Investment partner

Rathbones

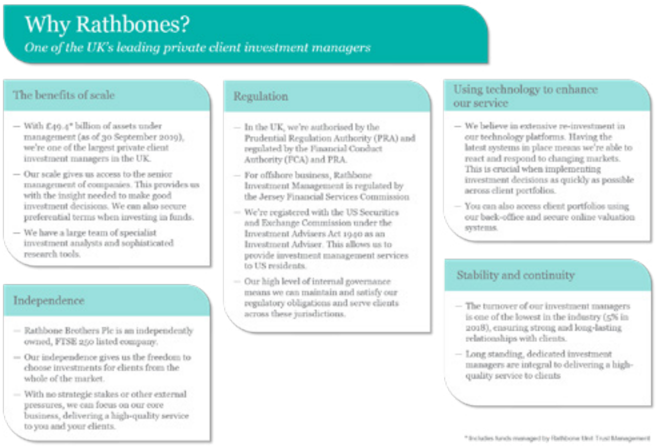
Rathbones
Look forward

Company profile

Rathbone Brothers plc is an independently-owned, FTSE 250 company providing personalised investment and wealth services. This includes discretionary investment management, tax planning, trust and company management, banking services and unit trusts. Rathbones employs 1,559 people across 15 offices in the UK and Jersey.

Its principle subsidiary, Rathbone Investment Management Ltd, provides bespoke discretionary investment management services to private clients, professional intermediaries, charities and trustees. With offices across the UK, Rathbones manages over £50.4 billion (as at 31 December 2019) of funds for individuals and their trusts, charities and pension funds, and for the professional advisers of these clients.

Why select Rathbones?



Reporting and valuations

Rathbones offers both hard-copy and online valuations. A report containing a portfolio valuation and details of changes to investments is issued quarterly. Ad hoc valuations are available immediately on request along with an annual regulatory report summarising key information about each client's portfolio.

Up-to-date valuations and statements are also available electronically, either through ad hoc or scheduled emails, or by registering on Rathbones Online rathbonesonline.com

Portfolio management service for intermediaries

We work in conjunction with the SIPP member, their financial adviser and AJ Bell Investcentre to provide an individual investment management service in line with the member's stated objectives.

Investment process

Our LED (**L**iquidity, **E**quity-type risk and **D**iversifiers) investment framework perfectly lends itself to working alongside financial advisers. This forward-looking approach to strategic asset allocation is a unique way of managing real risk in investment portfolios, and provides us with a point of difference over our peers.

The conventional view on investment management or portfolio construction places heavy emphasis on returns. However, with our approach, portfolio diversification is built on risk protection, rather than relative and potential returns, and particularly on how different asset classes, instruments and funds behave at points of market stress.

For us, asset allocation is not simply pulling together assets under their equities, fixed interest, alternatives and cash categories in order to deliver a relative portfolio. Our approach to asset allocation is instead about managing the risk that comes with different assets and using the liquidity of assets to meet the client's cash flow requirements and avoiding forced selling.

L

The **'L'** represents **'liquidity'** – assets that can be sold easily and have liquidity at the heart of their core properties, with lower credit risk and sometimes lower price volatility – cash, high-quality, investment grade government bonds and so on. For the investor, they represent an easy way to get their hands on their money quickly, should it be required. It also means their portfolio takes into account cash flow management and short-term money needs and helps to fit with their lifestyle and financial plans. It isn't, however, the return mechanism of the portfolio.

E

The **'E'** represents **'equity-type risk'.** This can include equities and assets highly correlated with equities such as corporate bonds, emerging market debt or commodities sensitive to the economic cycle. It is the element that delivers investment performance over time.

D

The **'D'** represents **'diversifiers'** – assets with diversification potential demonstrated by low correlation to equities, i.e. commodities like precious metals or agriculture, infrastructure, bricks and mortar, property and various other classes. They allow us to create portfolios with the capacity to only lose value in line with what's acceptable to the investor, their circumstances and risk profile.

Our LED approach enables us to achieve true diversification and to manage risk in a pragmatic and controlled way. To obtain a more insightful understanding as to why we believe this is beneficial to private clients, we invite you to click on the video link below which provides a clear and easy-to-follow guide to the strategy. vimeo.com/309898432/75a1fac6df

Fund charges and investment terms

Clients referred to us under the **Adviser as Introducer** approach are on-boarded in a manner similar to that of a direct client. The adviser has determined that use of a Discretionary Fund Manager and the appointment of Rathbones as the provider of this service is suitable, but, thereafter all other aspects of suitability, including determining the appropriate investment mandate and strategy, rests with the Rathbone Investment Manager. The role of the adviser and their ownership of the client is still respected within the Adviser as Introducer approach.

If the adviser firm is deemed to be 'active and engaged', this means that the use of discretionary management for their clients should be conducted regularly with an expectation of regular flows of new business to Rathbones Investment Management (RIM). Such firms would be on-boarded through our central process which entails our own due diligence as well as establishing an intermediary Terms of Business with RIM.

The table below shows our **Adviser as Introducer** relationship fees. Please note that our fees are not tiered. We charge a flat fee based on the total value of the portfolio.

	Per annum
£0 to £500, 000	0.90%
£500,000 to £1,500,000	0.80%
£1,500,000 to 2,500,000	0.75%
£2,500,000 to 5,000,000	0.70%
Greater than £5,000,000	0.50%

Adviser as Adviser is our intermediated proposition. It is empathetic to the role of the adviser in the client advice process whereby determining the client's mandate and appropriate Rathbone investment strategy rests with the adviser. This contrasts with our Adviser as Introducer approach where determining the suitability of the client mandate is a task performed by the discretionary manager. Firms need to be approved by Rathbones to operate on the Adviser as Adviser basis.

With Adviser as Adviser, the adviser determines the investment mandate best suited to meet the client's objectives, taking into account their current and future circumstances. Our role is to understand the mandate and select the most suitable assets to achieve this, all the while the adviser maintains a watching brief on us and updates us on the client's circumstances, to ensure we continue to invest with their best interests in mind.

The Adviser as Adviser model is subject to our on-boarding processes. Firms must be on-boarded and approved before they are able to submit new business on this basis.

The table below shows our **Adviser as Adviser** fees. Please note that our fees are not tiered. We charge a flat fee based on the total value of the portfolio.

	Per annum
£0 to £500, 000	0.85%
£500,000 to £1,500,000	0.75%
£1,500,000 to 2,500,000	0.70%
£2,500,000 to 5,000,000	0.65%
Greater than £5,000,000	0.50%

Contact details

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Offices: London, Aberdeen, Birmingham, Bristol, Cambridge, Chichester, Edinburgh, Exeter, Glasgow, Jersey, Kendal, Liverpool, Lymington, Newcastle, Winchester.

Rathbone Investment Management Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Information in this document is provided by the investment partner. AJ Bell Investcentre cannot be held responsible for any statements made.

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