

I-class units

Contact us 020 7399 0399 ram@rathbones.com

Rathbone Ethical Bond Fund

Investment objective

We aim to deliver a greater total return than the Investment Association (IA) Sterling Corporate Bond sector, after fees, over any rolling 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 (interest payments). We use the IA Sterling Corporate Bond sector as a target for our fund's return because we aim to achieve a better return than the average of funds that are similar to ours.

Investment strategy

When picking our investments, there are three assessments we make. First, we look at the economic environment to determine which industries we want to own and the duration of our investments. Then we use the Four Cs Plus approach to evaluate creditworthiness. We assess:

Character: Whether a company's managers have integrity and competence

Capacity: Ensuring a company isn't over-borrowing and has the cash to pay its debts

Collateral: Are there assets backing the loan, which reduces the risk of a loan

Covenants: These loan agreements set out the terms of the bond and restrictions on the company

Conviction: The Plus: We think differently to the market; sometimes contrarian, sometimes sceptical of orthodox thinking, but always opinionated

Meanwhile, Greenbank, an ethical research division of our company, assesses potential investments against positive and negative social and environmental criteria. Finally, we compare prices to determine the best value bonds to include in our fund.

Fund facts

Manager	Rathbones Asset Management Limited
Trustee	NatWest Trustee and Depository Services
Date Launched/Launch Price	14 May 2002/100p (fund) 01 March 2012 (unit class)
Size of fund	Mid-market: £2,094.26m ^{††}
Unit price	Income (Inc): 85.04p Accumulation (Acc): 223.01p
Historical distribution yield*	5.00%
Average yield to maturity	6.22%
Modified duration	5.77 years
Total no. of holdings	218
Initial charge	None
MiFID II charges	
Ongoing charges figure (OCF) as at 30.09.2023	0.66%
Transaction costs	0.10%
Total MiFID II charges*	0.76%
Minimum initial investment	£1,000
Minimum additional investments	£500

Distributions per unit

Latest distributions		
Interim	2.70p (est)	
Annual	2.64p	
Interim	2.45p	
Interim	2.36p	
<i>Historic distributions based on Acc units</i>		
	Ex div	Payment
Interim	01 Jan 24	29 Feb 24
Annual	01 Oct 23	30 Nov 23
Interim	01 Jul 23	31 Aug 23
Interim	01 Apr 23	31 May 23
<i>Year end 30 September^^</i>		
<i>Since 6 April 2017, distributions are paid gross.</i>		

Maturity distribution

Data as at 31.01.24	% in fund
0-5 Years	47.46
5-10 Years	25.91
10-15 Years	8.61
15+ Years	16.67
Cash	1.35

Manager ratings



Bryn Jones



Stuart Chilvers

Dealing/valuation

Forward daily: 9.00am-5.00pm
Valuation point: 12.00 midday
Dealing/valuation: 0330 123 3810
Information line: 020 7399 0399

Fund codes

Sedol (Inc): B7FQJT3
Sedol (Acc): B77DQT1
ISIN (Inc): GB00B7FQJT36
ISIN (Acc): GB00B77DQT14

Product availability

For Investment Advisers, third party availability – all major platforms.

For more information, please see our 'Fund Centre' page on the 'How to Invest' section of our website rathbonesam.com

Awards



Management



Bryn Jones
Fund Manager

Bryn joined Rathbones in November 2004 and heads up the fixed income team. He has over 25 years' investment industry experience in equity and fixed income markets. Bryn is a WMA representative and sits on the IA fixed income advisory committee.



Stuart Chilvers
Fund Manager

Stuart joined Rathbones in September 2017. He assists in the management of the Rathbone Ethical Bond Fund and the Rathbone Strategic Bond Fund. He also manages the Rathbone High Quality Bond Fund since April 2023. Stuart holds a first-class Bachelor's degree in Mathematics.

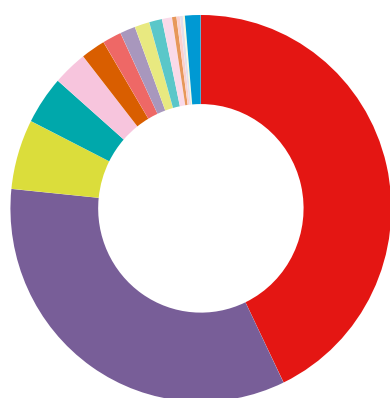
Fund ratings



^{††}Please note that the change in size of fund is as a result of the Luxembourg SICAV version of this fund converting from a master feeder structure to a directly managed fund. If you have any questions please contact your financial adviser.

Sector asset allocation

Data as at 31.01.24



- Insurance: 42.85%
- Banks: 33.76%
- Government: 5.85%
- Social housing: 4.02%
- Renewable energy: 2.92%
- Financial services: 2.07%
- Real estate: 1.60%
- Consumer services: 1.30%
- Utilities: 1.27%
- Telecoms: 1.09%
- Social finance: 0.84%
- Supranational: 0.39%
- Infrastructure: 0.28%
- Environmental control: 0.25%
- Other: 0.16%
- Cash: 1.35%

I-class fund performance

Data as at 31.01.24

	1 year	3 years	5 years
Rathbone Ethical Bond Fund	5.86%	-8.92%	8.26%
IA Sterling Corporate Bond sector	4.50%	-10.21%	3.49%
Quartile rank	1	2	1

Discrete performance, to previous quarter. 12 months ending:

	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19
Rathbone Ethical Bond Fund	10.08%	-17.21%	-0.41%	8.94%	12.27%
IA Sterling Corporate Bond sector	9.42%	-16.09%	-1.92%	7.77%	9.49%

	Alpha***	Beta***	Volatility***	Turnover†
Rathbone Ethical Bond Fund	1.72	0.96	8.37%	79.01%
IA Sterling Corporate Bond sector	0.78	0.96	8.03%	

Data using prices as at 31.01.2024. Price performance based upon bid to bid prior to 21.01.19 and single price (mid) thereafter. 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.

10 largest holdings

Data as at 31.01.24

	%
UK Treasury 1.5% 31/07/2053	5.85
HSBC 5.844% Perp	2.69
AXA 6.379% Perp	1.94
Phoenix 7.75% 06/12/2053	1.73
Santander 2.25% 04/10/2032	1.64
Royal London 4.875% 07/10/2049	1.56
AXA 5.453% Perp	1.56
Legal & General 3.75% 26/11/2049	1.49
Aviva 6.875% 20/05/2058	1.40
Royal London 6.125% 13/11/2028	1.38

Credit quality distribution

Data as at 31.01.24**

	%
AAA	0.91
AA	0.98
AA-	6.41
A+	1.37
A	5.07
A-	5.88
BBB+	38.80
BBB	19.91
BBB-	10.37
BB+	3.12
BB	1.20
BB-	0.22
NR	4.41
Cash	1.35

Rathbones Asset Management Limited
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Information line
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You should know

Important information

Copies of the Prospectus, the Key Investor Information Document (KIID), the Supplementary Information Document (SID), and application forms may be obtained, free of charge, from Rathbones Asset Management Limited.

Changes in rates of exchange between currencies may cause the value of investments to decrease or increase.

Details of tax levels and reliefs may change in the future. The value of any tax relief depends on individual circumstances. If you have any doubts about your tax position, or the suitability of this investment, you should seek professional advice.

Interest rate fluctuations are likely to affect the capital value of investments within bond funds. When long term interest rates rise the capital value of units is likely to fall and vice versa. The effect will be more apparent on funds that invest significantly in long-dated securities. The value of capital and income will fluctuate as interest rates and credit ratings of the issuing companies change.

To meet the investment objective, the fund may also invest, at the Manager's discretion, in other transferable securities, money market instruments, warrants, cash and near cash, deposits and units in collective investment schemes. Use may be made of stocklending, borrowing, cash holdings, hedging and other investment techniques permitted by the FCA rules.

As the Manager's annual fee is taken out from capital, distributable income will be increased at the expense of capital which will either be eroded or future growth constrained. All other income expenses are paid out of the fund's income.

Information notes

If you require clarity on any of the terms used in this factsheet then please refer to our Supplementary Information Document for further explanation.

*The ongoing charges figure (OCF) includes the Annual Management Charge and all appropriate costs that may be deducted from the fund's assets, in line with current regulatory and industry guidance. Where appropriate, the OCF may include a synthetic element relating to the costs incurred in underlying collective investment undertakings, where permitted by the Prospectus. The OCF is included in the Annual or Interim report and are calculated biannually.

**The historic distribution yield reflects the annualised income net of the expenses in the fund (calculated in accordance with the relevant accounting standards) as a percentage of the mid-market unit price of the fund as at the date shown. It is based on a snapshot of the portfolio on that day. It does not include any initial charge and investors may be subject to tax on their distributions.

**As from 30 June 2016 the fund's year end changed to 30 September.

Source performance data FE fundinfo, price performance based upon bid to bid prior to 21.01.19 and single price (mid) thereafter. This is net of expenses and tax. Data using prices as at 31.01.2024. I-class units/shares were launched on 01 March 2012. ***Alpha, Beta and Volatility statistics given on a 5 year rolling basis. Alpha and Beta are calculated using the IBOXX Non Gilt Index as the benchmark. Alpha, Beta and Volatility shown is annualised standard deviation of monthly returns. †Turnover is calculated on a 1 year rolling basis.

**Credit quality distribution ratings from various sources

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Source and Copyright Citywire: Bryn Jones is A rated by Citywire for his three year risk adjusted performance for the period 31.12.2020-31.01.2024.

Source and Copyright Citywire: Stuart Chilvers is A rated by Citywire for his three year risk adjusted performance for the period 31.12.2020-31.01.2024.

Authorised and regulated by the Financial Conduct Authority
A member of the Investment Association (IA)
A member of the Rathbones Group.
Registered No. 02376568