

RATHBONE BROTHERS PLC QUARTERLY UPDATE



4 NOVEMBER 2013

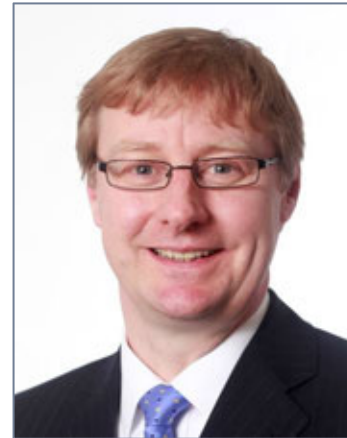
ANALYST DINNER

RATHBONES
Established 1742

SPEAKERS



ANDY POMFRET
CHIEF EXECUTIVE



PAUL STOCKTON
FINANCE DIRECTOR



IVO CLIFTON
INVESTMENT
DIRECTOR



JAMES WALKER
INVESTMENT
MANAGER

THIRD QUARTER PERFORMANCE



Net operating income

	Q3 13 £m	Q3 12 £m	Change %	YTD 13 £m	YTD 12 £m	Change %
Investment management						
Fees	26.6	22.7	17.2	76.7	66.3	15.7
Commissions	8.9	8.2	8.5	32.1	28.1	14.2
Net interest income	2.1	2.6	(19.2)	6.3	7.6	(17.1)
Fees from advisory services & other income	2.7	2.6	3.8	8.2	7.4	10.8
	40.3	36.1	11.6	123.3	109.4	12.7
Unit trusts	2.9	2.2	31.8	8.0	6.6	21.2
Net operating income	43.2	38.3	12.8	131.3	116.0	13.2
<i>Average FTSE 100 Index on charging dates</i>	<i>6462</i>	<i>5742</i>	<i>12.5</i>	<i>6309</i>	<i>5679</i>	<i>11.1</i>

Funds under management

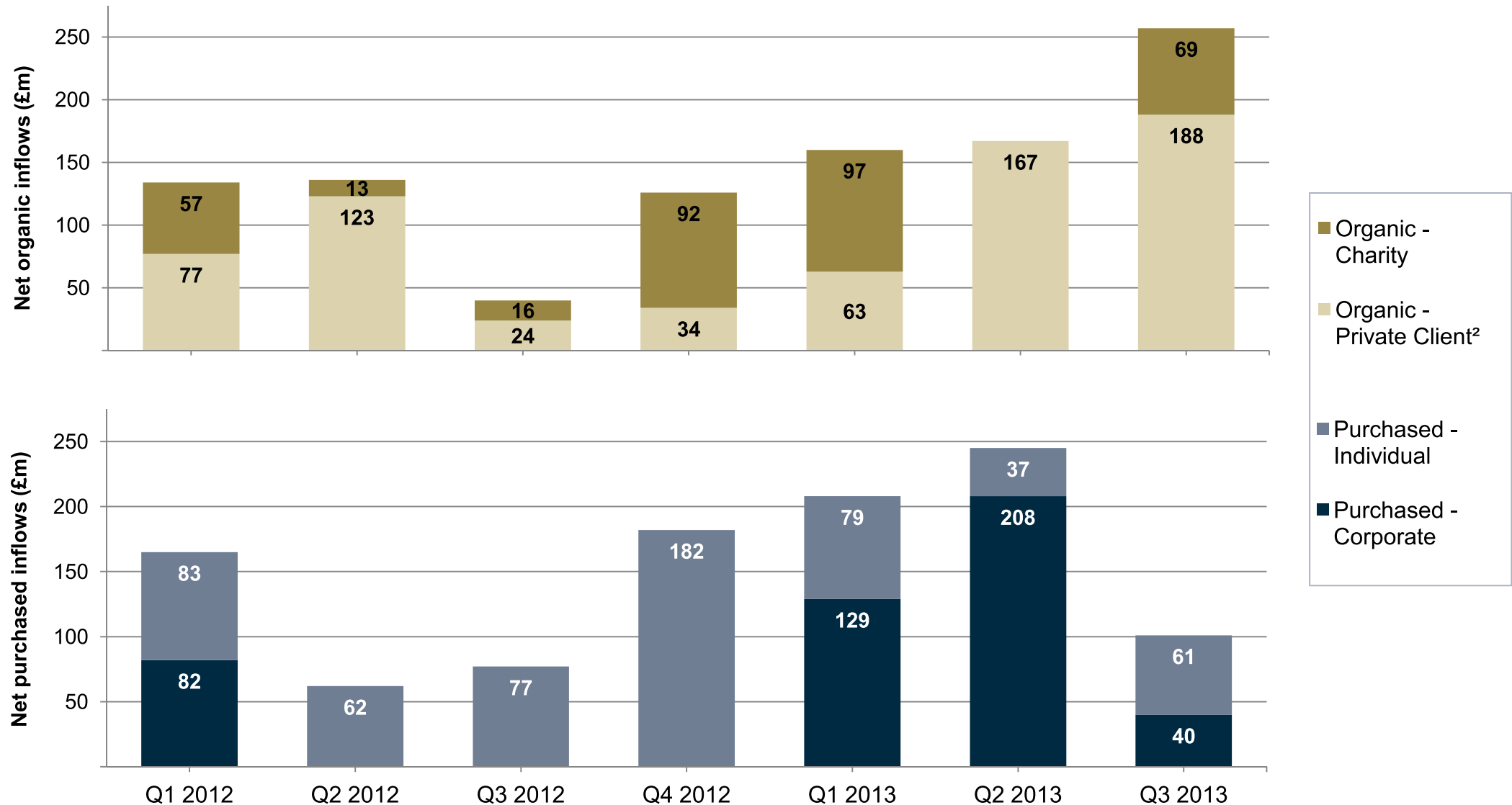
	Investment management		Unit trusts
	3 months ended 30/09/13 £m	9 months ended 30/09/13 £m	9 months ended 30/09/13 £m
Opening (1 July / 1 January)	18,429	16,714	1,266
Inflow of new money	603	2,046	340
- Organic	502	1,492	
- Acquired	101	554	
Outflow of money	(245)	(908)	(183)
Market adjustment	348	1,283	197
Closing (30 September)	19,135	19,135	1,620
Underlying annualised rate of net organic growth	5.6%	4.7%	
Annualised rate of net inflows	7.8%	9.1%	

Investment management return on FUM

	YTD 13	YTD 12	Change %
Investment management operating income (excluding interest on own reserves, fees from advisory services and other income) (£m)	113.6	100.6	12.9
Average funds under management (£bn)	18.6	15.7	18.5
Annualised basis point return (bps)	82	85	(3.5)



NET ORGANIC & PURCHASED GROWTH ANALYSIS¹



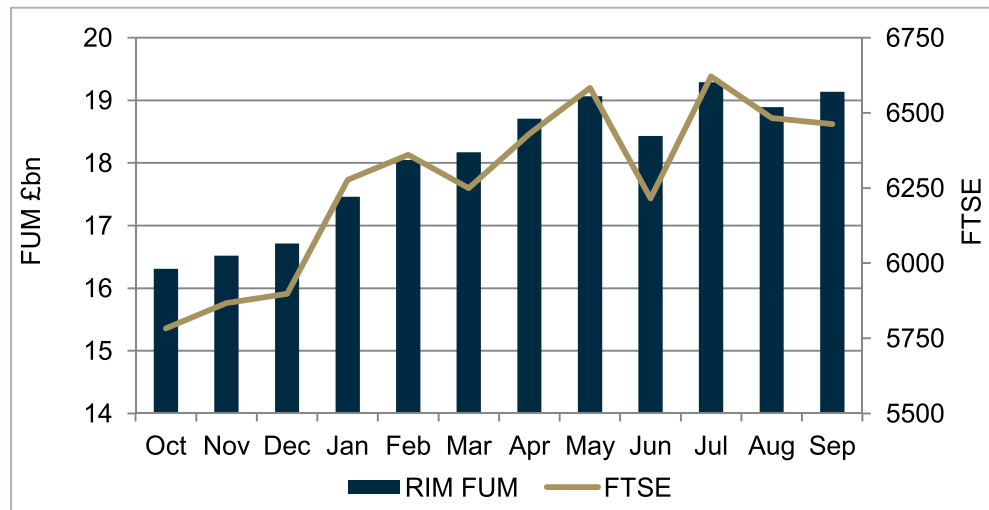
¹ Organic growth is new business from current clients or from new clients (including those via intermediaries); it excludes purchased growth, which is defined as corporate or team acquisitions, and investment managers who are on an earn-out arrangement

² Including Trusts and SIPPS

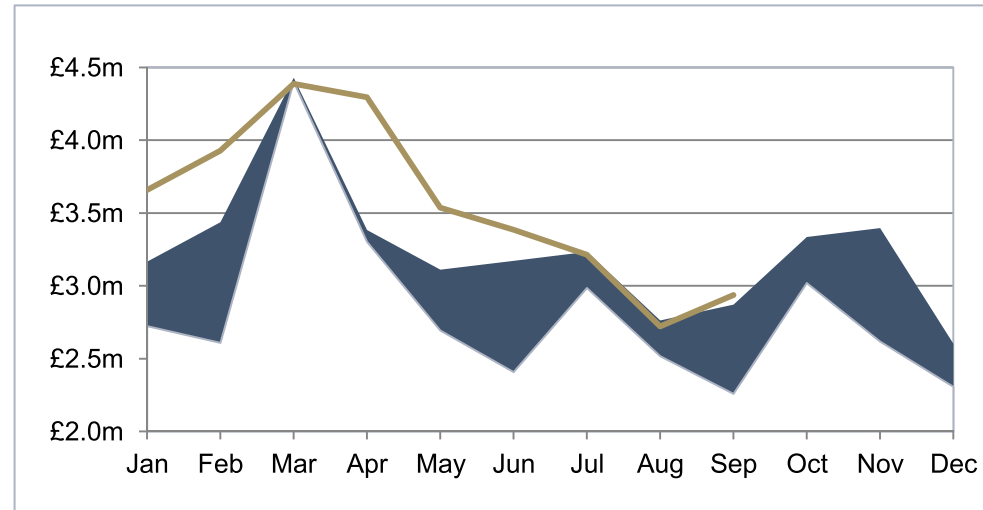
INVESTMENT MANAGEMENT FEE & COMMISSION INCOME



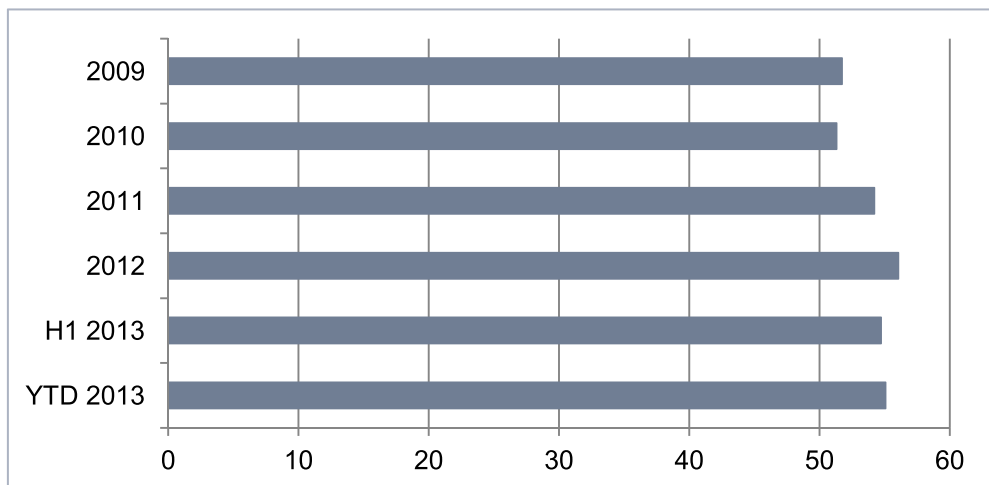
FTSE 100 index and funds under management (2012-13)



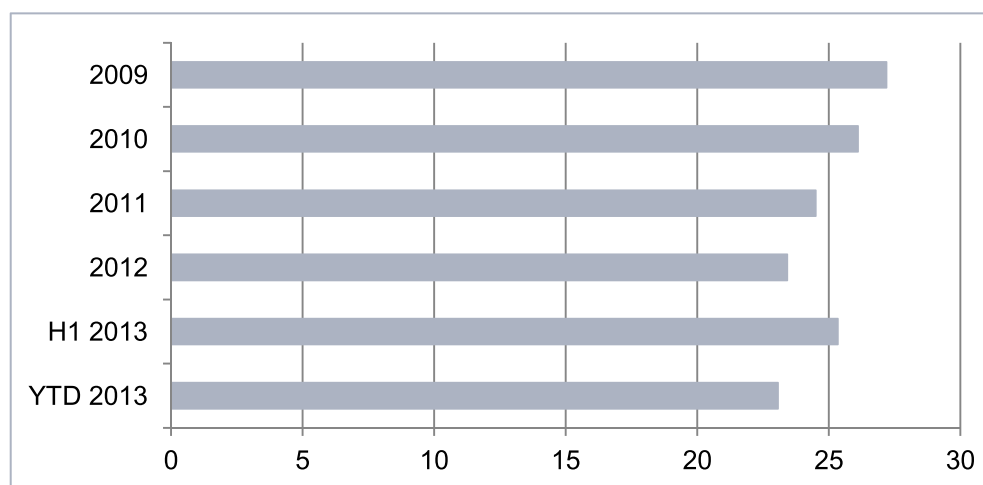
2013 Monthly Commission v last 3 years max/min¹



Annualised historical BPR from fees



Annualised historical BPR from commission

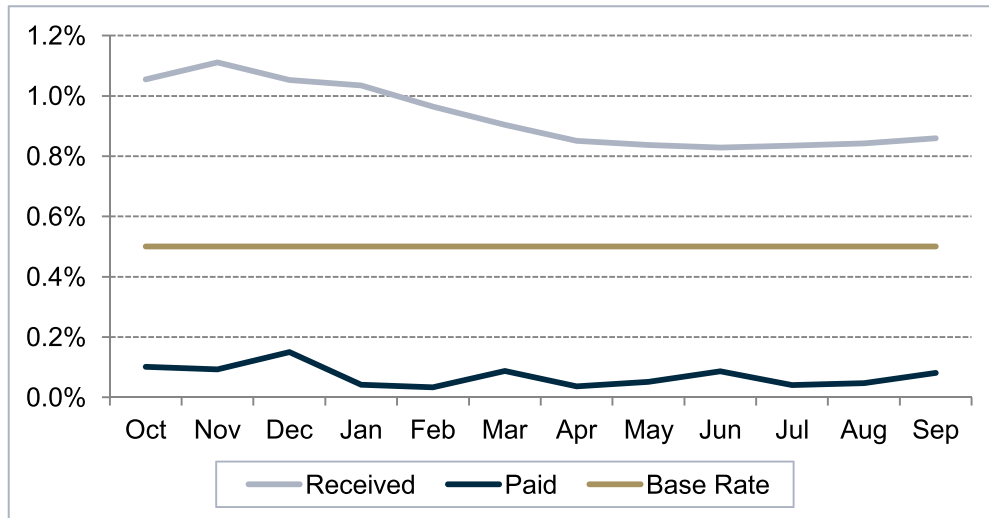


¹ Includes FX margin

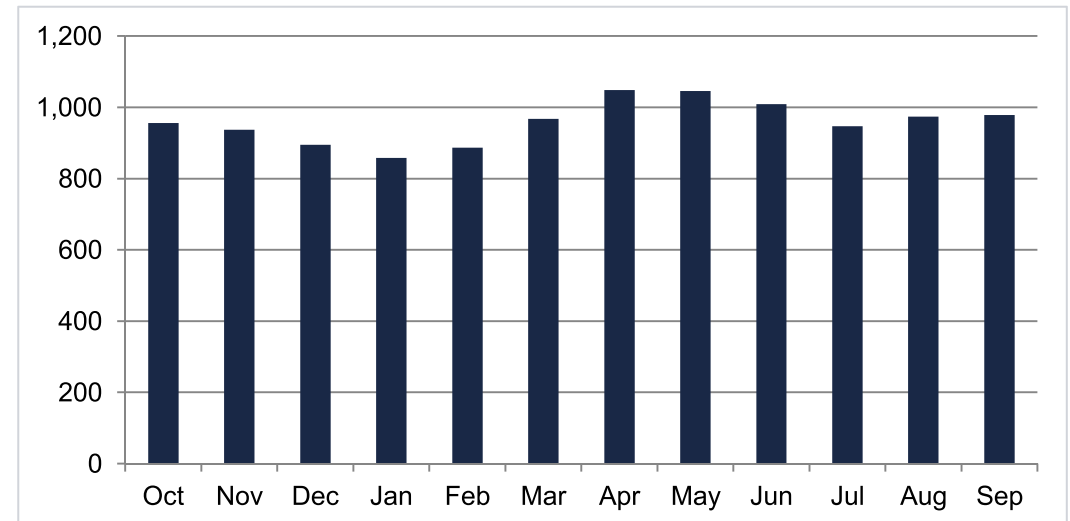


INTEREST INCOME & ASSET ALLOCATION

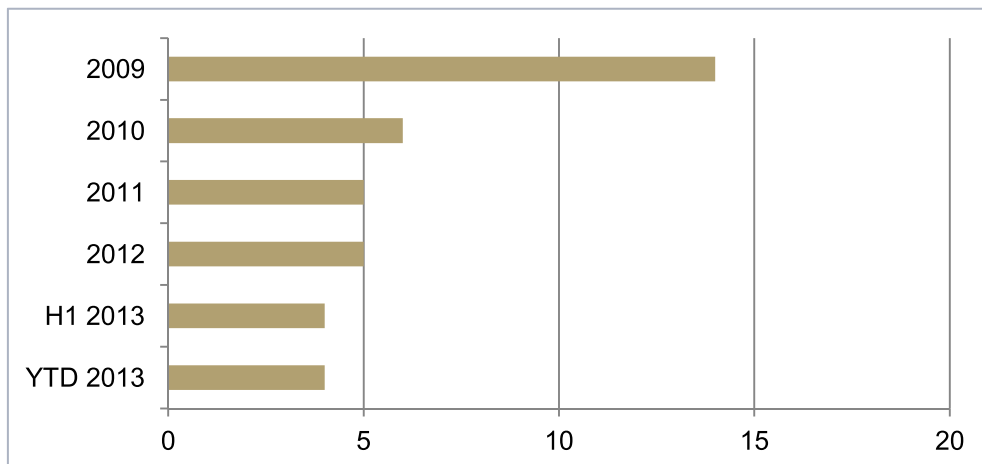
Gross treasury interest return and base rate



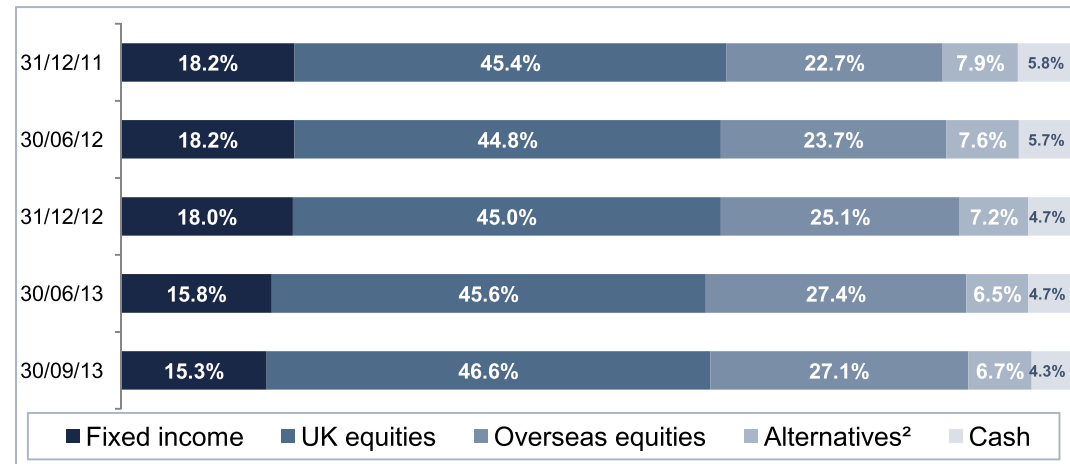
Client cash balances (£m)



Annualised historical BPR from interest



Where our clients' assets are invested¹



¹ Total investment management including Rathbone Investment Management International

² Including fund of hedge funds and structured products

ASSET ALLOCATION MODELLING (AAM) – A CONCEPT



Rathbone Investment Desk (RID)

- View individual clients and small 'client relationship' groups
- Different risk profiles
- Different personal circumstances



Asset Allocation Modelling (AAM)

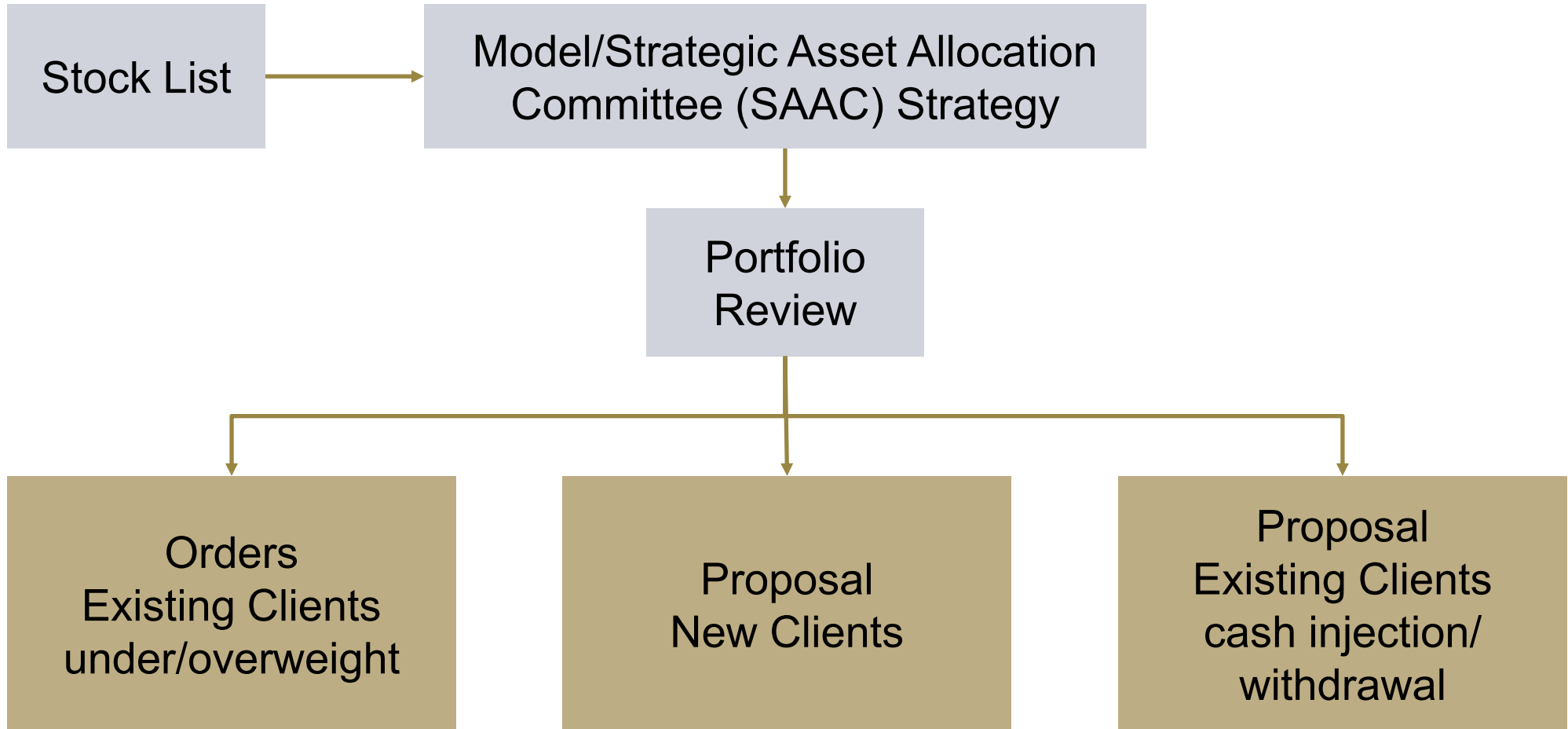
- Investment manager driven
- Enhancement to existing RID system
- Fully integrated
- Improved efficiency and scalability



Dealing systems

- Straight through dealing instructions

INTRODUCTION TO AAM



BENEFITS OF AAM



EFFICIENCY

Portfolio review and order creation linked

Investment Manager's investment ideas
displayed on screen

Faster review of clients

CONSISTENCY

Look across similar portfolios

Manage individual client requirements

Avoid portfolio drift

INDEPENDENCE

Investment Manager drives all choices, retains
full control of investment strategy

NEW FEATURES

New Business Proposals

Plan cash withdrawals/additions

£ cost averaging



AAM DEMONSTRATION SCENARIOS

New Client Proposal

- Prospective client with £1m to invest

Existing Client List

- Run a portfolio review to identify which clients are furthest from target
- Identify which asset classes are under/over weight
- Trade on relevant stocks
- Replicate the trade across client list



LOOKING AHEAD

- Invest in and refine our investment process
- Investment in the UHNW client segment
- Investment in specialist service areas
- Legal proceedings
- Increasing regulatory requirements
- Market levels and momentum
- Organic growth



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