

TRANSFORMATIVE DEAL FOR RATHBONES CREATES THE UK'S LARGEST DISCRETIONARY WEALTH MANAGER

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OUR CLIENT BECOMES THE LARGEST DISCRETIONARY WEALTH MANAGER IN THE UK

£2BN

VALUE OF THE ENLARGED BUSINESS

£100BN

FUNDS UNDER MANAGEMENT AND ADMINISTRATION

Rathbones Group, a long-standing FTSE 250 client, agreed an all-share combination with Investec to buy its discretionary wealth management business. While the economic split post completion between Rathbones' existing shareholders and Investec in the enlarged Rathbones would be ~60:40, it was not practical for Rathbones, as a Main Market listed company, to grant a 40% voting interest to a single third party.

AG was challenged to create a structure that delivered the economic deal, but protected the position of other shareholders and maintained Rathbones' independence and control over its enlarged business. Investec's voting rights in Rathbones were limited to 29.9% - the rest of its economic value provided through the creation of a new class of non-voting shares. In formulating this structure, we navigated multiple discrete regulatory regimes, addressed institutional investors' expectations and gave strategic advice to Rathbones throughout.

We also laid the commercial and technological framework for Rathbones' integration of Investec's wealth business, the management of the key internal business relationships, and mutual co-operation with the retained Investec Group through a suite of commercial, collaboration and outsourcing agreements. Rathbones achieved a seismic, near doubling of its business, accommodating a significant, supportive shareholder, with the minimum of disruption. This is a truly transformative deal.

**ADDLESHAW
GODDARD**

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