



## RATHBONES GROUP PLC

### THIRD QUARTER TRADING UPDATE

**Rathbones Group Plc (“Rathbones” or the “Group”) announces a trading update for the three months ended 30 September 2024**

**Paul Stockton, Group Chief Executive Officer of Rathbones, said:**

“The integration of Investec Wealth & Investment (IW&I) has progressed at pace throughout the summer, and we remain focused on actions that support the delivery of the financial goals we set ourselves at the outset. Over 80% of clients have been asked for their consent to move their accounts to Rathbones Investment Management from IW&I and response rates are very positive. Run-rate synergy realisation grew to £25.5 million at the end of the third quarter, significantly ahead of the first-year post-combination objective of £15 million.

“Net flows in the quarter reflected the resilience of gross inflows despite the impacts of managing a significant client consent process. Gross outflows have been impacted by the completion of Saunderson House migration, alongside some of the macroeconomic and specific factors we have seen, and which have impacted the industry this year.

“The potential for taxation changes in the forthcoming Autumn budget has created a heightened opportunity for us to engage positively with our clients and Rathbones remains well positioned to support clients to make the decisions needed to achieve their financial goals.”

**Financial highlights:**

- Funds under management and administration (FUMA) totalled £108.8 billion at 30 September 2024 (30 June 2024: £108.9 billion, 31 December 2023: £105.3 billion).
  - £93.3 billion in the Wealth Management segment (£99.0 billion prior to the elimination of Wealth Management FUMA invested in the Asset Management segment of £5.7 billion).
  - £15.5 billion in the Asset Management segment.
- Gross inflows were resilient at £2.8 billion in the third quarter (Q2 2024: £3.1 billion) offset by elevated outflows of £3.4 billion in the period (Q2 2024: £3.2 billion).
  - Net inflows in Rathbones Investment Management discretionary & managed propositions remained positive in the third quarter at £147 million, (Q2 2024: £135 million), representing an annualised growth rate of 1.1% for the quarter and 1.7% for the nine months to 30 September (£635 million).
  - The migration of former Saunderson House FUMA was completed on 31 July 2024. £245 million of FUMA from clients who did not complete the consent process has been reported as a net outflow in this quarter.
  - Net outflows in IW&I totalled £251 million (Q2 2024: net inflows of £178 million). Whilst the client consent process continues to progress well, gross inflows were to an extent impacted by the time required to manage the process. Investment manager turnover post combination remains very low such that outflows relating to previous departures were consistent with those seen in Q2.
  - Flows in single strategy funds continue to reflect the challenging environment for active managers. Net outflows were £157 million in the third quarter (Q2 2024: outflows of £105 million), limited by first quartile performance over 1, 2 and 5 years in our largest funds.
- Operating income for the Group totalled £220.6 million (Q2 2024: £223.8 million), despite the seasonal reduction in commission volumes over the quieter summer months and lower interest rate conditions combined with some reduction in client money balances.
- Synergy delivery has increased to £25.5 million per annum on a cash run-rate basis, largely due to organisational changes and our property consolidation programme being secured ahead of the planned timeframe.

**Full year results 2024:**

Results for the 12 months to 31 December 2024 will be announced on 26 February 2025. A Q4 trading update will be published on 16 January 2025.

## Detailed financial information<sup>1</sup>:

### NET OPERATING INCOME

	3 months ended 30 September			9 months ended 30 September		
	2024 (£m)	2023 (£m)	Change (%)	2024 (£m)	2023 (£m)	Change (%)
Wealth Management						
- Fees	144.5	69.0	109.4	429.2	207.8	106.5
- Commissions	20.7	9.5	117.9	67.9	33.2	104.5
- Net interest income	15.5	12.3	26.0	47.3	32.4	46.0
- Fees from advisory services & other income <sup>2</sup>	19.0	12.0	58.3	62.9	35.2	78.7
	<b>199.7</b>	<b>102.8</b>	<b>94.3</b>	<b>607.3</b>	<b>308.6</b>	<b>96.8</b>
Asset Management	20.9	17.6	18.8	60.7	49.8	21.9
<b>Net operating income</b>	<b>220.6</b>	<b>120.4</b>	<b>83.2</b>	<b>668.0</b>	<b>358.4</b>	<b>86.4</b>

- As outlined in Rathbones' Q1 2024 interim management statement published on 9 May 2024, Rathbones included additional profitability metrics to support the reporting requirements of Investec Plc (Investec). Investec's regulatory reporting requirements are now such that this is no longer necessary. Investec will therefore incorporate Rathbones' latest published half year or full year results in their half year and annual reporting. Consequently, Rathbones has now reverted to its previous level of disclosure in its quarterly trading updates.
- Including income from trust, tax, financial planning services and Vision Independent Financial Planning. Other income also includes net interest margin on client money balances, which includes that relating to IW&I. In the prior year comparative, interest margin on client money balances (£1.0m for the 3 months ended 30 September 2023 and £3.2m for the 9 months ended 30 September 2023) were classified within net interest income and have now been reported in Fees from advisory services & other income.

### FUNDS UNDER MANAGEMENT AND ADMINISTRATION

#### (I) SEGMENT FUMA

9 months ended 30 September 2024	Wealth Management (£m)	Asset Management (£m)	Intra-group holdings (£m)	Group FUMA (£m)
<b>Opening FUMA</b>	<b>96,118</b>	<b>13,770</b>	<b>(4,548)</b>	<b>105,340</b>
Gross Inflows	7,059	3,394	(1,557)	8,896
Gross Outflows	(7,950)	(2,827)	731	(10,046)
<b>Net Flows</b>	<b>(891)</b>	<b>567</b>	<b>(826)</b>	<b>(1,150)</b>
Transfers	(84)	84	-	-
Market & Investment Performance	3,870	1,098	(353)	4,615
<b>Closing FUMA</b>	<b>99,013</b>	<b>15,519</b>	<b>(5,727)</b>	<b>108,805</b>

#### (II) BREAKDOWN OF FUMA AND FLOWS BY SERVICE LEVEL

9 months ended 30 September 2024	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers <sup>3</sup> (£m)	SHL Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth <sup>4</sup> (%)
<b>Rathbones Investment Management</b>	<b>48,759</b>	<b>3,672</b>	<b>(3,219)</b>	<b>453</b>	<b>11</b>	<b>1,275</b>	<b>1,857</b>	<b>52,355</b>	<b>1.2</b>
Bespoke portfolios	45,004	3,272	(2,947)	325	(386)	828	1,670	47,441	1.0
Managed via in-house funds	3,755	400	(272)	128	397	447	187	4,914	4.5
Multi-asset funds <sup>5</sup>	2,545	805	(623)	182	84	-	247	3,058	9.5
<b>Rathbones discretionary &amp; managed</b>	<b>51,304</b>	<b>4,477</b>	<b>(3,842)</b>	<b>635</b>	<b>95</b>	<b>1,275</b>	<b>2,104</b>	<b>55,413</b>	<b>1.7</b>
Non-discretionary service	752	18	(34)	(16)	(58)	-	5	683	(2.8)
IW&I	42,267	3,053	(3,705)	(652)	(249)	-	1,677	43,043	(2.1)
Saunderson House <sup>6</sup>	1,590	68	(494)	(426)	-	(1,278)	114	-	(35.7)
Single-strategy funds	6,677	1,032	(1,473)	(441)	-	-	498	6,734	(8.8)
Execution only	2,750	248	(498)	(250)	212	3	217	2,932	(12.1)
<b>Total group</b>	<b>105,340</b>	<b>8,896</b>	<b>(10,046)</b>	<b>(1,150)</b>	<b>-</b>	<b>-</b>	<b>4,615</b>	<b>108,805</b>	<b>(1.5)</b>

Q3 ended 30 September 2024

	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers <sup>3</sup> (£m)	SHL Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth <sup>4</sup> (%)
<b>Rathbones Investment Management</b>	<b>51,363</b>	<b>1,302</b>	<b>(1,159)</b>	<b>143</b>	<b>14</b>	<b>650</b>	<b>185</b>	<b>52,355</b>	<b>1.1</b>
Bespoke portfolios	46,727	1,176	(1,053)	123	(80)	555	116	47,441	1.1
Managed via in-house funds	4,636	126	(106)	20	94	95	69	4,914	1.7
Multi-asset funds <sup>5</sup>	2,992	204	(200)	4	-	-	62	3,058	0.5
<b>Rathbones discretionary &amp; managed</b>	<b>54,355</b>	<b>1,506</b>	<b>(1,359)</b>	<b>147</b>	<b>14</b>	<b>650</b>	<b>247</b>	<b>55,413</b>	<b>1.1</b>
Non-discretionary service	707	6	(11)	(5)	(19)	-	-	683	(2.8)
IW&I	43,277	926	(1,177)	(251)	(46)	-	63	43,043	(2.3)
Saunderson House <sup>6</sup>	820	10	(255)	(245)	-	(651)	76	-	(119.5)
Single-strategy funds	6,845	268	(425)	(157)	-	-	46	6,734	(9.2)
Execution only	2,903	89	(139)	(50)	51	1	27	2,932	(6.9)
<b>Total group</b>	<b>108,907</b>	<b>2,805</b>	<b>(3,366)</b>	<b>(561)</b>	<b>-</b>	<b>-</b>	<b>459</b>	<b>108,805</b>	<b>(2.1)</b>

### (III) BREAKDOWN OF WEALTH MANAGEMENT FUMA AND FLOWS BY CHANNEL

9 months ended 30 September 2024	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers <sup>3</sup> (£m)	SHL Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth <sup>4</sup> (%)
Total direct	34,411	2,287	(2,333)	(46)	(181)	1	1,350	35,535	(0.2)
Total financial adviser linked	14,348	1,385	(886)	499	192	1,274	507	16,820	4.6
<b>Total discretionary service</b>	<b>48,759</b>	<b>3,672</b>	<b>(3,219)</b>	<b>453</b>	<b>11</b>	<b>1,275</b>	<b>1,857</b>	<b>52,355</b>	<b>1.2</b>
Execution only	2,750	248	(498)	(250)	212	3	217	2,932	(12.1)
Non-discretionary service	752	18	(34)	(16)	(58)	-	5	683	(2.8)
<b>Total wealth management</b>	<b>52,261</b>	<b>3,938</b>	<b>(3,751)</b>	<b>187</b>	<b>165</b>	<b>1,278</b>	<b>2,079</b>	<b>55,970</b>	<b>0.5</b>
IW&I	42,267	3,053	(3,705)	(652)	(249)	-	1,677	43,043	(2.1)
<b>Total wealth management for enlarged group</b>	<b>94,528</b>	<b>6,991</b>	<b>(7,456)</b>	<b>(465)</b>	<b>(84)</b>	<b>1,278</b>	<b>3,756</b>	<b>99,013</b>	<b>(0.7)</b>

Q3 ended 30 September 2024	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers <sup>3</sup> (£m)	SHL Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth <sup>4</sup> (%)
Total direct	35,450	809	(821)	(12)	(27)	1	123	35,535	(0.1)
Total financial adviser linked	15,913	493	(338)	155	41	649	62	16,820	3.9
<b>Total discretionary service</b>	<b>51,363</b>	<b>1,302</b>	<b>(1,159)</b>	<b>143</b>	<b>14</b>	<b>650</b>	<b>185</b>	<b>52,355</b>	<b>1.1</b>
Execution only	2,903	89	(139)	(50)	51	1	27	2,932	(6.9)
Non-discretionary service	707	6	(11)	(5)	(19)	-	-	683	(2.8)
<b>Total wealth management</b>	<b>54,973</b>	<b>1,397</b>	<b>(1,309)</b>	<b>88</b>	<b>46</b>	<b>651</b>	<b>212</b>	<b>55,970</b>	<b>0.6</b>
IW&I	43,277	926	(1,177)	(251)	(46)	-	63	43,043	(2.3)
<b>Total wealth management for enlarged group</b>	<b>98,250</b>	<b>2,323</b>	<b>(2,486)</b>	<b>(163)</b>	<b>-</b>	<b>651</b>	<b>275</b>	<b>99,013</b>	<b>(0.7)</b>

### (IV) TOTAL GROUP FUMA

9 months ended 30 September 2024	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers <sup>3</sup> (£m)	SHL Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth <sup>4</sup> (%)
Rathbones Investment Management	52,261	3,938	(3,751)	187	165	1,278	2,079	55,970	0.5
Rathbones Asset Management	13,770	3,394	(2,827)	567	84	-	1,098	15,519	5.5
IW&I	42,267	3,053	(3,705)	(652)	(249)	-	1,677	43,043	(2.1)
Saunderson House <sup>6</sup>	1,590	68	(494)	(426)	-	(1,278)	114	-	(35.7)
<b>Total</b>	<b>109,888</b>	<b>10,453</b>	<b>(10,777)</b>	<b>(324)</b>	<b>-</b>	<b>-</b>	<b>4,968</b>	<b>114,532</b>	<b>(0.4)</b>
Group eliminations <sup>7</sup>	(4,548)	(1,557)	731	(826)	-	-	(353)	(5,727)	24.2
<b>Total</b>	<b>105,340</b>	<b>8,896</b>	<b>(10,046)</b>	<b>(1,150)</b>	<b>-</b>	<b>-</b>	<b>4,615</b>	<b>108,805</b>	<b>(1.5)</b>

- 
3. Transfers represent client FUMA which has transferred from one service to another and other intra-group movements. These are excluded from net inflows.
  4. Annualised net growth in flows calculated as net flows/opening FUMA.
  5. Net inflows into multi-asset funds include direct flows and flows into managed solutions via in-house funds.
  6. Total funds under advice by Saunderson House, including those clients transferred to fellow group companies totalled £4.2 billion at 30 September 2024.
  7. Group eliminations represent RAM funds that are held within portfolios managed by RIM (£5.5 billion) and IW&I (£0.2 billion) teams. Consequently, after excluding the RAM funds, the FUMA of each entity is £50.5 billion in RIM and £42.8 billion within IW&I.

17 October 2024

### **For further information contact:**

#### **Rathbones Group Plc**

Paul Stockton, Group Chief Executive Officer

Iain Hooley, Group Chief Financial Officer

Shelly Patel, Head of Investor Relations

Tel: 020 7399 0071

Email: [shelly.patel@rathbones.com](mailto:shelly.patel@rathbones.com)

#### **Camarco**

Ed Gascoigne-Pees

Julia Tilley

Tel: 020 3757 4980

Email: [ed.gascoigne-pees@camarco.co.uk](mailto:ed.gascoigne-pees@camarco.co.uk)

### **Rathbones Group Plc**

Rathbones provides wealth and asset management services for private clients, charities, trustees and professional partners. We have been trusted for generations to manage and preserve our clients' wealth. Our tradition of investing and acting for everyone's tomorrow has been with us from the beginning and continues to lead us forward.

Rathbones headquarters is 30 Gresham Street, London, EC2V 7PG.

[www.rathbones.com](http://www.rathbones.com)