

Case study - fund rationalisations in detail

TFM offers a practical and hands-on “one stop shop” for fund mergers, and can achieve company plans from start to finish. The following lists the range of services available for Fund Rationalisation Programmes.

Planning

1. Initial consultation regarding project scope.
2. Development of project plan.
3. Planning of extraordinary general meetings, including key dates and times.
4. Assistance with budgeting.
5. Production of briefing documents and the briefing of FSA, Trustee/Depositary, Auditors, Legal Advisers, Registrars, HM Revenue & Customs and TPAs.
6. Attendance and input to project team meetings.
7. Project management and liaison with third parties and internal areas (including marketing, sales, investment desk, compliance, finance, operations, fund administration and accounting).
8. Liaison with IMA and performance measurement agencies.
9. Review of IFA terms of business (discounting and commission arrangements) for merging and continuing funds.

TFM can be used either for the management of the essentials, or on an advisory basis.

Technical, legal, regulatory

1. Capturing and production of fund information to be included in circulars including portfolio information, performance and yield data, tables of charges etc.
2. Assistance in the preparation of investment information for inclusion in circular documents.
3. Coordination of Depositary/Trustee, Legal Advisers, Auditors, TPAs, Registrars in respect of documentation
4. Obtaining tax clearances and necessary advice.
5. Production of all necessary applications to FSA and closing funds.
6. Production of any other required notifications/applications to FSA & Trustee/Depositary.
7. Liaison with auditors, trustee/depositary and fund accounting with respect to conversion factors.
8. Review of Prospectus/Simplified Prospectus changes.
9. Preparation of notices of reconvened meetings for inquorate meetings.
10. Preparation and production of register details for merging funds with IFAs attached.

Voting process

1. Drafting of all client communications documents including covering letter, Circular and voting forms.
2. Managing and coordination of third party suppliers such as print, mailing and voting companies.
3. Checking and auditing all mailing data to ensure smooth communications.
4. Managing voting process.
5. Management of relationship with Registrars.
6. Organisation of meeting venue for extraordinary general meetings.
7. Production of scripts/minutes for meetings.
8. Daily analysis of voting numbers during merger mailing period.
9. Management of vote chasing process during merger notification period, including liaison with Sales Force, IFAs and nominee holders.
10. Management of meetings.

Fund administration and accounting

1. Review of reporting and distribution dates for merging and continuing funds.
2. Advice on portfolio suitability for merging and continuing funds.
3. Advising fund administration and accounting on conversion process including funds to be closed in respect of closing pricing and dealing and production of final reports and accounts.
4. Liaison with fund administration and custodian on the re-registration of stocks to be transferred from merging funds.

Investment management

1. Liaison with investment desk on any mandate changes.
2. Review of portfolios to identify inappropriate stocks and consequent advice to investment managers.

Marketing

1. Production of communications plan, in conjunction with Marketing Department.
2. Training Sales Force and Customer Services teams on merger proposals, including:
 - Production of Q & A document for use by Client Services staff.
 - Handling of client correspondence and complaints in respect of rationalisation programme.
3. Design, draft and production of circular documentation for merging funds.
4. Design, draft and production of "rationale" brochure/leaflet for clients and IFAs.
5. Copy writing including rationale for merger/closure.
6. Design of forms of proxy and forms of direction.
7. Assistance with data specification and testing for mailing purposes.
8. Review of changes to Key Features/Simplified Prospectuses and other marketing literature.
9. Post merger communication to market, IFAs and unitholders/shareholders regarding fund closures and the results of voting.
10. Notices of conversion formulae to holders of merging funds and IFAs immediately after effective dates for mergers.
11. Assistance to Sales Force in pre-marketing proposals to major holders and IFAs.