Fund facts

Manager
Rathbone Unit Trust Management Limited

Trustee
NatWest Trustee and Depositary Services

Date Launched/Launch Price
14 May 2002/100p (fund)
01 March 2012 (unit class)

Size of fund
Mid-market: £1,221.37m††

Unit price
Income (Inc): 99.53p
Accumulation (Acc): 216.30p

Historical distribution yield*
3.80%

Total no. of holdings
223

Initial charge
None

MiFID II charges
Ongoing Charges Figure (OCF) as at 31.03.2019
0.67%
Transaction costs
0.07%
Total MiFID II charges
0.74%

The MiFID II charges include the Ongoing Charges Figure (OCF) and transaction costs. PRIIPs compliant

Minimum initial investment
£1,000,000
Minimum additional investment
£500

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 ‘distribution partners’ page on the ‘How to Invest’ section of our website rathbonefunds.com

Manager ratings

Bryn Jones
Fund Manager

Noelle Cazalis
Assistant Fund Manager

Noelle joined Rathbones in July 2011 and was made assistant manager in January 2016. Noelle works with Bryn Jones, providing in-depth credit analysis for the bond funds and Rathbone's fixed income committee. She also assists the Rathbone Multi-Asset Portfolios team with their bond investments.

Investment objective

The objective of the fund is to provide a regular, above average income through investing in a range of bonds and bond market instruments that meet strict criteria ethically and financially.

Fund snapshot

The manager runs the benchmark-agnostic fund with a strongly defined view that accounts for economic and political trends, company analysis, and thematic ideas. The investment grade fund targets a high yield with a strong ethical overlay. Once investment themes have been developed, the team carry out credit analysis to find the assets that work best within the thematic framework. Cash flow and strong balance sheets are key in determining bond selection, with the team applying the ‘Four Cs Plus’ principles: character, capacity, collateral and covenants. The ‘Plus’ is conviction – that to achieve above-average long-term performance, the team feel they must think differently to the market. After that, an ethical overlay is applied which consists of a negative screening followed by a positive screening.

Distributions per unit

<table>
<thead>
<tr>
<th>Ex div</th>
<th>Payment</th>
<th>latest distributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim 01 Apr 19</td>
<td>31 May 19</td>
<td>Interim 2.24p</td>
</tr>
<tr>
<td>Interim 01 Jan 19</td>
<td>28 Feb 19</td>
<td>Interim 2.20p</td>
</tr>
<tr>
<td>Annual 01 Oct 18</td>
<td>30 Nov 18</td>
<td>Annual 2.10p</td>
</tr>
<tr>
<td>Interim 01 Jul 18</td>
<td>31 Aug 18</td>
<td>Interim 2.21p</td>
</tr>
</tbody>
</table>

Modified Duration
6.31 years

Maturity distribution

<table>
<thead>
<tr>
<th>Data as at 30.06.19</th>
<th>% in fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 Years</td>
<td>24.92</td>
</tr>
<tr>
<td>5-10 Years</td>
<td>43.32</td>
</tr>
<tr>
<td>10-15 Years</td>
<td>14.17</td>
</tr>
<tr>
<td>15+ Years</td>
<td>14.63</td>
</tr>
<tr>
<td>Cash</td>
<td>2.96</td>
</tr>
</tbody>
</table>

Management

Bryn Jones
Fund Manager

Noelle Cazalis
Assistant Fund Manager

Noelle joined Rathbones in July 2011 and was made assistant manager in January 2016. Noelle works with Bryn Jones, providing in-depth credit analysis for the bond funds and Rathbone's fixed income committee. She also assists the Rathbone Multi-Asset Portfolios team with their bond investments.
**Sector asset allocation (iBoxx sector classifications)**

**Data as at 30.06.19**

- Banks: 35.12%
- Insurance: 32.42%
- Social housing: 8.67%
- Supranational: 6.53%
- Financial services: 4.13%
- Infrastructure: 2.24%
- Telecoms: 1.69%
- Renewable energy: 1.51%
- Real estate: 1.22%
- Tourism: 0.92%
- Social finance: 0.90%
- Mortgage-backed securities: 0.79%
- Consumer services: 0.43%
- Retail: 0.30%
- Software and services: 0.17%
- Cash: 2.96%

**I-Class fund performance**

**Data as at 30.06.19**

<table>
<thead>
<tr>
<th></th>
<th>1 year %</th>
<th>3 years %</th>
<th>5 years %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rathbone Ethical Bond Fund</td>
<td>6.15</td>
<td>20.79</td>
<td>31.32</td>
</tr>
<tr>
<td>IA Sterling Corporate Bond Sector</td>
<td>5.56</td>
<td>12.97</td>
<td>25.03</td>
</tr>
</tbody>
</table>

**Discrete annual performance, quarter ending 30 June**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rathbone Ethical Bond Fund</td>
<td>5.19</td>
<td>3.35</td>
<td>11.28</td>
<td>2.26</td>
<td>6.15</td>
</tr>
<tr>
<td>IA Sterling Corporate Bond Sector</td>
<td>4.27</td>
<td>6.15</td>
<td>6.40</td>
<td>0.58</td>
<td>5.56</td>
</tr>
</tbody>
</table>

**Alpha*** | Beta*** | Volatility*** | Turnover† |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rathbone Ethical Bond Fund</td>
<td>2.31</td>
<td>0.60</td>
<td>3.91</td>
</tr>
<tr>
<td>IA Sterling Corporate Bond Sector</td>
<td>0.06</td>
<td>0.83</td>
<td>4.60</td>
</tr>
</tbody>
</table>

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 30.06.19**

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royal London 6.125% 13/11/2028</td>
<td>1.87</td>
</tr>
<tr>
<td>HSBC 5.844% Perp</td>
<td>1.78</td>
</tr>
<tr>
<td>Rabobank Nederland 6.91% Perp</td>
<td>1.77</td>
</tr>
<tr>
<td>BPE 5.25% 16/04/2029</td>
<td>1.74</td>
</tr>
<tr>
<td>AXA 5.451% Perp</td>
<td>1.74</td>
</tr>
<tr>
<td>Lloyds 13.0% Perp</td>
<td>1.69</td>
</tr>
<tr>
<td>Bank of Scotland 7.281% Perp</td>
<td>1.64</td>
</tr>
<tr>
<td>HBOS 7.881% Perp</td>
<td>1.62</td>
</tr>
<tr>
<td>RSA Insurance Group 5.125% 10/10/2025</td>
<td>1.58</td>
</tr>
<tr>
<td>Aviva 6.125% 16/11/2026</td>
<td>1.54</td>
</tr>
</tbody>
</table>

**Credit quality distribution**

**Data as at 30.06.19**

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>7.23</td>
</tr>
<tr>
<td>AA+</td>
<td>6.14</td>
</tr>
<tr>
<td>AA-</td>
<td>3.70</td>
</tr>
<tr>
<td>A</td>
<td>7.41</td>
</tr>
<tr>
<td>BBB+</td>
<td>22.47</td>
</tr>
<tr>
<td>BBB</td>
<td>28.38</td>
</tr>
<tr>
<td>BBB-</td>
<td>8.94</td>
</tr>
<tr>
<td>BB+</td>
<td>4.46</td>
</tr>
<tr>
<td>BB</td>
<td>1.89</td>
</tr>
<tr>
<td>BB-</td>
<td>0.28</td>
</tr>
<tr>
<td>NR</td>
<td>5.37</td>
</tr>
<tr>
<td>Cash</td>
<td>2.96</td>
</tr>
</tbody>
</table>

**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 Rathbone Unit Trust 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 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**

*From April 2018, the Ongoing Charges Figure has been calculated according to Philip’s regulations, which came into effect on 1 January 2018. Holdings are based on six monthly audited accounts. Changes to fund holdings within this period may result in higher or lower ongoing charges.

*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 Financial Express, 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 to 21.01.19 and single price (mid) thereafter. "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**

©2019 Morningstar. All rights reserved. Source and Copyright Citywire: Bryn Jones is A rated by Citywire for his three year risk adjusted performance for the period 30.06.2016-30.06.2019.

Rathbone Unit Trust Management has achieved a Gold Rating in the Sterling Corporate Bond sector by Citywire for their rolling risk adjusted performance, across all management teams in the sector, over the period 29.06.2012-30.06.2019.

Information line

020 7399 0399
rutm@rathbones.com
rathbonefunds.com

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8 Finsbury Circus, London EC2M 7AZ
Tel 020 7399 0000
Fax 020 7399 0057

Information Document (KIID), the

Important information

Authorised and regulated by the
Financial Conduct Authority

A member of the Investment Association (IA)
A member of the Rathbone Group.
Registered No. 02376568