

Rathbones

Look forward

# Rathbone Income Fund

Annual report for the year ended 30 September 2023



# Contents

Directory	2
Investment objective and policy	3
Investment report	4
Net asset value per unit and comparative tables	7
Risk and reward profile	13
Discrete annual performance	13
Portfolio and net other assets	14
Summary of portfolio investments	16
Statement of total return	17
Statement of change in net assets attributable to unitholders	17
Balance sheet	18
Notes to the financial statements	19
Distribution tables	30
Directors' statement	32
Statement of the Manager's responsibilities	33
Statement of the Trustee's responsibilities	34
Independent Auditor's Report	35
General information	38

# Rathbone Income Fund

## Authorised Fund Manager (the Manager)

Rathbones Asset Management Limited  
8 Finsbury Circus  
London EC2M 7AZ  
Telephone 020 7399 0399

**A member of the Rathbones Group**

**Authorised and regulated by the  
Financial Conduct Authority and member  
of The Investment Association**

Effective 30 November 2023, Rathbone Unit Trust Management Limited changed its name to Rathbones Asset Management Limited.

## Dealing office

SS&C Financial Services Europe Limited  
SS&C House  
St Nicholas Lane  
Basildon  
Essex SS15 5FS  
Telephone 0330 123 3810  
Facsimile 0330 123 3812

## Registrar

SS&C Financial Services International Limited  
SS&C House  
St Nicholas Lane  
Basildon  
Essex SS15 5FS  
Telephone 0330 123 3810  
Facsimile 0330 123 3812  
**Authorised and regulated by the  
Financial Conduct Authority**

## Independent Auditor

Deloitte LLP  
Statutory Auditor  
110 Queen Street  
Glasgow G1 3BX

## Directors of the Manager

**RP Stockton** – Chairman  
(resigned 1 December 2023)  
**MM Webb** – Chief Executive Officer  
(resigned 1 December 2023)  
**T Carroll** – Chief Investment Officer  
**E Renals** – Chief Operating Officer  
(appointed 3 July 2023)  
**JA Rogers** – Chief Distribution Officer  
(appointed 1 December 2023)  
**JM Ardouin** – Finance Director  
(resigned 14 March 2023)  
**MS Warren** – Non-Executive Director  
**J Lowe** – Non-Executive Director

## Administrator

HSBC Securities Services  
1-2 Lochside Way  
Edinburgh Park  
Edinburgh EH12 9DT  
**Authorised and regulated by the  
Financial Conduct Authority**

## Trustee

NatWest Trustee and Depository Services Limited  
250 Bishopsgate  
London EC2M 4AA  
**Authorised and regulated by the  
Financial Conduct Authority**

# Investment objective and policy

## Investment objective

The objective of the fund is 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.

The fund also aims to increase income payments in line with the CPI measure of inflation over any rolling five-year period. The fund aims to generate a greater total return than the FTSE All-Share Index, after fees, over any five-year period. There is no guarantee that this investment objective will be achieved over five years, or any other time period.

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.

## Investment strategy

To meet the objective, the fund manager will invest at least 80% of our fund in UK-listed shares, with the remainder in global shares, cash, short-term deposits and UK government debt.

Derivatives may be used by the fund for the purposes of efficient portfolio management and hedging.

The manager may use all investment powers as permitted by the prospectus, outside the ranges described above, to ensure the fund is managed in the best interest of investors in times of market irregularities or stress.

The fund may invest at the fund manager's discretion in other transferable securities, money market instruments, warrants, cash and near cash and deposits and units in collective investment schemes. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted by the FCA Rules.

## Investment policy

This is a stock-picking fund, which means we invest in a small number of UK-listed stocks. We invest in businesses which offer the best investment opportunities at the most attractive prices.

When choosing investments we use our own trinity of risk framework: price, business and financial. We look for businesses that offer good value and make strong and consistent profits with high quality earnings – those that are backed by real cash rather than accounting contrivance. Companies shouldn't have more debt than they can handle.

We buy these companies because we believe they should grow generate good earnings backed by cash over many years. A healthy cash flow gives companies the flexibility to repay debts, reinvest in their businesses, and pay a dividend that increases over time.

# Investment report for the year ended 30 September 2023

## Performance

One year ago, in our previous annual report, we remarked upon a difficult 12-month period, with good relative performance (that is, we did better than our peers, but lagged the broader market) but negative returns (the value of your units went down). By contrast, the story of this year has been more positive in every sense. The Rathbone Income Fund (I-class units) has achieved a total return of 14.0%, which is marginally ahead of the benchmark FTSE All-Share Index, up 13.8%, and the IA Equity Income sector, up 13.6%. This has, however, been a year of two halves. In the six months since our interim report, progress has been less exhilarating, with our fund up 0.6%, matching the sector, but lagging the FTSE All-Share, which crept up 1.4%. We are pleased to declare a final distribution (per institutional income unit) of 28.83p, an increase of 6.8% on the same period last year. This would also lead to a total distribution for the year of 43.83p, an increase of 4.8%.

The major contributors to performance, both positively and negatively, are an eclectic mix, and it is very difficult to spot any clear trends. Our experience has certainly been that the stock market has flip-flopped from one theme to another, very much reflecting the concern of the day. There's a danger that you're forever chasing your tail, reacting to yesterday's news, rather than staying focused on core disciplines. We do think we have achieved the latter, but that doesn't distract from what is a diverse set of stock-specific drivers of performance.

## Performance review

Games Workshop helped us most. This hybrid retailer, model manufacturer and storyteller and content provider had an outstanding start to the year, announcing a joint venture with Amazon to explore opportunities to leverage content from their Warhammer 40,000 intellectual property. This is still just a source of potential growth, but it has been backed up through the year with good operational performance within the core business.

The oil sector continues to be an area of strength. We expect the oil price, while fluctuating on account of the economic cycles at play, to remain stubbornly high. We attribute this view to three principal factors: geopolitical risk; price discipline by key suppliers such as OPEC; and a reduction in capital expenditure on the back of the net-zero agenda, implying structural supply constraints trumping any deterioration in demand. The price of oil jumped in the quarter (from a low at the start of July of \$74.65 a barrel, Brent peaked at \$96.55, just before the period-end), a leap which was reflected in the shares of the oil majors. And this benefited our fund, with BP being the second biggest overall contributor to performance.

Sadly, geopolitics, and more specifically war, continues to play a part. For the second year in a row, aerospace and defence giant BAE Systems contributed a strong positive return to the fund. As we have repeatedly argued, increased emphasis on defence spending means a higher percentage of developed nations' GDP will be directed towards the military, and BAE is a key beneficiary. Furthermore, BAE continues to deliver strong results on the back of exceptional operational performance.

We should also mention Dechra Pharmaceuticals. We held this veterinary pharmaceutical manufacturer and distributor for over two decades. In April came the announcement of the potential recommended offer for the business by Swedish buy-out group EQT. Although we were a little displeased by the deal, as we felt there was more value to be gleaned from the future growth potential of the business, we bowed to the inevitable and sold our shares, locking in some very good performance.

A similarly diverse mix of stocks weighed on the fund this past year. British American Tobacco (BATS) was disappointing, giving back the gains from the previous year. The traditional tobacco market is in long-term decline, which is why businesses like BATS have been trying to create next-generation products; but this market also throws up a whole new set of challenges. The US has been particularly challenging, in terms of both regulation and sales. The shares are cheap; the dividend is eye-wateringly high, and very well covered by earnings. BATS is also a defensive play that is appropriate to own given current market volatility.

We have been very positive on the pharmaceutical sector and have been advocates of building up a bigger position there, recognising growth and defensive attributes. However, Swiss pharmaceutical giant Roche has been a problem child, lagging the rest of the sector. For many years, the company's research and development capabilities were viewed as industry leading, but that reputation has diminished over recent years. We don't think they've done much wrong this year, it's just that others, such as AstraZeneca, GSK, and Novartis, that we own in the fund, as well as headline grabbers such as Novo Nordisk and Eli Lilly, have done so much better. We expect Roche to improve, but for the moment it is our smallest play in the sector.

One final stock we should mention is OSB Group, the lender to professional buy-to-let landlords. Its travails are complicated, but in brief, OSB calculates the worth of a mortgage based upon the term of the fixed rate and the length of time they expect customers to stay on the standard variable rate before refixing. The rapid rise in rates has meant that more customers have refixed earlier than they might otherwise have done, impacting the profits they traditionally make on any delay. The shares have been very weak through the summer on the back of this news.

### **Portfolio activity**

We have been in more defensive mode this year. Having tilted the fund towards more economically sensitive sectors, representing what is often described as more 'value', we have now rebalanced towards businesses that are regarded as being more defensive or higher quality. By this, we mean we are perhaps willing to pay an attractive price for businesses whose earnings are more predictable and sustainable, recognising greater anxiety in global markets – more on this later.

Three of our biggest purchases recognise this shift. We have bought new holdings in consumer staples giant Unilever and global pharmaceutical business GSK as well as adding to the UK and North American utility company National Grid. We sold Unilever back in 2021, but recent share price weakness and a change of leadership have encouraged us to make a re-introduce the shares into the fund. The GSK purchase is part of a broader consolidation of our healthcare exposure.

But the moves have not been all defensive. We have added to the Australian mining company BHP, aware that we want to maintain adequate exposure to the broader commodity space. We have also been buying Vesuvius, a business that provides innovative flow control and metal processing technologies into the global steel market, as well as to the foundries that are the next stage along in any fabrication process. These days, steel is an industry that involves massive innovation. The value is in the complexity of the finished product, technology is the driver, and profitability is determined by a focus on the least commoditised areas of the market. Hence, Vesuvius spends a lot of money on research and development, more than twice the amount of their closest rival. This investment is a key competitive advantage.

Key sales are very straightforward. We sold mining conglomerate Glencore for numerous reasons, including that its returning of cash through share repurchases does not help us with our dividend; alternatives like BHP are therefore more attractive. We also exited from Dechra, as mentioned in our commentary above. Our de-risking of the portfolio meant a reduction in our financial exposure, hence the sale of two multi-line insurance businesses, Aviva and Sampo. Finally, we took a little profit from our position in BP.

### **Market overview**

October is traditionally an anxious month for investors (for some, the scars of 19 October 1987 AKA Black Monday run deep). So it's concerning that investor confidence is beginning to wane. Now, the extent to which that confidence is justified is certainly up for debate – the S&P 500 has been driven higher by a diminishing coterie of high-tech giants, the 'Magnificent Seven', while the remainder of the market has lagged. It's inevitable that investors have crowded into these names, just trying to protect relative performance, and valuations tend to matter less when you *have* to own a stock, whatever the cost. However, this doesn't belie the fact that the S&P 500 is an expensive stock market.

The paradoxes now at play heighten the risks ahead. The assumption is that the Federal Reserve engineers a soft landing for the US economy, but that does not negate the possibility of a recession. Yet US earnings estimates for the next 12 months remain close to record highs. It's quite a leap of faith to expect earnings to keep growing in a recession. If optimistic forecasts fail to materialise, we could have a caustic mix of lowered numbers combined with lower ratings – which makes sense if growth is less. Inflationary pressures do seem to be dissipating, and yet the bond market is being pummelled, especially 10-year US Treasuries, a sure sign that the fixed income market is pricing in a recession. It's unusual to see equity and bond markets at such variance – either bond yields need to fall to justify equity valuations, or equities need to fall to reflect what the bond market is saying.

Is the UK different? No, to the extent that where the US goes, the rest of the world tends to follow. However, with UK valuations so low, we do have more than a fighting chance of outperformance because of where we're starting from. We may assume a recession is coming but hold out hope that the British version is mild. A turbulent domestic political environment augurs greater volatility ahead of a general election, but the flipside is we may have reached peak rates. What happens when we crest that particular hill? The lagged effect of all the tightening over the last 18 months or so remains to be seen, but we repeat, lowly valuations do provide a modicum of protection. It's better starting from this low in the value scale if the outlook become more challenging.

**Carl Stick**  
Fund Manager  
*19 October 2023*

**Alan Dobbie**  
Fund Manager

## Net asset value per unit and comparative tables

### R-class income units

	<b>30.09.23</b> pence per unit	30.09.22 pence per unit	30.09.21 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	753.53p	836.43p	681.96p
Return before operating charges*	108.31p	(31.66p)	201.87p
Operating charges	(12.86p)	(13.08p)	(12.36p)
Return after operating charges*	95.45p	(44.74p)	189.51p
Distributions on income units	(39.67p)	(38.16p)	(35.04p)
Closing net asset value per unit	809.31p	753.53p	836.43p
*after direct transaction costs <sup>1</sup> of:	1.02p	0.71p	0.88p

<sup>1</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

### Performance

Return after charges	12.67%	(5.35%)	27.79%
----------------------	--------	---------	--------

### Other information

Closing net asset value	£34,597,089	£51,648,061	£62,733,316
Closing number of units	4,274,878	6,854,127	7,500,164
Operating charges**	1.53%	1.53%	1.53%
Direct transaction costs	0.12%	0.08%	0.11%

### Prices\*\*\*

Highest unit price	895.71p	908.49p	883.85p
Lowest unit price	751.82p	778.32p	654.63p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.



## Net asset value per unit and comparative tables *(continued)*

### R-class accumulation units

	<b>30.09.23</b> pence per unit	30.09.22 pence per unit	30.09.21 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	1,569.63p	1,661.09p	1,298.66p
Return before operating charges*	225.67p	(65.27p)	386.14p
Operating charges	(26.97p)	(26.19p)	(23.71p)
Return after operating charges*	198.70p	(91.46p)	362.43p
Distributions on accumulation units	(83.45p)	(76.52p)	(67.37p)
Retained distributions on accumulation units	83.45p	76.52p	67.37p
Closing net asset value per unit	1,768.33p	1,569.63p	1,661.09p

\*after direct transaction costs<sup>1</sup> of: 2.14p      1.42p      1.68p

<sup>1</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

### Performance

Return after charges 12.66%      (5.51%)      27.91%

### Other information

Closing net asset value	£35,112,565	£49,850,919	£60,564,424
Closing number of units	1,985,636	3,175,971	3,646,058
Operating charges**	1.53%	1.53%	1.53%
Direct transaction costs	0.12%	0.08%	0.11%

### Prices\*\*\*

Highest unit price	1,865.80p	1,804.20p	1,711.00p
Lowest unit price	1,566.04p	1,570.81p	1,246.62p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

## Net asset value per unit and comparative tables *(continued)*

### I-class income units

	<b>30.09.23</b> pence per unit	30.09.22 pence per unit	30.09.21 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	828.60p	912.85p	738.64p
Return before operating charges*	119.17p	(35.09p)	219.18p
Operating charges	(7.22p)	(7.32p)	(6.86p)
Return after operating charges*	111.95p	(42.41p)	212.32p
Distributions on income units	(43.83p)	(41.84p)	(38.11p)
Closing net asset value per unit	896.72p	828.60p	912.85p
*after direct transaction costs <sup>1</sup> of:	1.13p	0.78p	0.95p

<sup>1</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

### Performance

Return after charges	13.51%	(4.65%)	28.74%
----------------------	--------	---------	--------

### Other information

Closing net asset value	£181,942,749	£180,876,590	£220,172,087
Closing number of units	20,289,852	21,829,078	24,119,084
Operating charges**	0.78%	0.78%	0.78%
Direct transaction costs	0.12%	0.08%	0.11%

### Prices\*\*\*

Highest unit price	987.76p	993.72p	964.32p
Lowest unit price	826.94p	856.24p	709.47p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

## Net asset value per unit and comparative tables *(continued)*

### I-class accumulation units

	<b>30.09.23</b> pence per unit	30.09.22 pence per unit	30.09.21 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	1,687.56p	1,772.54p	1,375.45p
Return before operating charges*	242.78p	(70.67p)	409.97p
Operating charges	(14.82p)	(14.31p)	(12.88p)
Return after operating charges*	227.96p	(84.98p)	397.09p
Distributions on accumulation units	(90.09p)	(82.01p)	(71.65p)
Retained distributions on accumulation units	90.09p	82.01p	71.65p
Closing net asset value per unit	1,915.52p	1,687.56p	1,772.54p

\*after direct transaction costs<sup>1</sup> of: 2.31p      1.52p      1.79p

<sup>1</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

### Performance

Return after charges 13.51%      (4.79%)      28.87%

### Other information

Closing net asset value	£249,704,905	£265,848,000	£310,014,886
Closing number of units	13,035,868	15,753,431	17,489,879
Operating charges**	0.78%	0.78%	0.78%
Direct transaction costs	0.12%	0.08%	0.11%

### Prices\*\*\*

Highest unit price	2,011.71p	1,929.56p	1,824.78p
Lowest unit price	1,684.15p	1,688.83p	1,321.12p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

## Net asset value per unit and comparative tables *(continued)*

### S-class income units

	<b>30.09.23</b> pence per unit	30.09.22 pence per unit	30.09.21 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	854.07p	938.45p	757.36p
Return before operating charges*	122.85p	(36.27p)	224.94p
Operating charges	(4.96p)	(5.03p)	(4.71p)
Return after operating charges*	117.89p	(41.30p)	220.23p
Distributions on income units	(45.25p)	(43.08p)	(39.14p)
Closing net asset value per unit	926.71p	854.07p	938.45p
*after direct transaction costs <sup>1</sup> of:	1.16p	0.80p	0.98p

<sup>1</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

### Performance

Return after charges	13.80%	(4.40%)	29.08%
----------------------	--------	---------	--------

### Other information

Closing net asset value	£80,066,970	£63,876,466	£75,814,263
Closing number of units	8,639,939	7,479,089	8,078,639
Operating charges**	0.52%	0.52%	0.52%
Direct transaction costs	0.12%	0.08%	0.11%

### Prices\*\*\*

Highest unit price	1,019.13p	1,022.38p	991.32p
Lowest unit price	852.43p	882.73p	727.61p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

## Net asset value per unit and comparative tables *(continued)*

### S-class accumulation units

	<b>30.09.23</b> pence per unit	30.09.22 pence per unit	30.09.21 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	1,725.97p	1,808.17p	1,399.46p
Return before operating charges*	248.36p	(72.44p)	417.48p
Operating charges	(10.10p)	(9.76p)	(8.77p)
Return after operating charges*	238.26p	(82.20p)	408.71p
Distributions on accumulation units	(92.29p)	(83.77p)	(73.01p)
Retained distributions on accumulation units	92.29p	83.77p	73.01p
Closing net asset value per unit	1,964.23p	1,725.97p	1,808.17p

\*after direct transaction costs<sup>1</sup> of: 2.37p      1.55p      1.82p

<sup>1</sup> Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

### Performance

Return after charges 13.80%      (4.55%)      29.20%

### Other information

Closing net asset value	£85,882,103	£67,919,363	£77,908,239
Closing number of units	4,372,299	3,935,145	4,308,672
Operating charges**	0.52%	0.52%	0.52%
Direct transaction costs	0.12%	0.08%	0.11%

### Prices\*\*\*

Highest unit price	2,059.54p	1,969.88p	1,861.11p
Lowest unit price	1,722.64p	1,727.27p	1,344.47p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

## Risk and reward profile

### Risk and reward profile as published in the fund's most recent Key Investor Information Document



Lower potential risk/reward  
(Not risk-free)

Higher potential risk/reward

This indicator is a measure of the fund's past volatility (the extent and rapidity of up-and-down movements of the value of an investment). It may not be a reliable indication of the fund's future risk. The risk category shown is not a target or a guarantee and may change over time.

## Discrete annual performance

### Quarter ending 30 September 2023

	2019	2020	2021	2022	2023
R-class units	1.80%	-18.08%	28.41%	-5.98%	13.17%
I-class units	2.54%	-17.46%	29.38%	-5.27%	14.02%
S-class units	2.80%	-17.24%	29.71%	-5.02%	14.32%
FTSE All Share Index	2.68%	-16.59%	27.90%	-4.00%	13.84%

Source performance data FE fundinfo, price performance based upon bid to bid prior to 21.01.19 and single price (mid) thereafter, net income re-invested.

Past performance should not be seen as an indication of future performance.

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.

## Portfolio and net other assets as at 30 September 2023

Holding (Ordinary shares unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Oil and Gas</b> (30.09.22: 10.29%)		
5,000,000 BP	26,570,000	3.98
1,100,000 Shell	28,666,000	4.29
	<b>55,236,000</b>	<b>8.27</b>
<b>Mining</b> (30.09.22: 7.31%)		
700,000 BHP	16,376,500	2.45
410,000 Rio Tinto	21,213,400	3.18
	<b>37,589,900</b>	<b>5.63</b>
<b>Aerospace and Defence</b> (30.09.22: 4.18%)		
2,500,000 BAE Systems	24,940,000	3.74
<b>Industrial Engineering</b> (30.09.22: 3.30%)		
300,000 DCC	13,827,000	2.07
<b>Construction and Materials</b> (30.09.22: 1.58%)		
400,000 Bellway	9,128,000	1.37
225,043 Redrow	1,113,513	0.17
	<b>10,241,513</b>	<b>1.54</b>
<b>Real Estate</b> (30.09.22: 1.75%)		
1,400,000 Big Yellow	13,139,000	1.97
<b>Support Services</b> (30.09.22: 7.53%)		
160,000 Ashtead	8,003,200	1.20
500,000 Experian	13,455,000	2.02
6,400,000 Hays	6,988,800	1.05
2,100,000 Page	8,803,200	1.32
	<b>37,250,200</b>	<b>5.59</b>
<b>Household Goods</b> (30.09.22: 5.58%)		
850,000 Persimmon	9,158,750	1.37
350,000 Reckitt Benckiser	20,272,000	3.04
8,500,000 Taylor Wimpey	9,970,500	1.49
	<b>39,401,250</b>	<b>5.90</b>
<b>Tobacco</b> (30.09.22: 7.08%)		
600,000 Altria	20,671,009	3.10
820,000 British American Tobacco	21,127,300	3.17
	<b>41,798,309</b>	<b>6.27</b>

## Portfolio and net other assets as at 30 September 2023 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Consumer Goods</b> (30.09.22: 0.00%)		
500,000 Unilever	<b>20,307,500</b>	<b>3.04</b>
<b>Pharmaceuticals and Biotechnology</b> (30.09.22: 7.86%)		
270,000 AstraZeneca	29,970,000	4.49
1,400,000 GSK	20,885,200	3.13
135,000 Novartis	11,349,557	1.70
30,000 Roche	6,727,813	1.01
	<b>68,932,570</b>	<b>10.33</b>
<b>Food Producers</b> (30.09.22: 0.00%)		
86,000 Ingredion	<b>6,930,449</b>	<b>1.04</b>
<b>General Retailers</b> (30.09.22: 1.84%)		
2,500,000 B&M European Value Retail	14,660,000	2.20
5,500,000 Halfords	10,901,000	1.63
	<b>25,561,000</b>	<b>3.83</b>
<b>Software &amp; Computer Services</b> (30.09.22: 0.00%)		
300,000 Computacenter	<b>7,590,000</b>	<b>1.14</b>
<b>Media</b> (30.09.22: 5.51%)		
800,000 RELX	22,200,000	3.33
2,500,000 WPP	18,325,000	2.75
	<b>40,525,000</b>	<b>6.08</b>
<b>Electricity</b> (30.09.22: 2.92%)		
1,500,000 SSE	<b>24,142,500</b>	<b>3.62</b>
<b>Gas, Water and Multiutilities</b> (30.09.22: 2.33%)		
2,500,000 National Grid	<b>24,500,000</b>	<b>3.67</b>
<b>Banks</b> (30.09.22: 10.58%)		
1,600,000 Close Brothers	14,176,000	2.12
50,000,000 Lloyds Banking	22,185,000	3.32
7,000,000 NatWest	16,492,000	2.47
	<b>52,853,000</b>	<b>7.91</b>
<b>Non-Life Insurance</b> (30.09.22: 1.71%)		
1,320,000 Hiscox	<b>13,266,000</b>	<b>1.99</b>



## Portfolio and net other assets as at 30 September 2023 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>General Financial</b> (30.09.22: 8.66%)		
9,000,000 Legal & General	<b>20,025,000</b>	<b>3.00</b>
<b>Travel &amp; Leisure</b> (30.09.22: 0.00%)		
650,000 Compass	<b>13,000,000</b>	<b>1.95</b>
<b>General Industrials</b> (30.09.22: 2.03%)		
390,000 Smurfit Kappa	10,639,200	1.59
3,794,671 Vesuvius	16,476,461	2.47
	<b>27,115,661</b>	<b>4.06</b>
<b>Leisure Goods</b> (30.09.22: 1.36%)		
130,000 Games Workshop	<b>13,728,000</b>	<b>2.06</b>
<b>Financials</b> (30.09.22: 1.42%)		
1,000,000 IG	6,430,000	0.96
2,300,000 One Savings Bank	7,530,200	1.13
	<b>13,960,200</b>	<b>2.09</b>
<b>Total value of investments</b> (30.09.22: 95.72%)	645,860,052	96.79
<b>Net other assets</b> (30.09.22: 4.28%)	21,446,329	3.21
<b>Total value of the fund as at 30 September 2023</b>	<b>667,306,381</b>	<b>100.00</b>

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Sectors eliminated since the beginning of the period:

Beverages 0.90%

## Statement of total return for the year ended 30 September 2023

	Note	30.09.23 £	30.09.23 £	30.09.22 £	30.09.22 £
<b>Income</b>					
Net capital gains/(losses)	3		<b>61,376,861</b>		(61,072,343)
Revenue	4	<b>35,126,608</b>		35,454,409	
Expenses	5	<b>(6,053,090)</b>		(6,649,774)	
Net revenue before taxation		<b>29,073,518</b>		28,804,635	
Taxation	6	<b>(512,991)</b>		(375,616)	
Net revenue after taxation			<b>28,560,527</b>		28,429,019
<b>Total return/(deficit) before distributions</b>			<b>89,937,388</b>		(32,643,324)
Distributions	7		<b>(34,320,621)</b>		(34,942,419)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>55,616,767</b>		(67,585,743)

## Statement of change in net assets attributable to unitholders for the year ended 30 September 2023

	30.09.23 £	30.09.23 £	30.09.22 £	30.09.22 £
<b>Opening net assets attributable to unitholders</b>		<b>680,019,399</b>		807,207,215
Amounts receivable on issue of units	<b>13,495,430</b>		16,896,734	
Amounts payable on cancellation of units	<b>(99,878,898)</b>		(95,380,487)	
		<b>(86,383,468)</b>		(78,483,753)
Change in net assets attributable to unitholders from investment activities (see Statement of total return above)		<b>55,616,767</b>		(67,585,743)
Retained distributions on accumulation units		<b>18,042,628</b>		18,867,238
Unclaimed distributions		<b>11,055</b>		14,442
<b>Closing net assets attributable to unitholders</b>		<b>667,306,381</b>		680,019,399

## Balance sheet as at 30 September 2023

	Note	30.09.23 £	30.09.23 £	30.09.22 £	30.09.22 £
<b>Assets</b>					
<b>Fixed assets:</b>					
Investments			<b>645,860,052</b>		650,898,486
<b>Current assets:</b>					
Debtors	8	<b>5,861,596</b>		4,184,569	
Cash and bank balances		<b>32,804,960</b>		36,043,881	
<b>Total current assets</b>			<b>38,666,556</b>		40,228,450
<b>Total assets</b>			<b>684,526,608</b>		691,126,936
<b>Liabilities</b>					
<b>Creditors:</b>					
Other creditors	9	<b>(7,683,867)</b>		(1,463,025)	
Distribution payable on income units		<b>(9,536,360)</b>		(9,644,512)	
<b>Total liabilities</b>			<b>(17,220,227)</b>		(11,107,537)
<b>Net assets attributable to unitholders</b>			<b>667,306,381</b>		680,019,399

# Notes to the financial statements

## 1 Accounting policies

### a) Basis of accounting

The annual financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by The Investment Association in May 2014, and as amended in June 2017.

As stated in the Statement of the Manager's responsibilities in relation to the report and accounts of the Company on page 33, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the fund.

There are no significant judgments or sources of estimation uncertainty.

### b) Recognition of revenue

All dividends on investments marked ex-dividend up to the accounting date are included in revenue inclusive of any tax deducted at source and net of attributable tax credits. Bank and other interest receivable is accrued up to the accounting date, and this forms part of the distribution.

### c) Treatment of scrip and special dividends

Any stock received in lieu of cash dividends is credited to capital in the first instance, followed by a transfer to revenue of the cash equivalent being offered, and this forms part of the distribution made by the fund.

Special dividends are treated as revenue or capital depending on the facts of each particular case.

### d) Treatment of expenses

All expenses (other than direct costs of purchase and sale of investments) are charged against revenue.

### e) Basis of valuation of investments

The quoted investments of the fund have been valued at the closing bid-market prices excluding any accrued interest in the case of debt securities ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year. If no market price is available we use two different vendors (at least one being independent) to obtain a price and verify it against.

If the Stock Exchange quotation of an investment has been suspended, and in the opinion of the Manager, it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are value based on the latest financial statements of the respective company and agreed with the Trustee.

All assets are recognised and derecognised on trade date. Any trades occurring between valuation point and close of business are included in the financial statements.

### f) Exchange rates

The functional currency of the fund is pound sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting year are translated into Sterling at the closing mid exchange rates ruling on that date.

### g) Taxation/Deferred Tax

i) Corporation tax is provided for at 20% on taxable revenue, after deduction of expenses.

ii) Where overseas tax has been deducted from taxable overseas revenue, that tax can, in some instances, be set off against the corporation tax payable by the fund, by way of double taxation relief.

iii) The charge for deferred tax is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax assets can be offset. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

## 1 Accounting policies *(continued)*

### h) Unit classes rights on termination, allocation of tax and distributable income

The fund may be terminated if an order declaring the fund to be an authorised unit trust scheme is revoked, or the Financial Conduct Authority (FCA) determines to revoke the order at the request of the Trustee or the Manager. In the case of a reconstruction or an amalgamation of the fund with another body or trust, on the passing of an extraordinary resolution of holders of units approving the amalgamation. The Trustee shall wind up the fund in accordance with that resolution.

On the termination of the fund in any other case, the Trustee shall sell the investments, and out of the proceeds of the sale shall settle the fund's liabilities and pay the costs and expenses of the winding up before distributing the proceeds of the realisation to unitholders and the Manager proportionally to their respective interests in the fund. Any unclaimed proceeds or cash held by the Trustee after the expiration of 12 months from the date on which the same became payable shall be paid by the Trustee into court subject to the Trustee having a right to retain any expenses incurred by it in making such payment into court.

On the completion of the winding-up the trustee must notify the FCA to revoke the relevant authorisation order.

Allocation of tax and distributable income is done proportionally to the unitholders respective interests in the fund.

## 2 Distribution policy

Revenue arising from the fund's investments accumulates during each accounting period. If, at the end of the accounting period, revenue exceeds expenses, the net revenue of the fund is available to be distributed to unitholders.

For the purpose of calculating the distribution available to unitholders, the Manager's charge (net of any tax relief) is deducted from capital, offsetting expenses against capital may constrain future growth in revenue and capital.

A reconciliation of the net distribution to the net revenue of the fund as reported total return is shown in Note 7.

In order to conduct a controlled dividend flow to unitholders, interim distributions will be made at the Managers' discretion, up to a maximum of the distributable revenue available for the year. All remaining revenue is distributed in accordance with the regulations.

Distributions remaining unclaimed after 6 years are paid into the fund as part of the capital property.

There may be instances where marginal tax relief is due to/from revenue for the utilisation of allowable expenses.

## Notes to the financial statements *(continued)*

### 3 Net capital gains/(losses)

	30.09.23	30.09.22
	£	£
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	<b>61,431,685</b>	(63,641,393)
Capital special dividends	<b>69,439</b>	2,577,329
Currency losses	<b>(123,144)</b>	(7,167)
Transaction charges	<b>(1,119)</b>	(1,112)
Net capital gains/(losses)	<b>61,376,861</b>	(61,072,343)

### 4 Revenue

	30.09.23	30.09.22
	£	£
Dividends – UK Ordinary	<b>27,440,870</b>	28,550,590
– Overseas	<b>6,097,974</b>	6,217,843
– Property income distributions	<b>312,200</b>	467,350
Bank interest	<b>1,275,564</b>	218,626
Total revenue	<b>35,126,608</b>	35,454,409

### 5 Expenses

	30.09.23	30.09.23	30.09.22	30.09.22
	£	£	£	£
Payable to the Manager, associates of the Manager and agents of either of them:				
Manager's periodic charge		<b>5,825,788</b>		6,406,888
Payable to the Trustee, associates of the Trustee and agents of either of them:				
Trustee's fees	<b>90,407</b>		114,855	
Safe custody and other bank charges	<b>61,819</b>		65,136	
		<b>152,226</b>		179,991
Other expenses:				
Administration fees	<b>6,707</b>		6,747	
Audit fee*	<b>12,600</b>		11,040	
Listing fee	–		(7,070)	
Printing and publication costs	<b>2,678</b>		2,598	
Registration fees	<b>53,091</b>		49,580	
		<b>75,076</b>		62,895
Total expenses		<b>6,053,090</b>		6,649,774

\* Audit fees for 2023 are £10,500 excluding VAT (30.09.22: £9,850 excluding VAT).

## 6 Taxation

	30.09.23 £	30.09.22 £
a) Analysis of charge in the year		
Irrecoverable overseas tax	<b>512,991</b>	375,616
Total tax charge for the year (note 5b)	<b>512,991</b>	375,616

### b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Authorised Unit Trust (20%) (30.09.22: 20%). The differences are explained below.

	30.09.23 £	30.09.22 £
Net revenue before taxation	<b>29,073,518</b>	28,804,635
Corporation tax at 20%	<b>5,814,704</b>	5,760,927
Effects of:		
Revenue not subject to taxation	<b>(6,707,769)</b>	(6,953,687)
Current year expenses not utilised	<b>893,065</b>	1,192,760
Corporate tax charge	–	–
Irrecoverable overseas tax	<b>512,991</b>	375,616
Total tax charge for the year (note 5a)	<b>512,991</b>	375,616

### c) Deferred tax

At the year end the fund had surplus management expenses of £163,488,227 (30.09.22: £159,022,901). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £32,697,645 (30.09.22: £31,804,580) has not been recognised in the financial statements.

## 7 Distributions

The distributions take account of amounts received on the issue of units and amounts deducted on the cancellation of units, and comprise:

	<b>30.09.23</b>	30.09.22
	<b>£</b>	<b>£</b>
Interim	<b>10,695,431</b>	11,564,310
Final	<b>22,018,405</b>	22,516,750
	<b>32,713,836</b>	34,081,060
Add: Amounts deducted on cancellation of units	<b>1,767,976</b>	1,077,678
Deduct: Amounts received on issue of units	<b>(161,191)</b>	(216,319)
Net distribution for the year	<b>34,320,621</b>	34,942,419

### Reconciliation of net distribution for the year to net revenue after tax:

Net distribution for the year	<b>34,320,621</b>	34,942,419
Expenses charged to capital:		
Administration fees	<b>(6,707)</b>	(6,747)
Audit fee	<b>(12,600)</b>	(11,040)
Listing fee	—	7,070
Manager's periodic charge	<b>(5,825,788)</b>	(6,406,888)
Printing and publication costs	<b>(2,678)</b>	(2,598)
Registration fees	<b>(53,091)</b>	(49,580)
Safe custody and other bank charges	<b>(61,819)</b>	(65,136)
Trustee's fees	<b>(90,407)</b>	(114,855)
Equalisation on conversions	<b>(24,321)</b>	16
Tax relief on expenses	<b>317,553</b>	137,195
Balance brought forward	<b>(2,611)</b>	(3,448)
Balance carried forward	<b>2,375</b>	2,611
Net revenue after taxation	<b>28,560,527</b>	28,429,019

## 8 Debtors

	<b>30.09.23</b>	30.09.22
	<b>£</b>	<b>£</b>
Amounts receivable for issue of units	<b>19,847</b>	184,215
Sales awaiting settlement	<b>1,368,031</b>	—
Accrued revenue	<b>2,495,697</b>	2,192,712
Taxation recoverable	<b>1,978,021</b>	1,807,642
Total debtors	<b>5,861,596</b>	4,184,569



## 9 Other creditors

	30.09.23 £	30.09.22 £
Amounts payable for cancellation of units	2,345,377	922,175
Purchases awaiting settlement	4,750,958	(8)
Accrued expenses	159,263	50,754
Accrued manager's periodic charge	428,269	490,104
<b>Total other creditors</b>	<b>7,683,867</b>	<b>1,463,025</b>

## 10 Reconciliation of units

	R-class income	R-class accumulation	I-class income	I-class accumulation
Opening units issued at 01.10.22	6,854,127	3,175,971	21,829,078	15,753,431
Unit movements 01.10.22 to 30.09.23				
Units issued	193,455	63,219	460,311	196,504
Units cancelled	(736,325)	(349,933)	(2,058,640)	(2,919,998)
Units converted	(2,036,379)	(903,621)	59,103	5,931
<b>Closing units issued at 30.09.23</b>	<b>4,274,878</b>	<b>1,985,636</b>	<b>20,289,852</b>	<b>13,035,868</b>

	S-class income	S-class accumulation
Opening units issued at 01.10.22	7,479,089	3,935,145
Unit movements 01.10.22 to 30.09.23		
Units issued	140,668	78,939
Units cancelled	(698,226)	(453,580)
Units converted	1,718,408	811,795
<b>Closing units issued at 30.09.23</b>	<b>8,639,939</b>	<b>4,372,299</b>

## 11 Related party transactions

Management fees paid to Rathbones Asset Management Limited (the Manager) are disclosed in note 5 and amounts outstanding at the year end in note 9.

Details of units created and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and note 7.

There were no commissions paid to stockbroking of the Manager in respect of dealings in the investments of Rathbone Income Fund during the year (30.09.22: nil).

All other amounts paid to or received from the related parties, together with the outstanding balances are disclosed in the financial statements.

At the year end there were no significant unitholders (30.09.22: nil).

## 12 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30.09.22: nil).

## 13 Risk disclosures on financial instruments

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for liquidations and debtors for accrued revenue.

There is little exposure to credit or cash flow risk. There are no net borrowings and little exposure to liquidity risk because assets can be readily realised to meet redemptions.

The fund does not make use of derivatives.

The main risks arising from the financial instruments are:

(i) **Foreign currency risk**, being the risk that the value of assets and liabilities will fluctuate as a result of exchange rate movements. The value of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated rates.

The table below shows the foreign currency risk profile at the balance sheet date:

	<b>30.09.23</b>	30.09.22
	<b>£</b>	£
Currency:		
Danish krone	<b>76,775</b>	77,898
Euro	<b>864,401</b>	26,140,504
Swiss franc	<b>19,227,547</b>	19,147,806
US dollar	<b>28,192,845</b>	22,138,673
Pound sterling	<b>616,966,792</b>	610,706,876
	<b>665,328,360</b>	678,211,757
Other net assets not categorised as financial instruments	<b>1,978,021</b>	1,807,642
Net assets	<b>667,306,381</b>	680,019,399

If GBP to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the fund would have decreased by £4,396,506 (30.09.22: £6,136,807). If GBP to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the fund would have increased by £5,373,508 (30.09.22: £7,500,542). These calculations assume all other variables remain constant.

**13 Risk disclosures on financial instruments** *(continued)*

(ii) **Interest rate risk**, being the risk that the value of investments will fluctuate as a result of interest rate changes.

The table below shows the interest rate risk profile at the balance sheet date:

	<b>30.09.23</b>	30.09.22
	<b>£</b>	£
Floating rate assets:		
Euro	—	234
Pound sterling	<b>32,804,960</b>	36,043,647
	<b>32,804,960</b>	36,043,881
Assets on which no interest is paid:		
Danish krone	<b>76,775</b>	77,898
Euro	<b>864,401</b>	26,140,270
Swiss franc	<b>19,227,547</b>	19,147,806
US dollar	<b>28,192,845</b>	22,138,673
Pound sterling	<b>601,382,059</b>	585,770,766
	<b>649,743,627</b>	653,275,413
Liabilities on which no interest is paid:		
Pound sterling	<b>(17,220,227)</b>	(11,107,537)
	<b>(17,220,227)</b>	(11,107,537)
Other net assets not categorised as financial instruments	<b>1,978,021</b>	1,807,642
Net assets	<b>667,306,381</b>	680,019,399

Due to the proportion of interest bearing assets held within the portfolio, no sensitivity analysis has been prepared illustrating the impact changes in yields would have on the value of the fund's portfolio.

The floating rate financial assets and liabilities comprise bank balances, that earn or pay interest at rates linked to the UK base rate or its international equivalents.

There are no material amounts of non-interest bearing financial assets and liabilities, other than equities and collective investment schemes, which do not have maturity dates.

(iii) **Market price risk**, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than currency or interest rate movements.

The investment portfolio is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objective and policy set out in the Prospectus. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed and Prospectus and the rules of the FCA's Collective Investment Scheme Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices had increased by 10% as at the balance sheet date the net asset value of the fund would have increased by £64,586,005 (30.09.22: £65,089,849). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £64,586,005 (30.09.22: £65,089,849). These calculations assume all other variables remain constant.

**13 Risk disclosures on financial instruments** *(continued)*

(iv) **Credit risk/Counterparty risk.** Credit risk arises firstly from the issuer of a security not being able to pay interest and principal in a timely manner and also from counterparty risk, where the counterparty will not fulfil its obligations or commitments to deliver the investments for a purchase or the cash for a sale after the fund has fulfilled its responsibilities. In order to manage the risk, the fund will only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty. Brokers are monitored on an on-going basis for suitability and creditworthiness. In addition, the fund is subject to investment limits for issuers of securities and issuer credit ratings are evaluated periodically.

(v) **Fair value.** There is no material difference between the carrying value and fair value of the financial instruments disclosed in the balance sheet.

(vi) **Leverage.** There is no significant leverage in the fund which would increase its exposure.

**14 Portfolio transaction cost**

**For the year ended 30 September 2023**

**Analysis of total purchase costs**

	Value £	Commissions £	%	Taxes £	%
Equity transactions	169,686,758	76,048	0.04	707,958	0.42
Total purchases before transaction costs	169,686,758	76,048		707,958	
Total purchases including commission and taxes	170,470,764				

**Analysis of total sales costs**

	Value £	Commissions £	%	Taxes £	%
Equity transactions	237,048,279	100,991	0.04	56	—
Total sales including transaction costs	237,048,279	100,991		56	
Total sales net of commission and taxes	236,947,232				

Commissions and taxes as % of average net assets

Commissions	0.02%
Taxes	0.10%

**14 Portfolio transaction cost** *(continued)*

**For the year ended 30 September 2022**

**Analysis of total purchase costs**

	Value £	Commissions £	%	Taxes £	%
Equity transactions	132,225,534	73,649	0.06	477,713	0.36
Total purchases before transaction costs	132,225,534	73,649		477,713	
Total purchases including commission and taxes	132,776,896				

**Analysis of total sales costs**

	Value £	Commissions £	%	Taxes £	%
Equity transactions	187,105,224	100,378	0.05	69	—
Corporate actions	7,068,707	—	—	—	—
Total sales including transaction costs	194,173,931	100,378		69	
Total sales net of commission and taxes	194,073,484				

Commissions and taxes as % of average net assets

Commissions	0.02%
Taxes	0.06%

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.04% (30.09.22: 0.05%).

## 15 Fair value of investments

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

### For the year ended 30 September 2023

Category	1	2	3	Total
Investment assets	£	£	£	£
Equities	645,860,052	—	—	645,860,052
	645,860,052	—	—	645,860,052

### For the year ended 30 September 2022

Category	1	2	3	Total
Investment assets	£	£	£	£
Equities	650,898,486	—	—	650,898,486
	650,898,486	—	—	650,898,486

## 16 Post balance sheet event

Following a review of the R-class units in the fund, these classes will be closed and holdings will be converted into other unit classes within the fund which have a lower annual management charge. These conversions will take place on 25 January 2024. There will be no tax implications for investors from this conversion and although investors will receive a different number of units in the new class, the value of their holding will remain the same following the conversion.

## Distribution tables for the year ended 30 September 2023

### Distribution tables (pence per unit)

#### Interim

Group 1 – Units purchased prior to 1 October 2022

Group 2 – Units purchased on or after 1 October 2022 and on or before 31 March 2023

<b>R-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.23</b>	<b>Paid 31.05.22</b>
Group 1	14.10	–	14.10	13.96
Group 2	8.96	5.14	14.10	13.96

  

<b>R-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.23</b>	<b>Accumulated 31.05.22</b>
Group 1	24.69	–	24.69	24.45
Group 2	7.54	17.15	24.69	24.45

  

<b>I-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.23</b>	<b>Paid 31.05.22</b>
Group 1	15.00	–	15.00	14.85
Group 2	7.61	7.39	15.00	14.85

  

<b>I-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.23</b>	<b>Accumulated 31.05.22</b>
Group 1	25.60	–	25.60	25.35
Group 2	10.89	14.71	25.60	25.35

  

<b>S-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.23</b>	<b>Paid 31.05.22</b>
Group 1	15.23	–	15.23	15.08
Group 2	6.47	8.76	15.23	15.08

  

<b>S-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.23</b>	<b>Accumulated 31.05.22</b>
Group 1	25.77	–	25.77	25.51
Group 2	8.55	17.22	25.77	25.51

## Distribution tables for the year ended 30 September 2023 *(continued)*

### Distribution tables (pence per unit) *(continued)*

Final

Group 1 – Units purchased prior to 1 April 2023

Group 2 – Units purchased on or after 1 April 2023 and on or before 30 September 2023

<b>R-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.23</b>	<b>Paid 30.11.22</b>
Group 1	25.57	–	25.57	24.20
Group 2	11.96	13.61	25.57	24.20
<b>R-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.23</b>	<b>Accumulated 30.11.22</b>
Group 1	58.76	–	58.76	52.07
Group 2	26.18	32.58	58.76	52.07
<b>I-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.23</b>	<b>Paid 30.11.22</b>
Group 1	28.83	–	28.83	26.99
Group 2	13.57	15.26	28.83	26.99
<b>I-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.23</b>	<b>Accumulated 30.11.22</b>
Group 1	64.49	–	64.49	56.66
Group 2	28.51	35.98	64.49	56.66
<b>S-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.23</b>	<b>Paid 30.11.22</b>
Group 1	30.02	–	30.02	28.00
Group 2	14.05	15.97	30.02	28.00
<b>S-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.23</b>	<b>Accumulated 30.11.22</b>
Group 1	66.52	–	66.52	58.26
Group 2	29.12	37.40	66.52	58.26

### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the units for Capital Gains Tax purposes.



## Directors' statement

This report is approved in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

**JA Rodgers**                      **T Carroll**  
for Rathbones Asset Management Limited  
Manager of Rathbone Income Fund  
*25 January 2024*

## Statement of the Manager's responsibilities in relation to the annual report and accounts of the Rathbone Income Fund

The Financial Conduct Authority's Collective Investment Schemes Sourcebook requires the Manager to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the fund and of the net revenue and of the net capital gains or losses on the property of the fund for that year. In preparing those financial statements, the Manager is required to:

1. select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. comply with the disclosure requirements of the SORP relating to financial statements of UK authorised funds issued by The Investment Association;
4. follow UK generally accepted accounting principles, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice: 'Financial Statements of UK Authorised Funds' issued by The Investment Association in May 2014;
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in operation; and
6. keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme and which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The Manager is responsible for the management of the scheme in accordance with its Trust Deed, Prospectus and the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and for the system of internal controls and for safeguarding the assets of the Scheme. The Manager has general responsibility for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Manager is aware:

1. there is no relevant audit information of which the fund's auditor is unaware;
2. the Manager has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and
3. the Manager is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the fund consist predominantly of securities that are readily realisable and, accordingly, the fund has adequate resources to continue in operational existence for the foreseeable future.

Additionally, the Manager monitors developments in Ukraine, making adjustments to investments where deemed appropriate and they also monitor sanctions and their implications on individual holdings. Also, the investment processes and risk and compliance procedures continue to operate as normal.

In accordance with COLL 4.5.8 R, the Annual Report and the audited financial statements were approved by the board of directors of the Manager of the Scheme and authorised for issue on 25 January 2024.

## Statement of the Trustee's responsibilities and report of the Trustee to the Unitholders of Rathbone Income Fund ("the Scheme") for the Period Ended 30 September 2023

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Trustee must ensure that:

1. the Scheme's cash flows are properly monitored and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
2. the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
3. the value of units in the Scheme is calculated in accordance with the Regulations;
4. any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
5. the Scheme's income is applied in accordance with the Regulations; and
6. the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the Scheme documents, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

**NatWest Trustee and Depository Services Limited**  
Trustee of Rathbone Income Fund  
*25 January 2024*

# Independent Auditor's Report to the unitholders of Rathbone Income Fund

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Rathbone Income Fund ('the fund'):

- give a true and fair view of the financial position of the fund as at 30 September 2023 and of the net revenue and the net capital gains on the property of the fund for the year ended 30 September 2023; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Trust Deed.

We have audited the financial statements of the fund which comprise:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the distribution table; and
- the notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, as amended in June 2017, the Collective Investment Schemes Sourcebook and the Trust Deed.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the manager with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The manager is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# Independent Auditor's Report to the unitholders of Rathbone Income Fund *(continued)*

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of trustee and manager

As explained more fully in the trustee's responsibilities statement and the manager's responsibilities statement, the trustee is responsible for the safeguarding the property of the fund and the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [frc.org.uk/auditorsresponsibilities](http://frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the fund's industry and its control environment, and reviewed the fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the Authorised Fund Manager about their own identification and assessment of the risks of irregularities, including those that are specific to funds.

We obtained an understanding of the legal and regulatory frameworks that the fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the fund's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

# Independent Auditor's Report to the unitholders of Rathbone Income Fund *(continued)*

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and those charged with governance concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

## **Report on other legal and regulatory requirements**

### **Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook**

In our opinion:

- proper accounting records for the fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 30 September 2023 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

## **Use of our report**

This report is made solely to the fund's unitholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom  
25 January 2024

## General information

### Manager name

Effective 30 November 2023, Rathbone Unit Trust Management Limited changed its name to Rathbones Asset Management Limited.

### Authorised status

The Rathbone Income Fund is an authorised unit trust scheme, established by a Trust Deed dated 12 February 1971 and launched in February 1971.

It is a 'UCITS Scheme' authorised under Section 243 of the Financial Services and Markets Act 2000, and the currency of the fund is pound sterling.

### Valuation of the fund

The fund is valued on each business day at 12 noon for the purpose of determining prices at which units in the fund may be bought or sold. Valuations may be made at other times on business days with the Trustee's approval.

### Stewardship code

Rathbones Asset Management Limited fully supports the UK Stewardship Code sponsored by the Financial Reporting Council.

### Buying and selling of units

The Manager is available to receive requests for the buying and selling of units on normal business days between 9.00am and 5.00pm and transactions will be effected at prices determined by the next valuation. Application forms for the purchase of units (obtainable from the Manager) should be completed and sent to the Dealing Office. In respect of telephoned orders, remittances should be sent on receipt of the contract note. Contract notes confirming transactions will be issued by the close of business on the next business day after the dealing date. Purchasers of units are required to enter their registration details on the form supplied with their contract note. Once units are paid for, these details will be entered on the unit register.

Units can be sold by telephone, fax or letter followed by despatch to the Dealing Office of the authorisation to sell duly completed by all unitholders.

In the absence of clear written instructions signed by all the registered holders, a Form of Renunciation will be sent out together with the repurchase contract note. This will need to be signed by all registered holders, and returned to our Dealing Office before settlement can be made. Settlement will be made on whichever is the later of four business days after the dealing date or four days after the receipt of written confirmation.

Unitholders may sell units on submitting the purchase contract note and a duly executed Deed of Transfer. The issue and redemption of units will not take place if dealing in the units is suspended by operation of law or any statute for the time being in place.

The minimum initial investment for the R-class is £100,000,000. The minimum initial investment for I-class units is £1,000. The minimum initial investment for S-class units is £100,000,000. Thereafter holders may invest additional amounts to the value of £500 or more from time to time as they wish. Any number of units may be subscribed, sold or transferred so long as transaction complies with applicable minimums.

There is no preliminary charge for R-class, I-class or S-class units.

The Manager currently receives an annual remuneration for managing the R-class property of the fund at the rate of 1.50%.

The Manager currently receives an annual remuneration for managing the I-class property of the fund at the rate of 0.75%.

The Manager currently receives an annual remuneration for managing the S-class property of the fund at the rate of 0.49%.

### Statements

A distribution statement showing the rate per unit and your unit holding will be sent semi-annually on 31 May and 30 November.

The current value of your units is shown on a valuation statement, which shows the number of units bought over the previous six months, the total number of units in your account and their current value.

Twice yearly on 30 June and 31 December, unitholders will receive a consolidated statement showing, where applicable, their Unit Trust, ICVC and ISA holdings for each fund held.

### Prices

Prices are available on our website [rathbonesam.com](http://rathbonesam.com)

### Other information

Copies of the Prospectus, Key Investor Information Document, Supplementary Information Document and the most recent Annual and Interim Reports may be obtained free of charge on application to the Manager or seen by visiting their registered office.

The Register of Unitholders can be inspected during normal business hours at the office of the Registrar, SS&C Financial Services International Limited, SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS.

Further copies of this report are available upon request, free of charge, from Client Services Department, Rathbones Asset Management Limited, 8 Finsbury Circus, London EC2M 7AZ.

If you have any queries or complaints about the operation of the fund you should put them to the Compliance Officer, Rathbones Asset Management Limited, 8 Finsbury Circus, London EC2M 7AZ. Any complaint we receive will be handled in accordance with our internal complaint procedures. A copy of these are available from the Compliance Officer.

If you have occasion to complain, and in the unlikely event that you do not receive a satisfactory response, you may direct your complaint to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Further details about the Financial Ombudsman Service are available on their website at [financial-ombudsman.org.uk](http://financial-ombudsman.org.uk).

### ISA eligibility

The fund has been managed throughout the year to ensure that it is eligible to qualify and be included in an Individual Savings Account (ISA). The fund will at all times be invested in such a way that the units will constitute 'Qualifying Investments' for the purposes of the Individual Savings Account (ISA) Regulations 1998, as amended from time to time.

### Risk factors

An investment in a unit trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance should not be seen as an indication of future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable. Where periodic charge is wholly or partly taken out of the fund's capital, distributable income will be increased at the expense of capital which will either be eroded or future growth restrained.



### Value assessment

Our regulator, the Financial Conduct Authority (FCA), has asked us to assess the value of our funds. Assessing value is much more than just looking at the fees you pay or the performance of your fund in isolation. Considering this, we have designed an assessment which looks at nine criteria.

We have also appointed an independent research firm, Square Mile Investment Consulting & Research, to provide an impartial report on the value our funds offer compared with the market.

It is the responsibility of our board of directors to consider the outcomes of these assessments, ensure they are clear and fair, and then communicate to you, our investors, if we have delivered value or, if not, where we need to improve.

You can view the value assessments for the Funds four months after their period end on our website [rathbonesam.com](http://rathbonesam.com)

### Other funds

Rathbones Asset Management Limited is also the Manager of the following funds:

Rathbone Active Income and Growth Fund  
Rathbone Core Investment Fund for Charities Fund  
Rathbone Ethical Bond Fund  
Rathbone Global Opportunities Fund  
Rathbone Strategic Bond Fund  
Rathbone UK Opportunities Fund

and the Authorised Corporate Director of:

Rathbone Defensive Growth Portfolio  
Rathbone Dynamic Growth Portfolio  
Rathbone Enhanced Growth Portfolio  
Rathbone Greenbank Defensive Growth Portfolio  
Rathbone Greenbank Dynamic Growth Portfolio  
Rathbone Greenbank Global Sustainability Fund  
Rathbone Greenbank Strategic Growth Portfolio  
Rathbone Greenbank Total Return Portfolio  
Rathbone High Quality Bond Fund  
Rathbone Strategic Growth Portfolio  
Rathbone Strategic Income Portfolio  
Rathbone Total Return Portfolio

Greenbank and Greenbank Investments are trading names of Rathbones Investment Management Limited

### Further details

Should you need further details of this fund or any of the other funds managed by Rathbones Asset Management Limited, a Prospectus, Key Investor Information Document and Supplementary Information Document or an application form for the purchase of shares or units, please write to:

Client Services Department  
Rathbones Asset Management Limited  
8 Finsbury Circus  
London EC2M 7AZ

All literature is available free of charge. Information is also available on our website: [rathbonesam.com](http://rathbonesam.com)

### Data protection

Where relevant, Rathbones' privacy notice for clients, together with our relevant terms of business, sets out how your personal data (as further detailed in the privacy notice) shall be processed by Rathbones. A copy of the privacy notice is available on request or on Rathbones' website.

From time to time Rathbones Asset Management Limited may wish to communicate with you with information on other products and services offered by the Rathbones Group. If you do not wish to receive these communications, please advise us in writing at the following address:

Data Protection Officer  
Rathbones Asset Management Limited  
8 Finsbury Circus  
London EC2M 7AZ

## UCITS Remuneration

In line with the requirements of the UCITS Directive, Rathbones Asset Management Limited (the Manager) has adopted a remuneration policy which is consistent with the remuneration principles applicable to UCITS management companies. Its purpose is to ensure that the remuneration of the staff of the Manager is consistent with and promotes sound and effective risk management, does not encourage risk-taking which is inconsistent with the risk profiles of the Manager and the UCITS that it manages and does not impair the Manager's compliance with its duty to act in the best interests of the UCITS it manages. The remuneration policy applies to staff of the Manager whose professional activities have a material impact on the risk profile of the Manager or the UCITS that it manages (known as Remuneration Code Staff).

The aggregate remuneration paid by the Manager to its staff, and to those staff who are identified as Remuneration Code Staff, is disclosed below.

	Fixed remuneration £'000	Variable remuneration £'000	Total remuneration £'000	Headcount
Senior Management	2,198	4,428	6,626	9
Risk takers	2,301	2,386	4,687	16
Control functions	93	31	124	3
Other	153	121	274	1
Total remuneration code staff	4,745	6,966	11,711	29
Non-remuneration code staff	1,360	240	1,601	22
<b>Total for the Manager</b>	<b>6,105</b>	<b>7,206</b>	<b>13,312</b>	<b>51</b>

The variable remuneration disclosed in the table above is for the financial year ended 31 December 2022, which is the most recent period for which data are available. Variable remuneration is determined annually based on, inter alia, the results of the Manager and the investment performance of the UCITS that it manages for discrete annual periods ending on 31 December each year. Consequently, it is not possible to apportion the variable award between calendar years.

# Rathbones

Look forward

**Rathbones Asset Management Limited**

8 Finsbury Circus, London EC2M 7AZ  
Tel 020 7399 0000

**Information line**

020 7399 0399  
ram@rathbones.com  
rathbonesam.com

Authorised and regulated by the  
Financial Conduct Authority

A member of The  
Investment Association

A member of the Rathbones Group.  
Registered No. 02376568