

Rathbones

# Charity Investment Management

An investment service  
for charities that is  
bespoke and personal.



**Rathbones offers private investors, charities and trustees a high-quality, personalised investment management service designed to meet their individual needs and delivered directly by qualified, experienced investment professionals.**

**The charities entrusting £1.4 billion of funds under management to Rathbones include religious and medical charities, Livery Companies, and organisations concerned with the arts, education, rural and social issues, and animal welfare.**

**With 11 offices nationally and over £12 billion of funds under management, Rathbones is part of Rathbone Brothers Plc which remains an independent company with a listing on the London Stock Exchange.**





# Welcome to Rathbones

While no two charities are the same, all trustees face similar challenges in meeting their responsibilities.

You need to be confident that your charity's investments will be well-managed, to an appropriate brief, by investment professionals whose skills you trust. To help do this you will need the right information to allow you to review and assess those professionals.

We aim to help you achieve this by offering a flexible, bespoke, investment management service delivered by expert and experienced professionals with whom you will deal directly, and who can therefore gain a real understanding of your investment needs.

## The arts

"Excellent culture takes and combines complex meanings, gives us new insights and new understandings of the world around us and is relevant to every single one of us. It is why culture is so important to societies that flourish."

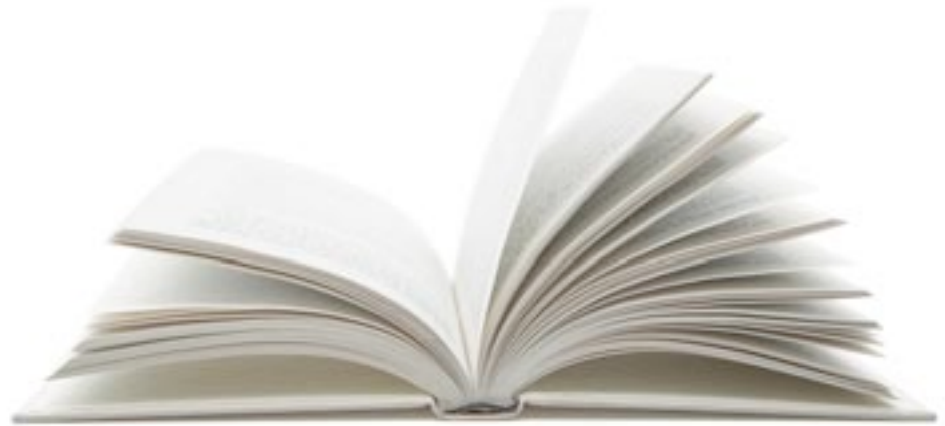
The McMaster Review  
Supporting excellence in the arts (January 2008)



## Education

“Upon the education of the people of this country,  
the fate of this country depends.”

Benjamin Disraeli



# Getting to know you

You will have direct access to our investment professionals for all aspects of the management and administration of your portfolio. We aim to build long-term relationships with our clients by spending time with each client, both initially and on a regular basis, to get a real understanding of what is required.

Charities, like commercial organisations, face pressure to deliver on their stated aims. The income that your investments generate can be crucial. Maintaining the right balance between preserving your capital and generating sufficient income and, of course, dealing with the unexpected, is often key. Your investment solutions will need to adjust to the changing circumstances of your charity, whether they are gradual or more unexpected.

In addition, nearly a third of our charity clients have specific ethical investment considerations and this trend is increasing. Rathbones has a long-standing and recognised expertise in this area and our specialist ethical division, Rathbone Greenbank Investments, can help address these needs. These may include the screening out of certain investments that do not fit with your charity's objectives or asking us proactively to seek developments for you to support through investment.



#### **Social welfare**

Arguably the earliest charitable institutions in England are the almshouses, established to enable people in need to retain their independence and to live in their local community. The first recorded almshouse was founded by King Athelstan (895 – 939).

Increasingly trustees are asking for help and guidance as to how they should select an investment manager. We will freely give advice on the sort of factors you might wish to consider before employing an investment manager.

If appointed, we will construct an investment strategy with you, which will include performance measurement, the selection of an agreed benchmark, appropriate time horizons and your attitude to risk. From this we can develop an outline asset allocation.

Our charity clients' objectives cover a range of areas including the arts, education, medicine, Livery Companies, social concerns and religious issues. That breadth of client base gives us a good understanding of the diverse aims, objectives and needs, and the differing legal requirements for charities across the UK.

# Meeting your charity's needs

Rathbones manages all charity investment portfolios on an individual, segregated basis in line with a strategy that is agreed with each charity. We look after the day-to-day management of each portfolio on a discretionary basis, that is with us taking responsibility for the decision to buy and sell individual investments. This contrasts with the use of common investment funds – an approach taken by some investment managers, particularly for smaller charities.

Your portfolio will reflect your needs and we do not artificially restrict the investment universe from which we select investments. The full range of asset classes will potentially be employed from direct equities and fixed income to, where appropriate, alternative investments such as funds of hedge funds.

Your portfolio will be able to accommodate any ethical concerns you have and will benefit from our ability to include investment funds and products, where suitable, from a range of third party institutions.

This ability to select investments on a best-of-breed basis is something we feel strongly about. Our investment managers are free to make decisions based on what they think is the best investment solution for you.

That freedom of decision-making should be seen against the background of the Rathbone Investment Process, which is explained further on page 6.

## Religious charities

The work of religious charities is based on many different faiths. It is, more often than not, hands-on practical work with the poor, the hungry and the homeless in the UK and abroad.





#### **Animal welfare**

As Mahatma Gandhi said: "The greatness of a nation and its moral progress can be judged by the way its animals are treated." The work that animal welfare charities carry out doesn't just cover practical care in protecting domestic animals from cruelty but includes other activities such as research, campaigning and preserving habitats – here and overseas.

## **Our credentials**

Rathbones has looked after charity investments for over 100 years. In recent years our reputation in the sector has grown significantly and we now manage £1.4 billion of charitable funds.

Our charity investment managers will typically have 10 to 15 years' experience and in some cases considerably more. Biographies of individual team members are available in the back of this brochure or on our website at [www.rathbones.com](http://www.rathbones.com).

In addition to the various regulatory and professional bodies with which investment managers are associated, we are members of the Institute of Legacy Management, the Charity Law Association and the Charity Finance Directors Group, and we aim to keep up-to-date with the issues that are important to you.

Rathbones is the majority operating subsidiary of Rathbone Brothers Plc which remains an independent company with a listing on the London Stock Exchange.

# How we approach investment

All our charity clients benefit from the success of the Rathbone Investment Process, which combines the intellectual capital of all our investment professionals.

The Rathbone Investment Process draws on a broad range of inputs – a benefit of being an independent company with no ties to any one research source. This includes a constant flow of market information and ideas from brokers, analysts and fund managers from across the City and further afield, many of whom we have formed strong relationships with over the years.

The Rathbone Investment Process guides our investment managers' decision-making but their judgement and expertise, along with their knowledge of a charity's individual requirements, remain paramount.

## Rural charities

As the nature of rural Britain changes, rural charities seek to promote and preserve the beauty and diversity of the countryside, and the well-being of rural communities.



### Livery Companies

Trade and craft associations have flourished all over Europe for many centuries, but Livery Companies are perhaps unique in their survival, number and diversity. In recent times many have broadened their giving, benefiting, amongst others, causes in developing countries, people with disabilities, the arts, young people and medical research.



## Peace of mind

Whilst investment managers will make the final asset allocation decisions as well as investment selection for a client, a range of internal performance monitoring and risk control processes are in place to ensure the quality of service and fulfilment of your objectives.

Regular hard copy portfolio valuations are designed to provide the information our clients actually want in a form that is clear and transparent. In addition, we are able to provide access to up-to-date valuations online or by email. Contract notes are sent out informing you each time an investment is bought or sold within the investment portfolio.

We have invested heavily in our ability to monitor the performance of clients' investments and have deployed sophisticated, market-leading software which enables us to provide some of the most comprehensive performance and portfolio information available. If you wish to check the performance status via an external performance measurement organisation we can arrange this for you. Rathbones uses the services of The WM Company.

Most importantly, Rathbones' investment managers are available to meet clients directly on a regular basis to review portfolios and respond to any changing requirements, either at one of our 11 offices throughout the UK or at a location to suit you.

# Keeping in touch

As part of our on-going service to charity clients, we host a range of seminars and workshops for trustees throughout the UK, often in conjunction with other specialist professionals, designed to address a range of topical subjects.

We are often asked to brief trustees on relevant investment topics and, in addition, we can offer bespoke training sessions for individual charities. These sessions can be especially helpful in de-mystifying the subject and highlighting changes in investment approaches and newer investment opportunities as the market changes.

Outside the regular reports trustees receive from us, we encourage our clients to contact their investment manager at any time.

## Medical charities

The medical charities we look after at Rathbones are diverse; from large NHS trusts to children's hospices, and from research in a range of fields to medical funding.







# Our offices

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