



NOTIFICATION OF SEARCH FOR AN ACTIVE GLOBAL EQUITY MANAGER BY LGPS CENTRAL LIMITED

LGPS Central has been established to manage the pooled assets of eight Local Government Pension Scheme (“**LGPS**”) administering authorities across the Midlands (Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands, and Worcestershire). It is jointly owned on an equal-shares basis by those eight authorities (the “**Partner Funds**”). LGPS Central is an Alternative Investment Fund Manager (“**AIFM**”) authorised and regulated by the Financial Conduct Authority (“**FCA**”). LGPS Central currently has approximately £55bn of Partner Fund assets under management, including £28.5bn in the LGPS Central Limited Authorised Contractual Scheme (the “**ACS**”). For more information, please see www.lgpscentral.co.uk.

A need for a new Global Equity Manager has arisen for the LGPS Central Global Equity Active Multi-Manager Fund. The successful strategy will be added to the existing sub-fund of the ACS (“**Sub-fund**”).

It is expected that the new manager will be funded in mid 2023 with a total value expected to range between £0-750m. It is important to note that the sub-fund has Responsible Investment (RI) Integrated status. Applicants will therefore be expected to demonstrate that RI is fully integrated into the day to day management of their portfolios.

LGPS Central is looking for Global Equity managers that already have a minimum of £500m of external client money invested at 31st December 2022 with a three-year track record (to the same date) in managing the global equity strategy submitted for this procurement. LGPSC is looking for active managers, which utilise a fundamental rather than quantitative approach, with evidence of strong performance in the quality style of investing.

Please note that any contract award following the outcome of this procurement will be subject to client approval and is therefore not guaranteed.

It is envisaged (though subject to change) the selected strategy will align to the requirements below. These requirements should be considered when selecting your strategy for this bid process:

- Take a fundamental approach to investing in Global Equity Markets with a quality approach and have a proven track record in this style of investment;
- be benchmarked against FTSE All World Index (GBP);
- be expected to return performance (net of all fees) above the benchmark of 1.5% per annum over rolling 5-year periods;
- predominantly invest in global equity or equity style instruments across markets;
- have certain exposure limits, of which the main ones are listed below:
 - No single investment above 10% portfolio
 - No single investment to be more than 5% of the company’s shares in issue
 - + / - 20% of FTSE Industry Classifications
 - + / - 20% of Regional Classifications
- be a high conviction portfolio with a reasonable level of diversification;

- have no leverage taken at the portfolio level;
- may use derivatives for hedging and efficient portfolio management;
- have a predominantly liquid portfolio; and
- have no specific exclusions on investments held within portfolios.

Successful bidders will need to be able to demonstrate:

- a consistent, robust, repeatable, investment process;
- low cost, full transparency, value for money;
- responsible investment integration and sustainability as part of their investment process;
- a strong governance and oversight of their process and investments;
- an actively managed portfolio; and
- full transparency (look through) with the ACS custodian.

The tendering process for this procurement is a three-stage process that will be fair, transparent, and non-discriminatory. The procurements will be managed electronically by LGPS Central's Active Equity Team via the Company's e-procurement platform system, In-tend.

To participate in the procurement, candidates must first be registered as a supplier in the In-tend system at:

<https://in-tendhost.co.uk/lgpscentral>

Once registered, bidders will be able to see the Project under the 'tenders' section and 'express an interest' to view the documentation. (Title: "LGPS Central Global Equity Active Multi-Manager Fund – Manager Procurement" with In-Tend reference of SYSTEM00000024).

For any technical difficulties whilst using the system, tenderers are advised to contact the In-tend support team by phoning +44 8442728810 or emailing support@in-tend.co.uk. All communications in relation to the procurement must be carried out via In-tend. No communication, written or verbal, will be entered into except through In-tend.

The Selection Questionnaire must be submitted via the In-tend portal before 12:00:00 GMT (Noon) on **31st March 2023**. Late submissions will not be accepted.

If you have any clarifications in relation to the Selection Questionnaire, please submit these through the In-tend procurement portal through the correspondence feature by 12:00:00 GMT (Noon) on **24th March 2023**. A clarification log will be maintained on the portal and supplied to all bidders at intervals prior to the Selection Questionnaire submission date.

Successful applicants will then be invited to complete a Request for Proposal (RFP) before a competitive dialogue and due diligence stage, which will include final interviews prior to selection.

LGPS Central reserves the right to cancel the procurement processes at any stage for any reason; to amend the terms and conditions; and/or to vary the scope of the services required and it shall not be liable to any bidder as a result of this action. All bidders are solely responsible for their costs and expenses incurred in connection with the preparation and submission of their proposal.

Any agreement entered will be governed by English and Welsh law and will be subject to the exclusive jurisdiction of the English Courts.

Important Please Note

LGPS Central Limited (“**LGPS Central**”) is a contracting authority within the meaning of the Public Contracts Regulations 2015 (as amended) (the “**PCR**”). However, the PCR will not apply to this procurement for an external investment manager because the services fall within the ‘financial services exemption,’ as set out in Regulation 10(1)(e) of the PCR and are therefore excluded.

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