

**Fund Management Survey 2020**

Each year the FDs and trustees of thousands of UK charities eagerly anticipate the findings of the annual *Charity Finance* Fund Management Survey to help them decide who to trust with their investments. This year ensure your firm is part of the story.

To allow sufficient time for analysis, responses must be received no later than Thursday 10 September 2020. Please email this completed form to yvette.micallef@civilsociety.co.uk.

**How do you receive the findings?**

The survey results will be published in the November edition of *Charity Finance* and online at [www.civilsociety.co.uk](http://www.civilsociety.co.uk/finance), both of which are only available to subscribers. If you don't already subscribe, you can find details at [www.civilsociety.co.uk/shop](http://www.civilsociety.co.uk/shop). Firms that support the survey by advertising will be emailed a PDF of the article (for internal use only) a few days before publication – please contact Yvette Micallef 07801 142388 Yvette.Micallef@CivilSociety.co.uk

Many thanks in advance,

Tristan Blythe
Editor
*Charity Finance* Magazine

***ALL INFORMATION SHOULD BE CORRECT AS OF 30 JUNE 2020***

**1. Organisation details**

Name of investment house

Contact name

Job title

Address

Telephone

Email

**2. Are you a subsidiary of a larger group?**

Yes No (delete as applicable)

If yes, which group?

**3. Total funds under management (ALL funds not just charity money)**

 (a) UK client (£m)

 (b) Global (inc UK) (£m)

# 4-10. UK charity funds under management

Please complete the following table with reference to your UK charity clients **NOT including charity pension fund money or private family trusts**. Please ensure that both sets of figures provided at rows 5-7 and 7-10 add up to the totals given in row 4 or indicate why they do not.

|  |  |  |
| --- | --- | --- |
|  | Number of clients(**not** individual funds) | Funds under management (£m) |
| Total UK charity clients and amount under management |  (4a)  |  (4b) |
| Of the totals given in (4a) and (4b), please give totals for those managed on a discretionary basis |  (5a) |  (5b) |
| Of the totals given in (4a) and (4b), please give totals for those managed on an advisory/non-discretionary basis |  (6a) |  (6b)  |
| Of the totals given in (4a) and (4b), please give totals for those managed on an execution-only basis |  (7a) |  (7b) |
| Of the totals given in (4a) and (4b), please give totals for those in your own CIFs and other pooled vehicles exclusive to charities |  (8a) |  (8b) |
| Of the totals given in (4a) and (4b), please give totals for those in pooled vehicles that are **not** exclusive to charities | (9a) | (9b) |
| Of the totals given in (4a) and (4b), please give totals for those managed on a segregated basis | (10a) | (10b) |

**11. What proportion of your charity funds under management (given at 4b above), are held as:**

 %

(a) cash in investment portfolios:

(b) cash in separate deposits (including

 % %

 money market funds, common deposit

funds, savings products etc)

**12. Of your segregated charity clients, please indicate the number of clients (not individual funds) you have in each of the following portfolio size ranges:**

|  |  |  |  |
| --- | --- | --- | --- |
| Less than £1m |  | £20m to £50m |  |
| £1m to £5m |  | £50m to £100m |  |
| £5m to £10m |  | £100m to £200m |  |
| £10m to £20m |  | more than £200m |  |

*Please ensure that the numbers given correspond to the totals you have provided in question (10a) for segregated charity clients.*

**13. What percentage of your discretionary charity funds are subject to ethical, environmental or SRI screening requirements and exclusion criteria?**

 %

(a) by value of funds:

 % %

(b) by number of clients:

**Fees for segregated management**

**14. For a segregated portfolio, what is the minimum:**

 %

 (a) size? (£m)

 %

 (b) clean fee (excl VAT)? (£pa)

**15. Do you operate on a clean fees basis (delete as applicable)**

1. for all charity clients?
2. for some charity clients?
3. for no charity clients?

**16. How is the management fee calculated?**

**(eg percentage scale – please detail)**

**17. What do you include when calculating your Total Expenses? *(Please tick all that apply)***

|  |  |
| --- | --- |
| Investment management fee |  |
| Discretionary service fee, if applicable |  |
| VAT on investment management/service fees |   |
| Dealing and commission costs |  |
| Research costs |  |
| Custody charges |  |
| Platform charges |  |
| Internal open-ended funds OCFs |  |
| External open-ended funds OCFs |   |
| Closed-end funds (Investment Trusts) OCFs |  |
| Other costs (please specify) |  |

For questions **18-22** please state what your annual fees and charges (including VAT) would be for a notional unconstrained charity fund of the sizes shown below. Please include all component fees/charges listed above at question 17. Assume this is an existing client, already fully invested, with 40% in UK equities, 30% in overseas equities, 15% in UK fixed interest, 10% in alternatives and 5% in cash. Turnover in direct equity investments is 50%, turnover in pooled investments is 20% per year.

If you do not offer a segregated service at a given fund size, there is no need to complete that table.

***To avoid misunderstanding in any completed table, please show either a zero (£0.00) or a value in each box, rather than leave it blank and open to interpretation.***

***In order to encourage transparency, we will only publish entries that give actual figures that include all costs, including third party charges and VAT, for questions 18-22.***

**18. Fund size £1 million**

|  |  |
| --- | --- |
| Investment management fee | £ |
| Discretionary service fee, if applicable | £ |
| VAT on investment management/service fees | £ |
| Dealing and commission costs | £ |
| Research costs | £ |
| Custody charges | £ |
| Platform charges | £ |
| Internal open-ended funds OCFs | £ |
| External open-ended funds OCFs | £ |
| Closed-end funds (Investment Trusts) OCFs | £ |
| Other costs (please specify) | £ |
| **Total costs** | **£** |

**19. Fund size £5 million**

|  |  |
| --- | --- |
| Investment management fee | £ |
| Discretionary service fee, if applicable | £ |
| VAT on investment management/service fees | £ |
| Dealing and commission costs | £ |
| Research costs | £ |
| Custody charges | £ |
| Platform charges | £ |
| Internal open-ended funds OCFs | £ |
| External open-ended funds OCFs | £ |
| Closed-end funds (Investment Trusts) OCFs | £ |
| Other costs (please specify) | £ |
| **Total costs** | **£** |

**20. Fund size £10 million**

|  |  |
| --- | --- |
| Investment management fee | £ |
| Discretionary service fee, if applicable | £ |
| VAT on investment management/service fees | £ |
| Dealing and commission costs | £ |
| Research costs | £ |
| Custody charges | £ |
| Platform charges | £ |
| Internal open-ended funds OCFs | £ |
| External open-ended funds OCFs | £ |
| Closed-end funds (Investment Trusts) OCFs | £ |
| Other costs (please specify) | £ |
| **Total costs** | **£** |

**21.** **Fund size £20 million**

|  |  |
| --- | --- |
| Investment management fee | £ |
| Discretionary service fee, if applicable | £ |
| VAT on investment management/service fees | £ |
| Dealing and commission costs | £ |
| Research costs | £ |
| Custody charges | £ |
| Platform charges | £ |
| Internal open-ended funds OCFs | £ |
| External open-ended funds OCFs | £ |
| Closed-end funds (Investment Trusts) OCFs | £ |
| Other costs (please specify) | £ |
| **Total costs** | **£** |

**22. Fund size £50 million**

|  |  |
| --- | --- |
| Investment management fee | £ |
| Discretionary service fee, if applicable | £ |
| VAT on investment management/service fees | £ |
| Dealing and commission costs | £ |
| Research costs | £ |
| Custody charges | £ |
| Platform charges | £ |
| Internal open-ended funds OCFs | £ |
| External open-ended funds OCFs | £ |
| Closed-end funds (Investment Trusts) OCFs | £ |
| Other costs (please specify) | £ |
| **Total costs** | **£** |

**Fees for pooled funds**

**23.** **When buying units in your own pooled funds, do you rebate all initial and annual charges to the charity client?**

 Yes No Non-applicable (delete as applicable)

**24. When buying units in funds managed by other managers, do you rebate all discounts received to the charity client?**

 Yes No Non-applicable (delete as applicable)

**25.** **What is the average broker’s commission on UK equity transactions when you use external brokers (including sister broking companies) if not rebated to the client?**

 %

**Client services**

**26.** Fund managers are required to report quarterly on portfolio performance. Do you report more frequently than quarterly if requested?

Yes No Non-applicable (delete as applicable)

**27.** **How do you report on performance (delete as applicable)?**

 (a) Net of fees

 (b) Gross of fees

 (c) Other (please specify)

**28.** **How often do you remit investment income to the client?**

**29.** **Do you offer nominee facilities (delete as applicable)?**

 (a) Yes, for extra charge

 (b) Yes, included in fee

 (c) No

**30.** **Which performance measurements service(s) do you offer, and how are they paid for (insert ‘yes’ into the applicable boxes)?**

|  |  |  |
| --- | --- | --- |
|  | Included in fee | Offered at extra charge |
|  |  |  |
| ARC |  |  |
| GIPS |  |  |
| MPI |  |  |
| Teknometry |  |  |
| Other (please state) |  |  |
| Other (please state) |  |  |
|  |  |  |
|  |  |  |

**31. Do you offer trustee training on investment issues?**

Yes No (delete as applicable)

**32. Do you offer interest-bearing deposit accounts for uninvested cash?**

 Yes No (delete as applicable)

If **Yes**, please answer Questions 29-32 below; if **No**, please go to Question 33.

**33. How much of the interest do you keep as your charge?**

 %

**34. Do you include any deposit account balance in the portfolio for management fee purposes?**

 Yes No (delete as applicable)

**35. How often do you remit interest income to the client?**

**36. What was the interest rate as at 30/6/20?**

 %

**Your charity team**

**37. Do you have a dedicated charities team?**

 Yes No (delete as applicable)

**38. How many fund managers work on your charity portfolios?**

**39. How many of these fund managers spend at least half their time on charity portfolios?**

**40. Among your charity fund managers, what is:**

(a) their AVERAGE number of years’ investment experience?

(b) their AVERAGE length of service in your charities team?

**The charity investment market**

**41. Please note that any comments given below may be used in the editorial copy accompanying the publication of the survey results in the November issue of *Charity Finance*. Is this OK?**

Yes No (delete as applicable)

**If yes and you would like these attributed to a different person than stated in question 1, please provide his/her name and job title here.**

**42.**  **Have there been any new developments at your firm over the last 12 months that have impacted directly on the organisation of your charities practice or the services that you provide? (eg Acquisitions / divestments / alliances, new regulatory requirements, new hires, new product / service lines / client handling practices etc) (*Box will automatically expand with text)***

**43.**  **What is the investment issue on which your charity clients have most frequently sought your advice in the last year?**

**44.** **What are the main global and domestic pressures affecting charity investment at the current time?**

**45. What has been the impact of the coronavirus pandemic on charity investment portfolios? How do you see this evolving?**

**46. How have market movements over the last 12 months affected your views on the asset mix of your strategies? Given the relative performance of income vs growth, UK vs overseas equities and the current position of bond yields, what changes are you likely to make over the next 6-12 months?**

**47. How has the balance of investments between domestic and overseas markets in charity portfolios changed over the last 12 months? How do you see it changing over the next 12 months?**

**48. What impact (if any) has Brexit had so far on the management of charity portfolios? What further impact do you anticipate?**

**49. How has the appetite for ESG investment policies that take into account social, environmental and governance considerations changed among charity clients over the last 12 months? How do you see it changing over the next 12 months?**

**50. Is your firm able to manage climate-aware portfolios that are aligned with the Paris Accord? How do you see demand for Paris-aligned strategies evolving?**

**51. Many trustees are concerned about greenwashing. If you claim to have above average ESG standards, how do you demonstrate these tangibly to clients?**

**52. Please add below any further comments on the charity investment market.**

Thank you for taking the time to complete this questionnaire.

Please return it to:

|  |  |
| --- | --- |
| **Yvette Micallef*****Charity Finance***Civil Society Media Ltd15 Prescott PlaceLondonSW4 6BS | *email* Yvette.micallef@civilsociety.co.uk*telephone* 07801 142388 |

Many thanks for completing the questionnaire. It will be published in *Charity Finance* magazine in November and online at *civilsociety.co.uk/finance*. If you don't already subscribe, you can find details at *civilsociety.co.uk/shop*.