

Rathbone Brothers Plc

Funds under management and administration update and notice of results

Rathbone Brothers Plc (“Rathbones”) announces a funds under management and administration (FUMA) update for the year ended 31 December 2020.

- Total FUMA at 31 December 2020 were £54.7 billion, up 8.6% from £50.4 billion at 31 December 2019, reflecting not only strong market movements in the last quarter, but also continuing net inflows and strong investment performance. The FTSE 100 Index decreased by 14.3% at 31 December 2020 compared to the start of the year, while the MSCI PIMFA Private Investor Balanced Index over the same period was largely unchanged.
 - £44.9 billion in the Investment Management business was up 4.5% from £43.0 billion at 31 December 2019, with investment performance now outperforming the MSCI PIMFA Private Investor Balanced Index over 1,3- and 5-year performance periods.
 - £9.8 billion in Rathbones Unit Trust Management (RUTM) was up 32.0% from £7.4 billion at 31 December 2019, reflecting very strong net inflows.
- Total net inflows across the group in 2020 were £2.1 billion (2019: £0.6 billion), representing 4.2% of opening FUMA (2019: 1.3%).
 - Gross organic inflows in Investment Management were consistent at £3.3 billion in 2020 compared to £3.3 billion in the prior year.
 - Acquired inflows of £0.6 billion in Investment Management largely reflect the transfer of the court of protection assets from Barclays Wealth (£0.4 billion).
 - Investment Management outflows for the year totalled £3.3 billion (2019: £3.9 billion), 14.3% lower than 2019. The last quarter of 2020 was impacted by the withdrawal of a low margin mandate as well as the withdrawal of non-fee-paying and execution only business, amounting to £143 million in total.
 - Full year net inflows in RUTM were £1,498 million (2019: £943 million). This represents 20.1% of opening funds under management (2019: 16.7%). RUTM was ranked in 7th position for overall net retail sales during the third quarter of 2020 (source: Pridham Report), maintaining its top 10 position for 6 consecutive quarters.

Outlook

Although we continue to expect market volatility during 2021 as well as continuing low interest rates, we remain focused on enhancing our services to clients and delivering growth. We will continue to balance this investment with prevailing market conditions, maintaining strict cost discipline and identifying inorganic opportunities that are a strong cultural fit.

Notice of results

Our preliminary statement of annual results for the year ended 31 December 2020 will be published on Thursday, 4 March 2021. A virtual presentation to analysts will be held on the same day.

Funds under management and administration (FUMA)

(i) <i>Investment Management</i>	3 months ended 31 December		Year ended 31 December	
	2020 £m	2019 £m	2020 £m	2019 £m
Opening FUMA (1 October / 1 January)	41,763	42,422	42,965	38,456
Total inflows	915	820	3,915	3,510
Organic new business	849	794	3,329	3,278
Acquired new business ¹	66	26	586	232
Outflows	(965)	(1,147)	(3,308)	(3,861)
Market effect and investment performance	3,199	870	1,340	4,860
Closing FUMA (31 December)²	44,912	42,965	44,912	42,965
Annualised rate of net organic growth	(1.1%)	(3.3%)	0.1%	(1.5%)
Total annualised net organic and acquired growth	(0.5%)	(3.1%)	1.4%	(0.9%)
(ii) Rathbones Unit Trust Management (RUTM)				
Opening FUM (1 October / 1 January)	8,730	7,028	7,438	5,643
Inflows	1,024	642	3,574	2,298
Outflows	(474)	(347)	(2,076)	(1,355)
Market effect and investment performance	540	115	884	852
Closing FUM (31 December)	9,820	7,438	9,820	7,438
Annualised rate of net organic growth	25.2%	16.8%	20.1%	16.7%
Total FUMA (31 December)	54,731	50,403	54,731	50,403
Total net flows				
Investment Management	(50)	(327)	607	(351)
RUTM ³	550	295	1,498	943
Total	500	(32)	2,105	592
Annualised rate of total net growth	4.0%	(0.3%)	4.2%	1.3%

- 1 Acquired new business is defined as corporate or team acquisitions, and new business from investment managers who are on an earn-out arrangement.
- 2 Includes Greenbank funds of £1.9 billion (31 December 2019: £1.6 billion) and funds managed with a charitable mandate of £6.5 billion (31 December 2019: £6.1 billion).
- 3 Full year 2020 total net inflows into Rathbones multi-asset solutions were £528 million (2019: £302 million).

Investment Management: Service level breakdown of FUMA

	31 December 2020 £m	30 September 2020 £m	31 December 2019 £m	Change 3 months %	Change 12 months %
Direct	33,678	30,812	31,013	9.3	8.6
Financial Adviser linked	9,347	8,730	8,735	7.1	7.0
Total Discretionary	43,025	39,542	39,748	8.8	8.2
Non-Discretionary Investment Management	1,392	1,805	2,550	(22.9)	(45.4)
Execution Only	2,658	2,381	2,412	11.6	10.2
Gross Investment Management FUMA	47,075	43,728	44,710	7.7	5.3
Discretionary wrapped funds ⁴	(2,163)	(1,965)	(1,745)	10.1	24.0
Total Investment Management FUMA	44,912	41,763	42,965	7.5	4.5

Proportion of non-discretionary investment management to total gross FUMA

	3.0%	4.1%	5.7%
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- 4 Holdings of our RUTM Unit Trusts in Rathbone Investment Management portfolios and funds where the management of the assets is undertaken by Rathbone Investment Management teams.

12 January 2021

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Rathbone Brothers Plc

Rathbones provides individual investment and wealth management services for private clients, charities, trustees and professional partners. We have been trusted for generations to manage and preserve our clients' wealth. Our tradition of investing and acting responsibly has been with us from the beginning and continues to lead us forward. Our ambition is to be recognised as the UK's most responsible wealth manager.

Rathbones has over 1,500 staff in 15 UK locations and Jersey; its headquarters is 8 Finsbury Circus, London.

www.rathbones.com