



Rathbone Brothers Plc

2017 Preliminary results

Progress and delivery

2017 in context

- UK and global markets strong during the year
- investor sentiment mixed against backdrop of political change
- considerable regulatory change continues
- results ahead of expectations benefitting from positive investment markets and continued growth
- we enter 2018 well-positioned



Financial results

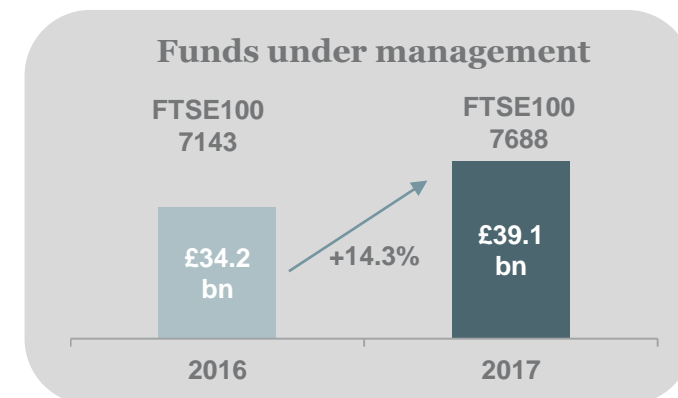
Paul Stockton
Finance Director



A strong 2017

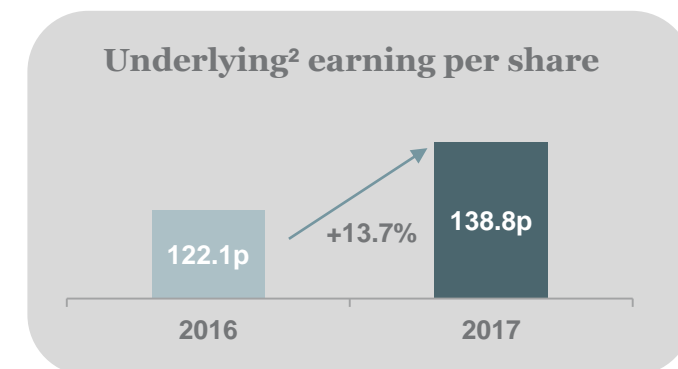
Growth

- Funds under management of £39.1 billion up 14.3% from £34.2 billion, while WMA Balanced and FTSE 100 increased 7.2% and 7.6% year on year respectively



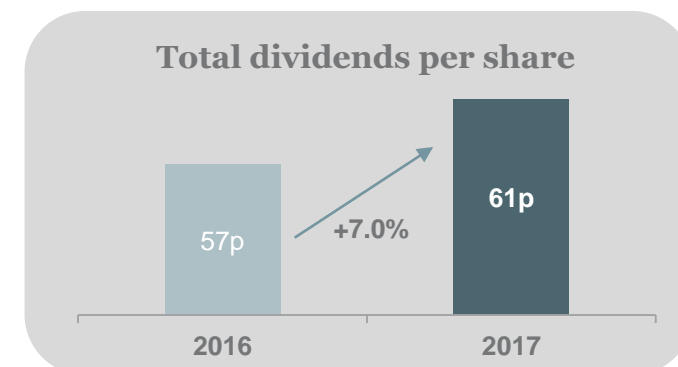
Profitability

- Profit before tax grew 17.6% from £50.1m to £58.9m
- Underlying profit before tax¹ increased 16.8% from £74.9m to £87.5m
- Underlying operating margin stable at 30.6% despite investment



Capital

- Final dividend of 39p, resulting in a total dividend of 61p for the year
- Underlying return on capital steady at 19.5% (2016: 19.3%)



¹ See slide 7 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 24 for a reconciliation between earnings per share and underlying earnings per share

Growth in funds under management

	Investment Management FY 2017 (£bn)	Unit Trusts FY 2017 (£bn)	Total FY 2017 (£bn)	Total FY 2016 (£bn)
Opening funds under management	30.2	4.0	34.2	29.2
Inflows	3.4	1.7	5.1	4.0
– organic ¹	3.1	1.7	4.8	3.6
– purchased ²	0.3	-	0.3	0.4
Outflow of money	(2.2)	(0.8)	(3.0)	(2.2)
– retained accounts	(1.6)			
– closed accounts	(0.6)			
Market effect and investment performance	2.4	0.4	2.8	3.2
Closing funds under management	33.8	5.3	39.1	34.2
Net organic inflows	0.9	0.9	1.8	1.4
Underlying rate of net organic growth³	3.0%	21.8%	5.2%	4.5%
Total rate of net growth³	3.9%	21.8%	6.0%	6.0%

Investment Management

- Net organic growth totalled 3.0%
- Outflows increased marginally but include non-discretionary and pension scheme transfers out
- 73% of outflows related to accounts that stay with us

Unit Trusts

- 2017 a record year for net inflows
- Unit Trusts top 20 for net retail sales in 2017 and top 10 for Q4 2017 (source: February 2018 Pridham report)
- Strong momentum with three funds now over £1 billion (Income, Ethical Bond and Global Opportunities)

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

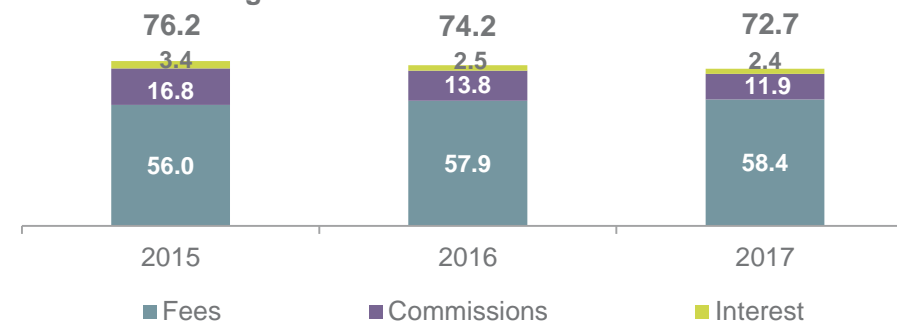
² Purchased growth is defined as corporate or team acquisitions, and new business from investment managers who are on an earn-out arrangement.

³ Calculated using unrounded numbers.

Income quality

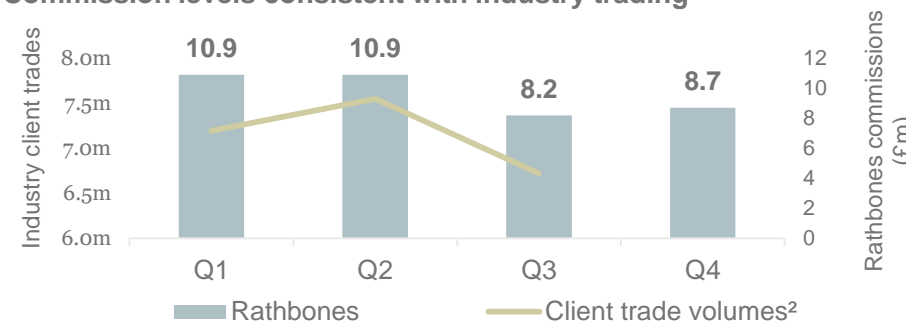
	FY 2017 (£m)	FY 2016 (£m)	% change
Average FTSE 100 Index (on quarterly billing dates)	7426	6659	11.5
Net investment management fee income	217.5	184.8	17.7
Net commission income	38.7	38.9	(0.5)
Net interest income	11.6	11.6	-
Fees from advisory services and other income	18.2	16.0	13.8
Underlying operating income	286.0	251.3	13.8

Investment Management basis point return on average funds under management¹



Investment Management fee income now represents 76.0% of underlying operating income (2016: 73.5%) as the trend towards fee-based income continues

Commission levels consistent with industry trading



Advisory and other income in 2017 also includes:

- 'risk-free' managers box dealing profits of £3.1m
- rental income of £0.7m from sub-let of 8 Finsbury Circus

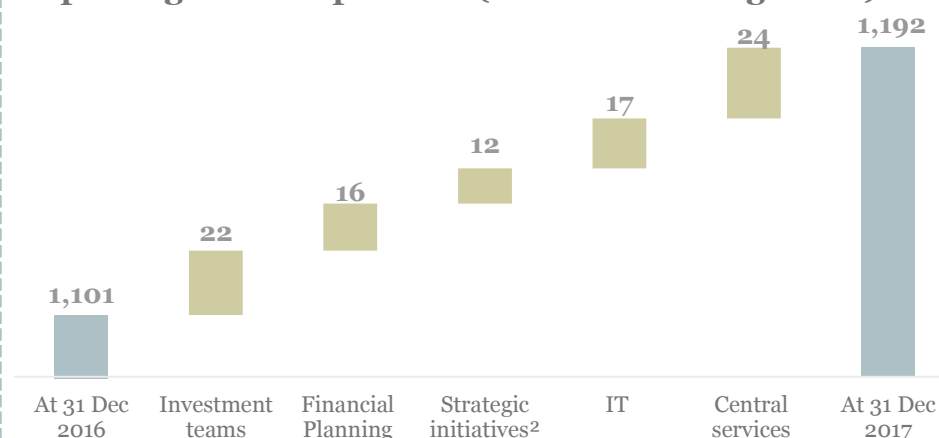
¹Underlying operating income excluding interest on own reserves, interest payable on Tier 2 notes issued, fees from advisory income and other income, divided by the average funds under management on the quarterly billing date.

²Compeer industry quarterly updates. The Compeer index tracks private client trade activity on the LSE. Client trades represent participating firms only.

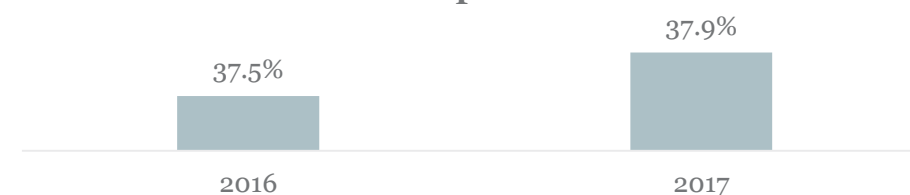
Managing expenditure

	FY 2017 (£m)	FY 2016 (£m)	% change
Fixed staff costs	87.8	79.8	10.0
Average FTE ¹ employees during the year	1,147	1,066	7.6
Actual FTE ¹ employees at the year end	1,192	1,101	8.3
Variable staff costs	53.3	45.0	18.4
Other direct expenses	57.4	51.6	11.2
Total underlying operating expenses	198.5	176.4	12.5

Expense growth as planned (FTE headcount growth)



Variable staff costs reflect performance³



Other direct expenses

- Other direct expense growth reflects higher IT maintenance and property costs
- Unit Trust research costs borne by funds in 2017 were £0.8m

¹ Full time equivalent

² Includes RPO, Trust, Vision, Distribution and Unit Trusts support

³ Variable staff costs as a percentage of underlying profit before tax and variable staff costs

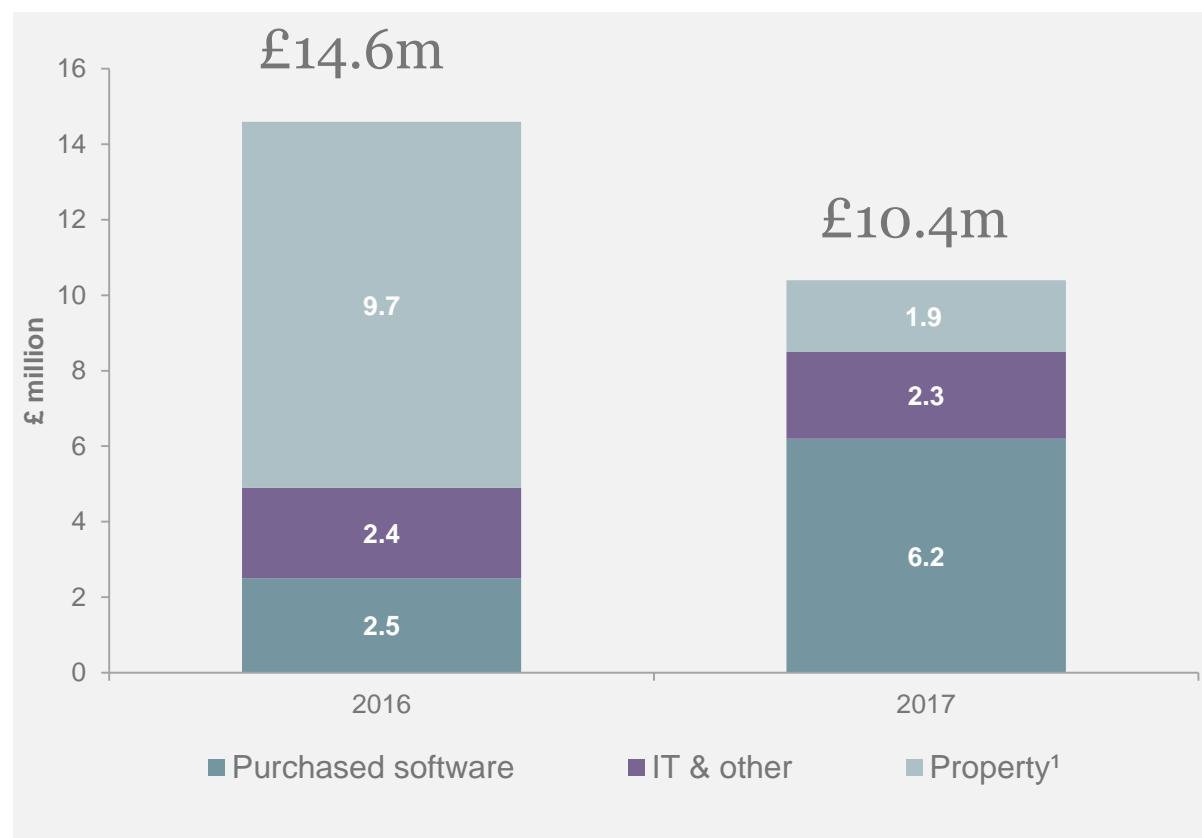
Profit before tax

	FY 2017 (£m)	FY 2016 (£m)	% change
Underlying profit before tax	87.5	74.9	16.8
Charges in relation to client relationships and goodwill	(11.7)	(11.8)	(0.8)
Gain on plan amendment of defined benefit schemes	5.5	-	
Acquisition-related costs	(6.2)	(6.0)	3.3
Head office relocation costs	(16.2)	(7.0)	131.4
Profit before tax	58.9	50.1	17.6
Profit after tax	46.8	38.2	22.5
Effective tax rate	20.5%	23.8%	
Total comprehensive income, net of tax	61.3	6.9	788.4

Non-underlying items reflect specific actions

- closure of defined benefit pension schemes on 30 June 2017
- acquisition-related costs include:
 - expenses associated with the prospective Smith & Williamson transaction
 - remaining deferred consideration for Vision Independent Financial Planning (that will end in 2019)
- successful London office move

Capital expenditure



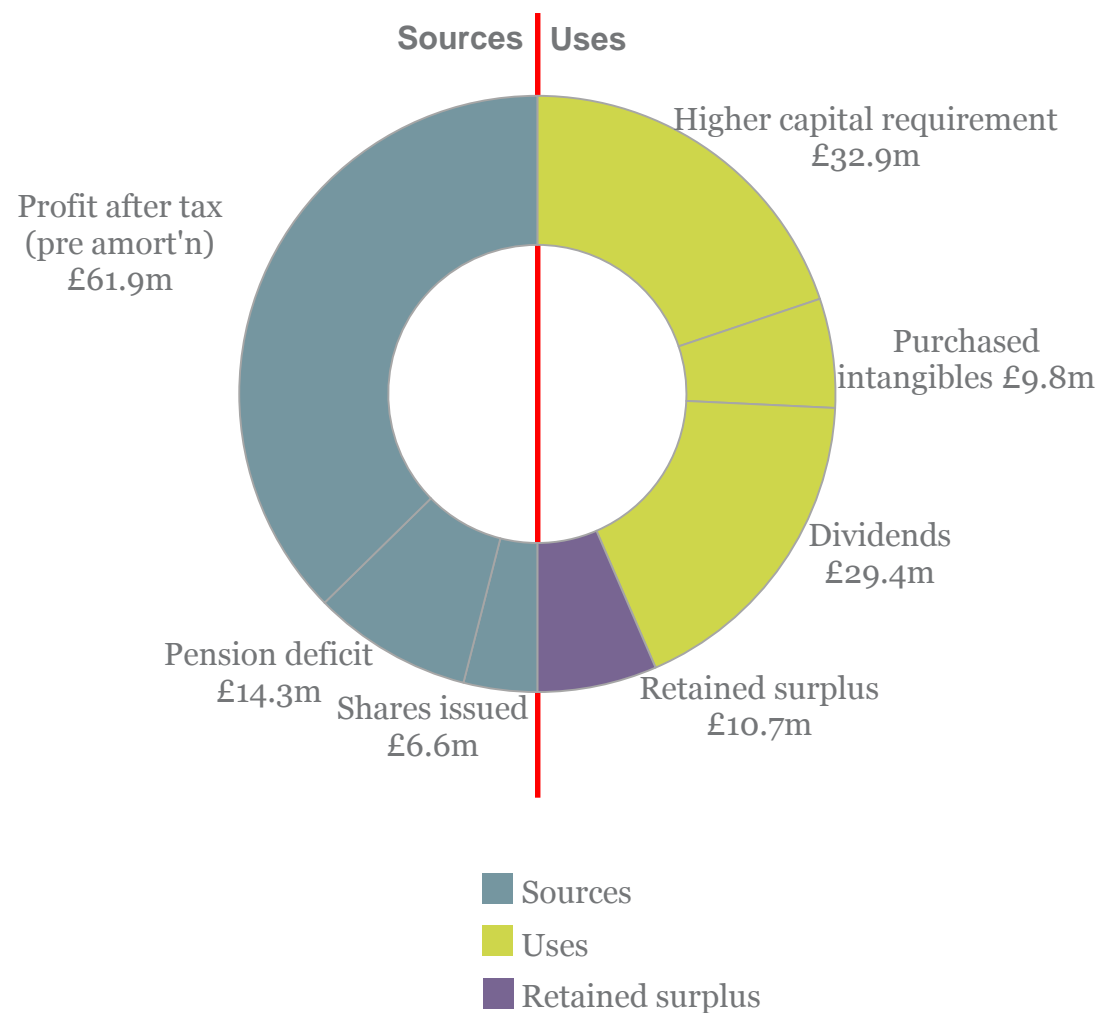
Capital expenditure is lower in 2017, but more money has been directed towards systems and regulatory projects

- 2016 costs largely reflect the fit out of the London head office
- 2017 purchased software costs include additional expenditure of £2.2m on an upgraded CRM system and £0.8m on MiFID II

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	31/12/17 (£m)	31/12/16 (£m)
Total own funds ¹	216.8	174.2
Pillar 1 own funds requirement	78.3	71.5
Surplus before Pillar 2	138.5	102.7
Pillar 2A requirement	46.1	27.9
Pillar 2B requirement	18.4	11.5
Surplus after Pillar 2	74.0	63.3
Risk weighted assets (RWAs)	977.2	892.7
Pillar 2 requirement as % of RWAs	6.6%	4.4%
Group Common Equity Tier 1 ratio²	20.7%	17.7%
Consolidated leverage ratio²	7.8%	6.6%

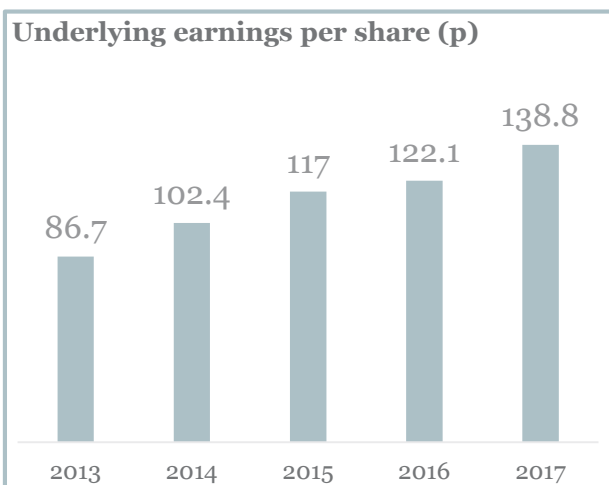


¹ For a reconciliation between total equity and total own funds, see slide 27

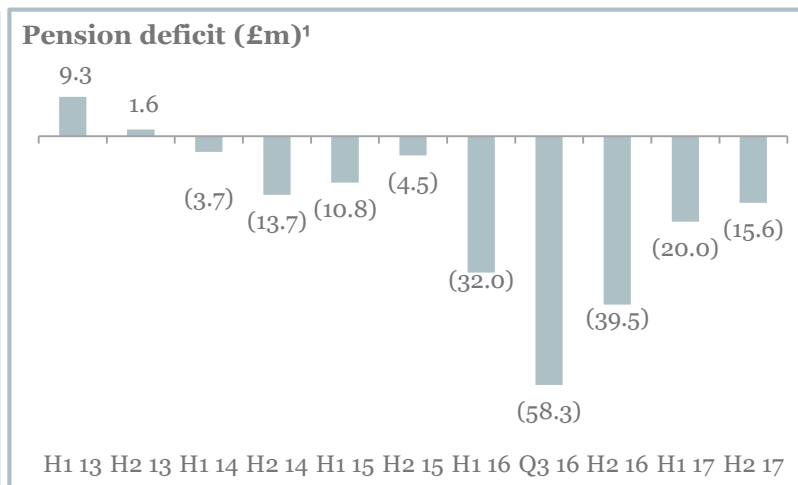
² See slide 37 for definitions of principal banking ratios

A progressive dividend

Growing profitability



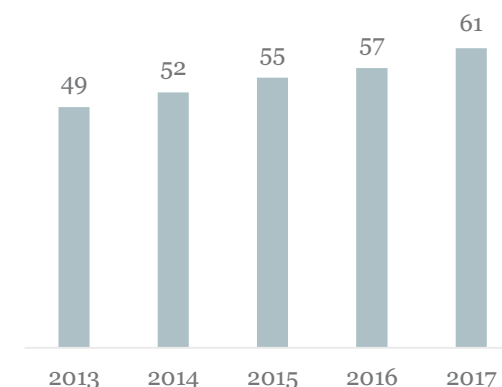
Distributable reserves



Capital management

- **Future acquisition opportunities**
- **Increased regulatory buffers in 2018/2019³**
 - Jan 2018 - capital conservation buffer increases to 1.875% of RWA (31 December 2017: 1.25%)
 - Jan 2019 a further increase to 2.5%
 - June 2018 - Countercyclical buffer increases to 0.5% of RWAs (31 December 2017: 0.01%)
 - November 2018 - a further increase to 1.0%

Dividend per share (p)



Dividend cover²

2013	2014	2015	2016	2017
1.6x	1.5x	1.8x	1.4x	1.5x

¹ As at the end of each period

² Full year dividends per share divided by basic earnings per share

³ Using risk weighted assets at 31 December 2017, the increased regulatory buffers in 2018/2019 above can be expected to add c.£16 million to capital requirements by 1 January 2019

Progress and delivery

Philip Howell
Chief Executive



We are close to reaching our £40 billion funds under management aspiration

Private client investment management

- improve team structures ✓
- simplify pricing structures ✓
- grow charities and specialist services ✓
- recruit high-quality teams and bolt-on acquisitions ✓

Investment process

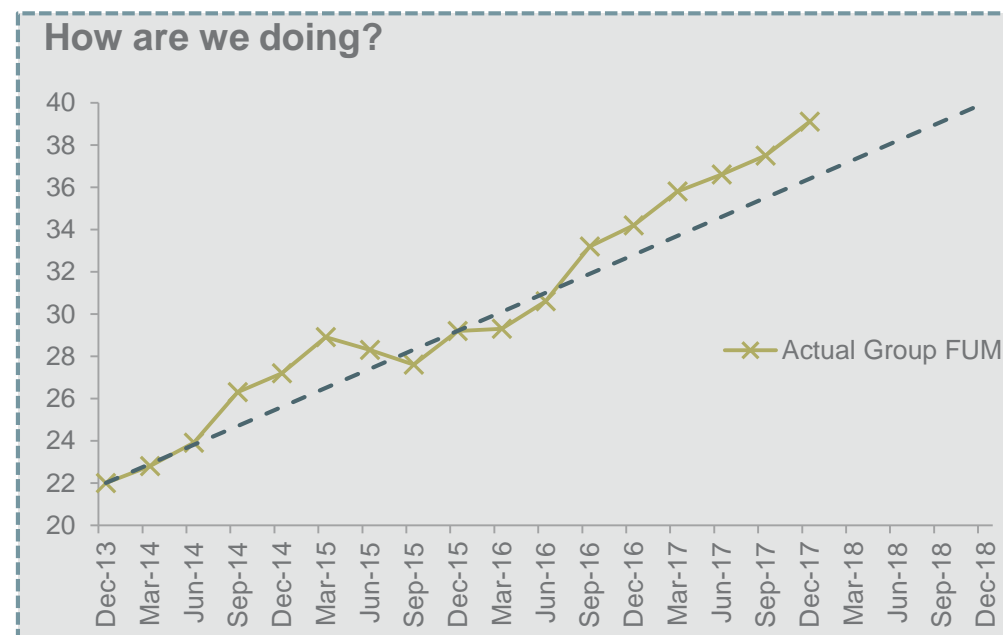
- enhance investment process support ✓

Unit trusts

- grow Rathbone Unit Trust Management ✓

Distribution

- building and leverage our sales capability in the intermediary market ✓
- grow our Vision relationship ✓



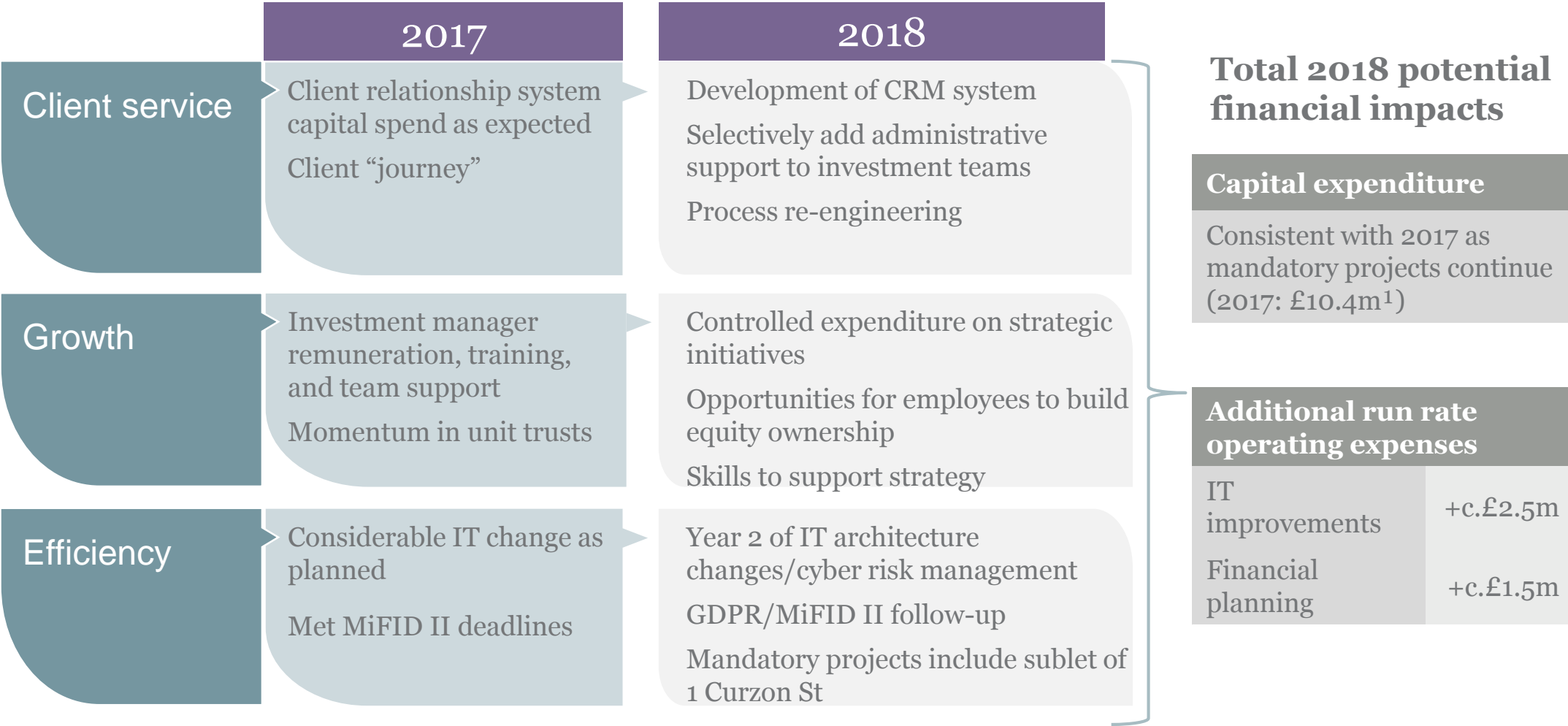
Complementary services

- establish Rathbone Private Office **Work in progress**
- build up our in-house financial planning team to support all branches **Work in progress**
- build the client loan book **x**

Positive progress on our strategy in 2017

Initiative	What we delivered in 2017	2018 milestones
Private client/ specialist services	<ul style="list-style-type: none"> — Team structures and performance management — Digital capture of client attitudes to investment risk — Charities £4.7 billion, Greenbank £1.1 billion 	<ul style="list-style-type: none"> — Process improvement and automation — Smaller client solutions
Intermediary distribution	<ul style="list-style-type: none"> — Flows of £265 million from specialist intermediary team (target of £200m) — Vision adviser network expanded to 115 advisers (2016: 99) — Managed Portfolio Service launched 	<ul style="list-style-type: none"> — Flows of £350 million from specialist intermediary team — Intermediary suitability
Private Office	<ul style="list-style-type: none"> — Launched but with slower progress than expected 	<ul style="list-style-type: none"> — Containing cost growth pending proof of concept
Financial Planning	<ul style="list-style-type: none"> — Financial planning infrastructure — Quality vs. quantity 	<ul style="list-style-type: none"> — Selectively add advisers to more branches — Additional cost run rate of +c.£1.5m on advisers — Smaller client solutions
Investment process	<ul style="list-style-type: none"> — Added planned research resources — research team accountability — Quality assurance 	<ul style="list-style-type: none"> — Overseas research — Risk management system feasibility
Infrastructure	<ul style="list-style-type: none"> — New CRM platform — IT reorganisation and new skills — London office move 	<ul style="list-style-type: none"> — Develop CRM capability — Identify operational leverage opportunities

Supporting our strategy in 2018



¹ See slide 8

Our outlook

We enter 2018 in a good position, with industry-leading operating margins and a strong balance sheet. We will continue to look for accretive acquisition opportunities and to invest in our future with discipline.



Appendix

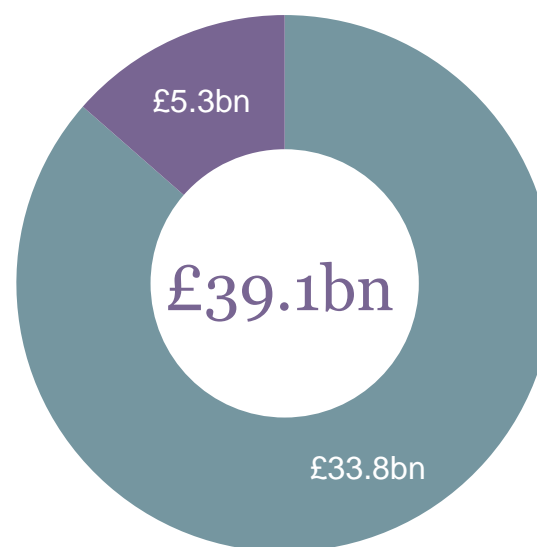


Rathbones at a glance

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

- 290 highly trained investment professionals
- £39.1 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 Rathbone 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	Disc.	Adv.
1	St. James's Place Wealth Management	75,300	1,506	73,794
2	Coutts	53,900	53,361	539
3	Barclays	45,057	31,540	13,517
4	Brewin Dolphin	37,800	33,264	4,536
5	UBS Wealth Management	37,253	8,941	28,312
6	Investec Wealth & Investment	31,400	24,806	6,594
7	Rathbones¹	30,184	28,071	2,113
8	Cazenove Capital	29,391	28,509	882
9	Quilter Cheviot	20,553	18,703	1,850
10	JPMorgan Private Bank	20,502	12,301	8,201
11	Tilney	20,011	17,209	2,802
12	Man GLG	17,951	17,951	-
13	Lloyds Bank Private Banking	16,539	16,539	-
14	Kleinwort Hambros	15,793	13,424	2,369
15	Smith & Williamson Investment Management	15,583	11,687	3,896
16	Goldman Sachs International	15,197	10,486	4,711
17	Canaccord Genuity Wealth Management	14,100	10,293	3,807
18	Charles Stanley & Co	13,700	9,316	4,384
19	Credit Suisse (UK)	13,494	4,183	9,311
20	HSBC ²	13,128	8,015	5,113

		Private client AUM (£m)		
		Total	Disc.	Adv.
21	Pictet & Cie (Europe) S.A., London Branch	12,756	6,378	6,378
22	Davy Private Clients	12,628	7,198	5,430
23	Thesis Asset Management ³	12,562	11,557	1,005
24	Citi Private Bank	11,523	2,881	8,642
25	Seven Investment Management (7IM)	10,920	2,512	8,408
26	Julius Baer	10,088	1,614	8,474
27	Brooks Macdonald	9,330	9,330	-
28	Rothschild Wealth Management	8,435	7,592	844
29	JM Finn & Co	8,328	5,913	2,415
30	Close Brothers Asset Management	7,826	7,826	-
31	Lombard Odier	7,724	3,862	3,862
32	Partners Capital	7,500	4,500	3,000
33	LGT Vestra	7,432	6,317	1,115
34	Standard Life Wealth	6,791	6,791	-
35	Raymond James Investment Services ⁴	6,711	5,369	1,342
36	Deutsche Bank Wealth Management UK	6,529	5,354	1,175
37	Santander Wealth Management	6,500	975	5,525
38	Ruffer LLP	6,280	6,280	-
39	Speirs & Jeffrey	6,200	2,232	3,968
40	Hargreave Hale & Co	5,593	2,797	2,796

Data source: PAM 2017 for 2016 figures

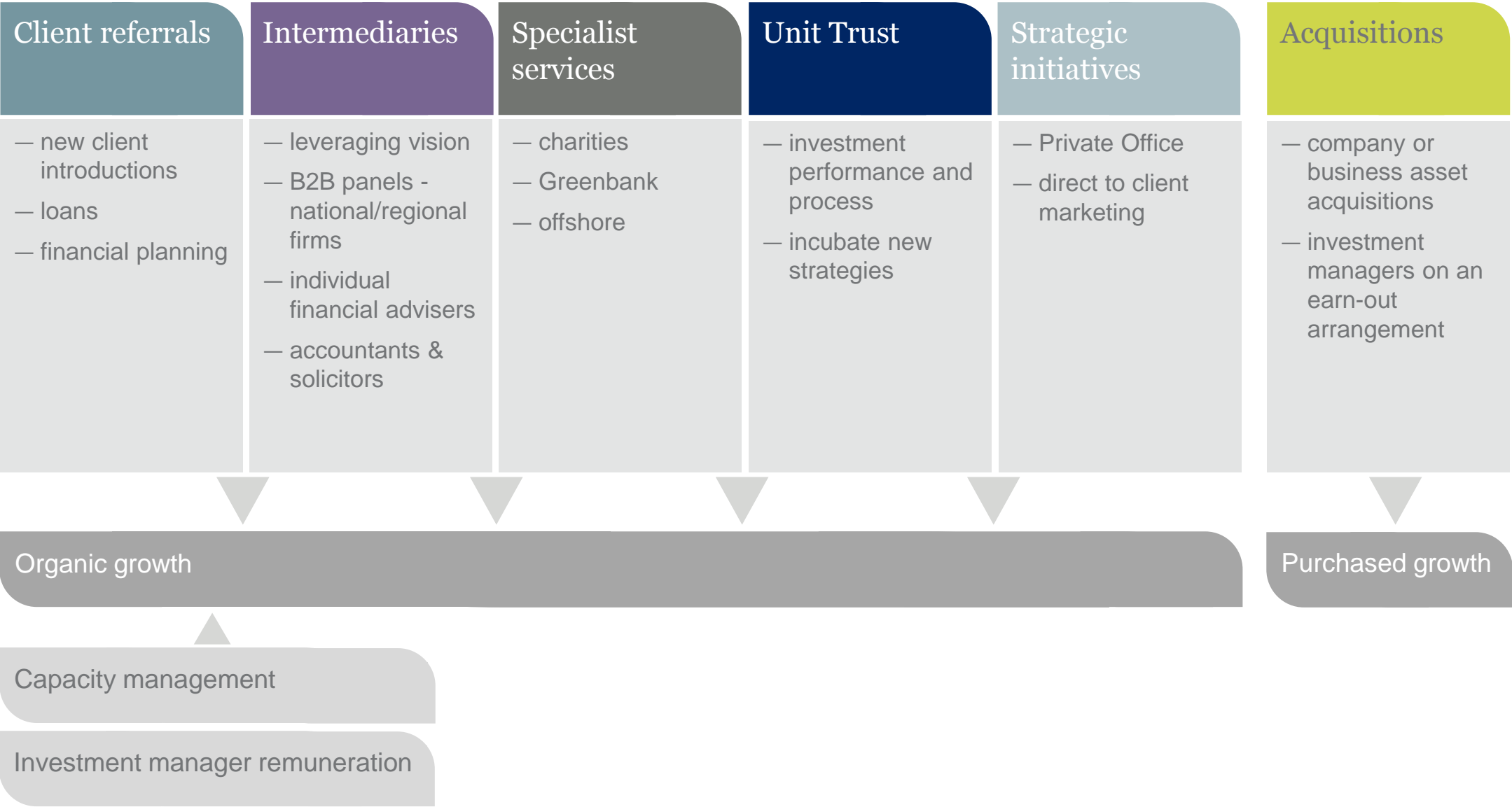
¹ Rathbones figure only includes funds under management by Rathbone Investment Management and is quoted as at 31 December 2016

² Combined entity of HSBC Bank Plc and HSBC Private Banking

³ Thesis Asset Management plc and Thesis Unit Trust Management combined





⁴ Includes all assets managed on the Raymond James platform

Current growth strategy



Analysing the balance sheet

Assets	31/12/17 (£'000)	31/12/16 (£'000)
Cash and balances with central banks	1,375,382	1,075,673
Settlement balances	46,784	37,787
Loans and advances to banks	117,253	114,088
Loans and advances to customers ¹	126,213	110,951
Investment securities – available for sale	109,312	105,421
Investment securities – held to maturity	701,966	700,000
Prepayments, accrued income and other assets	74,445	65,710
Property, plant and equipment	16,457	16,590
Deferred tax asset	9,061	10,601
Intangible assets	161,977	167,192
Total assets	2,738,850	2,404,013

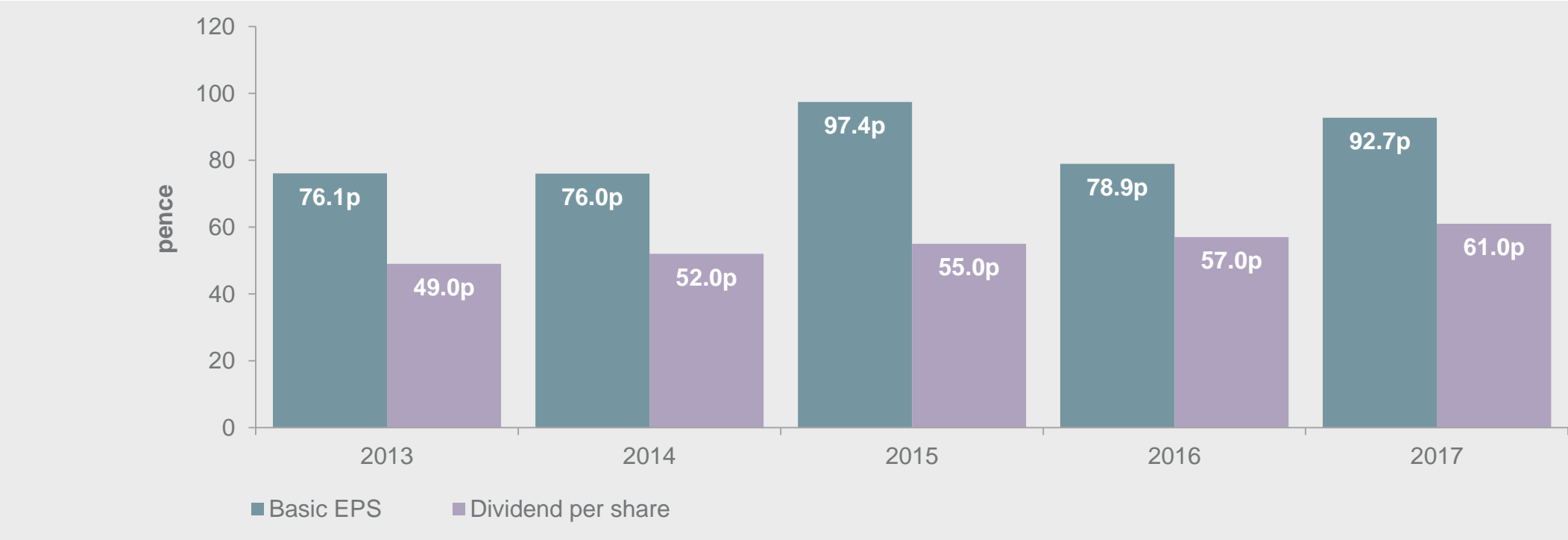
	Banking operational and shareholder cash		Working capital
	Financing related		Equity capital related

Liabilities	31/12/17 (£'000)	31/12/16 (£'000)
Deposits by banks	1,338	294
Settlement balances	54,452	39,289
Due to customers	2,170,498	1,888,895
Accruals, deferred income and other	108,391	85,154
Current tax liabilities	5,598	6,523
Subordinated loan notes	19,695	19,590
Retirement benefit obligations	15,600	39,455
Total liabilities	2,375,572	2,079,200

Equity	31/12/17 (£'000)	31/12/16 (£'000)
Called up share capital	2,566	2,535
Share premium/other reserves	170,310	165,733
Retained earnings	190,402	156,545
Total equity	363,278	324,813
Total liabilities and equities	2,738,850	2,404,013

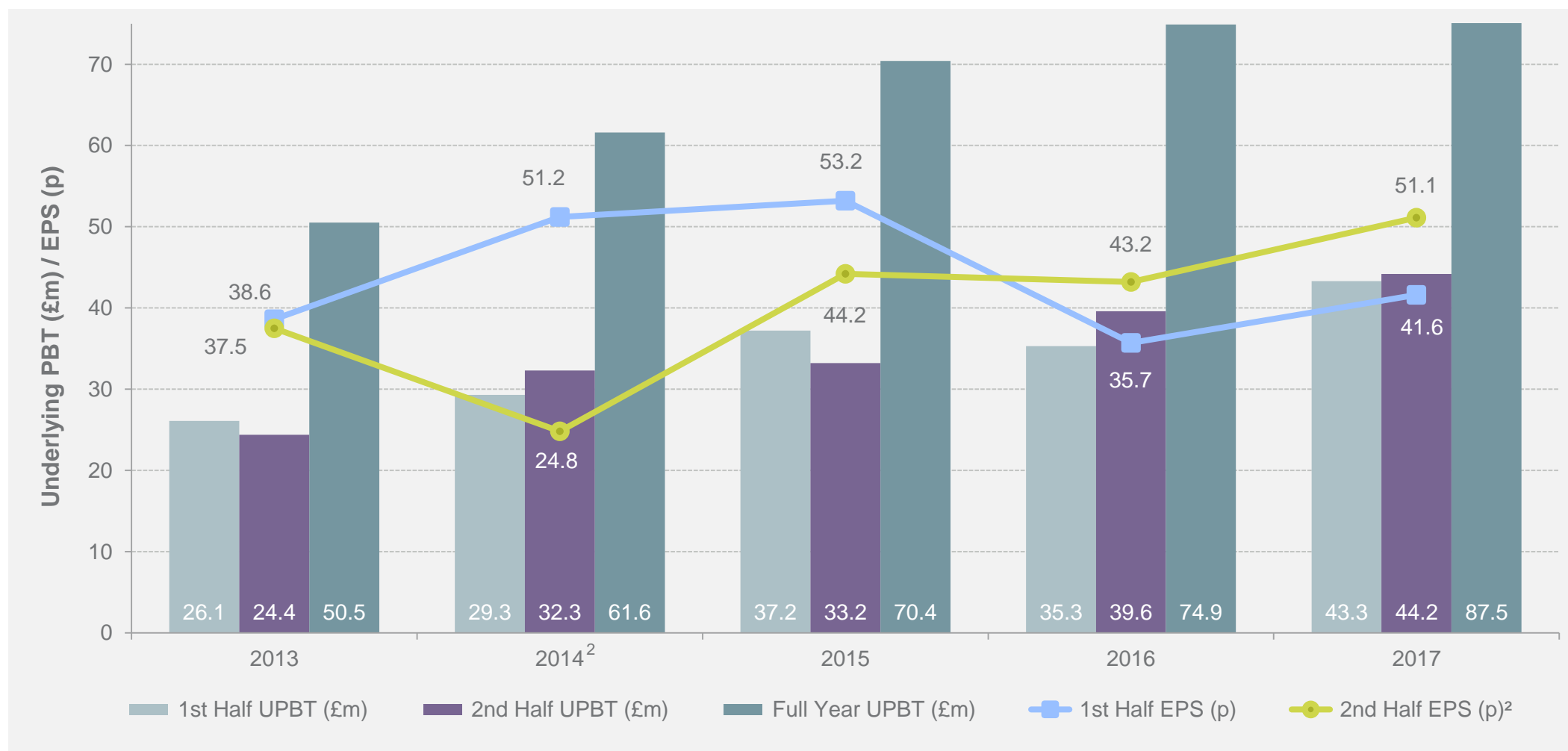
¹ Loans and advances to customers largely consist of the investment management loan book, but also include overdrafts, trust and pension debtors and other debtors

Dividend and earnings per share



Dividend cover	1.6x	1.5x	1.8x	1.4x	1.5x
Dividend payout ratio	64%	68%	56%	72%	66%
Dividend per share growth		6%	6%	4%	7%
Inflation growth (12 month CPI)		1%	0%	1%	3%

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



¹See slide 7 for a reconciliation between underlying profit before tax and profit before tax for 2016 and 2017

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.

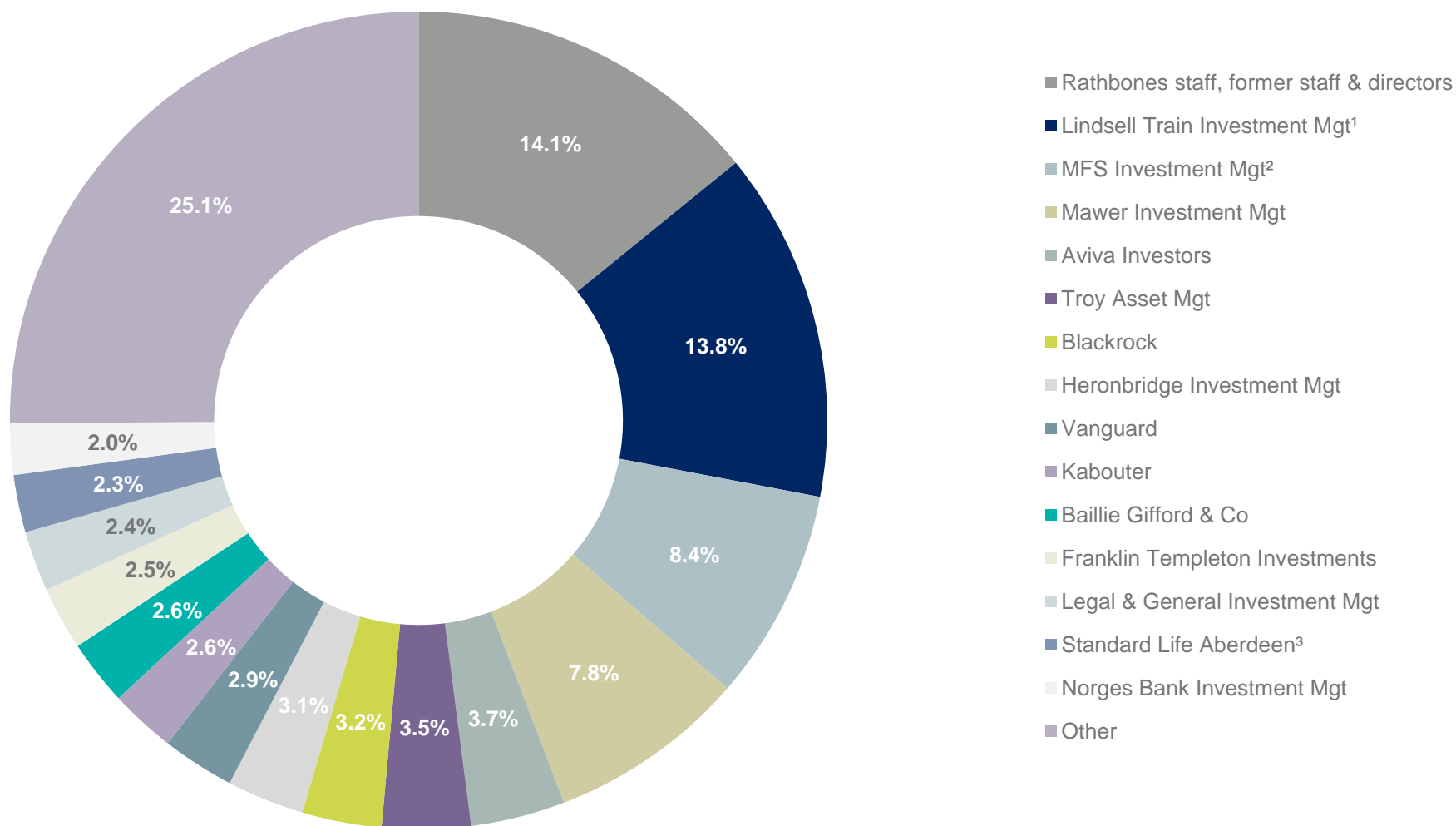
Earnings per share

	FY 2017			FY 2016		
	Pre tax (£m)	Post tax (£m)	EPS (p) ¹	Pre tax (£m)	Post tax (£m)	EPS (p) ¹
Underlying profit attributable to shareholders	87.5	70.1	138.8	74.9	59.1	122.1
Charges in relation to client relationships and goodwill	(11.7)	(9.5)	(18.8)	(11.8)	(9.4)	(19.4)
Gain on plan amendment of defined benefits pension schemes	5.5	4.5	8.9	-	-	-
Acquisition-related costs	(6.2)	(5.2)	(10.3)	(6.0)	(5.9)	(12.2)
Head office relocation costs	(16.2)	(13.1)	(25.9)	(7.0)	(5.6)	(11.6)
Profit attributable to shareholders	58.9	46.8	92.7	50.1	38.2	78.9

¹ Weighted average number of shares in issue in the year ended 31 December 2017 = 50,493,984

² Weighted average number of shares in issue in the year ended 31 December 2016 = 48,357,728

Shareholders at 31 December 2017



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) and Standard Life Wealth

Segmental results

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

y/e 31 December 2016	Investment Management (£m)	Unit Trusts (£m)	Indirect (£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

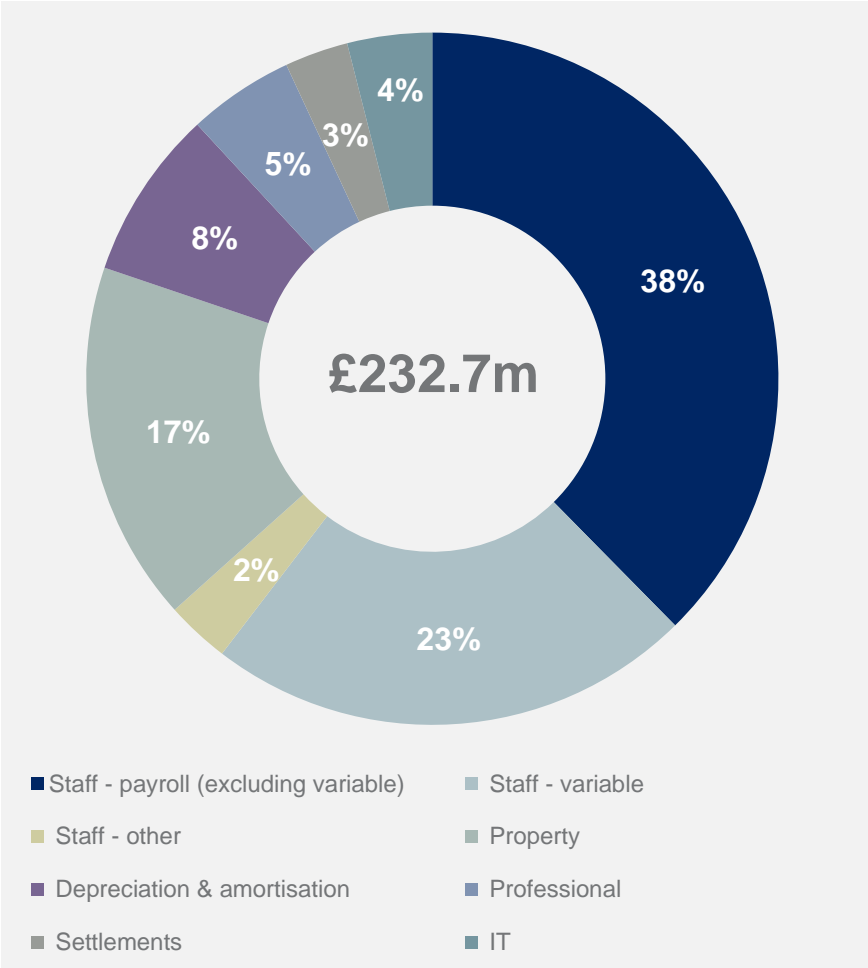
Reconciliation of equity to total own funds

	FY 2017 (£m)	FY 2016 (£m)	% change
Equity			
Share capital and share premium	145.7	142.5	2.2
Reserves	222.5	188.5	18.0
Less:			
- Own shares	(4.9)	(6.2)	(21.0)
- Intangible assets ¹	(161.3)	(166.4)	(3.1)
Total Common Equity Tier 1 capital resources	202.0	158.4	27.5
Tier 2 capital resources	14.8	15.8	(6.3)
Total own funds	216.8	174.2	24.5

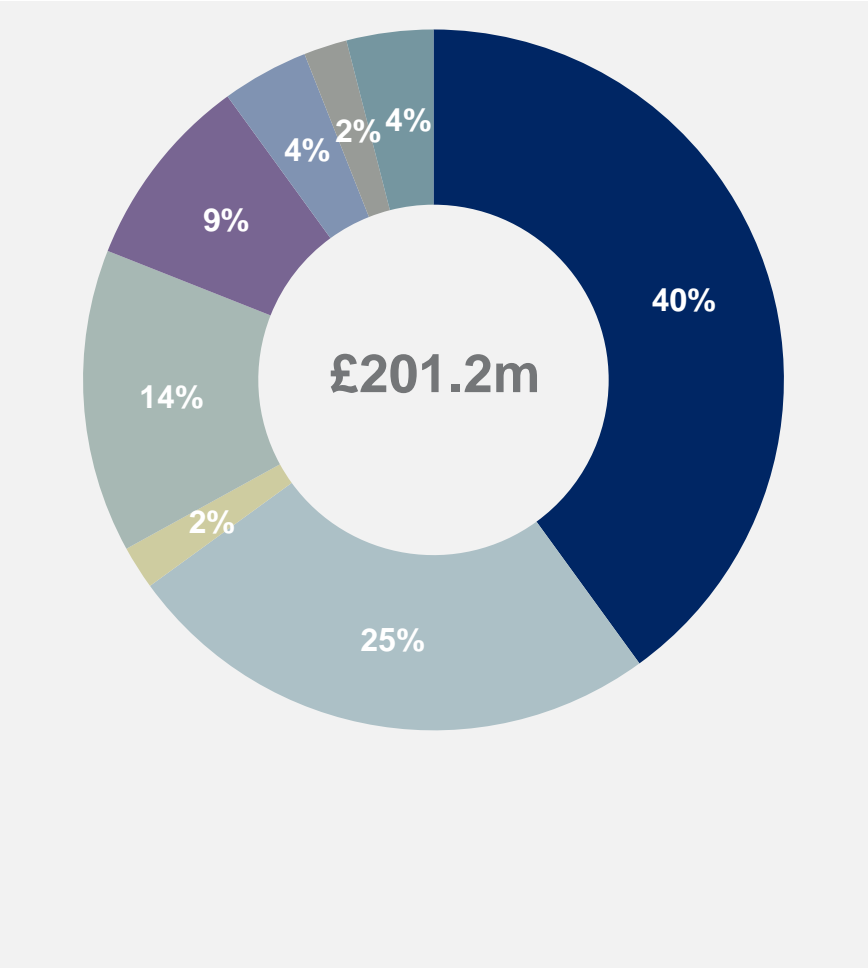
¹ Net book value of goodwill, client relationship intangibles and software are deducted directly from capital resources.

Total operating expenses

31 December 2017



31 December 2016



Other information

	FY 2017	FY 2016	% change
Investment Management			
Total rate of net growth in funds under management	3.9%	4.5%	
Revenue margin on FUM (excluding Charities team) (bps)	75.5	77.3	(2.3)
Revenue margin on Charities team FUM (bps)	47.5	46.4	2.4
Underlying operating income (£m)	254.6	226.3	12.5
Underlying profit margin	30.2%	29.3%	
Operating income ¹ per investment manager (£m)	1.20	1.05	18.8
Average FUM per investment manager (£m)	165	141	10.6
Operations and support staff ² to investment manager ratio	3.1	2.8	
Average client portfolio size ³ (£'000)	576	576	-
Group			
Dividend per share (pence)	61.0	57.0	7.0
Underlying earnings per share (pence)	138.8	122.1	13.7
Dividend pay out ratio ⁴	66%	72%	

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

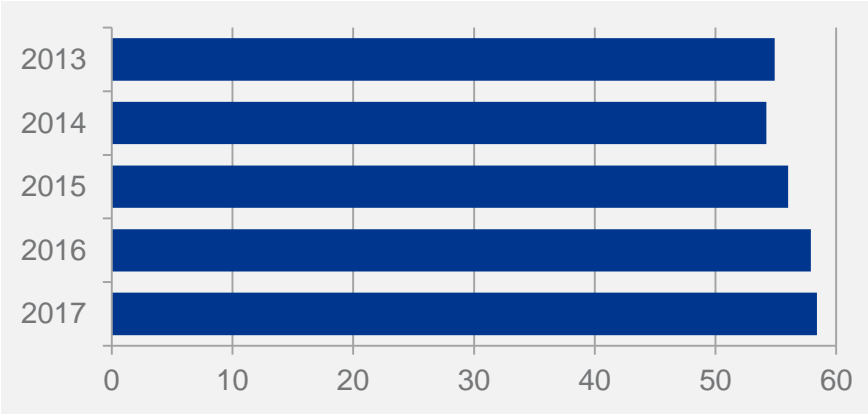
² Includes secretarial and administrative support and Investment Management operations staff

³ Excludes charity clients

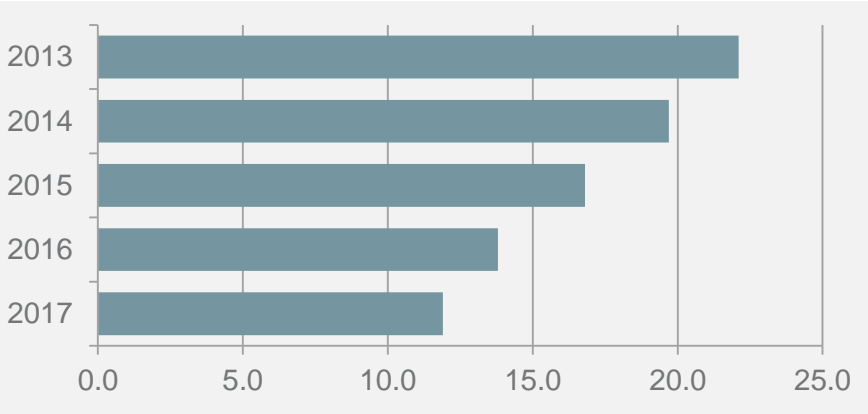
⁴ Dividends per share divided by earnings per share

Analysis of operating income

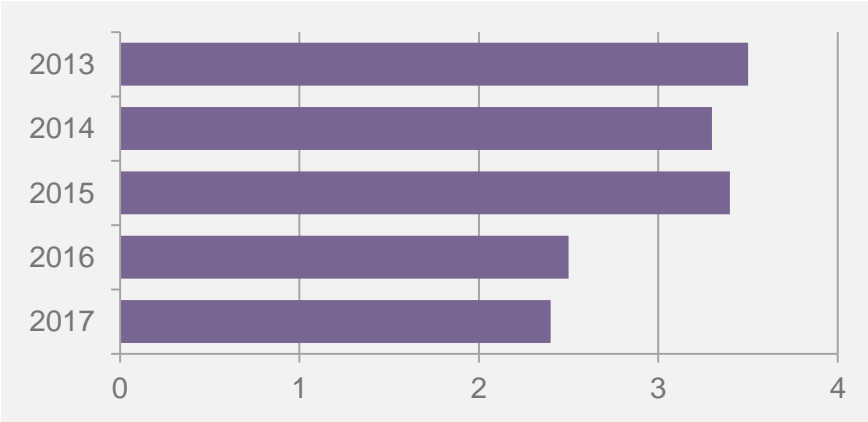
Basis point return from fees



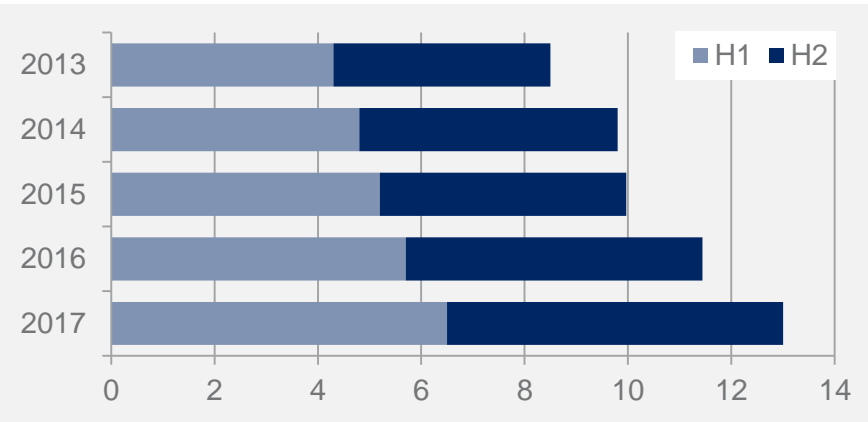
Basis point return from commission



Basis point return from interest

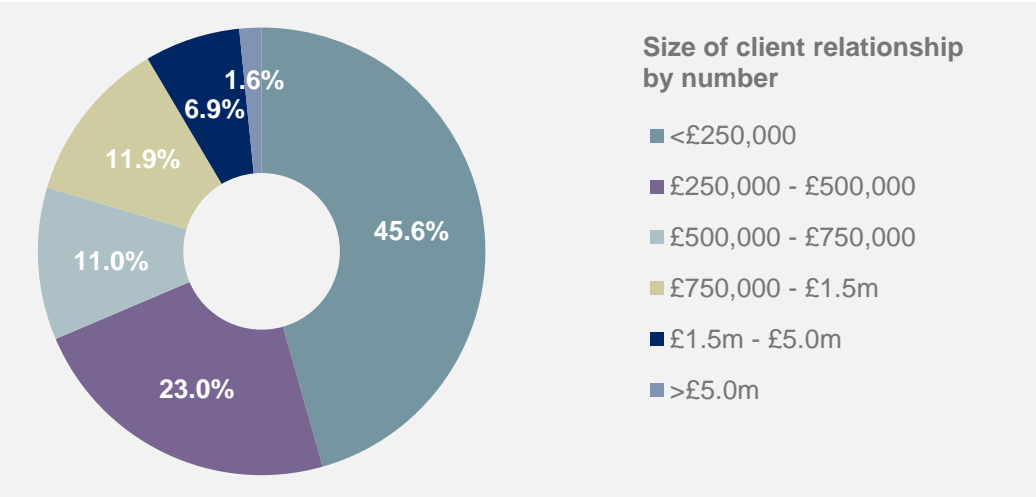
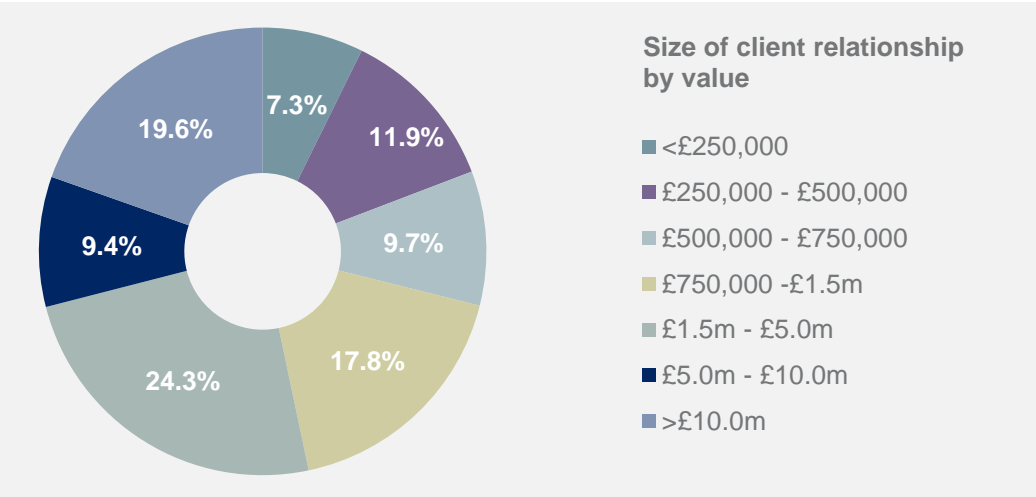
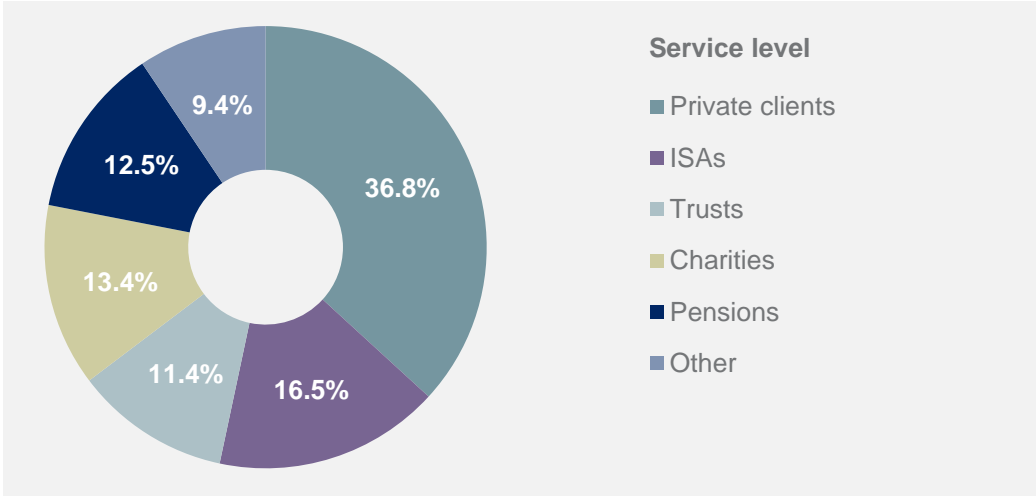
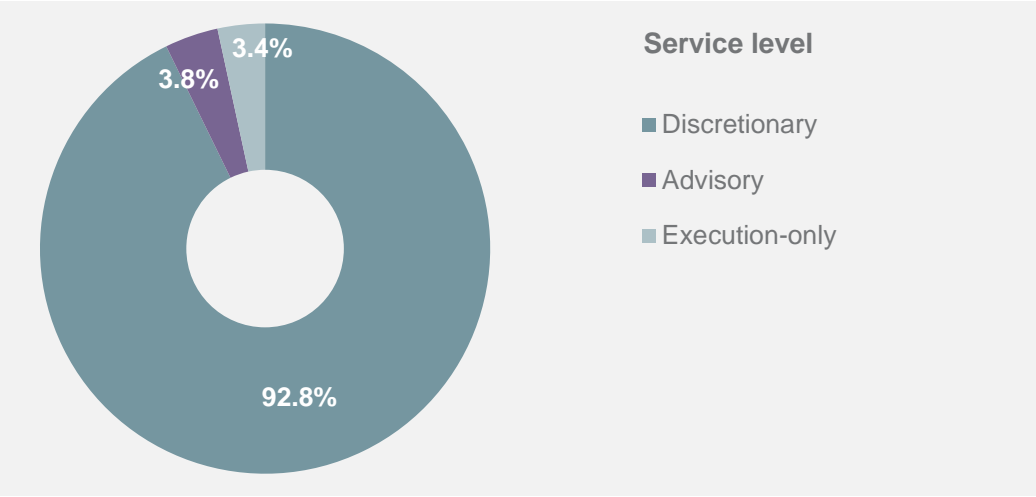


Advisory fee income (£m)



Investment Management client base

Analysis of funds under management¹



¹ As a percentage of total funds under management at 31 December 2017

Where our clients' assets are invested¹



**Direct
holdings**

51.8%

Collectives
48.2%

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 31/12/17) ²
London	133	18.3
Liverpool	26	2.2
Edinburgh	26	2.6
Other offices ³	92	11.8
Total	277	34.9

¹ As at 31 December 2017 excluding 13 fund managers in Rathbone Unit Trust Management.

² Figures include £1.1 billion invested in Rathbone Unit Trust Management funds and £1.0 billion of funds introduced to the group by Vision.

³ Including: Aberdeen, Birmingham, Bristol, Cambridge, Chichester, Exeter, Glasgow, 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 2017 (I-Class units)	YTD 2018		1 year		3 year		5 year		10 years		Size of fund (£m) [†]
Rathbone Global Opportunities Inst Acc in GB	2.98	1	20.07	1	62.10	1	125.62	1	151.08	1	1,168.0
Sector : IA Global TR in GB							88.28		101.40		
Rathbone Ethical Bond Inst Acc in GB	0.14	1	10.54	1	20.22	1	39.77	1	88.79	1	1,098.1
Sector : IA Sterling Corporate Bond TR in GB							26.33		65.48		
Rathbone Strategic Bond Inst Acc in GB	0.15	2	6.34	2	15.32	2	26.19	2			107.7
Sector : IA Sterling Strategic Bond TR in GB							22.98				
Rathbone UK Opportunities Inst Inc TR in GB²	-1.25	3	17.51	1	41.87	1	87.19	2			60.8
Sector : IA UK All Companies TR in GB							68.27				
Rathbone Income Inst Inc TR in GB³	-1.14	3	8.22	4	28.26	3	71.30	2	90.00	2	1,432.4
Rathbone Blue Chip Income and Growth Inst Inc TR in GB	-2.26	4	4.77	4	22.07	4	58.71	4	80.47	3	78.3
Sector : IA UK Equity Income TR in GB							66.20		85.12		

The fund returns reported on slides 35 and 36 exclude non-publicly marketed funds and segregated mandates which are subject to bespoke benchmarks. Disclosed funds represent 87% of the total AUM and include the RMAP funds (as at 31 December 2017). 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 2017

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

² From 23 October 2017 the Rathbone Recovery Fund relaunched as the Rathbone UK Opportunities Fund

³ From 3 April 2017, the Rathbone Income Fund moved from the IA UK All Companies sector to the IA UK Equity Income sector.

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

Performance: outcome oriented funds

Discrete year performance ¹ at 31 December 2017 (S-class shares)	1 year	3 years	5 years	Size of fund (£m) [†]
Rathbone Multi Asset Total Return Portfolio S Inc TR in GB²	3.32	13.40	27.58	268.4
Offset Instrument : LIBOR GBP 6m +2% TR in GB	2.49	8.09	13.88	
Volatility as % of MSCI World Index [TARGET <33%]	34.41	29.57	37.95	
Rathbone Multi Asset Strategic Growth Portfolio S Inc TR in GB²	9.32	27.49	52.07	381.1
Offset Instrument : UK Consumer Price Index +3% TR in GB	5.47	13.91	23.95	
Offset Instrument : UK Consumer Price Index +5% TR in GB	7.35	20.48	36.25	
Volatility as % of MSCI World Index [TARGET <66%]	55.09	57.66	57.34	
Rathbone Strategic Income Portfolio Inc TR in GB	7.27			34.2
Offset Instrument : UK Consumer Price Index +3% TR in GB	5.47			
Offset Instrument : UK Consumer Price Index +5% TR in GB	7.35			
Rathbone Multi Asset Enhanced Growth Portfolio S Acc in GB²	15.15	38.07	69.09	53.1
Offset Instrument : UK Consumer Price Index +5% TR in GB	7.35	20.48	36.25	
Volatility as % of MSCI World Index [TARGET <100%]	64.62	97.04	96.75	
Rathbone Heritage S Acc in GB³	10.60	35.69		30.8
Offset Instrument : UK Consumer Price Index +5% TR in GB	8.09	21.31		

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 2017

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 funds under management on the four quarterly charging dates, and then halved (because most transactions represent a sale and a purchase).

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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