

The Rt Hon Jeremy Hunt MP,  
House of Commons,  
London,  
SW1A 0AA

Sunday 17th March 2024

Dear Mr Hunt

We represent 109 London Stock Exchange listed investment companies, associated people and organisations whose future has been placed in jeopardy because of the UK financial regulator's interpretation of the EU's 'Packaged Retail Insurance and Investment Product Regulation' (PRIIPs).

Investment Companies, also known as Investment Trusts, are a great British success story that marry pensioners and investors with entrepreneurial investment managers. There are 361 Investment Trusts which, in the last decade, have invested c.£80bn, with the significant majority invested in UK companies, infrastructure, property, renewable energy, science, biotech and healthcare. These are the very areas that you have called on the private sector to back to drive the growth that the UK so desperately needs.

For over 150 years Investment Trusts delivered great returns for British investors and pensioners but they are now under threat from British regulators.

The PRIIPs regulation was designed to make sure that fund products, where fund managers' fees reduce the value of the investment, openly report their costs to customers. But every country in the EU agrees that listed companies don't qualify because their share prices, at which investors buy and sell shares, already reflect the company's costs.

Yet the UK regulator says that British Investment Trusts should be classified as PRIIPs which means that British Investment Companies' costs must be counted twice. As a result, Investment Trusts seem excessively costly, and investors are confused.

Instead of reporting misleading financial information to their clients, many advisors have decided to sell their Investment Trusts. Continued selling has caused prices to slump, cutting off the supply of new capital and new investment in areas that you have identified as critical to the UK economy.

This is having adverse effects on investment in the UK and is driving British investors' capital into companies listed overseas, contributing to the poor performance of the UK stock market, relative to other countries.

This surely cannot be allowed to continue. The UK's interpretation is flawed. Fixing the problem by doing the same as the rest of the world could restore over £7bn per year of lost investment – with no cost to the taxpayer.

Recognising your Autumn request to the FCA for a solution, which has not yet resolved the issue, we call again on the Government and the Financial Conduct Authority to take action now to end this situation immediately and return the UK to a competitive position.

Yours sincerely

## Signatories

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Murray International Trust plc  
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