

I-Class Units

Contact us 020 7399 0399 rutm@rathbones.com

This dual-priced fund will be switching to single pricing from 21 Jan 2019; reflecting on the February factsheet. For any queries please call us on 0207 399 0399

Rathbone Ethical Bond Fund

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.

Fund facts

Manager	Rathbone Unit Trust Management Limited
Trustee	National Westminster Bank Plc
Date Launched/Launch Price	14 May 2002/100p (fund) 01 March 2012 (unit class)
Size of fund	Offer value: £1,236.37m Bid value: £1,225.63m
Selling prices	Income (Inc): 94.36p Accumulation (Acc): 200.92p
Buying prices	Inc: 95.31p/Acc: 202.44p
Historical distribution yield*	4.30%
Total no. of holdings	210
Initial charge	0%
MiFID II charges	
Ongoing Charges Figure (OCF) as at 30.09.2018	0.67%
Transaction costs	0.09%
Total MiFID II charges	0.76%
The MiFID II charges include the Ongoing Charges Figure (OCF) and transaction costs. PRIIPs compliant*	
Minimum initial investment	£1,000,000
Minimum additional investments	£500

Distributions per unit

Latest distributions		
Annual	2.10p	
Interim	2.21p	
Interim	1.96p	
Interim	2.00p	
Ex div	Payment	
Annual	01 Oct 18	30 Nov 18
Interim	01 Jul 18	31 Aug 18
Interim	01 Apr 18	31 May 18
Interim	01 Jan 18	28 Feb 18
Year end 30 September**		
Since 6 April 2017, distributions are paid gross.		

Maturity distribution

Data as at 31.12.18	% in fund
0-5 Years	24.27
5-10 Years	41.56
10-15 Years	16.27
15+ Years	14.92
Cash	2.98
Modified Duration	6.16 years

Manager ratings



Bryn Jones

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 'Strategic Partners' page on the 'How to Invest' section of our website rutm.com

Awards



Management



Bryn Jones
Fund Manager

Bryn joined Rathbones in November 2004. He has over 20 years' investment industry experience in equity and fixed income markets and holds the Investment Management Certificate. Bryn is a WMA representative and sits on the IA fixed income advisory committee.



Noelle Cazalis
Assistant Fund Manager

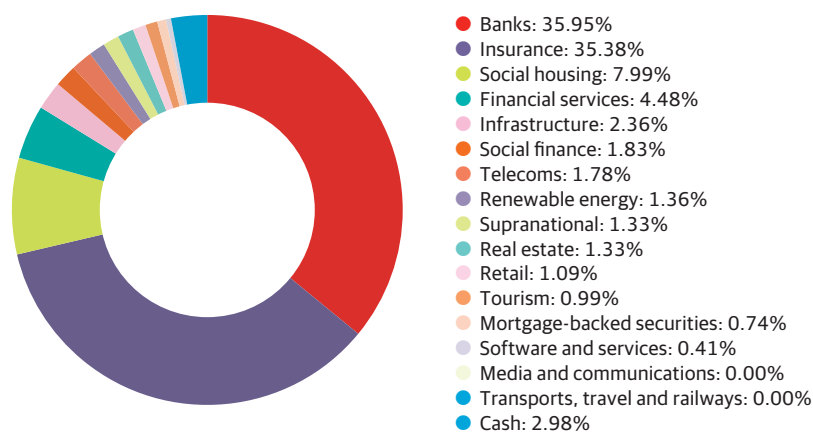
Noelle joined Rathbones in July 2011 and was made assistant manager in January 2016. Noelle works with Bryn Jones, providing in-depth credit analysis for the bond funds and Rathbone's fixed income committee. She also assists the Rathbone Multi-Asset Portfolios team with their bond investments.

Fund ratings



Sector asset allocation (iBoxx sector classifications)

Data as at 31.12.18



I-Class fund performance

Data as at 31.12.18

	1 year	3 years	5 years
Rathbone Ethical Bond Fund	-3.08%	14.71%	29.24%
IA Sterling Corporate Bond Sector	-2.22%	12.05%	22.74%
Quartile rank	4	1	1

Discrete annual performance, quarter ending 31 December

	2014	2015	2016	2017	2018
Rathbone Ethical Bond Fund	10.92%	1.58%	7.07%	10.54%	-3.08%
IA Sterling Corporate Bond Sector	9.83%	-0.27%	9.08%	5.06%	-2.22%

	Alpha***	Beta***	Volatility***	Turnover†
Rathbone Ethical Bond Fund	2.20	0.59	3.79%	46.18%
IA Sterling Corporate Bond Sector	-0.05	0.83	4.57%	

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 31.12.18

Company	%
Rabobank Nederland 6.91% Perp	1.89
Royal London 6.125% 13/11/2028	1.88
HSBC 5.844% Perp	1.87
AXA 5.453% Perp	1.81
Lloyds 13.0% Perp	1.79
HBOS 7.881% Perp	1.69
BPCE 5.25% 16/04/2029	1.68
RSA Insurance Group 5.125% 10/10/2025	1.67
Aviva 6.125% 14/11/2026	1.61
Rothsay Life 6.875% Perp	1.54

Credit quality distribution

Data as at 31.12.18**	%
AAA	1.23
AA	2.32
AA-	1.31
A+	3.27
A	4.23
A-	5.00
BBB+	25.72
BBB	26.34
BBB-	13.90
BB+	3.02
BB	2.53
B+	0.30
NR	7.85
Cash	2.98

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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 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 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

*From April 2018, the Ongoing Charges Figure has been calculated according to PRIIPs 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, bid to bid, net income re-invested. This is net of expenses and tax. Data using prices as at 31.12.2018. I-Class units/shares were launched on 01 March 12. Performance is a combination of I-Class units and R-Class units (where I-Class was unavailable). ***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 + rated by Citywire for his three year risk adjusted performance for the period 30.11.2015-30.11.2018.

Rathbone Unit Trust Management has achieved a Platinum 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 30.12.2011-31.12.2018.

Authorised and regulated by the Financial Conduct Authority
A member of the Investment Association (IA)

A member of the Rathbone Group.
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