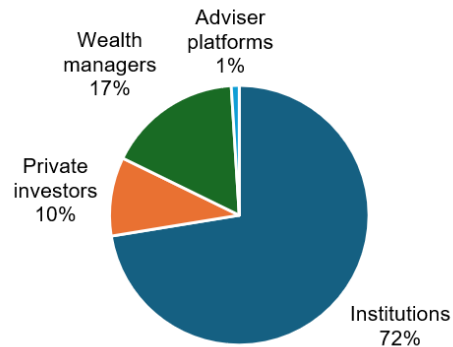
If we divide the investment company universe into “equities” and “alternatives”, it’s clear how much institutions dominate the alternatives category. They hold 72% of investment companies focused on alternatives (£55 billion), with wealth managers holding 17% (£13 billion) and private investors just 10% (£7 billion).

For mainstream equities, ownership is more evenly divided between these three main groups. Institutions hold 32% (£35 billion), private investors 37% (£41 billion) and wealth managers 28% (£31 billion).

Equity investment companies



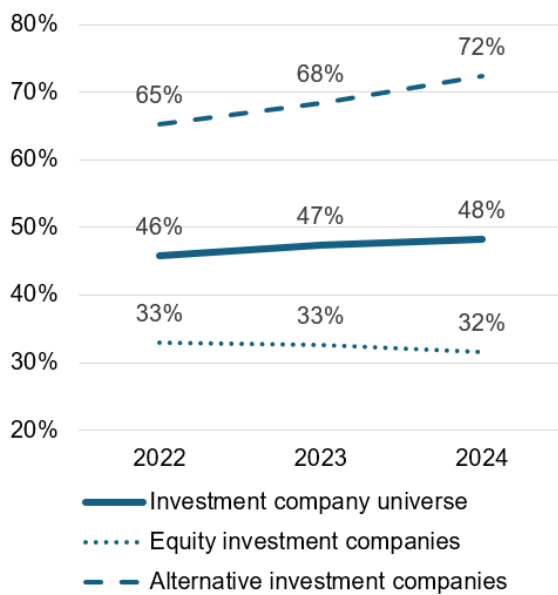
Alternative investment companies



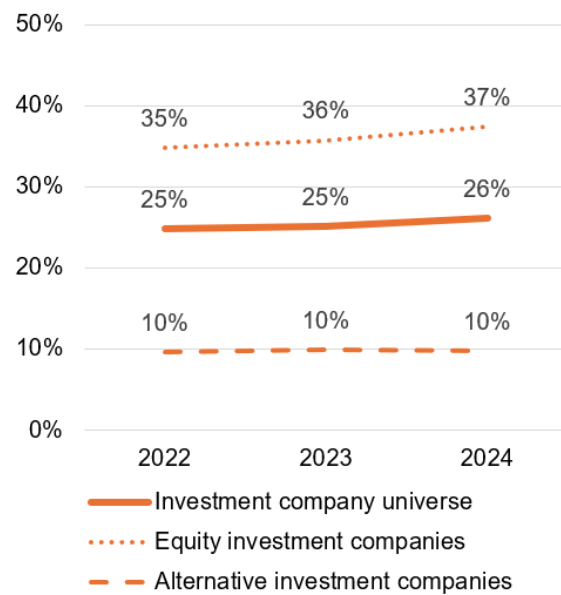
Trends over time

Wealth managers' share of the investment companies sector has diminished since December 2022, especially in alternatives companies, where institutions have filled the gap. For equity investment companies, private investors' share has increased while the share held by the other investor types has declined.

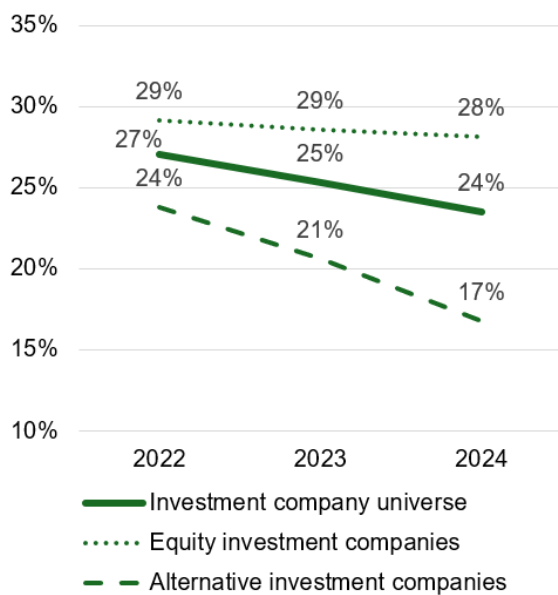
Institutions



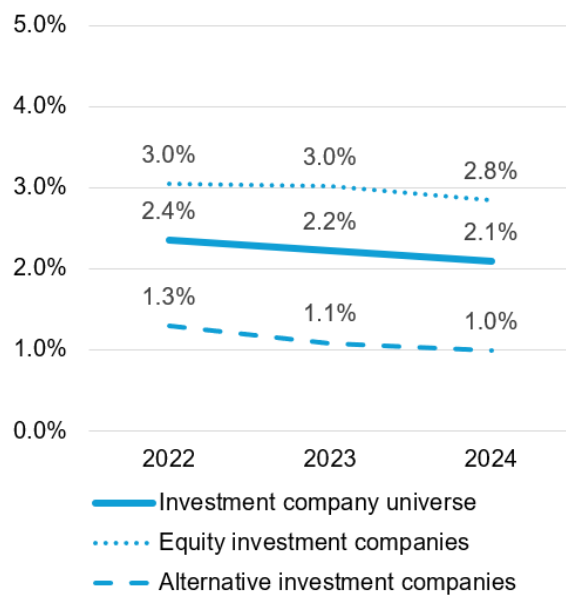
Private investors



Wealth managers



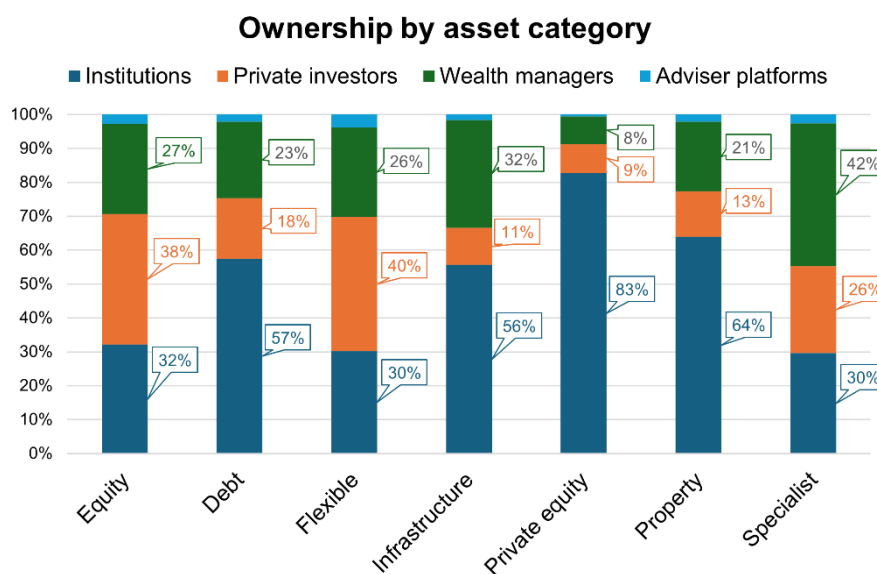
Adviser platforms



Ownership by asset category

The AIC universe can be split into seven broad asset categories, excluding VCTs. The largest of these is equity, followed by private equity, infrastructure, specialist, flexible, property and debt.

Institutions are very dominant in the private equity category, making up 83% of the shareholder base. They also account for more than half the ownership of the debt, infrastructure and property categories (57%, 56% and 64% respectively). They hold 32% of equity investment trusts.



Private investors are most dominant in the flexible and equity categories, making up 40% and 38% of shareholders respectively. As might be expected, they are less prevalent in the alternative asset categories, but they hold 26% of the specialist category, with a particular interest in Commodities & Natural Resources where they own almost half of the sector.

Wealth managers are significant holders of infrastructure investment companies, where they account for 32% of share ownership. They also have a substantial interest in the specialist category, of which they own 42%: within this category, they hold the lion's share of the Biotechnology & Healthcare, Hedge Funds and Technology and Technology Innovation sectors which together make up more than two-thirds of the category by value. Wealth managers hold 27% of the equity category, broadly in line with their overall exposure to investment companies. They have comparatively little exposure to private equity, making up 8% of shareholders.

A data table including the values of holdings in pounds is in Appendix 1 of this report.

Ownership by AIC sector

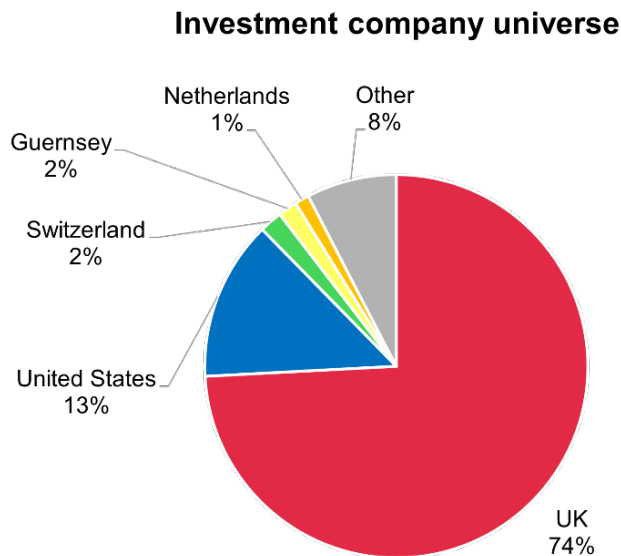
We can analyse the ownership of any AIC sector with at least five constituents. This means we can look at 27 AIC sectors.

In the table below, the shaded cells indicate which investor category is the biggest holder of companies in that sector. Institutions are the most significant shareholders in most sectors, although private investors dominate several equity sectors and wealth managers hold more than two-thirds of the Hedge Funds sector as well as nearly half the UK All Companies sector.

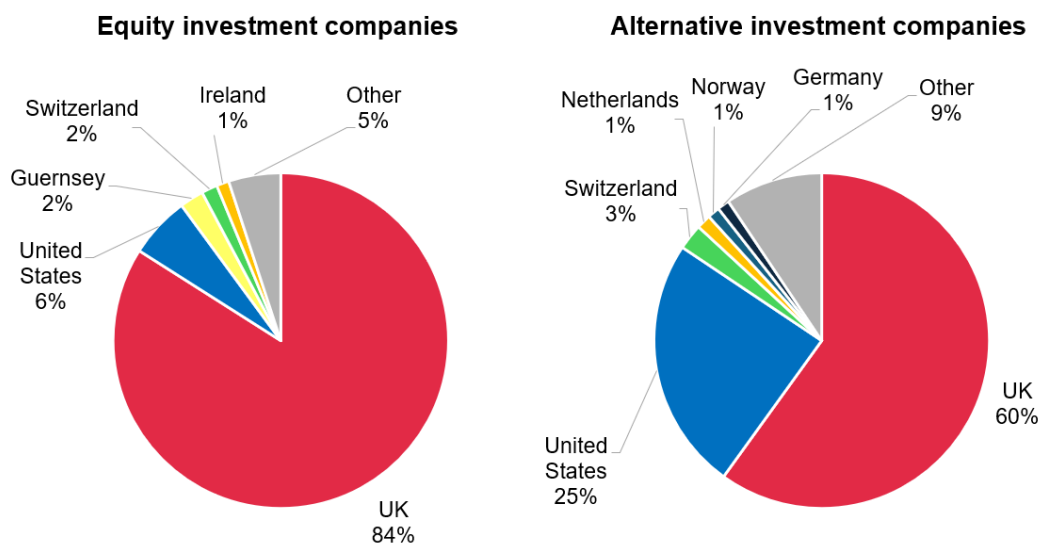
AIC sector	Total assets (£bn)	Share of ownership			
		Institutions	Private investors	Wealth managers	Adviser platforms
Asia Pacific	3.33	43%	22%	32%	2%
Asia Pacific Equity Income	2.08	33%	28%	38%	1%
Biotechnology & Healthcare	5.12	35%	23%	39%	3%
Commodities & Natural Resources	1.93	28%	47%	22%	3%
Debt - Direct Lending	1.57	70%	10%	18%	2%
Debt - Loans & Bonds	1.35	38%	42%	20%	1%
Debt - Structured Finance	1.81	58%	11%	30%	0%
Europe	4.63	34%	34%	29%	2%
Flexible Investment	15.18	30%	40%	26%	4%
Global	34.21	21%	50%	26%	3%
Global Emerging Markets	5.72	52%	20%	25%	3%
Global Equity Income	6.79	15%	49%	33%	3%
Global Smaller Companies	5.80	15%	50%	32%	3%
Growth Capital	7.08	89%	3%	7%	0%
Hedge Funds	2.10	30%	0%	70%	0%
Infrastructure	16.57	55%	7%	36%	2%
Japan	2.94	50%	20%	28%	3%
Leasing	2.38	84%	1%	16%	0%
North America	17.20	68%	12%	19%	1%
Private Equity	39.26	82%	9%	8%	1%
Property - Debt	0.81	48%	20%	25%	7%
Property - UK Commercial	4.87	43%	23%	32%	2%
Property - UK Residential	2.96	72%	11%	13%	4%
Renewable Energy Infrastructure	20.13	56%	15%	28%	2%
UK All Companies	4.53	20%	32%	45%	3%
UK Equity Income	11.92	16%	55%	25%	3%
UK Smaller Companies	6.42	33%	31%	32%	4%

Country of ownership

UK investors make up 74% of investment companies' shareholder base, with the US accounting for 13%. No other country or jurisdiction makes up more than 2%.



The ownership base of alternative investment companies is more geographically diverse than that of equity investment companies, reflecting the higher institutional ownership of alternatives (see page 4) and the fact that institutions are more likely to invest across national boundaries. US investors own 25% of alternatives investment companies, and are particularly dominant in private equity.



Investment companies' largest shareholders

Largest 20 institutional investors

	Institution	Value of investments (£m)	% of total industry market cap
1	BlackRock Investment Management (UK) Limited	4,433	2.31%
2	Vanguard Group Inc.	3,628	1.89%
3	European Clearing	3,578	1.87%
4	City of London Investment Management Company Limited	3,025	1.58%
5	Legal & General Investment Management Limited	2,489	1.30%
6	Goldman Sachs Asset Management LP	2,176	1.14%
7	WCM Investment Management LLC	1,674	0.87%
8	Capital Research and Management Company	1,576	0.82%
9	BlackRock Fund Advisors	1,546	0.81%
10	Allspring Global Investments, LLC	1,367	0.71%
11	Lazard Asset Management LLC	1,288	0.67%
12	FIL Investments International	1,235	0.64%
13	Fidelity Management & Research Company (FMR)	1,194	0.62%
14	Schroder & Co Limited	1,122	0.59%
15	Invesco Asset Management Limited	1,051	0.55%
16	1607 Capital Partners LLC	950	0.50%
17	BlackRock Advisors (UK) Limited	941	0.49%
18	3i Asset Management	870	0.45%
19	Phoenix Life Limited	826	0.43%
20	Norges Bank Investment Management	823	0.43%

Private investor (D2C) platforms and savings schemes

	Private investor (D2C) platform / savings scheme	Value of investments (£m)	% of total industry market cap
1	Hargreaves Lansdown Stockbrokers	13,536	7.06%
2	Interactive Investor Services Limited	12,541	6.54%
3	AJ Bell Securities Limited	4,546	2.37%
4	Charles Stanley & Co	4,034	2.11%
5	Columbia Threadneedle Fund Management Limited [Columbia Threadneedle Savings Plans]	3,877	2.02%
6	Halifax Share Dealing Limited	2,564	1.34%
7	FIL Investment Management Limited [Fidelity]	1,949	1.02%
8	Barclays Stockbrokers Limited	1,420	0.74%
9	Equiniti Shareview	589	0.31%
10	Interactive Brokers LLC	488	0.25%
11	Evelyn Partners Investment Management Services Limited [Bestinvest]	300	0.16%
12	Jarvis Investment Management Limited	226	0.12%

Adviser platforms

	Adviser platform	Value of investments (£m)	% of total industry market cap
1	Integrated Financial Arrangements Ltd [Transact]	1,170	0.61%
2	Raymond James Investment Services Limited	1,055	0.55%
3	Embark Investment Services Limited	954	0.50%
4	Investment Funds Direct Limited [M&G Wealth]	316	0.16%
5	Seven Investment Management LLP	249	0.13%

Note: Platforms are shown in the tables above if they have holdings of more than 0.1% of total industry market capitalisation. Trading names in square brackets are added for clarity.

Largest 20 wealth managers

	Wealth manager	Value of investments (£m)	% of total industry market cap
1	Rathbone Investment Management Limited	6,705	3.50%
2	Evelyn Partners Investment Services Limited	4,982	2.60%
3	Investec Wealth & Investment Limited	4,105	2.14%
4	Brewin Dolphin Securities	3,924	2.05%
5	Quilter Cheviot Limited	2,897	1.51%
6	JM Finn & Co Ltd	1,982	1.03%
7	Canaccord Genuity Wealth Limited	1,625	0.85%
8	Platform Securities LLP	1,409	0.74%
9	Redmayne Bentley LLP	1,443	0.75%
10	Close Asset Management Limited	1,346	0.70%
11	Schroder & Co Bank AG	1,038	0.54%
12	Efg Harris Allday	969	0.51%
13	Brewin Dolphin Wealth Management Limited	864	0.45%
14	UBS Wealth Management (UK)	717	0.37%
15	LGT Wealth Management UK LLP	666	0.35%
16	Brooks Macdonald Asset Management Limited	572	0.30%
17	Walker Crips Investment Management Limited	536	0.28%
18	Waverton Investment Management Limited	461	0.24%
19	Hawksmoor Investment Management	472	0.25%
20	HSBC Wealth Management (UK)	467	0.24%

Appendix 1

Ownership data table

	No. of co.s*	Institutions £m	%	Private investors £m	%	Wealth managers £m	%	Adviser platforms £m	%
Investment company universe	295	89,583	48%	48,642	26%	43,689	24%	3,879	2%
By asset type									
Equities	182	34,682	32%	41,206	37%	30,976	28%	3,129	3%
Alternatives	113	54,901	72%	7,436	10%	12,713	17%	750	1%
By asset category									
Equity	139	28,691	32%	34,271	38%	23,679	27%	2,440	3%
Debt	25	1,453	57%	452	18%	570	23%	53	2%
Flexible	20	2,613	30%	3,408	40%	2,278	26%	327	4%
Infrastructure	29	10,461	56%	2,042	11%	5,993	32%	297	2%
Private equity	23	36,884	83%	3,806	9%	3,636	8%	227	1%
Property	25	5,384	64%	1,130	13%	1,731	21%	174	2%
Specialist	34	4,097	30%	3,533	26%	5,802	42%	362	3%
By AIC sector**									
Asia Pacific	5	1,179	43%	613	22%	876	32%	68	2%
Asia Pacific Equity Income	5	307	33%	258	28%	359	38%	13	1%
Biotechnology & Healthcare	7	1,341	35%	865	23%	1,496	39%	130	3%
Commodities & Natural Resources	7	374	28%	627	47%	293	22%	47	3%
Debt - Direct Lending	5	726	70%	105	10%	188	18%	25	2%
Debt - Loans & Bonds	9	183	38%	203	42%	99	20%	3	1%
Debt - Structured Finance	6	364	58%	71	11%	187	30%	0	0%
Europe	6	1,211	34%	1,204	34%	1,021	29%	76	2%
Flexible Investment	20	2,613	30%	3,408	40%	2,278	26%	327	4%
Global	12	5,537	21%	12,856	50%	6,722	26%	763	3%
Global Emerging Markets	10	2,382	52%	940	20%	1,138	25%	139	3%
Global Equity Income	7	862	15%	2,788	49%	1,852	33%	168	3%
Global Smaller Companies	5	725	15%	2,429	50%	1,544	32%	127	3%
Growth Capital	7	3,340	89%	119	3%	270	7%	14	0%
Hedge Funds	5	298	30%	2	0%	703	70%	0	0%
Infrastructure	9	5,141	55%	663	7%	3,331	36%	149	2%

Japan	5	1,071	50%	433	20%	602	28%	57	3%
Leasing	5	421	84%	3	1%	80	16%	0	0%
North America	7	7,250	68%	1,305	12%	2,051	19%	128	1%
Private Equity	16	33,544	82%	3,687	9%	3,366	8%	213	1%
Property - Debt	5	180	48%	73	20%	95	25%	26	7%
Property - UK Commercial	10	869	43%	459	23%	657	32%	42	2%
Property - UK Residential	5	867	72%	137	11%	160	13%	44	4%
Renewable Energy Infrastructure	20	5,320	56%	1,380	15%	2,663	28%	148	2%
UK All Companies	6	686	20%	1,106	32%	1,532	45%	88	3%
UK Equity Income	19	1,598	16%	5,531	55%	2,510	25%	334	3%
UK Smaller Companies	24	1,642	33%	1,499	31%	1,571	32%	191	4%

* Different share classes of the same company that are linked to separate pools of assets are counted as separate companies.

** We are unable to disclose ownership breakdowns for AIC sectors with fewer than five constituents.

Appendix 2

Taxonomy of the AIC universe

Asset type	Asset category	AIC sector
Equity	Equity	Asia Pacific Asia Pacific Equity Income Asia Pacific Smaller Companies China / Greater China Country Specialist Europe European Smaller Companies Global Global Emerging Markets Global Equity Income Global Smaller Companies India / Indian Subcontinent Infrastructure Securities Japan Japanese Smaller Companies Latin America North America North American Smaller Companies Property Securities UK All Companies UK Equity & Bond Income UK Equity Income UK Smaller Companies
	Flexible	Flexible Investment
	Specialist*	Biotechnology & Healthcare Commodities & Natural Resources Environmental Financials & Financial Innovation Technology & Technology Innovation
Alternative	Debt	Debt - Direct Lending Debt - Loans & Bonds Debt - Structured Finance
	Infrastructure	Infrastructure Renewable Energy Infrastructure
	Private equity	Growth Capital Private Equity
	Property	Property - Debt Property - Europe Property - Rest of World Property - UK Commercial Property - UK Healthcare Property - UK Logistics Property - UK Residential
	Specialist*	Hedge Funds Insurance & Reinsurance Strategies Leasing

* Please note that the "Specialist" asset category spans both asset types, with some sectors within this category categorised as equity and some as alternative.

Methodology

The data in this report is based on analysis of £185.79 billion of investment company shareholdings using the Argus Vickers database, as at the end of December 2024. This is equivalent to 89% of the industry's market capitalisation of £209.93 billion (excluding VCTs) at the same date. All references to investment companies in this report exclude VCTs. 2022 and 2023 data (also dated to 31 December) has been revised since the February 2024 report to reflect the recategorisation of some investors.

Percentage breakdowns are based on shareholdings we have been able to analyse and exclude any holdings which are unclassified. Percentages may not sum to 100% due to rounding.

Ownership stakes are categorised by the firm or individual that we believe is the decision maker (called the "manager" in the Argus Vickers database), rather than by beneficial ownership. Argus Vickers identifies ownership of ordinary shares based on who holds voting rights; therefore exposure to shares via derivatives cannot be shown.

'Institutions' include asset managers, pension funds, family offices and trusts. Portfolio managers holding investment company shares in a personal capacity are categorised as institutions.

'Private investors' consists largely of direct-to-consumer (D2C) platforms and execution-only brokers whose clients are individual investors, though this category also includes one savings scheme and a number of high net worth individuals who hold shares in their own name.

'Wealth managers' includes private client brokers and the wealth management divisions of banks.

'Adviser platforms' includes platforms used by financial advisers. It should be noted that some of the holdings on these platforms are managed on a discretionary basis by wealth managers on behalf of advisers' clients, though data from ISS Financial Clarity suggests that the majority of purchases of investment companies on these platforms are made directly by financial advisers.

All private individuals are excluded from the tables of largest investors.

This report breaks down the investment company universe in three main ways:

- By asset type (equities or alternatives)
- By asset category (equity, debt, flexible, infrastructure, private equity, property and specialist)
- By AIC sector (e.g. UK Equity Income, Renewable Energy Infrastructure, or Debt – Loans and Bonds)

You can find a full taxonomy in Appendix 2.

If you would like to discuss this research further, please contact

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