

Positive developments for UK LTAFs and ISA investors

24 November 2023

We welcome this week's announcement in the UK by His Majesty's Government that Long Term Asset Funds (LTAFs) will be permitted investments within innovative finance ISAs from April 2024. The announcement which came in Wednesday's [Autumn Statement](#), stated that these ISAs, which hold peer-to-peer loans, will be extended to LTAFs and open-ended property funds with notice periods aligned to the liquidity of these asset classes.

The FCA confirmed early in the summer that the LTAF will be classified as a restricted mass market investment, allowing it to be more broadly distributed to retail and pension investors.

The LTAF continues to be on a positive trajectory following various consultations and Wednesday's announcement now means that eligible investors will have the ability to diversify their portfolios. A significant number of private market specialists, both in the UK and US, are building out their 2024 roadmap with the intention to launch LTAFs, whilst Platforms continue to work through their own evolution and development to support these products.

The rise of alternatives in the UK, which is an asset class traditionally held outside regulated funds, is no coincidence when considering His Majesty's Government's 'Edinburgh Reforms' set out in December 2022. These reforms allow the UK to take advantage of those freedoms from Brexit and build a smarter regulatory framework whilst being a competitive marketplace promoting effective use of capital within fund structures, such as the UK LTAF.

For more information on this announcement or to discuss LTAFs more generally, please contact your usual Waystone representative or [contact us](#).