



## RATHBONES GROUP PLC

### FIRST QUARTER TRADING UPDATE

**Rathbones Group Plc (“Rathbones” or the “Group”) announces a trading update for the three months ended 31 March 2025**

**Paul Stockton, Group Chief Executive Officer of Rathbones, said:**

“Rathbones reached a major milestone in April 2025, successfully migrating 90% of Investec Wealth & Investment (IW&I) client accounts onto the Rathbones platform. This marks significant progress in the integration of IW&I and, while there is still work to do, the Group remains on track to complete the migration of remaining clients by the end of the second quarter as planned.

In a quarter that witnessed some considerable market turbulence, the Group saw net outflows, primarily due to a lower level of gross inflows as the final stages of the migration process impacted IW&I in particular. Rathbones Asset Management’s single strategy funds and multi-asset funds saw elevated outflows as a result of ongoing market volatility. This reflected the broader industry trend of weaker flows into equity, fixed interest and multi-asset funds, with flows leaning more towards money-market funds in the quarter.

Market volatility reinforces the enduring value of long-term, relationship-led wealth management, and creates opportunities for asset managers, but sustained volatility can also impact revenue and profitability. Wealth management FUMA valuations and fee income calculations at the end of the quarter coincided with a moment of particular market weakness. This heightens the need for our ongoing cost discipline, and whilst we continue to invest to support growth opportunities and deliver synergy benefits, we will be looking to manage operational cost levels actively to mitigate these effects on profitability as much as possible.

The foundations for future growth are strong, and I look forward to welcoming Jonathan Sorrell when he joins us in July, securing a smooth leadership transition that continues to support our clients and colleagues as we look towards the next chapter for the Group.”

#### **Financial highlights:**

- FUMA declined 4.7% to £104.1 billion at the quarter end (31 December 2024: £109.2 billion). This comprised Rathbones Investment Management (RIM) FUMA at 4 April and FUMA for the remainder of the Group at 31 March and reflected market volatility.
  - £88.7 billion in the Wealth Management segment (31 December 2024: £93.4 billion).
  - £15.4 billion in the Asset Management segment (31 December 2024: £15.8 billion).
  - Over 50% of Wealth Management fees were billed on 4 April, when markets had fallen approximately 4.6% since 31 March.
- Gross inflows totalled £2.7 billion in the first quarter (Q4 2024: £3.2 billion), reflecting the impact of the focus on migration activity, which was at its peak during the quarter. Outflows totalled £3.5 billion (Q4 2024: £3.4 billion) in the period.
  - Net inflows in RIM discretionary & managed propositions remained positive in the first quarter at £62 million, (Q4 2024: £395 million), representing an annualised growth rate of 0.4% for the quarter. Outflows included a large lower margin account.
  - Net outflows in Investec Wealth & Investment UK (IW&I) remained consistent at £425 million (Q4 2024: net outflows of £409 million), as the reduction in gross inflows was offset by a reduction in IW&I’s gross outflows of 15.5% relative to Q4 2024.

- Single strategy funds within the Asset Management segment, which was already facing a challenging market for active managers, were further affected by recent market turmoil, resulting in net outflows of £265 million in the first quarter (Q4 2024: outflows of £98 million). This was despite performance in our largest funds remaining in the first or second quartile across 1, 3 and 5 years.
- Despite the challenging market backdrop, the Group's total operating income remained resilient, totalling £220.1 million for the quarter (Q1 2024: £223.6 million). While there was a decline in fee-based income, this was primarily driven by market volatility at the time of client billing. As anticipated, transaction-based commission income in March 2025 was notably flatter than normal, reflecting a more muted seasonal spike due to the higher level of client portfolio activity that arose ahead of the 2024 Autumn Budget. Net interest income grew modestly; however, income for the first quarter does not reflect the contribution from IW&I interest income relating to client money deposits, which remained within other income for Q1 and will be recognised as net interest income, along with the related revenue synergy disclosed previously, from the point of migration of client assets in Q2.
- Synergy delivery has increased to £30.4 million per annum on an annualised run-rate basis, with the majority of the remaining cost synergies expected to materialise in H2, following the completion of the migration in H1.

## AGM and Interim results dates:

### Annual General Meeting

The Annual General Meeting (AGM) will be held today, 8 May, at 9:00am at our London head office at 30 Gresham Street, London, EC2V 7QN. Similar to last year, the Board has made arrangements to enable members to attend and participate in the meeting electronically should they wish to do so. Instructions on how to attend and participate electronically are set out in the Notice of AGM.

### Interim results

The interim results for the six months to 30 June 2025 will be announced on 30 July 2025.

## Detailed financial information:

### NET OPERATING INCOME

	3 months ended 31 March		
	2025 (£m)	2024 (£m)	Change (%)
Wealth Management			
- Fees	137.1	141.2	(2.9)
- Commissions	24.3	25.0	(2.8)
- Net interest income	16.1	15.9	1.3
- Fees from advisory services	14.7	14.4	2.1
- Other income <sup>1</sup>	6.9	7.5	(8.0)
	<b>199.1</b>	<b>204.0</b>	<b>(2.4)</b>
Asset Management	21.0	19.6	7.1
<b>Net operating income</b>	<b>220.1</b>	<b>223.6</b>	<b>(1.6)</b>
MSCI PIMFA Private Investor Balanced Index on 31 March <sup>2</sup>	1,908	1,866	2.3
MSCI PIMFA Private Investor Balanced Index on 4 April <sup>2</sup>	1,821	1,853	(1.7)

1. Including interest income on client money deposits of £6.3 million (Q1 2024: £6.6 million) mainly relating to IW&I.

2. IW&I billed first quarter fees on 31 March 2025 (2024 fees were billed on 29 February when the MSCI PIMFA Private Investor Balanced Index was 1,815). The principal billing date for RIM clients for the quarter was at the close of business on 4 April 2025 (2024: 5 April). The charging dates for the remaining quarters of 2025 are now aligned. Rathbones Asset Management (RAM) calculates its charges on a daily basis and FUMA is shown as at 31 March.

## FUNDS UNDER MANAGEMENT AND ADMINISTRATION

### (I) SEGMENT FUMA

Quarter ended 31 March & 4 April 2025	Wealth Management (£m)	Asset Management (£m)	Intra-group holdings (£m)	Group FUMA (£m)
Opening FUMA	99,309	15,751	(5,896)	109,164
Gross Inflows	2,252	826	(354)	2,724
Gross Outflows	(2,720)	(1,050)	262	(3,508)
<b>Net Flows</b>	<b>(468)</b>	<b>(224)</b>	<b>(92)</b>	<b>(784)</b>
Market & Investment Performance	(4,354)	(137)	163	(4,328)
Closing FUMA	94,487	15,390	(5,825)	104,052

### (II) BREAKDOWN OF FUMA AND FLOWS BY SERVICE LEVEL

Quarter ended 31 March & 4 April 2025	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers <sup>3</sup> (£m)	IW&I Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth <sup>4</sup> (%)
Rathbones Investment Management	52,900	1,470	(1,357)	113	19	222	(3,090)	50,164	0.9
Bespoke portfolios	47,801	1,285	(1,240)	45	(73)	222	(2,961)	45,034	0.4
Managed via in-house funds	5,099	185	(117)	68	92	-	(129)	5,130	5.3
Multi-asset funds <sup>5</sup>	3,093	158	(209)	(51)	-	-	83	3,125	(6.6)
<b>Rathbones discretionary &amp; managed</b>	<b>55,993</b>	<b>1,628</b>	<b>(1,566)</b>	<b>62</b>	<b>19</b>	<b>222</b>	<b>(3,007)</b>	<b>53,289</b>	<b>0.4</b>
Non-discretionary service	666	5	(6)	(1)	(25)	16	(30)	626	(0.6)
IW&I	42,973	692	(1,117)	(425)	-	(253)	(1,036)	41,259	(4.0)
Single-strategy funds	6,762	314	(579)	(265)	-	-	(57)	6,440	(15.7)
Execution only	2,770	85	(240)	(155)	6	15	(198)	2,438	(22.4)
<b>Total Group</b>	<b>109,164</b>	<b>2,724</b>	<b>(3,508)</b>	<b>(784)</b>	<b>-</b>	<b>-</b>	<b>(4,328)</b>	<b>104,052</b>	<b>(2.9)</b>

### (III) BREAKDOWN OF WEALTH MANAGEMENT FUMA AND FLOWS BY CHANNEL

Quarter ended 31 March & 4 April 2025	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers <sup>3</sup> (£m)	IW&I Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth <sup>4</sup> (%)
Total direct	35,933	936	(966)	(30)	24	221	(2,158)	33,990	(0.3)
Total financial adviser linked	16,967	534	(391)	143	(5)	1	(932)	16,174	3.4
<b>Total discretionary service</b>	<b>52,900</b>	<b>1,470</b>	<b>(1,357)</b>	<b>113</b>	<b>19</b>	<b>222</b>	<b>(3,090)</b>	<b>50,164</b>	<b>0.9</b>
Execution only	2,770	85	(240)	(155)	6	15	(198)	2,438	(22.4)
Non-discretionary service	666	5	(6)	(1)	(25)	16	(30)	626	(0.6)
<b>Total wealth management</b>	<b>56,336</b>	<b>1,560</b>	<b>(1,603)</b>	<b>(43)</b>	<b>-</b>	<b>253</b>	<b>(3,318)</b>	<b>53,228</b>	<b>(0.3)</b>
IW&I	42,973	692	(1,117)	(425)	-	(253)	(1,036)	41,259	(4.0)
<b>Total wealth management for enlarged Group</b>	<b>99,309</b>	<b>2,252</b>	<b>(2,720)</b>	<b>(468)</b>	<b>-</b>	<b>-</b>	<b>(4,354)</b>	<b>94,487</b>	<b>(1.9)</b>

### (IV) TOTAL GROUP FUMA

Quarter ended 31 March & 4 April 2025	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers <sup>3</sup> (£m)	IW&I Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth <sup>4</sup> (%)
Rathbones Investment Management	56,336	1,560	(1,603)	(43)	-	253	(3,318)	53,228	(0.3)
Rathbones Asset Management	15,751	826	(1,050)	(224)	-	-	(137)	15,390	(5.7)
IW&I	42,973	692	(1,117)	(425)	-	(253)	(1,036)	41,259	(4.0)
<b>Total</b>	<b>115,060</b>	<b>3,078</b>	<b>(3,770)</b>	<b>(692)</b>	<b>-</b>	<b>-</b>	<b>(4,491)</b>	<b>109,877</b>	<b>(2.4)</b>
Group eliminations <sup>6</sup>	(5,896)	(354)	262	(92)	-	-	163	(5,825)	6.2
<b>Total</b>	<b>109,164</b>	<b>2,724</b>	<b>(3,508)</b>	<b>(784)</b>	<b>-</b>	<b>-</b>	<b>(4,328)</b>	<b>104,052</b>	<b>(2.9)</b>

3. Transfers represent client FUMA which has transferred from one service to another and other intra-group movements. These are excluded from net inflows.
4. Annualised net growth calculated as net flows/opening FUMA.
5. Net inflows into multi-asset funds include direct flows and flows into managed solutions delivered using in-house funds.
6. Group eliminations represent RAM funds that are held within portfolios managed by RIM (£5.6 billion) and IW&I (£0.3 billion) teams. Consequently, after excluding the RAM funds, the FUMA of each entity is £47.6 billion in RIM and £41.0 billion within IW&I.

8 May 2025

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### **Rathbones Group Plc**

Rathbones is a leading provider of individual Wealth Management, Asset Management and related services to Private Clients, Charities, Trustees and Professional Partners. We have been trusted for generations to manage and preserve our clients' wealth. Our tradition of thinking, acting and investing for everyone's tomorrow has been with us from the beginning and continues to lead us forward.

Rathbones headquarters is 30 Gresham Street, London, EC2V 7QN.

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