

RATHBONES
DUE DILIGENCE FOR
PRIVATE CLIENTS



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HERITAGE, STABILITY,
STEWARDSHIP & TRUST.





ABOUT RATHBONES

Rathbone Brothers Plc, through its subsidiaries, is a leading provider of investment and wealth management services for private investors, charities and trustees. Rathbone Investment Management Limited (Rathbones) is a subsidiary of Rathbone Brothers Plc and offers discretionary investment management services.

We enjoy the stability afforded by being a FTSE 250 listed company with over £15.63 billion of funds under management as at 31 December 2010. Rathbones traces its history back to 1742 and has increasingly focused on financial services over the past century.

All company boards meet quarterly at a minimum. The Executive Management Committee of Rathbone Brothers Plc meets monthly. Biographies of all board members and investment professionals can be found on our website:

www.rathbones.com/about-us/our-people

Rathbones has offices in London, Aberdeen, Birmingham, Bristol, Cambridge, Chichester, Edinburgh, Exeter, Kendal, Liverpool and Winchester. However, investment managers are flexible and can travel to a mutually convenient location. We also have an offshore office in Jersey which is regulated by the Jersey Financial Services Commission.

Clients often come to us on the recommendation of their professional advisers and we pride ourselves on working well with those existing advisers, including accountants and tax professionals, solicitors and independent financial advisers.

COMPANY HISTORY

Rathbones has been managing funds for private investors for over 100 years but the history of the company reaches back to 1742.

1742

Originally founded as timber and shipping merchants in Liverpool in 1742; by World War I Rathbones was managing investments for wealthy private investors.

1988

Comprehensive Financial Services merger with Rathbone Bros & Co and becomes Rathbone Brothers Plc.

1992

Admitted to the London Stock Exchange – full listing.

RATHBONES IS ONE OF THE LARGEST PROVIDERS OF DISCRETIONARY INVESTMENT MANAGEMENT SERVICES IN THE UK.

This table focuses purely on funds managed by Rathbone Investment Management (which therefore excludes Rathbone Unit Trust Management) and compares us to a number of competitor firms with which you may be familiar.

Top ten UK private client wealth managers

(ranked by discretionary assets under management as at 31 December 2009)

	Company	Discretionary AUM ² (£bn)	Total AUM (£bn)
1	Coutts & Co	36.9	43.5
2	GLG Partners	13.9	13.9
3	Brewin Dolphin Ltd	12.2	21.1
4	Rathbones ¹	11.4	12.1
5	HSBC ²	10.1	21.0
6	Schroders	9.3	12.6
7	Rensburg Sheppards	8.1	11.0
8	Newton Investment Management Limited	7.6	7.6
9	Smith & Williamson	7.4	9.2
10	Goldman Sachs International	7.1	23.8*

These figures were taken as at the end of 2009 and were published in the 2010 Private Asset Managers directory.

Source: Private Asset Managers directory, 2010

¹ Rathbones internal data

² Combined data for HSBC Global Asset Managers and HSBC Private Bank

³ Barclays Wealth, St. James's Place and Lloyds TSB Private Banking (total assets under management: £50.8bn, £21.4bn and £11.1bn respectively) do not provide a breakdown of their discretionary assets under management.

* Private Asset Managers directory estimate

RATHBONES – WHAT WE BELIEVE

Our service to private clients is underpinned by fundamental principles which we know are important to our clients.

- Rathbones is focused on developing and delivering an investment and wealth management service which is tailored to the specific needs of private clients, trustees and their advisers.
- We seek to empower our investment managers to draw on our considerable central resources to develop bespoke investment portfolios for our clients, and to offer them a high standard of service.
- We are not restricted on which investment products and assets we can buy for clients by anything other than our own judgement about what is appropriate. This includes a specialist expertise on ethical investment for those clients who want their investments to meet their ethical, social and environmental concerns.
- Our fees and charges are transparent – we are not influenced by the commission payable on third party products. We actively seek to be rewarded only by the fees we charge. We only allow qualified and experienced investment professionals to meet with clients, and to advise on and manage their investments.
- We are committed to treating clients fairly and to building long-standing relationships with clients and their advisers on a basis of mutual trust.
- Our offering is competitively priced, in part due to our focus on private clients and trustees, rather than trying to combine this with businesses such as corporate broking or corporate finance.
- We value our people and our high staff retention rate amongst investment professionals gives clients confidence that the individuals they know and trust will remain with us for years to come.

1995

Acquisition of Laurence Keen.

1996

Acquisition of Neilson Cobbold.

2004

Formation of specialist ethical investment unit Rathbone Greenbank Investments.

2006

Acquisition of Dexia's UK private banking business.

2008

Acquisition of Citywall Financial Management in Exeter.

2009

Acquisition of a number of private client portfolios from Lloyds Banking Group and the entry into an exclusive client referral and distribution agreement.



INVESTMENT PROCESS

OUR INVESTMENT PHILOSOPHY

Central to our investment philosophy is the belief that deciding on a basic structure or asset allocation provides a vital framework and thus discipline and guidance when managing funds for all our clients. This structure will vary according to each client's individual mandate, and change over time as economic conditions and prospects for asset classes change. Every client is different, and as a client of Rathbones you can expect a personalised service.

We believe in pragmatism, using a variety of investment styles and philosophies that we consider are suitable to the market conditions prevailing at the time of investment. We believe it is essential to consider the liquidity of all of our holdings in a variety of market conditions and how sensitive our investment choices might be to market movements, whether they are individual equities, bonds or funds.

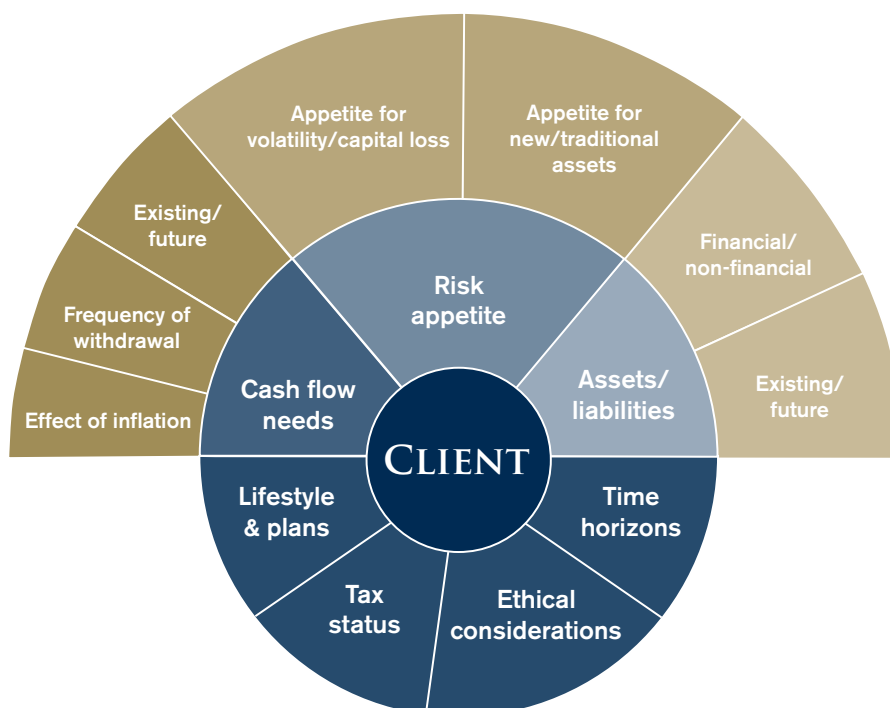
These considerations reflect our concerns over managing risk and this is also a major consideration in the use of alternative investments selected to complement and offset the risks and return profiles of other more traditional investments.

We believe that it is crucial to source investments on a whole-of-market basis using our in house research teams. Importantly, this means that we do not suffer conflicts of interest in selecting individual holdings.

ESTABLISHING INVESTMENT OBJECTIVES

Building a bespoke portfolio to meet your specific needs means considering a wide range of factors that are invariably different for each client we see.

Our investment managers maintain an awareness of the risk/reward characteristics of each asset class and the effect these can have on the overall balance of the fund. In some cases we are asked to manage a pure equity or fixed interest fund, 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.





BUILDING CLIENT PORTFOLIOS

Our view on strategic asset allocation guides investment managers in the long-term structure of an investment portfolio. A client's overall portfolio structure is generally revisited only when there is a significant change in circumstances – such as the need to rebalance after major price movements or a change in the client's brief/mandate.

The portfolio structure will be tailored to each individual client's needs – their objectives, risk tolerance and any special circumstances. We believe that time spent with a client and the information they give us is essential to the full understanding of their mandate.

Whether the assets to be managed by Rathbones are part of a series of mandates or are a self-contained entity, we rely on our clients to communicate and discuss with us their circumstances as they develop, so their portfolio can be managed accordingly. Having established a client's objectives and risk requirements, the investment manager will begin to build a bespoke portfolio. We can draw on the various in-house model portfolios to which we have referred as well as using the recommended lists for each of the asset classes covered.

ASSET ALLOCATION

Building a suitable portfolio to meet your specific needs starts with identifying a suitable asset allocation model.

Asset allocation is the process of deciding how a portfolio is split between the available types or classes of investments.

A portfolio structure does not change substantially unless a client changes the mandate or alternatively, if our fundamental long-term view on asset classes has altered. We do, however, make tactical changes to portfolios to reflect exposure of the various asset classes used.

The initial stage of the asset allocation process is to determine our views on the outlook for the various asset classes in which we invest and how they may be used to create a portfolio. These views incorporate expectations on macroeconomic issues such as:

- interest rates
- inflation
- liquidity
- currencies
- geopolitical background
- earnings growth
- cash flow
- dividend growth
- valuations across and within asset classes.

The committee's work is well-resourced and supported by our own in-house research team with intelligence drawn from a variety of external sources.

This process is driven by Rathbones' Strategic Asset Allocation Committee, the membership of which is drawn widely from across Rathbones, incorporating a range of investment professionals with distinct skills and expertise in key areas. The committee meets quarterly.

This work is essential to support our investment professionals in forming an opinion about the state of the world economy and the investment opportunities available. The committee provides input and help in decision-making, and ensures the process is practical and relevant for the particular needs of our clients.

The strategic asset allocation process allows us to decide which asset classes to include in a portfolio and the proportions to be allocated to each area. Asset classes that can be incorporated into our process include cash and fixed interest stocks, bonds, property, commodities, fund of hedge funds, equities, private equity and structured products. Exposure to property, commodities and private equity is usually via managed funds, structured vehicles and exchange traded funds.

KEY INPUTS AND OUTPUTS INCLUDE:

Inputs

Executive members of the committee submit a summary of views ahead of meeting (covering each asset class).

Our in-house asset allocation analyst collates a data book of information including:

- model performance
- data and key macro data
- statistics and information.

Additional external views and opinions from investment practitioners, strategists, policy-makers, key surveys and economists including Lombard Street Research, Capital Economics, Wolfe Trahan, Bank Credit Analyst and Macro Research Board.

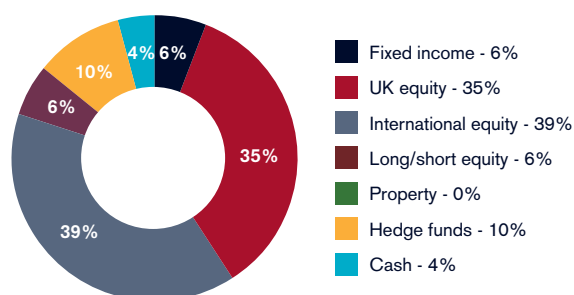
Outputs

Changes are implemented to Rathbones' asset allocation models.

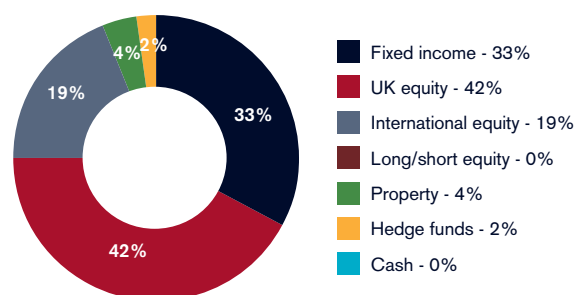
Detailed minutes are produced.

Changes are delivered directly to Rathbone investment managers via the investment managers' weekly meeting and the intranet.

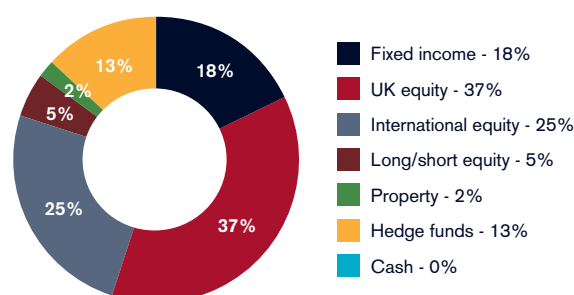
GROWTH MODEL



INCOME MODEL



BALANCED MODEL



Rathbones produces five asset allocation models for its investment managers, to assist them in constructing portfolios suitable for individual clients.

Investment managers produce bespoke investment portfolios for their clients so the model portfolios act as a guide and reference point for a variety of mandates. Investment managers are not compelled to fit a client to a model and we believe that every client will ultimately need an individual combination of assets, suitable for their circumstances.

Tax issues are an important consideration for many private clients and can lead to significant differences between private client and institutional portfolio construction. We therefore endeavour to incorporate these in to our process.

The model portfolios are a distillation of our views of the various available asset classes. We examine historic performances, volatility and correlation between asset classes, using a specialised database that allows us to manipulate and back test various asset combinations to help create our in-house models.

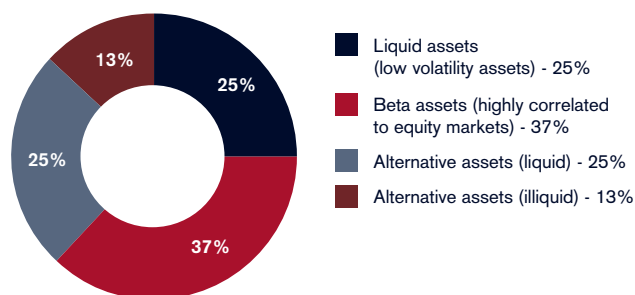
Although it is possible to construct portfolios based solely on historic performance and concentrating on asset classes which have produced the best returns, structural changes and anomalous periods can distort historic figures and these figures are inevitably backward looking. We therefore make our own interpretation of prospects for the future to achieve the appropriate mix of assets. This helps to create portfolios suitable for a client's circumstances and allows us to incorporate risk considerations into building a portfolio.

An expanding pool of assets suitable for private clients in recent years, coupled with the significant difference in the way in which income and capital gains are now taxed, has given rise to a more diversified approach to constructing portfolios than in the past.

The model portfolios we construct aim to produce an effective risk-adjusted combination of assets. They provide guidance to our investment managers, which is applied pragmatically depending on clients' individual circumstances and preferences due to the truly bespoke nature of our service.

We have three models that are designed to meet the broad investment requirements of growth, income or a balance between the two. They are related to but are not identical to industry standard indices constructed by the Association of Private Client Investment Managers and Stockbrokers (APCIMS).

TOTAL RETURN MODEL



Liquid assets (L)

Liquid assets includes assets that do not contain much credit risk, will not suffer huge volatility and can be easily disposed of, if clients require funds. Investors will not suffer much duration risk unless fund managers make the active decision to invest further out “on the curve”.

Beta assets (B)

Includes equities and all those assets which behave like equities. These assets are generally more volatile than liquid assets.

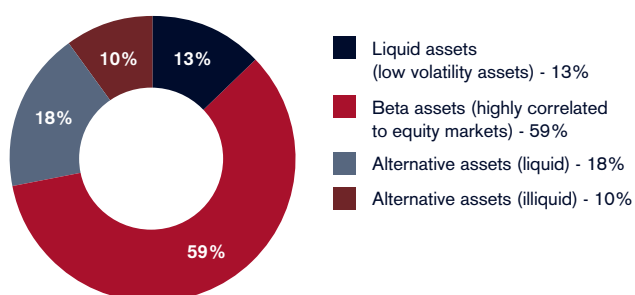
Alternative assets (A)

Includes all those assets that demonstrate lower correlation to equity markets compared with Beta assets.

These include

- precious metals
- agriculture
- macro/trading orientated hedge funds
- long/short equity and funds with absolute return mandates
- illiquid assets, where the underlying remains illiquid even if the vehicle offers some liquidity.

STRATEGIC GROWTH MODEL



- The **Growth model** is a relatively aggressive model where the weightings are increased and decreased more actively than the other two models and this is the most equity-biased model.
- The **Balanced model** is more evenly divided between Income and Growth orientated investments. It does not take risk into account in terms of equity or market volatility. It has exposure to a broad range of asset classes but has a smaller allocation to alternative assets than the **strategic growth** or **total return** models.
- The **Income model**, as the name suggests, is primarily designed to generate more regular cash flow than the other two related APCIMS models and usually has a greater bias towards fixed interest holdings.

In addition two further models are produced which aim to move beyond the arguably more traditional approach taken by the related APCIMS models that focus on whether the return comes from growth or income.

For clients looking for low/moderate capital risk our **Strategic Growth model** aims to outperform the APCIMS Balanced Index on a ‘risk-adjusted’ basis by incorporating a wider range of asset classes and introducing a greater exposure to structures and securities that are less correlated to each other. This model has a greater emphasis on alternative investments to achieve this strategy.

The **Total Return model** takes this approach one step further. It is for more risk-averse clients looking for tax efficient total returns without experiencing significant downside volatility. The benchmark for performance for this model is LIBOR +2% over a rolling 3 year period.

In constructing the models which incorporate a broader range of asset classes, we attach importance to the liquidity of investments, as this is a very significant component of the risk assessment process. This is particularly relevant for private clients who may need to access some or all of their funds at any given moment.

We offer a personalised service, and as such you should not expect your portfolio to mirror any of these models precisely. We should emphasise that our models are not intended to restrict investment managers’ flexibility to meet individual clients’ needs and we do not require them to adhere to our model portfolios, 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.

For each model mentioned our Strategic Asset Allocation Committee (SAAC) determines asset allocation models, which summarise our central view on the proportion of each asset type to be held within each. These are reviewed on a quarterly basis. The models were last reviewed on 3 March 2011 and the diagrams shown on pages 8 and 9 show you the current position.



INVESTMENT SELECTION

Once an asset allocation designed to meet your individual requirements is decided on, we draw on our investment selection process to populate an investment portfolio.

This process gives rise to recommended lists for each asset class from which investment managers will largely draw when selecting individual holdings suitable for each mandate.

Our whole-of-market approach allows us to select the best investments available in each asset class across all markets without any conflicts of interest. The stock or fund selection process is tailored to the particular characteristics of each asset class and we look at:

- fixed interest stocks and bonds;
- equities;
- alternative assets – including fund of hedge funds, long short funds, structured products and private equity;
- property;
- commodities;
- collectives – both open and closed ended, on and offshore;
- cash.

The recommended lists are the result of a significant amount of research conducted within Rathbones by investment managers, our research team and third party research. Committees looking at equities and bonds, managed funds and alternative assets aim to distil both their own views and those of other investment managers across the firm.

Inputs into this process include meetings with company management teams and investment firms whose companies and funds/products we invest in. Because of Rathbones' size and buying power we are able to gain direct and exclusive access with many meetings taking place in our own offices. This allows our investment managers all important direct access to companies and funds, which is all part of fostering a dynamic investment culture.

External research sources		
ABN AMRO	JP Morgan Cazenove	Redburn Partners
Barclays Capital	Liberum Capital	Sanford Bernstein
Citigroup	Mirabaud Securities	Shore Capital
Collins Stewart	Morgan Stanley	Societe Generale
Credit Suisse	Nomura	South China Research
Evolution	Numis Securities	UBS Warburg
HSBC	Panmure Gordon	
Investec	RBS	

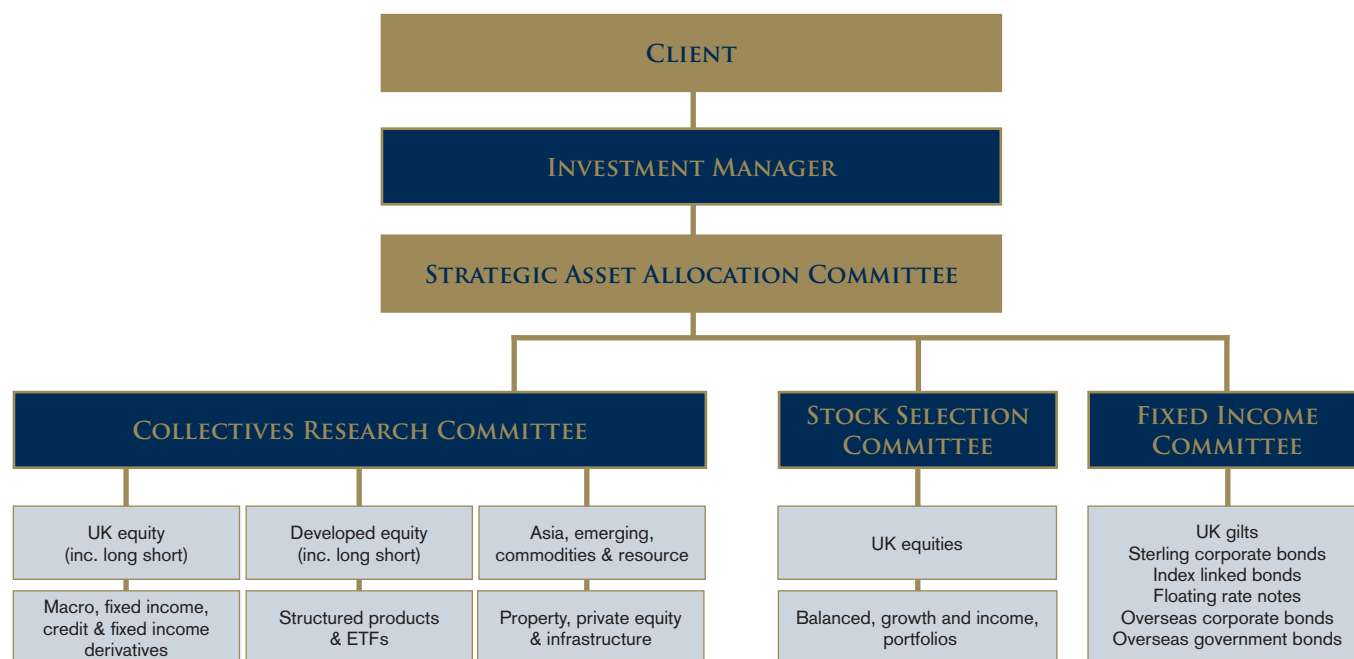
(as at 31 December 2010)

Third-party research is also part of this process and this flow of information is assisted by Rathbones' ownership status (i.e. not being part of a large bank with a corporate broking arm).

Our recommended lists classify the nature of access to an asset class e.g. gold as an asset class might be accessed via an exchange traded fund (ETF) or via the shares of a gold mining company – the characteristics of those two options in terms of volatility and liquidity will differ markedly. The implications of each choice are carefully considered and highlighted.

The diagram below illustrates the two way flow of information that is communicated between the Strategic Asset Allocation Committee (SAAC), various research committees and your investment manager. The SAAC output informs the investment manager's thinking, which is then applied to the client's portfolio according to their requirements.

THE RATHBONE INVESTMENT PROCESS



CONTROL PROCESS AND MONITORING PERFORMANCE

Monitoring the ongoing performance of your portfolio is as important to us as it is to you.

We use main market indices including FTSE 100 Index, FTSE All-Share Index, Government Securities Index, APCIMS income, capital and balanced indices. Senior management audit investment managers' performance on a quarterly basis. They monitor deviation to the relevant indices to ensure inappropriate risk is not being taken. In addition, monthly peer group reviews are undertaken to monitor suitability and transaction levels in conjunction with performance.

Our investment professionals are given the latitude to construct portfolios and select stocks on behalf of their clients. This latitude is counterbalanced by rigorous checks, monitoring and audit trails at different levels within Rathbones.

Each month an independent review of sample portfolios and client files is carried out. We examine the validity of the regulatory documentation and the investment policy specified by the client, and confirm it matches that adopted by our investment managers. This also checks that the stock selection is suitable for the client, and service standards and investment returns are measured and noted.

Each quarter, the performance of all portfolios managed by each of our investment managers is analysed and we review any whose returns fall outside, either above or below, our predetermined tolerances. Those that fall outside this banding require a written explanation from the investment manager concerned.

REPORTING LINES AND RESPONSIBILITY FOR THE CLIENT PORTFOLIO

The ultimate responsibility for the management of a client portfolio rests with your investment manager. However, senior management review all client transactions on a daily basis and all fund performance on a quarterly basis. In addition, any market transaction over a minimum size, at company level, may be discussed at our weekly meeting attended by investment management staff across all regional offices, either in person or by conference call.

Investment policies and risk parameters are generally agreed on an individual basis with clients at the outset of the relationship and periodically reviewed. Our front office systems allow investment managers to view groups of client portfolios according to these parameters and to analyse sector, stock and other weightings within these categories. These individual requirements are checked through our internal peer group review process where individual client portfolios are reviewed against client files; we also conduct performance analysis to make sure that client portfolios are performing in line with peers and other similar portfolios.

Our peer group review process is documented and any issues followed up both within investment management and compliance. Where there is central monitoring through our front office system of defined asset weighting parameters, our systems maintain audit trails and monitoring exercises are documented.

RETAIL VERSUS INSTITUTIONAL FUNDS

Rathbones holds approximately a third of its total assets in collective investments such as unit trusts and OEICs. Our fund approval process includes the negotiation of preferential fees, a benefit which we pass to our investors. We seek to secure the best terms possible for our clients and our size and buying power means that we often have access to institutional share classes – that is those that charge lower fees. Wherever possible we purchase these types of units in order to reduce costs to clients, and often request creation of institutional units where they do not exist.

The Rathbones investment process is designed to seek out the best of breed investment opportunities across world markets. Our research covers third party funds and products from a range of investment firms of all sizes from specialist boutiques to international houses.

ACCOUNT OPENING

Your investment manager will take responsibility for managing the client account opening process. Handling client administration is a vital aspect of Rathbones' client service and is fully supported by operational teams dealing with all aspects of a discretionary investment management service. Excluding OEICs (Open Ended Investment Company), the transfer of which can take up to three months, this would be carried out as follows:

1. Completion of account opening forms and supply of the relevant money laundering documentation.
2. Once all the accounts have been opened at Rathbones and the instructions given to transfer the assets, the process takes place relatively quickly. Stocks are usually transferred in a period of approximately seven days, with unit trusts and OEICs taking longer. It should be noted that it is more difficult to sell holdings during this period.
3. The reorganisation of the portfolios will be progressive and not prescriptive, driven by both opportunity and the differences between the appropriate Rathbones portfolio structures and the existing portfolio structure. Past experience would suggest that it could take up to six months for the portfolios to become completely aligned with the new Rathbones strategy, market and taxation conditions permitting, but it should be stressed that this timetable is something that your investment manager would discuss with you.

CLIENT REPORTING AND REVIEW

THE INITIAL AND ONGOING BASIS OF OUR INVESTMENT SERVICE IS OUR CLIENT'S OBJECTIVES, RISK TOLERANCE AND ANY SPECIAL CIRCUMSTANCES. WE BELIEVE THAT TIME SPENT WITH A CLIENT AND THE INFORMATION THEY GIVE US IS ESSENTIAL TO THE FULL UNDERSTANDING OF ANY MANDATE.

These are some of the most important items of information that a client should tell us:

- Lifestyle and objectives
- Capital growth or preservation
- Absolute or relative return
- Appetite for risk versus the return objectives
- Income requirement
- Time horizon
- Tax position
- Large holdings
- Ethical concerns
- Inheritance considerations
- Their knowledge and experience of investments.

We rely on a two-way dialogue with our clients to communicate and discuss their circumstances with us as they change, so their portfolio can be managed accordingly.

You can expect to receive the following:

- Valuation – produced quarterly or half yearly
- Year end tax pack including capital gains analysis
- Contract notes (optional)
- Annual regulatory report.

Ad hoc valuations and statements are available at any time, and likewise performance measurement graphs can be supplied on request.

PORTFOLIO VALUATIONS

Clear and timely communication in relation to your portfolio is important.

Rathbones has always invested to ensure that its client reporting is of the highest quality. It is designed to get to the heart of what our clients actually want to know.

The question is usually, 'how much is my portfolio(s) worth, how much has the capital value changed and what is the income generated?'. As a result the main information shown outlines the market value of the portfolio (or portfolios if a client has an ISA and/or SIPP accounts as well), the increase in value in absolute and percentage terms since the previous valuation allowing for cash withdrawn and invested, the estimated annual income and the yield.

The information is set out in a format resembling bank statements – i.e. a format that the majority of clients are familiar and comfortable with. The order of reports is logical also, with summaries at the start and increasing detail as the report progresses – Rathbones seeks to be clear and transparent.

ONLINE VALUATIONS

Rathbones can provide clients with access to its online valuation system at their request. Clients and their advisers are provided with secure login access to view a detailed valuation of the portfolio as at previous day's close of business, together with a 90 day transaction history.

PERFORMANCE DATA AND GRAPHS

Valuations include a performance summary for the period of the valuation by individual fund (e.g. main fund or ISA) and for the overall client portfolio. This is calculated on a time and money weighted basis using the standard GIPS (Global Investment Performance Standard) methodology. On client request we can provide detailed performance data for any period in tabular or graphical format.

RATHBONES' YEAR END TAX PACK

Issued annually, Rathbones prepares most of the paperwork required for clients' tax returns. The aim is to help reduce the time and effort involved in the preparation of a tax return and we can send these documents directly to a client's accountant.

RATHBONES' ANNUAL REGULATORY REPORT

Rathbones issues an annual report to its clients which outlines information held on them and provides an opportunity for clients and investment managers to address any change in a client's circumstances that is flagged up by this process. Areas it covers include:

- Portfolio details i.e. risk profile and investment objectives
- Personal details
- Report on the custody of all holdings
- Terms of business update.

YOUR INVESTMENT MANAGER

As a client you will have direct access to the investment manager responsible for your portfolio. Direct access to our investment managers means that clients understand how their money is being managed and investment managers can ensure they respond to their clients' needs. Our investment managers also work alongside clients' other professional advisers, such as lawyers, accountants and independent financial advisers. They are often integral to the client relationship and our systems and processes have been developed to work closely with them.

CLIENT CONTACT

The frequency of client contact is agreed between the client and investment manager. It is often appropriate to have a meeting in the first six months, after which meetings are typically arranged annually, or when the client's circumstances change. There is no charge made for meeting clients and our investment managers will travel to meet you as required. In addition, clients have access to their investment manager by email or telephone during business hours, to answer questions as they arise.

FEES

Our fees cover active management provided by a dedicated investment manager who will be responsible for your investment portfolio.

We offer you a choice of fees structures:

- A fee based management charge; or
- A lower management fee plus dealing charges.

A full schedule of charges is available upon request.

CUSTODIAN/NOMINEE SERVICES

Rathbones' preferred option is to use its own custodian and banking services. We believe this provides the most efficient and best value service to the client. We use the Bank of New York as custodian for overseas securities.

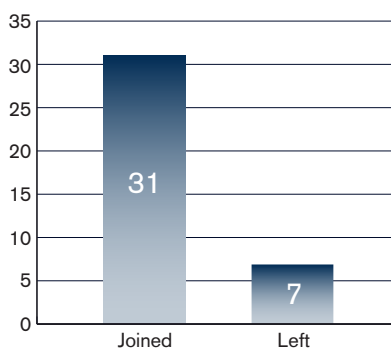
In accordance with the rules and requirements of our regulators, the Financial Services Authority, Rathbone Investment Management Ltd is required to maintain clear and comprehensive records of any safe custody investments held on behalf of our clients. These investments are held separately from the company's own assets and investments, in identifiable client accounts. This means that our clients' assets are 'ring-fenced' from the assets of Rathbones.

As a result of the need to 'ring-fence' client assets, these are held in our separate nominee company – Rathbone Nominees Limited. This ensures that the regulator is fully aware of which assets held by Rathbones relate to its clients.

STAFF

Rathbones employs 196 investment professionals and a further 569 staff are employed in administrative and operational functions (as at 31 December 2010)*. The turnover of our investment directors over the last 5 years is shown below. This excludes retirement and illness.

Number of investment directors who have joined and left Rathbones in the last 5 years



The above reflects the acquisition of the investment businesses from Dexia in April 2006 and from Lloyds Banking group in 2010. Rathbones continues to attract high quality investment professionals with a number of teams joining in this period. No senior key investment directors have left.

INVESTMENT MANAGER QUALIFICATIONS

All new investment managers are required to obtain either the Chartered Institute for Securities and Investment Diploma or Chartered Financial Analyst status, and investment professionals at all levels regularly receive training on investment, regulatory and other topical issues in order to maintain and improve professional standards.

QUALITY CONTROL AND INSURANCE

The company maintains an internal audit function that is segregated from other departments in terms of management responsibility, reporting directly to the chief executive. The department has a continuous programme of business areas and priorities to review. Reports on the findings of each review are delivered to the chief executive and management for response and action as required (and are also submitted to the Audit Committee, chaired by a non-executive director).

The compliance department also conduct their own extensive programme of monitoring to ensure that activity remains in line with FSA regulations.

REGISTERED OFFICE ADDRESS AND COMPANIES HOUSE NUMBER

The registered office of Rathbones Brothers Plc is:

159 New Bond Street
London
W1S 2UD

Please see our website www.rathbones.com for full details of our branch addresses and contacts.

Our Companies House number is 01000403.

AUDITOR

KPMG Audit Plc
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB

*This figure includes investment professionals working for Rathbone Investment Management and Rathbone Unit Trust Management



RATHBONES
Established 1742