RATHBONES

RATHBONE INCOME FUND

Task Force on Climate-Related Financial Disclosures Product Report

June 2024

Rathbones Asset Management

FUND OBJECTIVES AND COMMENTARY

Fund investment objective

We aim to deliver an annual income that is in line with or better than that of the FTSE All-Share Index over any rolling three-year period. We also aim to increase the income we pay you in line with the Consumer Price Index (CPI) measure of inflation over any rolling five-year period. We aim to generate a greater total return than the FTSE All-Share Index, after fees, over any five-year period. Total return means the return we receive from the value of our investments increasing (capital growth) plus the income we receive from our investments (dividend payments).

We use the FTSE All-Share Index as a target for our fund's return and the income we pay because we want to offer you a better income and higher returns than the UK stock market. Increasing your income payments at least in line with the CPI measure of inflation protects your future spending power.

We also compare our fund against the Investment Association (IA) UK Equity Income sector because the funds in it are similar to ours.

ALAN DOBBIE
Fund Manager

CARL STICK
Executive Director

Fund manager's commentary

The Rathbone Income Fund invests at least 80% in UK listed shares with the remainder in global shares, cash, short-term deposits and UK government debt. Due to the high weighting in equities (which as an asset class has a greater risk than either bonds or money market instruments) the fund sits at the high end of the risk/reward spectrum.

Our investment process is centred upon the assessment of the three key risks, business, financial and price, that we argue are inherent in any investment. While we stress that this fund is not an ESG fund, we do analyse ESG risks, including the impact of climate change, as part of this framework. We assess all of our investments, referencing data providers such as MSCI (who inform on relative risk within individual industry sectors) and Sustainalytics, who examine absolute risk.

For both the orderly and disorderly scenarios the climate value-at-risk is high as some of the companies the fund is invested in are exposed to high emission industries such as the energy sector. Some companies held within the fund are also more likely to be negatively impacted by a faster climate transition as they will need to accelerate their strategies towards a lower carbon future. Companies are regularly reviewed, and their low carbon transition plans are taken into account as part of evaluating their risk profile.

In terms of the equity allocation the fund has exposure to the energy sector as part of its investment strategy. This increases the funds climate value-at-risk. The fund also invests in companies that have exposure to low carbon technologies, products and services that form part of the climate transition. This lowers its climate value-at-risk.

CARBON METRICS

The purpose of this report is to provide you with a summary of the possible impact of climate change, both the risks and opportunities, on the securities held within the fund. For the purposes of comparison, we calculate the same metrics for the fund's benchmark using MSCI data. Reporting period 1st January 2023 to 31st December 2023. Calculation date 31st December 2023.

Rathbones' approach to governance, strategy, risk management and Group / Entity level metrics can be found in the Group / Entity TCFD report. A glossary of terms used in this document can be found here - https://www.rathbones.com/ri-glossary. The value of investments may increase or decrease due to the impact of climate change. Rathbones believes that there is sufficient data coverage to rely on these figures.

WEIGHTED AVERAGE CARBON INTENSITY (WACI)

The carbon intensity of the fund weighted by the amount invested in each company, which serve as a measurement of emissions performance of the fund (for Scope 1+ Scope 2).
This is calculated in tonnes CO_2e divided by £M sales.

Fund	Benchmark
105.6	**108.4**
Tonnes CO_2e/£M sales	**Tonnes CO_2e/£M sales**
Data coverage: 96%	Benchmark name: FTSE All-Share Index Benchmark Data coverage: 93%

TOTAL CARBON FOOTPRINT

The total carbon emissions of the fund divided by the total value of the fund. This is calculated in tonnes CO_2e divided per £M invested.

Fund	Benchmark
65.2	**87.4**
Tonnes CO_2e/£M invested	**Tonnes CO_2e/£M invested**
Data coverage: 96%	Benchmark name: FTSE All-Share Index Benchmark Data coverage: 93%

SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

The sum of the total operational emissions from securities within the fund. This is calculated in tonnes CO_2e.

Fund	Benchmark
43,023	**57,656**
Tonnes CO_2e	**Tonnes CO_2e**
Data coverage: 96%	Benchmark name: FTSE All-Share Index* Benchmark Data coverage: 93%

SCOPE 3 GREENHOUSE GAS EMISSIONS

The total indirect emissions that the fund is responsible for, within its value chain, including: employee travel, waste disposal, leased assets and franchises.

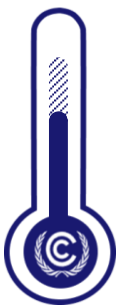
Fund	Benchmark
627,930	**637,154**
Tonnes CO_2e	**Tonnes CO_2e**
Data coverage: 96%	Benchmark name: FTSE All-Share Index* Benchmark Data coverage: 93%

* Benchmark data scaled to match AUM of fund

IMPLIED TEMPERATURE RISE

IMPLIED TEMPERATURE RISE

The Implied Temperature Rise (ITR) is a forward-looking metric which provides an indication of how well the fund aligns with the ambitions of the Paris Agreement calculated in degrees Celsius.



1.7°C

Income Fund

1.5 - 2°C

Paris agreement target

HOW DO THESE SCENARIOS ALIGN TO PARIS AGREEMENT COMMITMENTS?

The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping the global temperature rise this century to well below 2 degrees Celsius above pre-industrial levels.

SCENARIO ANALYSIS

Climate value-at-risk attempts to assess the potential financial loss or gain from the fund as a result of climate change, including the impact of: climate policy; new technology opportunities; physical risks.

The 3 scenarios of climate change which we have assessed shows how a global temperature increase of between 1.5C° and 3°C by 2100 may impact the fund. We calculate these using the Network for Greening the Financial System (NGFS) REMIND model, accessed through MSCI.

	ORDERLY TRANSITION	DISORDERLY TRANSITION	HOT HOUSE WORLD
Global temperature rise	+ 1.5°C	+ 1.5°C	+ 3.0°C
Application of climate policies	Climate policies are introduced and gradually become more stringent	Climate policies are delayed or inconsistent across countries	Global efforts are insufficient to halt significant global warming
Income Fund Climate value-at-risk (Data coverage: 96%)	-14.3%	-17.5%	-6.0%
Benchmark (FTSE All-Share Index) Climate value-at-risk (Data coverage: 94%)	-16.2%	-18.0%	-6.1%
Climate scenarios Climate scenario analysis helps us understand the implications of possible climate scenarios on our investment portfolio, and the resilience of our investment strategies in the transition to a net zero economy. Our approach to scenario analysis involves assessing the exposure of our equity and corporate bonds holdings by applying MSCI's Climate Value-at-Risk methodology.	Orderly scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.	Disorderly scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors. For example, carbon prices would have to increase abruptly after a period of delay.	Hot house world scenarios assume that some climate policies are implemented in some jurisdictions, but globally efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts like sea-level rise.

ADDITIONAL INFORMATION

This is a financial promotion relating to a particular fund. Any views and opinions are those of the investment manager, and coverage of any assets held must be taken in the context of the constitution of the fund and in no way reflects an investment recommendation.

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.

Use of MSCI data to calculate our investment metrics: This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although Rathbones Group Plc's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose.

Information valid at date of presentation.

Tax regimes, bases and reliefs may change in the future.

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