Investment partner

Rathbones

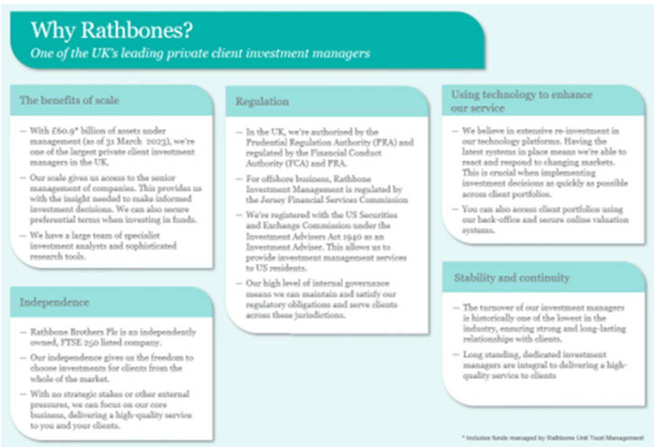
RATHBONES

Company profile

Rathbones Group 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 circa 2,000 people across 15 offices across the UK and one in Jersey.

Its principal subsidiary, Rathbones 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 £60.9 billion (as at 31 March 2023) 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 e-mails, or by registering for MyRathbones. https://myrathbones.rathbones.com/p/1

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 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 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. https://www.rathbones.com/our-led-approach

Fund charges and investment terms

Advisers can engage with Rathbones under **'Reliance on Adviser'** terms (see COBS 2.4 Reliance on Others) or **'Adviser as Introducer'** 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 Rathbones Investment Manager.

The role of the adviser and their ownership of the client is still respected within the 'Adviser as Introducer' approach.

The table below shows our 'Adviser as Introducer' Partnership 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 £750,000	0.90%
£750,001 to £1,500,000	0.70%
Greater than £1,500,000	0.50%

Our default method of onboarding new advice firms is 'Reliance on Adviser'. Under this proposition, understanding the client's circumstances, needs and objectives (including their attitude to risk, etc) is the responsibility of the adviser, as is determining the investment mandate required to meet those needs.

Advisers submit new client applications to us, describing the investment mandate required. These are signed by both the client and the adviser. Our understanding of the mandate is confirmed back to the client and the adviser.

The role of the Rathbones Investment Manager is to execute the mandate and manage the client's portfolio to that mandate, ensuring that assets within the portfolio, and decisions to trade, remain suitable for the client.

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 and on-boarded by Rathbones before they are able to submit new business under the 'Reliance on Adviser' basis.

The table below shows our 'Reliance on Adviser' Partnership terms. 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	0.80%
£500,001 to £1,500,000	0.70%
£1,500,001 to £2,500,000	0.65%
£2,500,001 to £5,000,000	0.60%
Greater than £5,000,000	0.50%

It is the responsibility of the adviser to inform Rathbones of any changes required to the investment mandate. In addition, the adviser will attest to the suitability of the current client investment mandate annually.

While client suitability sits with the adviser, Rathbones maintains responsibility for performing anti-money laundering checks under this approach, and for executing the mandate applied for, construction of the portfolio itself and the suitability of the assets to meet the mandate and the suitability of our future decisions to trade. Unlike some 'agent as client' responsibilities, the adviser will not have to document and justify our future trading decisions

Contact details

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