

The Mansion House Accord

First Progress Update 2026

Produced by the ABI and Pensions UK in partnership with the Mansion House Accord signatories, and the City of London Corporation.



Introduction	3
The ABI	3
Pensions UK	3
City of London Corporation	4
Progress to date	6
Mansion House Accord – private market assets	6
UK Pension and Other Assets – private market assets	7
Mansion House Compact	8
Progress towards implementation and committed capital	9
Committed capital	9
Diverse routes to market	9
Enablers and future opportunities	10
Collective demand	10
A stronger UK opportunity pipeline	10
Tackling barriers to implementation	11
Wider reforms across the pension system	12
The role of public financial institutions and government bodies	13
Next steps	14
Conditions for maintaining momentum	14
Annex	15
Methodology	15
Definitions & Scope	15
FCA & TPR asset allocation surveys	15

Introduction

In partnership with Mansion House Accord signatories¹ and the City of London Corporation, the ABI and Pensions UK are tracking industry progress against the commitments set out in the Accord.

Building on the Mansion House Compact, the [Accord](#) is a voluntary, industry-led commitment to increase investment in private markets, including within the UK. Subject to fiduciary and regulatory duties, signatories are working towards an ambition of investing 10% of Defined Contribution (DC) default funds in private markets, including 5% in UK private markets, by 2030. Achieving these ambitions will depend on the delivery of several key enablers identified within the Accord.

The purpose of the Accord is to facilitate access for savers to the higher potential net returns that can arise from investment in private markets as part of a diversified portfolio, as well as boosting investment in the UK. As always, the priority is achieving better outcomes for savers.

This report also includes the latest progress update for the Mansion House Compact. The [Compact](#) is also a voluntary industry-led commitment and focuses on increasing investment into unlisted equities. The ambition is to allocate at least 5% of signatories' DC growth phase default funds to unlisted equities by 2030 and increase the proportion of UK pension and other relevant investments in unlisted equities.

The ABI

The ABI is the definitive voice of the UK's world-leading insurance and long-term savings industry, which is the largest sector in Europe and the third largest in the world.

We represent more than 300 firms within our membership including most household names and specialist providers, providing peace of mind to customers across the UK.

Our sector is productive, inclusive and essential to the UK economy and together, we are driving change to protect and build a thriving society.

Find out more at abi.org.uk

Pensions UK

Pensions UK is the voice of pensions in the UK, trusted and heard by the government and the pensions industry. For more than 100 years we've delivered influential thought leadership, practical guidance and research for our members; pro-actively solving the sector's biggest issues and setting the future direction.

¹ Mansion House Accord Signatories: Aegon UK, Aon, Aviva, Cushman, Legal & General, LifeSight, M&G, Marsh, Nest, NOW:Pensions, Standard Life, Royal London, SEI, Smart Pension, The People's Pension, TPT Retirement Solutions, Universities Superannuation Scheme

We represent pension schemes that together provide a retirement income to more than 30 million savers in the UK and invest £2 trillion in the UK and abroad. Our members also include asset managers, consultants, law firms, fintechs, and others who play an influential role in people's financial futures.

Find out more at pensionsuk.org.uk

City of London Corporation

The City of London Corporation is the governing body of the Square Mile, dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK. Through its convening power, policy leadership and industry engagement, the Corporation works to support the continued competitiveness of the UK's financial and professional services sector.

Find out more at theglobalcity.uk

This first Mansion House Accord update shows clear progress towards the 2030 private market ambitions.

The main findings are:

- **Signatories have £22.1 billion of DC growth-phase default assets invested in private markets:** Across £334 billion of growth-phase DC default² assets, 6.6%, has been invested in private-market assets, with £11.1 billion (3.3%) in UK assets.
- **A further £10.7 billion is contractually committed to private markets and awaits deployment:** £3 billion has been allocated to UK private markets within DC growth-phase default assets. This demonstrates a strong ongoing commitment from signatories to invest at scale into private markets, subject to the availability of investable opportunities.
- **Signatories hold £56.9 billion in private markets across their wider DC asset base:** £32.1 billion of this is allocated to UK-based assets. For example, this covers assets in glidepath, drawdown and personal pensions.
- **Mansion House Compact signatories increased unlisted equity investment in DC default funds by 65%, from £1.6 billion to £2.7 billion:** Default fund allocations to unlisted equity rose from 0.6% to 0.85% as total DC assets increased by £44 billion to £312 billion.
- **Signatories have been actively preparing for deployment and continue to build capability for future investment:** Beyond existing investments and committed capital, providers are building capability through new manager partnerships, vehicles, mandates, governance changes and recruitment. Together, these activities demonstrate significant appetite for private markets, with future progress depending on the availability of investable opportunities and the delivery of key enablers. As DC assets continue to grow rapidly, private markets need to remain attractive if their share is to be maintained and to increase.
- **Schemes are still uncertain over the depth of the UK investment pipeline:** Signatories note that the UK pipeline is improving, but concerns remain over whether it will provide sufficient investable opportunities to support the Accord's ambitions. The challenge is to increase both the quantity of opportunities, and ensure they are of sufficient quality, scale and value to support long-term member outcomes.
- **Further progress depends on the delivery of the critical enablers:** Signatories have highlighted a need for an aligned treatment of performance fees, an effective and appropriate value-for-money (VfM) framework, sensible scale policy, clearer permitted-links rules, fee transparency, and regulatory stability with no unnecessary additional regulatory barriers.

² All open/go-to-market defaults, excluding legacy defaults. Only provider-designed defaults are in scope, as opposed to bespoke defaults. Only growth phase, pre-derisking glidepath assets should be considered. This was agreed at the signing of the Accord in May 2025.

Progress to date

Mansion House Accord – private market assets

As of 31 December 2025, signatories had £22.1 billion invested across a range of private-market asset classes within their growth-phase DC default arrangements. This represents notable progress with a 6.6% private market holding of the £334bn managed on behalf of savers. UK-based private markets accounted for half of private assets with £11.1bn in domestic holdings, a 3.3% allocation.

Property and real estate accounts for £8.3bn of private market holdings which is predominantly UK based. Exposure to property reflects existing investments and a pipeline of investable domestic opportunities. This illustrates how DC investment in private assets can be achieved where the right conditions and suitable investable opportunities are in place. Capital deployed across commercial property, such as offices, retail premises and research facilities, supports economic activity, local growth and regeneration, while vital investment in residential property, student accommodation, affordable housing and social housing helps address the UK's housing needs. Property allocations also come in a variety of private market vehicles with different dealing frequencies and gating requirements that can support a default arrangement's liquidity requirements.

Significant investment can also be seen across other private market asset classes, including private equity, debt and credit. These allocations provide diversified routes for schemes to support businesses and projects at different stages of development, with private debt and credit offering access to income-generating financing opportunities and private equity providing exposure to business growth and innovation. Infrastructure can be structured like any of these asset classes. Increasing deployment across these asset classes further illustrates providers' appetite to invest where suitable opportunities exist, although the pace of investment continues to reflect schemes' capacity and the wider cost pressures discussed below.

Mansion House Accord – Private Market Assets	Total Invested	UK	Non-UK
Property and Real Estate (including social and affordable housing)	£8.3bn	£8.0bn	£0.3bn
Infrastructure	£4.1bn	£1.3bn	£2.8bn
Private Debt and Credit	£3.6bn	£0.9bn	£2.8bn
Private Equity	£2.9bn	£0.5bn	£2.4bn
Investment Trusts³	£2.7bn	£0.4bn	£2.3bn
Other Eligible Assets	£0.4bn	£0.05bn	£0.4bn
Total	£22.1bn	£11.1bn	£11.0bn

³ The investment trusts asset class represents private market holdings held in these structures. These holdings can be invested in any typical private asset class. They were out of scope of the Mansion House Accord, but following passage of the Pension Schemes Act 2026, we are discussing whether and how to align the Accord FAQs with the legislation. Without investment trust assets the total Accord figure is £19.3bn, with £10.7bn held in UK private markets.

UK Pension and Other Assets – private market assets

Private markets investing is not limited to growth phase DC defaults. Signatories invest across a broader range of DC arrangements, including lifestyling strategies, individual pension products and drawdown solutions. As a result, private market exposure extends beyond the growth phase and remains present as savers move through de-risking and into retirement. Across the wider DC asset base⁴, signatories held £56.9 billion in private markets as of 31 December 2025, with a stronger domestic bias than seen in the Accord funds alone. £32.1 billion (56%) is invested in UK private assets.

Property and real estate is the largest asset class, consistent with the core Accord figures. Signatories demonstrate a strong preference for domestic property investment opportunities with almost 90p from every £1 (86%) allocated to critical UK-based residential and commercial property. This reflects the existing investment capabilities of the broad signatory group and the investable opportunities available domestically.

Signatories have also allocated significant values to other private market assets, with £7.2bn invested in each of private equity, private debt & credit, alongside the utilisation of investment trusts. A further £7.2bn is invested in infrastructure, including renewable energy projects that support the transition to a lower-carbon economy. For example, this includes investments into Hornsea 3 Offshore Wind, an £8.5 billion infrastructure project that will deliver enough green energy to power more than 3.3 million UK homes. Additionally, East Anglia ONE is an offshore windfarm where signatories have made equity investments.

UK Pension and Other Assets – Private Market Assets	Total invested	UK	Non-UK
Property and Real Estate (including social and affordable housing)	£30.1bn	£25.9bn	£4.1bn
Infrastructure	£7.2bn	£1.8bn	£5.4bn
Private Debt and Credit	£7.2bn	£1.9bn	£5.2bn
Private Equity	£7.2bn	£1.3bn	£6.0bn
Investment Trusts	£4.2bn	£0.6bn	£3.6bn
Other Eligible Assets	£1.1bn	£0.6bn	£0.6bn
Total	£56.9bn	£32.1bn	£24.9bn

⁴ UK pensions & other savings encompasses a broader scope than DC default assets, and includes assets in workplace DC schemes, individual pensions, drawdown, crystallised assets, customer assets administered by third parties, and with profits assets in DC structures.

Mansion House Compact

The Mansion House Compact is a voluntary, industry-led initiative launched in 2023 to support better outcomes for DC savers by increasing investment in unlisted equities⁵. Eleven signatories⁶ committed to an ambition of allocating at least 5% of their DC default funds to unlisted equities by 2030 and to increase the proportion of UK pension and other relevant assets in unlisted equities. Progress towards these targets continues to be monitored and provide useful context but are not directly comparable with the Accord as their scope and definitions differ.

In the ten months⁷ to 31 December 2025, signatories increased unlisted-equity investment in DC default funds by 65%, from £1.6 billion to £2.7 billion, an increase of £1.1 billion. The allocation rose from 0.6% to 0.85% as signatories' total DC growth phase assets increased by £44 billion to £312 billion. Unlisted-equity investment across broader DC assets⁸ also reached £7.46 billion by the end of 2025.

⁵ This excludes investments in infrastructure & real estate, according to the Mansion House Compact FAQs, and relates only to funds managed on behalf of the customers of MHC signatories as of Feb 2025

⁶ The 11 signatories of the Mansion House Compact are: Aegon, Aon, Aviva, Legal & General, M&G, Marsh, Cushon, NEST, Phoenix, Scottish Widows and Smart Pension.

⁷ To align with the Accord, the latest reporting period for the Compact is ten-months (01 March 2025 to 31 December 2025).

⁸ An ambition of the Mansion House Compact was "to increase the proportion of UK pension and other relevant assets, including DC default funds, invested in unlisted equities". This report refers to those in scope of that definition as "broader DC assets".

Progress towards implementation and committed capital

Different schemes are at different stages in their private markets implementation journey, as providers are building and scaling their approaches to private market deployments.

Alongside deployments signatories are showing their progress through capability building, governance developments, vehicle design, operational readiness, manager selection, and contractually committed capital waiting to be deployed.

- 13 signatories have entered new asset-manager partnerships since signing the Accord,
- 10 signatories had established private-market vehicles or structures, undertaken market research and tendering mandates, completed new fund mandates, seeded funds or increased strategic target allocations.
- 8 signatories also stated they are developing in-house investment capability through recruitment and training.

Committed capital

Signatories have contractually committed a further £10.7 billion towards private markets within their growth phase DC defaults and this is awaiting deployment. This includes £3.0 billion committed to UK private-market assets, to support domestically focused investment. This is a substantial pipeline of capital that is expected to be called up and deployed over the next several years, investing in a mix of private assets.

As flows into workplace pensions rapidly increase and existing investments deliver strong returns, contractually committed capital is essential to maintaining momentum towards the Accord and ambitiously growing private market allocations.

Diverse routes to market

Survey responses and follow-up interviews indicate that following the Accord, signatories have continued to pursue a range of access routes to private market rather than a single model.

The research also found that there is no single appropriate route or pace towards greater private market allocations. Schemes that own assets directly may have greater control over structure, fees and reporting, while insurers and large asset owners may draw on internal asset-management capability. Platform-based providers depend more on the vehicles compatible with their platforms.

Enablers and future opportunities

While the findings demonstrate significant progress and market development, they also highlight several practical and policy challenges that will influence the pace and scale of future deployment. The evidence of assets already invested, capital committed and implementation capability being developed indicates that appetite is strong. The focus therefore shifts to how collective demand is shaping the market, whether the supply of suitable opportunities can keep pace, and the policy and regulatory conditions needed to support sustained deployment are present.

Collective demand

Collective demand is also influencing market behaviour, as signatories have experienced growing competition among managers, sharper pricing and the development of more DC-compatible structures. This is happening against the backdrop of a growing and consolidating DC market, where rising assets increase the opportunity and the implementation challenge. Signatories reported the forthcoming challenge of being able to find sufficient opportunities at the right ticket sizes, to quickly deploy large amounts of incoming member pension contributions.

Scale and manager relationships are helping some providers negotiate fees, access co-investment and develop bespoke solutions, while long-term asset funds and pooled structures can provide workable routes for schemes that do not invest directly. The Accord's market impact is therefore not limited to changes in reported allocations: signatories shared that the Accord has helped signal their demand and encouraged the supply side to respond.

A stronger UK opportunity pipeline

The availability of suitable UK investments remains an important consideration for signatories. At a headline level, only 6 signatories saw a largely or fully sufficient UK pipeline, while a majority of 11 were "uncertain" about the depth of the pipeline.

Views on the strength of the pipeline can vary and depend on the asset class in question. Some offer clearer routes for deployments, while others require further development before they can provide the depth, suitability and scalability needed to support the Accord's ambitions. This points to the importance of focusing not only on the quantity of opportunities, but also their quality and fit with long-term member outcomes.

Infrastructure, particularly renewable energy, as well as housing and commercial real estate are regarded as quality assets for further deployment, while private credit is emerging as an important growth area. Views on venture and growth capital are more mixed. Some signatories are increasing exposure, but others remain cautious about its suitability for growth-phase DC members. A primary driver of this remains the cost focus, with signatories reporting that employers and intermediaries can query this asset class's role in default arrangement investment strategies, given its cost.

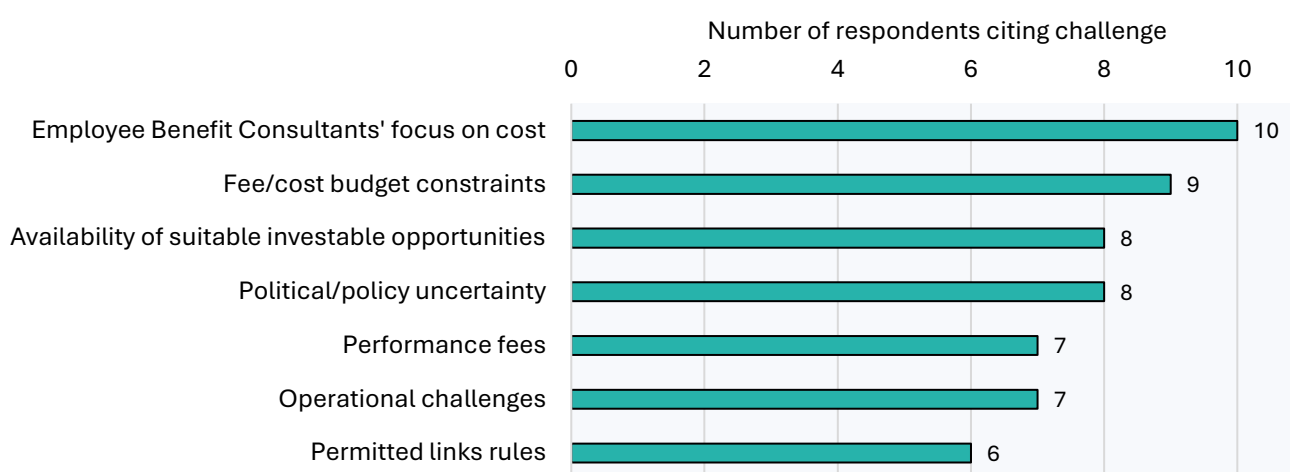
For many, the priority is therefore to strengthen the supply of well-structured opportunities capable of absorbing DC capital at scale without compromising quality, diversification or risk-adjusted returns. This means moving beyond increasing the volume of opportunities and towards improving their investability,

scalability and visibility. Government can support this through reinforcing its efforts to support a clearer and more visible project pipeline, as it has through the updated NISTA pipeline, and more efficient development and approval of investable projects. More widely, it can help by removing regulatory barriers, facilitating investment in growth capital, and engaging with schemes and managers at an earlier stage of proposition design. The wider industry also has a role to play in developing DC-compatible structures and improving access to emerging opportunity sets where demand exists but deployment remains a challenge.

Tackling barriers to implementation

Respondents identified a range of practical and policy challenges with the most significant illustrated in below. that could affect implementation. These include continued focus by consultants and other stakeholders on headline charges, fee or cost-budget constraints, performance-fee treatment, the availability of suitable opportunities, political and policy uncertainty, operational challenges and permitted-links rules, in particular removing the 10% cap to LTAFs in self-select funds where those funds are also part of a default would be very helpful. A small number of respondents reported no major barriers, underlining that these challenges vary across the market and are not experienced uniformly by all signatories.

Top Challenges for Delivering the Accord



It is noteworthy however, that signatories regard these issues as obstacles to overcome, not hard stops. Many schemes are mitigating some of these challenges through:

- co-investment and bespoke structures to reduce or avoid traditional performance fees;
- scale and collective demand to improve commercial terms;
- liquidity buffers, cashflow management and diversified portfolios to support daily dealing;
- stronger valuation, pricing, administration, and governance arrangements;
- long-term asset funds and pooled vehicles to extend access; and
- education to build understanding among trustees, employers, advisers and other stakeholders.

Many signatories observed that further progress will depend on the market shifting from a narrow focus on headline costs towards a more complete assessment of value, including net-of-fee returns, risk, diversification and long-term member outcomes. They noted that, while cost remains an important

consideration, an approach that treats the lowest price as synonymous with best value risks restricting access to investments that may improve outcomes over members' full saving horizons. Signatories also highlighted that employers and advisers are central to this shift because their expectations and procurement decisions influence how quickly value-led decision-making becomes embedded across the market.

These findings help explain why many signatories regard VfM reforms as a central enabler. They considered that a framework that looks beyond headline fees and recognises long-term net performance, diversification and implementation realities would support better investment decisions. Conversely, some cautioned that a framework that relies too heavily on backward-looking comparisons or short-term cost metrics could discourage the patient investment needed to deliver the Accord ambitions.

Taken together, these findings suggest that the principal obstacles are not a lack of provider interest, but the interaction of market structure, regulation and opportunity availability. The following section considers how wider reforms could help address these challenges.

Wider reforms across the pension system

The Accord is taking place alongside fundamental reforms of the DC market that will impact signatories' progress. These include the:

- Introduction of the VfM framework
- Drafting of the Scale regulations and fragmentation review
- Reform of the FCA charge-cap
- Introduction of Guided retirement

The reforms can support the Accord if they are coherent and appropriately sequenced alongside contractual override. Signatories warned the scale reforms must not disrupt deployments to private markets by forcing consolidation where it is unnecessary and should recognise the reality of how pension schemes create scale at the underlying fund level.

Providers will also need sufficient stability and time to adapt their governance, systems and specialist capability, while retaining flexibility to make well-governed investment decisions rather than follow a uniform approach.

A well-designed VfM framework would put this approach into practice by shifting the market's focus from cost towards long-term outcomes. However, respondents also cautioned that backward-looking performance assessments could disadvantage providers that diversified earlier into private markets.

Regulatory stability and alignment are central to the Accord succeeding and highlights the role policymakers play in supporting progress. Crucially, here Signatories have called for alignment of the FCA and TPR charge caps. The FCA will consult on this and it should prioritise replicating the TPR's treatment of performance fees and physical asset costs. Working towards a single regulatory system for pension costs and charges is essential for firms who must navigate both regimes.

The role of public financial institutions and government bodies

Several signatories highlighted that public financial institutions and government bodies can help address the challenges identified above, particularly by developing the pipeline, aggregating opportunities and improving market coordination.

Currently, investment through public finance institutions remains mixed among UK pension scheme, though the evidence suggests a positive direction of travel, with the potential for a more significant role. The British Business Bank is emerging as the more developed route for some DC providers and is particularly helpful as a convener or an access point for schemes seeking smaller ticket sizes, whilst larger investors may value its convening and pipeline role without necessarily requiring it as their direct route to market. Currently, three signatories have deployed capital via the Bank's funds. This suggests its role is most effective where it complements provider-led investment decisions and widens access for schemes of different scales.

The National Wealth Fund like the British Business Bank is viewed as a positive step forward, in the Government developing a greater pipeline of UK assets, but it is seen as less developed with just one signatory having deployed capital through it. Further progress will depend on translating this potential into credible, investable propositions and DC-compatible structures with appropriate liquidity, fees, governance and ticket sizes.

Signatories regarded the Office for Investment and Sterling 20 as having a constructive role in maintaining a dialogue with the Government. However, there is a desire for there to be a shift from the focus on market-level discussions towards proposals for more tangible specific opportunities that lead to providers deploying capital. This could include originating and aggregating opportunities and crowding in private capital, delivering propositions schemes can assess on their investment merits.

Next steps

Conditions for maintaining momentum

The remaining barriers that signatories reported are significant, but capable of being addressed. Continued delivery will depend on:

- a stronger UK pipeline of high-quality, investable opportunities;
- coherent value-for-money and scale reforms;
- aligned treatment of performance fees and streamlined permitted-links rules;
- no unnecessary additional regulatory barriers.

Government's most effective role is to provide regulatory stability, remove avoidable friction and help develop high-quality opportunities, while leaving investment decisions grounded in schemes' fiduciary duties and expected outcomes for members. Employers, advisers and trustees will also be important in shifting the market from lowest cost towards long-term value. This collaborative approach is the clearest route to maintaining momentum without undermining the investment-led basis of the Accord. The evidence of investment and contractual commitments suggests that the central task is not to generate provider demand, but to ensure that policy, regulation and the market pipeline allow existing demand to translate into sustained deployment.

Annex

Methodology

This update and its findings were informed by a mix of quantitative and qualitative data exercises, completed by all Accord signatories, overlaid with a series of interviews. Figures are based on the most recently available asset valuations as of 31 Dec 2025.

Definitions & Scope

Growth Phase DC Default = All open/go-to-market defaults, excluding legacy defaults. Only provider-designed defaults are in scope, as opposed to bespoke defaults. Only growth phase, pre-derisking glidepath assets should be considered. This was agreed at the signing of the Accord in May 2025.

UK Pension & Other = UK pensions & other savings” encompasses a broader scope than DC default assets, and includes assets in workplace DC schemes, individual pensions, drawdown, crystallised assets, customer assets administered by third parties, and with profits assets in DC structures.

Asset Class Breakdowns = Alignment to the FCA & TPR Asset Allocation surveys.

Geographical Splits = Alignment to the FCA & TPR Asset Allocation surveys.

FCA & TPR asset allocation surveys

As part of the Government’s move towards introducing a comprehensive Value for Money framework, both pensions’ regulators, the Financial Conduct Authority and The Pensions Regulator published their asset allocation survey findings in July.

These surveys, while informative, are not comparable to the Mansion House Accord survey due to several key methodological differences. First, the Accord covers a smaller group of participants than the regulators’ survey. Second, the regulators surveyed only providers’ largest default arrangement whereas the Accord includes all open to market default arrangements.

This means that the Accord figures represent recently launched or variations of defaults that may not have been submitted to the regulators’ surveys. Finally, the Accord focuses on growth stage assets of all open-to-market default arrangements, whereas the aggregated regulators’ data showcased allocations for all accumulation assets of default arrangements they surveyed.

Disclaimer

This report does not aim to set out the policy positions of the ABI or Pensions UK; instead, it reflects the results of the data collection, survey and interviews in order to monitor the progress towards the Mansion House Accord ambition.