

Outline of selection process for Multi Asset Income Fund managers

March/April 2022

- 1) Link Group appointed to initiate/oversee the selection process in December 2021.
- 2) Initial meeting with Dan Willson at Link Group on 7/2/2022. A long list of fund managers was agreed upon based around a minimum fund size of £500m. This resulted in 9 funds being deemed appropriate. We also added the Handelsbanken offering, which was not in Link's list, because they are local to us and we have an existing relationship with them. Anticipated timetable:-

Responses to Link's questionnaire from fund managers by 4/3/22

Link's analysis of responses completed by 18/3/22

Meeting to draw up short list in week commencing 21/3/22

Presentations in week commencing 28/3/22. To be conducted over Zoom/Teams with Cllr attendance.
- 3) Link Group supplied documents summarising the fund managers' submissions on 18/3/22.
- 4) At SDC's request, Link Group asked the selected fund managers about their exposure to Russia.
- 5) A meeting was held with Link on 7/4/2022 to determine a short list of suitable fund managers from the long list. Cllrs Dickins and Grint were invited but were unable to attend. Four funds were shortlisted based on the following:-
 - a) Asset size.
 - b) Best on Net Return Performance as at YTD December 2021 (as in Figure 2.01 of Link's Statistical Analysis document), but also recognising the capital growth achieved.
 - c) BlackRock being an existing Money Market Fund supplier.
 - d) Evidence of the fund having existing local authority clients.
 - e) There was little to choose between M&G & RLAM for the fourth spot, but M&G were chosen because of their superior income returns.
- 6) The four selected fund managers were invited to give presentations via Teams on 25/4/2022. Each was allocated a time slot of one hour, with approximately 25 minutes for their presentation and the remainder for Q&As. Link Group provided a list of suggested questions for fund managers if they hadn't already been addressed in their presentations. This meeting was attended by Adrian Rowbotham, Alan Mitchell, Roy Parsons and Cllrs Dickins, Grint & McGarvey on the SDC side with support from Dan Willson, Richard Bason & Zoe Lawton from Link Group.

- a) All the presentations were well received, but M&G's overran to 40 minutes and only ended when the presenter lost his Teams link.
 - b) A wrap-up session was held after the presentations were complete and the unanimous view was that Artemis and Aegon were the preferred fund managers. This was based on their presentations and the supporting documentation they had provided.
 - c) It was agreed to split the £5m investment equally between the two funds.
- 7) Aegon provided a reference point for one of their other local authority clients. Subsequent to the presentations, Roy Parsons spoke with Catherine Bailey at Dartford BC:-
- a) Dartford were satisfied with the set-up procedure for the account and with the service they receive from Aegon.
 - b) They have £5m invested in the fund.
 - c) Income return in 2021/22 was 4.92%.
 - d) The capital value of their units in the fund was down by 0.3% at 31/3/22, but this varies during the year and, at times, it was up.
 - e) The returns were good last year, but not quite so good for this year so far.
 - f) They also have funds with Ninety One (part of Investec), who were on our long list and Aegon have performed better than them.
- 8) Artemis also offered a reference point who were contacted.