

## Endorsements

### **RT. HON. PATRICIA HEWITT M.P., SECRETARY OF STATE FOR TRADE AND INDUSTRY**

Trust and confidence are fundamental requirements for the efficient operation of financial markets and key factors in enabling enterprise and delivering the DTI objective of prosperity for all. For that reason, I welcome this report and particularly the emphasis on better alignment of the different parts of the investment chain and constructive dialogue between companies and investors as crucial elements in promoting trust and confidence. I look forward to seeing a positive response from all parties involved in the months and years ahead.

### **JOHN SUNDERLAND, CHAIRMAN CADBURY SCHWEPPE PLC**

In spite of the general robustness of the UK investment system, it is clear that its reputation has been undermined in recent years. This report sets out to explain why this erosion of confidence has occurred; more importantly, it seeks to prepare the way for improving the system, so that trust in it may be restored.

The Inquiry Team has not attempted to conjure up 'quick-fix' solutions, but instead emphasised the need for dialogue between the various parties that make up the investment 'chain'. Clear communication and an appreciation of expectations are the cornerstones of effective dialogue and constructive relationships. This document has set out to win the attention of a wide audience who have the ability to act on its recommendations. We hope it achieves this goal.

### **SIR GRAEME DAVIES, CHAIRMAN, UNIVERSITIES SUPERANNUATION SCHEME**

Last year USS held a unique competition which invited fund managers to say how they would respond if pension funds wanted to be genuinely long-term and genuinely responsible. This report takes that project an important step forward and describes the changes needed across the whole investment system to help this become reality in the years ahead. It describes what is needed to deliver to beneficiaries what they really want – confidence that they will have a good enough or better quality of retirement life. I particularly welcome the report's focus on the complementary changes trustees, fund managers and investment consultants need to make in how each of us think about our roles. USS is currently examining how it will respond to the challenge of being a responsible long-term investor and this report provides us with some important pointers to the way forward. It is probably not an exaggeration to say that a prosperous and sustainable 21st Century depends on the system of institutional investors rising to this fundamental challenge.

### **TONY WARD, CHAIRMAN, BAA PENSION TRUSTEES**

The review is timely, looking at the system as a whole. We must show collective leadership in responding to the findings and assuring a sustainable system.

**LINDSAY TOMLINSON, CHAIRMAN, INVESTMENT MANAGERS ASSOCIATION, VICE CHAIRMAN BARCLAYS GLOBAL INVESTORS**

The investment world is changing fast, and IMA is encouraging its members to pursue the highest standards in the way they do business. The Twenty-first Century Investment Inquiry is unique in that it has examined the investment system in a holistic way.

Whilst we do not agree with all the Inquiry Team's conclusions, their report makes many good points and is a thought-provoking contribution to the debate.

**NED CAZALET, CAZALET CONSULTING**

Our major financial institutions, vital to the health of the UK economy, deal in millions and billions, garnered largely from the modest savings of private investors, who increasingly seem to appear suspicious and fearful of insurance companies, pension funds and the like. Restoration of the confidence of the little guy, on whom the whole system ultimately depends, will require transparency, fair dealing, a reassessment of realistic expectations and outcomes and a commitment to long-term operational stability on the part of our institutions, financial services regulators and their political masters. Tomorrow's Company provides some much needed joined-up thinking to help map the interests of the financial services sector's disparate parties and, as such, is very useful in helping to set the agenda and prompt much-needed debate.

**CHRISTINE FARNISH, DIRECTOR GENERAL NAPF**

The NAPF has been pleased to be consulted by the Twenty-First Century Investment Inquiry team as they prepared their Report. This Report is the culmination of a great deal of hard work and intellectual effort and, although the NAPF does not concur with all the conclusions and assertions contained within the Report, we believe it will help to stimulate the debate which is necessary for the continuing evolution of our capital markets. Over the years pension funds have been major contributors to the capital formation which has supported British industry and it is for this reason that the NAPF has taken its role in regard to investment practice so seriously.

The NAPF notes that the proposals in the Report "are designed to reinforce the efficient working of the capital markets and to minimise the extent to which blockages, conflicts of interest and other distortions operate against the interest of investors". This should be the key criterion against which each of the recommendations of the Report should be judged.

**MICHAEL FOLGER, DIRECTOR, WHOLESALE & PRUDENTIAL POLICY DIVISION, FINANCIAL SERVICES AUTHORITY**

The FSA is always interested in industry views on how efficiency can be improved in the investment services sector and the Report mentions a number of major pieces of work we have in progress. We welcome the report as a contribution to the debate on some important issues.