

Dear CMA,

**Subject: Working Papers – Cost of Capital**

I am writing to you as an equity investor in global infrastructure, which included a significant investment in Thames Water which our organisation held for over a decade and sold in 2017. We are aware of contentions raised in the course of the CMA's 2020 redeterminations suggesting investors' significant continuing appetite for investment in the UK water sector. We can only speak for ourselves but our decision to exit our equity interest in Thames Water was in large part because of the direction of travel in regulation in the sector, which we assessed resulted in materially increased risks combined with an outlook of insufficient returns on capital to warrant us maintaining our investment in Thames Water. We hope that our data point provides at least a little more context for the important decisions that you will be making over coming weeks.

Kind regards,  
Morgan McCormick

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