



Rathbones
Look forward

Rathbone Brothers Plc

Preliminary results

Building for the future

23 February 2017

Agenda

1. 2016 in context
2. Financial results
3. Strategic update
 - Distribution
 - Rathbone Private Office
4. Q&A



Mark Nicholls
Chairman



Philip Howell
Chief Executive



Paul Stockton
Finance Director



Mike Webb
CEO of RUTM

2016 in context

- a year marked by considerable political change and uncertainty
- subdued first half for investors, followed by market recovery as the year progressed
- results ahead of expectations benefitting from positive investment markets and continued growth
- continued commitment to delivery of strategic initiatives which are expected to gain traction this year
- considerable post-Brexit volatility in bond markets through the third quarter
- proposal to close defined benefit schemes with subsequent raising of £36.9 million, net of placement costs, undertaken in October
- completion of London office move to 8 Finsbury Circus



New Rathbone headquarters in Finsbury Circus, London

Financial results

Paul Stockton
Finance Director

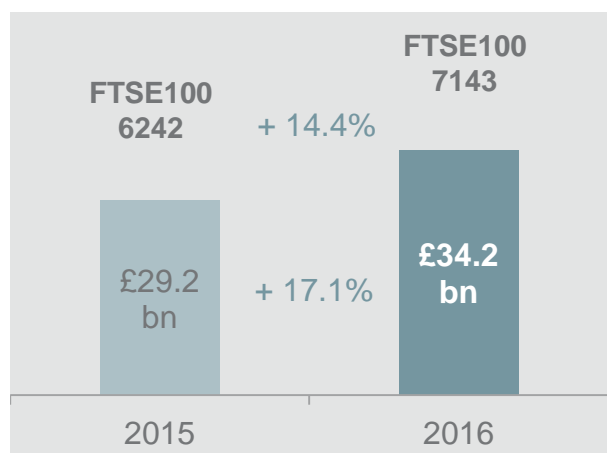


2016 financial highlights

FUM growth continues

- total funds under management up 17.1% to £34.2bn
- total net organic and acquired growth in funds under management of 6.0%²
- Investment Management gross inflows of £2.7bn
- Unit Trust net inflows of £0.6bn

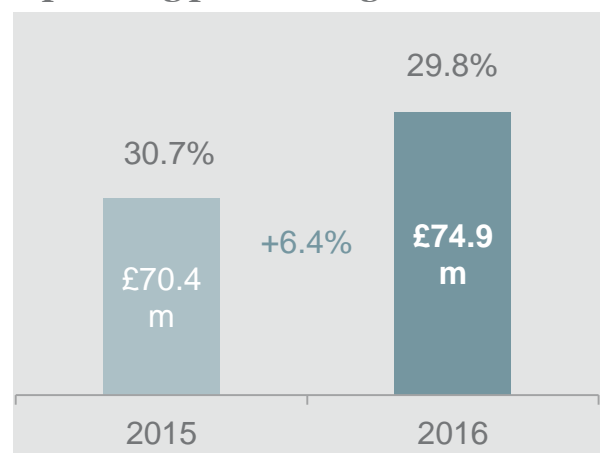
Funds under management



Stable underlying operating margin

- underlying PBT up 6.4% to £74.9m resulting in operating margin of 29.8%
- underlying EPS³ of 122.1p and basic EPS of 78.9p
- PBT of £50.1m reflects planned non-underlying costs of £13.0m related to the London office move and Vision acquisition

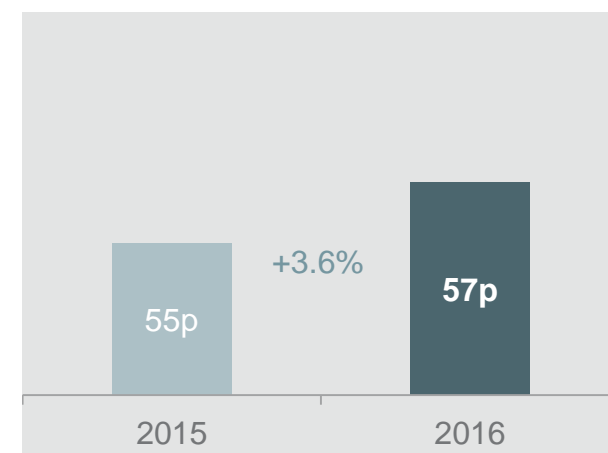
Underlying¹ profit before tax/ operating profit margin



Balance sheet management on track

- completed a 4.6% share placing, raising £36.9m net of costs
- defined benefit pension scheme closure planned for 30 June 2017
- final dividend of 36p, resulting in a total dividend of 57p for the year
- underlying return on capital steady at 19.3% (2015:19.0%)

Total dividends per share



¹ See slide 9 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 Total net organic and purchased growth in funds under management managed by Investment Management and Unit Trust as a percentage of opening funds under management.

³ See slide 30 for a reconciliation between earnings per share and underlying earnings per share

Funds under management

	Investment Management FY 2016 (£bn)	Unit Trusts FY 2016 (£bn)	Total FY 2016 (£bn)	Total FY 2015 (£bn)
Opening funds under management	26.1	3.1	29.2	27.2
Inflows	2.7	1.3	4.0	3.9
– organic ¹	2.3	1.3	3.6	3.2
– purchased ²	0.4	-	0.4	0.7
Outflow of money	(1.5)	(0.7)	(2.2)	(2.1)
– retained accounts	(1.0)			
– closed accounts	(0.5)			
Market effect and investment performance	2.9	0.3	3.2	0.2
Closing funds under management	30.2	4.0	34.2	29.2
Net organic inflows	0.8	0.6	1.4	1.1
Underlying rate of net organic growth³	2.9%	18.0%	4.5%	4.1%
Total rate of net growth³	4.5%	18.0%	6.0%	6.6%

Organic gross inflows

- one third of new business continues to be sourced by intermediaries

Purchased inflows

- nearly all individuals on earn-out arrangements are expected to meet targets

IM outflows

- consistent at 5.7% of funds under management (2015 5.3%)
- 2/3 of outflows relate to retained accounts

Unit trusts

- strong year in 2016
- 2017 sales slow to date with regulatory changes to come

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.

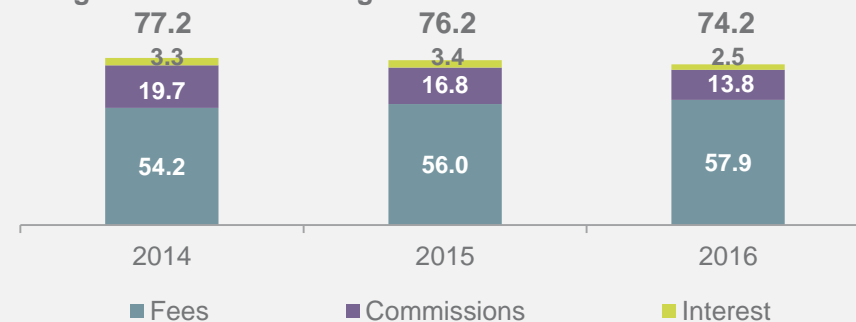
³ Calculated using unrounded numbers.

Improving income quality

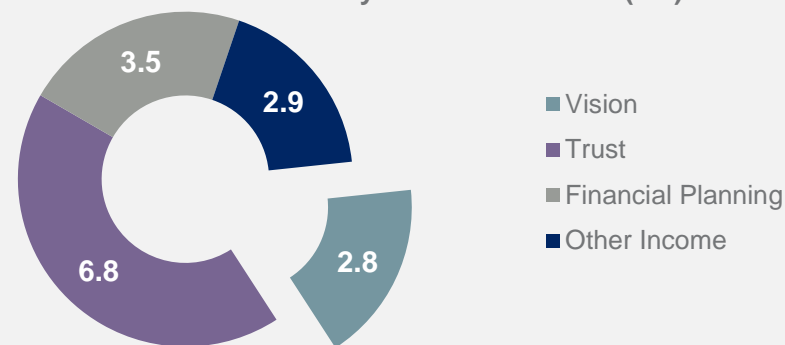
	FY 2016 (£m)	FY 2015 (£m)	% change
<i>Average FTSE 100 Index (on quarterly billing dates)</i>	6659	6415	3.8
Net investment management fee income	184.8	161.4	14.5
Net commission income	38.9	43.1	(9.7)
Net interest income	11.6	10.8	7.4
Fees from advisory services and other income	16.0	13.9	15.1
Underlying operating income	251.3	229.2	9.6

Investment management and advisory fee income represents 79.9% of underlying operating income (2015: 76.5%)

Investment Management basis point return on average funds under management¹



Breakdown of 2016 advisory and other income (£m)



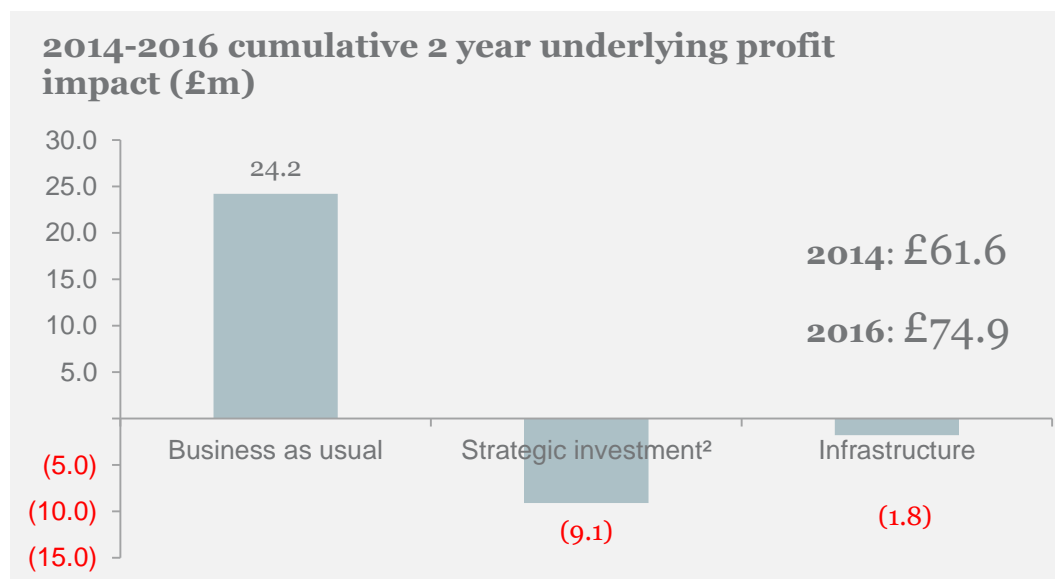
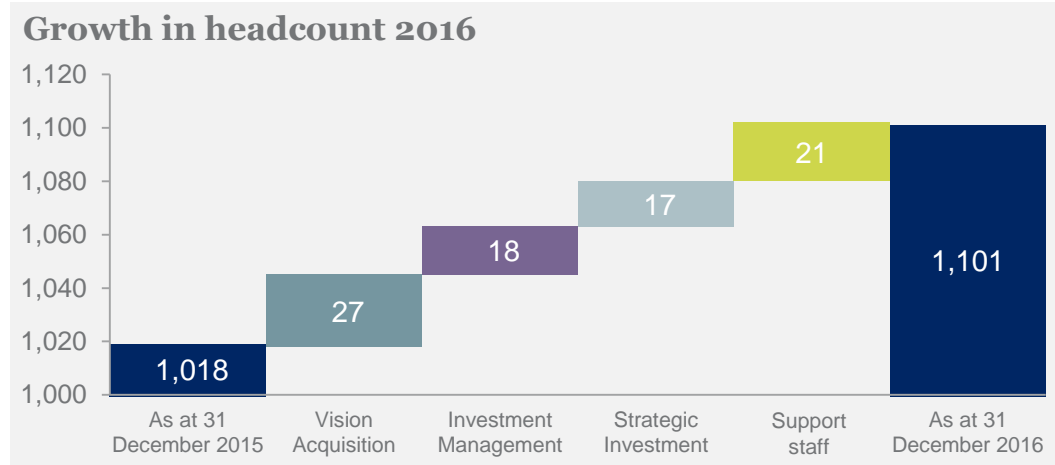
¹Underlying operating income excluding interest on own reserves, interest payable on Tier 2 notes issued, fees from advisory income and other income, divided by the average funds under management on the quarterly billing date.

Balancing expenditure

	FY 2016 (£m)	FY 2015 (£m)	% change
Fixed staff costs	79.8	73.5	8.6
Average FTE ¹ employees during the year	1,066	981	8.7
Actual FTE ¹ employees at the year end	1,101	1,018	8.2
Variable staff costs	45.0	39.7	13.4
Variable staff costs as a % of underlying profit before tax and variable staff costs	37.5%	36.1%	
Other direct expenses	51.6	45.6	13.2
Total underlying operating expenses	176.4	158.8	11.1

¹ Full time equivalent

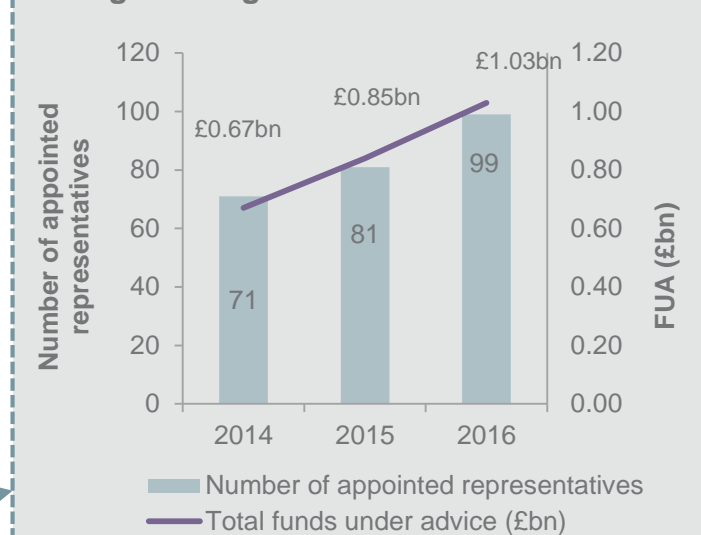
² Components of strategic investment are outlined on slide 18 and include intermediary distribution, Private Office, Financial Planning, and Investment process



Profit before tax

	FY 2016 (£m)	FY 2015 (£m)	% change
Average FTSE 100 Index (on quarterly billing dates)	6659	6415	3.8
Underlying operating income	251.3	229.2	9.6
Underlying operating expenses	(176.4)	(158.8)	11.1
Underlying profit before tax	74.9	70.4	6.4
Charges in relation to client relationships and goodwill	(11.8)	(11.0)	7.3
Vision acquisition costs	(6.0)	(0.4)	
Head office relocation costs	(7.0)	(0.4)	
Profit before tax	50.1	58.6	(14.5)
Profit after tax	38.2	46.4	(17.7)
Effective tax rate	23.8%	20.8%	
Total comprehensive income, net of tax	6.9	51.4	

Strong Vision growth¹



- head office relocation complete
- 8 Finsbury Circus completion date reduces 2016 relocation costs by £2.5m
- 7th floor let as planned
- Brexit-related delays increase expected 2017 Curzon Street onerous lease cost from £8m to c.£10m
- cost of c.20,000 sq ft additional net space capacity + c.£1m in 2017/2018

¹As at 31December of each year

Balance sheet management

Assets	31/12/16 (£m)	31/12/15* (£m)
Total own funds ¹	174.2	144.3
Pillar 1 own funds requirement	71.5	67.2
Surplus before Pillar 2A	102.7	77.1
Pillar 2A requirement	27.9	26.8
Surplus before Pillar 2B	74.8	50.3
CCB + CCyB ² (buffers)	5.9	6.5
Surplus after CCB + CCyB	68.9	43.8
Risk weighted assets (RWAs)	892.7	840.8
Pillar 2A as % of RWAs	3.1%	3.2%
Group Common Equity Tier 1 ratio ³	17.7%	15.4%
Consolidated leverage ratio ³	6.6%	7.7%

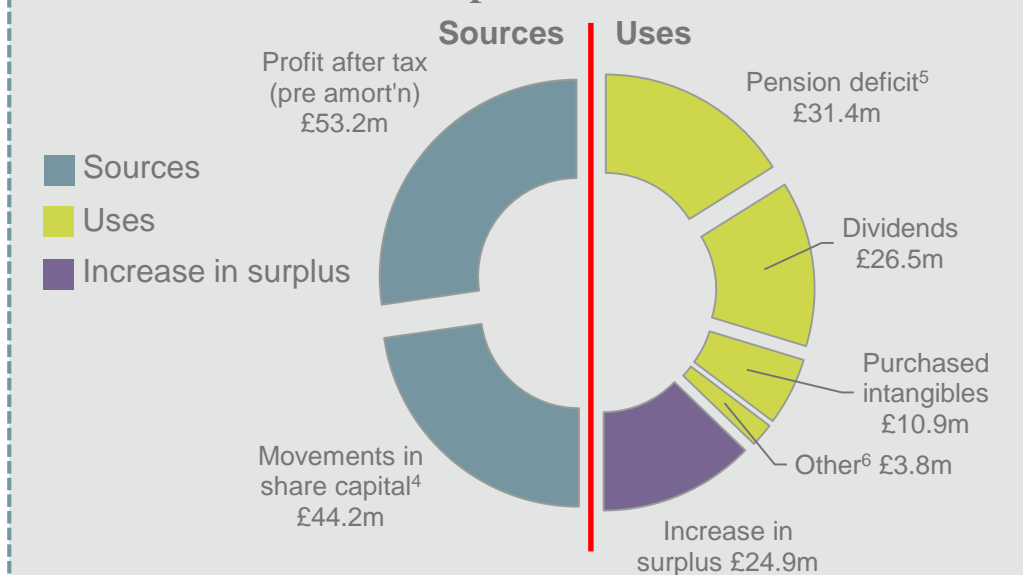
* Restated for the impact of the revaluation of net assets acquired

¹For a reconciliation between total equity and total own funds, see slide 33

² Capital conservation buffer (CCB) and Counter Cyclical Buffer (CCyB)

³ See slide 44 for definitions of principal banking ratios

2016 sources and uses of capital



⁴ Shares issued, share based payments and movements in own shares

⁵ Loss on remeasurement of defined benefit liability net of deferred tax

⁶ Increase in regulatory requirements from business growth and change in buffers

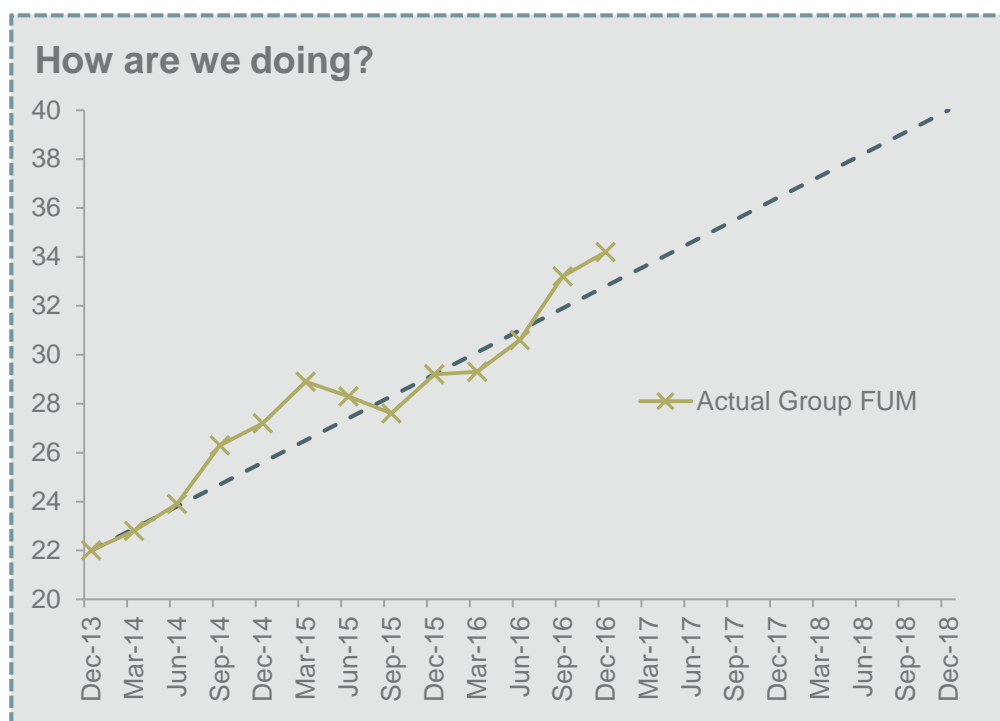
- capital raised to support action on pension scheme
- retained capital necessary to fund pension scheme closure
- regulatory ratios stable

Building a sustainable business

Philip Howell
Chief Executive



In 2014 we shared an aspiration to reach £40 billion funds under management in 2018...



- improve team structures ✓
- simplify pricing structures ✓
- grow charities and specialist services ✓
- establish Rathbone Private Office ✓
- build up our in-house financial planning team to support all branches ✗
- recruit high-quality teams and bolt-on acquisitions ✓
- build the client loan book ✗
- enhance investment process support ✓
- grow Rathbone Unit Trust Management ✓
- building and leverage our sales capability in the intermediary market ✓
- grow our Vision relationship ✓

Rathbone Unit Trust Management

Looking back

	FY 2016	FY 2015	% change Rathbones	% change industry ¹
Funds under management	£4.0bn	£3.1bn	29.0	12.6
Net sales	£0.6bn	£0.4bn	50.0	(72.0)
Profit before tax	£8.7m	£6.6m	31.8	n/a
Operating margin	34.8%	32.7%	n/a	n/a

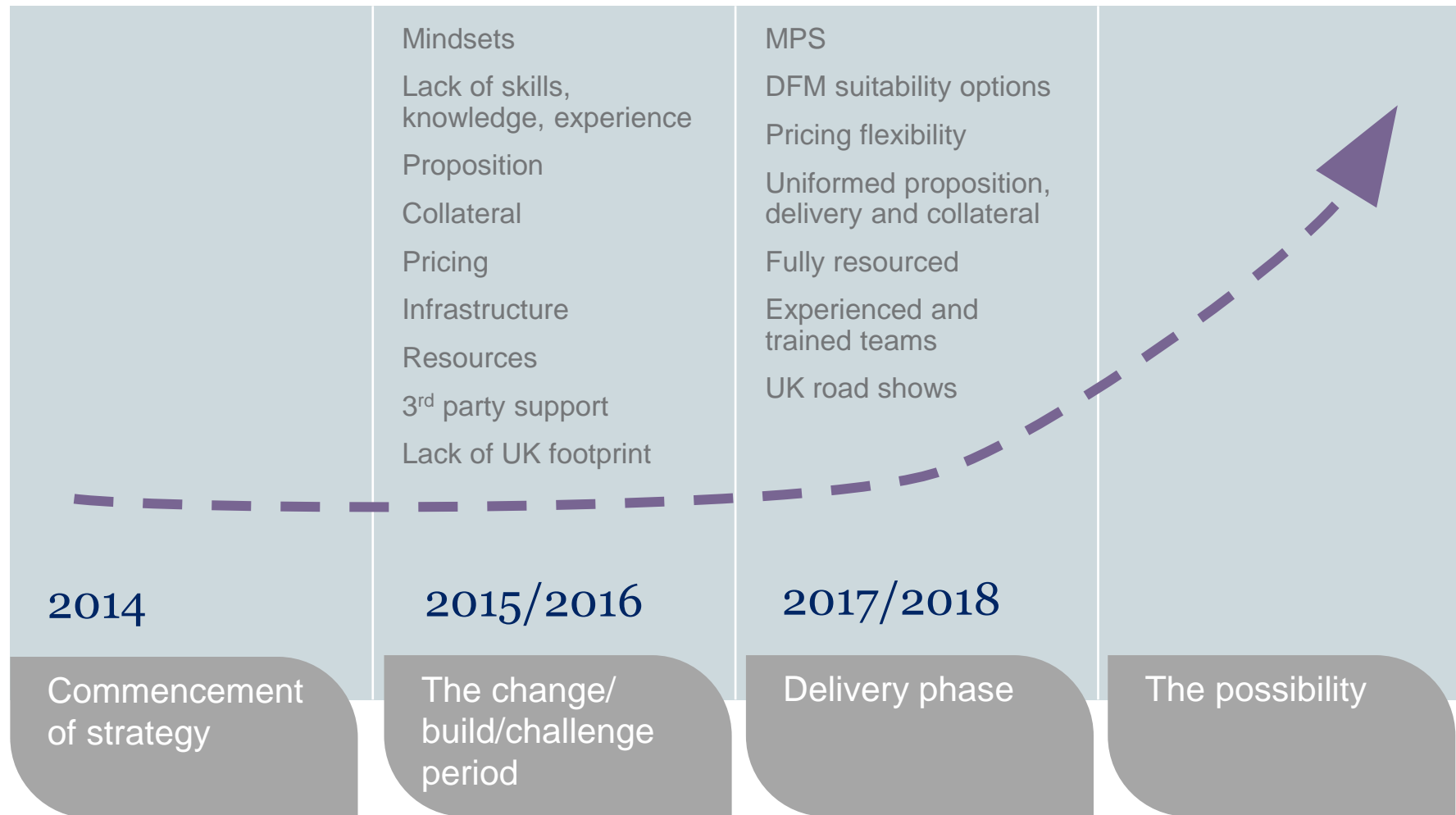
Looking forward

- momentum good but redemptions higher
 - volatile markets
 - macro economic outlook
 - geopolitical uncertainty
 - regulatory headwinds
 - FAMR
 - MiFiD II
 - PRIIPS
 - A broad range of funds for uncertain times helps
 - Total return
 - Strategic bond
 - Heritage
 - Continue momentum of Luxembourg funds
- Cautious investor sentiment*

¹ The Investment Association for the year ended 31 December 2016

Distribution

A five year plan



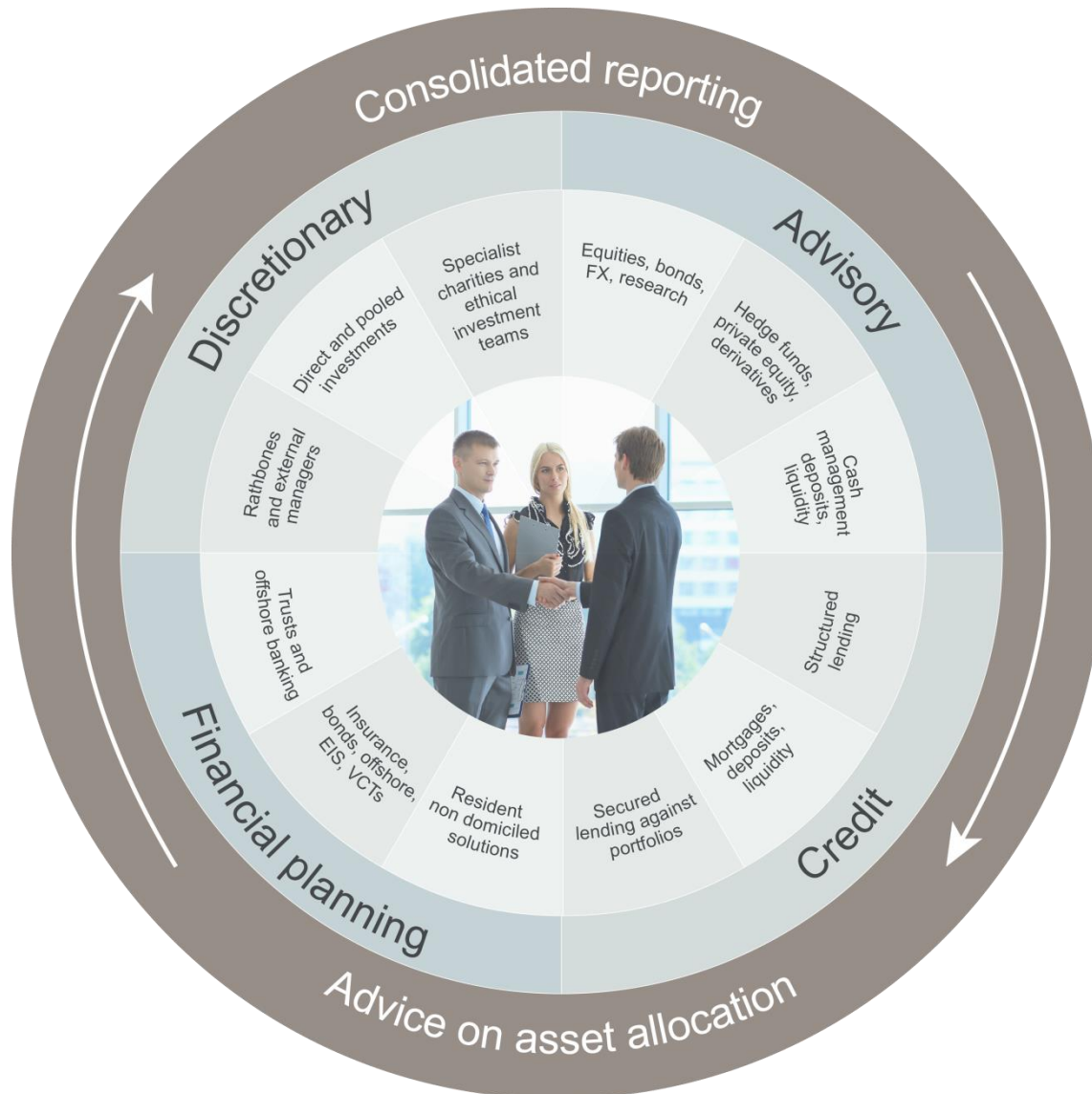
Vision Independent Financial Planning

Encouraging growth for 2017

- much of 2016 was focused on post acquisition activities
 - comprehensive reviews
 - strengthening and implementing governance and IT overlays
 - resuming adviser recruitment
 - positioning for growth
- business is performing well
 - DFM funds under management - up 21.2% at £1.03bn (2015: £0.85bn)
 - recruitment continues

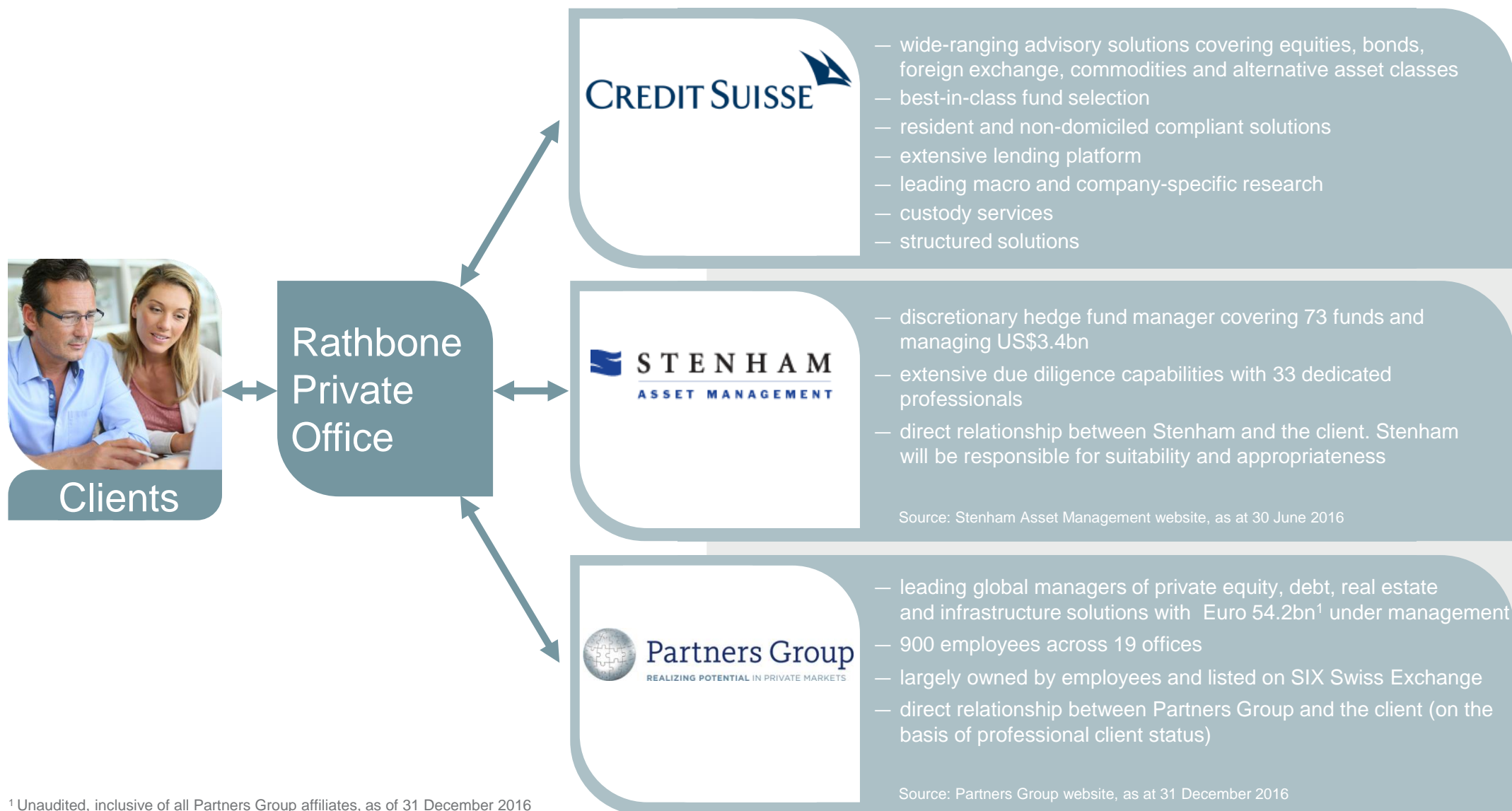
2017 is exciting with a very strong recruitment pipeline and greater focus with fewer distractions

What does Rathbone Private Office do?



- aimed at clients with over £10m of investable assets
- in-depth advice on overall asset allocation
- transparent consolidated reporting
- discretionary investment management allowing access to the top-tier money managers globally
- full range of charitable and ethical investment solutions
- leading advisory solutions via partnerships with Credit Suisse and third-party asset class specialists
- secured lending against assets
- extensive experience in financial planning including trust and tax services and resident non-domiciled solutions
- client centres in London, Switzerland and the Channel Islands
- review of managers' fees to reduce costs

Access to third party providers



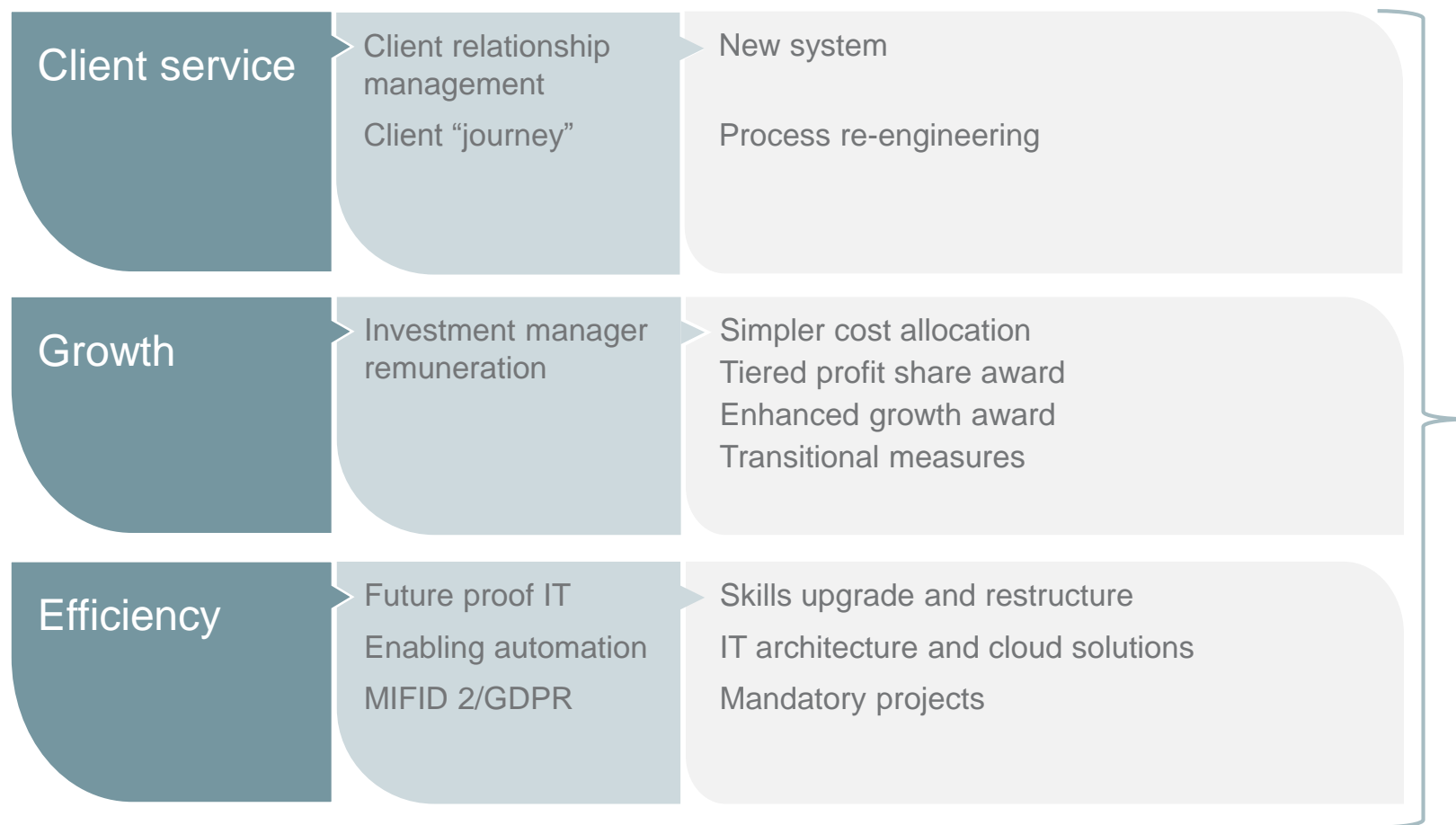
¹ Unaudited, inclusive of all Partners Group affiliates, as of 31 December 2016

Progressing our strategy in 2016

As planned, we spent an additional £6m in 2016 on strategic initiatives

Initiative	What have we delivered to date?	2017 milestones
Intermediary distribution	<ul style="list-style-type: none"> — sales and management team in place — 12 strategic partnerships — flows beginning 	<ul style="list-style-type: none"> — +c.£200m funds under management — inflationary cost increases
Private Office	<ul style="list-style-type: none"> — a defined proposition — Credit Suisse platform 	<ul style="list-style-type: none"> — c.£200m funds under advice — full cost run rate +c.£1m on 2016
Financial Planning	<ul style="list-style-type: none"> — stable risk and infrastructure — stronger support teams — selected hiring/some leavers 	<ul style="list-style-type: none"> — build out proposition — full cost run rate of +c.£2m of expenditure on advisors, systems and improving infrastructure
Investment process	<ul style="list-style-type: none"> — higher quality output — risk and assurance systems — research hub 	<ul style="list-style-type: none"> — selectively add resources — improve research accountability
Infrastructure	<ul style="list-style-type: none"> — IT strategy — Liverpool space 	<ul style="list-style-type: none"> — IT restructure and skills upgrade — Property move

Supporting our strategy in 2017



Total potential financial impacts

Capital expenditure	
New CRM tool	+c.£1m

Additional run rate operating expenses	
IT improvements	+c.£2m
Strategic initiatives ¹	+c.£3m
8 Finsbury Circus	+c.£1m

¹ Run rate increases highlighted on slide 18

Focusing on delivery

- maintain momentum in strategic initiatives
- drive improvements but keep cost discipline
- manage our balance sheet risks
- acquisition opportunities that fit our culture



Exciting
challenges and
opportunities
ahead, mindful of
investment
markets

Q&A



Appendix

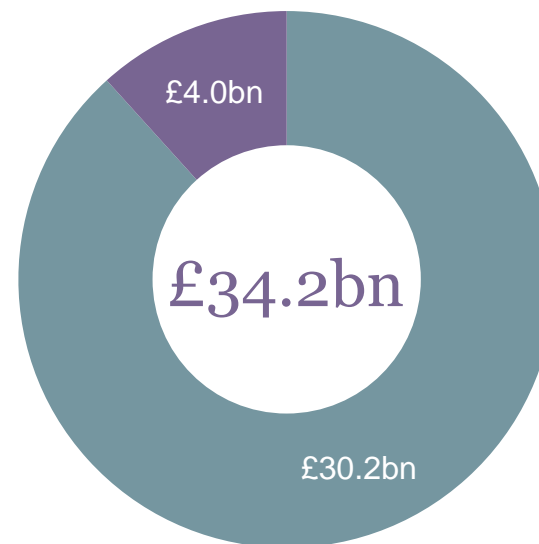


Rathbones at a glance

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

Scale and expertise

- 287 highly trained investment professionals
- £34.2 billion funds under management
- a broad range of investment solutions

Brand and reputation

- established brand
- local presence and consistent delivery
- 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 leading to long and trusted relationships
- clients have the ability to join Rathbones either directly or through their own financial intermediary
- we can access investments across the whole market, with no bias towards in-house funds
- our online capabilities complement 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 control mechanism

Diverse distribution

- direct client referrals remain the most important source of organic growth
- our specialist investment teams provide services to charities and ethical investors
- we have a dedicated sales team for discretionary and unit trust services to UK financial intermediaries
- our Vision business operates independently but retains a relationship with Rathbone Investment Management

High quality operations

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

What makes us different

For investors

- a track record of consistent net organic growth
- successful acquisition capability for people and firms that fit our culture
- an underlying operating margin of around 30% throughout the economic cycle
- investment in targeted growth initiatives that broaden our distribution
- stable dividend growth

Underlying operating margin between 28.6% – 30.7% over the past 5 years.

For clients

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

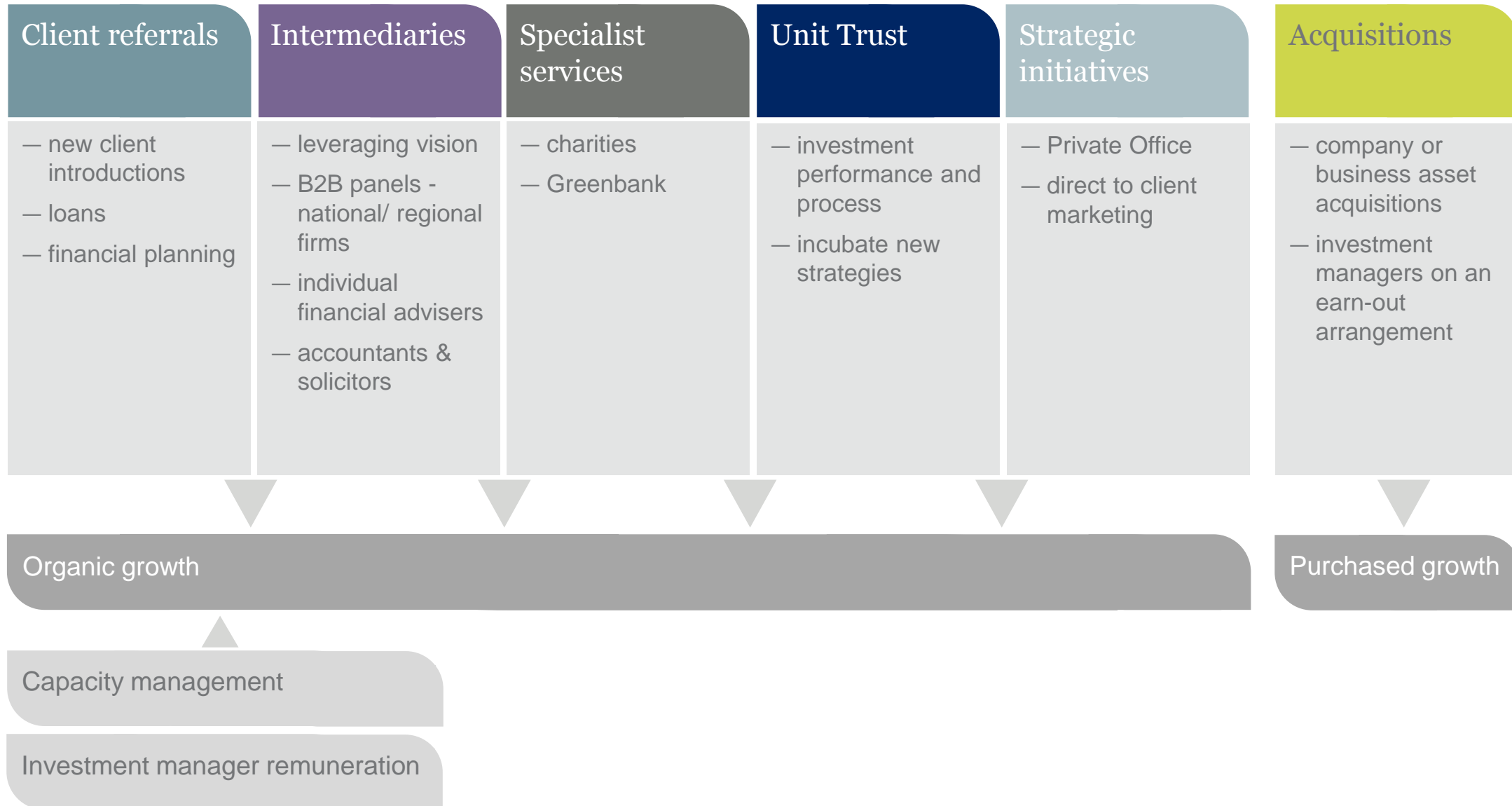
Funds under management increased 115.8% over the past 5 years.

For employees

- value-based remuneration
- investment in training and development
- 14.7% staff shareholding
- graduate development

Staff turnover between 4.0% – 6.0% over the past 5 years.

Current growth strategy



Leading UK private client wealth managers

		Private client AUM (£m)		
		Total	Disc.	Adv.
1	St. James's Place Wealth Management	58,600	- ¹	-
2	Coutts	49,239	47,269	1,970
3	Barclays	44,149	30,904	13,245
4	UBS Wealth Management	31,681	7,920	23,761
5	HSBC ²	29,415	-	-
6	Brewin Dolphin Ltd	28,300	24,621	3,679
7	Investec Wealth & Investment	27,700	21,883	5,817
8	Rathbones³	26,126	24,036	2,090
9	Cazenove Capital Management	25,866	25,090	776
10	JPMorgan Private Bank	19,000	7,600	11,400
11	Goldman Sachs International	17,818	11,938	5,880
12	MAN GLG	16,349	16,349	-
13	Quilter Cheviot	16,261	14,960	1,301
14	Smith & Williamson Investment Management	15,972	11,979	3,993
15	Lloyds Bank Private Banking	14,943	14,943	-
16	Credit Suisse (UK)	12,950	4,662	8,288
17	Davy Private Clients	12,580	6,919	5,661
18	Charles Stanley & Co	12,280	9,333	2,947
19	Canaccord Genuity Wealth Management	11,900	8,568	3,332
20	Seven Investment Management (7IM)	10,100	2,323	7,777

		Private client AUM (£m)		
		Total	Disc.	Adv.
21	Thesis Asset Management	9,998	9,198	800
22	Close Brothers Asset Management	9,412	7,530	1,882
23	SGPB Hambros	8,942	5,991	2,951
24	JM Finn & Co	7,840	5,253	2,587
25	Brooks Macdonald Asset Management	7,470	7,470	-
26	Rothschild	7,360	7,066	294
27	Standard Life Wealth	6,508	6,508	-
28	Santander Wealth Management	6,300	945	5,355
29	Deutsche Asset & Wealth Management	6,051	4,538	1,513
30	Ruffer	5,831	5,831	-
31	Tilney Bestinvest	5,800	4,466	1,334
32	LGT Vestra	5,628	4,390	1,238
33	Towry	5,535	4,760	775
34	Partners Capital	5,500	3,300	2,200
35	Speirs & Jeffrey	5,498	1,924	3,574
36	Kleinwort Benson	5,309	3,769	1,540
37	Raymond James Investment Services	5,278	4,222	1,056
38	Stonehage Fleming Investment Management	5,257	3,943	1,314
39	Hargreave Hale & Co	5,000	2,500	2,500
40	RBC Wealth Management	4,664	2,425	2,239

Data source: PAM 2016





¹ '-' indicates that no information regarding the Discretionary / Advisory split of assets is available

² Includes HSBC Private Bank and HSBC Global Asset Management

³ Rathbones figure only includes funds under management Rathbone Investment Management and is quoted as at 31 December 2015

Analysing the balance sheet

Assets	31/12/16 (£'000)	31/12/15* (£'000)
Cash and balances with central banks	1,075,673	583,156
Settlement balances	37,787	17,948
Loans and advances to banks	114,088	108,877
Loans and advances to customers ¹	110,951	117,269
Investment securities – available for sale	105,421	53,386
Investment securities – held to maturity	700,000	707,745
Prepayments, accrued income and other assets	65,710	59,513
Property, plant and equipment	16,590	10,006
Deferred tax asset	10,601	4,577
Intangible assets	167,192	171,453
Total assets	2,404,013	1,833,930

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

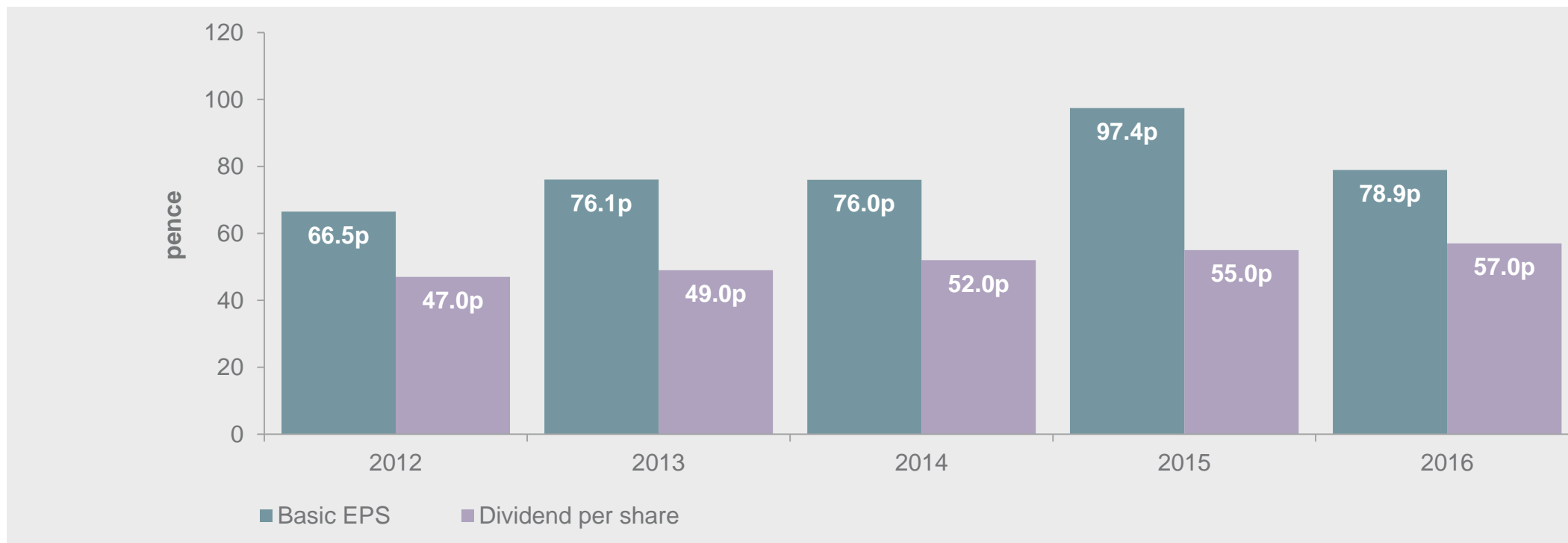
Liabilities	31/12/16 (£'000)	31/12/15* (£'000)
Deposits by banks	294	299
Settlement balances	39,289	21,481
Due to customers	1,888,895	1,402,890
Accruals, deferred income and other	85,154	78,716
Current tax liabilities	6,523	6,359
Subordinated loan notes	19,590	19,492
Retirement benefit obligations	39,455	4,501
Total liabilities	2,079,200	1,533,738

Equity	31/12/16 (£'000)	31/12/15 (£'000)
Called up share capital	2,535	2,407
Share premium/other reserves	165,733	123,372
Retained earnings	156,545	174,413
Total equity	324,813	300,192
Total liabilities and equities	2,404,013	1,833,930

* Restated for the impact of the revaluation of net assets acquired.

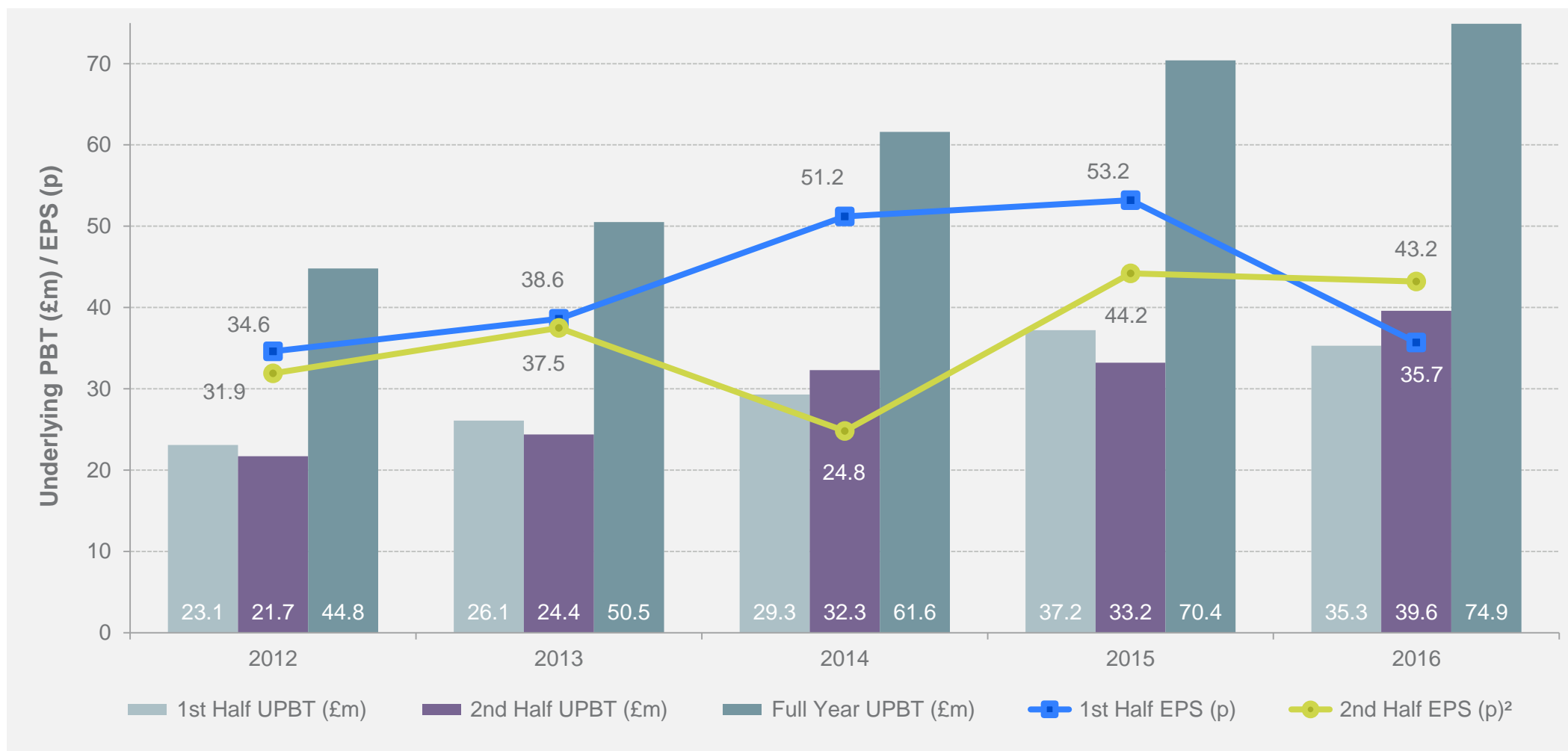
¹ Loans and advances to customers largely consist of the investment management loan book, but also include overdrafts, trust and pension debtors and other debtors

Dividend and earnings per share



Dividend cover	1.4x	1.6x	1.5x	1.8x	1.4x
Dividend payout ratio	71%	64%	68%	56%	72%
Dividend per share growth		4%	6%	6%	4%
Inflation growth (12 month CPI)		2%	1%	0%	1%

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



¹See slide 30 for a reconciliation between underlying profit before tax and profit before tax for 2015 and 2016

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.

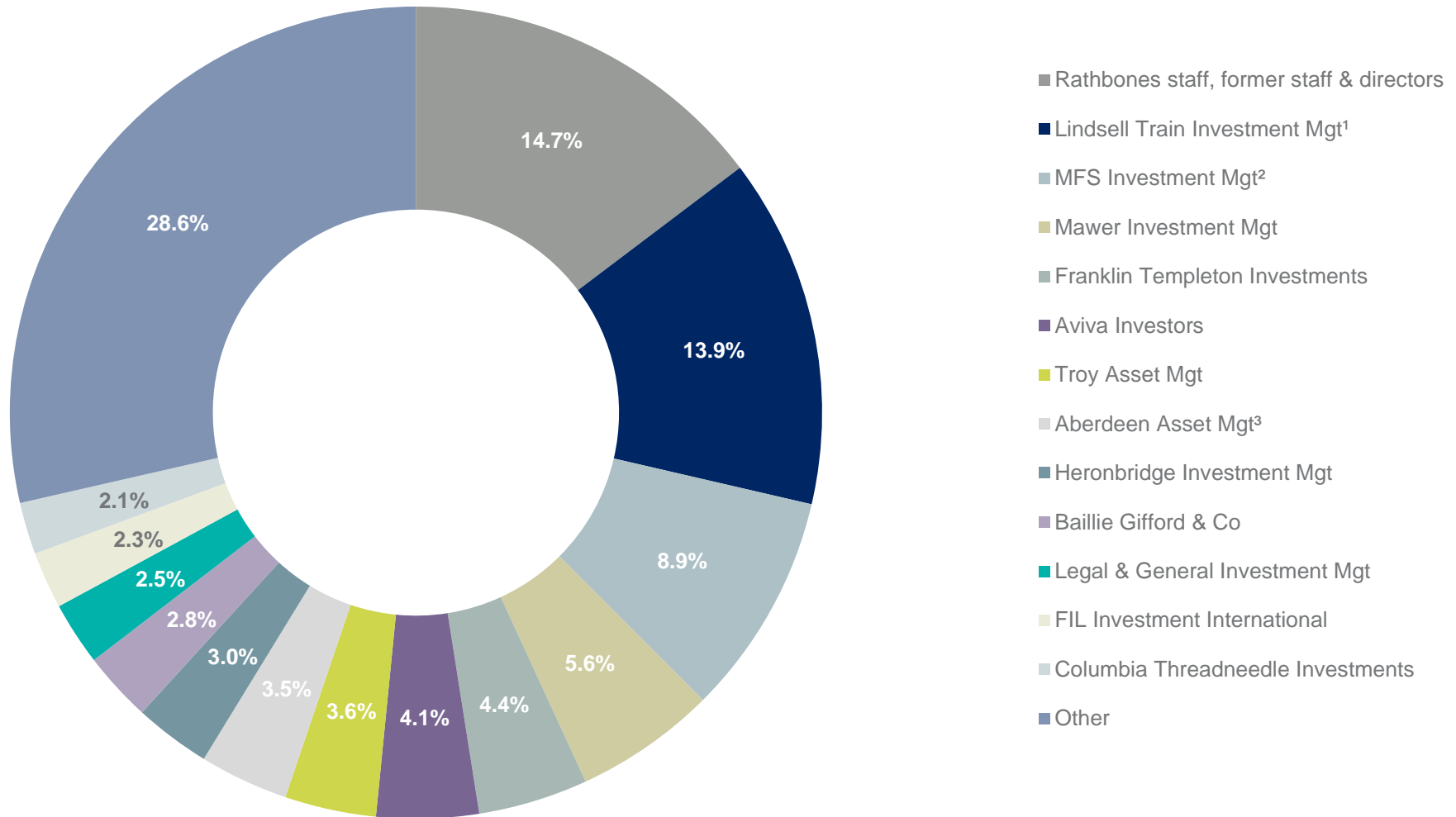
Earnings per share

	FY 2016			FY 2015		
	Pre tax (£m)	Post tax (£m)	EPS (p) ¹	Pre tax (£m)	Post tax (£m)	EPS (p) ¹
Underlying profit attributable to shareholders	74.9	59.1	122.1	70.4	55.7	117.0
Charges in relation to client relationships and goodwill	(11.8)	(9.4)	(19.4)	(11.0)	(8.8)	(18.6)
Head office relocation costs	(7.0)	(5.6)	(11.6)	(0.4)	(0.3)	(0.6)
Acquisition-related costs	(6.0)	(5.9)	(12.2)	(0.4)	(0.2)	(0.4)
Profit attributable to shareholders	50.1	38.2	78.9	58.6	46.4	97.4

¹ Weighted average number of shares in issue in the year ended 31 December 2016 = 48,357,728

² Weighted average number of shares in issue in the year ended 31 December 2015 = 47,612,026

Shareholders at 31 December 2016



¹ Lindsell Train control the voting rights <10% of this holding, the remainder is held on behalf of their clients.

² Includes shares held by MFS International Management

³ Includes shares held by Aberdeen Asset Mgt (SWIP)

Segmental results

y/e 31 December 2016	Investment Management (£m)	Unit Trusts (£m)	Indirect expenses (£m)	Total (£m)
Net investment management fee income	163.3	21.5	-	184.8
Net commission income	38.9	-	-	38.9
Net interest income	11.6	-	-	11.6
Fees from advisory services and other income	12.5	3.5	-	16.0
Operating income	226.3	25.0	-	251.3
Staff costs – fixed	(57.6)	(3.0)	(19.2)	(79.8)
Staff costs – variable	(32.4)	(5.3)	(7.3)	(45.0)
Other direct expenses	(40.7)	(5.4)	(30.3)	(76.4)
Allocation of indirect expenses	(47.2)	(2.6)	49.8	-
Profit before tax	48.4	8.7	(7.0)	50.1

y/e 31 December 2015	Investment Management (£m)	Unit Trusts (£m)	Indirect expenses (£m)	Total (£m)
Net investment management fee income	143.8	17.6	-	161.4
Net commission income	43.1	-	-	43.1
Net interest income	10.8	-	-	10.8
Fees from advisory services and other income	12.2	2.6	-	14.8
Operating income	209.9	20.2	-	230.1
Staff costs – fixed	(51.2)	(3.0)	(19.3)	(73.5)
Staff costs – variable	(29.4)	(3.8)	(6.5)	(39.7)
Other direct expenses	(31.6)	(4.3)	(22.4)	(58.3)
Allocation of indirect expenses	(45.3)	(2.5)	47.8	-
Profit before tax	52.4	6.6	(0.4)	58.6

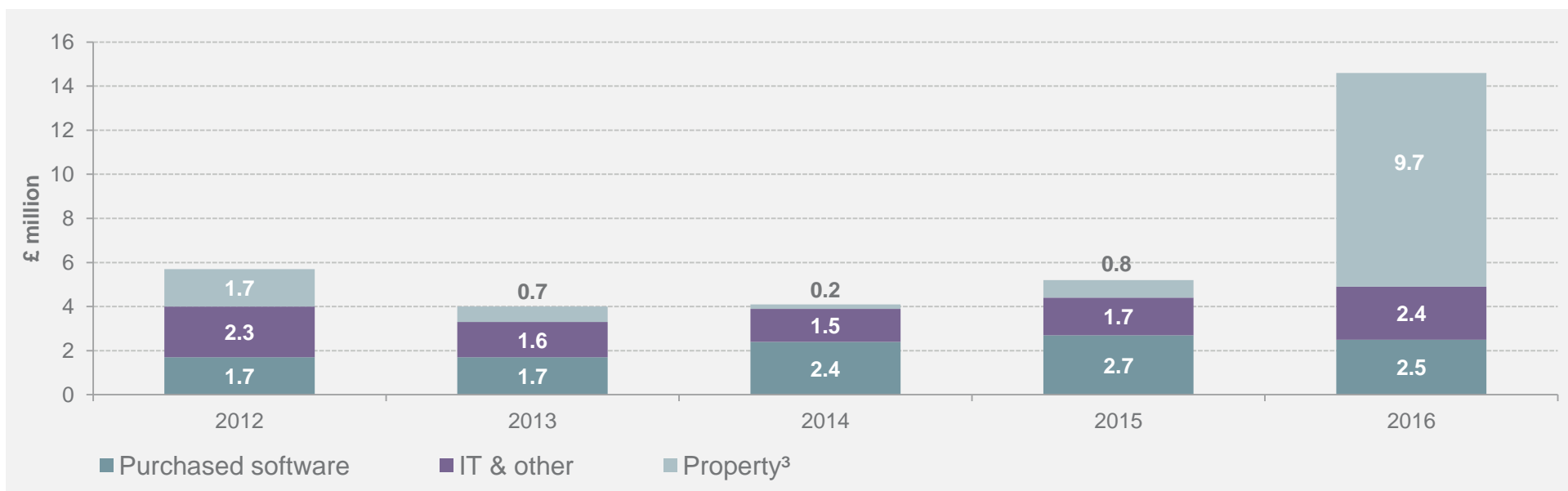
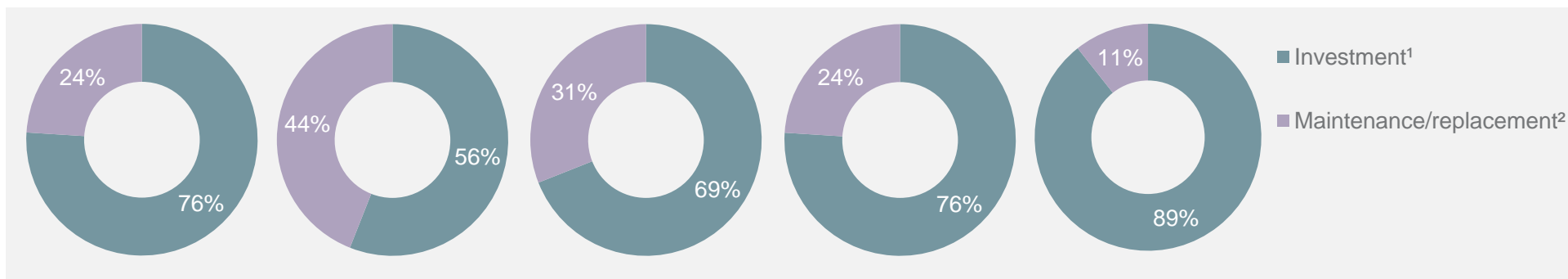
Reconciliation of equity to total own funds

	FY 2016 (£m)	FY 2015* (£m)	% change
Equity			
Share capital and share premium	142.5	100.1	42.4
Reserves	188.5	206.3	(8.6)
Less:			
- Own shares	(6.2)	(6.2)	-
- Intangible assets ¹	(166.4)	(170.5)	(2.4)
Total Common Equity Tier 1 capital resources	158.4	129.7	22.1
Tier 2 capital resources	15.8	14.6	8.2
Total own funds	174.2	144.3	20.7

* Restated for the impact of the revaluation of net assets acquired.

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

Capital expenditure



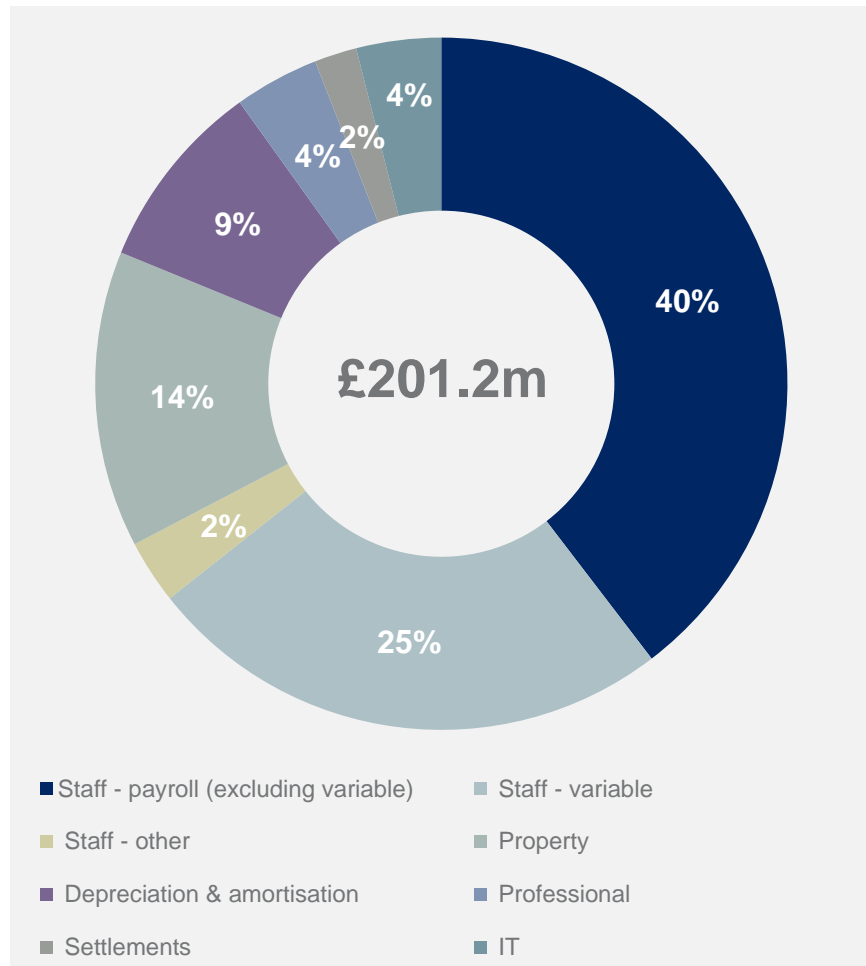
¹ Investment represents capital expenditure on new assets and IT systems, data centre and new office space and branches (including London office relocation in 2016)

² Maintenance/replacement represents software updates, minor enhancements, office refurbishment and replacement of time expired computers, servers and other equipment

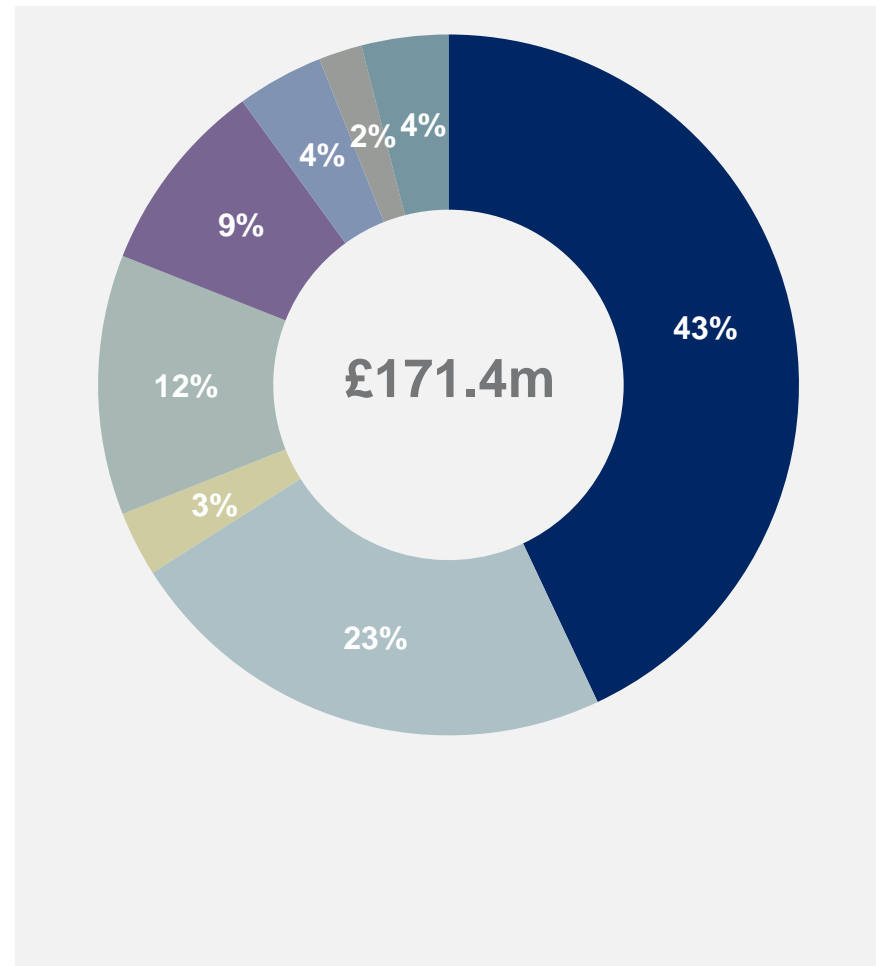
³ Property expenditure in general only includes leasehold improvements from the consolidated financial statements. IT & other expenditure also includes some move-related expenditure such as IT equipment and furniture

Total operating expenses

31 December 2016



31 December 2015



Other information

	FY 2016	FY 2015	% change
Investment Management			
Total rate of net growth in funds under management	4.5%	5.7%	
Revenue margin on FUM (excluding Charities team) (bps)	77.3	79.4	(2.6)
Revenue margin on Charities team FUM (bps)	46.4	46.8	(0.9)
Underlying operating income (£m)	226.3	209.0	8.3
Underlying profit margin	29.3%	30.5%	
Operating income ¹ per investment manager (£m)	1.01	0.94	7.4
Average FUM per investment manager (£m)	136	123	10.6
Operations and support staff ² to investment manager ratio	2.8	2.4	
Average client portfolio size ³ (£'000)	576	535	7.7
Group			
Dividend per share (pence)		55.0	
Underlying earnings per share (pence)	122.1	117.0	4.4
Dividend pay out ratio ⁴		56%	

¹ Underlying operating income excluding interest on own reserves, interest payable on Tier 2 note issued, fees from advisory income and other income

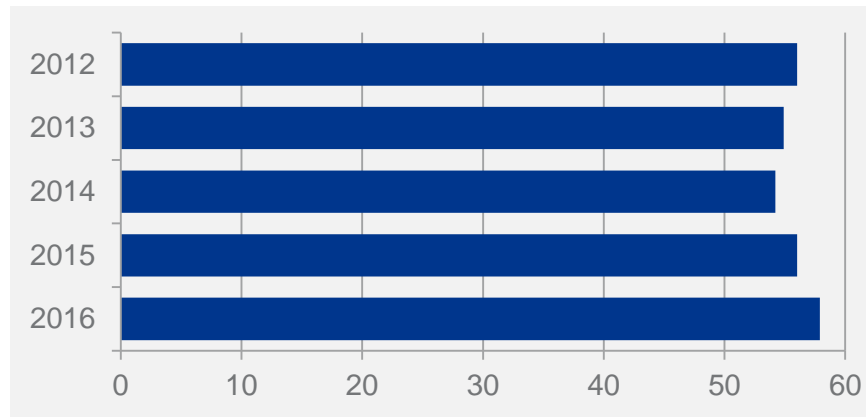
² Includes secretarial and administrative support and Investment Management operations staff

³ Excludes charity clients

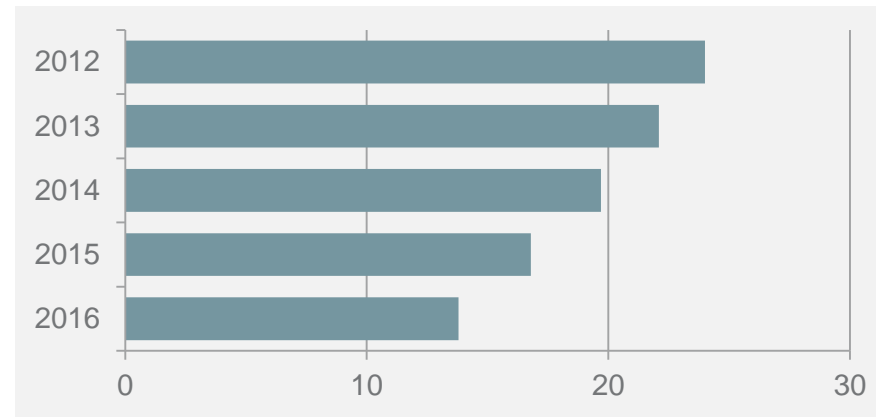
⁴ Dividends per share divided by earnings per share

Analysis of operating income

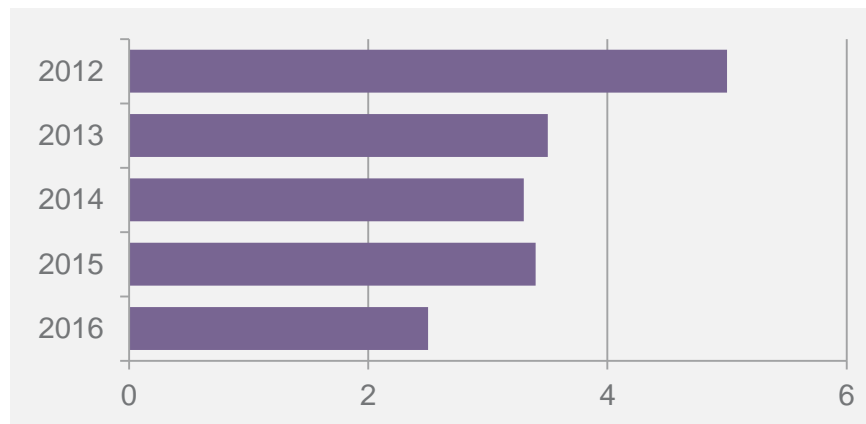
Basis point return from fees



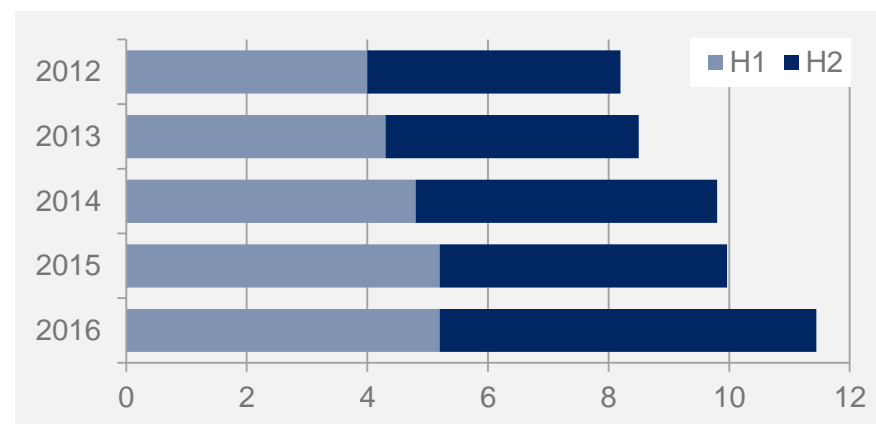
Basis point return from commission



Basis point return from interest

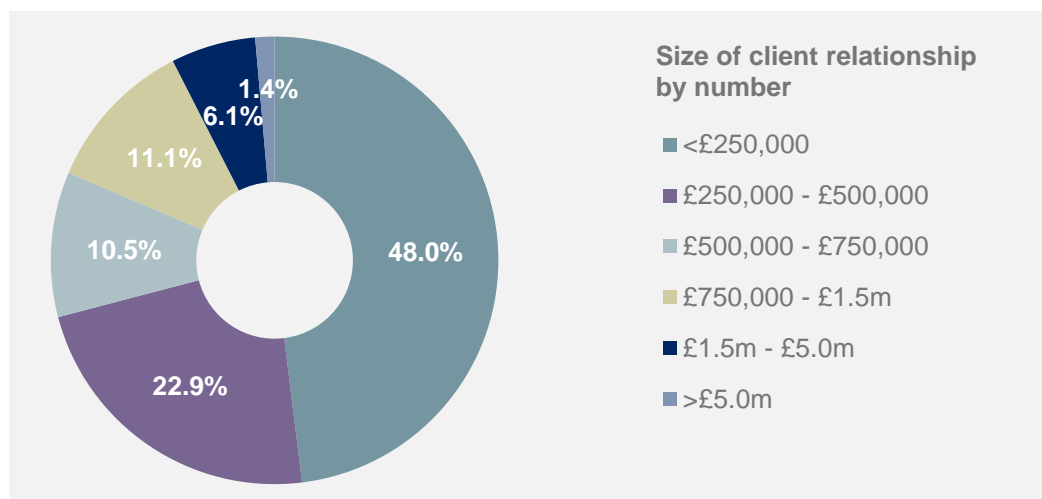
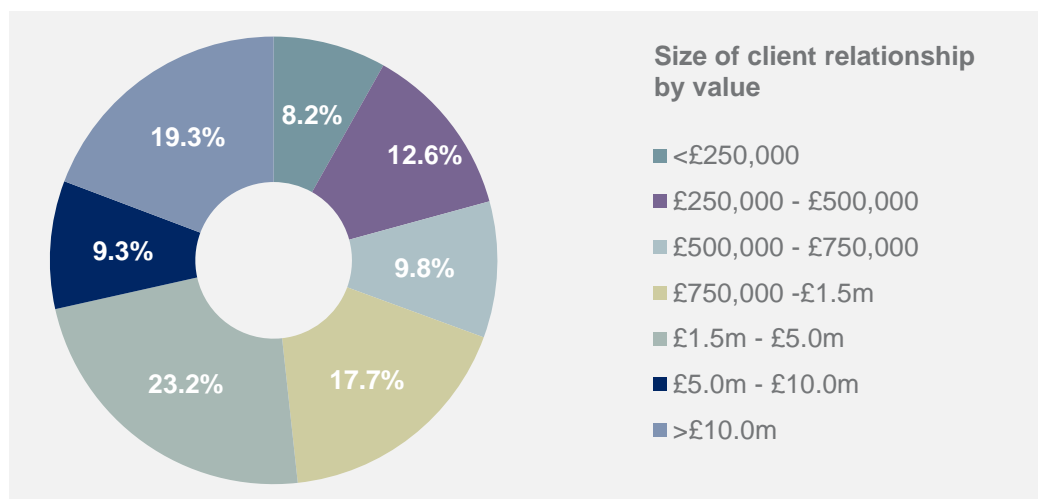
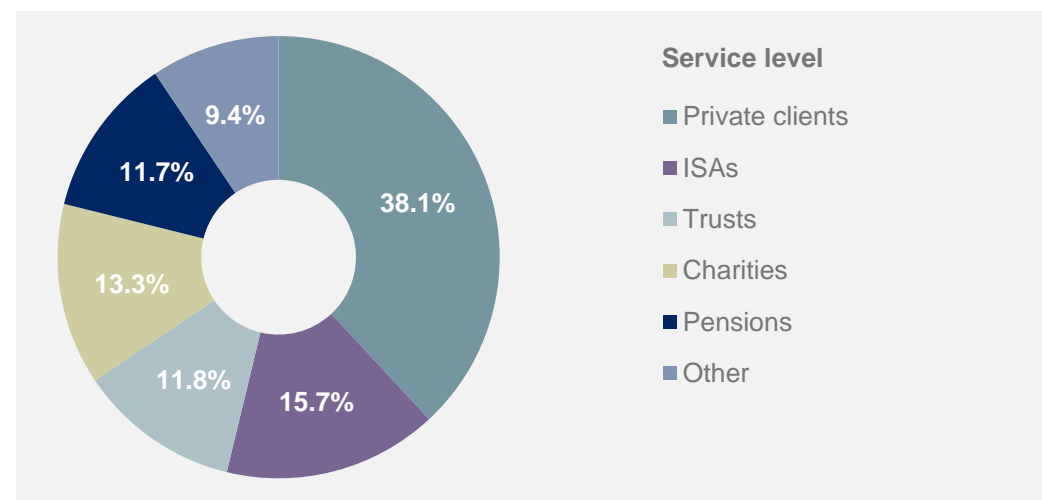
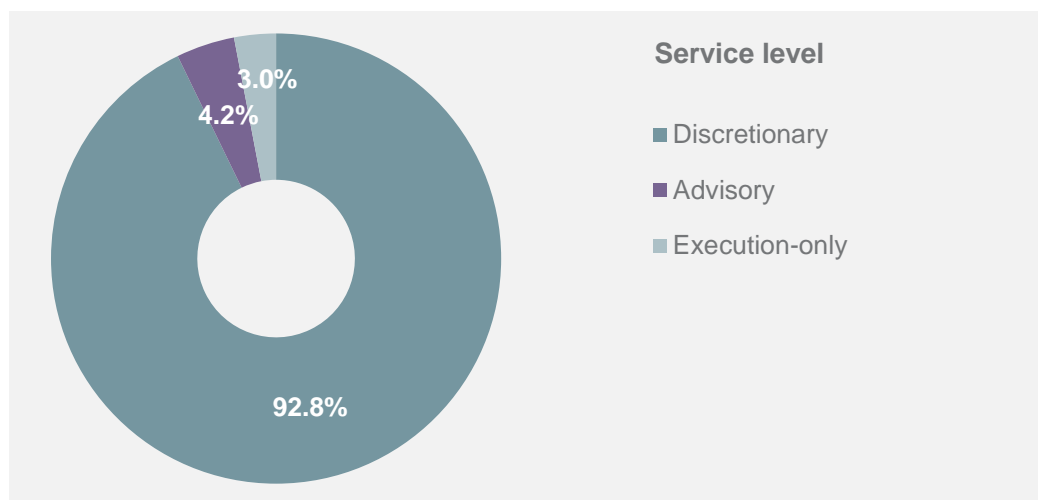


Advisory fee income (£m)



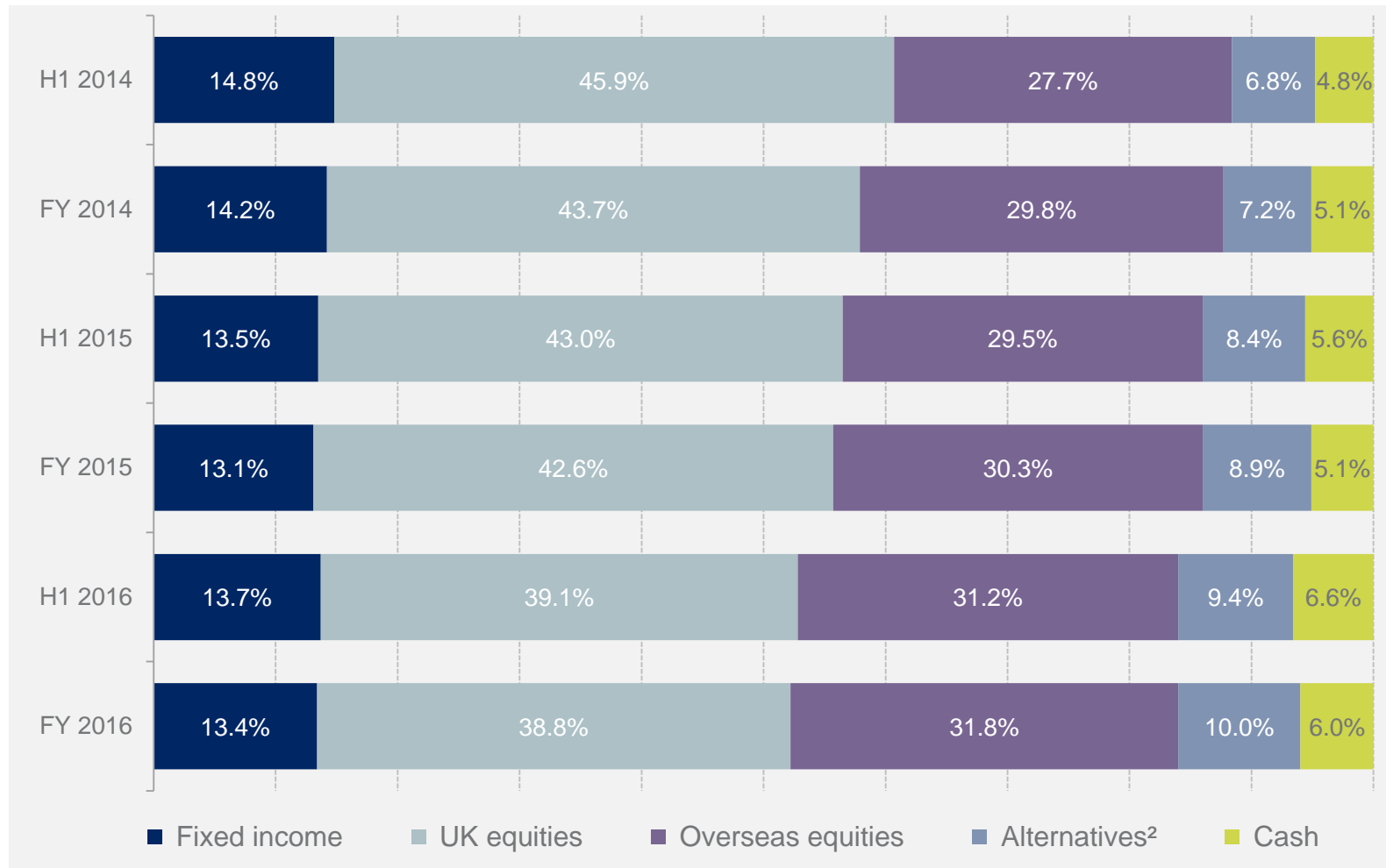
Investment Management client base

Analysis of funds under management¹



¹ As a percentage of total funds under management at 31 December 2016

Where our clients' assets are invested¹



Direct holdings

53.1%

Collectives
46.9%

¹ Total Investment Management including Rathbone Investment Management International.

² Including fund of hedge funds and structured products.

Offices

Office location	Number of investment professionals ¹	Funds under management (£bn at 31/12/16) ²
London	132	19.64
Liverpool	25	2.00
Edinburgh	27	2.44
Winchester	18	1.65
Bristol	17	0.71
Other offices ³	54	4.57
Total	273	31.01

¹ As at 31 December 2016 excluding fund managers in Rathbone Unit Trust Management.

² Figures include £823.8 million invested in Rathbone Unit Trust Management funds and £756.3 million of funds introduced to the group by Vision.

³ Including: Aberdeen, Birmingham, Cambridge, Chichester, Exeter, Glasgow, Kendal, Lymington, Newcastle 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 2016 (I-Class units and S-class shares)	YTD 2017		1 year		3 year		5 year		Size of fund (£m) [†]
Rathbone Global Opportunities Inst Acc in GB	2.06	1	16.79	4	47.91	2	107.2	1	923.8
Sector : IA Global TR in GB	1.40		23.33		35.73		80.70		
Rathbone Ethical Bond Inst Inc TR in GB	0.59	1	7.49	4	21.14	2	50.08	1	577.8
Sector : IA Sterling Corporate Bond TR in GB	-0.75		9.08		19.48		35.89		
Rathbone Strategic Bond Inst Inc TR in GB	0.91	2	8.9	2	15.11	2	33.06	3	71.0
Sector : IA Sterling Strategic Bond TR in GB	0.21		7.33		13.64		32.42		
Rathbone Income Inst Inc TR in GB	-0.47	4	8.38	3	26.75	1	83.13	2	1,366.2
Rathbone Recovery Inst Inc TR in GB²	0.65	2	7.83	3	16.21	3	85.21	2	62.3
Sector : IA UK All Companies TR in GB			10.82		16.96		69.84		
Rathbone Blue Chip Income and Growth Inst Inc TR in GB	-1.07	4	6.33	3	22.72	2	77.45	2	78.0
Sector : IA UK Equity Income TR in GB	-0.08		8.84		19.24		70.20		

Data source: Financial Express as at 31 December 2016

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

² From 13 July 2009, the Rathbone Special Situations Fund and the Rathbone Smaller Companies Fund merged and were relaunched as the Rathbone Recovery Fund

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

Performance: outcome oriented funds

Discrete year performance ¹ at 31 December 2016 (S-class shares)	1 year	3 years	5 years	Size of fund (£m) [†]
Rathbone Multi Asset Total Return Portfolio S Inc TR in GB²	6.13	16.34	29.97	178.0
Offset Instrument : LIBOR GBP 6m +2% TR in GB	2.65	8.28	14.59	
Volatility as % of MSCI World Index [TARGET <33%]	28.01	29.21	37.70	
Rathbone Multi Asset Strategic Growth Portfolio S Inc TR in GB²	12.06	24.18	54.36	229.6
Offset Instrument : UK Consumer Price Index +3% TR in GB	3.88	11	23.31	
Offset Instrument : UK Consumer Price Index +5% TR in GB	5.73	17.42	35.54	
Volatility as % of MSCI World Index [TARGET <66%]	61.31	56.69	59.12	
Rathbone Strategic Income Portfolio Inc TR in GB	12.10			16.4
Offset Instrument : UK Consumer Price Index +3% TR in GB	3.88			
Offset Instrument : UK Consumer Price Index +5% TR in GB	5.73			
Rathbone Multi Asset Enhanced Growth Portfolio S Acc in GB²	16.06	30.96	65.11	21.3
Offset Instrument : UK Consumer Price Index +5% TR in GB	5.73	17.42	35.54	
Volatility as % of MSCI World Index [TARGET <100%]	106.64	98.98	103.69	
Rathbone Heritage S Acc in GB³	11.97	34.55		21.1
Offset Instrument : UK Consumer Price Index +5% TR in GB	5.73	17.42		

Data source: Financial Express as at 31 December 2016

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

Portfolio turnover:

Overall turnover figures equate to an average of all investment team turnover. This is calculated as purchase consideration plus sales consideration divided by average FUM on the four quarterly charging dates, and then halved (because most transactions represent a sale and a purchase).

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.

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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.

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