



  
**AssetCo**<sup>®</sup>  
January 2022



**Recommend all-share  
acquisition of River &  
Mercantile Group (“RMG”)**

# Overview of offer & key terms

## Offer

- The board of directors of AssetCo and the Independent RMG Directors have reached agreement on the terms and conditions of a recommended all-share acquisition by AssetCo of RMG
- The acquisition is conditional on, among other things:
  - The completion of the Solutions Sale to Schroders
  - The £190m Return of Capital
- The transaction is to be implemented by means of a Scheme of Arrangement

## Offer premia

- The offer is based on an exchange ratio of 0.07392 new AssetCo shares per RMG share, and represents a premium of:
  - **59% to the undisturbed share price** of £2.10 per RMG Share on 9 August 2021
  - **17% the day immediately before the start of the offer period**, being £2.85 per RMG share on 22 November 2021
  - **13% to the latest share price of RMG**, being £2.96 per share on 24 January 2022

## Timetable & process

- The acquisition is **expected to complete during the second quarter of 2022** – further details of which will be set out in the Scheme Document
- The Acquisition will also be conditional on the approval of AssetCo shareholders to the granting of authorities necessary for the issuance of the new AssetCo shares
- AssetCo will be required to undertake a re-admission process, and to publish a re-admission document, and to seek the approval of AssetCo Shareholders for the Acquisition at the AssetCo General Meeting

**0.07392**

*new AssetCo Shares in exchange for each RMG Share*

**41.6%**

*RMG's ownership of the combined group*

**£98.8 million**

*Implied offer value for the entire issued and to be issued share capital<sup>(1)</sup>*

**114.6 pence**

*Implied offer value per share<sup>(1)</sup>*

**£289 million**

*Implied offer value for the entire issued and to be issued share capital, including return of capital<sup>(1)</sup>*

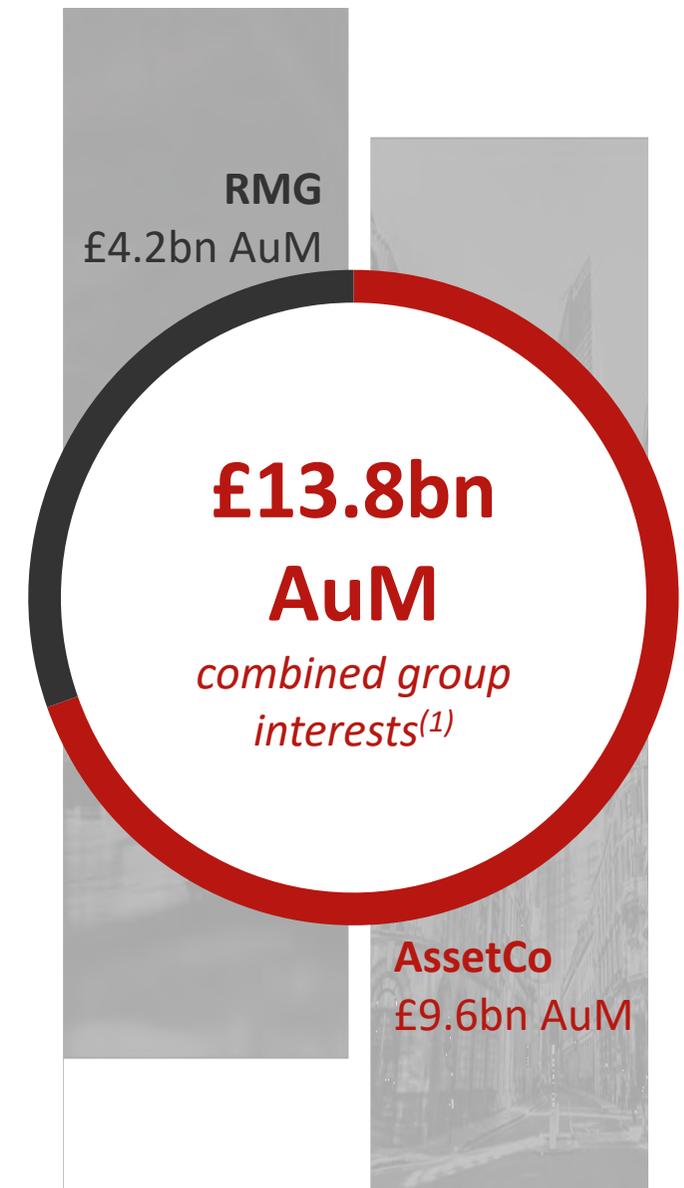
**334.9 pence**

*Implied offer value per share, including return of capital<sup>(1)</sup>*

# RMG asset management overview

## Overview

- Following the sale of Solutions and US Solutions, RMG will comprise solely of its Asset Management division, delivering a range of active investment strategies to institutional and wholesale investors in the UK, Europe, Australia, New Zealand and the US
  - The UK-based team utilises an investment process known as Potential, Value, Timing ("PVT") - which has produced excellent long-term outcomes for clients investing in UK, European and global equities
  - The US-based team has also delivered excellent returns for clients investing in emerging markets
- Asset Management business comprises of:
  - **An established and well-respected equities team**
    - Based in the UK and US, offering investors exposure to UK, European, emerging market and global equities
    - In aggregate the equities teams manage £4.2 billion of assets (as of 31 December 2021)
  - **A recently developed infrastructure investment team**
    - Based in the UK, following recruitment of a specialist team from Aviva
    - The team operates in specialist physical sustainable infrastructure markets in the UK and has a strong track record in delivering stable and attractive returns since 2011
    - Represents a quality and highly regarded capability in infrastructure and will shortly launch the RMG Infrastructure Income Fund



# Strategic rationale

## Industry structural tailwinds

- Without the constraints of a legacy business, AssetCo can successfully capitalise on structural shifts
- The combination:
  - Offers RMG the same competitive advantage
  - Accelerates the generation of significant value creation for the combined group's clients, employees and shareholders

## Creation of a platform to build a best-in-class active equities business

- RMG, together with AssetCo's existing active equities asset manager Saracen, will form the foundation for AssetCo's active equities business
- RMG's strong credentials in ESG / sustainable strategies will be a key source of anticipated growth
- Combined expertise is likely to provide a strong pipeline of new and attractive strategy launches

## Seed strategy for AssetCo's private markets business

- RMG's new infrastructure investment strategy will form the first building block in the combined group's private markets capabilities
- AssetCo's deep knowledge and understanding of private markets, and its connectivity to that investment community, should enhance the growth of RMG's infrastructure business

## Leveraging other companies in the AssetCo group

- Material value in leveraging other elements of the AssetCo business and strategy to increase the value of RMG through:
  - Wider investor appeal
  - The way strategies are distributed
  - The form in which strategies are delivered

## Considered and effective rationalisation of costs

- Acquisition will enable the acceleration of significant cost savings by extracting the stranded costs following the Solutions sale and any potential future sale of the US Solutions business
- AssetCo's ambitious growth strategy requires ongoing investment in functions and capabilities over time
  - Certain functions and capabilities of RMG are anticipated to bolster the overall capabilities of the combined group

## Accelerated growth underpinned by strong industry expertise

- RMG will benefit from the expertise of AssetCo's strong management team, who have made significant progress in advancing the AssetCo strategy and delivering on its ambition to develop an agile asset and wealth management group
- AssetCo's management team has the capabilities and experience to accelerate the growth of RMG's strategies, while advancing a strong pipeline of accretive acquisition opportunities

# Background to and reasons for the Independent RMG directors recommendation

The Independent RMG directors consider that the Acquisition...

- ✓ Represents an attractive financial proposition for RMG shareholders
- ✓ Is the final step in a strategy to unlock value from the RMG group, which commenced with the Solutions sale
- ✓ Follows conversations with multiple parties regarding a possible offer for RMG
- ✓ Represents an attractive implied value for the asset management franchise when compared to precedent transactions
- ✓ Provides the opportunity for RMG shareholders to participate in continued value creation through a 41.6% equity stake in the combined group
- ✓ Enables the combined group to benefit from a leadership team with deep experience in the asset management industry

*The board believes that the offer from AssetCo not only represents good value to shareholders, but provides our clients and colleagues with a powerful investment platform led by a team with deep experience in the asset management industry. The board encourages our shareholders to support this transaction as the board will be doing in respect of their own holdings.*

*Taking this transaction and the sale of Solutions to Schroders together, we will have delivered total value to shareholders of £289 million, or £3.35 per share - a significant premium to the group's undisturbed share price last Summer. This confirms the board's view that the market was undervaluing RMG and validates the steps we have taken to realise value for our investors .*

**Jonathan Dawson**  
Chairman of RMG

# Contact us

If you would like further information, please contact:

## **Numis**

+44 (0) 20 7260 1000

### **Financial Adviser to AssetCo**

Stephen Westgate

Alec Pratt

## **Arden**

+44 (0) 20 7614 5900

### **Nominated Adviser to AssetCo**

John Llewellyn-Lloyd

Louisa Waddell

## Important notice I

The information contained in this presentation, any oral presentation, any question and answer session and any written or oral material discussed or distributed during the presentation meeting or while access to the presentation has been made available to you (collectively, the "Presentation") has been prepared by AssetCo plc (the "Company") for information purposes only. This Presentation is strictly confidential and is intended only for you and should not be forwarded, distributed, published or reproduced (in whole or in part) or disclosed by you to any other person for any purpose, except with the express consent of the Company. This Presentation does not, and is not intended to, constitute or form part of any offer for sale or subscription or any solicitation for any offer to purchase or subscribe for any securities nor shall it or any part of it form the basis of or be relied upon in connection with any contract or commitment whatsoever relating to the Company.

None of the Company nor the Company's nominated adviser and corporate broker Arden Partners Plc ("**Arden**"), nor any of their respective directors, officers, partners, employees, agents, advisers or affiliates (collectively, "Affiliates") takes any responsibility nor shall be liable for any unauthorised distribution, publication or reproduction (in whole or in part) or disclosure of this Presentation.

You are reminded that you have received this Presentation on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person without the prior written consent of the Company. To the extent this document has been made available to you in an electronic form you are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, Arden nor any of their respective Affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the Presentation, you have consented to receiving it in electronic form.

The Presentation does not constitute a prospectus or offering document or an offer in respect of any securities and is not intended to provide the basis for any investment decision and should not be considered as a recommendation that any investor should subscribe for or purchase any securities. Persons who access or view the Presentation must only purchase securities referred to in the Presentation on the basis of information contained in publicly available information and not in reliance on the Presentation. The information in this Presentation has been prepared by the Company, is preliminary in nature and is subject to updating, revision and amendment. Neither the Company nor Arden nor their respective Affiliates is under any obligation to update or keep current the information contained in the Presentation. Except where otherwise indicated in the Presentation, the information and opinions contained herein, and any other information discussed whilst you are accessing or viewing the Presentation are based on matters as they exist as of the date of preparation of the Presentation and not as of any future date, and none of the Company, Arden or their respective Affiliates assume any responsibility to update or otherwise revise the Presentation to reflect information that subsequently becomes available, or circumstances existing or changes occurring after the date that the Presentation was prepared.

The Presentation does not purport to be all inclusive or to contain all the information that may be required to evaluate the Company. In all cases, each person who accesses or views the Presentation should conduct its own investigations and analysis of the Company and its business and such person will be solely responsible for forming its own views as to the potential future performance of the Company.

No liability whatsoever (whether in negligence or otherwise) arising directly or indirectly from the use of the Presentation is accepted, and no representation, warranty or undertaking, express or implied, is or will be made by the Company, Arden or their respective Affiliates with respect to the accuracy, fairness or completeness of the information or opinions contained in the Presentation or for any errors, omissions or misstatements, and none of them accepts any responsibility or liability as to its accuracy or completeness or as to the suitability of any particular investment for any particular investor or for any loss howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection therewith. In addition, no duty of care or otherwise is owed by the Company, Arden or their respective Affiliates for any loss, cost or damage suffered or incurred as a result of the reliance on such information or opinions or otherwise arising in connection with the Presentation. To the fullest extent permissible by law, the Company, Arden and their respective Affiliates disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise, which they might otherwise have in respect of the Presentation. Recipients should not construe the contents of the Presentation as legal, tax, regulatory, financial or accounting advice and are urged to consult with their own advisers in relation to such matters.

## Important notice II

The Presentation is being made and distributed only to and is directed only at persons who are: (a) persons in member states of the EEA who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation (EU) 2017/1129 (as supplemented by Commission Delegated Regulation (EU) 2019/980 and Commission Delegated Regulation (EU) 2019/979) (the "Prospectus Regulation"); or (b) in the United Kingdom, persons who (i) are "investment professionals" specified in article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005 (the "Order") and/or (ii) fall within Article 49(2)(a) to (d) of the Order (and only where the conditions contained in those articles have been, or will at the relevant time be, satisfied); and (ii) are "qualified investors" within the meaning of Article 2 of the Prospectus Regulation, as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) (all such persons together being referred to as "relevant persons"). This Presentation must not be viewed by persons who are not relevant persons.

Certain information contained in this Presentation constitutes "forward-looking statements", which can generally be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Due to various risks and uncertainties, some of which may be beyond the Company's control, actual events or results or actual performance of the Company may differ materially from any opinions, forecasts or estimates reflected or contemplated in the Presentation. All projections, estimations, forecasts, budgets and the like are illustrative exercises involving significant elements of judgment and analysis, which may or may not prove to be correct. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. As a result, investors should not rely on such forward-looking statements in making their investment decisions. No representation or warranty is made as to the achievement or reasonableness of and no reliance should be placed on such forward-looking statements. Forward-looking statements speak only as of the date on which they are made and none of Company, Arden or their respective Affiliates undertakes any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date such forward-looking statements are made.

The publication and distribution of, and access or viewing of, the Presentation may be restricted by law in certain jurisdictions and therefore all persons who access or view the Presentation should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions could result in a violation of the laws of such jurisdiction. Recipients of the Presentation are required to inform themselves of, and comply with, all such restrictions or prohibitions and none of the Company, Arden, their respective Affiliates or any other person accepts liability to any person in relation thereto.

By participating in this Presentation or by accepting any copy of this Presentation (whether in hard copy form or electronically), you agree to be bound by the foregoing limitations and, in particular, you will be taken to have represented, warranted and undertaken that you are a person to whom the Presentation can be lawfully communicated and you have read and agree to comply with the contents of this notice including, without limitation, the obligation to keep this Presentation and its contents confidential.