

2021 Preliminary results

Rathbones Group Plc

24 February 2022

2021- A year of strong results

Our strategy

-  Enriching the client and adviser proposition and experience
-  Supporting and delivering growth
-  Inspiring our people
-  Operating more efficiently

2021 activity

- Organic growth
- Delivery on strategy
- Delivery on acquisitions

2021 results

- FUMA Growth
+24.7% y-o-y
- Underlying PBT growth
+30.5% y-o-y
- Resilient margin maintained
27.7%
- Dividend growth
+12.5% y-o-y

Your team today



Paul Stockton
Group Chief
Executive



Jennifer Mathias
Group Chief Financial
Officer



Andy Brodie
Chief Operating
Officer



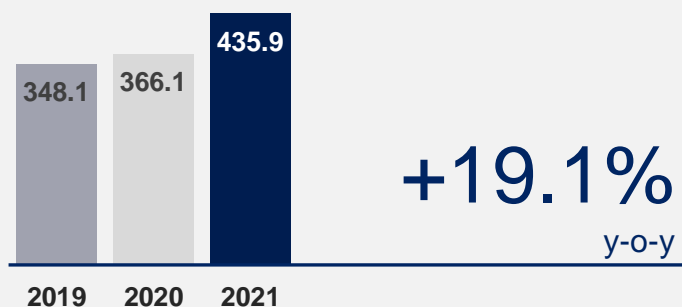
Financial Results

Jennifer Mathias

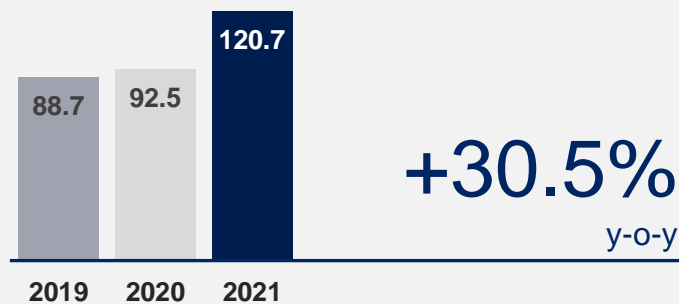
Group Finance Director

Strong results, strong momentum

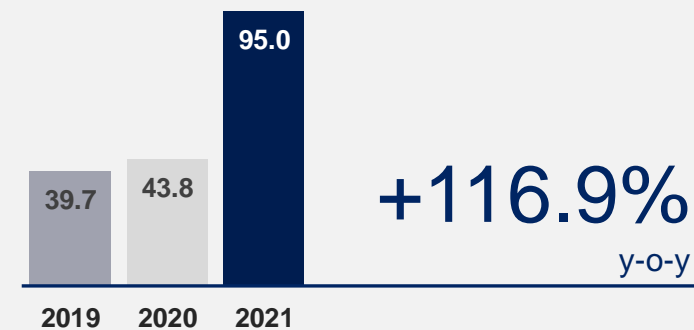
Operating income (£m)



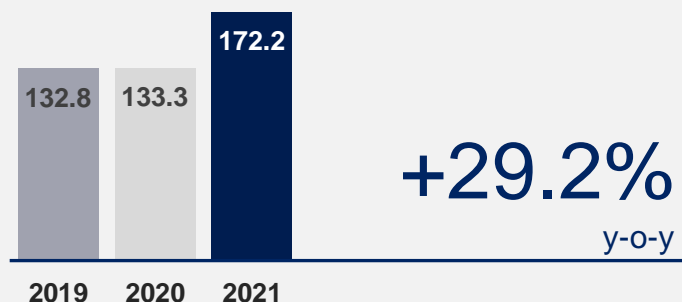
Underlying PBT (£m)



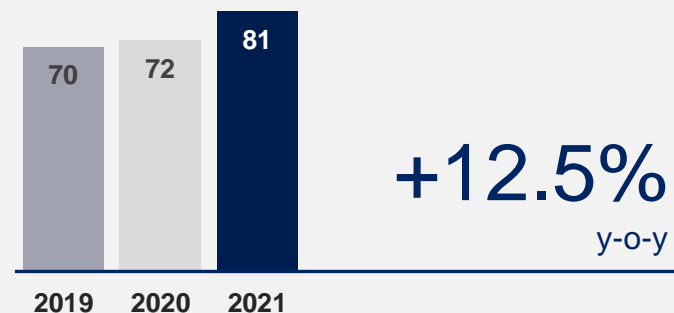
Statutory PBT (£m)



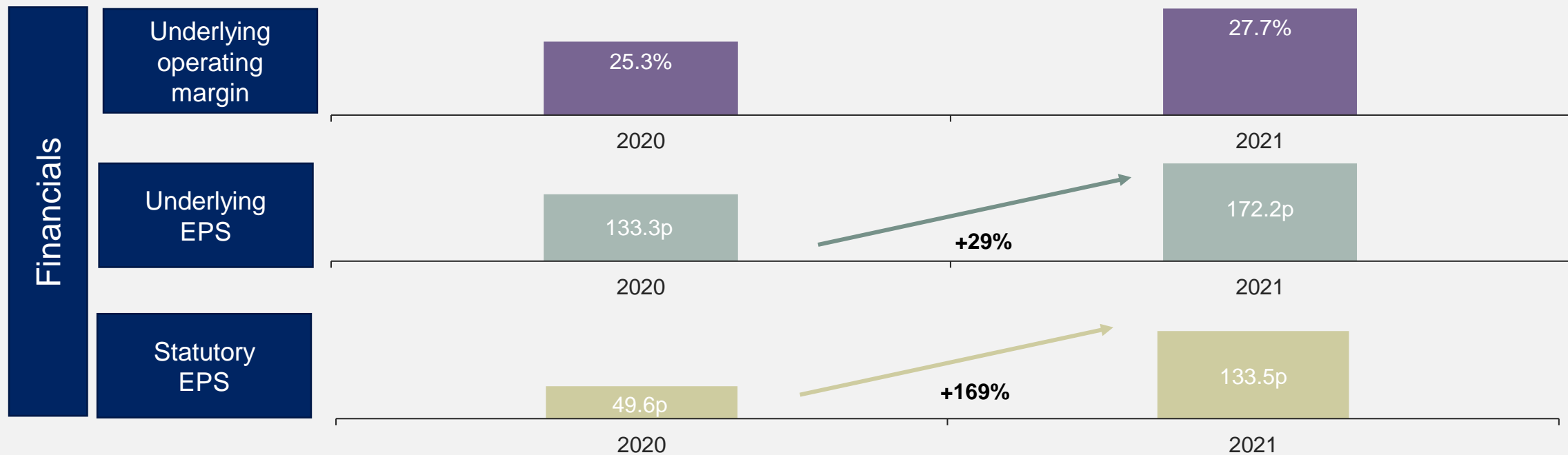
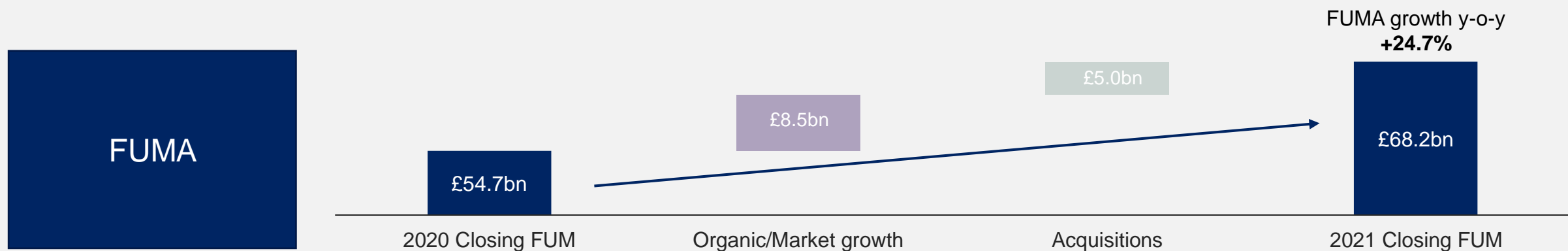
Underlying basic EPS (pence)



Total dividend per share (pence)

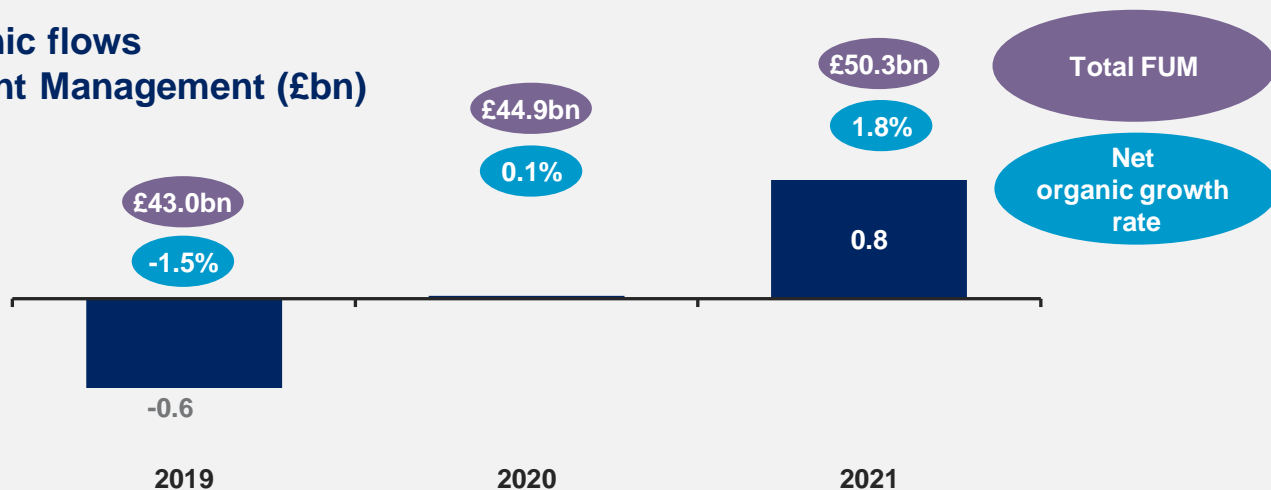


FUMA growth drives EPS growth

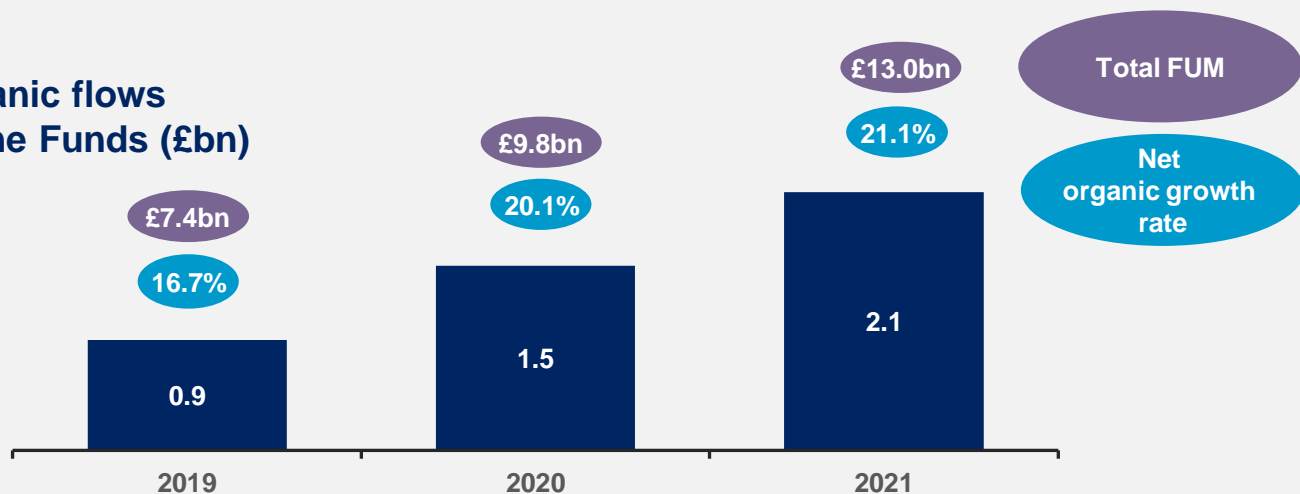


Growth in net organic inflows

Net organic flows Investment Management (£bn)



Net organic flows Rathbone Funds (£bn)



Improving organic inflows in IM

- Business demonstrating momentum
- Focus on growth
- IFA channel momentum
- Retention rate 93.3% (2020: 92.3%)
- 12% growth in FUMA to £50.3bn y-o-y

Fund flows continue to be strong

- 33% growth in FUM to £13.0bn y-o-y
- Ranked 5th in the 2021 Pridham Report for total net retail sales (2020: 9th)

This excludes £4.9bn of FUMA from the Saunderson House acquisition
See slides 33-34 for further flow breakdown and reconciliation

FUMA quality driving fee growth

	2021 (£m)	2020 (£m)	% change
Investment Management fee income	288.1	230.3	25.1
Rathbone Funds income	63.1	45.4	39.0
Net commission income	53.6	62.3	(14.0)
Net interest income	3.9	8.4	(54.1)
Fees from advisory services ¹	25.5	17.0	50.0
Other income	1.7	2.7	(37.0)
Total operating income²	435.9	366.1	19.1
Average FTSE 100 Index (on quarterly billing dates)	7066	5978	18.2
Average MSCI PIMFA index (on quarterly billing dates)	1778	1552	14.6

1. Includes income from trust and tax services, Rathbones Financial Planning and Vision Independent Financial Planning

2. 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

High FUMA quality

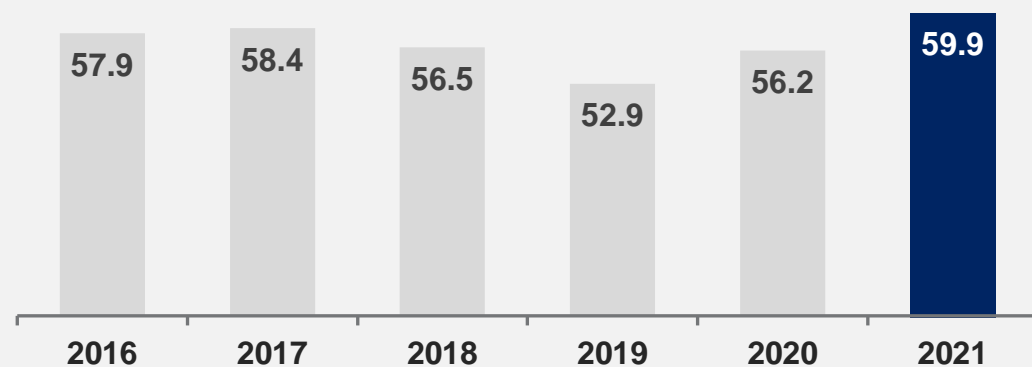
- Investment Management fee increase demonstrates growth in quality business mix
- Funds income reflects growing FUM
- Reduced commissions levels, low interest rates
- Fee growth from advisory services reflects:
 - 2.5 months of Saunderson House (£6.1m)
 - Continued growth across Rathbone Financial Planning, Vision and Trust income (+14%)

Stable revenue margins

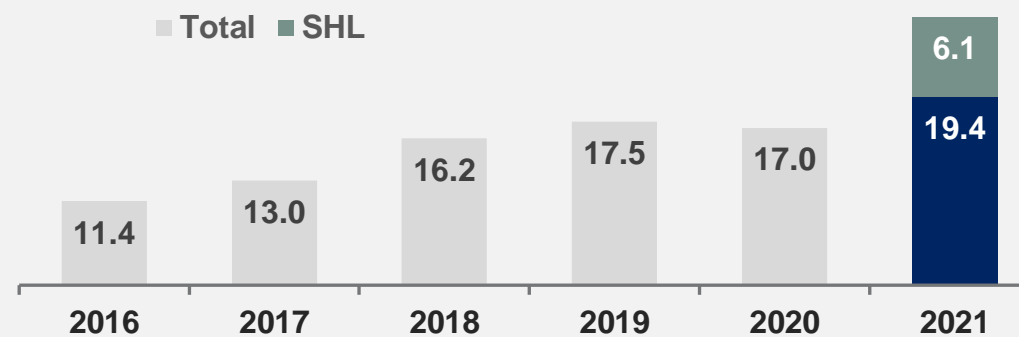
- Investment Management: 2021- 71.4bps (2020: 72.7bps)
- Funds: 2021- 55.0bps (2020: 55.5bps)

Resilient Investment Management margin and growing advisory fees

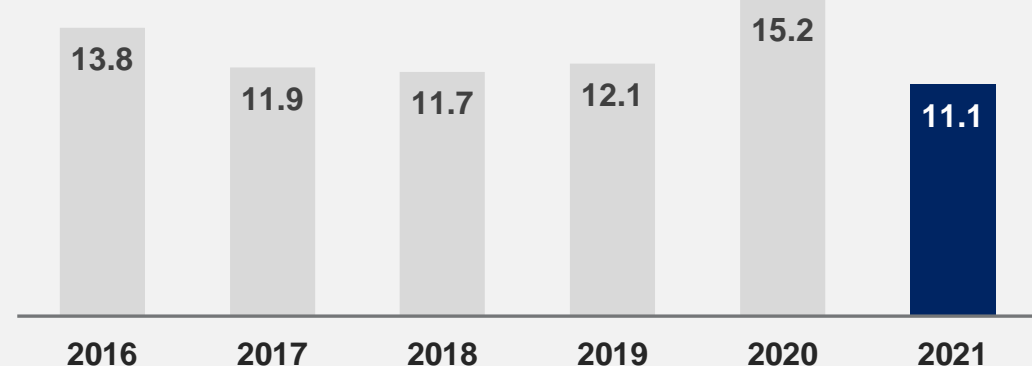
Basis point return from discretionary fees



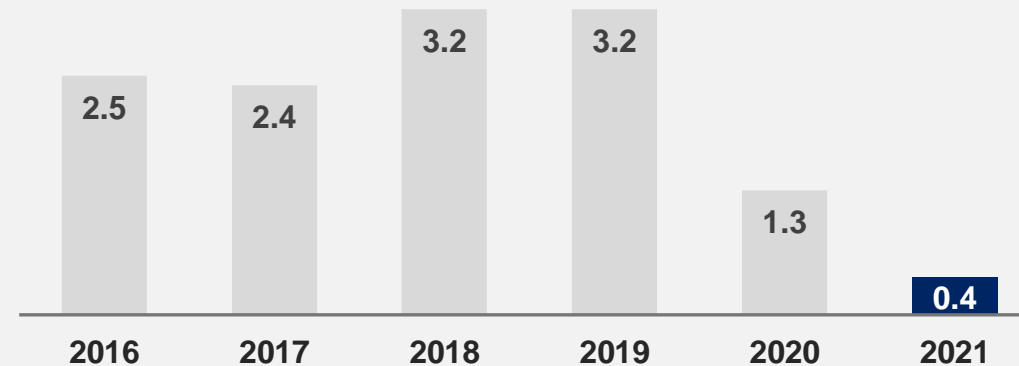
Advisory fee income (£m)



Basis point return from commission



Basis point return from interest



Basis point return is calculated by taking the average of the reported quarterly FUM for the year and dividing by yearly income

Improved operating margin - despite increased investment

	2021 (£m)	2020 (£m)	% change
Fixed staff costs	129.8	117.5	10.5
Variable staff costs	90.1	77.7	16.0
Performance-related costs	86.0	71.9	19.6
Other costs ¹	4.1	5.8	(29.3)
Other operating expenses	95.3	78.4	21.6
Total underlying operating expenses	315.2	273.6	15.2
<hr/>			
Underlying Operating Margin	27.7%	25.3%	
Average FTE ² employees	1,739	1,535	13.3
Actual FTE ² employees	1,967	1,588	23.9
Performance-related variable staff costs as a % of underlying profit before performance-related variable staff costs and tax	41.6%	43.7%	

1. Includes share-based employment and other awards

2. Full Time Equivalent

Fixed staff costs

- Planned recruitment to support our strategic change agenda and business capacity for growth
- Saunderson House included from Oct 2021 (177fte)

Variable staff costs

- Reflects strong growth and investment performance

Other operating expenses

- Investment in strategic change initiatives
- FUMA growth costs
- Lower capex, software costs expensed

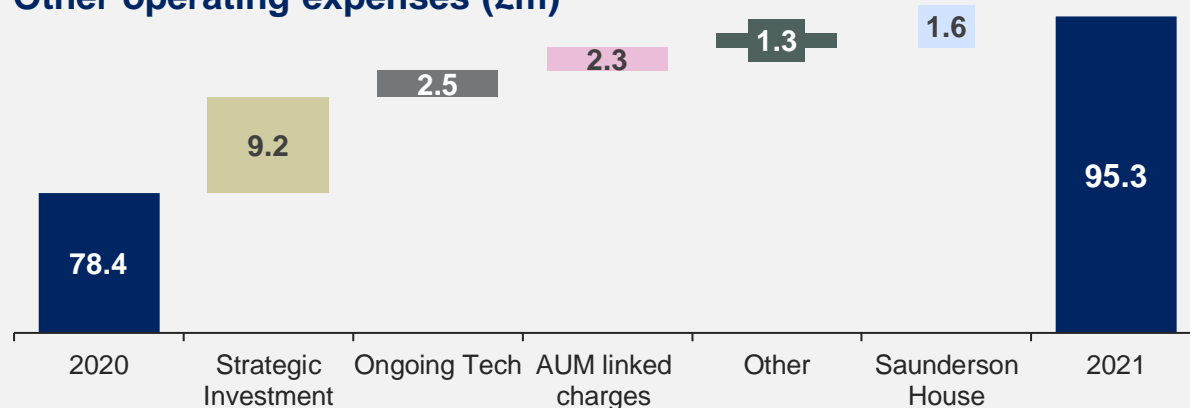
Operating margin leverage optimised despite pandemic

Strategic spend supporting business growth

Staff costs (£m)



Other operating expenses (£m)



Staff costs

- Full year impact of 2020 hires (+79) and new hires during 2021 (+202) to support business growth
 - Creation of dedicated transformation team
- Performance based pay higher, driven by increase in net FUMA, revenue and profit

Other operating expenses

- Strategic investment
 - Upgraded custody and settlement system, launched *MyRathbones* portal
 - Investing responsibly proposition
 - Preparation for next phase of digital strategy
- Improved IT infrastructure and enabled remote working
- Inflation and regulatory increases (FSCS totalled £6.8m)

Operating leverage and acquisition integration drive profits higher

	2021 (£m)	2020 (£m)	% change
Underlying profit before tax	120.7	92.5	30.5
Charges in relation to client relationships and goodwill	(15.6)	(14.3)	9.1
Acquisition-related costs	(10.1)	(34.4)	(70.6)
Profit before tax	95.0	43.8	116.9
Profit after tax	75.2	26.7	181.6
Effective tax rate	20.8%	39.0%	
Total comprehensive income, net of tax	89.1¹	23.6	277.5
Underlying EPS	172.2	133.3	29.2
Underlying operating margin	27.7%	25.3%	
Basic EPS	133.5	49.6	169.2

Underlying operating margin

- Delivered operating margin ahead of guidance despite significant investment to support future growth
- Saunderson House contribution £1.1m in 2021

Acquisition-related costs

- Speirs & Jeffery - deferred consideration payments £6.0m (2020: £32.3m) and integration costs £0.4m
- Saunderson House - deferred consideration, legal and advisory costs £3.7m (2020: £nil).

Tax rate

- Tax rate expected to come down to 2-4 percentage points over statutory rate of tax for 2022

Basic EPS

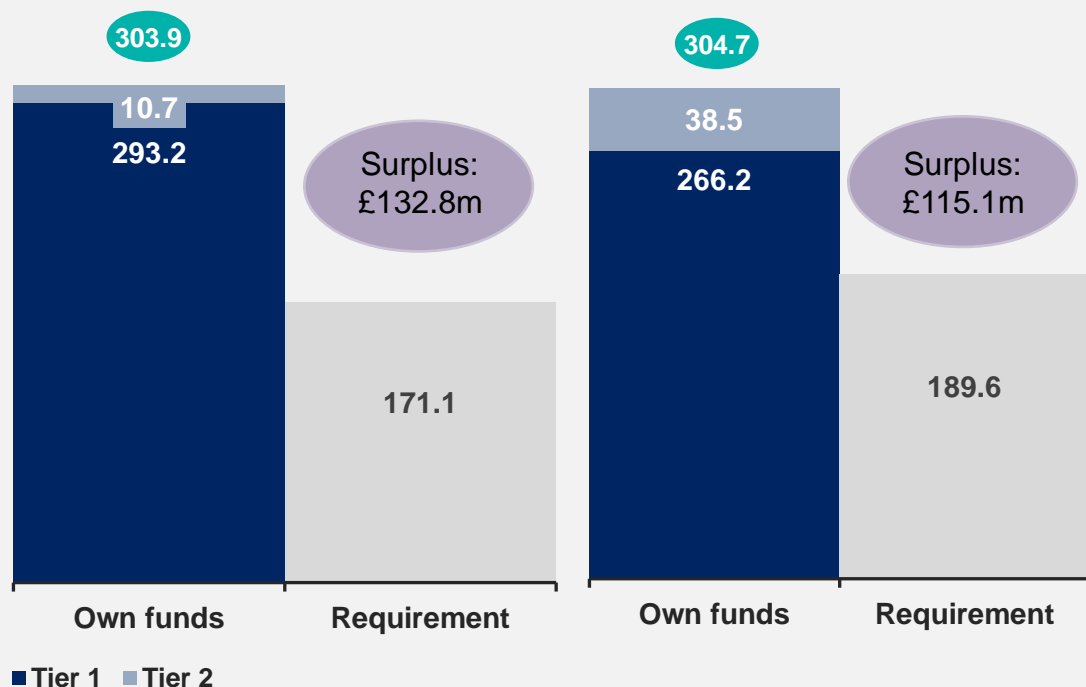
- Growth reflects increase in underlying profits and significantly lower acquisition-related costs

1. The difference between profit after tax and total comprehensive income (net of tax) is movements relating to the valuation of the group defined benefit pension scheme.

Strong capital position

31 December 2020 (£m)

31 December 2021 (£m)



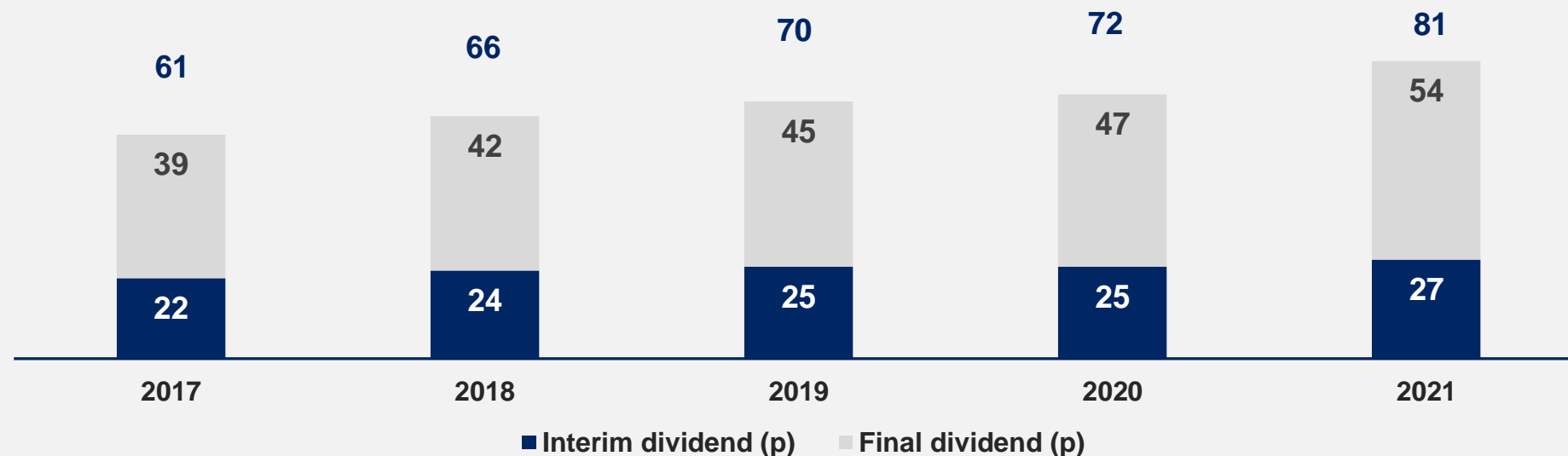
Surplus capital

- Acquisition of Saunderson House adds intangible assets and operational risk requirement
- Placing raised £50m of fresh share capital
- Refinancing of Tier 2 Loan Notes into Plc added £27.8m to own funds.
- Increased requirement driven by treasury book allocations and revenue growth

Progressive dividend track record

Generally progressive dividend policy having regard to:

- Current and forecast financial performance
- Level of distributable reserves
- Prevailing market conditions
- Investment required to support organic and inorganic growth



Dividend cover/pay-out ratio (underlying EPS)	2.3x/44%	2.2x/46%	1.9x/53%	1.8x/55%	2.1x/47%
Dividend cover/pay-out ratio (Basic EPS)	1.5x/66%	1.3x/74%	0.7x/139%	0.7x/146%	1.6x/61%
Dividend Growth	7.0%	8.2%	6.1%	2.9%	12.5%
Dividend Yield ¹	2.2%	3.0%	3.5%	4.4%	4.6%

1. The 2021 dividend yield is calculated with reference to the share price on 20 February 2022. The 2017-2020 dividend yields are based on the share prices on the dates of each respective results announcement.



Business update



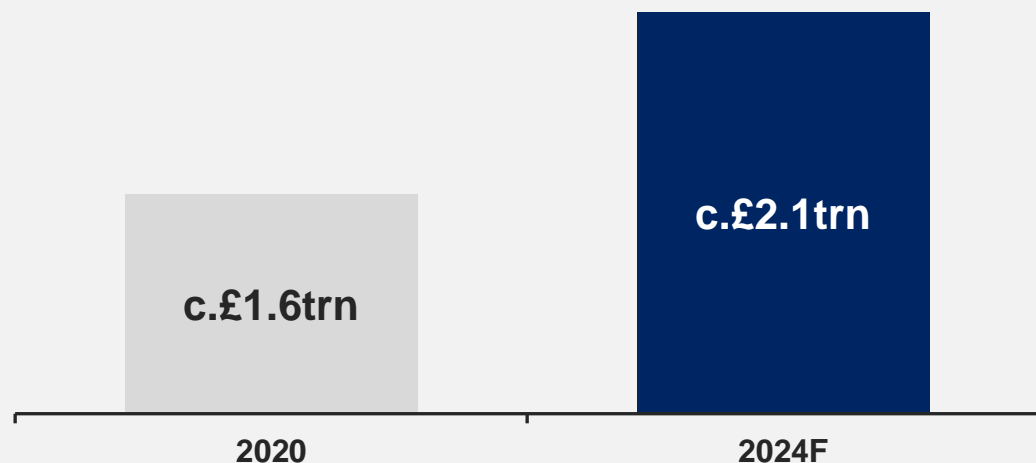
Paul Stockton

Chief Executive



Rathbones gives exposure to secular growth

UK Wealth Management market estimates¹ (£trn)



1. Sources: PAM Directory and Oliver Wyman estimates.

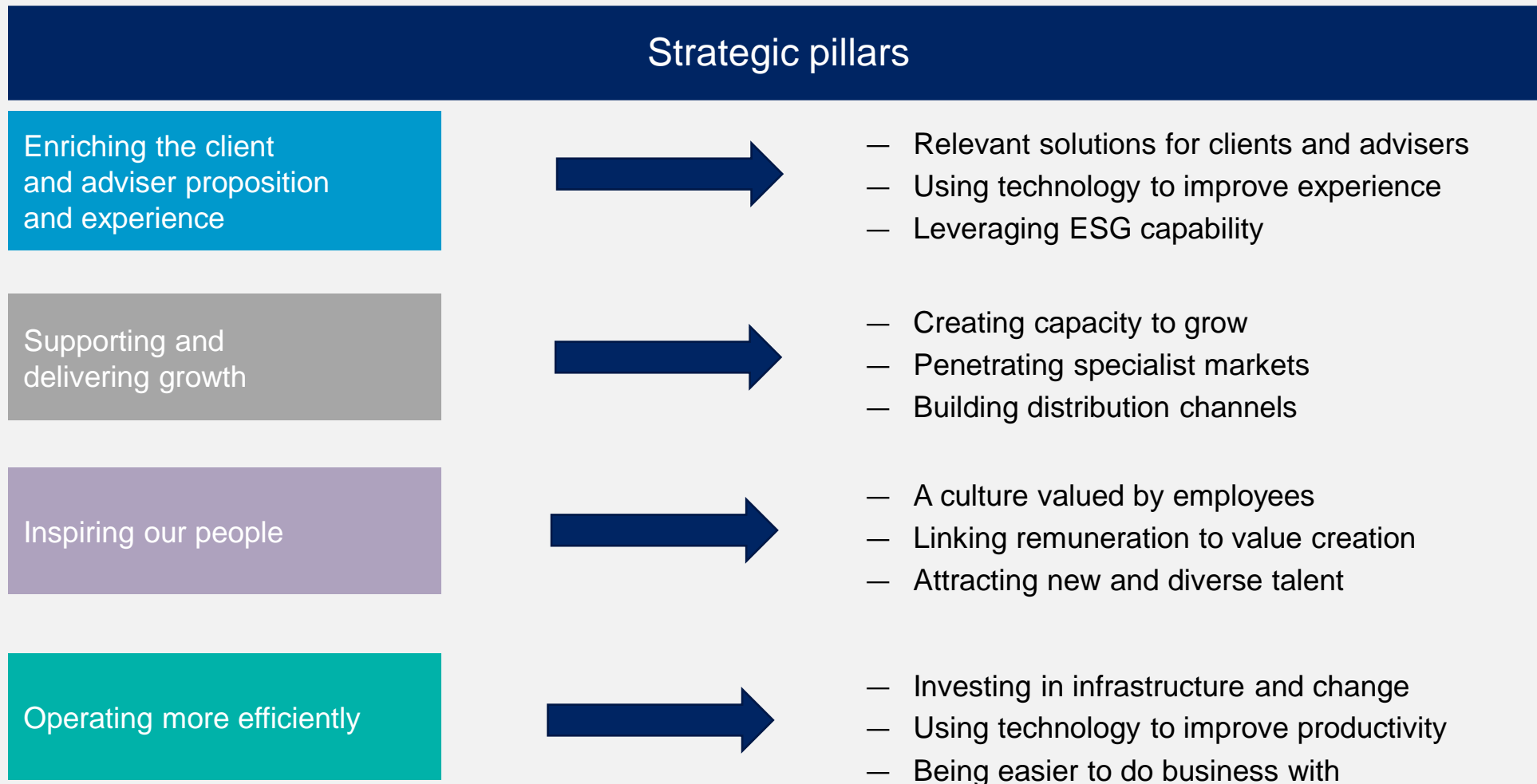
Rathbones has structural advantages

- A high quality brand
- A range of propositions for clients and advisers
- A robust investment capability with a history of responsible investment
- A growing advice footprint
- Ancillary banking services

Currently, Rathbones accounts for approximately:

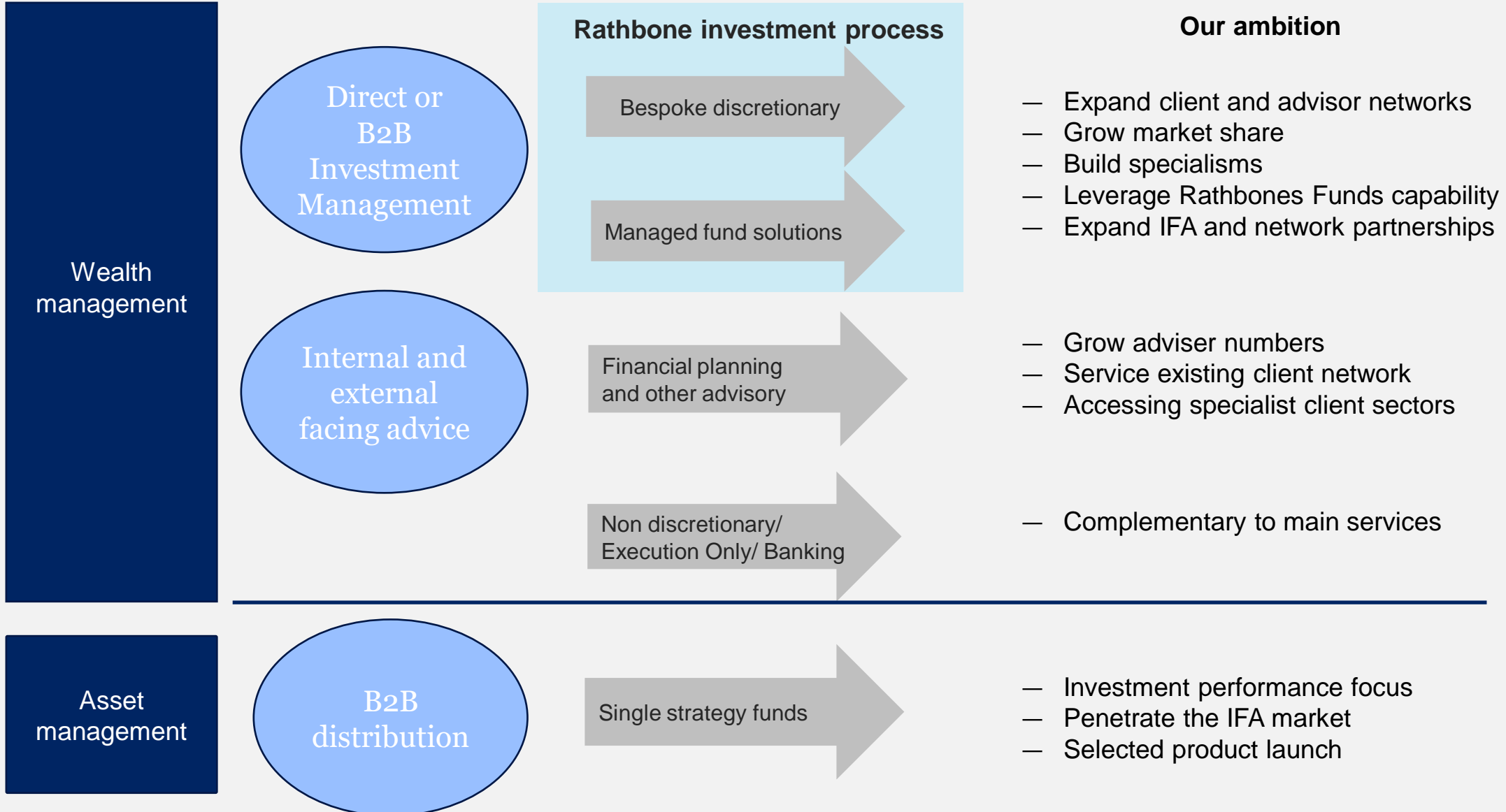
4%
of the UK wealth
management market

Our strategy is focused on clients, growth and profit



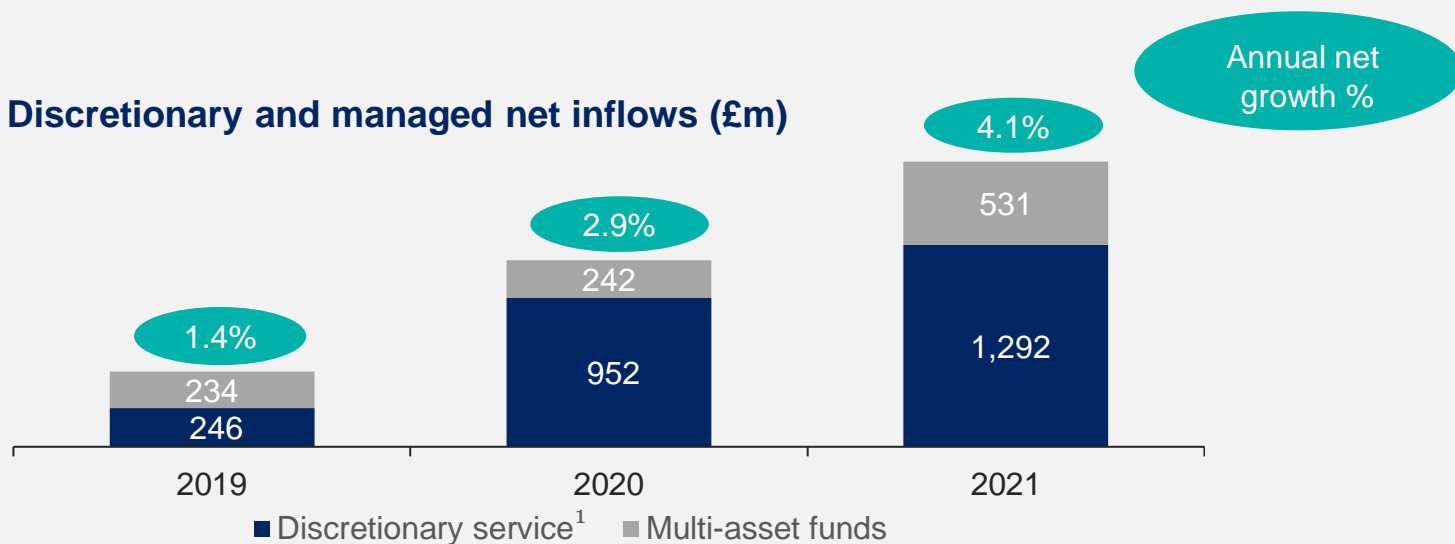
Enriching the client and adviser proposition and experience

We deliver client solutions across multiple channels...

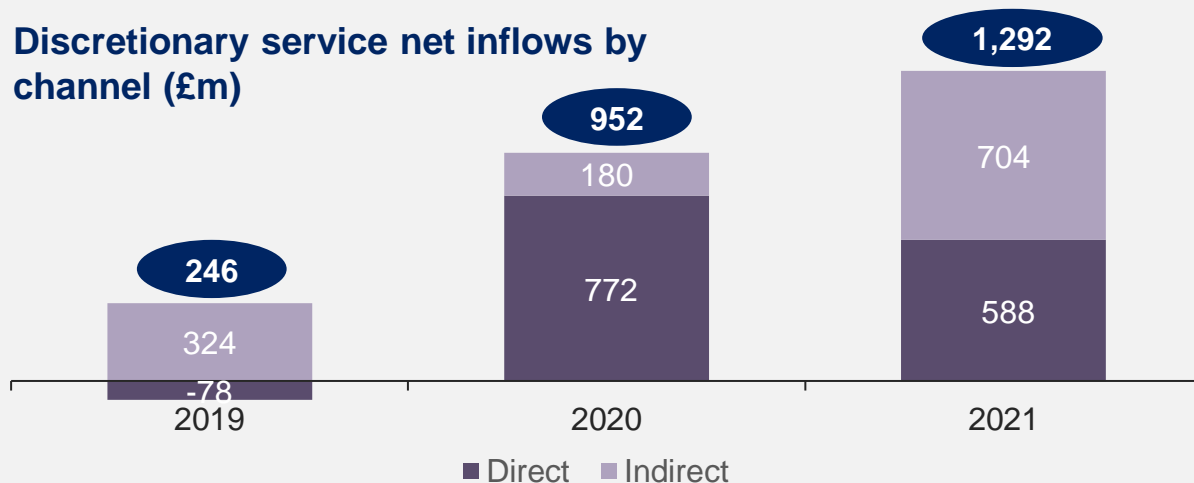


... to drive stronger organic growth

Discretionary and managed net inflows (£m)



Discretionary service net inflows by channel (£m)



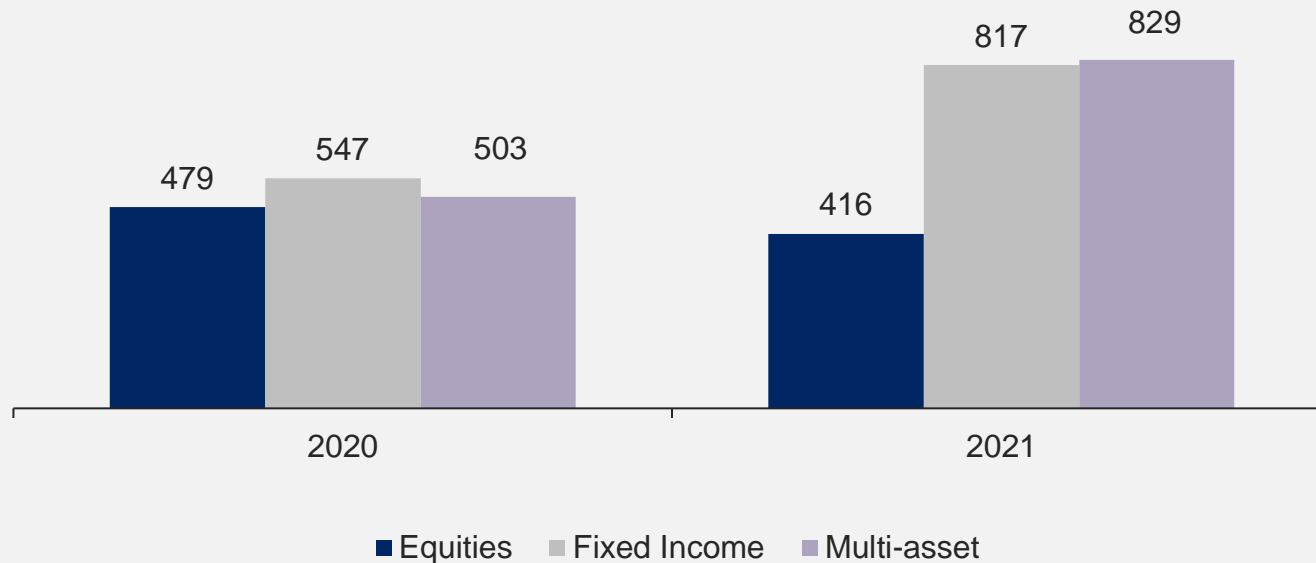
Future flow outlook driven by:

- Investment in capacity
- A leading approach to responsible investment
- Greater traction with financial advisers
- New opportunities through Saunderson House
- An attractive multi-asset fund range
- GMAPs launch

1. Includes Managed via in-house funds
See slides 33-34 for full breakdown of flows

...while also building a highly successful funds business

Rathbone funds net inflows (£m)



Maintain positive momentum through:

- A balanced fund portfolio
- A strong historical performance track record
- New CIO appointment
- Responding to market rotation
- Alignment with wealth business

Building on Greenbank's 20+ year ESG expertise

2021

- Greenbank Multi-Asset Funds launch
- Investment process enhancement
- Firmwide training
- Stewardship
- Investors' Chronicle ESG Champion of the Year and ESG Champion- Governance

2022

- Firmwide client engagement
- Leveraging Greenbank
- Growing GMAPs funds



We are also growing planning revenue

Employed advisers

Saunderson House

- FUMA of £4.9bn
- 51 financial planners
- Strengthening investment propositions

Rathbone Financial Planning

- 26 financial planners
- Trust, tax and legal capability

A best of breed planning business serving existing clients and new wealth sectors

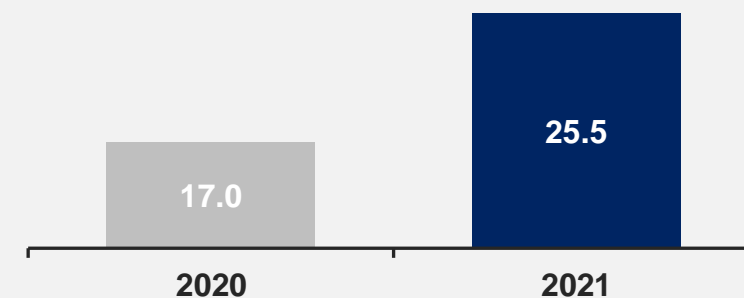
Self-employed advisers

Vision Independent Financial Planning

- FUMA to £2.7bn
- 131 IFAs; further growth planned

An expanding IFA network offering choice and regional reach

Advisory services revenue (£m)



of IMs and financial planners/IFAs



Strong track record of acquisitions

Speirs & Jeffrey (2018)

EPS accretion target of at least 8%



ROIC target of 13%



Other historical transactions

Year	Target	FUMA (£bn)
2012	Vision Independent Financial Planning	19.9% holding and option over remaining 80.1%
2012	Taylor Young Investment Management	c£350m FUM
2014	Tilney Investment Management (London)	c£630m FUM
2014	Jupiter private client business	c£1.9bn FUM
2015	Vision Independent Financial Planning	Remaining 80.1%; c£925m FUMA
2020	Barclays Wealth Court of Protection team	c£440m FUM

Saunderson House (2021)

- Integration well under way
- Encouraging revenue and growth potential
- Reaffirming targets
 - Expected ROIC: c.12%
 - EPS accretion: c.10%
- £1.1m profit contribution in 2021

A high quality, engaged workforce

- High engagement scores
- Investing in our people
 - Career development
 - Training
- Hybrid working
- Diversity, equality and inclusion
- Attracting new talent







Operating more efficiently

Our platform for digital change is ready for the next phase

Delivery outcomes

- Modern technology platform
- Increased digital processes
- Reduced complexity
- Free up time for colleagues
- Richer management information
- Aligned client journey across financial planning and investment teams
- Support for growing asset management business

2021

- Custody and settlement system 
- MyRathbones launch 
- Strategic partners and delivery team 
- Client experience design 

2022

- Client prospecting, onboarding and servicing
- Asset management capability for Rathbone Funds
- Enhancements to MyRathbones and client reporting

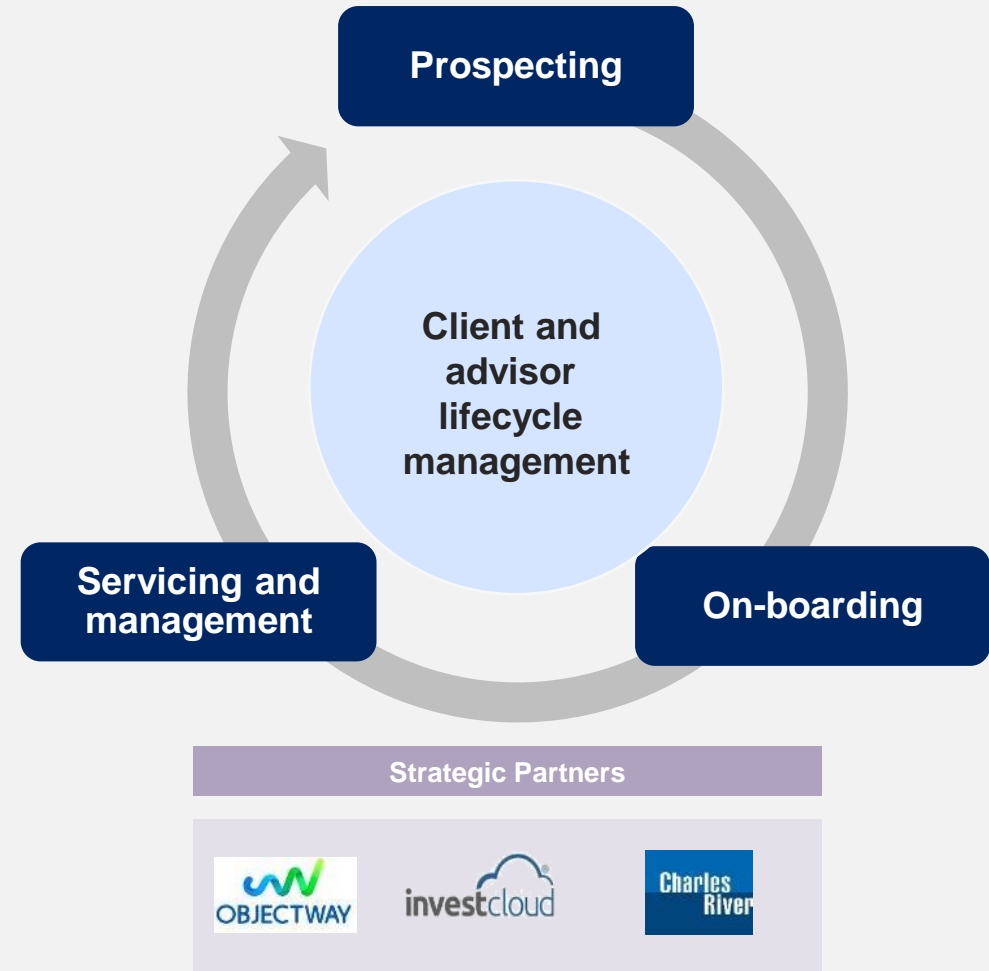
2023

- Enhancing private client investment tools
- Dynamic client reporting

Operating more efficiently

Simplified operating model will de-risk delivery

- Stable technology infrastructure
- Hired an experienced team to deliver
- Innovative and collaborative vendors
- Reducing number of systems
- Client focused digital design
- Improving data quality
- Agile and phased delivery approach
- Building on a well-established custody and settlement system



Financial outlook

Mid-20s operating margin for 2022-23 includes

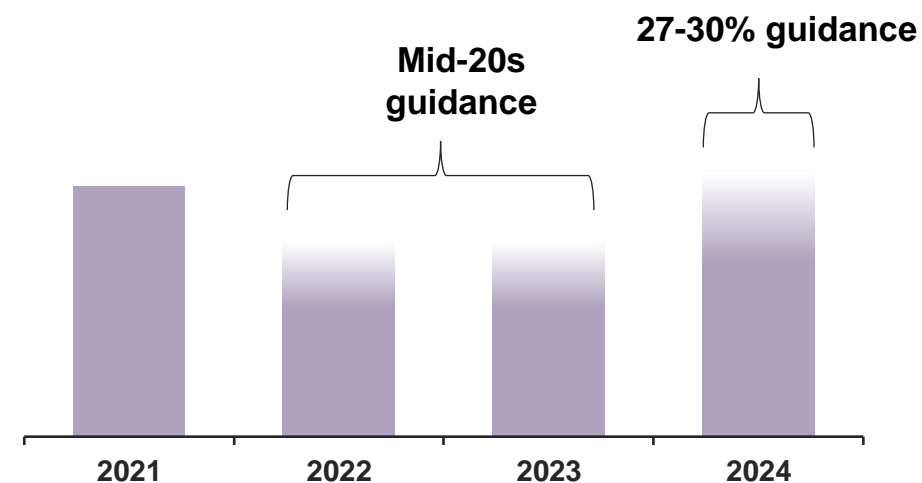
- Investment expenditure of £40m over two years, in operating expenses
- Capital expenditure remaining around £10m per annum
- Salary inflation c.5%; national insurance increase
- Continued recruitment to support growth agenda

Net interest income revenue stream expected to grow in 2022, reflecting recent base rate rises

Operating margin 2024 onwards - returns to 27-30%

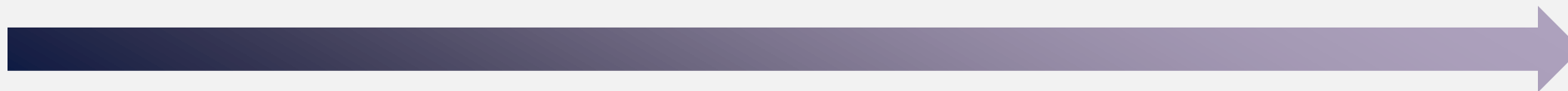
Progressive dividend policy

Operating margin (%)



Building a compelling model that drives positive client and investor outcomes

Our model



Personal service that builds trust with clients and advisers

A blended human and digital experience

Our objectives

- Thinking, acting and investing responsibly
- Growing client wealth and financial security
- Being easy to do business with

Our stakeholders

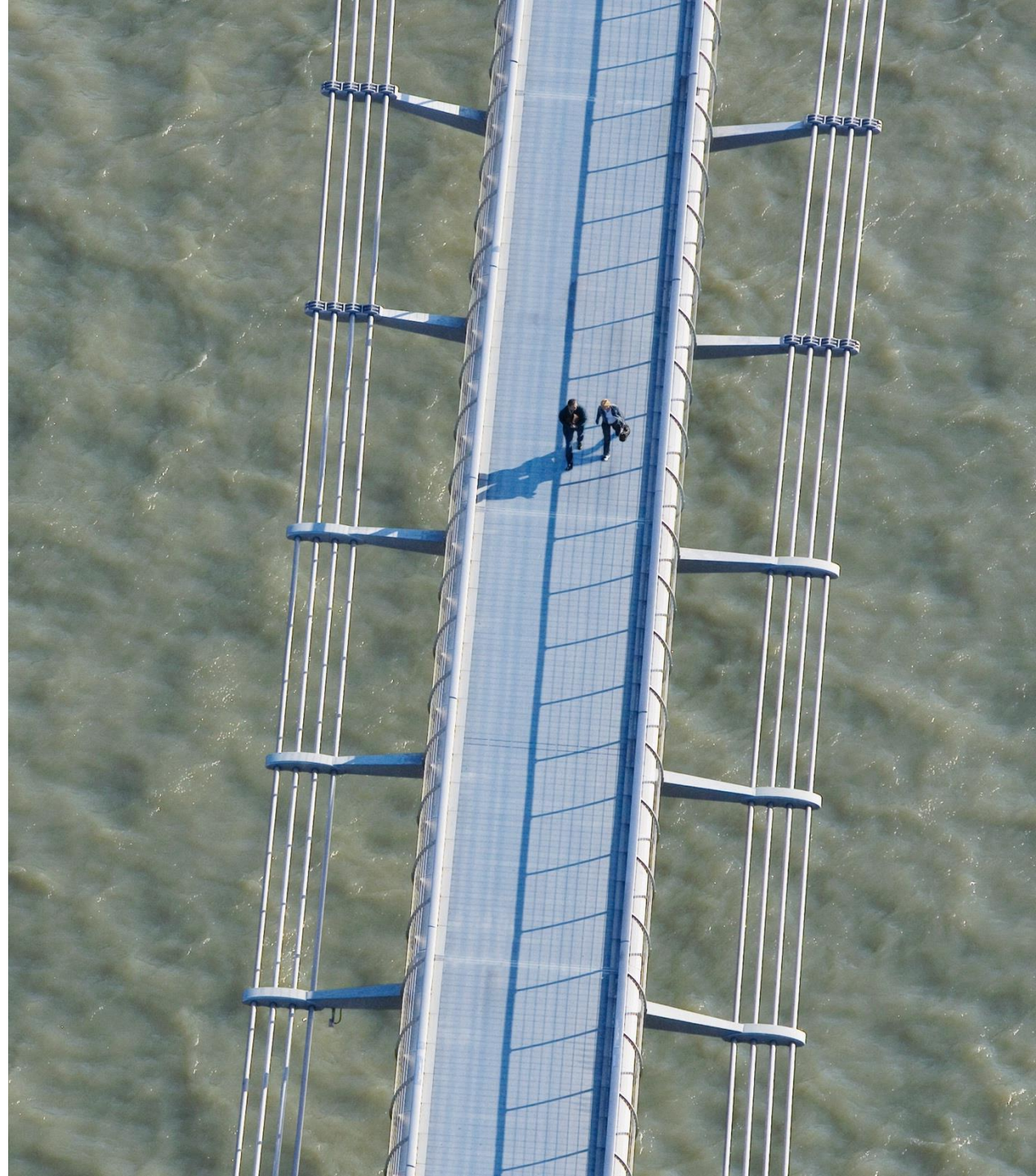
- Trust
- Reputation
- Long-term value
- Growth



Quality investment and advice processes that deliver value

High standards of responsibility and governance

Q&A



Appendix



How Rathbones delivers wealth solutions

A range of services that...

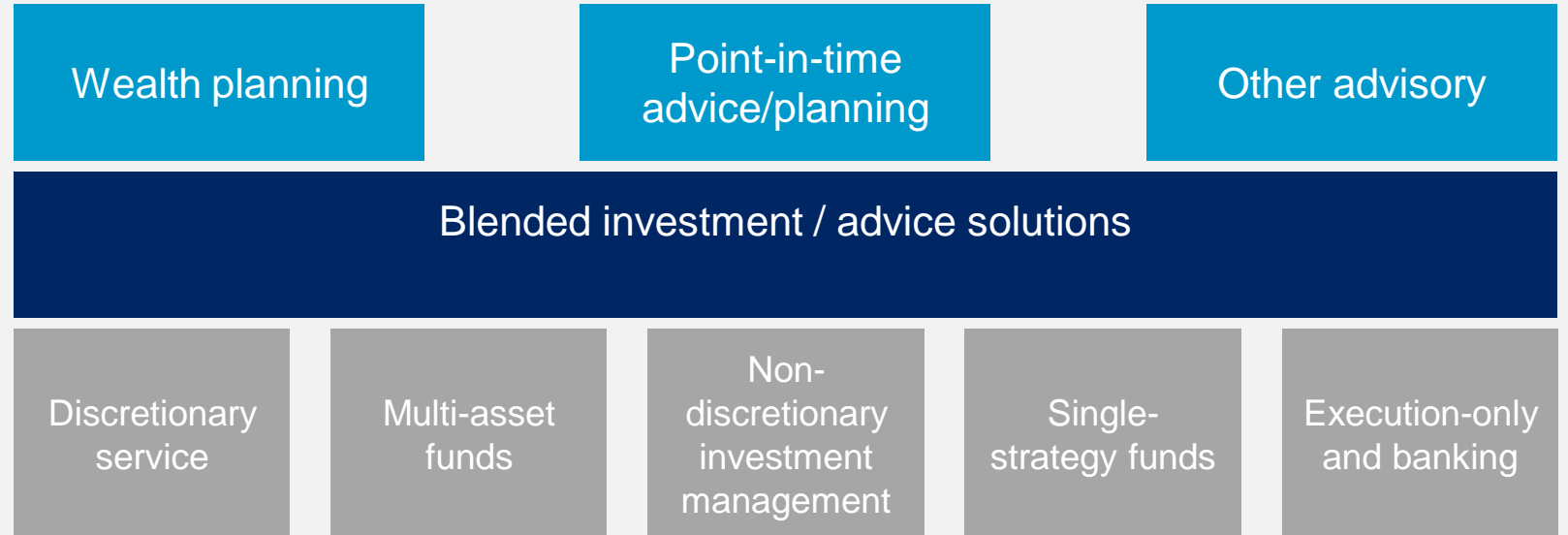
...leverages capability across the firm

and

...provides optionality

— directly to clients

— indirectly to advisers



Accessing the financial advice market

RFP – In-house financial planning

- ‘Whole of market’ advice through in-house financial planners for clients with complex needs
- Regulated advice on a point-in-time or ongoing basis
- Complement and support existing relationships between IMs and their clients
- Increasingly important part of presenting “One Rathbones” in pitches for UHNW clients
- Continued investment for growth
- Acquisition of Saunderson House

Vision Independent Financial Planning

- Independent IFA network committed to DFM investment solution
- Focused on mass affluent to HNW segments
- £2.7bn FUA, 131 self-employed advisers
- Further recruitment of advisers planned

Distribution of investment services to external IFAs

- Combined RIM/RUTM sales team and market presence with a new integrated proposition to on-board IFA firms
- DFM distribution specialist in each of the 6 regions
- Complemented by existing IM local and other relationships

Movement in funds under management and administration

Investment management business

	2021 (£bn)	2020 (£bn)
Opening FUMA	44.9	43.0
Inflows	4.5	3.9
– organic ¹	4.4	3.3
– purchased ²	0.1	0.6
Outflows	(3.6)	(3.3)
– retained accounts	(2.2)	(2.0)
– closed accounts	(1.4)	(1.3)
Market effect and investment performance	4.5	1.3
Closing FUMA (pre acquisitions)	50.3	44.9
Saunderson House	4.9	-
Closing FUMA	55.2	44.9
Net organic (outflows)/inflows	0.8	-
Rate of net organic growth^{3,4}	1.8%	0.1%
Total rate of net growth^{3,4}	2.1%	1.4%

Funds business

	2021 (£bn)	2020 (£bn)
Opening FUM	9.8	7.4
Inflows	4.4	3.6
Outflows	(2.3)	(2.1)
Market effect and investment performance	1.1	0.9
Closing FUM	13.0	9.8
Net organic inflows	2.1	1.5
Total rate of net growth³	21.1%	20.1%

Total group FUMA

	2021 (£bn)	2020 (£bn)
Investment management (pre acquisitions)	50.3	44.9
Saunderson House	4.9	-
Rathbone funds	13.0	9.8
Closing FUMA	68.2	54.7

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

3. Calculated using unrounded numbers

4. Growth rates exclude the impact of Saunderson House

Breakdown of net organic inflows by service level

Service level	2019 FY		2020 FY		2021 FY	
	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)
Discretionary service	246		952		1,292	
Bespoke portfolios	160	0.5%	854	2.2%	1,123	2.6%
Managed via in-house funds	86	20.0%	98	15.5%	169	19.9%
Multi-asset funds	234	31.3%	242	24.4%	531	40.3%
Total discretionary and managed	480	1.4%	1,194	2.9%	1,823	4.1%
Non-discretionary service	(72)	-2.1%	(100)	-3.8%	(159)	-11.4%
Total wealth management	408	1.1%	1,094	2.5%	1,664	3.6%
Single-strategy funds	369	10.0%	957	20.4%	1,200	18.9%
Execution-only and banking	(524)	-25.5%	(231)	-10.4%	(207)	-8.9%
Total group	253	0.6%	1,820	3.6%	2,657	4.9%

Entity	2019 FY		2020 FY		2021 FY	
	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)
Rathbone Investment Management	(350)	-0.9%	607	1.4%	926	2.0%
Organic	(582)		21		797	
Acquired	232		586		129	
Inter-company	(341)	28.6%	(285)	17.1%	(345)	15.9%
Rathbones funds	943	16.7%	1,498	20.1%	2,076	21.1%
Total group (excluding Saunderson House)	253	0.6%	1,820	3.6%	2,657	4.9%

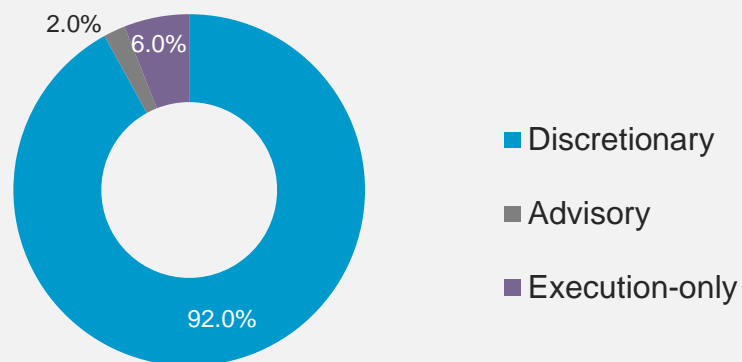
Breakdown of net organic inflows by channel

Channel	2019 FY		2020 FY		2021 FY	
	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)	Net flows (£m)	Ann. net growth (%)
Discretionary service						
Bespoke portfolios	(99)	-0.4%	742	2.4%	518	1.6%
Managed via in-house funds	21	11.1%	30	11.4%	71	19.1%
Direct	(78)	-0.3%	772	2.5%	588	1.7%
Bespoke portfolios	258	3.5%	112	1.3%	605	6.6%
Managed via in-house funds	66	26.8%	68	18.6%	99	20.5%
Financial adviser linked	324	4.2%	180	2.0%	704	7.3%
Multi-asset funds	234	31.3%	242	24.4%	531	40.3%
Total discretionary and managed service	480	1.4%	1,194	2.9%	1,823	4.1%

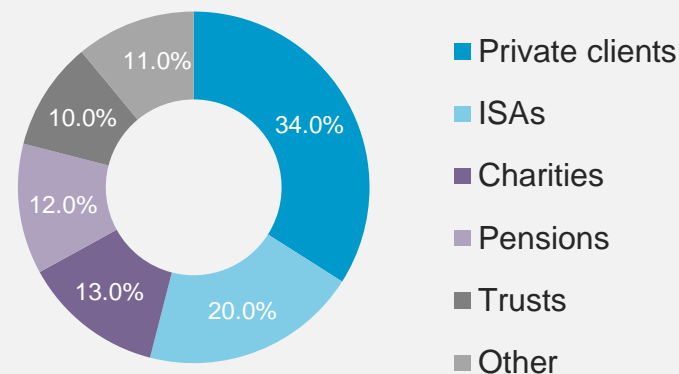
Investment Management client base

Analysis of funds under management¹

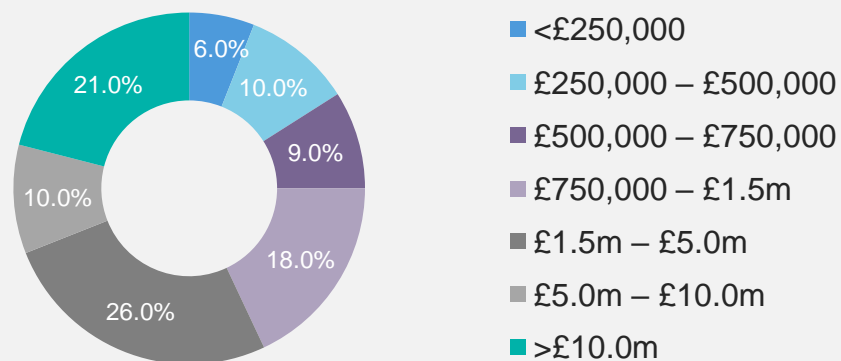
Service level by number



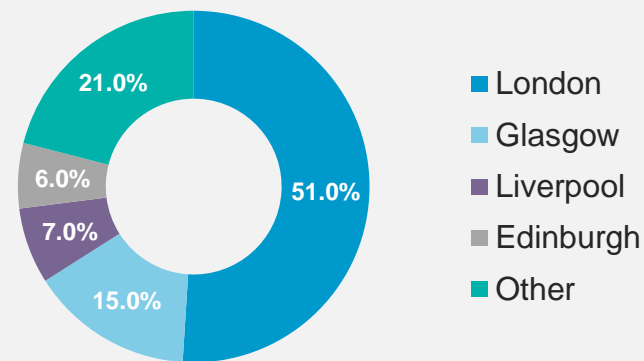
Fund type by value



Size of client relationship by value

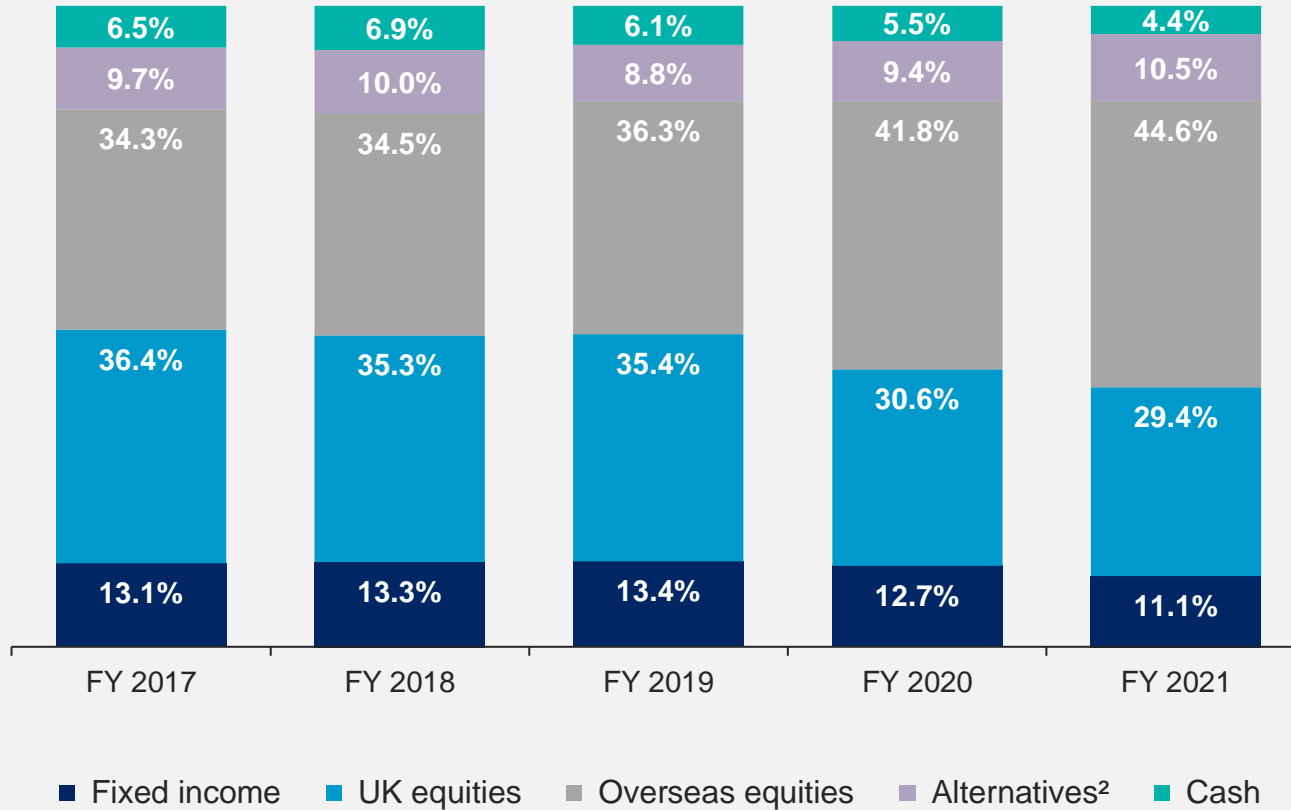


FUM by location



1. As a percentage of total funds under management at 31 December 2021

Where our clients' assets are invested¹



Direct holdings

53%

Collectives

47%

1. Total Investment Management at Q4 2021.
 2. Including fund of hedge funds and structured products.

Performance – single strategy funds

Performance ¹ and quartile ranking at 31 December 2021	1 year		3 year		5 year		10 years		Size of fund (£m) ⁷
Rathbone Global Opportunities Fund I Acc⁴	20.15%	2	98.91%	1	137.58%	1	392.29%	1	4,333.87
Sector: IA Global	17.68%		65.39%		77.80%		221.28%		
Rathbone Greenbank Global Sustainability Fund I Acc²	15.60%	3	91.67%	1					115.73
FTSE World (£)	22.07%		69.01%						
Sector: IA Global	17.68%		65.39%						
Rathbone Heritage Fund I Inc	13.99%		40.34%		39.65%				11.69
UK Consumer Price Index +3% ⁶	8.30%		16.93%		30.90%				
FTSE World (£)	22.07%		69.01%		85.63%				
Rathbone Income Fund I Inc⁴	20.58%	2	27.87%	2	26.56%	2	131.76%	2	825.25
FTSE All Share	18.32%		27.16%		30.19%		110.70%		
Sector: IA UK Equity Income	18.39%		26.90%		26.38%		115.10%		
Rathbone UK Opportunities Fund I Inc^{3,4}	21.42%	1	62.30%	1	53.68%	1	184.62%	1	76.36
FTSE All Share	18.32%		27.16%		30.19%		110.70%		
Sector: IA UK All Companies	17.25%		34.71%		36.37%		131.61%		
Rathbone Ethical Bond Fund I Acc⁴	-0.41%	1	21.81%	1	30.50%	1	94.19%	1	2,802.14
Sector: IA Sterling Corporate Bond	-1.92%		15.74%		18.89%		61.56%		
Rathbone High Quality Bond Fund I Acc⁵	-1.53%		4.83%						290.78
Bank of England Base Rate +0.5%	0.61%		2.61%						
Rathbone Strategic Bond Fund I Acc	0.84%	3	15.42%	3	21.07%	2	60.45%	3	200.16
Sector: IA Sterling Strategic Bond	0.77%		17.32%		20.48%		59.54%		

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

2. Rathbone Global Sustainability Fund launched on 16th July 2018. Formerly known as the Rathbone Global Sustainability Fund. The name was changed to Rathbone Greenbank Global Sustainability Fund on 14th June 2021.

3. Formerly known as the Rathbone Recovery Fund. The name was changed to Rathbone UK Opportunities Fund on 23rd October 2017.

4. Performance is a combination of I-Class units and R-Class units (where I-Class was unavailable). I-Class units were launched on 1st March 2012.

5. Performance is a combination of I-Class shares and S-Class shares (where I-Class was unavailable). I-Class shares were launched on 23rd July 2019. (Performance from 19th November 2018).

6. UK Consumer Price Inflation figures quoted with a 1 month lag.

7. Overall fund (mid-market) value (including all onshore share/unit classes).

Performance – multi-asset funds

Discrete year performance ¹ at 31 December 2021 (S-class shares)	1 year	3 years	5 years	10 years	Size of fund (£m) ⁵
Rathbone Multi-Asset Total Return Portfolio S Inc²	7.00%	22.72%	24.62%	61.59%	380.01
Bank of England Base Rate +2%	2.11%	7.27%	12.61%	27.35%	
Volatility as % of FTSE Developed (£) [Target <33%]	30.86%	34.66%	33.20%	34.78%	
Rathbone Multi-Asset Defensive Growth Portfolio S Acc⁴	8.56%				247.93
UK Consumer Price Index +2% ³	7.24%				
Volatility as % of FTSE Developed (£) [Target ≤50.00%]	38.16%				
Rathbone Multi-Asset Strategic Income Portfolio S Inc	8.67%	22.92%	27.07%		96.99
UK Consumer Price Index +3% ³	8.30%	16.93%	30.90%		
Volatility as % of FTSE Developed (£) [Target <66%]	37.68%	61.05%	57.36%		
Rathbone Multi-Asset Strategic Growth Portfolio S Inc²	11.86%	37.87%	44.70%	123.08%	1,610.64
UK Consumer Price Index +3% ³	8.30%	16.93%	30.90%	62.66%	
Volatility as % of FTSE Developed (£) [Target <66%]	49.76%	62.38%	61.27%	60.51%	
Rathbone Multi-Asset Dynamic Growth Portfolio S Acc⁴	13.00%				119.37
UK Consumer Price Index +4% ³	9.35%				
Volatility as % of FTSE Developed (£) [Target ≤83.33%]	54.07%				
Rathbone Multi-Asset Enhanced Growth Portfolio S Acc²	15.86%	53.92%	65.82%	173.79%	224.05
UK Consumer Price Index +5% ³	10.40%	23.88%	44.11%	97.15%	
Volatility as % of FTSE Developed (£) [Target <100%]	66.75%	86.99%	84.87%	92.66%	

These funds are part of the volatility managed sector where quartile rankings are prohibited in the Investment Association guidelines

1. Performance figures are stated on a total return basis

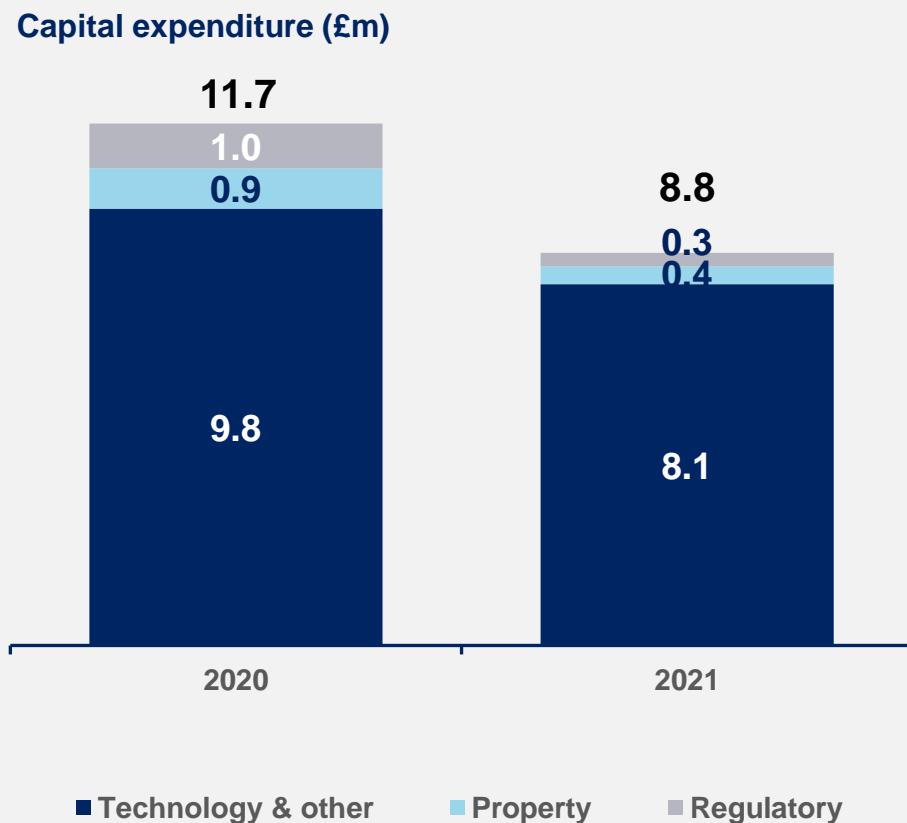
2. Performance is a combination of S-Class shares and R-Class shares (where S-Class was unavailable). S-Class shares were launched on 1st October 2012

3. UK Consumer Price Inflation figures quoted with a 1 month lag

4. Rathbone Multi-Asset Defensive Growth Portfolio and Rathbone Multi-Asset Dynamic Growth Portfolio launched on 19 June 2020.

5. Overall fund (mid-market) value (including all onshore share/unit classes)

Total capital expenditure



Technology & other

- Proportion that can be capitalised is reducing as we transition to modern, cloud based solutions

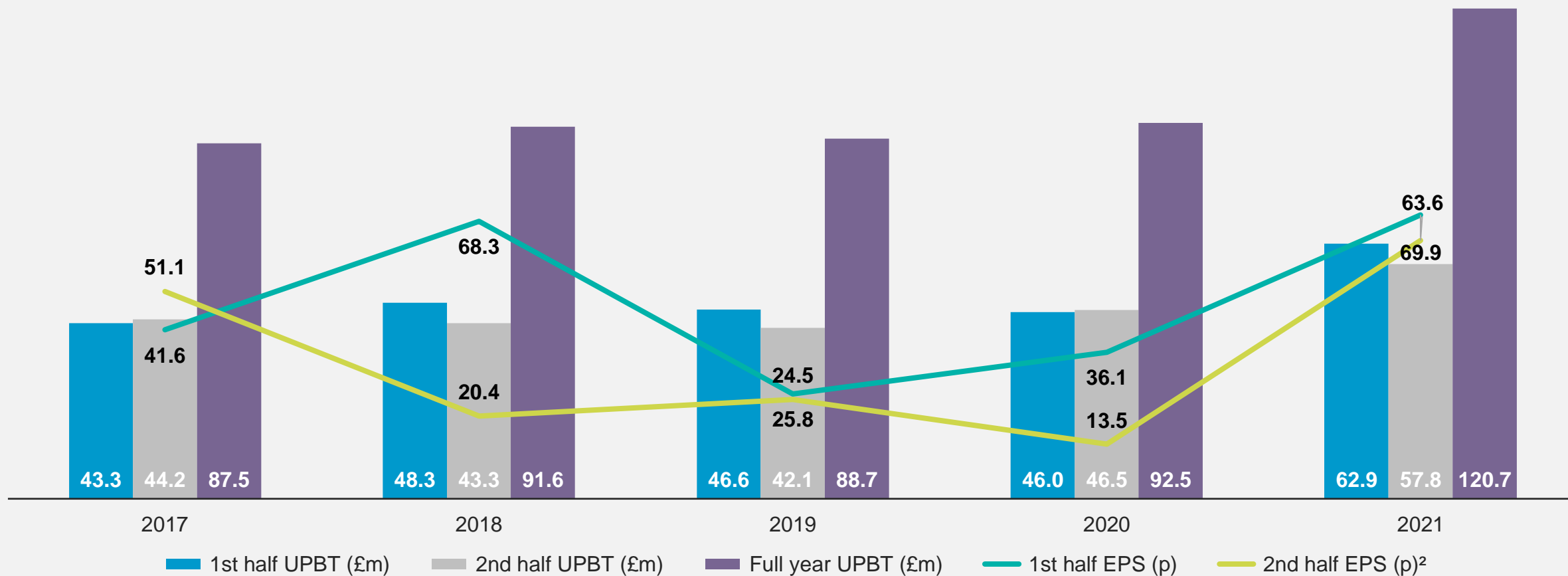
Property

- Expect to increase in 2022 as we develop hybrid capability and relocate our premises in Edinburgh

Regulatory

- Spend reduced as a number of regulatory projects completed

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



1. See slide 41 for a reconciliation between underlying profit before tax and profit before tax

Earnings per share

	2021			2020		
	Pre tax (£m)	Post tax (£m)	EPS (p) ¹	Pre tax (£m)	Post tax (£m)	EPS (p) ²
Underlying profit attributable to shareholders	120.7	97.0	172.2	92.5	71.6	133.3
Charges in relation to client relationships and goodwill	(15.6)	(12.6)	(22.4)	(14.3)	(11.6)	(21.6)
Acquisition-related costs	(10.1)	(9.2)	(16.3)	(34.4)	(33.3)	(62.1)
Profit attributable to shareholders	95.0	75.2	133.5	43.8	26.7	49.6

1. Weighted average number of shares in issue in the year ended 31 December 2021 = 56,334,784

2. Weighted average number of shares in issue in the year ended 31 December 2020 = 53,720,680





Segmental results

y/e 31 December 2021	Investment Management (£m)	Funds (£m)	Indirect (£m)	Total (£m)
Net investment management fee income	288.1	61.3	-	349.4
Net commission income	53.6	-	-	53.6
Net interest income	3.9	-	-	3.9
Fees from advisory services and other income	27.2	1.8	-	29.0
Operating income	372.8	63.1	-	435.9
Staff costs – fixed	(89.3)	(5.2)	(35.3)	(129.8)
Staff costs – variable	(61.9)	(16.8)	(11.4)	(90.1)
Other direct expenses	(62.7)	(10.1)	(48.2)	(121.0)
Allocation of indirect expenses	(85.8)	(8.6)	94.4	-
Profit before tax	73.1	22.4	(0.5)	95.0

y/e 31 December 2020	Investment Management (£m)	Funds (£m)	Indirect (£m)	Total (£m)
Net investment management fee income	230.3	43.9	-	274.2
Net commission income	62.3	-	-	62.3
Net interest income	8.4	-	-	8.4
Fees from advisory services and other income	19.7	1.5	-	21.2
Operating income	320.7	45.4	-	366.1
Staff costs – fixed	(83.7)	(4.1)	(29.7)	(117.5)
Staff costs – variable	(56.4)	(12.0)	(9.3)	(77.7)
Other direct expenses	(80.1)	(8.7)	(38.3)	(127.1)
Allocation of indirect expenses	(67.8)	(7.5)	75.3	-
Profit before tax	32.7	13.1	(2.0)	43.8

Analysing the balance sheet

Assets	31/12/21 (£'000)	31/12/20 (£'000)
Cash and balances with central banks	1,463,294	1,802,706
Settlement balances	69,750	90,373
Loans and advances to banks	203,589	159,430
Loans and advances to customers ¹	179,840	166,221
Investment securities – fair value through profit or loss	29,934	107,559
Investment securities – amortised cost	761,654	651,427
Prepayments, accrued income and other assets	115,992	98,714
Property, plant and equipment	13,059	14,846
Right of use assets	43,895	44,856
Deferred tax asset	-	3,342
Current tax asset	2,272	-
Retirement benefit asset	12,287	-
Intangible assets	376,187	231,144
Total assets	3,271,753	3,370,618

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

Liabilities	31/12/21 (£'000)	31/12/20 (£'000)
Deposits by banks	2,212	893
Settlement balances	60,075	95,412
Due to customers	2,333,011	2,561,767
Accruals, deferred income and other	144,498	112,071
Lease liabilities	54,971	56,124
Current tax liabilities	-	971
Net deferred tax liability	13,811	-
Subordinated loan notes	39,893	19,768
Retirement benefit obligation	-	9,785
Total liabilities	2,648,471	2,856,791

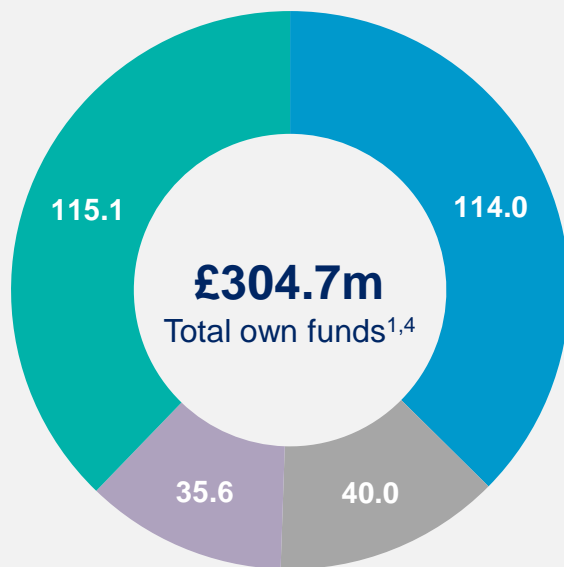
Equity	31/12/21 (£'000)	31/12/20 (£'000)
Called up share capital	3,100	2,874
Share premium/other reserves	331,365	240,104
Retained earnings	288,817	270,849
Total equity	623,282	513,827

Total liabilities and equity	3,271,753	3,370,618
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1. Loans and advances to customers largely consist of the investment management loan book, but also include overdrafts, trust and financial planning debtors and other debtors

Capital ratios

2021 (£m)



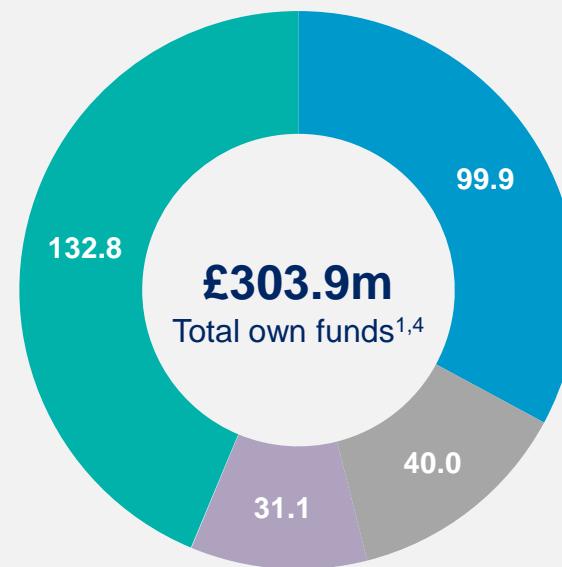
Total risk exposure amount (risk-weighted assets)
£1,425m

CET1 ratio²
18.7%

Consolidated leverage ratio³
9.1%

- Pillar 1 requirement
- Pillar 2A requirement
- Capital conservation buffer
- Countercyclical capital buffer
- Surplus after Total Capital Requirement and Combined Buffer ⁵

2020 (£m)



Total risk exposure amount (risk-weighted assets)
£1,248m

CET1 ratio²
23.5%

Consolidated leverage ratio³
9.2%

- Pillar 1 requirement
- Pillar 2A requirement
- Capital conservation buffer
- Countercyclical capital buffer
- Surplus after Total Capital Requirement and Combined Buffer

1. For a reconciliation between total equity and total own funds, see slide 45
 2. Common Equity Tier 1 capital as a proportion of total risk exposure amount
 3. 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
 4. 2021 total Common Equity Tier 1 own funds: £266.2m; 2021 tier 2 own funds: £38.5m; 2020 total Common Equity Tier 1 own funds: £293.2m; 2020 tier 2 own funds: £10.7m
 5. Any additional firm specific buffer remains confidential between the group and the PRA
 6. The capital conservation buffer is a loss provision in the event of a stress

Reconciliation of equity to total own funds

	2021 (£m)	2020 (£m)
Equity		
– Share capital and share premium	294.1	218.0
– Reserves	365.8	342.6
Less:		
– Own shares	(36.6)	(46.7)
– Intangible assets ¹	(344.8)	(220.7)
– Retirement benefit asset	(12.3)	-
Total common equity tier 1 own funds	266.2	293.2
Tier 2 own funds	38.5	10.7
Total own funds	304.7	303.9

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

Other information – Investment Management

	2021	2020	Change
Investment Management			
Total rate of net growth in funds under management	2.1%	1.4%	
Revenue yield on FUM (excluding Charities and excluding SHL) (bps)	73.7	74.8	(1.1)bps
Revenue yield on FUM (excluding Charities and including SHL) (bps)	67.5	-	
Revenue yield on Charities FUM (bps)	50.2	52.6	(2.4)bps
Operating income (£m)	372.8	320.6	16.3%
Underlying profit margin	26.4%	24.8%	160bps
Operating income ¹ per investment manager (including SHL) (£m)	1.1	1.0	10.0%
Operating income ¹ per investment manager (excluding SHL) (£m)	1.0	-	
Average FUM per investment manager (including SHL) (£m)	149	135	10.4%
Average FUM per investment manager (excluding SHL) (£m)	145	-	
Operations and support staff ² to investment manager ratio (including SHL)	2.3	2.2	4.5%
Operations and support staff ² to investment manager ratio (excluding SHL)	2.2	-	
Average FUM per client ³ (including SHL) (£'000)	723	603	19.9%
Average FUM per client ³ (excluding SHL) (£'000)	671	-	

1. 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

Investment Management – number of investment managers and FUMA per office

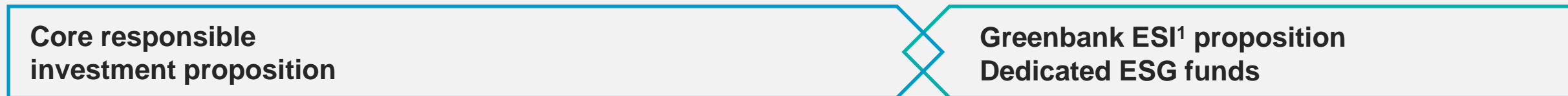
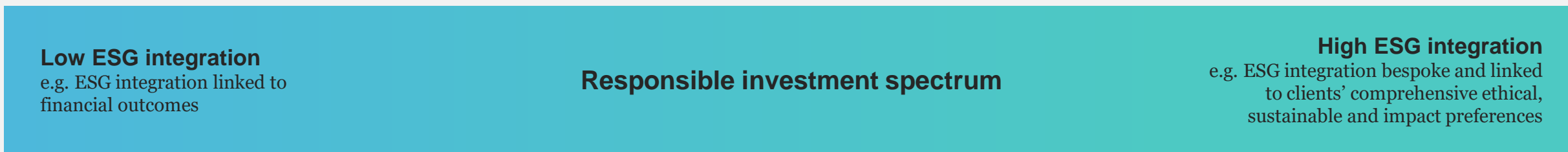
Office location	Number of investment managers ¹	Investment management funds under management and administration (£bn at 31/12/21)
London	138	25.8
Glasgow	48	7.7
Liverpool	29	3.5
Edinburgh	27	3.1
Other offices ²	90	10.2
Total	332	50.3

1. As at 31 December 2021, excluding 21 fund managers in the Funds business

2. Including: Aberdeen, Birmingham, Bristol, Cambridge, Chichester, Exeter, Kendal, Lymington, Newcastle, Winchester and the Rathbone Investment Management International office in Jersey

Our future responsible investment approach

Our ambition is to cater to the needs of all clients – whether their interest in ESG factors is driven simply by financial materiality or by specific sustainability preferences.



Flexible responsible investment

- Consider material ESG risks and opportunities alongside financial risks and opportunities
- Sustainability themes incorporated into the assessment of investment fundamentals
- Client preferences can incorporate selected exclusion screening and/or sustainability preferences

Ethical/sustainable/impact Investment

- Emphasis of ethical, sustainable, impact investment themes, with robust ESG screens
- Detailed client preferences reflected throughout portfolio construction
- Alignment of ESI¹ approach across all portfolios with stock universe determined by integrated investment and ESI¹ research process

1. Ethical, sustainable and impact

Our four ESG pillars

The way we implement responsible investment rests on four pillars:

ESG integration

1

Where possible, we consider environmental, social and governance (ESG) factors in the evaluation of investments we hold directly for clients, to help identify ESG opportunities and risks.

- Our research team and investment committees are actively working to integrate ESG factors into the investment process across all asset classes
- Material ESG considerations, where identified, are incorporated into investment decisions on a case-by-case basis
- We review data from a range of sources to inform our analysis



Voting with purpose

2

We actively vote across all votable holdings, unless these are very small. This may involve voting against management to help drive positive change.

- In 2021, we voted on 11,934 resolutions on behalf of clients
- Voting is undertaken on our most widely held holdings and on any company if requested by a client who is a shareholder of that company
- Where we have voted against management, most attention has been paid to the issue of executive remuneration, followed by the independence of group directors



Engagement with consequences

3

We prioritise engagement where we can make a difference in addressing systemic environmental and social challenges. We are prepared to reduce our holdings in companies that present an ongoing ESG risk.

- Topics include climate change, employment practices, inequality, the composition of boards of directors and remuneration
- In 2021, we engaged with 705 companies
- For example, we convened an investor collaboration with £7.8 trillion in assets under management to challenge FTSE 350 companies on their transparency in supply chains in line with the UK Modern Slavery Act



Transparency

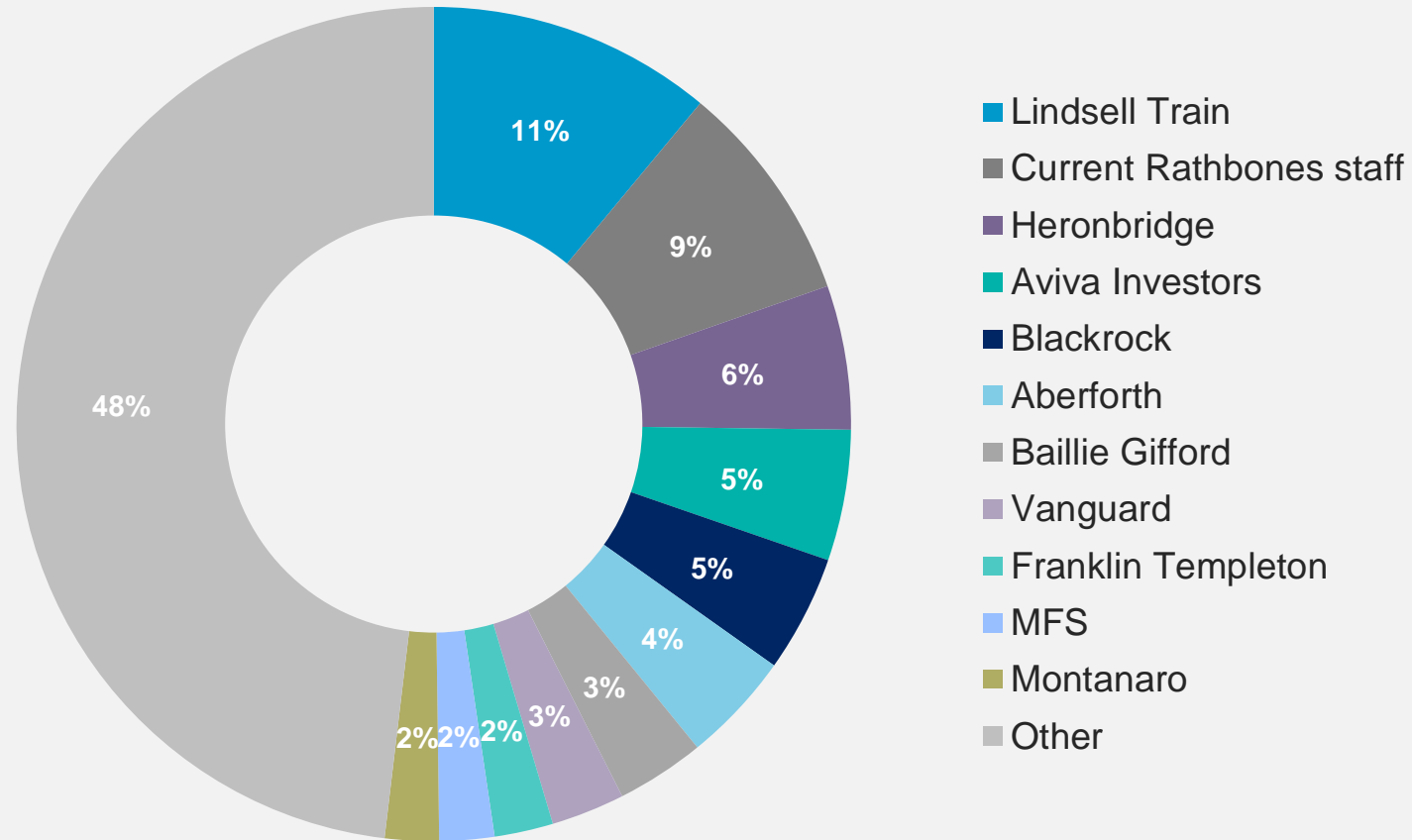
4

As a prominent participant in the financial markets, we are committed to being transparent about our approach to RI. We actively report on the progress of our RI activities to our clients, shareholders and other stakeholders.

- We have achieved an A+ rating from the United Nations-backed Principles for Responsible Investment for strategy and governance
- Our annual report and accounts and responsible investment report reflect our efforts in this area
- We regularly publish thought leadership and host events about RI themes



Shareholders at 31 December 2021



Investment Management – annual management fees for direct private clients¹

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

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.

Rathbones Group 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 and Rathbone Financial Planning are trading names 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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