

RNS Acquisition

Acquisition

ASSETCO PLC

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AssetCo plc

("AssetCo" or the "Company")

Conditional acquisition of Saracen Fund Managers Limited

Following the readmission of the Company to AIM on 16 April 2020, the Company is pleased to announce that it has reached agreement to acquire the entire issued share capital of Saracen Fund Managers Limited ("**Saracen**") (the "**Acquisition**") for an effective total consideration of £2.75 million (the "**Consideration**"). The Consideration will be satisfied by the issue of 166,904 new ordinary shares of 10p each in the Company, fully paid (the "**Consideration Shares**") and £664,774 in cash, in each case to be paid on completion.

The Acquisition is conditional on, *inter alia*, approval by the FCA to the change of controller and the admission of the Consideration Shares to trading on AIM, which is expected to occur by the end of September 2021. The Company will provide further updates as appropriate.

About Saracen

Saracen is an independent, FCA regulated, fund management business based in Edinburgh that was founded in the late 1990s. Saracen has three funds, operating on the T Bailey Fund Services Limited platform, called Global Income and Growth Fund (approximately £103 million of Assets under Management (AuM)), UK Alpha Fund (approximately £14 million of AuM), and UK Income Fund (approximately £2 million of AuM). Saracen operates from an office in Rutland Square, Edinburgh, and has five full time employees, all of whom will enter new employment contracts on completion. Saracen generated turnover of £985,364 and a loss after taxation of £15,146 for the financial year ended 31 March 2020 and had net assets of £400,661, as at 31 March 2020.

Following completion of the Acquisition, Saracen will continue to operate from Edinburgh under the Saracen brand. Martin Gilbert and Peter McKellar, Directors of AssetCo, will join the board of Saracen on completion.

The Board of the Company believes that there exist significant opportunities to enhance the distribution and appeal of Saracen's existing funds and to widen the funds offered by Saracen to include immediate adjacencies. Finally, Saracen offers the Company the opportunity to acquire a FCA regulated entity and the associated authorisations, subject to FCA change in controller approval.

Peter McKellar, Deputy Chairman and CEO of AssetCo, commented:

"Saracen is a small fund management firm with great potential. Its business model, people and product offering are its key assets and are an ideal fit for AssetCo. I'm looking forward to working with Graham and the team. Our focus will be on building on Saracen's strong foundations, particularly the experience and expertise of its management team and their investment approach. We aim to grow the business through marketing its existing funds and over time broadening its product range to continue to meet the needs of customers.

"The proposed acquisition is part of AssetCo's overall strategy of acquiring and investing in asset and wealth management businesses. The industry is contending with multiple structural shifts, including demographics, fee compression and a greater focus on ESG. These are presenting challenges and opportunities for incumbent firms and we believe we can capitalise on this to help unlock value and to deliver for clients and investors."

Graham Campbell, Chief Executive Officer of Saracen, said:

"We've known Martin and Peter for some time and are excited about working with them to help grow Saracen's three existing funds and to develop the overall business. Importantly the investment philosophy and team will remain the same. We believe our focus on active management and fundamental research with a long-term mindset is well placed to help investors achieve their financial goals. Our clients are supportive of this approach and we are now focused on introducing our funds to a wider range of prospective investors."

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