

Rathbones Group Plc

First quarter trading update

Rathbones Group Plc (“Rathbones”) announces a trading update for the three months ended 31 March 2022.

Paul Stockton, Group Chief Executive of Rathbones, said:

“Net operating income has been strong in the first quarter, increasing 12.3% year-on-year and 4.0% on the previous three months. Discretionary and managed net inflows were resilient in a market impacted by inflation fears and a general repositioning towards value.

Rathbones remains focused on delivering the strategic plans we set out at our full-year results, with digital investment and the integration of Saunderson House both progressing well. There remain significant opportunities in our sector and with a strong balance sheet and clear direction, Rathbones is well-placed to take advantage of future opportunities.”

Financial highlights:

- Total funds under management and administration totalled £64.7 billion at the end of the first quarter* (31 December 2021: £68.2 billion).
 - £47.9 billion in the Investment Management business (31 December 2021: £50.3 billion).
 - £12.1 billion in the Rathbone Funds business (31 December 2021: £13.0 billion).
 - £4.7 billion in Saunderson House (31 December 2021: £4.9 billion).
- Discretionary and managed net inflows totalled £0.3 billion (Q1 2021: £0.4 billion), representing an annualised growth rate of 2.5% (Q1 2021: 4.0%, Q4 2021: 1.9%).
 - Net inflows into multi-asset funds were strong at £0.1 billion (Q1 2021: £0.1 billion, Q4 2021: £0.1 billion), representing annual net growth of 20.4%.
- Underlying net operating income totalled £120.5 million for the three months ended 31 March 2022, an increase of 12.3% from the £107.3 million in the corresponding period last year.
 - Investment Management fees increased 4.5% to £72.2 million.
 - Commissions totalled £14.9 million (Q1 2021: £17.9 million), in line with trading volumes.
 - As anticipated, net interest income grew 40.0% to £2.1 million, reflecting the increase in Bank of England base rates over the quarter.
 - Fees from advisory services and other income increased to £14.7 million, reflecting the acquisition of Saunderson House (Q1 2021: £5.1 million).
 - Income in Rathbone Funds totalled £16.6 million for the period ended 31 March 2022 (2021: £13.7 million).
- The final dividend for 31 December 2021 of 54 pence per share will be paid on 10 May 2022.

* Funds under management at the end of the first quarter are measured at 5 April for Investment Management (to coincide with the first charging date for Investment Management private clients) and at 31 March for Rathbone Funds.

Additional Comments:

Board

As previously announced, James Dean will step down at the Annual General Meeting (AGM) today as he has served nine years on the board. James has made a huge contribution to the board, both as a non-executive director and chair of the audit committee. As part of the board's succession plans, Iain Cummings will succeed James as chair of the audit committee, subject to regulatory approval.

Annual General Meeting

The Annual General Meeting will be held today at 9:30am at our London head office at 8 Finsbury Circus, London EC2M 7AZ.

Interim results

The interim results for the six months to 30 June 2022 will be announced on 28 July 2022.

Detailed financial information:

Net operating income

	3 months ended 31 March			3 months ended 31 December	
	2022	2021	Change	2021	Change
	£m	£m	%	£m	%
Investment Management					
- Fees	72.2	69.1	4.5	74.6	(3.2)
- Commissions	14.9	17.9	(16.8)	11.6	28.4
- Net interest income	2.1	1.5	40.0	0.6	250.0
- Fees from advisory services ¹ & other income	14.7	5.1	188.2	11.7	25.6
	103.9	93.6	11.0	98.5	5.5
Rathbone Funds	16.6	13.7	21.2	17.4	(4.6)
Net operating income	120.5	107.3	12.3	115.9	4.0
MSCI PIMFA Private Investor Balanced Index on principal charging dates ²	1806	1718	5.1	1849	(2.3)

(1) Including income from trust, tax, financial planning services, Vision Independent Financial Planning and Saunderson House.

(2) The principal charging dates for Investment Management clients are 5 April, 30 June, 30 September and 31 December. Rathbone Funds income accrues on daily levels of funds under management.

Funds under management and administration

(i) Breakdown of FUMA and flows by service level

	Opening FUMA	Net flows	Net service level transfers	Market & investment performance	Closing FUMA	Annual net growth	Annual net growth (Q1 2021)	Annual net growth (Q4 2021)
	£m	£m	£m	£m	£m	%	%	%
Quarter ended 5 April 2022								
Discretionary service	49,249	223	(45)	(2,516)	46,911			
Bespoke portfolios	47,985	172	(64)	(2,474)	45,619	1.4	2.5	0.7
Managed via in-house funds	1,264	51	19	(42)	1,292	16.3	19.2	13.5
Multi-asset funds	1,991	101	-	(100)	1,992	20.4	42.2	24.3
Total discretionary & managed	51,240	324	(45)	(2,616)	48,903	2.5	4.0	1.9
Non-discretionary service	1,026	(14)	(30)	(34)	948	(5.4)	(23.1)	(5.0)
Total wealth management	52,266	310	(75)	(2,650)	49,851	2.4	3.2	1.8
Single-strategy funds	8,316	(65)	-	(680)	7,571	(3.1)	17.3	15.7
Execution only & banking	2,660	(68)	76	(37)	2,631	(10.2)	(10.9)	(3.9)
Total group (pre acquisitions)	63,242	177	1	(3,367)	60,053	1.1	4.2	3.3
Saunderson House	4,917	(26)	-	(216)	4,675	(2.1)	-	-
Total group	68,159	151	1	(3,583)	64,728	0.9	4.2	3.5

(ii) Breakdown of Rathbone Investment Management FUMA and flows by channel

	Opening FUMA	Net flows	Net service level transfers	Market & investment performance	Closing FUMA	Annual net growth	Annual net growth (Q1 2021)	Annual net growth (Q4 2021)
	£m	£m	£m	£m	£m	%	%	%
Quarter ended 5 April 2022								
Total direct	37,800	64	(22)	(1,898)	35,944	0.7	1.3	0.1
Total financial adviser linked	11,449	159	(23)	(618)	10,967	5.5	8.4	4.1
Total discretionary service	49,249	223	(45)	(2,516)	46,911	1.8	2.9	1.1
Non-discretionary service	1,026	(14)	(30)	(34)	948	(5.4)	(23.1)	(5.2)
Execution only & banking	2,660	(68)	76	(37)	2,631	(10.2)	(10.9)	(3.9)
Total Investment Management	52,935	141	1	(2,587)	50,490	1.1	1.4	0.7

(iii) Total Group FUMA

	At 5 April			At 31 December	
	2022	2021	Change	2021	Change
	£m	£m	%	£m	%
Rathbone Investment Management Gross FUMA	50,490	47,816	5.6	52,935	(4.6)
Of which: discretionary wrapped funds ³	(2,593)	(2,288)	13.3	(2,683)	(3.4)
	47,897	45,528	5.2	50,252	(4.7)
Rathbone Funds	12,156	10,298	18.0	12,990	(6.4)
Saunderson House	4,675	0	100.0	4,917	(4.9)

Total Group FUMA

64,728	55,826	15.9	68,159	(5.0)
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(3) Discretionary wrapped funds represent funds operated by Rathbone Funds, managed by both Rathbone Investment Management teams and Rathbone Funds managers

The MSCI PIMFA Private Investor Balanced Index closed at 1763 on 4 May 2022, a decrease of 2.4% since 5 April 2022. Investment Management fee income in the second quarter is dependent upon the value of funds under management at 30 June 2022.

5 May 2022**For further information contact:****Rathbones Group Plc****Tel: 020 7399 0000****Email: shelly.patel@rathbones.com**

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Rathbones Group 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 1,900 staff in 15 UK locations and Jersey; its headquarters is 8 Finsbury Circus, London, EC2M 7AZ.

www.rathbones.com