



Rathbone Brothers Plc

2018 Preliminary results

February 2019

2018 in context

- financial results resilient
- continued growth both organically and through acquisition
- delivering on new regulation
- board changes



Financial results

Paul Stockton
Finance Director

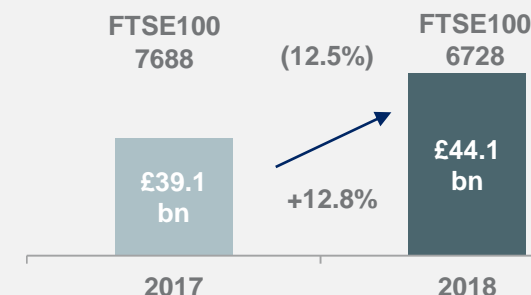


A resilient year

Growth

- funds under management and administration of £44.1 billion up 12.8% from £39.1 billion, while the FTSE 100 and WMA Balanced decreased 12.5% and 7.2% respectively over 2018

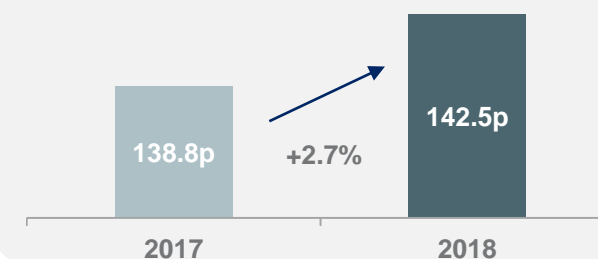
Funds under management and administration



Profitability

- underlying profit before tax¹ increased 4.7% from £87.5m to £91.6m
- underlying operating margin stable at 29.4%
- profit before tax grew 4.1% from £58.9m to £61.3m and reflected items in relation to Speirs & Jeffrey (S&J)

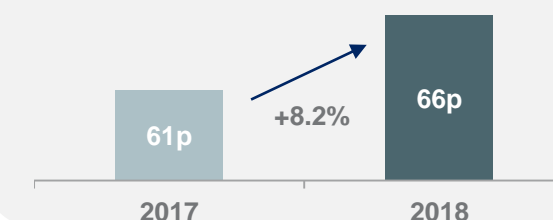
Underlying² earnings per share



Capital

- final dividend of 42p, resulting in a total dividend of 66p for the year
- underlying return on capital of 16.9% (2017: 19.5%) reflects the £60m share placing

Total dividends per share



¹ See slide 8 for a reconciliation between profit before tax and underlying profit before tax. Operating profit margin equals underlying profit before tax divided by underlying operating income

² See slide 27 for a reconciliation between earnings per share and underlying earnings per share

Growing funds under management and administration

	Investment Management FY 2018 (£bn)	Investment Management FY 2017 (£bn)
Opening funds under management and administration	33.8	30.2
Inflows	10.6	3.4
— organic ¹	3.8	3.1
— purchased ²	6.8	0.3
Outflow of money	(2.7)	(2.2)
— retained accounts	(1.7)	(1.6)
— closed accounts	(1.0)	(0.6)
Market effect and investment performance	(3.2)	2.4
Closing funds under management and administration	38.5	33.8
Net organic inflows	1.1	0.9
Underlying rate of net organic growth³	3.4%	3.0%
Total rate of net growth³	23.5%	3.9%

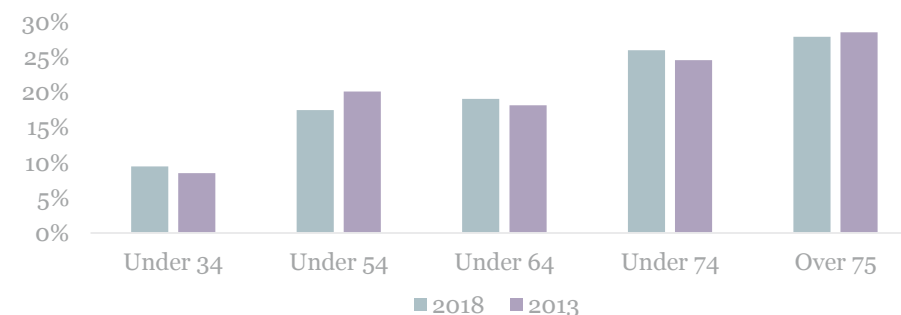
Inflows

- diverse sources of net inflows, with SIPPs and charities continuing to be strong sources of growth
- half of gross inflows relate to new clients

Outflows

- ongoing use of funds for lifestyle and property
- closed accounts elevated due to departures

Client demographics in Investment Management have remained consistent over the past 5 years⁴



- average client age in 2018: 63 vs. average client age in 2013: 64

¹ Organic growth excludes income items and represents new business from current clients or from new clients (including those via intermediaries)

² Purchased growth is defined as corporate or team acquisitions, and new business from investment managers who are on an earn-out arrangement

³ Calculated using unrounded numbers

⁴ includes clients of Rathbone Investment Management only

Unit Trusts momentum

	Unit Trusts FY 2018 (£bn)	Unit Trusts FY 2017 (£bn)
Opening funds under management	5.3	4.0
Inflows	1.9	1.7
Outflows	(1.4)	(0.8)
Market effect and investment performance	(0.2)	0.4
Closing funds under management	5.6	5.3
Net organic inflows	0.5	0.9
Underlying rate of net organic growth¹	10.1%	21.8%
Total rate of net growth¹	10.1%	21.8%

¹ Calculated using unrounded numbers

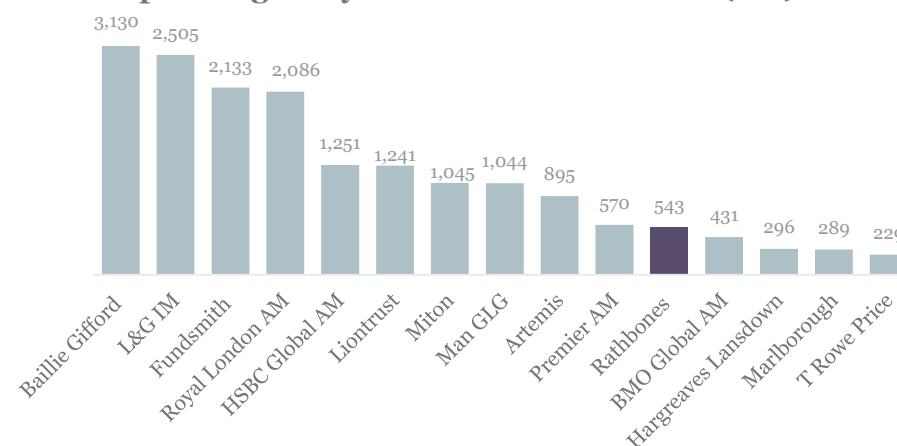
² The Investment Association

³ February 2019 Pridham report

Net flows

- strong net retail sales in 2018
- industry wide net retail sales in 2018 were £7.2 billion compared to £48.5bn in 2017²

Top managers by net retail sales in 2018³ (£m)



Fund launches

- Rathbone Global Sustainability Fund (July)
- High Quality Bond Fund (November)

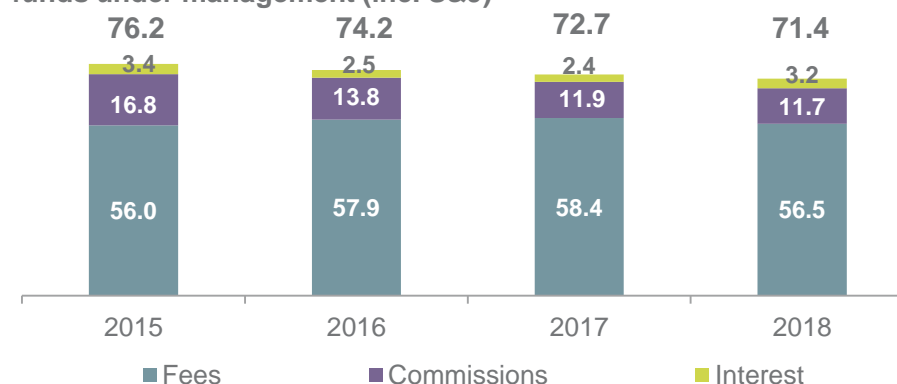
Investment performance

- largest fund (Rathbone Global Opportunities) in 1st quartile for 1, 3 and 5 years and Ethical Bond and Income Funds in 1st quartile over 5 years

Ongoing income quality

	FY 2018 (£m)	FY 2017 (£m)	% change
Average FTSE 100 Index (on quarterly billing dates)	7269	7426	(2.1)
Net investment management fee income	233.4	217.5	7.3
Net commission income	41.4	38.7	7.0
Net interest income	15.3	11.6	31.9
Fees from advisory services and other income	21.9	18.2	20.3
Underlying operating income²	312.0	286.0	9.1

Investment Management basis point return on average funds under management (inc. S&J)¹



Underlying operating income of £8.7m from Speirs & Jeffrey included for 4 month period since completion

Fees 74.8% of total underlying operating income in 2018 (2017: 76.0%)

— consistent underlying trend on fees, offset by higher proportion of commissions in Speirs & Jeffrey

Fees from advisory services and other income reflects growth in Vision Independent Financial Planning and our Trust business; it also includes 'risk-free' managers' box dealing profits of £3.4m (2017: £3.1m) that will not recur in 2019

¹ Includes four months of Speirs & Jeffrey income

² Underlying operating income excluding interest on own reserves, interest payable on Tier 2 notes issued, fees from advisory income and other income, divided by the average funds under management on the quarterly billing date

Expenditure reflects business growth

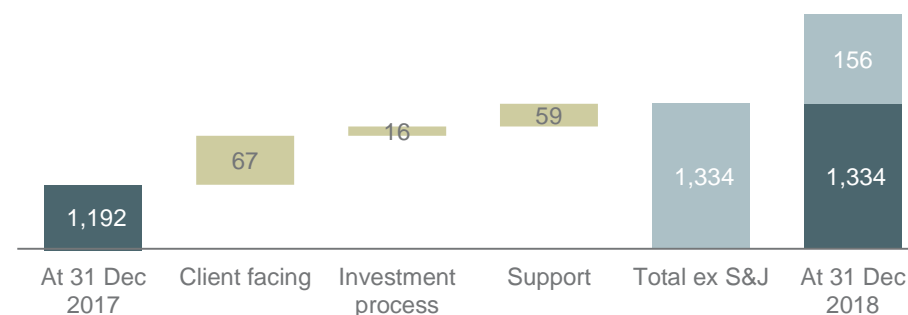
	FY 2018 (£m)	FY 2017 (£m)	% change
Fixed staff costs	96.0	87.8	9.3
Average FTE ¹ employees during the year	1,329	1,147	15.9
Actual FTE ¹ employees at the year end	1,490	1,192	25.0
Variable staff costs	55.1	53.3	3.4
Variable staff costs as a % of underlying profit before variable staff costs and tax	37.6%	37.9%	
Other direct expenses	69.3	57.4	20.7
Total underlying operating expenses	220.4	198.5	11.0

¹ Full time equivalent

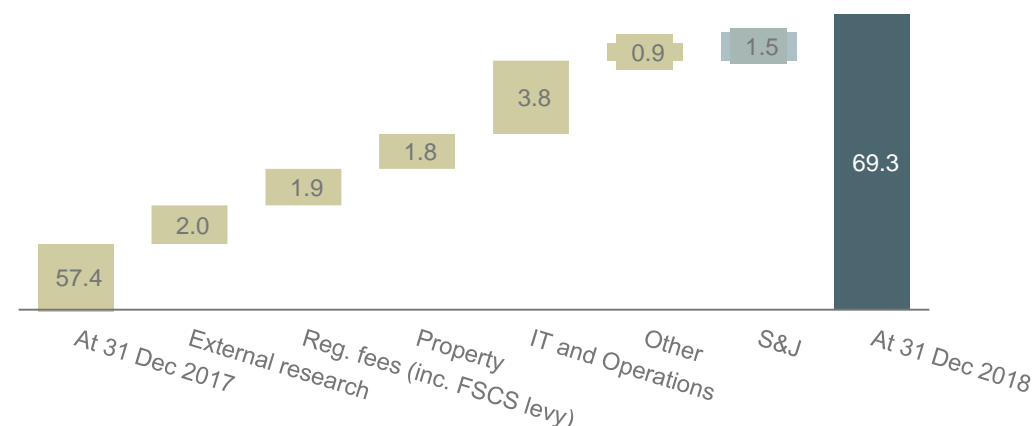
Total underlying operating expenses

— Reflects underlying growth and £5.9m of S&J operating costs

Fixed staff costs (FTE headcount)



Other direct expenses



Strong underlying margin

	FY 2018 (£m)	FY 2017 (£m)	% change
Underlying profit before tax	91.6	87.5	4.7
Underlying operating margin	29.4%	30.6%	
Charges in relation to client relationships and goodwill	(13.2)	(11.7)	12.8
Gain on plan amendment of defined benefit schemes	-	5.5	-
Acquisition-related costs	(19.9)	(6.2)	221.0
Head office relocation costs	2.8	(16.2)	(117.3)
Profit before tax	61.3	58.9	4.1
Profit after tax	46.2	46.8	(1.3)
Effective tax rate	24.6%	20.5%	
Total comprehensive income, net of tax	47.2	61.3	(23.0)

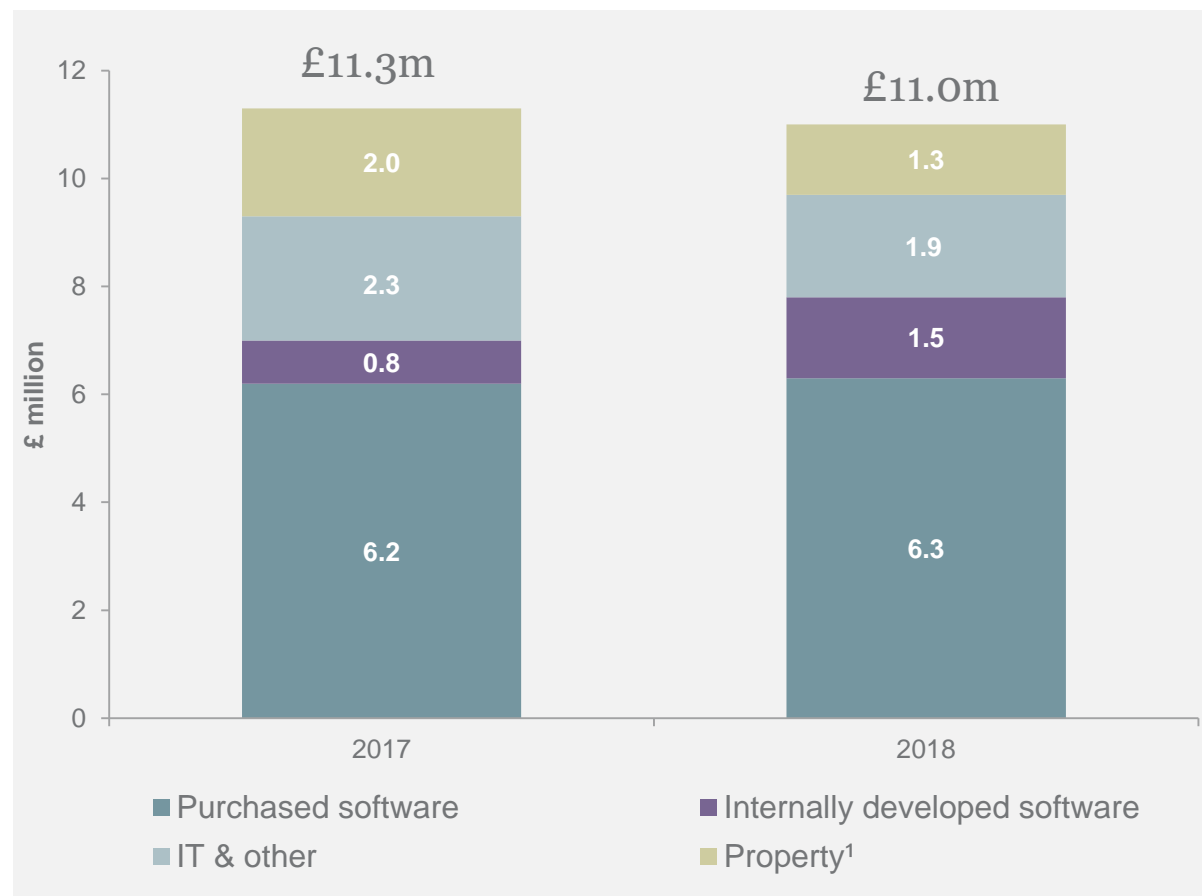
Non-underlying items

- acquisition-related costs in respect of S&J total £18.4m of which £14.7m is deferred consideration
 - amounts capital in nature but IFRS 3 dictates deferred consideration to retained employees must be treated as remuneration
- remaining is £1.5m deferred consideration for Vision
- sublet of Curzon Street triggered release of £2.8m onerous lease provision

Short term tax rate higher

- reflects disallowable costs of deferred consideration payments to sellers of S&J which will continue in 2019 and 2020
- ongoing effective tax rate on an underlying basis of c.20% in 2019 and c.18% thereafter

Capital expenditure remains steady

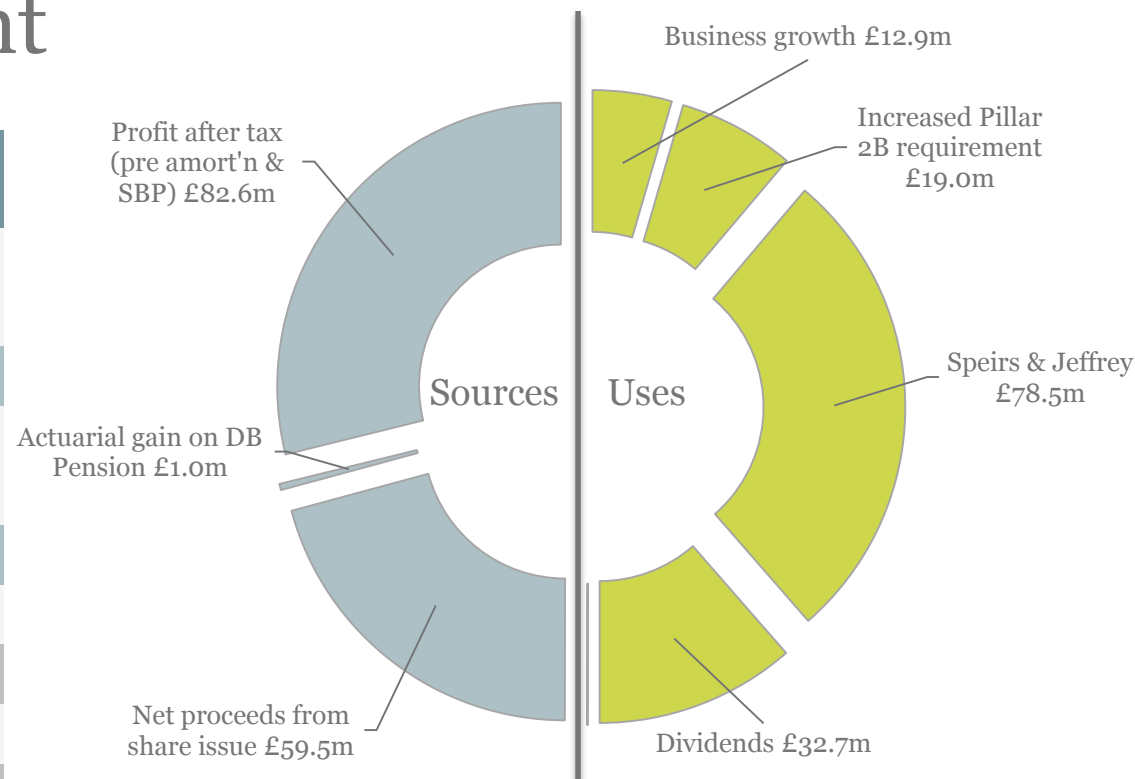


- expenditure on customer relationship management system and regulatory projects
- expectation for 2019 capex spend in line with 2018

¹ Property expenditure in general only includes leasehold improvements from the consolidated financial statements. IT & other expenditure also includes some move-related expenditure such as IT equipment and furniture

Balance sheet management

Assets	31/12/18 (£m)	31/12/17 (£m)
Total own funds ¹	251.4	216.8
Pillar 1 own funds requirement	91.3	78.3
Surplus before Pillar 2	160.1	138.5
Pillar 2A requirement	48.4	46.1
Pillar 2B requirement	37.4	18.4
Surplus after Pillar 2²	74.3	74.0
Risk weighted assets (RWAs)	1,141.8	977.2
Pillar 2 requirement as % of RWAs	7.5%	6.6%
Group Common Equity Tier 1 ratio³	20.6%	20.7%
Consolidated leverage ratio³	8.9%	7.8%



End of Pillar 2B build-up which has impacted last few years

	2018	2017	2016
Risk weighted assets (RWAs, £m)	1,141.8	977.2	892.7
Pillar 2B requirement (£m)	37.4	18.4	11.5
Pillar 2B requirement as a percentage of RWA	3.3%	1.9%	1.3%

¹ For a reconciliation between total equity and total own funds, see slide 32

² Any additional firm specific buffer remains confidential between the group and the PRA

³ See slide 40 for definitions of principal banking ratios

Financial outlook for 2019

- well positioned going into 2019
- Speirs & Jeffrey
 - full year profits in 2019
 - acquisition-related costs in relation to Speirs & Jeffrey currently expected to be c. £29m largely reflecting ongoing accrual of deferred consideration payments charged as staff expenses and integration costs
- other staff cost growth in 2019 will reflect full impact of hiring activity in 2018, salary inflation of c. 4% and Staff Equity Plan
- £3.4 million managers' box dealing profits in Unit Trusts will not recur in 2019
- mindful of investment markets, capital expenditure levels to remain consistent with 2018

Context for 2019...

Philip Howell
Chief Executive



Speirs & Jeffrey: combining businesses with a cultural and strategic fit

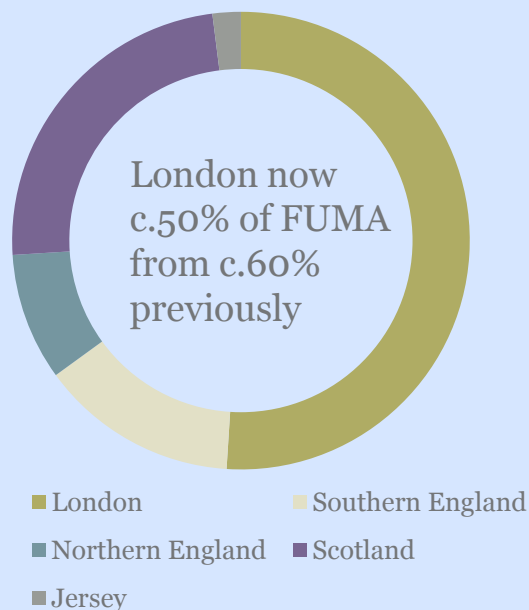
An enhanced presence in Scotland

Speirs & Jeffrey
£6.4bn

Rathbones existing
Scottish presence
£2.9bn

Total investment
professionals in Scotland
74

A diversified geographic reach



Consideration structure

Initial consideration (£104m)

£79m in cash and £25m¹ in shares locked up for 3 years from completion

Contingent consideration (0.6m shares)

Conditional upon meeting certain administrative and procedural targets that enable the delivery of cost synergies

Earn-out and incentivisation (up to 5.2m shares)

Whilst a maximum of 5.2m shares can be payable, the Board's current underlying EPS accretion and return on investment expectations are based on a lower total

¹ Calculated based on average share price over the ten day period prior to 14 June 2018

Update since acquisition

Progress since September 2018

- clients have so far consented to over 75% of assets being transferred to Rathbones banking terms of business
- work to meet operational performance targets proceeding well
- completed move of our Glasgow office in November 2018 and teams working well together
- full migration of systems remains on track for June 2019
- strong progress but clearly a lot to do over the next few years

A look back on the past five years...

Key achievements...

Private client investment management

- improved team structures
- simplified pricing structures
- improved marketing and client event quality and brand development
- grew Charities and Rathbone Greenbank (ESG)

Investment process

- enhanced investment process and risk management
- improved portfolio management tools
- extended research capability

Distribution

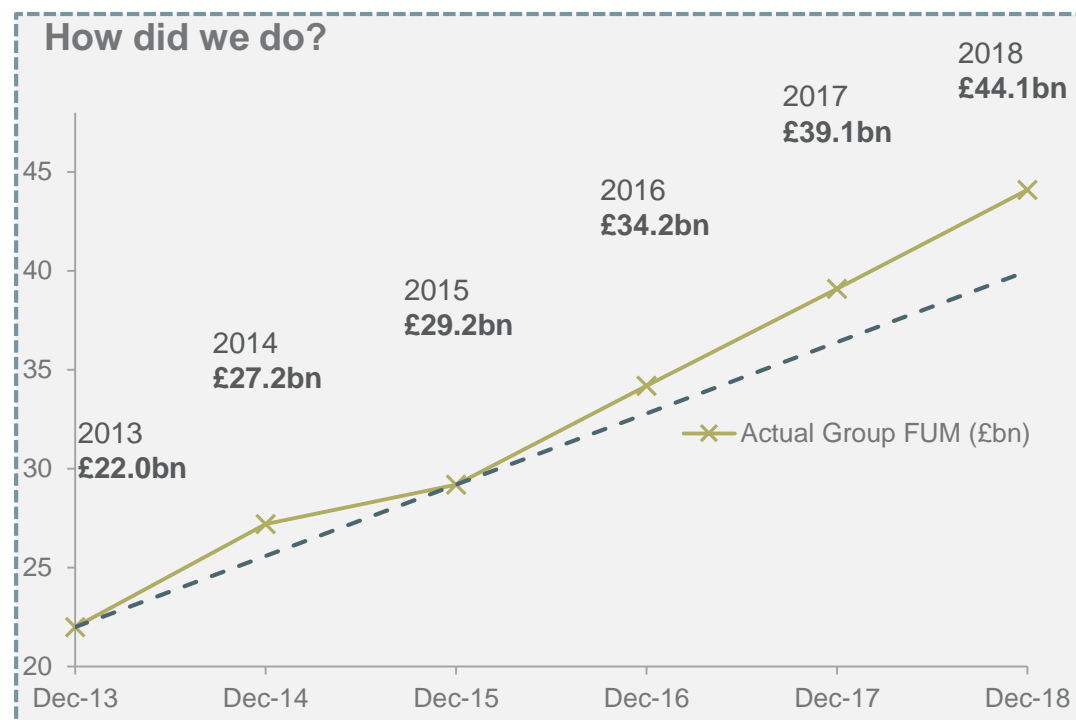
- built up sales capability in the intermediary market
- grew relationship with Vision

Unit trusts

- grew our funds business and expanded the offering

Acquired growth

- recruited high quality teams
- Deutsche Bank's London and Jupiter's private client businesses
- Vision Independent Financial Planning
- Speirs & Jeffrey

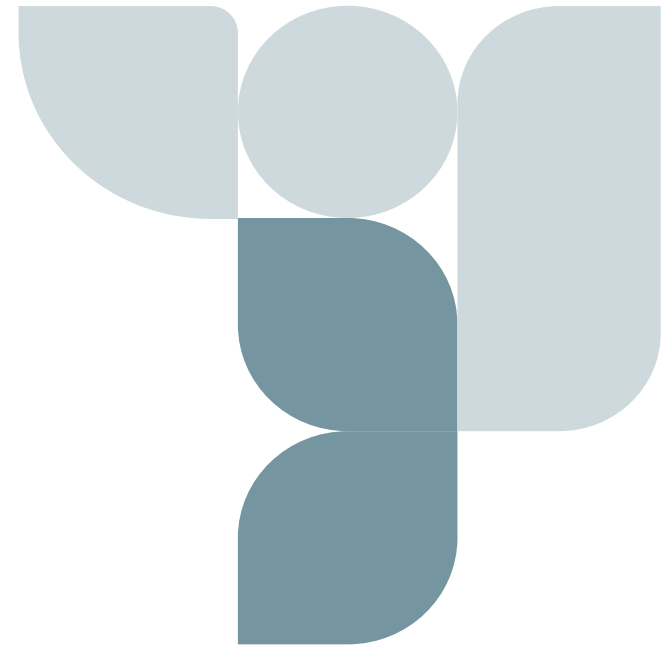


Initiatives that remain in progress...

- Rathbone Private Office
- in-house financial planning team to support regional coverage
- client loan book
- technology and digital strategy

Looking ahead...

Paul Stockton
RIM Managing Director



2019

- starting in a strong position
- a more volatile market backdrop
- Brexit
- continued focus on growth initiatives
- investment in Rathbone Investment Management
- transition/new CFO
- update on next phase of growth in second half

Looking beyond 2019

Strategy and organisational review



Appendix

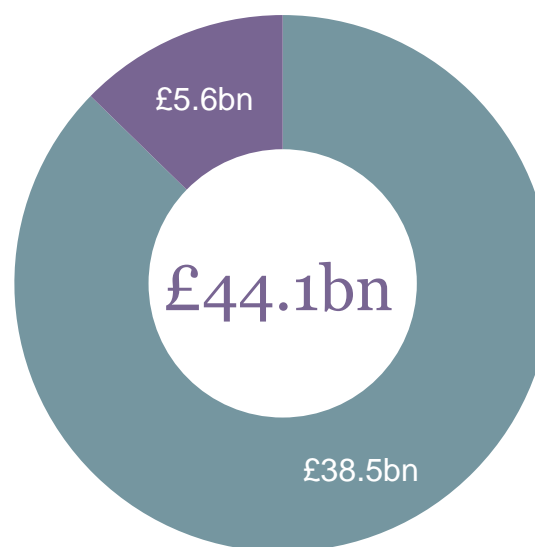


Rathbones at a glance

Rathbone Brothers Plc, through its subsidiaries, is a leading provider of high-quality, personalised investment and wealth management services for private clients, charities and trustees. Our services include discretionary investment management, unit trusts, banking and loan services, financial planning, unitised portfolio services and UK trust, legal, estate and tax advice.

- We have two main areas of operation as well as several complementary services:
- **Rathbones Investment Management** offers personal discretionary investment management solutions
- **Rathbones Unit Trust Management** provides unit trust and multi-asset fund products
- **Complementary services including:**
 - banking and loan services
 - in-house financial planning advice
 - a unitised portfolio service
 - UK trust, legal, estate and tax advice
 - Vision Independent Financial Planning

Total funds under management



- Investment Management
- Unit Trusts

Our business model

What makes us different

A sound investment case

- a relationship based approach
- a unique investment culture
- leading margins

Scale and expertise

- 341 highly trained investment professionals
- £44.1 billion funds under management
- a broad range of investment solutions

Brand and reputation

- an established brand with local presence
- reliable systems and infrastructure
- accredited performance reporting

Independent ownership

- listed on the London Stock Exchange
- high standards of corporate governance

How we do it

Individual relationships with clients

- our service is delivered directly through investment managers who make portfolio decisions
- we access investments across the whole market, with no bias towards in-house funds
- our online presence complements our service

An informed investment process

- we have a bespoke approach to portfolio construction supported by an influential central research team
- our firm-wide processes allow us to pool intellectual capital and provide strategic asset allocation methodologies
- our internal quality assurance and performance measurement capabilities provide a sound control framework

Working flexibly with advisers

- clients have the ability to join Rathbones either directly or through their own financial intermediary
- our dedicated intermediary sales team provide our discretionary and unit trust services to national adviser networks and strategic partners
- direct client and adviser referrals remain the most important source of organic growth
- our Vision Independent Financial Planning business operates independently but maintains a relationship with Rathbone Investment Management

Supported by in-house operations

- we have dedicated in-house custody and settlement services
- our operations team is highly experienced
- we form reliable outsourced relationships, where cost effective

What makes us different

For investors

- a track record of strong operating margins
- successful acquisition capability for people and firms that fit our culture
- stable dividend growth
- consistent return on capital employed

For clients

- active management of portfolios through changing market conditions
- a valued and quality service that builds trust

For employees

- responsibility for investment decisions
- value-based remuneration
- investment in training and development
- graduate and apprenticeship programmes

Leading UK private client wealth managers

Private client AUM (£m)		Total
1	St. James's Place Wealth Management	90,700
2	Barclays	50,850
3	UBS Wealth Management	42,529
4	Brewin Dolphin Ltd	37,600
5	Cazenove Capital	36,785
6	Investec Wealth & Investment	34,400
7	Rathbone Brothers Plc¹	33,780
8	Canaccord Genuity Wealth Management	25,822
9	JPMorgan Private Bank ²	24,789
10	Quilter Cheviot	23,600
11	Tilney	21,234
12	Citi Private Bank ²	20,978
13	Coutts	18,465
14	Smith & Williamson Investment Management	18,124
15	Goldman Sachs International	16,903
16	Thesis Asset Management Limited ^{2 3}	15,156
17	Charles Stanley & Co Limited	14,700
18	Kleinwort Hambros	14,476
19	Man GLG ²	14,412
20	Davy Private Clients	14,064

Private client AUM (£m)		Total
21	Credit Suisse (UK) Limited	13,825
22	Seven Investment Management (7IM)	12,447
23	HSBC ^{2 4}	12,311
24	Brooks Macdonald	11,738
25	Standard Chartered Private Bank ²	11,510
26	Julius Baer ²	11,072
27	Lloyds Bank Private Banking ²	11,063
28	Lombard Odier ²	10,641
29	LGT Vestra	10,015
30	JM Finn	9,920
31	Close Brothers Asset Management	9,631
32	Rothschild Wealth Management	9,143
33	Raymond James Investment Services ⁵	8,730
34	Partners Capital	8,400
35	Pictet Wealth Management ²	7,849
36	Santander Financial Planning ⁶	7,000
37	Standard Life Wealth	6,856
38	ABN AMRO	6,700
39	Speirs & Jeffrey⁷	6,598
40	Ruffer LLP	6,261

Data source: PAM 2018 for 2017 figures

¹ Rathbones figure only includes funds under management by Rathbone Investment Management and is quoted as at 31 December 2017 which was prior to the acquisition of Speirs & Jeffrey which was completed on 31 August 2018

² Estimate

³ Includes fund administration/ACD business

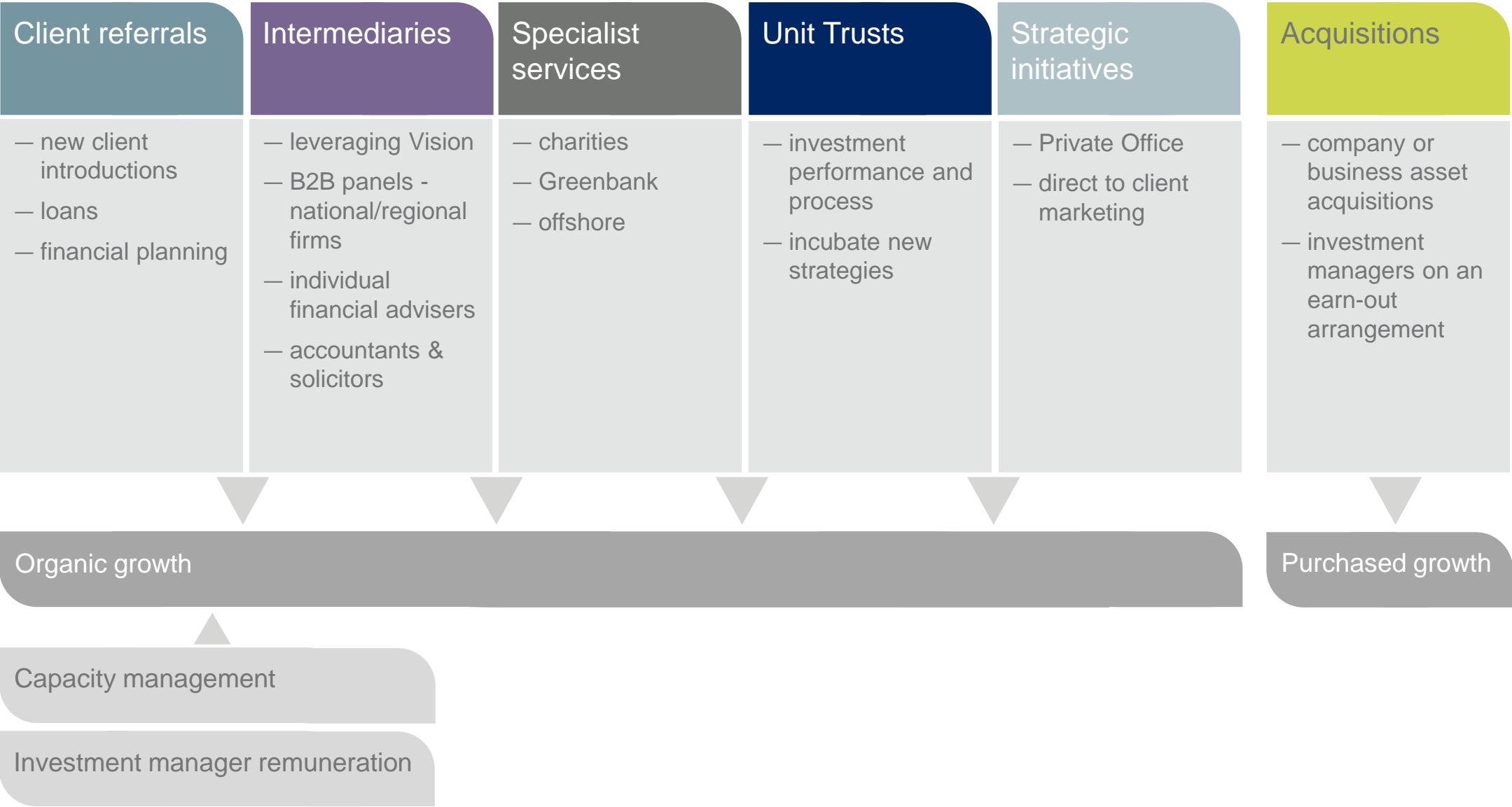
⁴ Combined entity of HSBC Bank Plc and HSBC Private Banking

⁵ Includes all assets managed on the Raymond James platform

⁶ May include assets other than private client, i.e. institutional or charity

⁷ Owned by Rathbone Brothers Plc as at 31 August 2018

Working through our strategy



Analysing the balance sheet

Assets	31/12/18 (£'000)	31/12/17 (£'000)
Cash and balances with central banks	1,198,479	1,375,382
Settlement balances	39,754	46,784
Loans and advances to banks	166,200	117,253
Loans and advances to customers ¹	138,959	126,213
Investment securities – fair value through profit or loss	79,797	-
Investment securities – amortised cost	907,225	-
Investment securities – available for sale	-	109,312
Investment securities – held to maturity	-	701,966
Prepayments, accrued income and other assets	81,552	74,445
Property, plant and equipment	16,838	16,457
Deferred tax asset	-	9,061
Intangible assets	238,918	161,977
Total assets	2,867,722	2,738,850

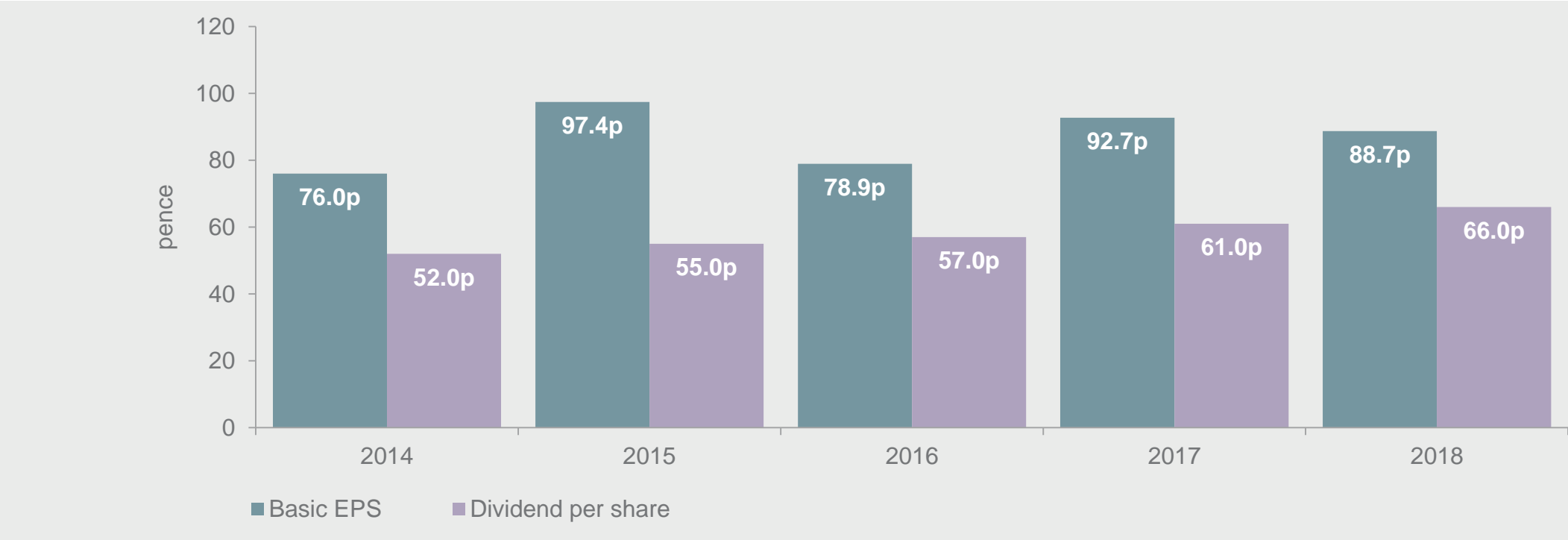
Banking operational and shareholder cash	Working capital
Financing related	Equity capital related

Liabilities	31/12/18 (£'000)	31/12/17 (£'000)
Deposits by banks	491	1,338
Settlement balances	36,692	54,452
Due to customers	2,225,536	2,170,498
Accruals, deferred income and other	103,393	108,391
Current tax liabilities	5,985	5,598
Deferred tax liability	481	-
Subordinated loan notes	19,807	19,695
Retirement benefit obligations	11,197	15,600
Total liabilities	2,403,582	2,375,572

Equity	31/12/18 (£'000)	31/12/17 (£'000)
Called up share capital	2,760	2,566
Share premium/other reserves	229,321	170,310
Retained earnings	232,059	190,402
Total equity	464,140	363,278
Total liabilities and equity	2,867,722	2,738,850

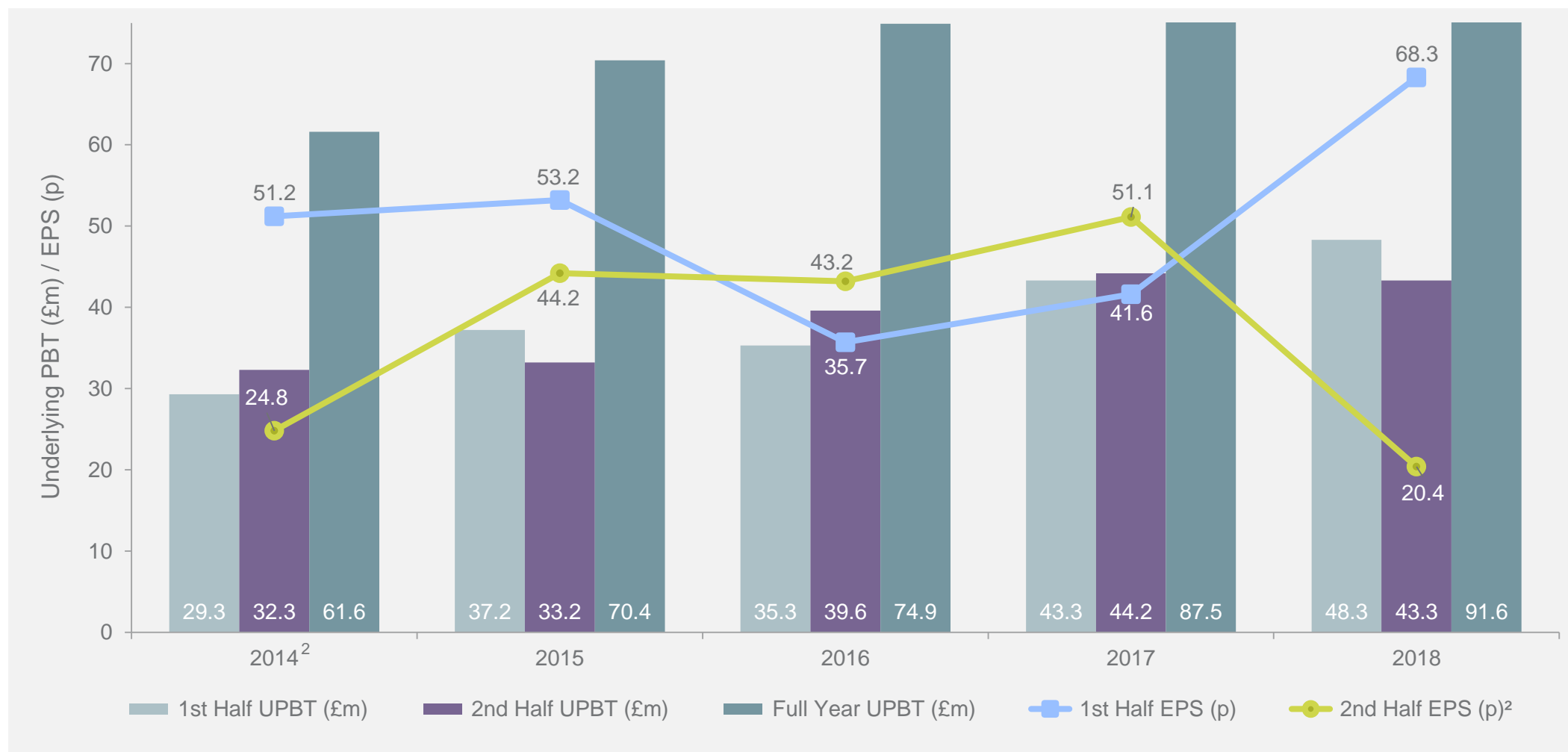
¹ Loans and advances to customers largely consist of the investment management loan book, but also include overdrafts, trust and financial planning debtors and other debtors

Dividend and earnings per share



Dividend cover	1.5x	1.8x	1.4x	1.5x	1.3x
Dividend payout ratio	68%	56%	72%	66%	74%
Dividend per share growth		6%	4%	7%	8%
Inflation growth (12 month CPI)		0%	1%	3%	2%

Underlying profits before tax¹ (£m) and EPS (p)



¹See slide 8 for a reconciliation between underlying profit before tax and profit before tax for 2017 and 2018

²The lower 2nd half EPS in 2014 is primarily due to the £15.0 million contribution to the settlement of the legal proceedings in Jersey, recognised in July 2014.

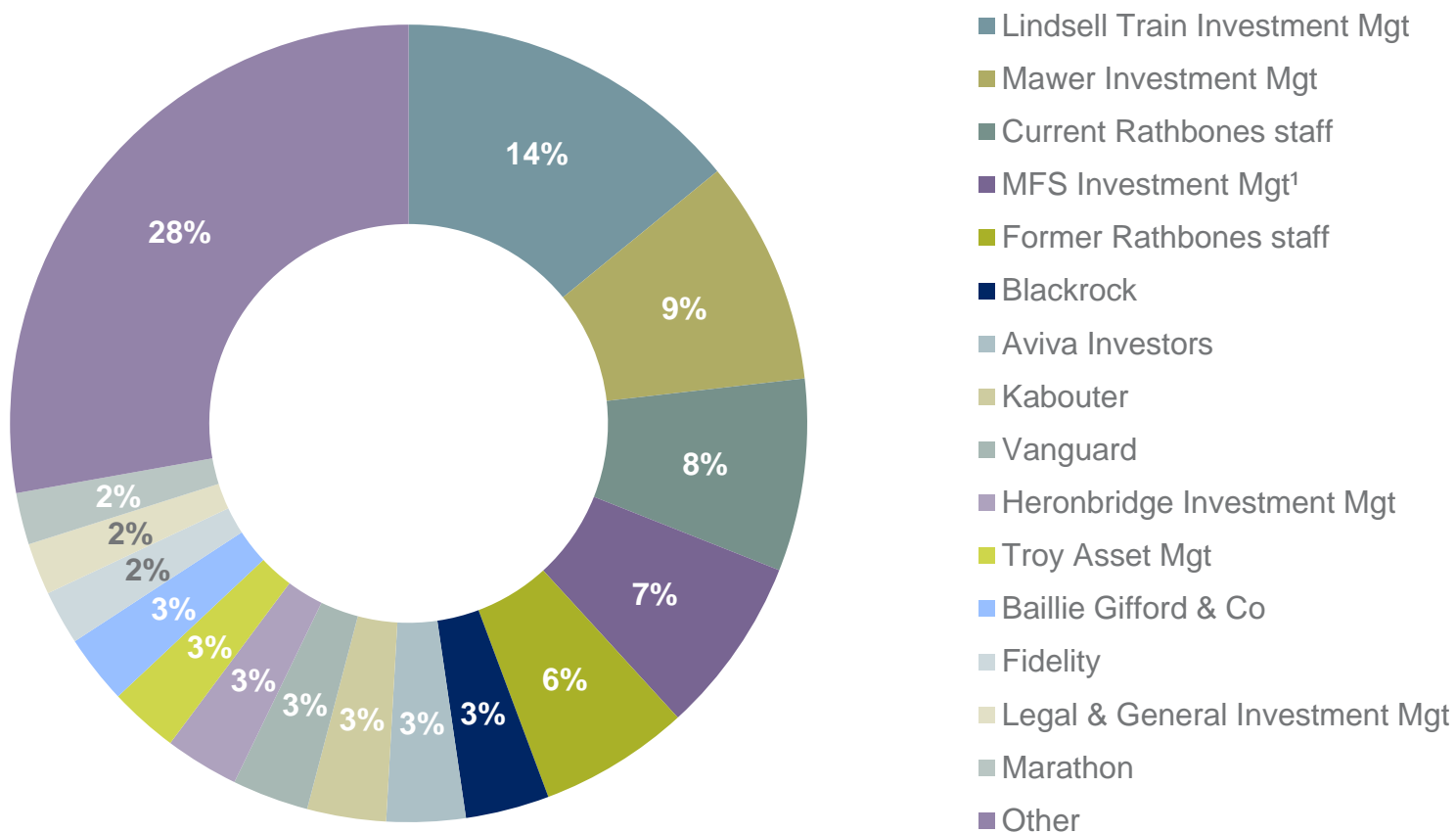
Earnings per share

	FY 2018			FY 2017		
	Pre tax (£m)	Post tax (£m)	EPS (p) ¹	Pre tax (£m)	Post tax (£m)	EPS (p) ¹
Underlying profit attributable to shareholders	91.6	74.2	142.5	87.5	70.1	138.8
Charges in relation to client relationships and goodwill	(13.2)	(10.7)	(20.5)	(11.7)	(9.5)	(18.8)
Gain on plan amendment of defined benefits pension schemes	-	-	-	5.5	4.5	8.9
Acquisition-related costs	(19.9)	(19.6)	(37.7)	(6.2)	(5.2)	(10.3)
Head office relocation costs	2.8	2.3	4.4	(16.2)	(13.1)	(25.9)
Profit attributable to shareholders	61.3	46.2	88.7	58.9	46.8	92.7

¹ Weighted average number of shares in issue in the year ended 31 December 2018 = 52,050,979

² Weighted average number of shares in issue in the year ended 31 December 2017 = 50,493,984

Shareholders at 31 December 2018



¹ Includes shares held by MFS International Management

Segmental results

y/e 31 December 2018	Investment management (£m)	Unit Trusts (£m)	Indirect (£m)	Total (£m)
Net investment management fee income	200.5	32.9	-	233.4
Net commission income	41.4	-	-	41.4
Net interest income	15.3	-	-	15.3
Fees from advisory services and other income	18.1	3.8	-	21.9
Operating income	275.3	36.7	-	312.0
Staff costs – fixed	(66.5)	(3.3)	(26.2)	(96.0)
Staff costs – variable	(37.7)	(7.6)	(9.8)	(55.1)
Other direct expenses	(57.1)	(7.0)	(35.5)	(99.6)
Allocation of indirect expenses	(64.6)	(6.1)	70.7	-
Profit before tax	49.4	12.7	(0.8)	61.3

y/e 31 December 2017	Investment management (£m)	Unit Trusts (£m)	Indirect (£m)	Total (£m)
Net investment management fee income	189.5	28.0	-	217.5
Net commission income	38.7	-	-	38.7
Net interest income	11.6	-	-	11.6
Fees from advisory services and other income	14.8	3.4	5.5	23.7
Operating income	254.6	31.4	5.5	291.5
Staff costs – fixed	(59.5)	(3.0)	(25.3)	(87.8)
Staff costs – variable	(40.2)	(7.2)	(5.9)	(53.3)
Other direct expenses	(34.8)	(4.4)	(52.3)	(91.5)
Allocation of indirect expenses	(56.2)	(6.1)	62.3	-
Profit before tax	63.9	10.7	(15.7)	58.9

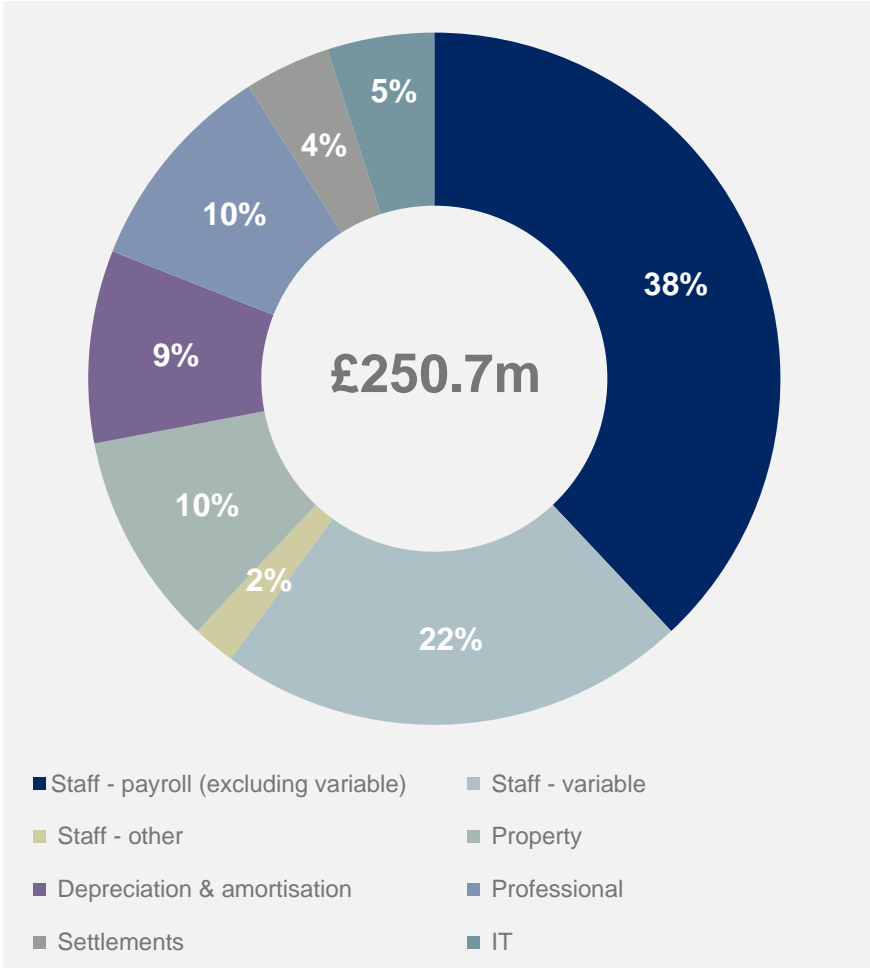
Reconciliation of equity to total own funds

	FY 2018 (£m)	FY 2017 (£m)
Equity		
Share capital and share premium	233.0	145.7
Reserves	263.9	222.5
Less:		
- Own shares	(32.7)	(4.9)
- Intangible assets ¹	(229.3)	(161.3)
Total common equity tier 1 capital resources	234.9	202.0
Tier 2 capital resources	16.5	14.8
Total own funds	251.4	216.8

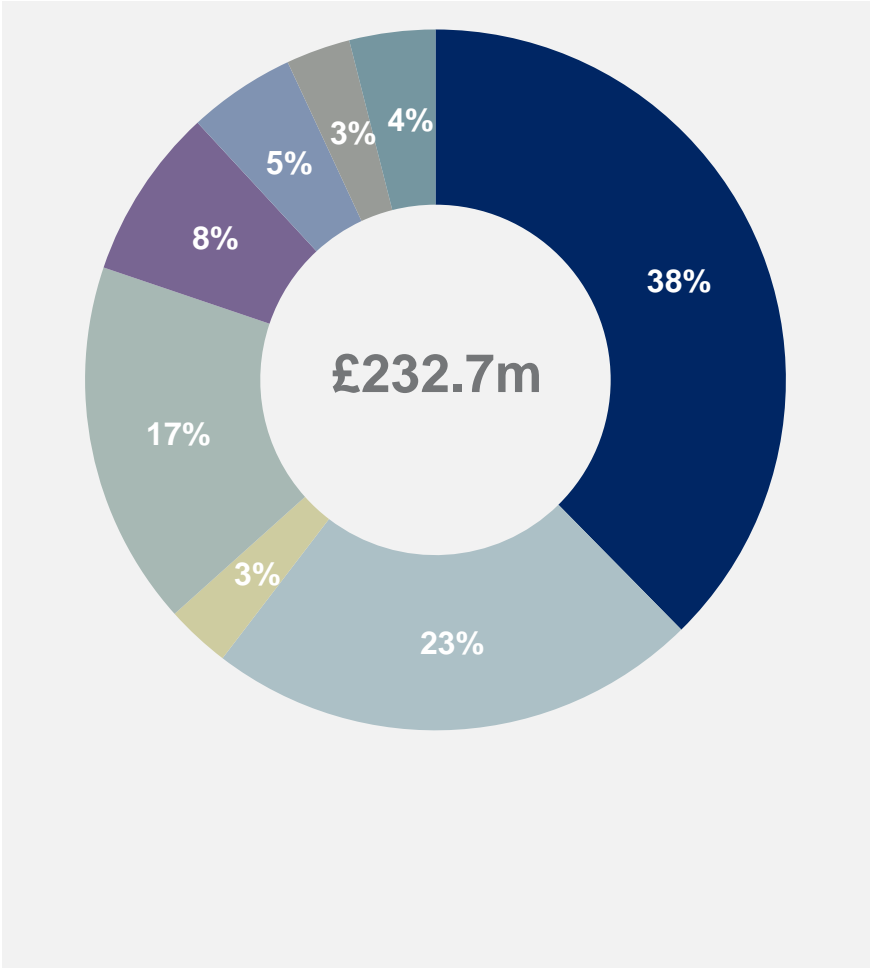
¹ Net book value of goodwill, client relationship intangibles and software are deducted directly from capital resources.

Total operating expenses

31 December 2018



31 December 2017



Other information

	FY 2018	FY 2017	% change
Investment management			
Total rate of net growth in funds under management	23.5%	3.9%	
Revenue margin on FUM (excluding Charities team) (bps) ¹	76.6	75.5	1.5
Revenue margin on Charities team FUM (bps) ¹	47.4	47.5	0.2
Underlying operating income (£m)	275.3	254.6	8.1
Underlying profit margin	28.6%	30.2%	
Operating income ² per investment manager (£m)	1.32	1.20	10.0
Average FUM per investment manager (£m)	180	165	9.1
Operations and support staff ³ to investment manager ratio	3.7	3.1	19.4
Average client portfolio size ⁴ (£'000)	528	576	(8.3)
Group			
Dividend per share (pence)	66.0	61.0	8.1
Underlying earnings per share (pence)	142.5	138.8	2.7
Dividend pay out ratio ⁵	74%	66%	

¹ Excluding revenue and funds under management and administration related to Speirs & Jeffrey in the year ended 31 December 2018

² Underlying operating income excluding interest on own reserves, interest payable on Tier 2 note issued, fees from advisory income and other income

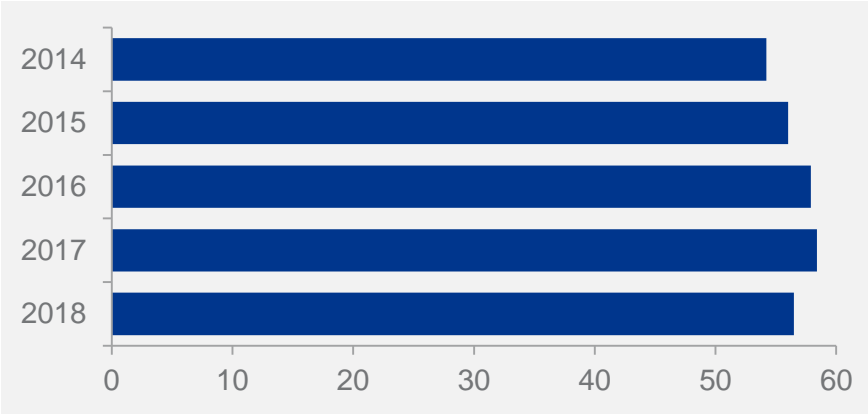
³ Includes secretarial and administrative support and Investment Management operations staff

⁴ Excludes charity clients

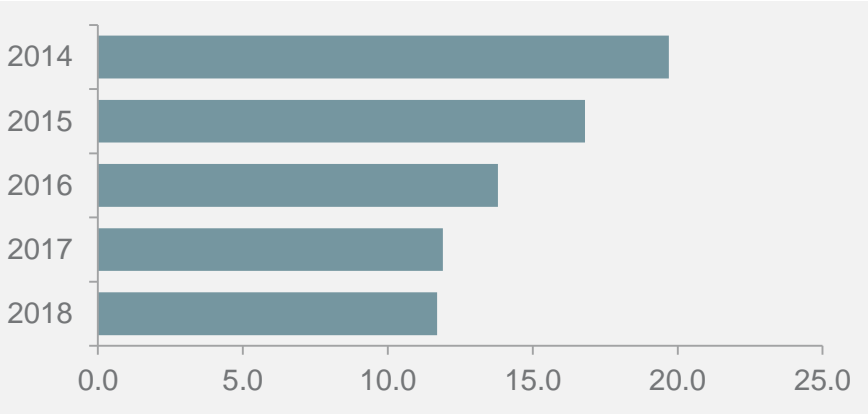
⁵ Dividends per share divided by basic earnings per share

Analysis of operating income

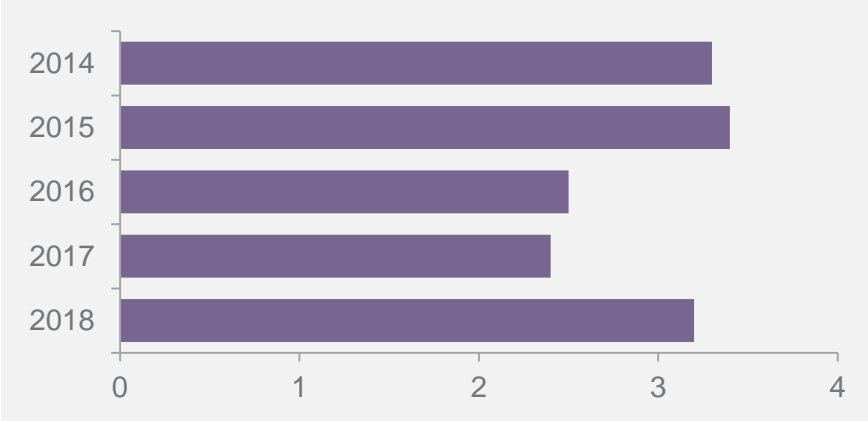
Basis point return from fees



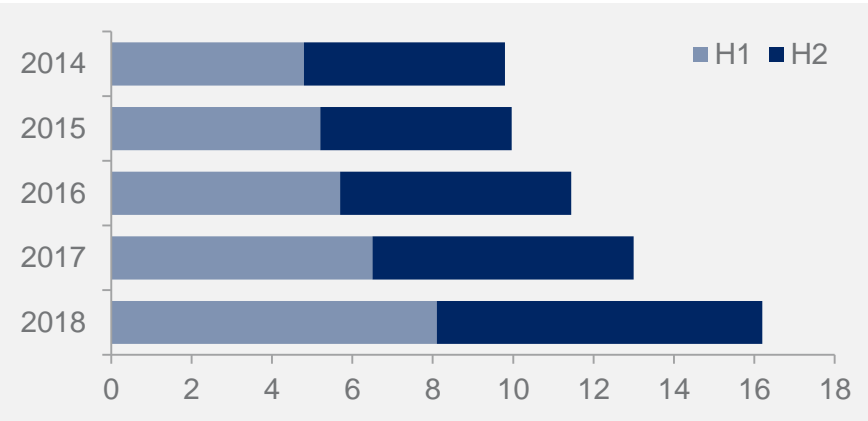
Basis point return from commission



Basis point return from interest

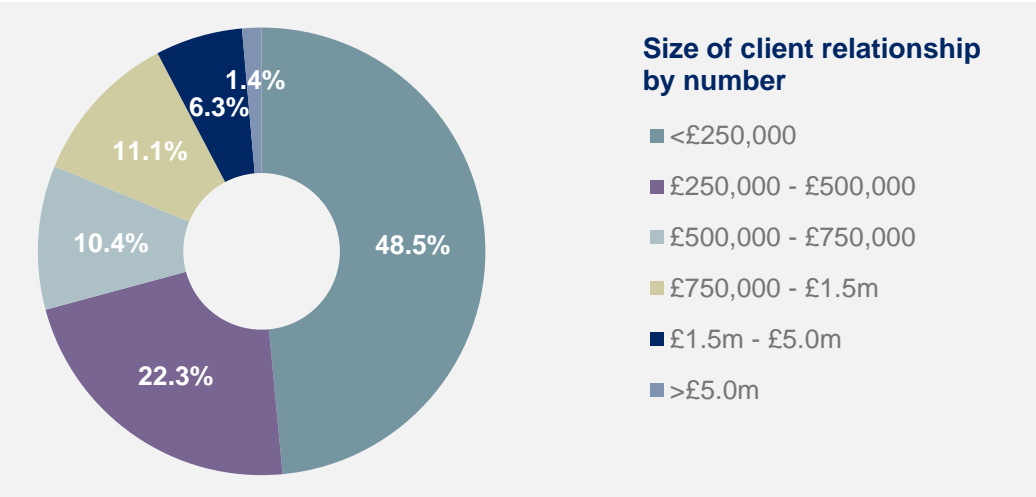
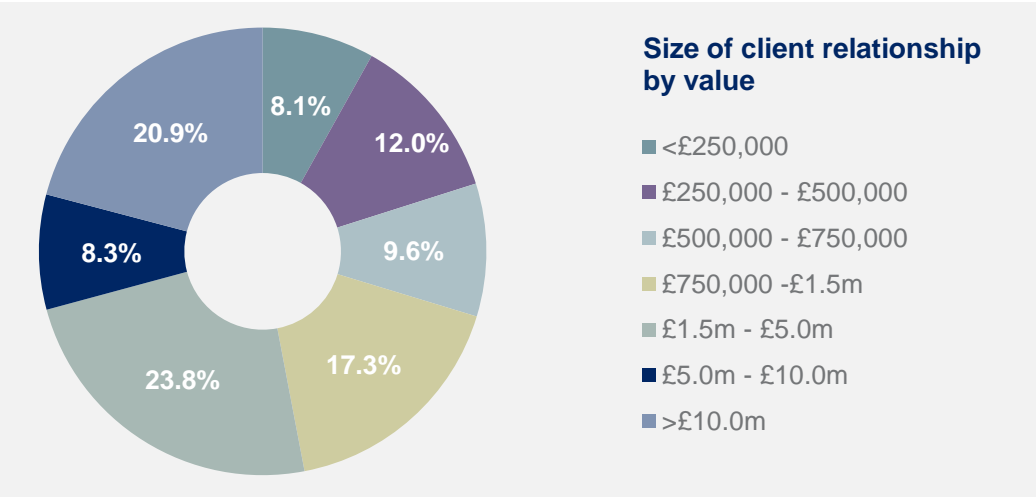
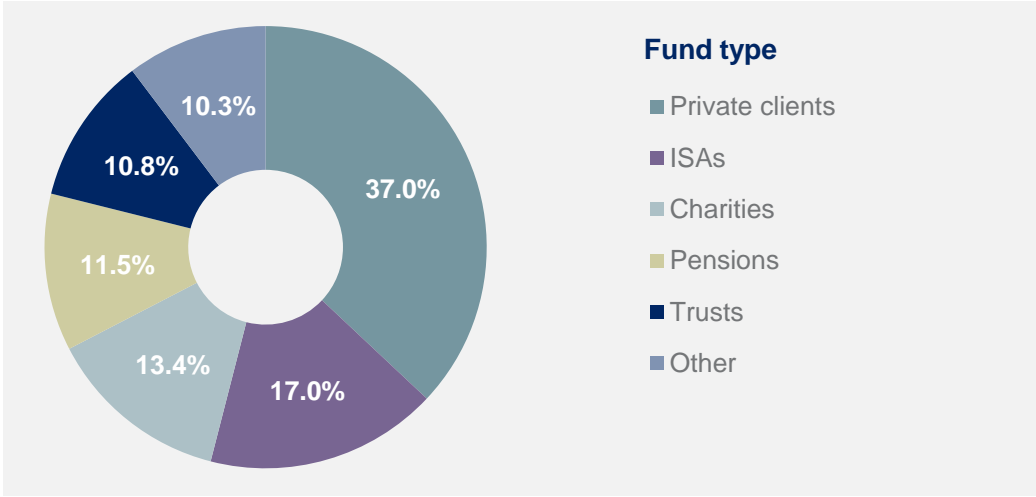
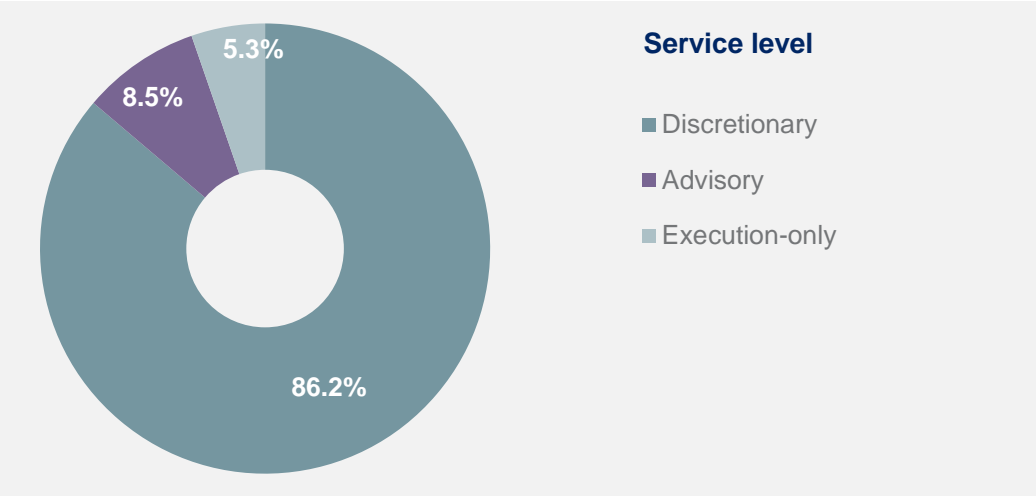


Advisory fee income (£m)



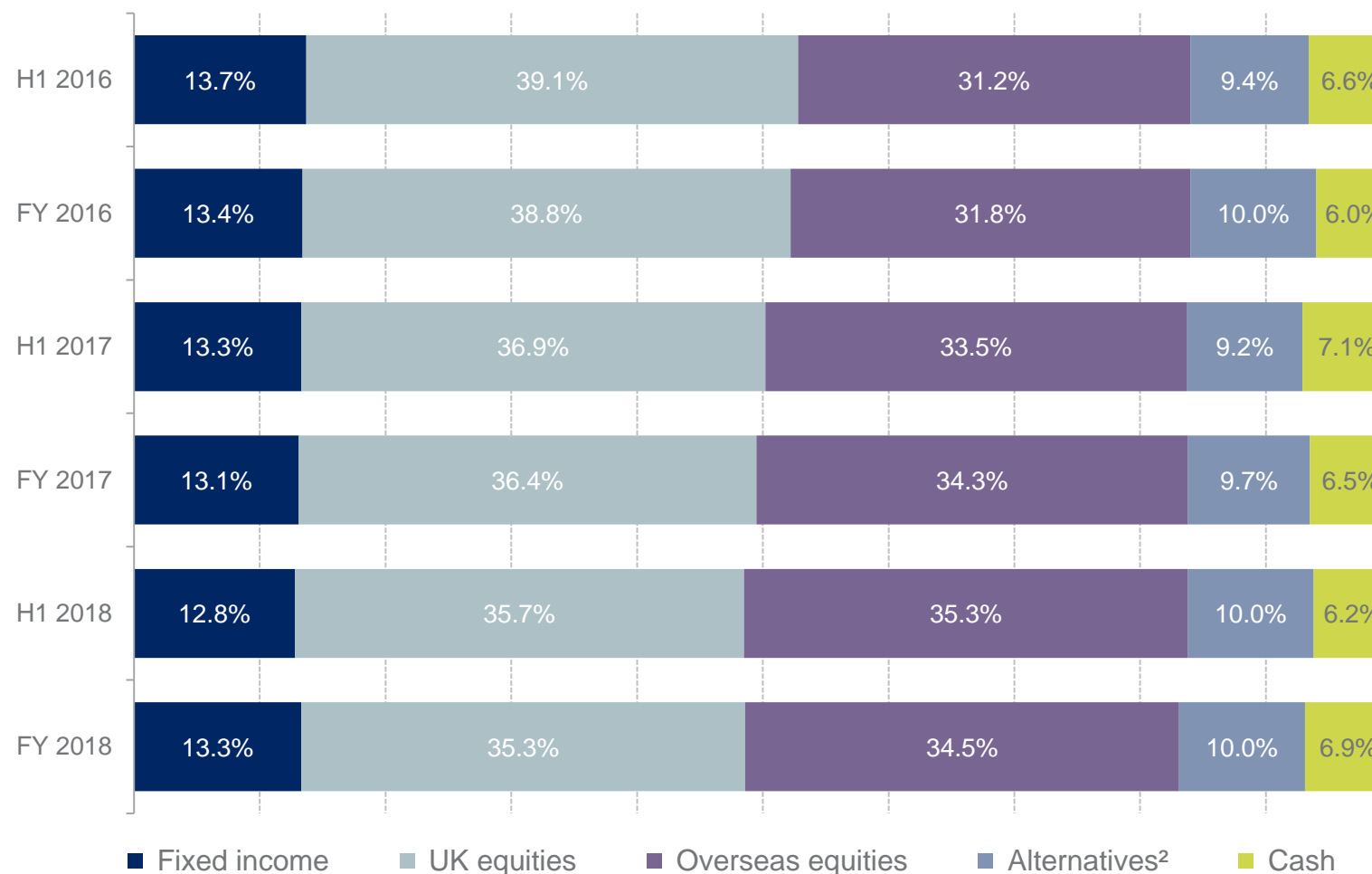
Investment Management client base

Analysis of funds under management¹



¹ As a percentage of total funds under management at 31 December 2018

Where our clients' assets are invested¹



Direct holdings

51.6%

Collectives

48.4%

¹ Total Investment Management including Rathbone Investment Management International but excluding Speirs & Jeffrey.

² Including fund of hedge funds and structured products.

Offices

Office location	Number of investment professionals ¹	Investment Management funds under management and administration (£bn at 31/12/18) ²
London	139	17.1
Glasgow	47	6.8
Liverpool	27	2.0
Edinburgh	25	2.4
Other offices ³	89	11.3
Total	327	39.6

¹ As at 31 December 2018 excluding 14 fund managers in Rathbone Unit Trust Management.

² Figures include £1.2 billion invested in Rathbone Unit Trust Management funds and £1.1 billion of funds introduced to the group by Vision.

³ Including: Aberdeen, Birmingham, Bristol, Cambridge, Chichester, Exeter, Kendal, Lymington, Newcastle, Winchester and the Rathbone Investment Management International office in Jersey.

Annual management fees¹

Discretionary management fees (subject to VAT)	
	Applied across Main Funds and ISA funds (pa) ²
First £250,000	1.20%
Next £500,000	1.00%
Next £750,000	0.75%
Balance over £1,500,000	0.50%
Illustration of fees (how our management fees are applied to a portfolio of £400,000. VAT should be added)	
£250,000 charged at 1.20%	£3,000
£150,000 charged at 1.00%	£1,500
Total annual management fee	£4,500

Our fee is completely transparent and we do not charge:

- fixed and minimum fees
- dealing and commission charges
- third party brokerage charges
- set-up and exit fees
- transfer in or out charges
- custody or platform fees
- performance fees

¹ With effect from 1 January 2015 for new clients only.

² Management fees are calculated on the aggregate value of a defined group of related funds.

Performance: retail funds

Performance ¹ and quartile ranking at 31 December 2018 (I-Class units)	YTD 2018		1 year		3 year		5 year		10 years	Since inception		Size of fund (£m) [†]
Rathbone Global Opportunities Inst Acc in GB	-0.52	1	-0.52	1	39.49	1	76.66	1	312.06	-	-	1,351.5
Rathbone Global Sustainability S Acc in GB²	-		-		-		-		-	-10.92	3	2.4
Sector : IA Global TR in GB	-5.72		-5.72		32.59		45.91		150.89	-10.77	-	
Rathbone Ethical Bond Inst Acc in GB	-3.08	4	-3.08	4	14.71	1	29.24	1	121.07	-	-	1,231.0
Rathbone High Quality Bond S Acc in GB³	-		-		-		-		-	0.00	2	52.1
Sector : IA Sterling Corporate Bond TR in GB	-2.22		-2.22		12.05		22.74		79.12	0.09		
Rathbone Strategic Bond Inst Acc in GB	-1.36	1	-1.36	1	13.79	1	20.32	2	-	-	-	145.0
Sector : IA Sterling Strategic Bond TR in GB	-2.49		-2.49		10.22		16.71		-	-	-	
Rathbone UK Opportunities Inst Inc TR in GB⁴	-19.40	4	-19.40	4	2.10	4	10.04	4	-	-	-	48.0
Sector : IA UK All Companies TR in GB	-11.2		-11.2		12.2		18.41		-	-	-	
Rathbone Income Inst Inc TR in GB³	-8.55	2	-8.55	2	7.26	3	25.45	1	165.25	-	-	1,091.3
Sector : IA UK Equity Income TR in GB	-10.50		-10.50		8.40		18.75		131.73	-	-	

These exclude non-publicly marketing funds and segregated mandates. Disclosed funds represent 87% of the total AUM (as at 31.12.18). Benchmark returns are not included for one and three year periods as investors should be looking longer term.

Data source: Financial Express as at 31 December 2018

¹ Performance figures and indices are stated on a total return basis

² The Rathbone Global Sustainability Fund launched on 19 July 2018

³ The Rathbone High Quality Bond Fund launched on 19 November 2018

⁴ From 23 October 2017 the Rathbone Recovery Fund relaunched as the Rathbone UK Opportunities Fund

[†] 'Overall' Fund (Mid-Market) Value (including all share classes)

Performance: outcome oriented funds

Discrete year performance ¹ at 31 December 2018 (S-class shares)	1 year	3 years	5 years	Size of fund (£m) [†]
Rathbone Multi Asset Total Return Portfolio S Inc TR in GB²	-1.71	7.78	18.15	294.3
Offset Instrument : LIBOR GBP 6m +2% TR in GB	2.86	8.22	14.15	
Volatility as % of MSCI World Index [TARGET <33%]	24.25	27.07	28.74	
Rathbone Multi Asset Strategic Growth Portfolio S Inc TR in GB²	-3.97	17.64	30.36	549.6
Offset Instrument : UK Consumer Price Index +3% TR in GB	4.81	16.29	24.26	
Offset Instrument : UK Consumer Price Index +5% TR in GB	6.67	23.00	36.60	
Volatility as % of MSCI World Index [TARGET <66%]	56.12	57.87	57.09	
Rathbone Strategic Income Portfolio Inc TR in GB	-3.64	15.87		44.2
Offset Instrument : UK Consumer Price Index +3% TR in GB	4.81	16.29		
Offset Instrument : UK Consumer Price Index +5% TR in GB	6.67	23.00		
Rathbone Multi Asset Enhanced Growth Portfolio S Acc in GB²	-6.44	25.04	41.09	75.8
Offset Instrument : UK Consumer Price Index +5% TR in GB	6.67	23.00	36.60	
Volatility as % of MSCI World Index [TARGET <100%]	76.14	86.02	90.79	
Rathbone Heritage S Acc in GB³	-9.40	12.19	34.83	30.9
Offset Instrument : UK Consumer Price Index +5% TR in GB	6.67	23.00	36.60	

These funds are part of the volatility managed sector where quartile rankings are prohibited in the Investment Association guidelines

Data source: Financial Express as at 31 December 2018

¹ Performance figures are stated on a total return basis

² Rathbone Multi Asset Portfolios launched on 10 June 2009.

³ Heritage Fund launched on 25 March 2013.

[†] 'Overall' Fund (Mid-Market) Value (including all share classes)

Reference sheet

Common Equity
Tier 1 ratio:

Common Equity Tier 1 capital as a proportion of total risk exposure amount

Leverage ratio:

Tier 1 capital resources as a percentage of total assets, excluding intangible assets and investment in associates, plus a proportion of off balance sheet exposures

Corporate governance at Rathbones

We believe it is in the best interests of our clients for the companies in which we invest to adopt best practice in corporate governance. This provides a framework in which each company can be managed in the long-term interest of its shareholders. We have taken a number of steps to ensure we conform to best practice in this area.

Key facts:

- Rathbones' corporate governance committee is composed of investment managers and representatives from other teams from across the business
- we have appointed Institutional Shareholder Services (ISS) to give advice and recommendations on voting in accordance with our policies
- ISS supports the committee in the development of its proxy voting procedures in relation to discretionary accounts. ISS also provides on going, regular corporate governance analysis and information on current trends
- advice and research received by the corporate governance committee supplements the fundamental analysis carried out by the equity selection committees as part of the investment process. Committee members are kept up-to-date on voting advice regarding AGM and EGM resolutions
- quarterly corporate governance and voting reports can be produced for clients that require them
- the committee was set up in line with our obligations under the Principles for Responsible Investment and observes the Stewardship Code, set up by the Financial Reporting Council

Important information

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.

Information valid at date of presentation.

Tax regimes, bases and reliefs may change in the future.

Rathbone Brothers Plc is independently owned, is the sole shareholder in each of its subsidiary businesses and is listed on the London Stock Exchange.

Issued and approved by Rathbone Investment Management Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered office: Port of Liverpool Building, Pier Head, Liverpool L3 1NW, Registered in England No. 01448919.

Rathbones is the trading name of Rathbone Investment Management Limited.

Rathbone Unit Trust Management Limited is authorised and regulated by the Financial Conduct Authority. Registered office: 8 Finsbury Circus, London EC2M 7AZ, Registered in England No. 02376568.

Trust, tax and company administration services are supplied by trust companies in the Rathbone Group. Provision of legal services is provided by Rathbone Trust Legal Services Limited ('RTL'), a wholly owned subsidiary of Rathbone Trust Company Limited ('RTC'). RTL is authorised and regulated by the Solicitors Regulation Authority under no.636409. The registered office of both RTC and RTL is 8 Finsbury Circus, London EC2M 7AZ. RTC and RTL are registered in England under company nos. 01688454 and 10514352 respectively.

Rathbone Investment Management International Limited is the registered business name of Rathbone Investment Management International Limited which is regulated by the Jersey Financial Services Commission. Registered Office: 26 Esplanade, St Helier, Jersey JE1 2RB. Company Registration No. 50503.

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