RATHBONES

OUR INVESTMENT STRATEGIES

Explaining risk and return objectives

31 December 2024

Please refer to the Rathbones publication ‘Understanding Investment Risk and Return’ before reading this explanation of our investment strategies

OUR EXPERTISE

As one of the leading investment managers in the UK, Rathbones provides a range of services designed to meet different client needs.

Our services are aligned through the use of a common framework to describe our approach to managing investments and risk. We have created this document to help you understand our framework and how investment portfolios have performed over time.

This document is provided for informational purposes only and does not serve as advice or a recommendation regarding the suitability of any strategy for your specific needs. We recommend that you seek professional advice to determine whether a strategy aligns with your needs and risk profile.

You should only invest in risk assets if you are comfortable with the risks of doing so. We can provide advice or information to assist in your understanding.

CONTENTS

OUR DISCRETIONARY INVESTMENT SERVICE

A discretionary investment management service involves you leaving all day-to-day investment decisions to your investment manager. Your investment manager or financial adviser will engage with you to obtain a good understanding of your circumstances and requirements, prior to recommending and agreeing the right discretionary investment service and investment mandate with you. Once agreed, your investment manager will construct and maintain a portfolio aligned to your chosen investment service and investment mandate.

Your investment manager's investment decisions will take into account the overall composition of your portfolio to ensure it remains suitable for you. From time to time, your investment manager or financial adviser will re-engage with you to ensure we hold up to date information about you and reconfirm that the investment service and investment mandate is right for you.

Experience and expertise

We use our extensive investment expertise to build and manage portfolios on your behalf. When you appoint Rathbones to manage your portfolio, you will agree a chosen investment strategy with your investment manager. There is a range of risk-rated portfolios to guide your investment manager, and you can find out more about them over the following pages, including how they have performed.

Your agreed strategy will be the one that most closely matches your circumstances, investment preferences and financial objectives as well as your appetite and capacity for risk. Your investment manager will be guided by this strategy, but will retain the flexibility to ensure any investment decisions are right for you.

If you are not familiar with our investment process and philosophy or our risk framework, then please read our publication *Understanding investment risk and return*. This guide will help you understand what to expect when investing with Rathbones.

How we manage risk in portfolios

We divide asset classes into three building blocks (liquidity, equity-type risk and diversifiers – LED), which play complementary roles in the construction of your portfolio. These building blocks differentiate asset classes according to their expected behaviour.

Figure 1
Grouping asset classes according to their behaviour

LIQUIDITY	EQUITY-TYPE RISK	DIVERSIFIERS
Assets that can be sold easily. Includes interest rate and currency risk. Low credit risk.	Equities and all assets highly correlated with equities.	Assets with diversification potential demonstrated by low correlation to equities.

— cash: £/$/€/¥
— government bonds:
  — conventional
  — index-linked
  — domestic
— high-quality investment grade bonds
	— corporate bonds: investment grade, high yield
	— emerging market debt
	— equities: UK, US/Europe/Japan/Asia/emerging markets, private equity
	— property equities: UK and overseas
	— commodities sensitive to the economic cycle (such as industrial metals/energy)
	— infrastructure
		— commodities: precious metals, agriculture
		— macro/trading: discretionary, systematic
		— targeted return strategies
		— unhedged overseas government bonds
		— bricks and mortar property funds

OUR RISK FRAMEWORK

Portfolio risk levels

We will work with you to determine the most appropriate level of risk for your portfolio based upon your appetite and capacity for risk. We manage investments across levels of portfolio risk, as shown in figure 2.

Figure 2

Our range of portfolio risk levels

PORTFOLIO RISK LEVEL

	Liquidity only	1	2	3	4	5	6
Investor risk tolerance	Lowest risk	Lower risk	Relatively low risk	Medium risk (lower)	Medium risk (higher)	Relatively high risk	Higher risk
Long-term return objective[1]	n/a	Cash +1%	Cash +2%	Inflation +2%	Inflation +3%	Inflation +4%	Inflation +5%
Likely exposure to equities	None	Moderate	Moderate	Substantial	Substantial	High	High
Risk expectation as a % of volatility of global equity markets[6]	0% – 20%	20% – 30%	30% – 50%	45% – 65%	60% – 80%	80% – 100%	>90%
Investor capacity for risk	Concerned about the possibility of losing money	Concerned about the possibility of losing money	Somewhat concerned about the possibility of losing money	Can tolerate a temporary or, rarely, permanent capital loss	Can tolerate a temporary or, sometimes, permanent capital loss	Can suffer a temporary or permanent capital loss	Can suffer a permanent capital loss
Suggested time horizon	6 months to 3 years	3 to 5 years	3 to 5 years	6 to 10 years	6 to 10 years	10 years plus	10 years plus

If you need to draw on capital within this time frame, market movements may mean that you realise a lower amount than invested.

Inflation is measured as the Consumer Price Index (CPI) from the UK's Office for National Statistics.

Sterling cash is measured as SONIA (sterling overnight index average) from the Bank of England.

[1-13] Please refer to the Notes on page 16.

Our range of risk-rated strategies

Figure 3 shows the LED breakdown of our levels of risk, in addition to some more general guidance on time horizons, benchmarks and longer-term investment objectives.

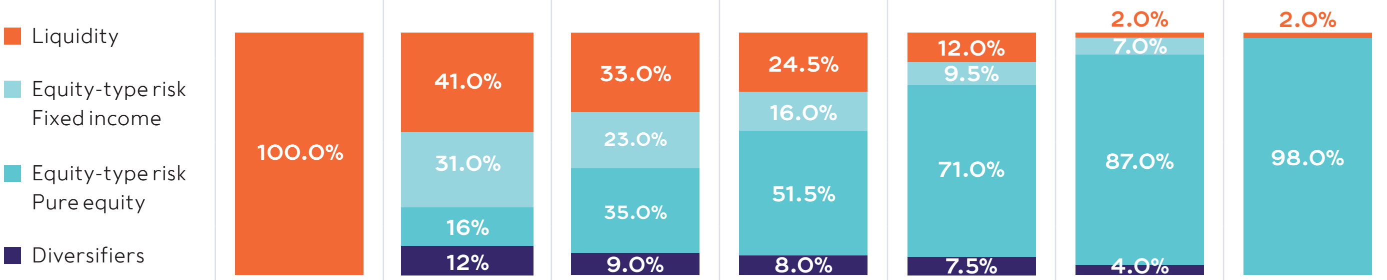
We use simulated historical drawdown to indicate the level of risk associated with each strategy. We explain our risk framework in more detail in our publication *Understanding investment risk and return*.

Figure 3

The strategies reflect our risk framework and are aligned to their respective risk level over 20 years (as at the date of this document)

STRATEGY

	Liquidity only*	1	2	3	4	5	6
Suggested time horizon	6 months to 3 years	3 to 5 years		6 to 10 years		10+ years	



	Liquidity only*	1	2	3	4	5	6
Long-term return objective[1]	n/a	Cash +1%	Cash +2%	Inflation +2%	Inflation +3%	Inflation +4%	Inflation +5%
Benchmark[2]	ICE BofA 0-2 Year UK Gilts Index	Benchmark 1 (GBP)	Benchmark 2 (GBP)	Benchmark 3 (GBP)	Benchmark 4 (GBP)	Benchmark 5 (GBP)	Benchmark 6 (GBP)
Worst drawdown of the Benchmark[3]	Not available[4]	-9.4%	-10.1%	-16.3%	-21.7%	-29.7%	-34.2%
Worst drawdown period of the Benchmark[9]	n/a	Aug 2021 to Sep 2022 (15 months to recover)	Dec 2007 to Feb 2009 (6 months to recover)	Dec 2007 to Feb 2009 (6 months to recover)	Oct 2007 to Feb 2009 (7 months to recover)	Oct 2007 to Feb 2009 (12 months to recover)	Oct 2007 to Feb 2009 (13 months to recover)

The asset allocation shown for each strategy reflects the strategic asset allocation weighting for each asset class.

Inflation is measured as the Consumer Price Index (CPI) from the UK's Office for National Statistics.

Sterling cash is measured as SONIA (sterling overnight index average) from the Bank of England.

Drawdown is based on simulated performance of the Benchmarks.

The benchmark for our Liquidity Only strategy is a single short-dated bond index. Drawdowns are not estimated for this strategy.

*Liquidity Only is classified under Risk Level 1, but it is not the same as Strategy 1. Due to Liquidity Only's permitted investment universe (cash and Gilts) and shorter investment time horizon (6 months to 3 years), this risk level is intended to be lower than Strategy 1, which instead invests according to our LED approach over a longer term (3 to 5 years).

In certain circumstances, a different benchmark may be more appropriate for you, depending on the specific types of investment to be used within your mandate. Where this applies this will be explained to you by your investment manager.

[1-13] Please refer to the Notes on page 16.

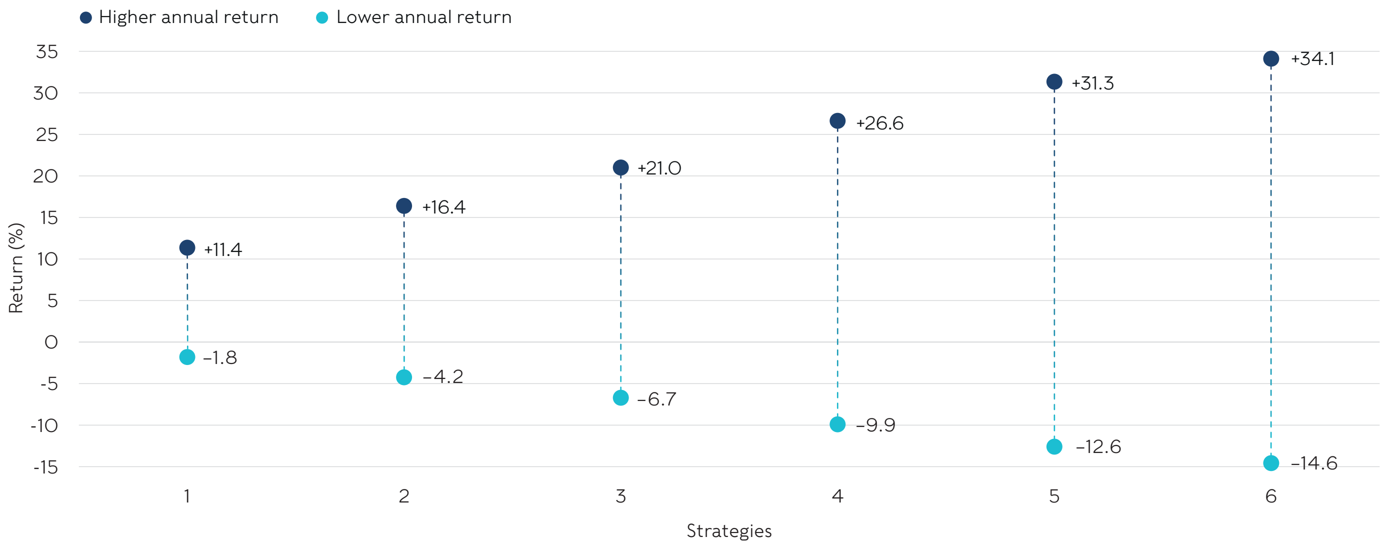
Variability of returns[5]

It is not possible to predict investment returns or risk with any certainty. Figure 4 shows how volatility varies across each of our risk-rated strategies, increasing as risk increases. Using 20 years simulated historic performance data for the strategic asset allocation of each strategy, we observe that 95% of the annual returns fell within the ranges indicated.

This analysis demonstrates that Strategy 1 displayed the smallest range of returns and the lowest level of risk and Strategy 6 displayed the largest range of returns and the highest level of risk. The concepts of volatility and risk are discussed in the *Understanding investment risk and return* guide.

Figure 4

Comparing risk measured as the range of annual returns of the below strategies over 20 years (as at the date of this document)



[1–13] Please refer to the Notes on page 16.

CUSTOM STRATEGIES

The strategies represent a range of risk-rated portfolios and serve as a useful way to illustrate and measure our investment framework and process. However, these portfolios do not suit everyone and we can manage portfolios according to a client's individual situation, investment preferences and financial objectives, taking into account preferences they may have, including their views on responsible investing.

For these clients, we can manage their portfolios in a disciplined way, but not one that follows a uniform or prescribed approach. If you would like your portfolio to follow a distinct investment strategy or to be invested in a particular way then we can accommodate this, providing doing so is suitable for you.

We will need to agree the guidelines within which we will operate, how much risk you are prepared to take and an appropriate benchmark against which to compare performance. We construct the right portfolios for our clients based on their individual circumstances and needs.

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.

ASSESSING PERFORMANCE

Long-term return objectives

Each level of risk (except Liquidity Only) has been given a long-term return objective, which indicates a level of return that a portfolio could be expected to achieve over the long term. Each long-term return objective is set as a return above cash returns or inflation. The long-term return objective for a given level of risk should help determine the right strategy for you, according to your financial goals. Those seeking greater returns will need to bear in mind a rise in the corresponding level of risk.

Benchmarks

To assess the ongoing management of your portfolio, you will need an appropriate benchmark against which to compare its performance. As with your portfolio, it is important to ensure that the chosen benchmark is appropriate for you and your chosen portfolio risk level and objectives.

Just like individual portfolios, the performance of benchmarks can vary. Short-term market fluctuations can lead to positive or negative returns. It's important to judge performance in the context of longer-term overall returns.

Your portfolio's actual return (known as absolute return) over a given period is important. This enables us to evaluate whether you remain on course to achieve your longer-term investment aims. (For example, an absolute return measure would be inflation +1%.) However, measuring your portfolio's performance relative to an appropriate benchmark (known as relative return – the global equity market is an example of a relative return measure) provides you with useful information about how well your investments have performed in the context of the prevailing market conditions.

Your investment manager will use their expertise and professional judgement in making investment decisions about the composition of your portfolio (the types of investment held and their proportions), the choice of individual investments and the overall amount of risk to be taken. The impact of these decisions will determine your portfolio's return. When this return is considered relative to the chosen benchmark, you will be able to see the value generated by your investment manager's active management.

It is important to note that evaluating investment performance should go beyond that of a single quarter or year, and should ideally be over a complete market cycle, as the success of different investment styles often depends on financial market conditions.

Past performance should not be seen as a guide to future performance.

We have designed a range of benchmarks for our risk-rated strategies, details of which are shown below (figure 5). The Benchmarks are constructed using market indices that are designed to represent the type and mix of assets we invest in. For example, for UK equities we use the FTSE All-Share Index and for overseas equities we use the FTSE All-World ex UK Index.

The weightings of the representative indices within each benchmark vary according to the risk level and the underlying asset mix within each strategy. The benchmarks are reviewed on an ongoing basis to ensure that they remain appropriate. Details of the composition of the benchmarks and the representative indices, are shown in the table overleaf. Alternatively, a custom benchmark may be selected if required.

Measuring performance

Past performance should not be used as the sole indicator of future performance. In this document, we use past performance to show how a typical portfolio aligned to one of our risk strategies might perform under certain circumstances over time, and how portfolios at different risk levels perform compared with each other.

An illustration of the performance of the asset allocations for each of our risk-rated strategies is presented on pages 10 to 15.

The performance data shown is based on simulated returns of the strategic asset allocations for each risk level, unless stated otherwise. Please see the note 12 on page 16 for further details about the calculation methodology.

Figure 5
Asset allocation for the different portfolio benchmarks

BENCHMARK (BM)

	Sub-asset classes	BM 1	BM 2	BM 3	BM 4	BM 5	BM 6	Indices
LIQUIDITY	Cash	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	SONIA –1% (with 0% floor)
	Gilts	45.0%	40.0%	32.5%	27.5%	10.5%	0.0%	FTSE British Government Fixed – Up to 5 Years GBP (BM1 & 2), 5-10 Years GBP (BM3, 4 & 5)
	Liquidity subtotal	**47.5%**	**42.5%**	**35.0%**	**30.0%**	**13.0%**	**2.5%**	
EQUITY-TYPE RISK	Investment Grade Credit (BBB)	35.0%	22.5%	15.0%	0.0%	0.0%	0.0%	Markit iBoxx GBP Non-Gilts BBB 1-5 Years (BM1 & 2) Markit iBoxx GBP Non-Gilts BBB
	Fixed income (E)	**35.0%**	**22.5%**	**15.0%**	**0.0%**	**0.0%**	**0.0%**	
	UK equity	5.0%	9.0%	12.5%	17.5%	22.0%	24.0%	FTSE All-Share GBP
	International equity	12.5%	26.0%	37.5%	52.5%	65.0%	73.5%	FTSE All-World ex UK GBP
	Pure equity	**17.5%**	**35.0%**	**50.0%**	**70.0%**	**87.0%**	**97.5%**	
	Equity-type risk subtotal	**52.5%**	**57.5%**	**65.0%**	**70.0%**	**87.0%**	**97.5%**	
	Grand total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	

Liquidity Only is 100% liquidity but with the flexibility to invest across its underlying sub-asset classes, according to client needs.

STRATEGY 1

Data is current as of 31 December 2024, returns are shown over the past 20 years to 31 December 2024. All figures shown are in GBP.

This strategy is applicable to a portfolio where the investor has a low risk tolerance aligned with a risk level of 1. It aims to generate a return over time which exceeds the return available on cash deposits. Ideally, we would like to achieve this with much less fluctuation in value than major equity markets. Investors with such a portfolio are likely to be concerned about the possibility of losing money.

This type of approach can be suitable for investors with a shorter time horizon. However, investors with a long time horizon for investment may be able to accept a higher exposure to equities than that shown.

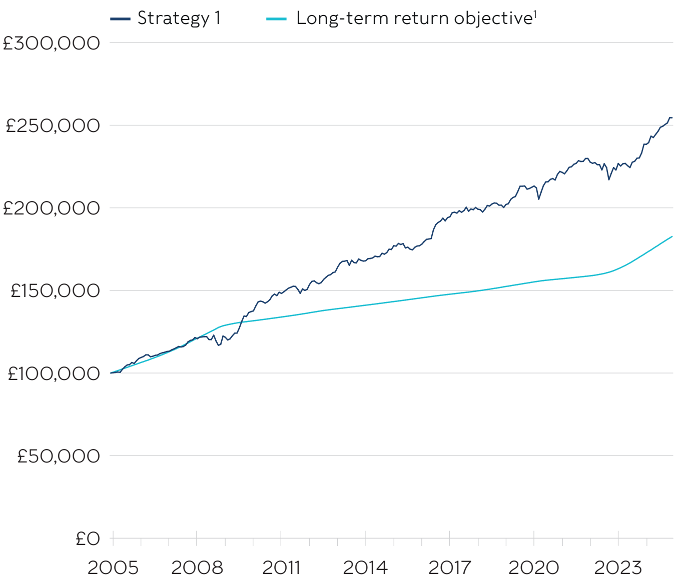
KEY FACTS

Risk level	1
Suggested time horizon	3 to 5 years
Long-term return objective[1]	Cash +1%
Benchmark[2]	Benchmark 1 (GBP)
MSCI PIMFA reference index[2]	MSCI PIMFA Conservative
Volatility relative to equities[6]	20% to 30%

SIMULATED RETURNS[12]

Annual volatility[7]	+3.4%
Worst drawdown[8]	-5.6%
Worst drawdown period[9]	Dec 2021 to Sep 2022 (12 months to recover)
Average total return per year[10]	+4.8%
Total return for the period[11]	+154.5%
MSCI PIMFA Conservative (actual total return for the period)	+189.0%

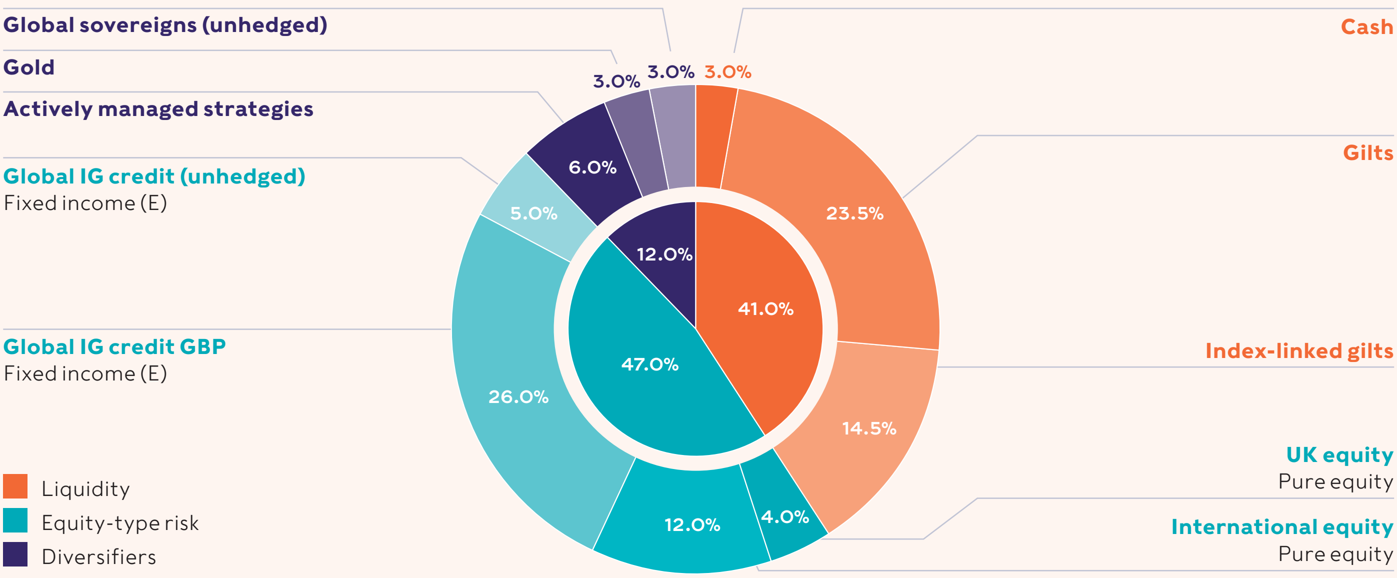
COMPARATIVE SIMULATED PERFORMANCE



DISCRETE ANNUAL SIMULATED RETURNS (GROSS)[12, 13]

	Risk level 1	Benchmark 1 (GBP)
2020	+4.5%	+3.8%
2021	+3.5%	+2.5%
2022	-3.0%	-6.0%
2023	+7.0%	+7.5%
2024	+6.7%	+6.1%

ILLUSTRATIVE ASSET BREAKDOWN (OUTER CIRCLE) AND LED ASSET CLASS TOTAL (INNER CIRCLE)



[1–13] Please refer to the Notes on page 16.

Past performance is not a guide to future performance. The figures do not take into account any fees or charges therefore the amount you would get back would be less than shown. The value of your investment can go down as well as up so you could get back less than you put in.

STRATEGY 2

Data is current as of 31 December 2024, returns are shown over the past 20 years to 31 December 2024. All figures shown are in GBP.

This strategy is applicable to a portfolio where the investor has a low risk tolerance aligned with a risk level of 2. It aims to generate a return over time which exceeds the return available on cash deposits. Ideally, we would like to achieve this with much less fluctuation in value than major equity markets. Investors with such a portfolio are likely to be concerned about the possibility of losing money.

This type of approach can be suitable for investors with a shorter time horizon. However, investors with a long time horizon for investment may be able to accept a higher exposure to equities than that shown.

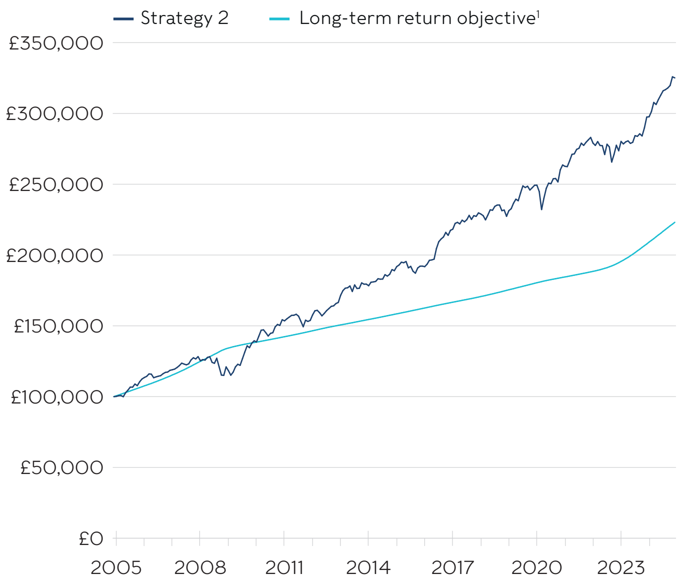
KEY FACTS

Risk level	2
Suggested time horizon	3 to 5 years
Long-term return objective[1]	Cash +2%
Benchmark[2]	Benchmark 2 (GBP)
MSCI PIMFA reference index[2]	MSCI PIMFA Conservative
Volatility relative to equities[6]	30% to 50%

SIMULATED RETURNS[12]

Annual volatility[7]	+5.3%
Worst drawdown[8]	–10.4%
Worst drawdown period[9]	Dec 2007 to Nov 2008 (9 months to recover)
Average total return per year[10]	+6.1%
Total return for the period[11]	+225.1%
MSCI PIMFA Conservative (actual total return for the period)	+189.0%

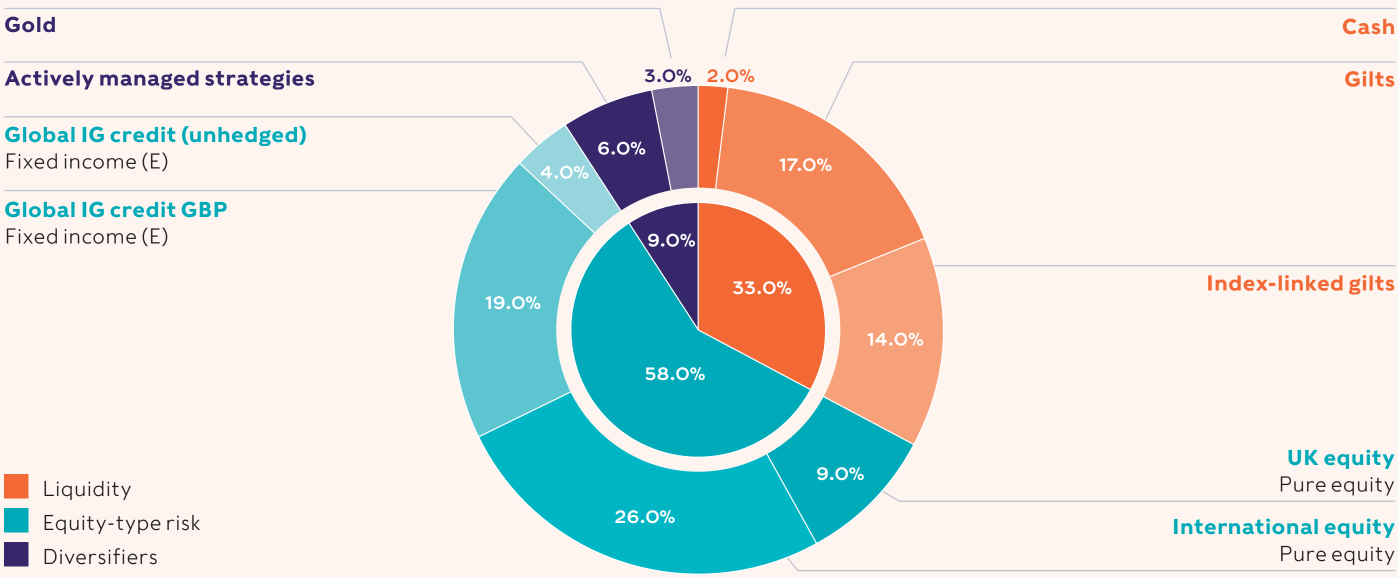
COMPARATIVE SIMULATED PERFORMANCE



DISCRETE ANNUAL SIMULATED RETURNS (GROSS)[12, 13]

	Risk level 2	Benchmark 2 (GBP)
2020	+5.8%	+5.0%
2021	+7.4%	+5.9%
2022	–3.3%	–5.7%
2023	+8.7%	+8.6%
2024	+9.3%	+8.4%

ILLUSTRATIVE ASSET BREAKDOWN (OUTER CIRCLE) AND LED ASSET CLASS TOTAL (INNER CIRCLE)



[1–13] Please refer to the Notes on page 16.

Past performance is not a guide to future performance. The figures do not take into account any fees or charges therefore the amount you would get back would be less than shown. The value of your investment can go down as well as up so you could get back less than you put in.

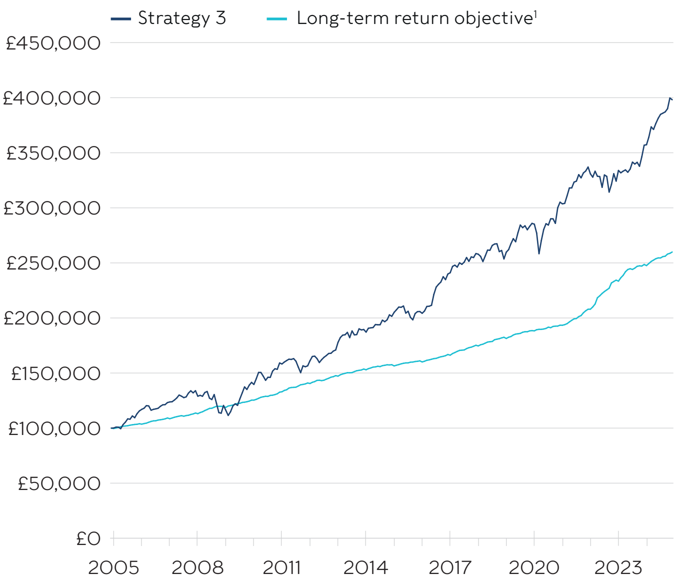
STRATEGY 3

Data is current as of 31 December 2024, returns are shown over the past 20 years to 31 December 2024. All figures shown are in GBP.

This strategy is applicable to a portfolio where the investor has a medium risk tolerance aligned with a risk level of 3. It aims to generate a return over time above the rate of inflation. We expect fluctuations in the value of the investments and expect these to reflect much of the performance of major equity markets. The portfolio may therefore include a significant exposure to shares.

This type of approach can be suitable for investors with a medium time horizon and who can tolerate a temporary or, rarely, permanent capital loss. Investors with a long time horizon for investment may be able to accept a relatively high exposure to equities.

COMPARATIVE SIMULATED PERFORMANCE



KEY FACTS

Risk level	3
Suggested time horizon	6 to 10 years
Long-term return objective[1]	Inflation +2%
Benchmark[2]	Benchmark 3 (GBP)
MSCI PIMFA reference index[2]	MSCI PIMFA Income
Volatility relative to equities[6]	45% to 65%

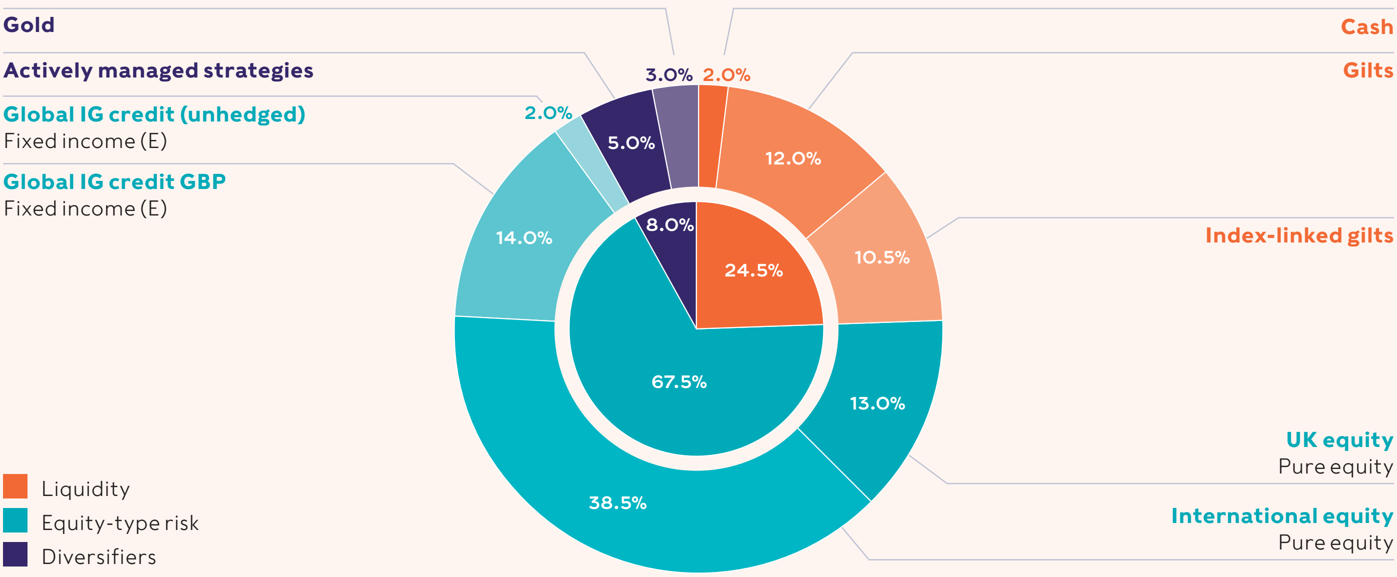
SIMULATED RETURNS[12]

Annual volatility[7]	+ 7.1%
Worst drawdown[8]	–16.8%
Worst drawdown period[9]	Dec 2007 to Feb 2009 (7 months to recover)
Average total return per year[10]	+7.2%
Total return for the period[11]	+298.1%
MSCI PIMFA Income (actual total return for the period)	+231.0%

DISCRETE ANNUAL SIMULATED RETURNS (GROSS)[12, 13]

	Risk level 3	Benchmark 3 (GBP)
2020	+6.7%	+7.7%
2021	+10.5%	+7.6%
2022	–3.8%	–10.5%
2023	+10.1%	+10.6%
2024	+11.6%	+8.3%

ILLUSTRATIVE ASSET BREAKDOWN (OUTER CIRCLE) AND LED ASSET CLASS TOTAL (INNER CIRCLE)



[1–13] Please refer to the Notes on page 16.

Past performance is not a guide to future performance. The figures do not take into account any fees or charges therefore the amount you would get back would be less than shown. The value of your investment can go down as well as up so you could get back less than you put in.

STRATEGY 4

Data is current as of 31 December 2024, returns are shown over the past 20 years to 31 December 2024. All figures shown are in GBP.

This strategy is applicable to a portfolio where the investor has a medium risk tolerance aligned with a risk level of 4. The portfolio is similar to the balanced, multi-asset approach adopted by many investors. It aims to generate a return over time above the rate of inflation. We expect fluctuations in the value of the investments and expect these to reflect most of the performance of major equity markets. The portfolio may therefore include a substantial exposure to shares.

This type of approach can be suitable for investors with a medium time horizon and who can tolerate a temporary or, sometimes, permanent capital loss. Investors with a long time horizon for investment should be able to accept a relatively high exposure to equities.

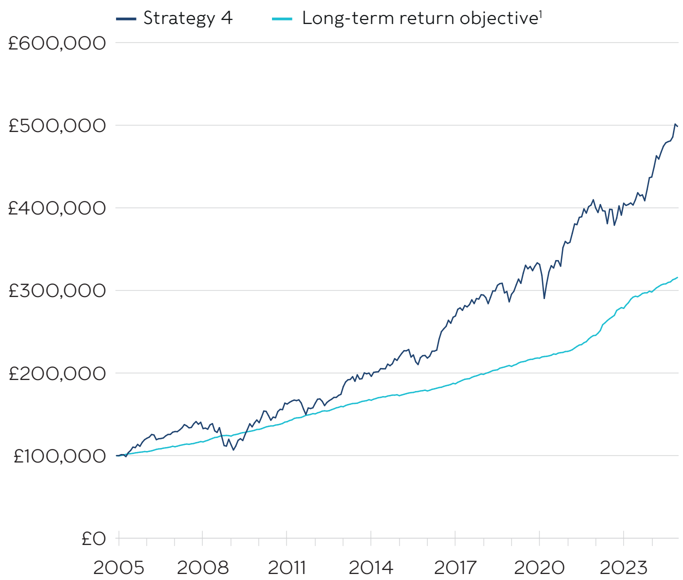
KEY FACTS

Risk level	4
Suggested time horizon	6 to 10 years
Long-term return objective[1]	Inflation +3%
Benchmark[2]	Benchmark 4 (GBP)
MSCI PIMFA reference index[2]	MSCI PIMFA Balanced
Volatility relative to equities[6]	60% to 80%

SIMULATED RETURNS[12]

Annual volatility[7]	+9.3%
Worst drawdown[8]	–24.4%
Worst drawdown period[9]	Oct 2007 to Feb 2009 (10 months to recover)
Average total return per year[10]	+8.4%
Total return for the period[11]	+398.5%
MSCI PIMFA Balanced (actual total return for the period)	+280.7%

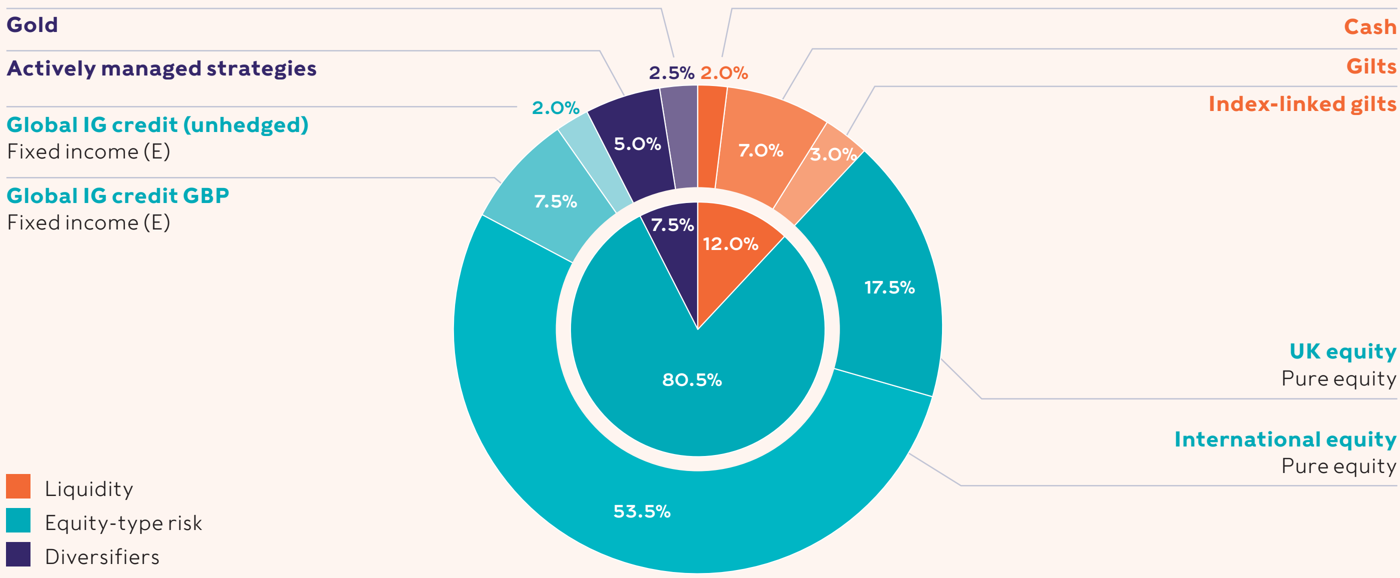
COMPARATIVE SIMULATED PERFORMANCE



DISCRETE ANNUAL SIMULATED RETURNS (GROSS)[12, 13]

	Risk level 4	Benchmark 4 (GBP)
2020	+7.8%	+7.8%
2021	+14.0%	+12.1%
2022	–4.5%	–8.0%
2023	+11.6%	+11.4%
2024	+14.2%	+11.5%

ILLUSTRATIVE ASSET BREAKDOWN (OUTER CIRCLE) AND LED ASSET CLASS TOTAL (INNER CIRCLE)



[1–13] Please refer to the Notes on page 16.

Past performance is not a guide to future performance. The figures do not take into account any fees or charges therefore the amount you would get back would be less than shown. The value of your investment can go down as well as up so you could get back less than you put in.

STRATEGY 5

Data is current as of 31 December 2024, returns are shown over the past 20 years to 31 December 2024. All figures shown are in GBP.

This strategy is applicable to a portfolio where the investor has a relatively high risk tolerance aligned with a risk level of 5. It aims to generate a return over time well in excess of inflation. We expect the value of the investments to fluctuate significantly, usually reflecting the behaviour of equity markets. The portfolio will likely include a high exposure to shares and may incorporate relatively high-risk investments or be less diversified. The portfolio may have little exposure to asset classes that are considered to have lower-risk characteristics.

This type of approach would be suitable for investors with a longer time horizon and the capacity to suffer a temporary or permanent capital loss.

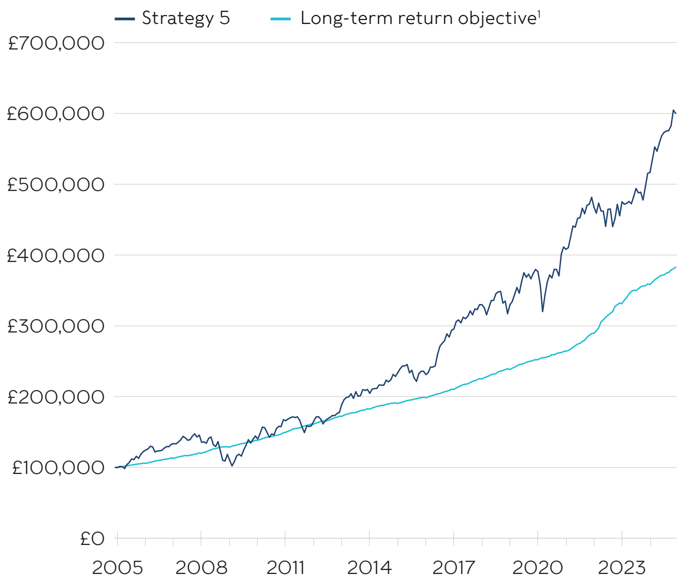
KEY FACTS

Risk level	5
Suggested time horizon	10 years plus
Long-term return objective[1]	Inflation +4%
Benchmark[2]	Benchmark 5 (GBP)
MSCI PIMFA reference index[2]	MSCI PIMFA Growth
Volatility relative to equities[6]	80% to 100%

SIMULATED RETURNS[12]

Annual volatility[7]	+11.2%
Worst drawdown[8]	–30.6%
Worst drawdown period[9]	Oct 2007 to Feb 2009 (12 months to recover)
Average total return per year[10]	+9.4%
Total return for the period[11]	+500.1%
MSCI PIMFA Growth (actual total return for the period)	+338.2%

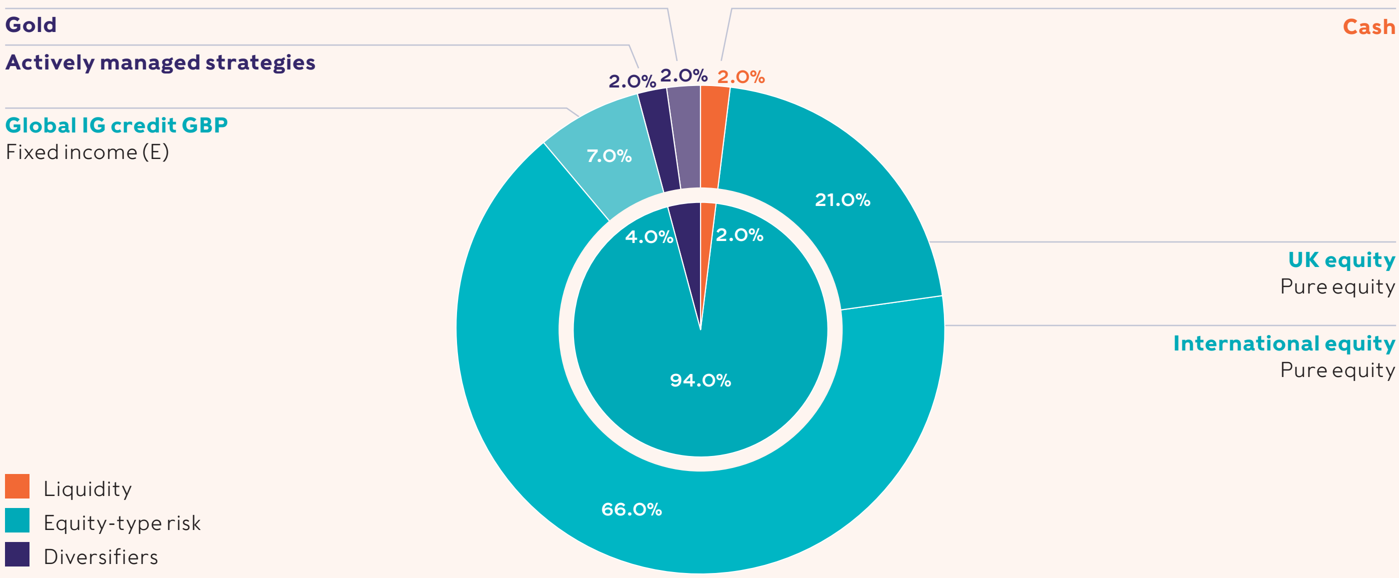
COMPARATIVE SIMULATED PERFORMANCE



DISCRETE ANNUAL SIMULATED RETURNS (GROSS)[12, 13]

	Risk level 5	Benchmark 5 (GBP)
2020	+8.3%	+7.9%
2021	+17.1%	+16.4%
2022	–5.4%	–6.5%
2023	+13.2%	+12.8%
2024	+16.4%	+14.9%

ILLUSTRATIVE ASSET BREAKDOWN (OUTER CIRCLE) AND LED ASSET CLASS TOTAL (INNER CIRCLE)



[1–13] Please refer to the Notes on page 16.

Past performance is not a guide to future performance. The figures do not take into account any fees or charges therefore the amount you would get back would be less than shown. The value of your investment can go down as well as up so you could get back less than you put in.

STRATEGY 6

Data is current as of 31 December 2024, returns are shown over the past 20 years to 31 December 2024. All figures shown are in GBP.

This strategy is applicable to a portfolio where the investor has a relatively high risk tolerance aligned with a risk level of 6. It aims to generate a return over time well in excess of inflation. We expect the value of the investments to fluctuate significantly, usually reflecting the behaviour of equity markets. The portfolio will likely include a high exposure to shares and may incorporate relatively high-risk investments or be less diversified. The portfolio may have little exposure to asset classes that are considered to have lower-risk characteristics.

This type of approach would be suitable for investors with a longer time horizon and the capacity to suffer a temporary or permanent capital loss.

KEY FACTS

Risk level	6
Suggested time horizon	10 years plus
Long-term return objective[1]	Inflation +5%
Benchmark[2]	Benchmark 6 (GBP)
MSCI PIMFA reference index[2]	MSCI PIMFA Global Growth
Volatility relative to equities[6]	>90%

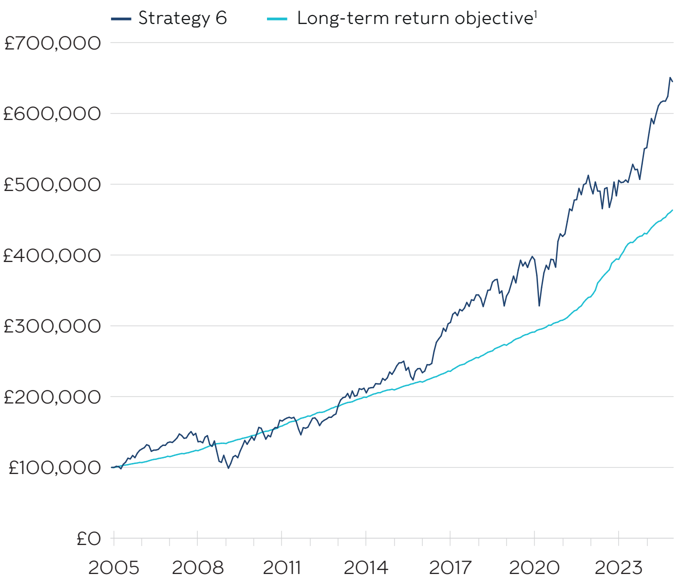
SIMULATED RETURNS[12]

Annual volatility[7]	+12.4%
Worst drawdown[8]	-34.3%
Worst drawdown period[9]	Oct 2007 to Feb 2009 (13 months to recover)
Average total return per year[10]	+9.8%
Total return for the period[11]	+545.0%
MSCI PIMFA Global Growth (actual total return for the period)	+504.2%

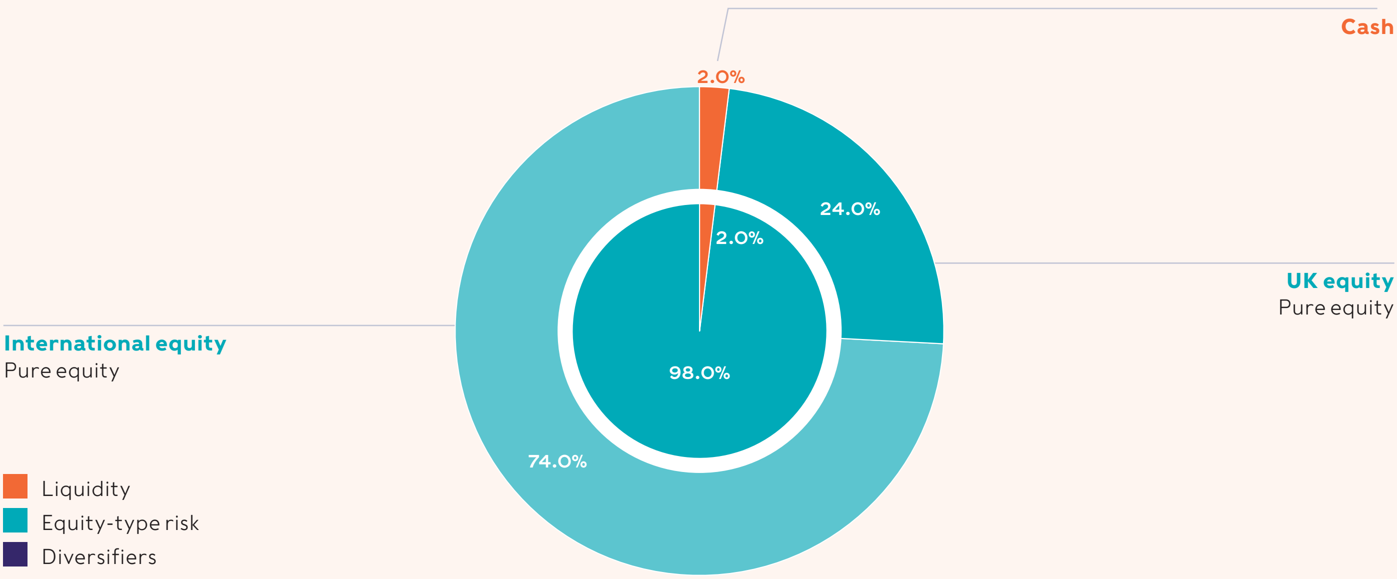
DISCRETE ANNUAL SIMULATED RETURNS (GROSS)[12, 13]

	Risk level 6	Benchmark 6 (GBP)
2020	+8.0%	+8.0%
2021	+19.2%	+19.1%
2022	-5.6%	-5.6%
2023	+13.8%	+13.7%
2024	+17.2%	+17.2%

COMPARATIVE SIMULATED PERFORMANCE



ILLUSTRATIVE ASSET BREAKDOWN (OUTER CIRCLE) AND LED ASSET CLASS TOTAL (INNER CIRCLE)



[1–13] Please refer to the Notes on page 16.

Past performance is not a guide to future performance. The figures do not take into account any fees or charges therefore the amount you would get back would be less than shown. The value of your investment can go down as well as up so you could get back less than you put in.

NOTES

1. The long-term return objectives for each strategy are based on the suggested time horizon and are shown relative to the returns from cash (as measured by short-term interest rates) or the annual rate of inflation (as measured by the Consumer Price Index) using long-term inflation forecasts) and is assumed to be net of an indicative investment management fee of 0.9% per annum (inclusive of VAT as applicable) and any underlying portfolio costs. The investment management fee applicable to your portfolio may differ depending on your specific circumstances.

   Returns from the long-term return objectives are the actual returns achieved over the period.

   For further clarification on these investment strategies please speak to your investment manager.

2. The relevant Benchmark for each of our risk-rated strategies is as set out below.

   – Strategy 1: the Benchmark 1 (GBP).

   – Strategy 2: the Benchmark 2 (GBP).

   – Strategy 3: the Benchmark 3 (GBP).

   – Strategy 4: the Benchmark 4 (GBP).

   – Strategy 5: the Benchmark 5 (GBP).

   – Strategy 6: the Benchmark 6 (GBP).

   The Personal Investment Management & Financial Advice Association (PIMFA) is an industry trade association for firms that provide investment management and financial advice to individuals, families, charities, pension funds, trusts and companies. PIMFA publishes a series of benchmark indices, known as the MSCI PIMFA Private Investor Index Series, against which to compare the performance of investment portfolios.

   Returns from the PIMFA indices are the actual returns achieved over the period.

3. Drawdown in figure 3 is illustrated by the largest cumulative loss in the Benchmarks, based on simulated performance between the highest point and the subsequent lowest point measured from the previous 20 years, as at the date of this document.

4. The benchmark used for this strategy is a single, short-dated bond index. No drawdown is calculated.

5. The variability of returns data is based on simulated historic performance using the strategic asset allocations for each strategy from 31 December 2004 to 31 December 2024. The analysis is based on the monthly data points and standard deviations. The higher and lower boundaries that are shown demonstrate what the best and worst performance outcomes were for 95% of annual returns. Standard deviation assumes the data represents a normal distribution of returns.

6. Guideline volatility relative to equities is based on the average volatility relative to the FTSE World Index (in sterling, unhedged) over the longer term.

7. Compound annualised volatility using monthly returns for the period stated.

8. The worst drawdown for each strategy (pages 10 to 15) is the largest cumulative loss between the highest point and the subsequent lowest point based on simulated performance of the Strategic Asset Allocations for each strategy since 31 December 2004 to 31 December 2024.

   More detail regarding the context for the drawdown is provided on the individual strategy pages.

9. Recovery period is the number of months taken from the lowest point of the worst drawdown for the portfolio to return to the same value as at the start of the drawdown.

10. Average total return per year is the annualised compound return for the period in question incorporating both capital appreciation and income.

11. Total return for the period is the cumulative total return for the period in question on the same basis.

12. Simulated returns of the strategic asset allocation for each strategy are shown gross of fees. On request we can provide reports showing historic actual client returns for current and future clients.

13. Simulated returns are exclusive of fees therefore returns would be lower when applying appropriate costs.

NEXT STEPS

If you decide to invest with us, you should then make sure you always tell your investment manager about any change in your circumstances or investment objectives.

Transferring an investment portfolio to us is also easy. Once you instruct your current investment manager, we will do the rest.

If you have any doubts or questions, please speak to your investment manager. You can also get in touch with any Rathbones office to talk to an investment manager about your financial priorities.

Call your local office

Belfast
02890 321 002

Birmingham
0121 233 2626

Bournemouth
01202 208 100

Bristol
0117 929 1919

Cambridge
01223 229 229

Cheltenham
01242 307 000

Chichester
01243 775 373

Edinburgh
0131 550 1350

Exeter
01392 201 000

Glasgow
0141 248 4311

Guernsey
01481 723 506

Guildford
01483 304 707

Jersey
01534 740 500

Kendal
01539 561 457

Leeds
0113 245 4488

Liverpool
0151 236 6666

London (head office)
020 7399 0000

Lymington
01590 647 657

Manchester
0161 832 6868

Newcastle
0191 255 1440

Sheffield
0114 275 5100

Winchester
01962 857 000

ADDITIONAL INFORMATION


RBOO39 01/25

Visit
rathbones.com

Email
enquiries@rathbones.com

For specialist ethical, sustainable and impact investment services
Greenbank
0117 930 3000
enquiries@greenbankinvestments.com
greenbankinvestments.com

For offshore investment management services
Rathbones Investment Management International
01534 740 500
rathbones.com/international

@RathbonesPlc

@rathbonesgroup

Rathbones Group Plc