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For professional advisers only – not for circulation to private investors.

# Introduction

## **Our relationships with financial advisers**

Constructing and managing discretionary portfolios on behalf of the clients of financial advisory firms has become an important and growing source of new business for Rathbone Investment Management Ltd (RIM) for a number of years. In 2021, this approach accounted for approximately 38% of all new accounts.



**James Goward**  
Head of Sales Support

Our earliest meaningful relationships with financial advisers can be traced back to the mid-1990s. Since then we have established long-standing connections through the introduction of clients from product providers; the creation of a white labelled discretionary proposition; several strategic partnerships with nationals and networks; and maintaining panel positions for many regional firms across the UK. In 2021, we gained new introductions from 399 firms and, as at 31 December 2021, managed more than £11.5 billion of adviser-linked funds.

The Rathbones Group can provide investment services for any advisory firm seeking to outsource underlying investment decisions. Our range of services is appropriate for all clients from responsible and sustainable multi-asset unitised funds available on external platforms, a managed portfolio service (Rathbone LED MPS) and a unitized discretionary portfolio service (Rathbone LED Managed). We also provide bespoke discretionary management for clients with larger sums to invest who typically require closer engagement with their wealth. Rathbone Unit Trust Management and its range of retail sector funds can also cater for adviser firms selecting their own funds for clients.

## **A modern wealth manager**

Although our core business is centred on investment management, the Rathbones Group considers itself a wealth management business with other services including tax and trust advice, a specialist tax portfolio service, and portfolio lending facilities. In addition, Rathbone Greenbank Investments can meet the specific needs of ethical investors. Advisers often use these services to help their clients resolve specific issues, safe in the knowledge they are working with a trusted partner.

We recognise the growing demands on financial advisers to satisfy the compliance and governance requirements necessary when using the services of an external partner, such as a discretionary fund manager (DFM). In recent years we have invested in the support necessary to help advisers conduct due diligence when selecting and monitoring Rathbones as an investment partner. This includes the independent validation of important subjects such as performance through our compliance with the Global Investment Performance Standards (GIPS®) and submission of data for inclusion in ARC's Private Client Indices.

## **Support for sales distribution**

Since the start of 2015 we have increased the size of our sales distribution team to support our relationships with financial advisers. A team of 21 individuals support advisers choosing to retain fund selection responsibilities as well as those who decide to outsource investment decisions to an investment partner through the different forms this partnership might take. We believe this approach benefits advisers because our team can uncover their needs and remain

unconflicted through a range of services that accommodates either route – outsourcing investment decisions or selecting funds. The sales distribution team operates from our regional offices with a team of eight based in London providing support by telephone.

The sales distribution team is supported by a number of specialist roles. A sales support team aids the implementation of new relationships with adviser firms. This includes establishing the necessary steps to lay the foundations of a successful working relationship as well as making the client referral process as seamless as possible. This team also supports the initial and ongoing due diligence requirements of firms as well as maintaining a marketing team dedicated solely to our communication and its relevance to financial advisers. Recognising the importance of providing a first-class service to advisers and their clients, our sales support team also works closely with our 700-strong operations teams located in our Liverpool and Glasgow offices. Together we strive to continually improve the way we work for your clients.

Our network of 15 offices across the UK ensure we deliver on our promise of ensuring our investment managers remain accessible, provide discretionary management tailored to the needs of you and your clients, and essentially become an important part of your team and a trusted investment partner. To ensure we enhance your business, we select managers from our more than 300-strong team who are experienced in working alongside advisers and understand the nuances and challenges of supporting this market.

We have provided this report to give you an insight into our work with financial advisers. Additional external due diligence is available from ARC, Defaqto, AKG and ThreeSixty. We would be delighted to learn more about your own practice and how we might help. We hope this due diligence report positions Rathbones as a serious consideration to support your client proposition.

**James Goward**

Head of Sales Support

## Independent Validation

Advisers increasingly seek third-party validation of their chosen investment partners. This due diligence report provides advisers with useful insight into our proposition and the way in which we deliver our investment services to the market. However, we recognise the need for advisers to substantiate their due diligence from independent sources.

Over recent years, we have identified those third-party organisations that have become more influential in helping advisers decide where to invest their clients' money. We endeavour to make sure we forge relationships with such organisations and provide the necessary information as required to validate our firm and our processes.

The list in the table below includes some of the important relationships we support in this way, recognising their usefulness in assisting an adviser's due diligence and making it easier for you to do business with us.

### Making your life easier

#### Performance



#### Due diligence



#### Risk profiling

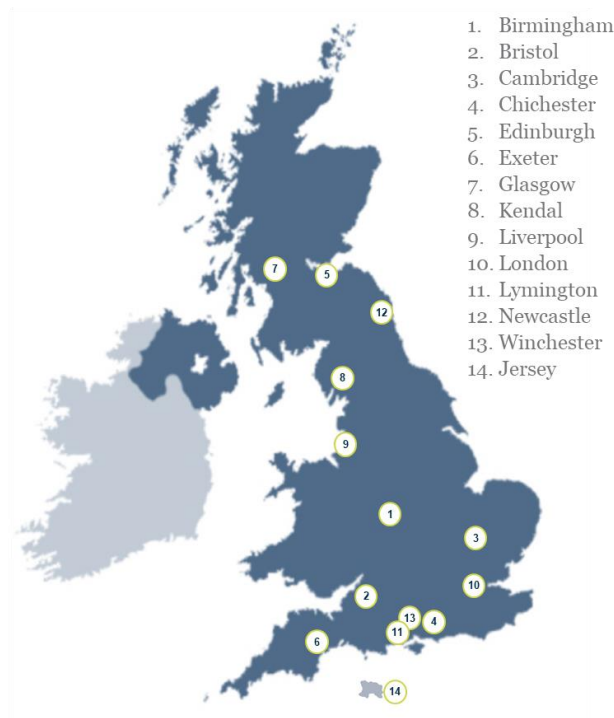


Source: Rathbone Investment Management

# 1. Who are we?

## 1.1 Provide a brief history and description of your ownership structure.

Rathbones Group Plc is an independently owned FTSE 250 listed company. The company traces its history back to 1742 and has increasingly focused on financial services over the past century. Through its subsidiaries, it is a leading provider of high-quality investment and wealth management services for private clients, charities and trustees. This includes discretionary investment management, unit trusts, financial planning, banking and loan services, unitised portfolio services, UK trust, legal, estate and tax advice and ultra high-net-worth services.



The map above shows our office locations in the UK and Jersey. This organisational chart of Rathbones Group Plc below shows our principal trading companies.

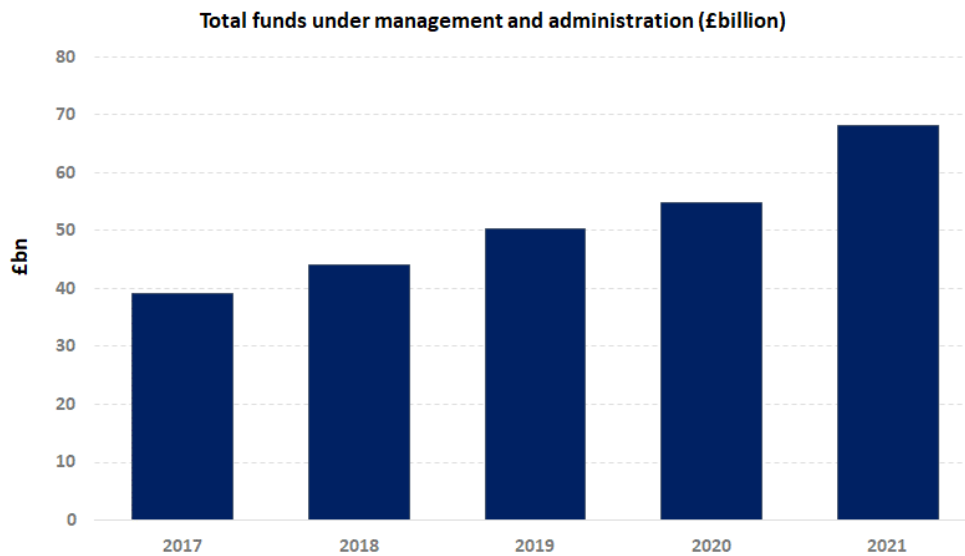


Source: Rathbones

## 1.2 What are your total assets under management?

As at 30 June 2022, Rathbones Group Plc had £58.9bn funds under management and administration, of which £43.8bn was managed by Rathbone Investment Management Ltd (RIM).

We show how our funds under management and administration\* have grown over the last five years in the chart below.



\*includes funds managed by Rathbone Unit Trust Management

Source: Rathbones. Our funds under management and administration have grown over time as demonstrated in the graph above. However, you should be aware that this is not purely organic growth and that there are a number of factors that have influenced this including:

- Stock market fluctuations which have had positive and negative effects in certain years
- Corporate acquisitions of new clients
- Third-party introductions where client ownership does not sit exclusively with Rathbones
- The chart is not a measure of performance

### 1.3 What are your types of mandates and clients?

Rathbone Investment Management provides investment services to more than 61,000 clients. The charts below show Rathbone Investment Management's type of mandates and clients as at 30 June 2022.



Source: Rathbones. Please note: Rathbones no longer offers an advisory service to new clients. The 'Advisory Service Level' includes Rathbones' non-Discretionary client base, which is an active service level offering.

### 1.4 What percentage of your assets under management has been introduced by financial advisers and how many years have you been involved in receiving client introductions?

Constructing and managing discretionary portfolios on behalf of the clients of financial advisory firms has become an important and growing source of new business for RIM for a number of years. In 2021, this approach accounted for approximately 38% of all new accounts.

### 1.5 How can you best convince us of your good financial strength and tell us how clients' money is safe with you?

#### Financial strength

- Undertake the annual capital adequacy assessments\*
- Undertake the annual publication of Pillar III disclosures\*\*
- As a banking group, we adhere to all applicable CRR\*\*\* and PRA\*\*\* rules and regulations
- As at 31 December 2021, we had regulatory capital resources of £305m. Our CET1\*\*\* ratio was 18.7%

#### Safety of client money

- UK investments held for clients are registered in the name of a nominee company^
- Investments held in this format are legally separated from Rathbones' own assets – client assets are secure in the event of an untoward situation at Rathbones
- Overseas investments are held with The Bank of New York Mellon under a similar nominee arrangement

\* Capital adequacy assessments include modelling certain extreme stress scenarios

\*\* Pillar III shows the details of our regulatory capital resources and requirements

\*\*\* CRR – Capital Requirements Directive; PRA – Prudential Regulation Authority; CET – Common Equity Tier

^ This could be a Rathbone nominee or another nominee company

^^ Note – the limits may change depending on market circumstances

## **Banking**

Rathbones has permission to take deposits and most client cash is held with us as a banking deposit. Although we are regulated as a bank, we are not a clearing bank, and use Barclays to process inward and outward payments.

Oversight of our banking operations is maintained by a banking committee, which comprises a number of senior executives and banking experts.

### **1.6 Are your services covered by the Financial Services Compensation Scheme?**

Please follow the below link to our website for details of depositor and investment protection under the Financial Services Compensation Scheme (FSCS): [rathbones.com/financial-services-compensation-scheme](https://rathbones.com/financial-services-compensation-scheme)

### **1.7 Do you have a credit rating?**

No. As Rathbones does not issue bonds to the open market, we do not have a rating from any of the major bond rating agencies (S&P, Moody's). However, we are rated by other agencies such as Experian in the highest possible band.

### **1.8 Who are you regulated by?**

RIM is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA.

Rathbone Investment Management Limited is also regulated by the United States Securities and Exchange Commission (SEC) for its US resident (SEC) clients solely.



## 2. What do we offer?

### 2.1 How does your service proposition for advisers differ to other DFMs?

Our LED (Liquidity, Equity-type risk and Diversifiers) investment framework perfectly lends itself to working alongside financial advisers. This forward-looking approach to strategic asset allocation is a unique way of managing real risk in investment portfolios, and provides us with a point of difference over our peers.

The conventional view on investment management or portfolio construction places heavy emphasis on returns. However, with our approach, portfolio diversification is built on risk protection, rather than relative and potential returns, and particularly on how different asset classes, instruments and funds behave at points of market stress.

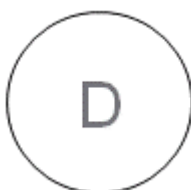
For us, asset allocation is not simply pulling together assets under their equities, fixed interest, alternatives and cash categories in order to deliver a relative portfolio. Our approach to asset allocation is instead about managing the risk that comes with different assets and using the liquidity of assets to meet the client's cash flow requirements and avoiding forced selling.



The 'L' represents '**liquidity**' – assets that can be sold easily and have liquidity at the heart of their core properties, with lower credit risk and sometimes lower price volatility – cash, high-quality, investment grade government bonds and so on. For the investor, they represent an easy way to get their hands on their money quickly, should it be required. It also means their portfolio takes into account cash flow management and short-term money needs and helps to fit with their lifestyle and financial plans. It isn't, however, the return mechanism of the portfolio.



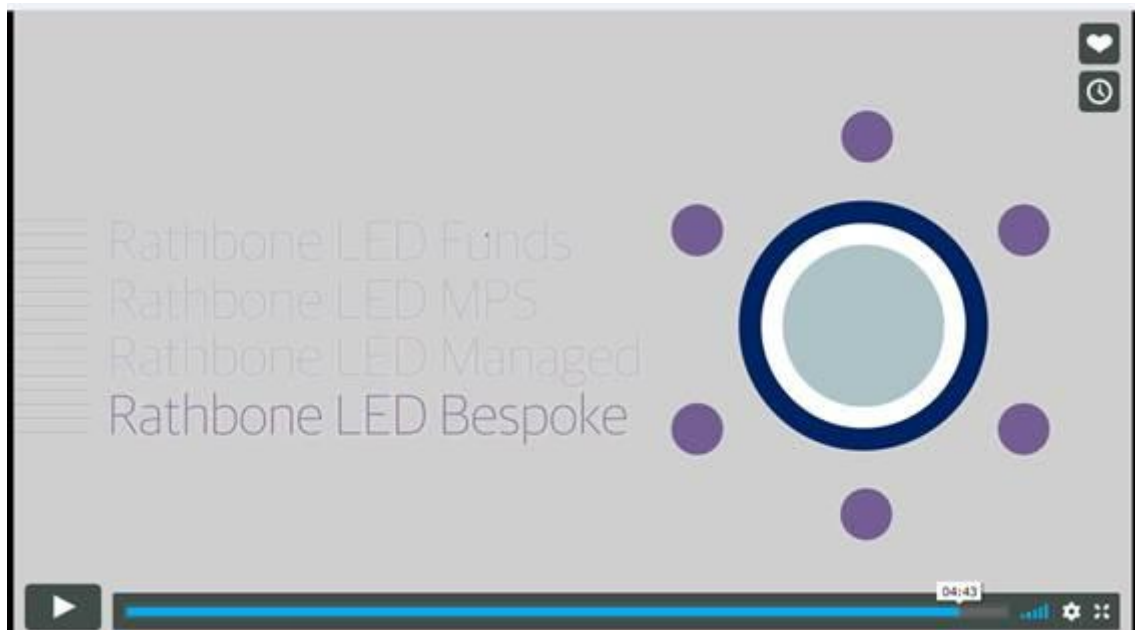
The 'E' represents '**equity-type risk**'. This can include equities and assets highly correlated with equities such as corporate bonds, emerging market debt or commodities sensitive to the economic cycle. It is the element that delivers investment performance over time.



The 'D' represents '**diversifiers**' – assets with diversification potential demonstrated by low correlation to equities, i.e. commodities like precious metals or agriculture, infrastructure, bricks and mortar, property and various other classes. They allow us to create portfolios with the capacity to only lose value in line with what's acceptable to the investor, their circumstances and risk profile.

Our LED approach enables us to achieve true diversification and to manage risk in a pragmatic and controlled way. To obtain a more insightful understanding as to why we believe this is

beneficial to private clients, we invite you to click on the video link below which provides a clear and easy-to-follow guide to the strategy.

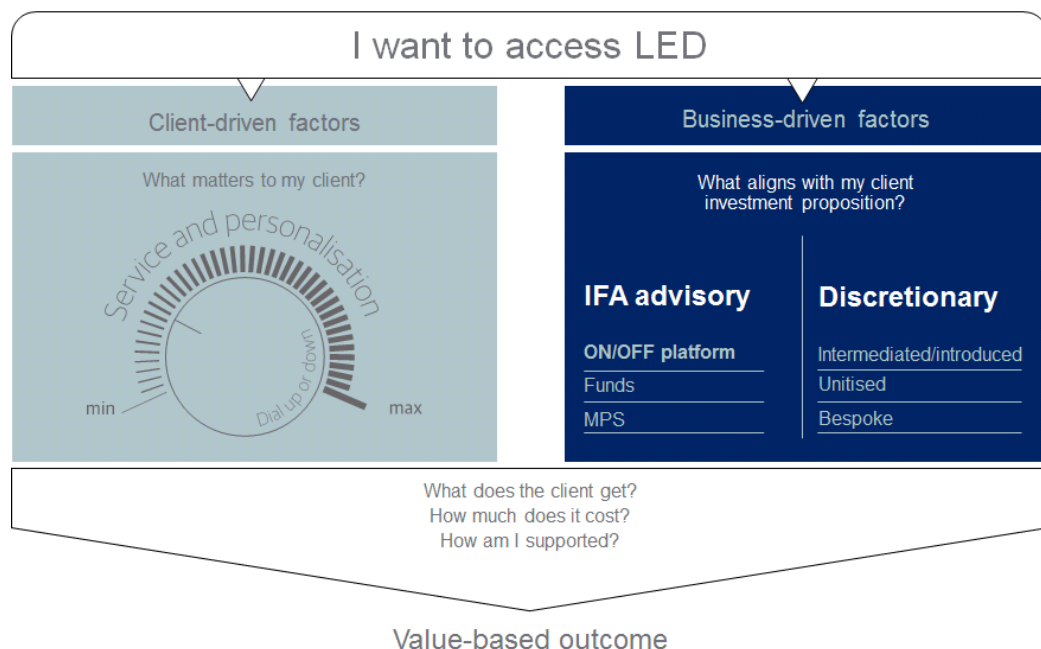


Link to video: <https://vimeo.com/309898432/75a1fac6df>

## 2.2 How do you demonstrate value to clients?

The Regulator is increasingly placing importance on the need for advisers and providers to offer clients value. Our range of investment products and services aimed at the adviser market seeking to ‘outsource’ underlying investment decisions to a third-party achieves this.

Our LED approach to asset allocation and risk management is evident across our range of products and services. Where advisers believe this approach is appropriate for their client, the type of solution LED is delivered through will be determined by two factors – one focused on the client, the other by the adviser firm’s own client proposition.



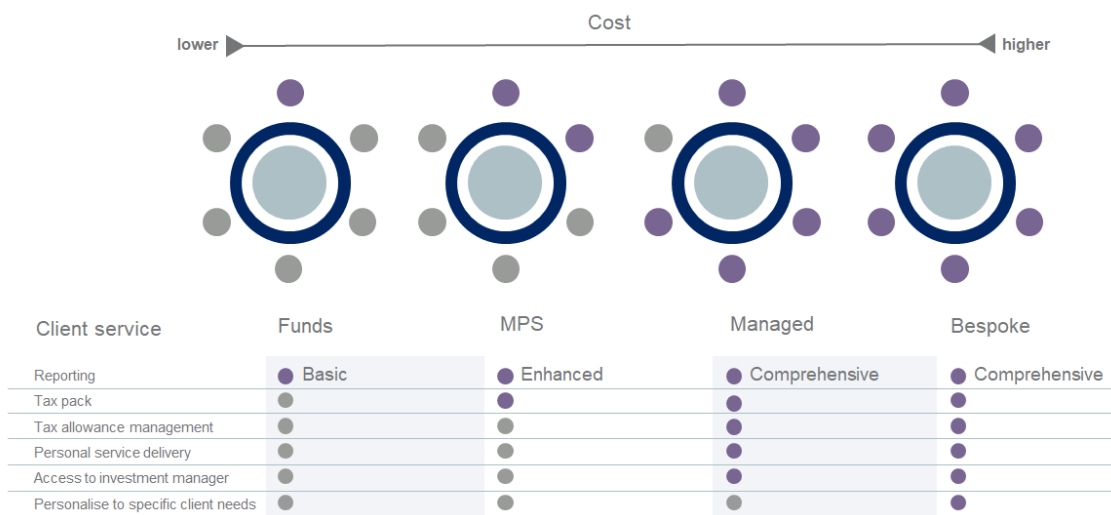
Firstly, the degree of service or personalisation required by the client will determine whether the LED approach is provided through a more commoditised fund-based solution or perhaps via a bespoke service permitting the client to influence investments and incorporate their specific personal needs and objectives such as income requirements or tax considerations.

Alongside this, adviser firms will choose to access LED through a product or service that aligns with their client investment proposition. Rathbones offers access to LED through our multi-asset funds via the Rathbone LED Funds service or through the Rathbone LED MPS service, both operating under an advised proposition. Alternatively, our discretionary services can be either unitised or segregated including the use of UK and overseas direct securities. Our discretionary services can also be provided through a traditional ‘introducer’ operating model or an ‘intermediated’ approach, the latter more empathetic to the role of the financial adviser. In terms of cost, put simply the client pays a premium for more personalisation and attentive service, but if this is not required, the Rathbone LED approach can be accessed via lower cost solutions such as Funds or MPS.

We remain agnostic as to how this is achieved and we believe our proposition offers choice to advisers without compromising on the supporting consistent asset allocation approach and risk management framework.

### 2.3 What is the full range of solutions you offer?

Our LED asset allocation and risk management approach to constructing and managing investments is used within each of our four core products or services. The cost of accessing LED increases as you move across the scale from left to right (see illustration below), as does the degree of service and ability to personalise this for the underlying client.



Our Funds and MPS solutions are ‘advised’ products whereby the adviser selects the fund or strategy suitable to the client’s risk profile. These solutions are available directly from Rathbones, or for our Funds, via third-party platforms.

Our Managed and Bespoke solutions are discretionary services – the former investing in our multi-asset funds, while the latter invests in funds as well as direct securities both in the UK and overseas.

Our Bespoke service provides a range of six risk-rated portfolios that guide investment managers, and allow the flexibility to take into account the client’s circumstances and financial objectives. The following pages provide more detail on each of the four core products/services including the underlying investment choices offered relative to the 1 to 6 strategies determined by our Strategic Asset Allocation Committee, shown on the subsequent page.

**Our six risk strategies**

Each solution sits within one or more of our six risk strategies, which we use to identify the most suitable solution for the client based on their appetite for risk. The strategies are labelled 1 to 6 and are divided into three risk levels. Strategies 1 and 2 are aimed at the lower end of the risk spectrum, strategies 3 and 4 for a medium-risk investor and strategies 5 and 6 are designed for those with a higher, more aggressive risk appetite with generally longer time horizons.

This is illustrated below:



In the pages that follow, we have provided a detailed description of each of our four LED solutions mentioned above.

## Rathbone LED Funds

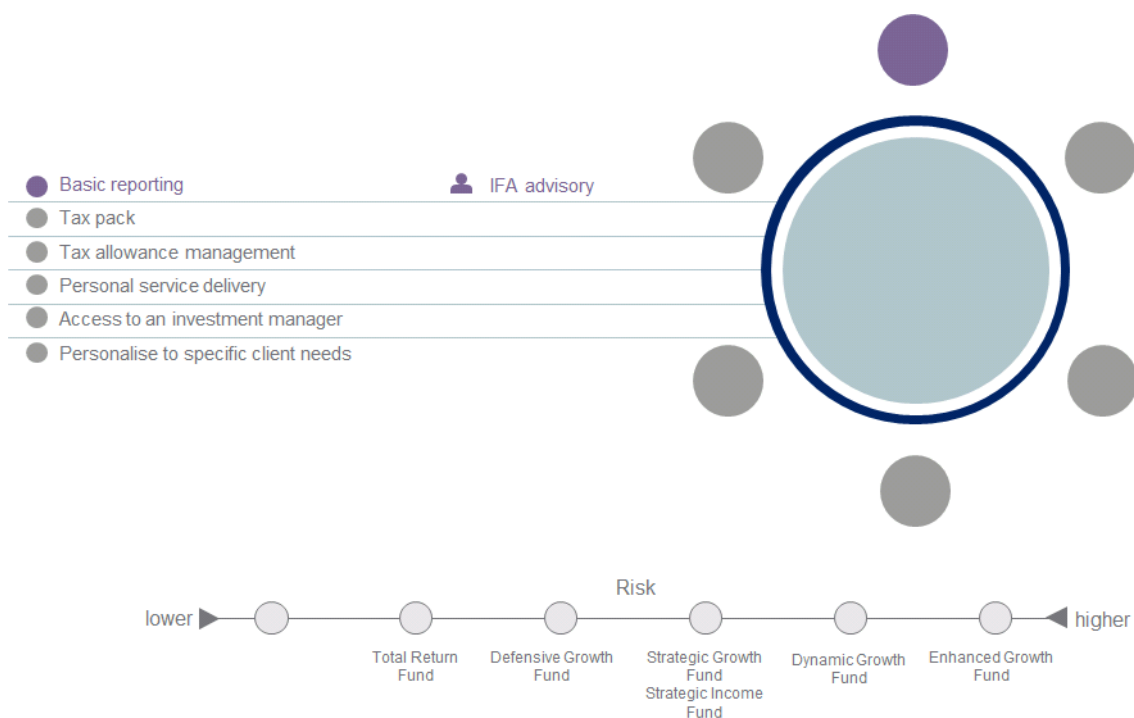
### Active risk-managed funds from the proven Rathbone Multi Asset Portfolio range

This is our multi-asset portfolio service. Our fund managers research the best opportunities from an unconstrained universe of potential investments with a focus on investing directly in high-quality UK and overseas equities, government and corporate bonds and structured products.

They select specialist third-party managers only when they want to capture an opportunity that requires specific market knowledge and expertise. The funds also use financial instruments as insurance against uncertain and unpredictable events.

**Minimum investment** £1,000

**MiFID II cost** 0.73%\*



\*Based on Rathbone Strategic Growth Fund invested in S-class shares.

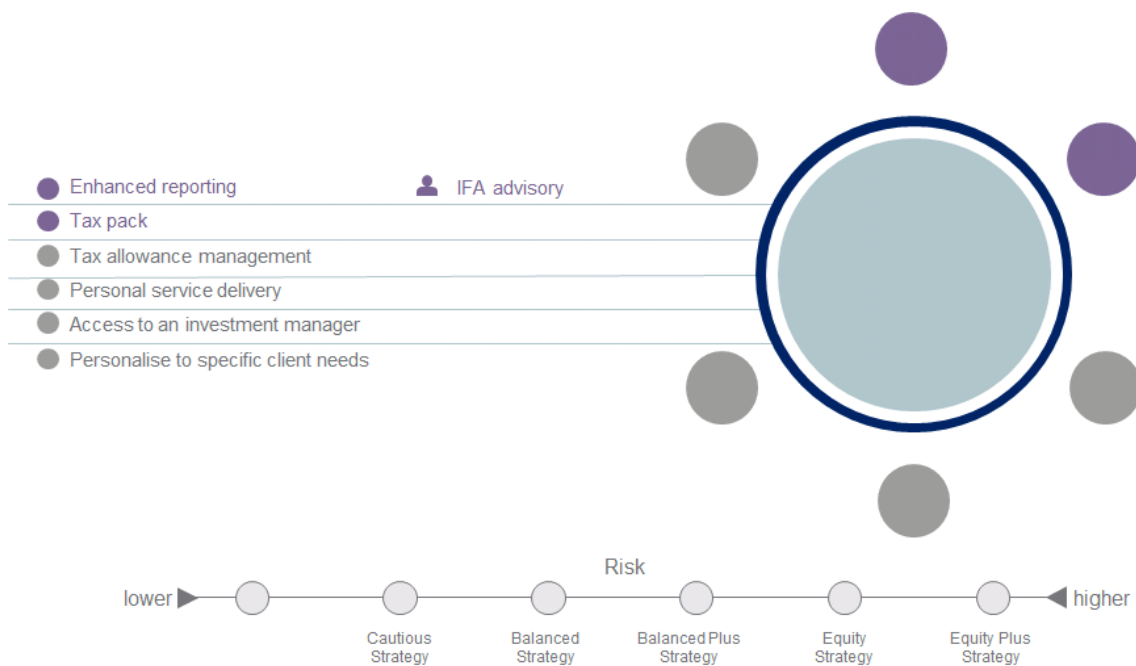
## Rathbone LED MPS

### Our multi-asset expertise packaged across a range of client risk profiles

This is our managed portfolio service, which is offered by Rathbone Investment Management and invests exclusively in the range of Rathbone Multi Asset Portfolio funds managed by Rathbone Unit Trust Management. Investors benefit from the same diversified, risk-managed approach within a straightforward risk-rated solution supported by a responsive administration team.

**Minimum investment** £15,000

**MiFID II cost** 0.98%\*



\*Based on Balanced Plus Strategy invested in Rathbone Strategic Growth Fund S-class shares.

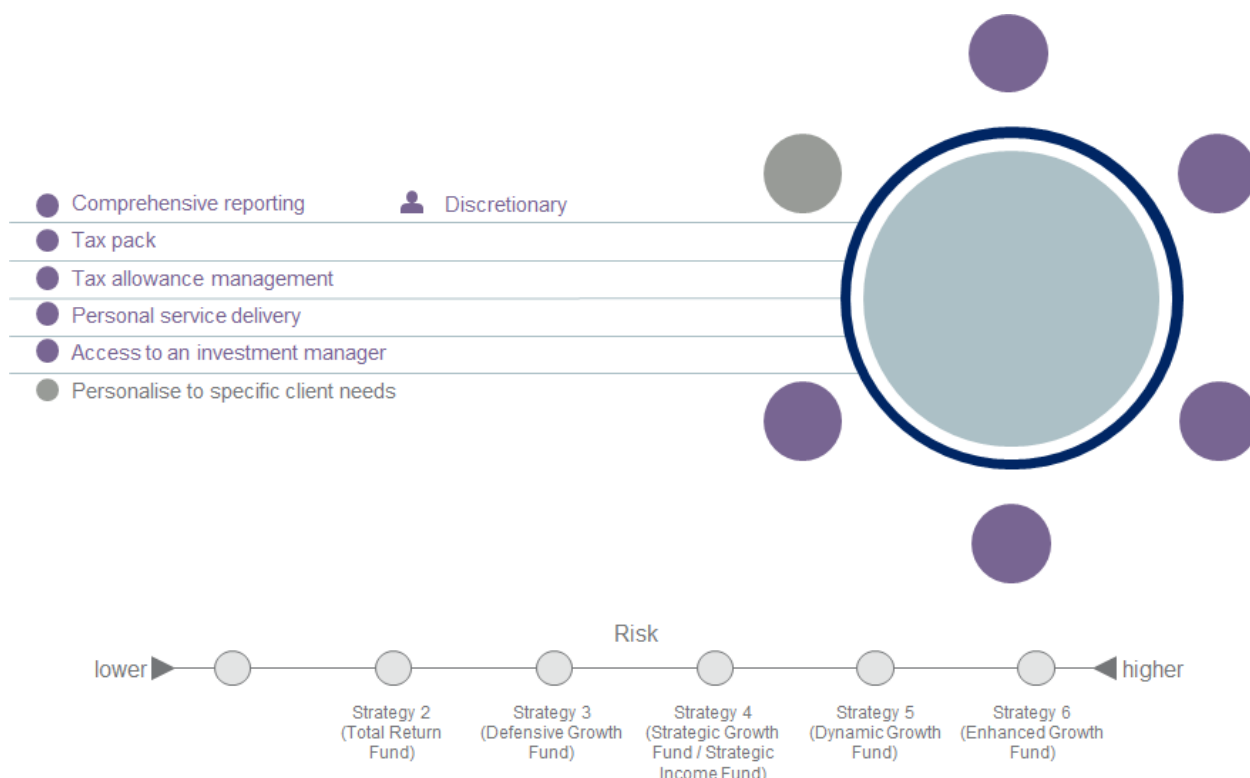
# Rathbone LED Managed

## An accessible discretionary service wrapped around our multi-asset funds

This is our unitised service, offering your clients a detailed and personal level of attention that you would typically receive from a discretionary portfolio service. There are six strategies in the range, which invest in our Rathbone Multi Asset Portfolio. It comprises many of the hallmarks of bespoke portfolio services normally only accessible to clients with larger sums to invest.

**Preferred minimum investment** £150,000

**MiFID II cost** 1.33%\*



\*Based on Strategy 4 invested in our Rathbone Strategic Growth fund S-class shares under 'reliance on adviser' operating terms. Includes VAT. We also provide the Strategic Income Fund for this risk profile and the investment objective is to seek to achieve a long term total return of 3% above the Consumer Price Index (CPI) over a minimum five year period subject to a targeted annual minimum yield of 3%.

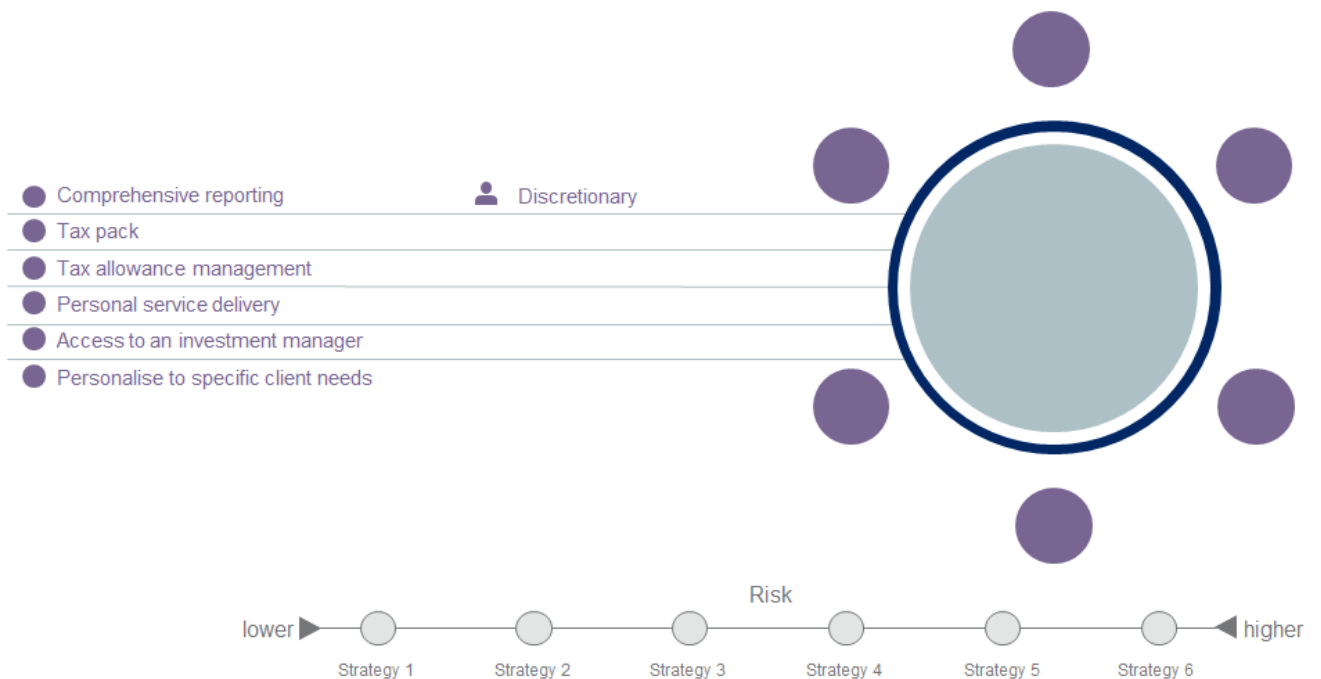
## Rathbone LED Bespoke

### Segregated discretionary portfolios investing in external funds as well as UK and international direct securities

This is our individual portfolio service, appropriate for clients with larger sums to invest or more complex needs and provides access to a wide range of underlying investments that help diversify their wealth. Individual circumstances and personal preferences are accommodated and reflected to create a portfolio personal to your clients' individual requirements.

**Preferred minimum investment** £200,000 (reliance on adviser) / £300,000 (adviser as introducer)

**MiFID II cost** 1.30%\*



\*Based on investment of £600,000 into our RFAIT Core 4 strategy at Partnership Rate fee terms. Includes VAT.



## 2.4 In addition to core asset management, what other services do you provide to adviser firms?

Financial advisers use our other range of services including:

- **Rathbone Greenbank Investments:** the provision of ethical, sustainable and impact bespoke discretionary and managed portfolios
- **Rathbones trust and tax:** advice and services relating to the creation and administration of trusts, UK tax compliance and private client legal services
- **Specialist tax portfolio service:** bespoke portfolios investing in Business Relief and/or Enterprise Investment Schemes qualifying shares to obtain inheritance tax, income tax and capital gains tax reliefs
- **Charities team:** a dedicated team providing specialist investment management services to charities
- **Personal injury and court of protection:** a specialist dedicated team providing investment services to deputies, trustees and families
- **Portfolio lending** client loans (subject to certain criteria) secured on a client's portfolio
- **Rathbones' Reserve:** a curated service which provides the full range of Rathbones services to create a bespoke wealth management service for clients with larger and more complex wealth, working closely with their external advisers to optimise all aspects of their wealth.

## 2.5 Do you provide clients with financial planning advice?

Our investment managers do not provide financial planning advice and are not authorised to do so. We do have a financial planning practice\* which can provide such advice, but this team exists to provide services where required to clients of our investment managers where a client does not have their own adviser already. The integration of Saunderson House Limited, following its acquisition in October 2021, will help boost funds under management and provide additional capacity to the financial planning practice. Clients of other financial advisory firms are not, and will never be, introduced to the services of our financial planning team\*.

Vision Independent Financial Planning Ltd ('Vision') is a wholly-owned subsidiary of Rathbones Group Plc. It operates independently from Rathbones but with some operational and governance support. Vision advisers are not expected to refer their clients to Rathbones and Rathbones will not introduce a client with an existing financial adviser relationship to Vision.

\* Financial planning advice is provided by Rathbone Financial Planning

## 2.6 How would you describe your relative levels of expertise across the different asset classes?

Rathbones and its investment professionals are highly competent and experienced across all asset classes. Discretionary investment management remains our core business and we have been managing client portfolios in this way for the past century.

Our expertise is supported by a number of internal committees. In addition, our dedicated and experienced research team, ensures all investment managers have knowledge and access to a wide range of investment opportunities across all asset classes for client portfolios.

Where appropriate, we include direct securities and collective funds in bespoke client portfolios. In addition, our international equity selection committee provides the research for us to consider exposure to direct international stocks within client portfolios.

## 2.7 What platforms are your solutions available on?

The multi-asset funds managed by Rathbones Unit Trust Management (RUTM) are available on the following platforms. This list is not exhaustive and there are many more platforms who have access to our ranges.

- Aberdeen Wrap Platform
- Aberdeen Elevate
- Aegon Retirement Choice (ARC)
- Aegon Institutional Platform
- AJ Bell
- Aviva Wrap
- Fidelity Funds Network
- Hargreaves Lansdowne
- Novia Financial
- Quilter
- Zurich

Rathbone LED MPS (Managed Portfolio Service) can be accessed through a range of external SIPP providers.

These are shown in the table below:

SIPPs			
AJ Bell (note: not InvestCentre)	AT SIPP	BW SIPP	Cabot Trustees Ltd
Corporate & Professional	Curtis Banks Limited	DP Pensions Ltd	Dentons Pension Mgmt Ltd
Embark Services Limited	Forthplus Pensions Ltd	IPM SIPP Administration Ltd	InvestAcc
IPS Partnership PLC	IPS Pensions Limited	James Hay	LV
Mattioli Woods PLC (note: not all MW products)	Xafinity SIPP Services Limited	Rowanmoor	Royal London Mutual Insurance Society
Scottish Widows PLC	Standard Life	Suffolk Life	Talbot & Muir

Source: Rathbones

Please note that Rathbones' discretionary investment management services, LED Bespoke and Managed, are not available through any wrap platforms as our model is based on utilising our in-house administration and custody capabilities.

## 2.8 Can we use discretionary solutions within tax wrappers?

Our LED Bespoke and LED Managed services can be used through a range of tax wrappers and providers, including but not limited to those offered by:

SIPPs			
@SIPP	AJ Bell	BW SIPP	Curtis Banks Limited
DP Pensions Ltd	Embark Pensions Limited	Embark Services Limited	InvestAcc
IPM SIPP Administration Ltd	James Hay	NM Pension Trustees	Scottish Widows
Standard Life	Suffolk Life	Talbot and Muir	

Source: Rathbones

Our provider support team is able to make arrangements with additional wrapper providers on request. Rathbone Investment Management is an ISA manager.

## 3. How do we do it?

### 3.1 What is your investment philosophy?

Rathbones' investment philosophy can be summarised as follows:

- **Real returns:** generate returns in excess of inflation over a market and economic cycle
- **Risk management:** diversification through active asset allocation and disciplined portfolio construction.
- **Liquidity:** avoid assets with limited trading activity and structures with liquidity mismatches.
- **Bespoke:** matching assets with personal liabilities or future cash flow needs.

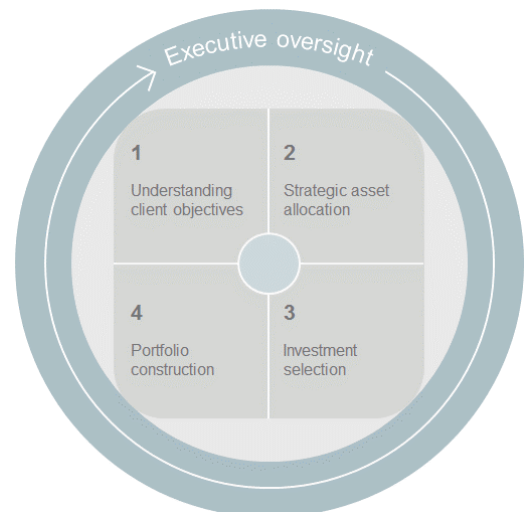
### 3.2 What is your investment process?

#### How the investment process is structured

The Rathbones investment process guides our investment managers and provides a consistent framework for making decisions. It also allows enough flexibility to meet individual client objectives.

We believe a long-term investment strategy incorporating an asset allocation framework focussed on liquidity is the key to providing consistent risk-adjusted returns across different risk profiles. We source investments across all asset classes and global regions on an open-market basis using our in-house research team supported by specialist/sell side third party research.

While our investment managers enjoy the flexibility and discretion to deliver a truly bespoke service, it is important to have a formal framework to support the investment process. The Investment Executive Committee (IEC), made up of senior people from within the business, is responsible for establishing, resourcing and overseeing the investment process.



A more detailed approach on our investment process is available upon request. This is a summary of the 4 key component parts.



The selection of underlying funds or strategies for our Rathbone LED Funds and Rathbone LED MPS products rests with the adviser as part of their normal client advisory process.

Our two discretionary services Rathbone LED Managed and Rathbone LED Bespoke offer the choice of a more traditional ‘introducer’ model or an ‘intermediated’ approach that is more empathetic to the role of the adviser in the giving of advice to clients.

**Reliance on Adviser** is our intermediated proposition. It is empathetic to the role of the adviser in the client advice process whereby determining the client’s mandate and appropriate Rathbone investment strategy rests with the adviser. This contrasts with our Adviser as Introducer approach where determining the suitability of the client mandate is a task performed by the discretionary manager. Firms need to be approved by Rathbones to operate on the Reliance on Adviser basis.

With Reliance on Adviser, the adviser determines the investment mandate best suited to meet the client’s objectives taking into account their current and future circumstances. Our role is to understand the mandate and select the most suitable assets to achieve this, all the while the adviser maintains a watching brief on us and updates us on the client’s circumstances, to ensure we continue to invest with their best interests in mind.

Clients referred to us under the **Adviser as Introducer** approach are on-boarded in a manner similar to that of a direct client. The adviser has determined that use of a DFM and the appointment of Rathbones as the provider of this service is suitable, but thereafter, all other aspects of suitability, including determining the appropriate investment mandate and strategy, rests with the Rathbone investment manager. The role of the adviser and their ownership of the client is still respected within the Adviser as Introducer approach.



We use a variety of quantitative and qualitative inputs to guide our strategic asset allocation decisions.

Combining both in-house and third-party research and analysis, we develop long-term strategic asset allocation positions along with tactical and thematic ideas to capture specific investment opportunities.

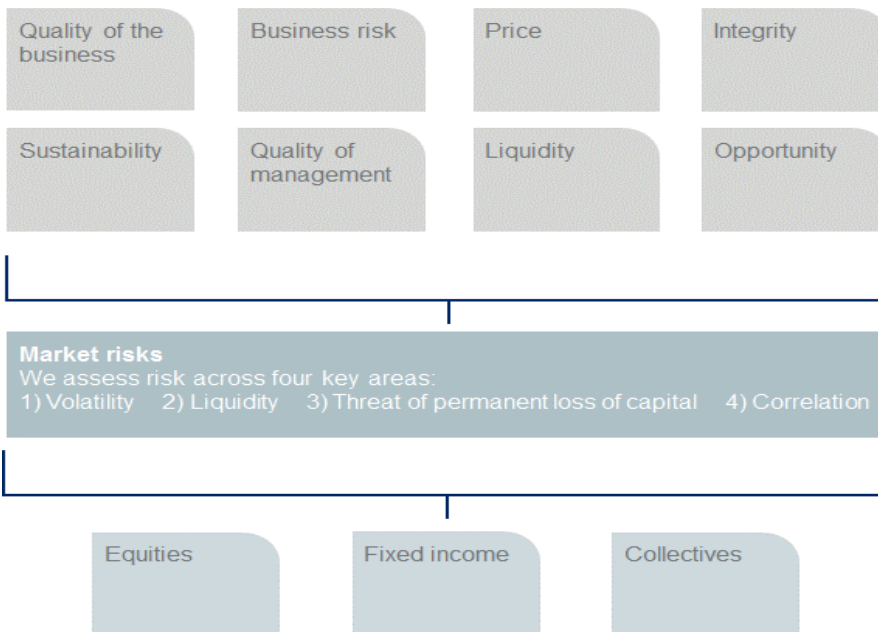
Our six strategies, as referenced previously, cover a broad spectrum of risk and help illustrate and measure our investment process and framework and it helps us manage client’s portfolios according to their individual situations, aims and objectives.

**3**  
Investment selection

Our approach is to identify the most appropriate investments to align with our objective of long-term wealth preservation and growth.

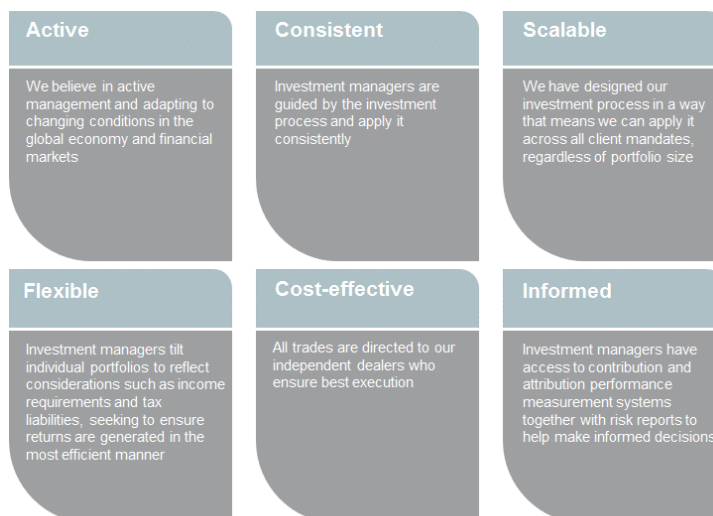
We pool our intellectual capital from fund managers, investment committees and research specialists to identify and select the best and most relevant investment ideas.

We research all investment ideas across a range of eight criteria (below), then assess risk across four key areas, which are related to meeting client requirements and our long-term approach to preserving and enhancing the value of wealth.



**4**  
Portfolio construction

When constructing portfolios, we are guided by the following principles:



### 3.3 What benchmarks do you propose for client portfolios in your bespoke service?

We target absolute returns across six risk profiles (based on the relative volatility to global equity markets) referencing inflation or cash plus returns.

We provide our clients with a set of proprietary benchmarks linked to each of the six risk profiles against which the performance of a portfolio may be referenced. Clients may also select from a range of additional market- or industry-based indices as required.

### 3.4 How has the philosophy evolved in recent years?

Our investment philosophy has not fundamentally changed over recent years. However, our investment process is constantly evolving to ensure it is always relevant — both to our clients' requirements as well as the macroeconomic and regulatory environments in which we operate.

Our principal aim is to support the construction of truly bespoke portfolios for private individuals, charities and pension funds as we seek to preserve and grow their wealth.

### 3.5 Describe the usual level of interaction that your investment professionals have with third party fund managers.

Our usual level of interaction is summarised below:

- Regular meetings are conducted with the investment managers of all funds and products on the recommended list.
- A review meeting will include analysis of the underlying portfolio characteristics to ascertain our expectations for performance in different scenarios over the shorter term.
- We monitor the size of assets under management as a fund that experiences large inflows or outflows can be vulnerable to involuntary style drift.
- We also check for changes to the management of the business, such as risk monitoring, ownership structure or team that could distract and influence the investment process. Some investments may be removed from the recommended list simply because a better alternative has been sourced.

### 3.6 What major partnerships and relationships do you currently rely on?

Operationally, Rathbone Investment Management relies on its own internal back-office systems and resources to deliver the discretionary / advisory investment service proposition. However, for global custody Rathbone Investment Management uses the services of Bank of New York Mellon, London. For Rathbone Investment Management International Ltd, based in Jersey, all assets are held with BNP Paribas, Jersey.

### 3.7 Describe your research resources.

#### **Rathbones research resources**

As at 30 June 2022, we employed 370 investment professionals dedicated exclusively to investment management and/or research. This includes a specific resource of investment professionals working purely in an analytical capacity within our research function. This comprises our Co-Chief Investment Officers, head of investment process implementation and analysts in asset allocation research strategy, collectives, equity, fixed income, stewardship and corporate governance, risk and a research operations team.

A number of specialists work closely with our research team, including Bryn Jones (Head of Fixed Income and Fund Manager), Noelle Cazalis (Fund Manager) and Stuart Chilvers (Fund Manager) who contribute as fixed income specialists. Similarly, fund managers Carl Stick, Alan Dobbie, Alexandra Jackson, Sammy Dow and David Harrison provide support as equity specialists, along with Kate Pettem and Siyuan Lin who are investment analysts for a number of our unit trusts. Matt Crossman leads stewardship and corporate engagement activity for the group.

These analysts, through our investment committee structure, maintain recommended lists and analysis of 'covered' investments. Recommended investments are those that have been adopted by the respective committee for that asset type, after the relevant consideration and due diligence. 'Covered' investments are those that are monitored and analysed due to factors such as their wider market significance.

One central digital repository exists for internal research, accessible to all investment professionals throughout the group online using desktop and mobile technology. This hub of information serves as a central library for all current and existing research output including notes, factsheets, strategic asset allocation weightings and committee minutes and includes a central calendar for investment meetings.

#### **External independent economic analysis**

We pay for economics and strategy research from several independent groups, including those detailed below. In each case, their economists visit Rathbones for regular internal meetings and provide written updates.

These views form an integral part of the debate at our strategic asset allocation committee meetings and are summarised by our research team and then given to all investment managers.

Current contributors include Capital Economics, Cornerstone, BCA Research and Gavekal.

#### **External Research**

The cost of consuming external research is borne by the firm. The Investment Executive Committee (IEC) oversees the overall research budget whilst the External Research Committee (ERC), which reports to the IEC, aims to implement the research related requirements as set out within MIFID II and is responsible for:

- monitoring and directing the demand for and supply of external research
- making recommendations on the research budget to the IEC.



Tracking of the group's readership and quality assessment is facilitated through the use of a software package. Investment managers are able to put forward their views via a voting system including inputs for recommendations to the committee.

Membership of the ERC includes the Co-Chief Investment Officer along with other senior investment professionals representing different client channels.

We have invested heavily in proprietary technology designed specifically for a wealth management business. Our asset allocation modelling (AAM) system allows us to implement investment decisions quickly and consistently.

Our robust operational capabilities and due diligence procedures mean we manage genuinely active investment strategies that reflect changing conditions in the global economy and financial markets.

### **3.8 How much discretion do investment managers enjoy?**

We should emphasise that our strategies are not intended to restrict investment managers' flexibility to meet individual clients' needs and we do not require them to adhere to our asset allocation strategies, but rather use them for guidance when constructing a client's portfolio. This allows us to create the most suitable portfolio for a client's circumstances.

Our investment managers will maintain an awareness of the risk/reward characteristics of each asset class and the effect these can have on the overall balance of the portfolio. In some cases, we are asked to manage a pure equity or fixed interest portfolio, so an asset allocation process becomes less relevant. However, it is the flexibility of our investment process that means we are able to manage a range of different mandates in the most effective way.

## Risk

### 3.9 How do you measure and control risk within portfolios?

#### Measuring risk within portfolios

Client portfolios are monitored by senior management in performance and volatility terms on a quarterly basis. Subject to thresholds, performance that is over or under the relevant Rathbones benchmark must be explained by the investment manager and reported back to senior management. Individual equity holdings are monitored by value relative to the total value of a client's assets held at Rathbones.

If a direct equity holding is valued at more than 10% of total assets (or collective more than 20%), the investment manager must inform that client. They will highlight the risk of this holding to their portfolio and give the client the opportunity to reduce their exposure. Certain potentially higher risk security types are subject to further monitoring against tolerances agreed with senior management- these include AIM stocks, structured products and UCIS/NMPI.

#### Portfolio asset allocation

Investment managers assign all portfolios with a risk level (range of 1-6) based on the asset allocation mix which adopts a multi asset approach around LED asset classes (investments that provide Liquidity, Equity and Diversifiers respectively). Based on the client's need for risk/return, each risk level has a strategic asset allocation set with a tolerance range to allow for tailoring to individual circumstances. Adherence to a consistent asset allocation approach around asset classes enables more consistent outcomes in line with client needs.

The Investment Risk team have provided investment managers with a monthly assessment of portfolio asset allocations against the respective six risk levels – exceptions outside of pre-agreed tolerances are identified for follow up. A detailed monitoring tool (Management Dashboard) stores all the important risk factors relating to both the suitability of the client mandate and also of the delivered portfolio (asset allocation alignment and performance and risk outcomes vs. agreed mandate) in a single view. The Investment Risk team and line supervisors are able to monitor the important exceptions and ensure remediation occurs in a timely and consistent manner. The status of progress over these risk factors is an important element of regular appraisals for Investment Managers.

#### Controlling risk within portfolios

We control risk within client portfolios as follows:

- We ensure that a regular suitability assessment is undertaken to confirm the portfolio risk level is suitable for the client mandate
- We ensure restrictions such as investment, risk or ethical are uploaded into our proprietary portfolio construction software, Rathbone Investment Desk (RID).
- A number of checks are built into RID to ensure client restrictions and target market assessments are effectively monitored.
- As noted above, IMs are required to ensure portfolios are kept in line with the client mandate covering asset allocation, acceptable concentration risks and performance/risk outcomes. Where any exceptions are identified, a clear process is in place to ensure that

exceptions are addressed, including the provision of a written record by the Investment Manager on progress towards remediation (held in RID) – this is subject to review from Investment Risk.

- Sample portfolio reviews are carried out by investment manager supervisors on a rolling basis to confirm suitable asset allocation and management of concentration risks. Additionally, audit trails and monitoring exercises are documented as necessary.

### **Investment risk team**

Further information on the status of portfolio asset allocation is additionally provided on the firm's investment risk dashboard that is provided to line supervisors and senior management.

The Investment Risk team reports into the Head of Front Office Investment Risk and works closely with investment managers, providing information to assist them in ensuring that the composition of portfolios is consistent with client investment mandates. Investment Risk team provide regular guidance on how to use the risk information effectively and regular training/coaching on best practice standards that have been developed from across the group. The overall objective is to ensure that all the portfolios perform to a standard that has agreed with the client as described in our client documentation and that relevant risks are controlled and appropriately communicated to the clients.

### **3.10 Do you have an overarching risk framework?**

We operate a 'three lines of defence' model across the group to support governance and risk management. The comments below outline our expectations across the firm, with responsibility and accountability for risk management broken down as follows:

#### **First Line**

Senior management, business operations and support functions are responsible for managing risks by developing and maintaining effective internal controls to mitigate risk in line with risk appetite.

#### **Second Line**

Risk, compliance and anti-money laundering functions maintain a level of independence from the first line and are responsible for providing oversight of and challenge to the first line's day-to-day management, monitoring and reporting of risks to both senior management and governing bodies.

#### **Third Line**

Our internal audit function is responsible for providing independent assurance to senior management, the board and audit committee on the effectiveness of the group's governance, risk management and internal controls.

Throughout the group, everyone has responsibility for managing risk and adhering to our control framework in line with their roles and our conduct expectations.

### **3.11 Who is responsible for monitoring and controlling compliance of the funds in which the portfolio manager invests?**

Our collectives committee has responsibility for ensuring the ongoing suitability of funds that consist of our current recommended list. Investment managers responsible for specific sectors will ensure that regular meetings are conducted with managers of these funds.

The six sub-committees will have responsibility to review performance of their recommended funds when they meet every six weeks. These are:

- UK equity
- developed equity (ex-UK)
- emerging markets, commodities and Asian equity
- fixed income and macro strategies
- passive and structured products
- property, private equity and infrastructure.

They will also check a number of risk metrics including volatility and correlation and look for change or deviation from the investment objective. The size of assets under management for a fund will also be monitored as well as any change in personnel or change of ownership.

## **Compliance**

### **3.12 What are your compliance resources?**

We have a dedicated compliance department who report directly to the Chief Risk Officer.

### **3.13 What policies/procedures are in place to ensure sufficient compliance, monitoring and control with regulatory issues?**

We have a detailed cyclical monitoring programme in place that tests the firm's compliance with our regulatory obligations which includes MiFID II.

## Business continuity

### 3.14 Do you have an up-to-date business continuity plan?

Rathbones maintains business continuity plans to support the response and recovery of critical business services in the event of a potential or actual major disruption or crisis event. Business continuity plans are tiered and based on the business units business impact analysis, so that critical services can be prioritised in the event of a disruption. In the event of a building invocation, the group recovery strategy is to utilise a combination of working from home and internal displacement to a Rathbones office location. Work-area recovery is tested annually for critical business services.

Rathbones utilises a hybrid approach for core servers and systems hosting and recovery. All critical investment systems are hosted on-premises at specialist secure London and Manchester data centres, with some applications deployed to the cloud.

Critical systems and applications have in-built resilience such as clustering and replication according to requirements and technology. Backups are run every night for critical data centre systems. A copy of complete backups is copied to the non-live data centre nightly.

## Custody and administration

### 3.15 Who are your custodians?

We provide a registration and custodial service in respect of UK investments beneficially owned by clients through one of our subsidiaries, Rathbone Nominees Limited.

The nominee is set up under UK trust legislation and, although the assets held within it are controlled by us on a day-to-day basis, investments are registered to the nominee to ensure that they are segregated from our own assets.

Rathbone Investment Management Limited utilises The Bank of New York Mellon (BNY Mellon) as its custodian for all non-UK investments. Designated accounts record clients' investments separately from our own assets.

### 3.16 Who are your administrators?

Operationally, RIM relies on its own back-office systems to deliver its discretionary investment service proposition.

### 3.17 How are assets held? Are custody records held separately?

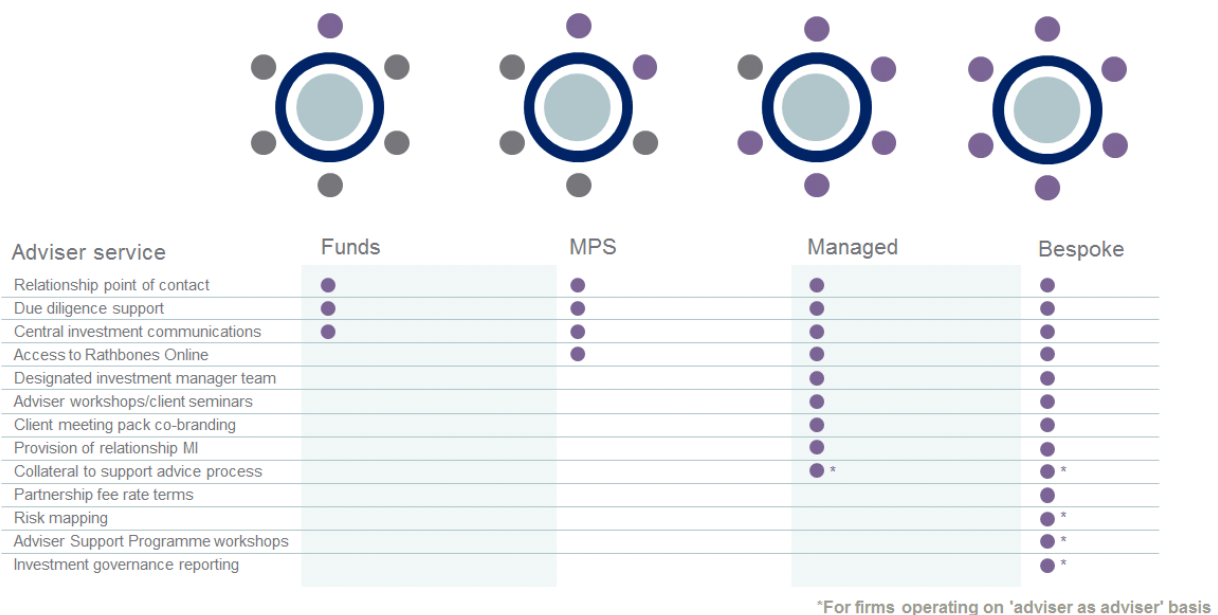
In accordance with FCA Rules on client money and client assets (CASS), we maintain clear and comprehensive records of all assets held. These are identified separately within our records from our own assets and investments, in clearly identifiable client accounts. All assets are reconciled on a regular basis in accordance with the CASS requirements of the FCA. All physical certificates are retained in safe custody under restricted access. Quarterly service reviews are held and

quarterly scorecards are submitted to BNY Mellon to monitor service levels. We periodically conduct risk assessments of BNY Mellon's systems in accordance with FCA requirements.

# 4. How do we support advisers?

Like with your clients, the support we provide to adviser firms is determined in part by the product or service they choose to deploy Rathbones for.

At a business-to-business level, we have more engagement with firms using our bespoke service for their clients under our intermediated ‘reliance on adviser’ proposition. To a greater degree this engagement occurs in the initial on-boarding of the relationship and the support we provide to firms ensuring they fully understand our proposition and range of investment strategies. This is necessary as the onus is on the adviser to determine the investment mandate and in turn select the appropriate Rathbone investment strategy to best meet the client’s needs and objectives. This extra engagement supports advisers in this task.



## Suitability

### 4.1 How is client suitability handled?

We’ve created the ‘Reliance on Adviser’ proposition that ensures the adviser remains in control of the client, the relationship with their client and the client advice process. Under this proposition, we never discharge our suitability responsibilities as a DFM. We are relying on the adviser to perform certain aspects of the client advice process, aspects that in reality, they would be performing anyway. The adviser determines the investment mandate and Rathbone strategy necessary to meet the client’s needs and objectives.

This is determined by the adviser via their own advice process enabling the ‘dialing down’ of the involvement of the discretionary manager in this process avoiding duplicating tasks such as the completion of respective attitude to risk questionnaires, for example.

Rathbones remains responsible for executing the mandate applied for, construction of the portfolio itself and the suitability of the assets to meet the mandate and the suitability of our future decisions to trade. Unlike certain ‘agent as client’ responsibilities, the adviser will not have to document and justify our future trading decisions. Our proposition operates under a ‘reliance on others’ regulation.

Alternatively, clients referred to us under the ‘Adviser as Introducer’ approach are on-boarded in a manner similar to that of a direct client. The adviser has determined that use of a DFM and the appointment of Rathbones as the provider of this service is suitable, but thereafter, all other aspects of suitability, including determining the appropriate investment mandate and strategy, rests with the Rathbone investment manager. The role of the adviser and their ownership of the client is still respected within the Adviser as Introducer approach.

#### **4.2 Is it possible to tailor your solutions according to various risk profiled asset allocations or volatility outputs?**

We ask numerous risk profiling firms to assess our multi asset funds, MPS strategies and the strategies maintained by our investment committee — the latter often used within our bespoke discretionary service. This risk profiling exercise helps advisers determine where our investment solutions sit on a relative scale of risk they will be familiar with and indeed using as part of their client advice process.

We do not adapt our own asset allocation views to those of any risk profiling tool as we believe this would be compromising the outputs from our central investment process and in conflict with our investment philosophy and LED approach to asset allocation and risk management.

## **Communication**

#### **4.3 Who has responsibility for day-to-day client contact?**

Depending on the style of investment service required, you will be introduced to a specific investment director and their investment team. This direct contact is a vital part of the process and is the reason that we do not employ client relationship managers. Furthermore, it means clients better understand how their money is being managed and investment managers can ensure they respond directly to the client’s needs.

Our investment managers also work alongside a client’s other professional advisers e.g. lawyers, accountants and financial advisers, as they are often integral to the client relationship. Our systems and processes have been developed to align closely with them.



#### 4.4 How often do investment managers meet with clients/advisers?

Owing to the bespoke nature of our relationships, the frequency of meetings is best determined by the client or their adviser. However, our Reliance on adviser approach creates an operating model whereby the client and investment manager do not have to meet.

#### 4.5 Do you have a dedicated sales support team for financial advisers?

Yes. As well as leveraging the expertise of field-based consultants, we also have a dedicated team of UK office-based specialists for financial advisers. This team is led by our head of sales.

Additionally, our head of sales support, is responsible for business development co-ordination and support across RIM in providing our services to the financial adviser market.

#### 4.6 What communications do you make available to financial advisers?

We offer our insight into investing and other topics of relevance to our clients through various publications in print and online.

They include:

- *Investment Insights*, a quarterly publication which covers the main themes affecting today's global economy and financial markets
- *Investment Updates*, which provide our analysis and views on key events and developments across the global economy and markets; and
- *Rathbones Review*, which explores broader issues of interest to our clients.

These titles and a range of other content on topical investment and lifestyle issues are available within the ['Knowledge and insight' section of our website](#). The Insights page also links to more in-depth thought leadership on key issues of the day across a number of thematic hubs such as the [Responsible investment insights hub](#).

Financial advisers can also follow Rathbones on Twitter (@Rathbones1742) and LinkedIn.

Our main website [Rathbones.com](http://Rathbones.com), has a dedicated financial adviser section. Advisers can also subscribe to news alerts from Rathbone Unit Trist Management for regular updates about the range of funds we provide.



#### 4.7 How often are portfolio valuations sent to clients?

Within our Rathbone LED Bespoke Service and our Rathbone LED Managed service, clients receive the following:

- Valuation — produced quarterly in line with MiFID II regulation
- Year-end tax packs including capital gains analysis
- Contract notes where requested

Ad hoc valuations and statements are available at any time via the Online service and we can also supply performance measurement graphs on request.

#### 4.8 Do you have an online service with access to valuations?

Yes. Our MyRathbones portal enables the client, or their adviser, to view a valuation of their portfolio (as at the previous day's close of business), together with a two-year transaction history plus historical valuations and tax packs.

This system utilises industry-standard security technology and practices.

# 5. Fees and Performance

## 5.1 Please provide details of your fees?

As described earlier, our approach is one of delivering value to the underlying client. To offer advisers and their clients access to our LED approach through a product or service providing the appropriate level of service and personalisation and thereby paying no more for this than is necessary.

Therefore, you would expect the total costs to the client of delivering this approach to 'scale up' as the degree of service or personalisation increases. The total MiFID II costs for each product and service and its equivalent risk level fund or strategy is summarised in the table below:

### Rathbones LED Solutions

Rathbone risk level	LED Funds <sup>1</sup>	LED MPS <sup>2</sup>	LED Managed <sup>3</sup>	LED Bespoke <sup>4</sup>
Equivalent to risk level 1	N/A	N/A	N/A	Not currently offered
Equivalent to risk level 2	Rathbone Total Return Portfolio	Cautious Strategy	Rathbone Total Return Portfolio	RFAIT <sup>5</sup> Core 2 Strategy
	0.66%	0.91%	1.26%	1.46%
Equivalent to risk level 3	Rathbone Defensive Growth Portfolio	Balanced Strategy	Rathbone Defensive Growth Portfolio	RFAIT Core 3 Strategy
	0.69%	0.94%	1.29%	1.33%
Equivalent to risk level 4	Rathbone Strategic Growth Portfolio	Balanced Plus Strategy	Rathbone Strategic Growth Portfolio	RFAIT Core 4 Strategy
	0.73%	0.98%	1.33%	1.30%
Equivalent to risk level 5	Rathbone Dynamic Growth Portfolio	Equity Strategy	Rathbone Dynamic Growth Portfolio	RFAIT Core 5 Strategy
	0.72%	0.96%	1.32%	1.26%
Equivalent to risk level 6	Rathbone Enhanced Growth Portfolio	Equity Plus Strategy	Rathbone Enhanced Growth Portfolio	RFAIT Core 6 Strategy
	0.77%	1.02%	1.37%	1.19%

<sup>1</sup>Figures correct as at 30 June 2022 based on s-class shares

<sup>2</sup>Figures correct as at 30 June 2022 based on s-class shares

<sup>3</sup>Figures correct as at 30 June 2022 based on s-class shares. Includes VAT.

<sup>4</sup>Figures correct as at 3 August 2022. Based on investment of £600,000 at 'reliance on adviser' Partnership rate terms. Includes VAT.

<sup>5</sup>The Rathbone Financial Advisors Investment Team (RFAIT) exists to translate the outputs from our Strategic Asset Allocation Committee (SAAC) into a set of strategies relevant to working with financial intermediaries.

### Preferential partnership terms

For firms with significant funds under management invested with the Rathbone Group, preferential 'partnership' rate terms are available to clients within our LED Bespoke Service. This applies to firms operating with us on either the 'reliance on adviser' or 'adviser as introducer' operating models. Details are available on request.

## 5.2 What frequency are fees charged to clients?

Management fees are charged quarterly in arrears, based on the value of the portfolio as at the quarter end. A pro-rata fee is charged for portfolios that are transferred into or out of the investment management service during the quarter.

# Performance

## 5.3 What is your past investment performance?

We have provided GIPS® compliant performance data as an appendix.

## 5.4 Are you GIPS® compliant (or similar) and are your discretionary portfolio statistics externally reviewed?

Yes. Rathbone Investment Management is proud to be one of the first discretionary fund managers within the UK to adopt the Global Investment Performance Standards (GIPS®), having become verified as compliant in March 2014\*.

In order to demonstrate our GIPS® compliant status, all returns for Rathbone Investment Management are externally audited by EY. Once a year, the robustness of our systems, policies, calculation methods and statistical analysis are scrutinised and verified by EY.

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\* Please note that this verification is specifically in relation to sterling portfolios and does not extend to those managed in a foreign currency.

# Appendices



# GIPS® risk level 4 composite

Please find this composite, with data up to 30 June 2022. As referenced in the main body of the document, this is our default composite as this is representative of the largest percentage of our client base.

# Risk level 4 composite

Currency:	Pound sterling
Primary benchmark:	MSCI PIMFA Balanced total return
For the period to:	30 June 2022
Composite inception date:	31 December 2008
Performance return type:	Gross of management fees

Year end	Composite total return	MSCI PIMFA Balanced total return	Composite 3 year standard deviation	MSCI PIMFA Balanced 3 year standard deviation	Number of funds	Composite dispersion	AUM composite (millions)	AUM of firm (millions)	% of firm assets
2012	11.2%	9.6%	8.8%	8.6%	19,908	3.8%	8,875	16,129	55.0%
2013	15.6%	14.2%	8.1%	7.7%	21,964	5.3%	10,812	19,543	55.3%
2014	4.7%	6.9%	7.1%	6.8%	22,992	2.8%	11,584	23,265	49.8%
2015	3.2%	2.0%	7.6%	7.7%	23,784	2.9%	12,001	24,562	48.9%
2016	14.1%	17.4%	6.8%	7.0%	25,049	4.2%	13,899	28,380	49.0%
2017	11.1%	9.9%	6.4%	6.8%	26,503	3.5%	15,467	31,863	48.5%
2018	-4.5%	-4.8%	6.6%	6.7%	26,936	2.6%	14,815	29,936	49.5%
2019	16.4%	16.2%	6.5%	6.6%	30,923	3.6%	16,450	40,173	40.9%
2020	6.0%	1.9%	10.4%	10.5%	31,412	6.1%	17,250	42,119	41.0%
2021	12.6%	12.5%	9.7%	10.0%	32,880	3.1%	19,602	47,119	41.6%

	Composite total return	MSCI PIMFA Balanced total return
YTD	-11.8%	-8.9%
3 month	-7.6%	-6.9%
Rolling 1 year	-6.8%	-4.3%
Rolling 3 year annualised	3.1%	2.9%
Rolling 5 year annualised	4.3%	4.1%
Rolling 10 year annualised	7.1%	7.0%
Since inception	184.9%	170.9%

# Important information

## Statement of GIPS® compliance

The value of investments and the income from them may go down as well as up and you may not get back your original investment. Past performance should not be seen as an indication of future performance. Changes in rates of exchange between currencies may cause the value of investments to decrease or increase.

The firm is defined as all portfolios managed by Rathbone Investment Management Limited (RIM) for GIPS® purposes. Rathbone Investment Management Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. 'Rathbones' is a trading name of Rathbone Investment Management Limited.

From 31<sup>st</sup> December 2008 to 31<sup>st</sup> December 2018 the composite comprised all discretionary medium risk, balanced objective funds. Following a communicated change in Rathbones client risk categorisation bandings, post 31<sup>st</sup> December 2018 the composite comprises all discretionary risk level 4 funds, hence the change in the composite creation date which is 01<sup>st</sup> January 2019. All funds have a minimum value of £75,000 at the start period. A full list of composites are available on request from the RIM performance team.

Rathbone Investment Management Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards.

Rathbone Investment Management Limited has been independently verified by Ernst & Young LLP for the periods 01<sup>st</sup> January 2009 to 31<sup>st</sup> December 2021. The verification reports are available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composites maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The returns are calculated on a time weighted basis, incorporating any cash flows or stock movements in or out of the portfolio as at the date of the transaction. Composite returns are calculated by using underlying portfolio beginning of period weights and monthly returns. Periodic returns are geometrically linked to produce longer period returns. Additional information regarding policies for calculation and reporting of returns is available on request, please contact the RIM performance team.

The performance figures for the composite are before the application of RIM management fees but after all dealing charges. For the attached composite return, RIM charged average fees of 0.70% (pa) which reduced performance by 9.52% over a thirteen year period. The performance figures for the comparator do not include any fees or charges.

Management fee rates should be discussed with your Investment Manager. The standard fee rate on main and ISA portfolios is 1.2% up to £250,000, 1% on the next £500,000, 0.75% on the next £750,000 and 0.5% on the balance over £1,500,000.

The dispersion of annual returns is measured by the asset weighted standard deviation of portfolio returns represented within the composite for the full year.

The three-year annualised standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period.

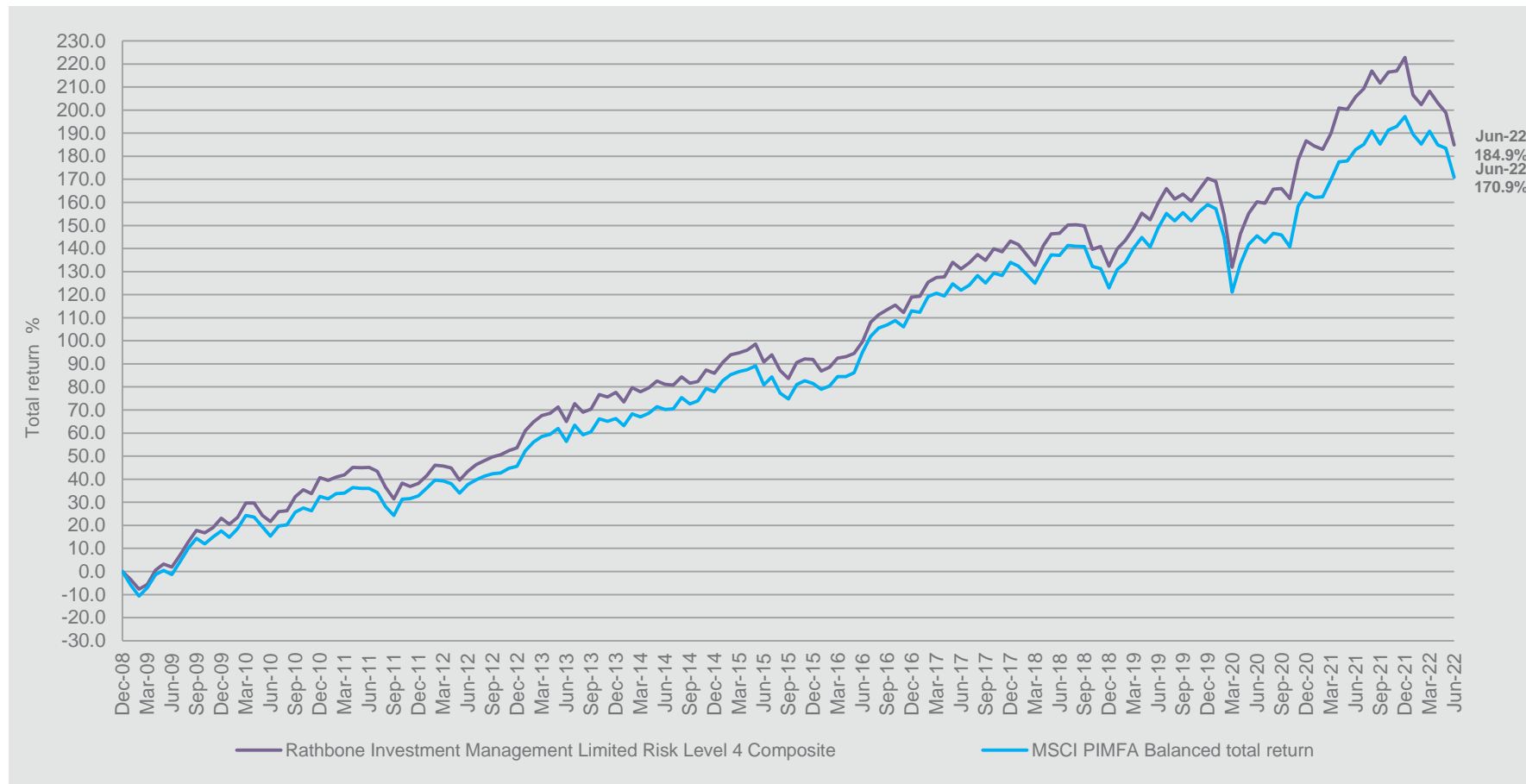
The primary benchmark for this composite is the MSCI Personal Investment Management & Financial Advice Association Balanced Total Return Index (£). This index was launched in 1997 as the FTSE APCIMS Balanced Index, based on the portfolio construction allocation decisions of the PIMFA (formerly APCIMS) member firms, with the aim to provide private client investors with an objective measure of performance against which to compare their investment portfolios, assuming they are domestic investors with a sterling denominated account. From 1<sup>st</sup> March 2017, MSCI has replaced FTSE as the administrator supporting the PIMFA Private Investor Index Series. The current allocation, based on member firm submissions would be a portfolio constructed of 22.5% UK Equities, 40% Overseas Equities, 20% Bonds, 5% Cash, 2.5% Real Estate and 10% Alternatives. These allocations are reviewed quarterly under the guidance of the PIMFA Indices Committee and are subject to change.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request from the RIM performance team.

These figures are a composite of client returns across all RIM offices and cover a range of portfolio structures. They are for illustration only and should not be relied upon as a guide to past performance and potential returns for a particular office, individual investment manager or client portfolio.



# Risk level 4 composite from inception to 30 June 2022



The value of investments and the income from them may go down as well as up and you may not get back your original investment. Past performance should not be seen as an indication of future performance. Changes in rates of exchange between currencies may cause the value of investments to decrease or increase.

# Contact us

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020 7399 0000

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For more information, please visit [rathbones.com](https://www.rathbones.com)

We also have offices at the following locations:

Birmingham	0121 233 2626	<a href="https://www.rathbones.com/office/Birmingham">rathbones.com/office/Birmingham</a>
Bristol	0117 929 1919	<a href="https://www.rathbones.com/office/Bristol">rathbones.com/office/Bristol</a>
Cambridge	01223 229 229	<a href="https://www.rathbones.com/office/Cambridge">rathbones.com/office/Cambridge</a>
Chichester	01243 775 373	<a href="https://www.rathbones.com/office/Chichester">rathbones.com/office/Chichester</a>
Edinburgh	0131 550 1350	<a href="https://www.rathbones.com/office/Edinburgh">rathbones.com/office/Edinburgh</a>
Exeter	01392 201 000	<a href="https://www.rathbones.com/office/Exeter">rathbones.com/office/Exeter</a>
Glasgow	0141 397 9900	<a href="https://www.rathbones.com/office/Glasgow">rathbones.com/office/Glasgow</a>
Kendal	01539 561 457	<a href="https://www.rathbones.com/office/Kendal">rathbones.com/office/Kendal</a>
Liverpool	0151 236 6666	<a href="https://www.rathbones.com/office/Liverpool">rathbones.com/office/Liverpool</a>
Lymington	01590 647 657	<a href="https://www.rathbones.com/office/Lymington">rathbones.com/office/Lymington</a>
Newcastle	0191 255 1440	<a href="https://www.rathbones.com/office/Newcastle">rathbones.com/office/Newcastle</a>
Winchester	01962 857 000	<a href="https://www.rathbones.com/office/Winchester">rathbones.com/office/Winchester</a>

**For ethical investment services:**

Rathbone Greenbank Investments

0117 930 3000

For more information, please visit [rathbonegreenbank.com](https://www.rathbonegreenbank.com)

**For offshore investment management services:**

Rathbone Investment Management International

01534 740 500

For more information, please visit [rathboneimi.com](https://www.rathboneimi.com)

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