

# Rathbones Group Plc

## Funds under management and administration (FUMA) update for the year ended 31 December 2022 and notice of results

Rathbones Group Plc (“Rathbones”) delivered a further quarter of sustained net inflows with discretionary and managed net inflows totalling £347 million in Q4 2022 (an annualised growth rate of 3.1%) at the end of a challenging year for investors.

- Discretionary and managed net inflows were resilient in the year at £1.3 billion (2021: £1.8 billion), representing a growth rate of 2.6% (2021: 4.1%).
  - Discretionary service net inflows totalled £0.9 billion (2021: £1.3 billion).
  - Net inflows into our multi-asset fund range were strong, totalling £0.4 billion and equating to net growth for the year of 20% (2021: £0.5 billion).
- Total FUMA were £60.2 billion at 31 December 2022 (31 December 2021: £68.2 billion), reflecting continuing net inflows offset by a negative market movement over the year.
  - £45.1 billion in the Investment Management business was down 10.2% from £50.3 billion at 31 December 2021, in line with the MSCI PIMFA Private Investor Balanced Index which also decreased 10.2% over the year.
  - £11.0 billion in Rathbone Funds, was down from £13.0 billion at 31 December 2021, with continued market volatility impacting market performance and investor behaviour across the industry. Despite significant outflows across the wider asset management sector, net outflows in our single strategy fund range remained low at £0.4 billion in the year, representing 4.5% of opening FUMA (2021: net inflows of £1.2 billion).
  - £4.1 billion in Saunderson House, was down from £4.9 billion at 31 December 2021, with net outflows of £0.2 billion (2021: nil) in line with expectations. The integration of Saunderson House is progressing in line with plan, with new propositions launched during the year beginning to be taken up by clients in the fourth quarter.
- Successful delivery of the first phases of our digital transformation programme, supporting greater efficiency and improving client and investment manager experiences.

### Outlook

Whilst economic uncertainties are expected to prevail into 2023, we will remain focused on client engagement and delivery on our strategic priorities. Benefits from ongoing investment in our digital capability and wider financial planning propositions will further enable organic growth. Our strong balance sheet and clear direction means we remain well-placed to consider inorganic growth opportunities.

### Notice of results

Our preliminary statement of annual results for the year ended 31 December 2022 will be published on Wednesday, 1 March 2023. A presentation to analysts will be held on the same day.

## Funds under management and administration

### (i) Breakdown of FUMA and flows by service level

Q4 ended 31 December 2022	Opening FUMA (£m)	Inflows (£m)	Outflows (£m)	Net Flows (£m)	Service Level Transfers <sup>1</sup> (£m)	Market Movement (£m)	Closing FUMA (£m)	Ann Net Growth <sup>2</sup> (%)
Discretionary service	42,476	951	(697)	254	(16)	1,609	44,322	
Bespoke portfolios	41,193	892	(673)	219	(70)	1,552	42,894	2.1
Managed via in-house funds	1,283	59	(24)	35	54	56	1,428	10.9
Multi-asset funds	1,973	198	(104)	94	-	92	2,159	19.1
<b>Total discretionary &amp; managed</b>	<b>44,449</b>	<b>1,148</b>	<b>(801)</b>	<b>347</b>	<b>(16)</b>	<b>1,701</b>	<b>46,481</b>	<b>3.1</b>
Non-discretionary service	764	5	(28)	(23)	(4)	21	757	(12.0)
<b>Total wealth management</b>	<b>45,213</b>	<b>1,153</b>	<b>(829)</b>	<b>323</b>	<b>(20)</b>	<b>1,723</b>	<b>47,238</b>	<b>2.9</b>
Single-strategy funds	6,248	316	(377)	(61)	-	287	6,474	(3.9)
Execution only & banking	2,317	70	(120)	(50)	69	68	2,404	(8.6)
<b>Total group (pre acquisitions)</b>	<b>53,778</b>	<b>1,539</b>	<b>(1,326)</b>	<b>212</b>	<b>49</b>	<b>2,078</b>	<b>56,116</b>	<b>1.6</b>
Saunderson House	4,151	40	(107)	(67)	(49)	81	4,117	(6.5)
<b>Total group</b>	<b>57,929</b>	<b>1,579</b>	<b>(1,433)</b>	<b>145</b>	<b>-</b>	<b>2,159</b>	<b>60,233</b>	<b>1.0</b>

12 months ended 31 December 2022	Opening FUMA (£m)	Inflows (£m)	Outflows (£m)	Net Flows (£m)	Service Level Transfers (£m)	Market Movement (£m)	Closing FUMA (£m)	Net Growth (%)
Discretionary service	49,249	3,535	(2,617)	918	(175)	(5,670)	44,322	
Bespoke portfolios	47,985	3,306	(2,519)	787	(322)	(5,557)	42,894	1.6
Managed via in-house funds	1,264	229	(98)	131	147	(113)	1,428	10.4
Multi-asset funds	1,991	790	(391)	399	-	(231)	2,159	20.0
<b>Total discretionary &amp; managed</b>	<b>51,240</b>	<b>4,325</b>	<b>(3,008)</b>	<b>1,316</b>	<b>(175)</b>	<b>(5,901)</b>	<b>46,481</b>	<b>2.6</b>
Non-discretionary service	1,026	19	(95)	(76)	(81)	(112)	757	(7.4)
<b>Total wealth management</b>	<b>52,266</b>	<b>4,344</b>	<b>(3,103)</b>	<b>1,240</b>	<b>(256)</b>	<b>(6,013)</b>	<b>47,238</b>	<b>2.4</b>
Single-strategy funds	8,316	1,624	(1,998)	(374)	-	(1,468)	6,474	(4.5)
Execution only & banking	2,660	220	(460)	(241)	305	(321)	2,404	(9.1)
<b>Total group (pre acquisitions)</b>	<b>63,242</b>	<b>6,187</b>	<b>(5,561)</b>	<b>626</b>	<b>49</b>	<b>(7,801)</b>	<b>56,116</b>	<b>1.0</b>
Saunderson House <sup>3</sup>	4,917	287	(526)	(239)	(49)	(512)	4,117	(4.9)
<b>Total group</b>	<b>68,159</b>	<b>6,474</b>	<b>(6,087)</b>	<b>387</b>	<b>-</b>	<b>(8,313)</b>	<b>60,233</b>	<b>0.6</b>

- (1) Service Level Transfers represent client FUMA which has transferred from one service to another within the group during the period.
- (2) Annualised net growth in flows calculated as net flows/opening FUMA.
- (3) Our continued review of Saunderson House data definitions and new business disclosures has identified the need for a further restatement of our Q3 YTD position, driven by alignment of Saunderson House practices with Rathbones. Net flows previously reported at Q3 2022 were understated by £40m and market performance was overstated by £40m. This has now been reflected in the YTD table above.

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

Q4 ended 31 December 2022	Opening FUMA (£m)	Inflows (£m)	Outflows (£m)	Net Flows (£m)	Service Level Transfers (£m)	Market Movement (£m)	Closing FUMA (£m)	Ann Net Growth (%)
Total direct	32,344	663	(550)	113	(123)	1,305	33,639	1.4
Total financial adviser linked	10,132	288	(147)	141	106	304	10,683	5.6
<b>Total discretionary service</b>	<b>42,476</b>	<b>951</b>	<b>(697)</b>	<b>254</b>	<b>(16)</b>	<b>1,609</b>	<b>44,322</b>	<b>2.4</b>
Execution only & banking	2,317	70	(120)	(50)	69	68	2,404	(8.6)
Non-discretionary service	764	5	(28)	(23)	(4)	20	757	(12.0)
<b>Total Investment Management</b>	<b>45,557</b>	<b>1,026</b>	<b>(845)</b>	<b>180</b>	<b>49</b>	<b>1,697</b>	<b>47,483</b>	<b>1.6</b>

12 months ended 31 December 2022	Opening FUMA (£m)	Inflows (£m)	Outflows (£m)	Net Flows (£m)	Service Level Transfers (£m)	Market Movement (£m)	Closing FUMA (£m)	Net Growth (%)
Total direct	37,800	2,401	(2,034)	367	(280)	(4,249)	33,638	1.0
Total financial adviser linked	11,449	1,134	(583)	551	105	(1,420)	10,685	4.8
<b>Total discretionary service</b>	<b>49,249</b>	<b>3,535</b>	<b>(2,617)</b>	<b>918</b>	<b>(175)</b>	<b>(5,670)</b>	<b>44,322</b>	<b>1.9</b>
Execution only & banking	2,660	220	(460)	(241)	305	(321)	2,404	(9.1)

Non-discretionary service	1,026	19	(95)	(76)	(81)	(112)	757	(7.4)
<b>Total Investment Management</b>	<b>52,935</b>	<b>3,774</b>	<b>(3,173)</b>	<b>601</b>	<b>49</b>	<b>(6,101)</b>	<b>47,483</b>	<b>1.1</b>

(iii) Total Group FUMA

	At 31 December			At 30 September	
	2022 £m	2021 £m	Change %	2022 £m	Change %
Rathbone Investment Management Gross FUMA	47,483	52,935	(10.3)	45,557	4.2
Of which: discretionary wrapped funds <sup>1</sup>	(2,372)	(2,683)	(11.6)	(2,403)	(1.3)
	<b>45,111</b>	<b>50,252</b>	<b>(10.2)</b>	<b>43,154</b>	<b>4.5</b>
Rathbone Funds	11,005	12,990	(15.3)	10,624	3.6
Saunderson House	4,117	4,917	(16.3)	4,151	(0.8)
<b>Total Group FUMA</b>	<b>60,233</b>	<b>68,159</b>	<b>(11.6)</b>	<b>57,929</b>	<b>4.0</b>

1. Discretionary wrapped funds represent funds operated by Rathbone Funds, managed by both Rathbone Investment Management teams and Rathbone Funds managers

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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 2,200 staff in 14 UK locations and Jersey; its headquarters is 8 Finsbury Circus, London.

[www.rathbones.com](http://www.rathbones.com)