

RATHBONES

BESPOKE (RELIANCE ON ADVISER) FOR ADVISED CLIENTS

PROPOSITION SUMMARY

Bespoke — Reliance on Adviser (RoA) is an adviser-led discretionary service provided by Rathbones Investment Management (RIM). The client must have a relationship with an FCA authorised Financial Adviser, who is responsible for assessing client suitability. The service provides clients with an investment portfolio, constructed by their dedicated investment professional and tailored to meet their specific investment objectives.

SERVICE FEATURES AND BENEFITS

Portfolio Management	✓
Regular payments (monthly or quarterly)	✓
Scheduled withdrawals for income (monthly or quarterly)	✓
CGT allowance management	✓
Auto ISA subscriptions for future years	✓
Quarterly valuations and tax packs	✓
Access to online services 'My Rathbones'	✓
Rathbones custody	✓
Portfolio tailored to specific client needs	✓

SUPPORTED ACCOUNT TYPES*

General investment account	✓
ISAs and JISAs	✓
SIPPs (subject to provider agreement)	✓
Charity accounts	✓
Company accounts	✓
Trusts and settlements including Bare Trust	✓
Offshore bonds (subject to provider agreement)	✓

* The service is not available for international clients (including those of US residency) as well as alternative investment market portfolios (AIM) and Business relief mandate portfolios.

RATHBONES RISK STRATEGIES

STRATEGY	1	2	3	4	5	6
Suggested min. time horizon (years)	3 to 5		6 to 10		10+	
Liquidity	45.0%	31.0%	26.0%	18.5%	5.0%	0.5%
Equity-type risk – Fixed interest	16.0%	17.5%	10.0%	7.0%	4.5%	
Equity-type risk – Pure equity	9.5%	33.0%	49.0%	65.0%	83.0%	99.5%
Diversifiers	29.5%	18.5%	15.0%	9.5%	7.5%	
Long-term return objective	cash +1%	cash +2%	inflation +2%	inflation +3%	inflation +4%	inflation +5%
Benchmark²	Benchmark 1	Benchmark 2	Benchmark 3	Benchmark 4	Benchmark 5	Benchmark 6
Worst drawdown	-16.4%	-13.5%	-19.6%	-25.8%	-31.4%	-34.9%

The asset allocation shown for each strategy reflects the Benchmark weighting for each asset class as of 1 October 2023. Inflation is measured as the Consumer Price Index (CPI) from the UK's Office for National Statistics. Sterling cash is measured as SONIA (sterling overnight index average) from the Bank of England. Prior to 1 January 2021 cash was measured as 3-month UK LIBOR from the Intercontinental Exchange (ICE). Drawdown is determined by reference to the period from 30 September 2003 to 30 September 2023 and is based on simulated performance of the Benchmarks prior to their inception in January 2021.

The table shows the asset breakdown of our six risk strategies. Each risk strategy is constructed and managed in line with our distinctive LED (Liquidity, Equity-type risk, and Diversifiers) investment framework. This focuses on the relationship between different types of assets. The client's portfolio is constructed to meet their specific investment objectives, and the LED allocations shown for each risk level may therefore deviate slightly. Further detail on the six Rathbone benchmarks can be found at [Rathbones.com/benchmarks](https://www.rathbones.com/benchmarks) or from your investment manager. All bespoke portfolios benefit from Rathbones' robust investment process and research capability across both traditional and sustainable investment markets, together with the knowledge and experience of the Investment Manager.

TARGET MARKET

Investment values: positive target market from £300,000 up to £10,000,000, though the service may be applicable for higher or lower values dependant on client characteristics, needs and objectives.

Client characteristics, needs and objectives: In addition to Investment value, the table below highlights the criteria that the service has been designed to meet (Positive), and those that it cannot meet (Negative).

	Positive target market	Negative target market
Characteristics (minimum entry requirements)		
Knowledge and experience		
Low/basic (or higher)	✓	
+		
Ability to bear loss		
Ability to bear partial loss (or greater)	✓	
Full capital protection, no/negligible capacity for loss		✗
+		
Risk tolerance		
Appetite for putting capital at risk	✓	
No/negligible investment risk tolerance		✗
+		
Time horizon		
Greater than 5 years (3 years for risk level 2 only)	✓	
Less than 3 years or full repayment on demand		✗
Client needs and objectives		
	– Capital growth or income objectives in line with the long term objectives for each risk strategy	
	– Financial objectives which cannot be met with low return or near cash assets	
	– Bespoke construction of portfolio tailored to their specific needs, or the use of investments other than in-house GBP-denominated funds	
	– Access to a dedicated investment manager and the proactive use (as appropriate) of relevant tax allowances	
	– Compliance with a non UK regulator or tax regime	
	– Involvement in day to day investment decisions	

VULNERABLE CLIENT CONSIDERATIONS

Rathbones is reliant on the adviser to inform us as soon as practical where a client is deemed vulnerable as the impact on the service provided will need to be considered. The service can operate under Power of Attorney, and this option is available.

COSTS AND CHARGES

Management fees are charged quarterly in arrears, based on the value of the Portfolio as at the quarter end. A pro-rata charge is made for Portfolios which are transferred into or out of the Investment Management Service during the quarter. VAT is charged at the prevailing rate of 20%. Portfolios may contain third party collectives in addition to directly held assets, and these will attract an additional charge applied by the third party fund managers. Full details of costs and charges are shown on our Schedule of Charges.

	Example charges for £800,000 investment		
		0.75%	£6,000
Rathbones management fee	£0 to £500,000	0.85%	
	£500,001 to £1,500,000	0.75%	
	£1,500,001 to £2,500,000	0.70%	
	£2,500,001 to £5,000,000	0.65%	
	Greater than £5,000,000	0.50%	
VAT	VAT at 20%	0.15%	£1,200
Third-party charges	Total third-party charges	0.47%*	£3,760
	Total costs and charges	1.37%	£10,960

* Total third party charges: 0.47% is the average additional charge for a £800,000 portfolio.

FAIR VALUE ASSESSMENT

In line with the FCA's Consumer Duty fair value outcome, an assessment of the Bespoke (RoA) solution has been carried out to ensure the total cost charged to the end client is deemed reasonable when compared with the benefit received.

A number of factors were used within the value assessment, including;

- a review of service features, benefits (including past performance) and service limitations
- total costs and charges (as defined above)
- the cost to Rathbones to manufacture and distribute the service
- market rates and charges associated with other comparable competitor services

FAIR VALUE ASSESSMENT OUTCOME

Based on a review of the factors and key metrics listed above, we deem this service to provide fair value when distributed to the intended target market.