

# What guides our decisions

## How our LED investment approach powers our Model Portfolio Service

For financial advisers only – not for use with clients.

### A complete investment solution built from within

At the core of the investment structure that powers our Model Portfolio Service (MPS) are three in-house funds. Each one represents a component of our LED framework and is actively managed by our dedicated multi-asset team. These funds invest directly in equities, bonds and other assets, giving us full control over holdings, costs and implementation.

Each fund plays a defined role in the portfolios and is managed using Rathbones' proven investment process. Managing the funds internally means we're not constrained by platform fund lists, and this allows us to include a wider range of investments, chosen for how they behave within the portfolios.

Our direct investment approach allows us to see and manage every holding, adapt quickly to market change and avoid the extra layers of cost that can come with third-party funds.

This structure is more than a method of organising investments by name. It's the foundation for how we manage risk, pursue outcomes and remain agile in changing markets.

### Inside the LED framework

What sets Rathbones MPS apart is not just that we use our LED structure, but how we implement it. Each component comprises a dedicated Rathbones fund. These funds are actively managed by our in-house multi-asset team, giving us the ability to invest directly and look beyond what's typically available in third-party MPS portfolios.

That includes access to areas like ETFs, structured solutions and direct holdings in equities and bonds – investments that are often restricted on third-party platforms. This structure gives us greater control and greater freedom, all within a cost-effective, risk-targeted model. Every element is chosen for a reason. Every position earns its place.

### Rathbones LED (L) Global Fixed Income Fund

Liquidity isn't just cash. It includes actively managed, high-quality assets, such as short-dated government bonds and investment grade credit, that are designed to remain liquid even in times of market stress. These assets typically show low correlation to equities, making them an effective source of stability and control when markets become volatile.

### Rathbones LED (E) Global Equity-Type Risk Fund

Equity-type risk goes beyond equities. It includes a blend of growth-oriented assets, such as global equities, high yield bonds and listed real assets, selected for their long-term potential and lower correlation to traditional equity benchmarks. This flexibility helps avoid overexposure to individual regions, sectors or styles.

### Rathbones LED (D) Global Diversifiers Fund

Diversifiers are more than just alternatives. They include genuinely uncorrelated strategies, such as structured notes, commodity-linked investments and market-neutral instruments, that are designed to reduce volatility and provide sources of return that don't depend on the direction of equity or bond markets. This component is where the LED framework shows its real strength, not just by adding variety, but by managing risk in more targeted and resilient ways.

### Why direct investing matters

Rathbones MPS portfolios are built with directly held investments – not just collections of third-party funds. What this means in practice:

**Full transparency.** See exactly what each portfolio holds.

**More control.** Investment and allocation decisions are made in-house.

**Faster action.** We can respond quickly to market changes.

**Lower costs.** Avoids the extra layers of fees common in fund-of-funds structures.

**Clearer conversations.** Easier for advisers to explain strategy and performance.

By holding investments directly, we keep portfolios efficient, focused and aligned with client goals.



## Why this structure matters for your clients

This structure isn't just about what goes into the portfolios. It's about meeting today's regulatory expectations and client demands in a more modern, efficient way through:

- True diversification delivered through our LED framework, which focuses specifically on how assets behave during challenging market conditions.
- Clearer risk targeting with each component fulfilling a defined role.
- Reduced friction thanks to internal management and smart implementation.
- Greater clarity with transparent holdings and straightforward reporting.
- The confidence of direct investments, giving full look-through to every holding and avoiding unnecessary fund layers.

## What it means in practice

In a world of tighter tax rules and increased scrutiny of suitability, advisers need portfolio solutions that do more, without adding complexity or cost.

For advisers, Rathbones MPS means consistency, simplicity and confidence in the conversations that matter most. For clients, it means a portfolio that feels robust, is easy to understand and built to last.

It's how Rathbones delivers active investment management in a model portfolio structure with care, control and clarity.

The value of investments can go down as well as up and your client could get back less than they invested.

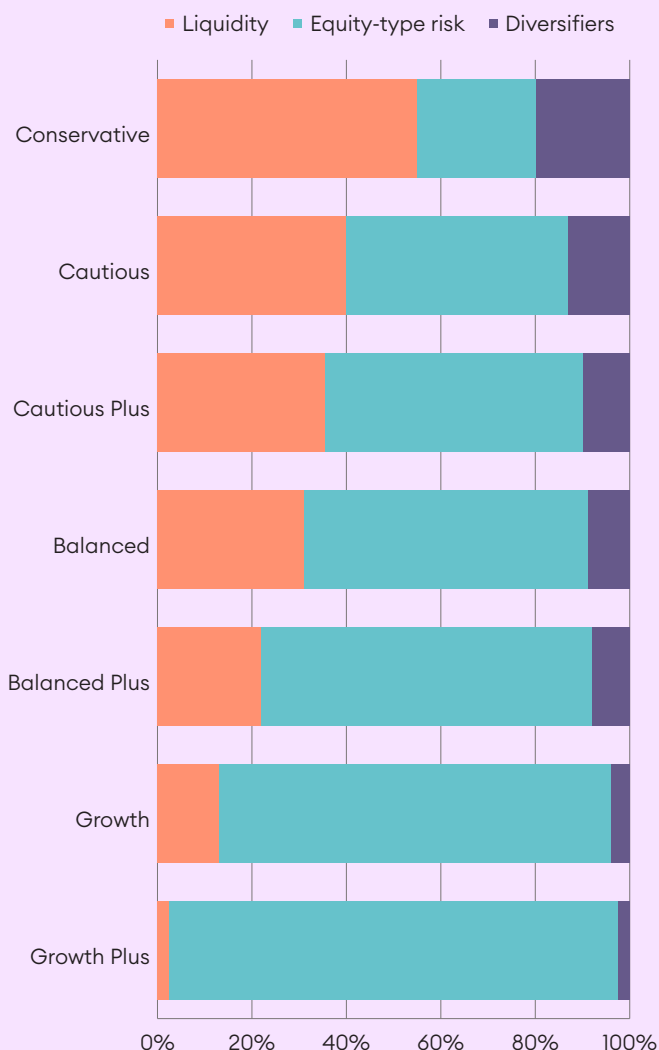
## Ready to explore something different?

If you'd like to explore how our MPS could support your business, we'd be happy to talk. Simply follow the QR code below to get in touch.



## Inside the LED framework

Each portfolio in our MPS is built using a blend of three components: Liquidity, Equity-type risk and Diversifiers. The chart below shows how these elements are combined across our seven risk-rated portfolios. By managing the underlying funds in-house, we're able to apply the LED framework with greater precision – delivering efficient execution, reducing CGT events and helping to minimise disruption to client portfolios.



For contact details of your nearest office please visit [rathbones.com/about-us/our-offices](https://www.rathbones.com/about-us/our-offices)

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The Rathbones Model Portfolio Service is managed by Rathbones Investment Management Limited, while Rathbones Asset Management is responsible for managing the underlying building block funds. Both companies are part of Rathbones Group plc.

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