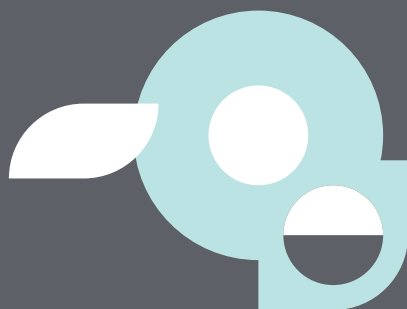


# Rathbones

Look forward

## Rathbone Ethical Bond Fund

Annual report for the year ended 30 September 2022



# Contents

Directory	2
Investment objective and policy	3
Investment report	4
Ethical report	7
Net asset value per unit and comparative tables	11
Risk and reward profile	17
Discrete annual performance	17
Portfolio and net other assets	18
Statement of total return	26
Statement of change in net assets attributable to unitholders	26
Balance sheet	27
Notes to the financial statements	28
Distribution tables	40
Directors' statement	44
Statement of the Manager's responsibilities	45
Statement of the Trustee's responsibilities	46
Independent Auditor's Report	47
General information	50

# Rathbone Ethical Bond Fund

## **Authorised Fund Manager (the Manager)**

Rathbone Unit Trust 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**

## **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  
**MM Webb** – Chief Executive Officer  
**JR Chillingworth** – Chief Investment Officer  
(Retired 31 May 2022)  
**T Carroll** – Chief Investment Officer  
(Appointed 1 June 2022)  
**JM Ardouin** – Finance Director  
**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 a greater total return than the IA Sterling Corporate Bond sector, after fees, over any rolling 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 IA Sterling Corporate Bond sector as a target for our fund's return because we aim to consistently outperform the average return of our competitors.

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, Rathbone 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.

## Investment strategy

To meet the objective, the fund manager will invest at least 80% of our fund in corporate bonds with an investment-grade rating (AAA to BBB-). The remaining 20% of the fund is invested in corporate bonds with a credit rating below BBB- or with no rating at all.

Up to 10% of the fund can be invested directly in contingent convertible bonds.

The fund may invest globally but at least 80% of the portfolio will be invested in sterling denominated assets or hedged back to sterling.

Derivatives may be used by the fund for investment purposes, efficient portfolio management and hedging. The use of derivatives for investment purposes may increase the volatility of the fund's Net Asset Value and may increase its risk profile.

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.

## Investment policy

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.

The manager will apply ethical criteria and screening in order to avoid investing in companies involved in specific activities or engaged in behaviour that is considered to be of concern to ethical investors. The fund will seek to invest in companies that are aware of their wider responsibilities to society and the environment.

Further details in relation to the current ethical and sustainability criteria may be obtained by contacting Rathbone Unit Trust Management. Investors should be aware that these criteria may change over time. Product reference number: 196624.

# Investment report for the year ended 30 September 2022

## Performance overview

In the 12 months ended 30 September 2022, the Rathbone Ethical Bond Fund fell 22.77%, compared with the IA Sterling Corporate Bond sector's 20.53% drop.

## Market overview

For most of the period, the biggest story in global bond markets was central banks' increasingly forceful pivot away from low interest rates as they sought to choke off stubbornly high inflation.

Concerns that inflation would rise higher and linger longer than most people expected became a steady drumbeat throughout 2021. This quickened into something akin to a grungy club beat in the new year, rapidly pushing bond yields higher. Then Russia invaded Ukraine, immediately compounding already extraordinary rises in the cost of energy, metals and food. The noise became very jarring indeed.

Before the invasion, the world's big central banks made it clear they would begin rate hiking to try to stem the rising tide of inflation driven by post-pandemic reopening. The Bank of England (BoE) was first to kick the process off when it started raising rates in late 2021. The US Federal Reserve (Fed) began rate hiking in March, followed by the European Central Bank (ECB) in July.

Because inflation and higher rates eat into bonds' fixed returns, government bond yields have risen very sharply over the past 12 months (bond yields and prices move in opposite directions). The yield on 10-year US Treasuries began the period at 1.49% but had reached 3.83% by its end. The yield on 10-year gilts has surged too, up from 1.02% at the start of the period to 4.10% by its end.

Adding to the pain for investors, corporate debt has also come under intense pressure. Credit spreads – the extra yield (or spread) offered relative to government bonds for taking on default risks – widened significantly amid worries that higher inflation and slowing growth could make it harder for corporate borrowers to repay their debts. The iTraxx European Crossover Index began the period at 253 basis points (bps) and had widened to 639bps by its end.

At the start of the period, it seemed inconceivable that anyone would be worried about a looming recession this year. But even before the war in Ukraine began, global growth was beginning to lose a bit of momentum and consumer and business confidence were being dented by higher costs.

By early summer, signs of a global growth slowdown were becoming more evident as higher prices squeezed businesses and households. Bond investors began to hope this might persuade central banks to ease off the rate-hiking throttle. But these hopes were dashed when central banks made clear their commitment to bringing down stubbornly high inflation, insisting they would prioritise this goal over supporting economic growth.

When Fed Chair Jay Powell addressed the central bank's annual summit in Jackson Hole towards the end of August, he delivered his most hawkish message to date. He was adamant that the Fed wouldn't back off from further hikes any time soon and would "keep at it until the job is done." Powell acknowledged that higher rates intended to crush inflation would probably drive economic growth lower "for a sustained period". Like the Fed, the BoE made it crystal clear that a policy pivot away from hiking wasn't on the cards even as it forecast that a recession looked likely later this year.

The UK and Europe have been right in the eye of the storm given the huge cost of living squeezes exerted by soaring energy prices as Russia has drastically cut back its gas exports. Recessions seem increasingly likely this winter given the growth-sapping impact of higher energy costs. The economic outlook in the US has held up better than on the other side of the Atlantic. The country is well insulated from the Russia energy shock, with wholesale gas prices there rising by much less than in the UK and Europe. Nevertheless, cracks have been appearing. Most significantly, the housing market has begun to slow. This matters a lot because the US housing market has a strong track of weakening before the broader economy so it's deemed a good predictor of future downturns.

## UK bonds get pounded

The steady, if relentless, sell-off in government debt turned frenetic in the UK in late September when Chancellor Kwasi Kwarteng unveiled his mini-budget. It aims to kickstart economic growth with a massive package of help with energy bills, huge tax cuts and a raft of regulatory reforms. Investors feared injecting extra spending power into an economy already struggling with high inflation could further inflame hot prices, forcing more aggressive and faster BoE rate rises than they'd previously expected. Investor confidence was further troubled by the government's failure to spell out how its proposals would be funded, or to provide the independent forecasts and analysis from the UK's taxation and public spending watchdog that would usually accompany a budget. Investors immediately demanded a higher premium for holding UK assets via a cheaper currency and lower government debt prices.

The value of sterling slumped to an all-time low versus the US dollar and gilt yields ballooned. Before the budget, 10-year gilt yields were hovering just above 3%. By 27 September, they'd hit an intra-day peak of 4.58% (though they later sank back).

## Portfolio activity

For most of the period, the intense volatility in interest rate markets meant we opted to keep our portfolio's duration (the sensitivity of a bond portfolio's value to changes in prevailing interest rates) low.

At the same time, we balanced out our exposure to more defensive 'safe haven' bonds with exposure to bonds that we believed offered attractive 'carry'. Essentially, these bonds offer decent yields without us having to worry about big changes in their prices due to the volatility in the interest rate and inflation outlook.

The outlook for corporate bonds has certainly got trickier over the last few months as worries about the risk of an economic downturn have grown, but we continue to like bonds issued by select banks, insurers, building societies and investment firms. We feel these businesses will likely hold up well

in more difficult economic conditions because they're well capitalised and manage their risk exposure carefully. In October, for example, we bought pensions insurance specialist Rothesay Life 5% Perpetual-2031 and 4.875% Perpetual-2027 bonds. Rothesay takes on the assets and liabilities of corporate pension schemes from companies that no longer want to manage them. Its focus is investing in long-term assets to match its long-term liabilities so it's planning to fund new long-dated fixed rate mortgages in the UK to help meet this objective.

Soon afterwards, when prices of new bonds being issued were cheaper as credit spreads widened, we bought some newly issued bonds, including French banking group BPCE 2.5% Lower Tier 2 2032 bonds. Around the same time, we added several financial bonds offering good carry, including the AXA 6.379% Perpetual-2036 bonds.

The Nationwide Building Society 1.03% Floating Rate Senior 2031 was a low-yielding bond with very low duration due to its floating rate coupon, which made its value less sensitive to rate changes. By early this year, we felt these bonds had done their job in helping protect us from rising yields and we sold them.

Soon afterwards, we reduced our holding of the AXA 5.625% Subordinated 2054 bond as it is currently being 'grandfathered' into the new Solvency II regulatory capital regime. This means the bond can be used to show the regulator that it has enough capital to withstand shocks to its business, but only up to the end of 2025 when the grandfathering period runs out. Because the bond still has decades till maturity, at that point AXA may want to restructure the bonds or buy them back. We thought there was a risk of the bonds being redeemed at well below market value, so we swapped some of them for a similar AXA bond that ensures investors are 'made whole' if the bonds are bought back for regulatory reasons.

During the period, we began trimming our exposure to select financial bonds that we felt had begun to look pricey given the widening in credit spreads. For example, we sold London Stock Exchange 1.625% 2030 and Aviva 6.125% 2022 bonds to buy more attractively priced alternatives.

## Investment report for the year ended 30 September 2022 *(continued)*

At the same time, we've begun carefully to pare back some of our shorter-dated bonds and to add to longer-duration ones, for example, the UK Green Gilt 1.5% 2053, that move more in line with inflation and growth expectations than changes in rate expectations. We feel that if inflation starts to peak and there's a broad growth slowdown, it will be a better time to own longer-dated debt.

Throughout the period, we've traded in and out of UK green sovereign bonds ("Green Gilts") both to fine-tune our portfolio duration and to adapt our exposure to more defensive, 'safe haven' bonds. For example, we bought them around the time of Russia invasion of Ukraine and then sold them when we had greater appetite for risk.

**Bryn Jones**  
Fund Manager

**Noelle Cazalis**  
Fund Manager

**Stuart Chilvers**  
Assistant Fund Manager  
*18 October 2022*

# Ethical report for the year ended 30 September 2022

In the period since our last report for the full year ended 30 September 2021, the fund has invested in new bonds issued by the following organisations whose products and services provide benefits to society or the environment and/or who demonstrate good practice in responsible business matters.

## Financial institutions

During the year, the fund invested in a number of bonds issued by insurance and banking groups with strong environmental, social and governance (ESG) performance. These include Aviva, an insurance and investment group taking an active approach to decarbonisation and climate risk management; Rabobank, a Dutch co-operative bank that traces its roots to food and agriculture and continues to be active in this area; and Lloyds Bank, which has strong employment practices and a strong position in support for small and medium-sized enterprises (SMEs).

Bonds issued by organisations such as Rothesay Life, Hiscox and Banque Fédérative du Crédit Mutuel that display good corporate social responsibility practices have also been bought over the year.

In addition to an assessment of how well financial institutions are managing their direct social and environmental impacts, we are placing an increasing focus in our analysis on the management of indirect impacts via financing and investment activities.

## Green and sustainability bonds

Several green and sustainability bonds – with appropriate second-party verification of their financing frameworks and transparency on use of proceeds – were bought during the year. For example, the fund also invested in a green bond issued by the energy group Ørsted with proceeds used to support the construction and operation of renewable energy sites and associated infrastructure. Due to the ring-fenced nature of green bonds, where proceeds can only be used for specified purposes, such investments do not have exposure to areas such as nuclear power or fossil-fuels that would exclude general purpose bonds issued by these companies from the fund.

Additional examples bought during the year include: a green bond issued by the commercial property group Prologis to support new developments and refurbishments that meet high standards of sustainable construction and building design; green bonds from the insurance group Generali and bank Natwest, where proceeds were earmarked for acquisitions of green buildings and investment in renewable energy, energy efficiency, clean transportation, sustainable water management, recycling and waste management; and a sustainability bond issued by the central finance authority of New South Wales in Australia to support clean transportation, sustainable water and wastewater management, green buildings, energy efficiency, renewable energy and biodiversity conservation.



## **Charities and social enterprises**

In the area of impact-driven and charity bond issues, the fund invested in a number of bonds during the year. These included: large, grant-making foundations such as The Nature Conservancy, an environmental NGO active on issues from climate change to sustainable food systems; a charity bond issued by the Charities Aid Foundation, which promotes philanthropy in the UK and supports the work of over 50,000 charities; and a bond issued by Motability Operations, the commercial partner of the Motability charity which enables individuals with disabilities to use their government-funded mobility allowances to obtain a powered wheelchair, scooter, or new car with any necessary adaptations.

## **Engagement**

Rathbone Greenbank Investments' ethical, sustainable and impact research team (which provides screening services for the fund) has engaged with a number of holdings over the year to 30 September 2022.

As part of a broader initiative in collaboration with ShareAction's Good Work coalition, the team wrote to a number of companies, including Phoenix Life, to encourage them to sign up to the voluntary Living Hours standard. This is a parallel initiative to the Living Wage standard (which sets a minimum hourly rate of pay for employees and direct contractors) and requires companies to provide transparent and fair scheduling of shifts for hourly workers.

The team have also undertaken tactical engagement in response to emerging issues and concerns with investee organisations. This included engagement with the health and elderly care provider, Bupa, on the systems the group has in place to address care quality concerns. And with Greater Gabbard OFTO to discuss an incident in which the pollutant sulphur hexafluoride was released from a portion of the company's cabling. We were reassured that the leak was identified and resolved early, with the pollutant contained at source rather than entering the atmosphere.

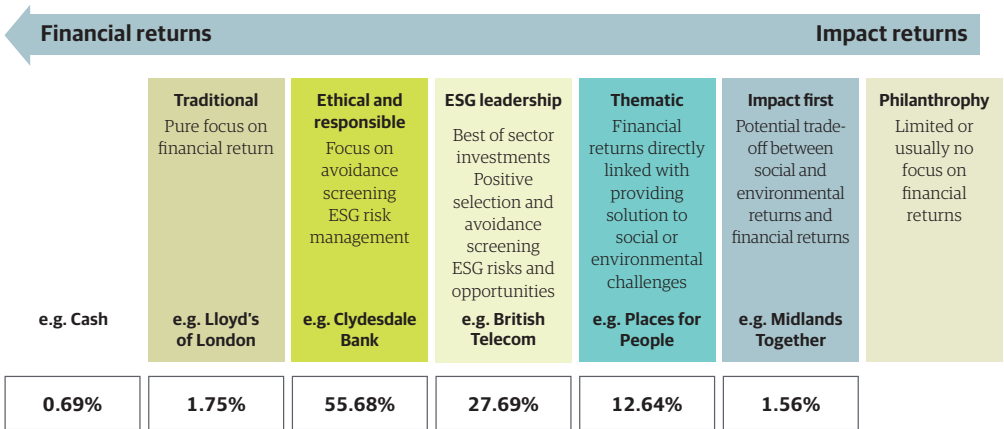
**Portfolio ethical and sustainability characteristics**

Various different terms are used to describe responsible, sustainable and impact investment approaches with no universally accepted definition or terminology for each.

The fund’s style has typically been described as ‘ethically balanced’, applying both positive and negative screening criteria. However, while not primarily focused on companies addressing sustainability or impact issues, a meaningful proportion (between 15% and 25%) of the fund has been invested in issuers addressing key sustainability or impact themes in recent years.

The fund is active across five of the categories below: Traditional, Ethical & Responsible, ESG Leadership, Thematic and, to a lesser extent, Impact First. In practice, the boundaries between the different approaches are gradual rather than clearly delineated.

**Spectrum of capital**



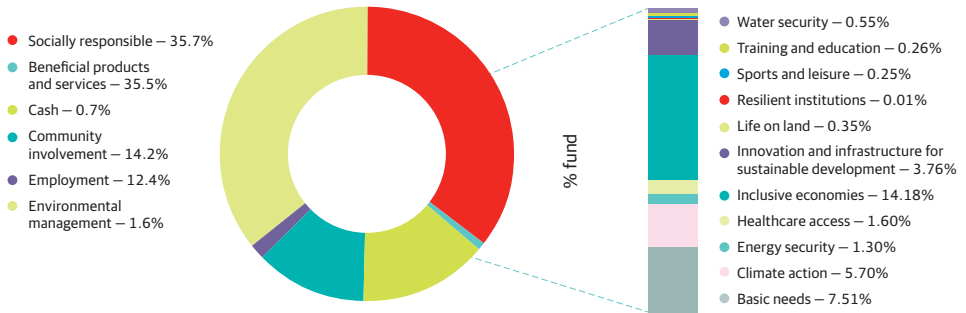
Source: Graphic modified from Bridges Fund Management’s *The Bridges Spectrum of Capital*

The positive element of the fund’s ethical research process does, however, also recognise key global sustainable development trends and identifies investee companies’ exposure to these. Many of these overlap, but can be broadly divided into two groups: environmental sustainability and social development.

The chart below sets out the portion of the fund’s exposure to companies offering solutions to various sustainability challenges (“beneficial products and services”) as well as the primary ethical attributes of the remaining portion of the Fund’s portfolio.

While not directly linked to sustainability solutions via the products and services they provide, many holdings also have significant positive attributes associated with the way in which they operate and align with the requirements of the fund’s positive criteria (those classified as “socially responsible” address more than one positive aspect).

### Ethical and sustainability characteristics



## Net asset value per unit and comparative tables

### R-class income units

	<b>30.09.22</b> pence per unit	30.09.21 pence per unit	30.09.20 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	96.70p	95.96p	94.94p
Return before operating charges*	(21.16p)	5.21p	5.69p
Operating charges	(1.14p)	(1.26p)	(1.22p)
Return after operating charges*	(22.30p)	3.95p	4.47p
Distributions on income units	(3.31p)	(3.21p)	(3.45p)
Closing net asset value per unit	71.09p	96.70p	95.96p
*after direct transaction costs <sup>1</sup> of:	0.00p	0.00p	0.00p

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

### Performance

Return after charges	(23.06%)	4.12%	4.71%
----------------------	----------	-------	-------

### Other information

Closing net asset value	£4,845,243	£7,340,655	£7,477,251
Closing number of units	6,815,379	7,591,482	7,792,452
Operating charges**	1.28%	1.28%	1.28%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices\*\*\*

Highest unit price	97.57p	100.71p	98.11p
Lowest unit price	72.02p	96.35p	86.50p

\*\* 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>30.09.22</b> pence per unit	30.09.21 pence per unit	30.09.20 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	231.94p	222.78p	212.52p
Return before operating charges*	(51.72p)	12.13p	13.03p
Operating charges	(2.77p)	(2.97p)	(2.77p)
Return after operating charges*	(54.49p)	9.16p	10.26p
Distributions on accumulation units	(8.04p)	(7.56p)	(7.81p)
Retained distributions on accumulation units	8.04p	7.56p	7.81p
Closing net asset value per unit	177.45p	231.94p	222.78p

\*after direct transaction costs<sup>1</sup> of: 0.00p 0.00p 0.00p

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

### Performance

Return after charges (23.49%) 4.11% 4.83%

### Other information

Closing net asset value	£13,883,234	£22,008,508	£20,333,628
Closing number of units	7,823,661	9,488,714	9,127,328
Operating charges**	1.28%	1.28%	1.28%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices\*\*\*

Highest unit price	234.04p	236.72p	224.41p
Lowest unit price	177.62p	223.70p	195.40p

\*\* 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>30.09.22</b> pence per unit	30.09.21 pence per unit	30.09.20 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	103.16p	101.74p	100.03p
Return before operating charges*	(22.67p)	5.53p	6.01p
Operating charges	(0.62p)	(0.69p)	(0.66p)
Return after operating charges*	(23.29p)	4.84p	5.35p
Distributions on income units	(3.54p)	(3.42p)	(3.64p)
Closing net asset value per unit	76.33p	103.16p	101.74p
*after direct transaction costs <sup>1</sup> of:	0.00p	0.00p	0.00p

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

### Performance

Return after charges	(22.58%)	4.76%	5.35%
----------------------	----------	-------	-------

### Other information

Closing net asset value	£582,186,517	£781,199,550	£595,834,591
Closing number of units	762,729,809	757,244,490	585,653,621
Operating charges**	0.66%	0.66%	0.66%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices\*\*\*

Highest unit price	104.18p	106.95p	103.63p
Lowest unit price	77.32p	102.17p	91.40p

\*\* 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>30.09.22</b> pence per unit	30.09.21 pence per unit	30.09.20 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	244.92p	233.77p	221.61p
Return before operating charges*	(54.87p)	12.75p	13.65p
Operating charges	(1.50p)	(1.60p)	(1.49p)
Return after operating charges*	(56.37p)	11.15p	12.16p
Distributions on accumulation units	(8.51p)	(7.96p)	(8.17p)
Retained distributions on accumulation units	8.51p	7.96p	8.17p
Closing net asset value per unit	188.55p	244.92p	233.77p

\*after direct transaction costs<sup>1</sup> of: 0.00p 0.00p 0.00p

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

### Performance

Return after charges (23.02%) 4.77% 5.49%

### Other information

Closing net asset value	£1,206,199,895	£1,560,994,789	£975,737,239
Closing number of units	639,710,393	637,359,444	417,390,200
Operating charges**	0.66%	0.66%	0.66%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices\*\*\*

Highest unit price	247.34p	249.78p	235.40p
Lowest unit price	188.73p	234.75p	204.36p

\*\* 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>30.09.22</b> pence per unit	30.09.21 pence per unit	30.09.20 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	105.95p	104.34p	102.45p
Return before operating charges*	(23.31p)	5.68p	6.16p
Operating charges	(0.51p)	(0.56p)	(0.54p)
Return after operating charges*	(23.82p)	5.12p	5.62p
Distributions on income units	(3.63p)	(3.51p)	(3.73p)
Closing net asset value per unit	78.50p	105.95p	104.34p
*after direct transaction costs <sup>1</sup> of:	0.00p	0.00p	0.00p

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

### Performance

Return after charges	(22.48%)	4.91%	5.49%
----------------------	----------	-------	-------

### Other information

Closing net asset value	£175,483,285	£216,072,152	£183,060,233
Closing number of units	223,540,743	203,943,333	175,441,571
Operating charges**	0.52%	0.52%	0.52%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices\*\*\*

Highest unit price	107.02p	109.73p	106.20p
Lowest unit price	79.53p	104.79p	93.68p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP and includes a synthetic element relating to the expenses paid by any investment funds which the fund holds.

\*\*\* 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>30.09.22</b> pence per unit	30.09.21 pence per unit	30.09.20 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	120.74p	115.09p	108.95p
Return before operating charges*	(27.07p)	6.28p	6.72p
Operating charges	(0.59p)	(0.63p)	(0.58p)
Return after operating charges*	(27.66p)	5.65p	6.14p
Distributions on accumulation units	(4.20p)	(3.92p)	(4.02p)
Retained distributions on accumulation units	4.20p	3.92p	4.02p
Closing net asset value per unit	93.08p	120.74p	115.09p
*after direct transaction costs <sup>1</sup> of:	0.00p	0.00p	0.00p

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

### Performance

Return after charges	(22.91%)	4.91%	5.64%
----------------------	----------	-------	-------

### Other information

Closing net asset value	£35,064,772	£43,111,733	£24,552,105
Closing number of units	37,671,723	35,706,450	21,333,012
Operating charges**	0.52%	0.52%	0.52%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices\*\*\*

Highest unit price	121.96p	123.12p	115.89p
Lowest unit price	93.17p	115.58p	100.53p

\*\* 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 2022

	2018	2019	2020	2021	2022
R-class units	-0.08%	8.74%	5.02%	4.09%	-23.25%
I-class units	0.54%	9.39%	5.67%	4.74%	-22.77%
S-class units	0.61%	9.60%	5.82%	4.88%	-22.67%
IA Sterling Corporate Bond sector	0.10%	9.02%	4.21%	1.26%	-20.53%

Source performance data Financial Express, mid to mid, net income reinvested.

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 2022

Holding (Bonds unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Bonds (30.09.21: 96.50%)</b>		
<b>Mortgage Bonds (30.09.21: 0.46%)</b>		
£9,123,625 Finance for Residential Social Housing 8.369% 2058	7,606,882	0.38
\$3,000,000 Goodgreen 2020-1 Trust 2.63% 2055	1,500,235	0.07
\$888,000 Hero Funding Trust 3.19% 2048	209,075	0.01
\$500,000 Hero Funding Trust 3.28% 2048	124,283	0.01
	<b>9,440,475</b>	<b>0.47</b>
<b>Supranational Bonds (30.09.21: 0.58%)</b>		
£2,074,000 EIB 0% 2028	<b>1,548,975</b>	<b>0.08</b>
<b>Corporate Bonds (30.09.21: 93.94%)</b>		
£17,574,000 3i 3.75% 2040	11,819,452	0.59
£8,585,000 3i 5.75% 2032	7,883,842	0.39
£4,368,400 A2D Funding 4.5% 2026	4,059,869	0.20
£7,450,000 A2D Housing 3.5% 2028	6,359,667	0.32
£2,100,000 abrdn 5.25% VRN perp	1,514,625	0.07
€10,100,000 ACCIONA Financiacion Filiales 4.25% 2030	8,433,754	0.42
£2,962,700 Aggregate Micro Power Infrastructure 8% 2036	2,616,657	0.13
\$2,727,000 American Museum of Natural History 3.121% 2052	1,759,402	0.09
£9,300,000 Anchor Hanover 2% 2051	4,637,073	0.23
£2,308,000 Anglian Water Osprey Financing 2% 2028	1,655,419	0.08
€5,827,000 Assicurazioni Generali 5.8% 2032	4,830,133	0.24
£9,300,000 Assicurazioni Generali 6.269% perp	8,614,435	0.43
£1,255,000 Aster Treasury 4.5% 2043	1,072,559	0.05
€13,800,000 Audax Renovables 4.2% 2027	7,629,736	0.38
£13,717,000 Australia and New Zealand Banking 1.809% VRN 2031	10,622,616	0.53
\$15,070,000 Australia and New Zealand Banking FRN perp	9,039,570	0.45
£24,605,000 Aviva 4% VRN 2055	16,366,510	0.81
£13,022,000 Aviva 4.375% VRN 2049	10,329,968	0.51
£2,559,000 Aviva 5.125% VRN 2050	2,080,178	0.10
£19,090,000 Aviva 6.125% VRN 2036	17,570,808	0.87
£32,737,000 Aviva 6.875% VRN 2058	29,409,507	1.46
£10,435,000 Aviva 6.875% VRN perp	8,307,408	0.41
€2,000,000 AXA 0% VRN perp	1,374,300	0.07
£32,572,000 AXA 5.453% VRN perp	29,950,632	1.48
£8,980,000 AXA 5.625% VRN 2054	7,260,622	0.36
\$46,300,000 AXA 6.379% VRN perp	40,706,767	2.02

## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1e) £	Percentage of total net assets	
£20,429,000	AXA 6.6862% VRN perp	19,465,431	0.96
\$2,353,000	BAC Capital Trust 4% VRN perp	1,543,924	0.08
£8,600,000	Banco Santander 4.75% VRN 2028	7,823,570	0.39
£14,500,000	Banco Bilbao Vizcaya Argent 3.104% VRN 2031	11,651,497	0.58
€3,257,000	Banco Santander 1% VRN perp	2,400,971	0.12
£9,400,000	Banco Santander 1.5% 2026	7,673,360	0.38
£8,400,000	Banco Santander 1.75% 2027	6,588,162	0.33
£34,400,000	Banco Santander 2.25% VRN 2032	25,386,653	1.26
€4,750,000	Banco Santander FRN perp	3,131,612	0.15
€5,116,000	Banque Federative du Credit Mutuel 0.117% VRN perp	3,482,236	0.17
£3,564,000	Barclays Bank 1.7% VRN 2026	3,010,344	0.15
€15,520,000	Barclays Bank 4.75% VRN perp	11,066,364	0.55
£8,791,000	Bazalgette Finance 2.375% 2027	7,282,701	0.36
£2,796,000	Bazalgette Finance 2.75% 2034	2,032,923	0.10
\$18,650,000	Beazley 5.875% 2026	15,871,629	0.79
\$19,979,000	Beazley Insurance DAC 5.5% 2029	16,107,767	0.80
£11,190,000	Berkeley 2.50% 2031	6,867,404	0.34
£5,500,000	BNP Paribas 2.875% 2029	4,333,763	0.21
\$19,570,000	BNP Paribas FRN perp	12,420,805	0.62
£25,900,000	BPCE 2.5% VRN 2032	19,470,856	0.96
AUD\$8,000,000	BPCE 4.5% 2028	4,126,804	0.20
£22,900,000	BPCE 5.25% 2029	19,790,494	0.98
AUD\$8,660,000	BPCE 6.3424% VRN 2028	4,909,200	0.24
\$5,000,000	Bridge Housing Corporation 3.25% 2030	4,049,306	0.20
£3,300,000	Brit Insurance 6.625% VRN 2030	2,517,900	0.12
£5,042,000	BUPA Finance 4% VRN perp	2,984,612	0.15
£37,495,000	BUPA Finance 4.125% 2035	25,385,690	1.26
£4,297,000	BUPA Finance 5% 2026	3,785,998	0.19
£300,000	Burnham And Weston Energy CIC 5% Index-Linked 2036	227,105	0.01
€7,355,000	Caisse Federale du Credit Mutuel 0.329% VRN perp	5,017,843	0.25
\$4,545,000	California Endowment 2.498% 2051	2,581,567	0.13
£3,448,000	Canal & River Trust 2.85% Series A Senior 2043	2,718,403	0.13
£6,945,000	Catalyst Housing 3.125% 2047	4,624,462	0.23
£4,358,000	Channel Link FRN 2050	3,209,358	0.16
£9,900,000	Clarion Funding 1.25% 2032	6,431,534	0.32
£7,225,000	Clarion Funding 1.875% 2035	4,615,027	0.23
£8,754,000	Close Brothers 2% VRN 2031	6,843,194	0.34
€7,000,000	CNP Assurances 5.25% VRN perp	6,300,070	0.31

## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1e) £	Percentage of total net assets	
£175,000	Coigach Community CIC 5% Index-Linked 2030	163,166	0.01
€2,400,000	Co-operative Rabobank 0.375% VRN 2027	1,811,960	0.09
£4,614,000	Co-operative Rabobank 5.25% 2027	4,141,268	0.20
£7,921,000	Coventry Building Society 6.875% VRN perp	7,079,394	0.35
£6,800,000	Credit Agricole 1.874% VRN 2031	5,254,550	0.26
£2,700,000	CYBG 4% VRN 2026	2,399,155	0.12
£19,500,000	CYBG 4% VRN 2027	16,567,929	0.82
£10,800,000	Direct Line Insurance 4% 2032	7,684,049	0.38
\$1,970,000	DNB Bank ASA FRN perp	1,217,683	0.06
\$2,900,000	DNB Bank ASA FRN perp	1,792,529	0.09
£162,000	Ecology Building Society 9.625% VRN perp	165,110	0.01
£175,000	Ellenbrook Developments 3.3894% Index-Linked 2032	147,501	0.01
€4,600,000	Equinix 1% 2033	2,840,510	0.14
£6,817,000	Fidelity International 7.125% 2024	6,841,823	0.34
£1,917,847	Finance for Residential Social Housing 8.569% 2058	1,341,519	0.06
£600,000	Finance for Residential Social Housing 8.569% 2058	483,423	0.02
£195,000	Fixed Rate Unsecured Bonds 4.5% 2026	167,739	0.01
£6,871,000	Flagship Finance 1.875% 2061	3,248,128	0.16
\$4,500,000	Ford Foundation 2.415% 2050	2,489,193	0.12
£130,000	Glasgow Together 4% 2022	13,000	—
£13,803,000	Grainger 3% 2030	9,838,708	0.49
£3,589,000	Grainger 3.375% 2028	2,819,165	0.14
£12,674,000	Greater Gabbard 4.137% 2032	8,060,192	0.40
£1,002,500	Heylo Housing Secured Bond 1.625% Index-Linked 2028	1,123,802	0.06
£2,920,000	Hiscox 6% 2027	2,745,815	0.14
£23,917,000	Hiscox 6.125% VRN 2045	21,391,736	1.06
£53,529,000	HSBC Bank 5.844% VRN perp	54,159,395	2.68
\$4,400,000	HSBC Bank FRN perp	2,904,166	0.14
£30,740,000	Investec Bank 1.875% VRN 2028	22,479,959	1.11
£19,334,000	Investec Bank 2.625% VRN 2032	14,274,712	0.71
£11,937,000	Investec Bank 4.25% VRN 2028	11,467,828	0.57
£29,203,000	Just 9% 2026	29,602,109	1.47
£2,362,000	Jupiter Fund Management 8.875% VRN 2030	2,327,302	0.11
£1,322,000	Just 3.5% 2025	1,160,055	0.06
£11,843,000	Just 5% VRN perp	6,932,418	0.34
£18,680,000	Just 7% VRN 2031	17,490,560	0.87
£7,650,000	Just 8.125% 2029	8,010,254	0.40
£13,753,000	Leeds Building Society 1.5% VRN 2027	11,327,078	0.56

## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Bonds unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
£32,191,000	Legal & General 3.75% VRN 2049	23,916,194	1.19
£8,025,000	Legal & General 4.5% VRN 2050	6,169,545	0.31
\$2,360,000	Legal & General 5.25% VRN 2047	1,799,418	0.09
£12,839,000	Legal & General 5.375% VRN 2045	11,844,935	0.59
£33,743,000	Legal & General 5.5% VRN 2064	25,509,705	1.26
£24,441,000	Legal & General 5.625% VRN perp	17,718,650	0.88
£165,000	Linton Hydro Limited 5.25% Index-Linked 2033	157,064	0.01
£35,000,000	Liverpool Victoria Friendly Society 6.5% VRN 2043	34,120,660	1.69
£4,100,000	Lloyds Banking 1.875% VRN 2026	3,620,893	0.18
£8,851,000	Lloyds Banking 1.985% VRN 2031	6,879,212	0.34
£12,878,000	Lloyds Banking 2% VRN 2028	10,204,592	0.51
£53,283,000	Lloyds Banking 2.707% VRN 2035	35,559,652	1.76
AUD\$5,050,000	Lloyds Banking 5.3906% VRN 2027	2,878,990	0.14
£8,000,000	Logicor 2019-1 1.875% 2031	6,682,414	0.33
€5,300,000	Logicor Financing 1.625% 2030	3,493,528	0.17
£5,413,000	London and Quadrant Housing Trust 2% 2032	3,893,517	0.19
£6,102,000	London and Quadrant Housing Trust 2.25% 2029	4,819,792	0.24
£4,054,000	London and Quadrant Housing Trust 2.625% 2028	3,418,728	0.17
£2,955,000	London Merchant Securities 6.5% 2026	2,954,966	0.15
£4,973,000	M&G 3.875% VRN 2049	4,624,179	0.23
£9,012,000	M&G 5% VRN 2055	6,722,582	0.33
£17,443,000	M&G 5.625% VRN 2051	13,966,505	0.69
£9,114,000	M&G 5.7% VRN 2063	6,953,358	0.34
£12,641,000	M&G 6.25% VRN 2068	9,476,230	0.47
\$4,593,000	Massachusetts Department of Higher Education 2.673% 2031	3,399,125	0.17
\$590,000	MDIF Media Finance 4% 2023	218,398	0.01
£5,963,000	Motability Operations 2.125% 2042	3,644,186	0.18
£20,600,000	National Australia Bank 1.699% VRN 2031	16,048,409	0.79
\$10,000,000	Nationwide Building Society 4.302% VRN 2029	7,971,217	0.40
£3,786,000	Nationwide Building Society 5.75% VRN perp	3,023,121	0.15
£4,620,000	Nationwide Building Society 5.769% perp	4,675,440	0.23
£1,556,000	Nationwide Building Society 6.25% VRN perp	1,593,618	0.08
£3,000,000	Nationwide Building Society 7.859% VRN perp	3,468,000	0.17
£172,938	Nationwide Building Society 10.25% VRN perp	19,196,118	0.95
\$900,000	Nature Conservancy 1.154% 2027	688,031	0.03
\$6,875,000	Nature Conservancy 3.957% 2052	5,012,425	0.25
€5,100,000	NatWest 1.043% VRN 2032	3,455,473	0.17
£12,923,000	NatWest 2.057% VRN 2028	9,912,614	0.49

## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Bonds unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
£11,386,000	NatWest 3.619% VRN 2029	9,279,308	0.46
\$2,111,000	NatWest 4.892% VRN 2029	1,721,068	0.09
£19,628,000	Royal Bank of Scotland 3.622% VRN 2030	17,297,705	0.86
£871,800	NatWest Markets 3.9% VRN 2022	914,082	0.04
AUD\$19,177,000	New South Wales Treasury 2.5% 2032	9,229,425	0.46
£3,611,000	Nordea Bank 1.625% VRN 2032	2,668,550	0.13
\$1,722,000	Nordea Bank 3.75% VRN perp	1,018,358	0.05
£1,998,000	Notting Hill Genesis 2% 2036	1,264,548	0.06
£4,560,000	Notting Hill Genesis 2.875% 2029	3,790,625	0.19
£1,033,000	Notting Hill Housing 3.25% 2048	689,424	0.03
£1,357,000	Notting Hill Housing 3.75% 2032	1,135,004	0.06
£200,000	Nottinghamshire YMCA 6% 2027	167,960	0.01
£3,700,000	Orange SA 3.25% 2032	2,975,944	0.15
\$11,640,000	Orange SA 9% 2031 Step	12,505,435	0.62
£1,900,000	Orbit Capital 2% 2038	1,134,218	0.06
£4,547,000	Orbit Capital 3.375% 2048	3,131,119	0.16
£3,036,000	Orbit Capital 3.5% 2045	2,162,637	0.11
£6,626,000	Orsted 5.375% 2042	6,132,866	0.30
£11,571,000	Orsted AS 2.5% VRN 3021	7,076,071	0.35
£440,000	Our Power Social Purpose 6.5% 2021*	—	—
£150,000	Paces Sheffield 6% 2029	126,450	0.01
£3,454,000	Paragon 2% 2036	2,220,145	0.11
£4,625,000	Paragon 4.375% VRN 2031	4,335,197	0.21
£9,848,000	Paragon 6% 2024	9,760,510	0.48
£4,583,000	Peabody Capital No 2 2.75% 2034	3,353,680	0.17
£15,479,000	PGH Capital 6.625% 2025	14,472,520	0.72
\$21,669,000	Phoenix 4.75% VRN 2031	16,489,721	0.82
\$24,280,000	Phoenix 5.375% 2027	19,466,631	0.96
£3,000,000	Phoenix 5.625% 2031	2,369,822	0.12
£13,950,000	Phoenix 5.75% VRN perp	10,452,121	0.52
£11,568,000	Places for People Homes 3.625% 2028	9,949,942	0.49
£1,924,300	Places for People Finance 4.25% 2023	1,872,386	0.09
£10,583,000	Places For People Treasury 2.5% 2036	7,071,122	0.35
£3,940,000	Places for People Treasury 2.875% 2026	3,481,030	0.17
£5,800,000	Principality Building Society 2.375% 2023	5,507,636	0.27
£3,911,000	Prologis International Funding II 3% 2042	2,546,857	0.13
£7,500,000	Prudential Corporation 6.125% 2031	6,662,733	0.33
£5,500,000	QBE Insurance 2.5% VRN 2038	3,876,150	0.19

## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1e) £	Percentage of total net assets	
£920,000	Quadrant Housing 7.93% Step 2033	803,567	0.04
£13,631,000	Quilter 4.478% VRN 2028	13,224,769	0.66
£24,000,000	Rabobank Nederland 4.625% 2029	20,160,139	1.00
£1,297,000	RCB Bonds 3.5% 2033	1,022,684	0.05
£27,600,000	Reassure 5.867% 2029	23,212,133	1.15
£553,200	Retail Charity Bonds 3.9% 2029	468,704	0.02
£1,331,200	Retail Charity Bonds 4% 2029	1,134,715	0.06
£2,414,800	Retail Charity Bonds 4.25% 2026	2,166,486	0.11
£1,089,800	Retail Charity Bonds 4.25% 2028	1,026,592	0.05
£871,800	Retail Charity Bonds 4.4% 2027	806,572	0.04
£1,598,800	Retail Charity Bonds 4.5% 2026	1,431,757	0.07
£900,000	Retail Charity Bonds 5% 2030	857,700	0.04
£40,570,000	RL Finance Bonds 4.875% VRN 2049	26,934,545	1.33
£19,747,000	RL Finance Bonds 6.125% VRN 2043	19,322,967	0.96
£28,576,000	RL Finance Bonds 6.125% 2028	25,063,727	1.24
£22,807,000	Rothsay Life 3.375% 2026	19,023,768	0.94
\$23,106,000	Rothsay Life 4.875% VRN perp	14,656,362	0.73
£30,000,000	Rothsay Life 5% VRN perp	18,982,500	0.94
£11,923,000	Rothsay Life 5.5% VRN 2029	11,271,656	0.56
£10,470,000	Rothsay Life 6.875% VRN perp	8,426,151	0.42
£14,612,000	Rothsay Life 8% 2025	14,419,935	0.71
£14,027,000	Rothschild 9% perp	14,868,620	0.74
£4,500,000	Royal Bank of Scotland 3.125% VRN 2027	3,893,237	0.19
£6,741,000	RSA Insurance 5.125% VRN 2045	6,073,048	0.30
£528,000	Sainsburys Bank 6% VRN 2027	522,583	0.03
£21,683,000	Santander UK 2.92% VRN 2026	19,232,301	0.95
£4,753,000	Santander UK 3.625% 2026	4,226,963	0.21
£916,000	Santander UK 5.875% 2031	857,391	0.04
£1,963,000	Santander UK 6.5% 2030	1,921,456	0.10
£10,045,000	Santander UK 2.421% VRN 2029	7,805,438	0.39
€7,200,000	Scatec ASA FRN 2025	5,591,980	0.28
£1,441,000	Scottish Widows 5.5% 2023	1,429,919	0.07
£41,632,000	Scottish Widows 7% 2043	37,342,580	1.85
£14,920,000	Skipton Building Society 2% VRN 2026	12,866,710	0.64
€1,900,000	Società Cattolica di Assicurazione 4.25% VRN 2047	1,503,240	0.07
£91,500	South Bristol Sports Centre 7% 2023	55,381	—
\$7,431,000	abrdn 4.25% 2028	5,658,291	0.28
£9,576,000	abrdn 5.5% VRN 2042	9,499,392	0.47



## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
€32,470,000 Stichting AK Rabobank Certificaten 6.5% perp Step	26,144,373	1.30
£9,146,000 Stonewater Funding 1.625% 2036	5,592,324	0.28
£4,140,000 Svenska Handelsbanken 4.625% VRN 2032	3,612,452	0.18
£12,353,000 TC Dudgeon Ofto 3.158% 2038	9,050,435	0.45
£1,117,000 Telereal Securitisation 1.3657% 2033	753,693	0.04
£2,270,000 Telereal Securitisation 1.9632% VRN 2033	1,933,325	0.10
£5,169,000 Telereal Securitisation FRN 2033	4,555,331	0.23
£500,000 Thera Trust 5.5% 2024	468,450	0.02
£750,000 Thrive Renewables 5% 2024	723,000	0.04
£3,690,000 TP ICAP Finance 2.625% 2028	2,485,366	0.12
£300,000 Triodos Bank 4% 2030	259,560	0.01
£2,100,000 Vattenfall 2.5% VRN 2083	1,568,133	0.08
\$10,229,000 Vena Energy Capital 3.133% 2025	8,517,334	0.42
£2,850,000 Verizon Communications 1.125% 2028	2,098,764	0.10
£6,870,000 Verizon Communications 1.875% 2038	3,891,397	0.19
£20,680,000 Virgin Money UK 2.625% VRN 2031	15,972,957	0.79
£21,894,000 Virgin Money UK 5.125% VRN 2030	19,414,748	0.96
£2,043,000 Welltower 4.5% 2034	1,632,160	0.08
£700,000 Welltower 4.8% 2028	624,729	0.03
\$12,766,000 WK Kellogg Foundation Trust 2.443% 2050	7,086,202	0.35
£12,023,000 Wods Transmission 3.446% 2034	7,903,789	0.39
£12,586,000 Yorkshire Building Society 1.5% VRN 2029	9,001,175	0.45
£27,614,000 Yorkshire Building Society 3.375% VRN 2028	21,752,368	1.08
£4,546,000 Yorkshire Building Society 3.511% VRN 2030	3,554,424	0.18
\$37,255,000 Zurich Finance Ireland Designated 3% VRN 2051	23,000,989	1.14
£10,874,000 Zurich Finance Ireland 5.125% VRN 2052	8,971,605	0.44
	<b>1,933,936,457</b>	<b>95.84</b>
<b>Corporate Convertibles (30.09.21: 0.10%)</b>		
\$4,300,000 Beyond Meat 0% 2027	<b>1,177,903</b>	<b>0.06</b>
<b>Government Bonds (30.09.21: 1.42%)</b>		
£50,000,000 UK Treasury Gilt 1.5% 2053	<b>29,633,000</b>	<b>1.47</b>
<b>Total Bonds</b>	<b>1,975,736,810</b>	<b>97.92</b>

## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Equities</b> (30.09.21: 0.29%)		
14,491,309 Greencoat Renewables**	<b>14,434,221</b>	<b>0.72</b>
<b>Forward Foreign Exchange Contracts</b> (30.09.21: (0.33%))		
Buy £21,390,202, Sell AUD36,339,131	453,420	0.02
Buy £115,937,866, Sell €132,970,602	(1,362,547)	(0.07)
Buy \$34,655,761, Sell £30,960,535	47,898	–
Buy €8,084,820, Sell £7,165,859	(33,812)	–
Buy AUD775,008, Sell £468,778	(22,257)	–
Buy £261,276,675, Sell \$307,161,562	(13,557,825)	(0.67)
	<b>(14,475,123)</b>	<b>(0.72)</b>
<b>Total value of investments</b> (30.09.21: 96.46%)	1,975,695,908	97.92
<b>Net other assets</b> (30.09.21: 3.54%)	41,967,038	2.08
<b>Total value of the fund as at 30 September 2022</b>	<b>2,017,662,946</b>	<b>100.00</b>

\* Delisted

\*\* Equity Security

## Statement of total return for the year ended 30 September 2022

	Note	30.09.22 £	30.09.22 £	30.09.21 £	30.09.21 £
<b>Income</b>					
Net capital (losses)/gains	3		<b>(700,278,691)</b>		31,400,723
Revenue	4	<b>95,213,826</b>		73,669,370	
Expenses	5	<b>(16,475,801)</b>		(14,544,898)	
Interest payable and similar charges	6	<b>(4,171)</b>		(5,575)	
Net revenue before taxation		<b>78,733,854</b>		59,118,897	
Taxation	7	<b>(5,091)</b>		(12,352)	
Net revenue after taxation			<b>78,728,763</b>		59,106,545
<b>Total return before distributions</b>			<b>(621,549,928)</b>		90,507,268
Distributions	8		<b>(94,329,422)</b>		(72,924,359)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(715,879,350)</b>		17,582,909

## Statement of change in net assets attributable to unitholders for the year ended 30 September 2022

	30.09.22 £	30.09.22 £	30.09.21 £	30.09.21 £
<b>Opening net assets attributable to unitholders</b>		<b>2,630,727,387</b>		1,806,995,047
Amounts receivable on issue of units	<b>378,349,959</b>		838,220,977	
Amounts payable on cancellation of units	<b>(334,175,924)</b>		(77,282,688)	
		<b>44,174,035</b>		760,938,289
Change in net assets attributable to unitholders from investment activities (see Statement of total return above)		<b>(715,879,350)</b>		17,582,909
Retained distributions on accumulation units		<b>58,636,052</b>		45,210,122
Unclaimed distributions		<b>4,822</b>		1,020
<b>Closing net assets attributable to unitholders</b>		<b>2,017,662,946</b>		2,630,727,387

## Balance sheet as at 30 September 2022

	Note	30.09.22 £	30.09.22 £	30.09.21 £	30.09.21 £
<b>Assets</b>					
<b>Fixed assets:</b>					
Investments			<b>1,990,672,349</b>		2,546,341,468
<b>Current assets:</b>					
Debtors	9	<b>44,217,290</b>		101,351,989	
Cash and bank balances		<b>15,063,190</b>		77,172,475	
<b>Total current assets</b>			<b>59,280,480</b>		178,524,464
<b>Total assets</b>			<b>2,049,952,829</b>		2,724,865,932
<b>Liabilities</b>					
Investment liabilities			<b>(14,976,441)</b>		(8,812,203)
<b>Creditors:</b>					
Bank overdrafts			—	(2,078,961)	
Other creditors	10	<b>(8,114,078)</b>		(75,149,126)	
Distribution payable on income units		<b>(9,199,364)</b>		(8,098,255)	
<b>Total liabilities</b>			<b>(32,289,883)</b>		(94,138,545)
<b>Net assets attributable to unitholders</b>			<b>2,017,662,946</b>		2,630,727,387

# Notes to the financial statements

## 1 Accounting policies

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 45, 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

Bank and other interest receivable is accrued up to the accounting date, and this forms part of the distribution.

Revenue on debt securities has been accounted for on an effective interest method.

### 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.

During the year the fund entered into derivative transactions in the form of forward foreign currency contracts. For forward foreign currency contracts, market value is determined by reference to forward currency exchange rates at the year end.

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.

Unquoted investments are valued at fair value, which represents the Manager's view of the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. This does not assume that the underlying business is saleable at the reporting date or that its current shareholders have an intention to sell their holding in the near future.

The unquoted investments are valued by the Manager based upon information from an independent valuation firm, taking into account, where appropriate, latest dealing prices, achievement or not of key milestones, valuations from reliable sources, financial performance, and other relevant factors.

### 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.

## 1 Accounting policies *(continued)*

### 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.

### 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 is deducted from capital, offsetting expenses against capital may constrain future growth in revenue and capital.

For the purpose of calculating the distribution available to unitholders, revenue on debt securities is computed as the higher of the amount determined on an accrual of coupon basis and on an effective yield basis.

A reconciliation of the net distribution to the net revenue of the fund as reported total return is shown in note 8.

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.

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

### 3 Net capital (losses)/gains

	30.09.22 £	30.09.21 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	<b>(645,934,536)</b>	28,196,110
Currency (losses)/gains	<b>(333,177)</b>	515,444
Forward currency contracts	<b>(54,006,361)</b>	2,698,685
Transaction charges	<b>(4,617)</b>	(9,516)
Net capital (losses)/gains	<b>(700,278,691)</b>	31,400,723

### 4 Revenue

	30.09.22 £	30.09.21 £
Dividends – Overseas	<b>808,559</b>	208,059
Interest on debt securities	<b>94,332,493</b>	73,461,311
Bank interest	<b>72,774</b>	–
Total revenue	<b>95,213,826</b>	73,669,370

### 5 Expenses

	30.09.22 £	30.09.21 £	30.09.21 £	30.09.21 £
Payable to the Manager, associates of the Manager and agents of either of them:				
Manager's periodic charge		<b>15,635,840</b>		13,823,303
Payable to the Trustee, associates of the Trustee and agents of either of them:				
Trustee's fees	<b>274,456</b>		270,053	
Safe custody and other bank charges	<b>322,602</b>		264,553	
		<b>597,058</b>		534,606
Other expenses:				
Administration fees	<b>172,162</b>		121,304	
Audit fee*	<b>29,400</b>		17,400	
Printing and publication costs	<b>(3,487)</b>		6,979	
Registration fees	<b>44,828</b>		41,306	
		<b>242,903</b>		186,989
Total expenses		<b>16,475,801</b>		14,544,898

\* Audit fees for 2022 are £24,500 excluding VAT (30.09.21: £14,500 excluding VAT).

## 6 Interest payable and similar charges

	30.09.22 £	30.09.21 £
Bank interest payable	4,171	5,575
Interest payable and similar charges	4,171	5,575

## 7 Taxation

	30.09.22 £	30.09.21 £
a) Analysis of charge in the year		
Irrecoverable overseas tax	4,991	11,360
Reclaimable Tax written off	—	992
Irrecoverable income tax	100	—
Total tax charge for the year (note 5b)	5,091	12,352

### 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%) (30.09.21: 20%). The differences are explained below.

	30.09.22 £	30.09.21 £
Net revenue before taxation	78,733,854	59,118,897
Corporation tax at 20%	15,746,771	11,823,779
Effects of:		
Revenue not subject to taxation	(161,712)	(41,612)
Tax deductible interest distribution	(15,585,059)	(11,782,167)
Irrecoverable overseas tax	4,991	11,360
Reclaimable Tax written off	—	992
Irrecoverable income tax	100	—
Corporate tax charge	5,091	12,352

At the year end the fund had no surplus management expenses (30.09.21: £nil) and no deferred tax asset has been recognised.



## 8 Distributions

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

	30.09.22 £	30.09.21 £
First Interim	<b>23,686,996</b>	17,584,558
Second Interim	<b>22,768,837</b>	18,094,387
Third Interim	<b>23,595,793</b>	19,432,065
Final	<b>24,176,865</b>	21,177,079
	<b>94,228,491</b>	76,288,089
Add: Amounts deducted on cancellation of units	<b>1,619,134</b>	322,845
Deduct: Amounts received on issue of units	<b>(1,518,203)</b>	(3,686,575)
Net distribution for the year	<b>94,329,422</b>	72,924,359

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

Net distribution for the year	<b>94,329,422</b>	72,924,359
Expenses charged to capital:		
Manager's periodic charge	<b>(15,635,840)</b>	(13,823,303)
Irrecoverable withholding tax on capital special dividends		
Equalisation on conversions	<b>(19)</b>	(17)
Balance brought forward	<b>(69,759)</b>	(64,253)
Balance carried forward	<b>104,959</b>	69,759
Net revenue after taxation	<b>78,728,763</b>	59,106,545

## 9 Debtors

	30.09.22 £	30.09.21 £
Amounts receivable for issue of units	<b>585,314</b>	51,766,213
Sales awaiting settlement	<b>2,723,490</b>	12,779,883
Accrued revenue	<b>40,904,210</b>	36,801,582
Taxation recoverable	<b>4,276</b>	4,311
Total debtors	<b>44,217,290</b>	101,351,989

## 10 Other creditors

	30.09.22 £	30.09.21 £
Amounts payable for cancellation of units	<b>6,834,030</b>	148,913
Purchases awaiting settlement	—	73,486,951
Accrued expenses	<b>174,692</b>	192,531
Accrued manager's periodic charge	<b>1,105,356</b>	1,320,731
Total other creditors	<b>8,114,078</b>	75,149,126

## 11 Reconciliation of units

	R-class income	R-class accumulation	I-class income	I-class accumulation
Opening units issued at 01.10.21	7,591,482	9,488,714	757,244,490	637,359,444
Unit movements 01.10.21 to 30.09.22				
Units issued	235,088	653,810	133,257,795	85,109,552
Units cancelled	(937,606)	(2,232,446)	(127,924,804)	(82,846,434)
Units converted	(73,585)	(86,417)	152,328	87,831
Closing units issued at 30.09.22	6,815,379	7,823,661	762,729,809	639,710,393

	S-class income	S-class accumulation
Opening units issued at 01.10.21	203,943,333	35,706,450
Unit movements 01.10.21 to 30.09.22		
Units issued	37,913,074	9,184,725
Units cancelled	(18,283,367)	(7,164,457)
Units converted	(32,297)	(54,995)
Closing units issued at 30.09.22	223,540,743	37,671,723

## 12 Related party transactions

Management fees paid to Rathbone Unit Trust Management Limited (the Manager) are disclosed in note 5 and amounts outstanding at the year end in note 10.

Details of units created and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and note 8.

There were no commissions paid to stockbroking of the Manager in respect of dealings in the investments of Rathbone Ethical Bond Fund during the year (30.09.21: nil).

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

## 13 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30.09.21: nil).

#### 14 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 main risks arising from the financial instruments are:

(i) **Foreign currency risk**, being the risk that the value of investments 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>30.09.22</b>	30.09.21
	<b>£</b>	£
Currency:		
Australian dollar	<b>21,833,934</b>	2,541,020
Euro	<b>98,287,812</b>	124,850,497
US dollar	<b>234,383,161</b>	299,521,159
Pound sterling	<b>1,663,153,763</b>	2,203,810,400
	<b>2,017,658,670</b>	2,630,723,076
Other net assets not categorised as financial instruments	<b>4,276</b>	4,311
Net assets	<b>2,017,662,946</b>	2,630,727,387

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 £32,227,719 (30.09.21: £38,810,243). 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 £39,389,434 (30.09.21: £47,434,742). These calculations assume all other variables remain constant.

**14 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>30.09.22</b>	30.09.21
	<b>£</b>	£
Fixed rate assets:		
Australian dollar	<b>13,356,229</b>	2,560,141
Euro	<b>56,503,646</b>	37,409,029
US dollar	<b>123,291,550</b>	127,541,514
Pound sterling	<b>605,164,338</b>	921,888,960
	<b>798,315,763</b>	1,089,399,644
Floating rate assets:		
Australian dollar	<b>7,788,190</b>	–
Euro	<b>41,112,952</b>	104,389,355
US dollar	<b>121,421,477</b>	166,577,899
Pound sterling	<b>1,022,161,618</b>	1,255,546,685
	<b>1,192,484,237</b>	1,526,513,939
Floating rate liabilities:		
Euro	–	(2,078,961)
Assets on which no interest is paid:		
Australian dollar	<b>689,515</b>	1,850
Euro	<b>2,033,761</b>	10,801,336
US dollar	<b>3,227,959</b>	12,991,583
Pound sterling	<b>53,197,318</b>	85,153,269
	<b>59,148,553</b>	108,948,038
Liabilities on which no interest is paid:		
Australian dollar	–	(20,971)
Euro	<b>(1,362,547)</b>	(25,670,262)
US dollar	<b>(13,557,825)</b>	(7,589,837)
Pound sterling	<b>(17,369,511)</b>	(58,778,514)
	<b>(32,289,883)</b>	(92,059,584)
Other net assets not categorised as financial instruments	<b>4,276</b>	4,311
Net assets	<b>2,017,662,946</b>	2,630,727,387

If interest rates had increased by 1% as at the balance sheet date, the net asset value of the fund would have decreased by £113,193,043 (30.09.21: £214,939,951). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the fund would have increased by £113,193,043 (30.09.21: £214,939,951). These calculations assume all other variables remain constant.

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

**(ii) Interest rate risk** *(continued)*

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

	30.09.22		30.09.21	
	Value (note 1e) £	Percentage of total net assets	Value (note 1e) £	Percentage of total net assets
<b>Bond credit ratings</b>				
Investment grade	<b>1,854,001,244</b>	<b>91.88</b>	1,918,467,677	72.91
Below investment grade	<b>121,735,566</b>	<b>6.04</b>	620,273,431	23.59
<b>Total Bonds</b>	<b>1,975,736,810</b>	<b>97.92</b>	2,538,741,108	96.50

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 £197,569,591 (30.09.21: £253,752,927). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £197,569,591 (30.09.21: £253,752,927). These calculations assume all other variables remain constant.

**(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.** In accordance with the IA SORP issued in May 2014 we are required to disclose any leverage of the fund. There is no significant leverage in Rathbone Ethical Bond Fund which would increase its exposure.

## 15 Portfolio transaction cost

For the year ended 30 September 2022

### Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	9,230,261	2,910	0.03	2	—
Bond transactions	775,444,487	—	—	—	—
Corporate actions	306,545	—	—	—	—
Total purchases before transaction costs	784,981,293	2,910		2	
Total purchases including commission and taxes	784,984,205				

### Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	2,939,797	1,824	0.06	6	—
Bond transactions	584,391,754	—	—	—	—
Corporate actions	97,101,492	—	—	—	—
Total sales including transaction costs	684,433,043	1,824		6	
Total sales net of commission and taxes	684,431,213				

The fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 30.09.2022.

#### Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

**15 Portfolio transaction cost** *(continued)*

**For the year ended 30 September 2021**

**Analysis of total purchase costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	5,756,989	4,217	0.07	5	—
Bond transactions	1,569,982,415	—	—	—	—
Corporate actions	72,677,081	—	—	—	—
Total purchases before transaction costs	1,648,416,485	4,217		5	
Total purchases including commission and taxes	1,648,420,707				

**Analysis of total sales costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Bond transactions	642,344,072	—	—	—	—
Corporate actions	204,000,039	—	—	—	—
Total sales including transaction costs	846,344,111	—		—	
Total sales net of commission and taxes	846,344,111				

The fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 30.09.2021.

**Commissions and taxes as % of average net assets**

Commissions	0.00%
Taxes	0.00%

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 1.09% (30.09.21: 0.63%).

## 16 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 2022

Category	1	2	3	Total
	£	£	£	£
<b>Investment assets</b>				
Equities	14,434,221	—	—	14,434,221
Bonds	29,633,000	1,923,381,592	22,722,218	1,975,736,810
Derivatives	—	501,318	—	501,318
	44,067,221	1,923,882,910	22,722,218	1,990,672,349

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	—	(14,976,441)	—	(14,976,441)
	—	(14,976,441)	—	(14,976,441)

### For the year ended 30 September 2021

Category	1	2	3	Total
	£	£	£	£
<b>Investment assets</b>				
Equities	7,600,360	—	—	7,600,360
Bonds	37,293,105	2,484,858,359	16,589,644	2,538,741,108
	44,893,465	2,484,858,359	16,589,644	2,546,341,468

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	—	(8,812,203)	—	(8,812,203)
	—	(8,812,203)	—	(8,812,203)



## Distribution tables for the year ended 30 September 2022

### Distribution tables (pence per unit)

#### First Interim

Group 1 – Units purchased prior to 1 October 2021

Group 2 – Units purchased on or after 1 October 2021 and on or before 31 December 2021

<b>R-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.22</b>	<b>Paid 26.02.21</b>
Group 1	0.82	–	0.82	0.85
Group 2	0.21	0.61	0.82	0.85
<b>R-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.22</b>	<b>Accumulated 26.02.21</b>
Group 1	1.97	–	1.97	1.98
Group 2	1.31	0.66	1.97	1.98
<b>I-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.22</b>	<b>Paid 26.02.21</b>
Group 1	0.87	–	0.87	0.90
Group 2	0.47	0.40	0.87	0.90
<b>I-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.22</b>	<b>Accumulated 26.02.21</b>
Group 1	2.07	–	2.07	2.07
Group 2	1.20	0.87	2.07	2.07
<b>S-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.22</b>	<b>Paid 26.02.21</b>
Group 1	0.89	–	0.89	0.92
Group 2	0.51	0.38	0.89	0.92
<b>S-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.22</b>	<b>Accumulated 26.02.21</b>
Group 1	1.03	–	1.03	1.02
Group 2	0.57	0.46	1.03	1.02

## Distribution tables for the year ended 30 September 2022 *(continued)*

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

#### Second Interim

Group 1 – Units purchased prior to 1 January 2022

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

<b>R-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.22</b>	<b>Paid 28.05.21</b>
Group 1	0.79	–	0.79	0.79
Group 2	0.50	0.29	0.79	0.79
<b>R-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.22</b>	<b>Accumulated 28.05.21</b>
Group 1	1.91	–	1.91	1.86
Group 2	1.03	0.88	1.91	1.86
<b>I-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.22</b>	<b>Paid 28.05.21</b>
Group 1	0.85	–	0.85	0.85
Group 2	0.38	0.47	0.85	0.85
<b>I-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.22</b>	<b>Accumulated 28.05.21</b>
Group 1	2.02	–	2.02	1.96
Group 2	0.96	1.06	2.02	1.96
<b>S-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.22</b>	<b>Paid 28.05.21</b>
Group 1	0.87	–	0.87	0.87
Group 2	0.35	0.52	0.87	0.87
<b>S-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.22</b>	<b>Accumulated 28.05.21</b>
Group 1	0.99	–	0.99	0.97
Group 2	0.46	0.53	0.99	0.97

## Distribution tables for the year ended 30 September 2022 *(continued)*

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

#### Third Interim

Group 1 – Units purchased prior to 1 April 2022

Group 2 – Units purchased on or after 1 April 2022 and on or before 30 June 2022

<b>R-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.08.22</b>	<b>Paid 31.08.21</b>
Group 1	0.84	–	0.84	0.79
Group 2	0.46	0.38	0.84	0.79

<b>R-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.08.22</b>	<b>Accumulated 31.08.21</b>
Group 1	2.04	–	2.04	1.86
Group 2	0.96	1.08	2.04	1.86

<b>I-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.08.22</b>	<b>Paid 31.08.21</b>
Group 1	0.90	–	0.90	0.84
Group 2	0.47	0.43	0.90	0.84

<b>I-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.08.22</b>	<b>Accumulated 31.08.21</b>
Group 1	2.17	–	2.17	1.96
Group 2	1.22	0.95	2.17	1.96

<b>S-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.08.22</b>	<b>Paid 31.08.21</b>
Group 1	0.92	–	0.92	0.86
Group 2	0.30	0.62	0.92	0.86

<b>S-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.08.22</b>	<b>Accumulated 31.08.21</b>
Group 1	1.07	–	1.07	0.96
Group 2	0.60	0.47	1.07	0.96

## Distribution tables for the year ended 30 September 2022 *(continued)*

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

#### Final

Group 1 – Units purchased prior to 1 July 2022

Group 2 – Units purchased on or after 1 July 2022 and on or before 30 September 2022

<b>R-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.22</b>	<b>Paid 30.11.21</b>
Group 1	0.86	–	0.86	0.78
Group 2	0.31	0.55	0.86	0.78

<b>R-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.22</b>	<b>Accumulated 30.11.21</b>
Group 1	2.12	–	2.12	1.86
Group 2	0.93	1.19	2.12	1.86

<b>I-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.22</b>	<b>Paid 30.11.21</b>
Group 1	0.92	–	0.92	0.83
Group 2	0.52	0.40	0.92	0.83

<b>I-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.22</b>	<b>Accumulated 30.11.21</b>
Group 1	2.25	–	2.25	1.97
Group 2	1.10	1.15	2.25	1.97

<b>S-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.22</b>	<b>Paid 30.11.21</b>
Group 1	0.95	–	0.95	0.86
Group 2	0.40	0.55	0.95	0.86

<b>S-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.22</b>	<b>Accumulated 30.11.21</b>
Group 1	1.11	–	1.11	0.97
Group 2	0.55	0.56	1.11	0.97

#### 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.

**MM Webb**                      **T Carroll**  
for Rathbone Unit Trust Management Limited  
Manager of Rathbone Ethical Bond Fund  
*17 January 2023*

# Statement of the Manager's responsibilities in relation to the annual report and accounts of the Rathbone Ethical Bond 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 of 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; and
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 17 January 2023.

## Statement of the Trustee's responsibilities and report of the Trustee to the unitholders of Rathbone Ethical Bond Fund (the Scheme) for the year ended 30 September 2022

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:

1. 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
2. has observed the investment and borrowing powers and restrictions applicable to the Scheme.

**NatWest Trustee and Depository Services Limited**  
Trustee of Rathbone Ethical Bond Fund  
*17 January 2023*

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

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Rathbone Ethical Bond Fund (the "fund"):

- give a true and fair view of the financial position of Rathbone Ethical Bond Fund as at 30 September 2022 and of the net revenue and the net capital gains on the property of the fund for the year ended 30 September 2022; 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 shareholders;
- the balance sheet;
- the distribution tables; and
- individual notes 1 to 15.

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, 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 Ethical Bond 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: [www.frc.org.uk/auditorsresponsibilities](http://www.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 about their own identification and assessment of the risks of irregularities.

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.

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

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.

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 concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reviewing correspondence with HMRC and the FCA.

## 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 and its sub-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 2022 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  
*17 January 2023*

## General information

### Authorised status

The Rathbone Ethical Bond Fund is an authorised unit trust scheme, authorised by the Financial Conduct Authority on 29 October 2001 and launched in May 2002.

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

Rathbone Unit Trust 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 R-class units is £100,000,000. The minimum initial investment for I-class units is £1,000. The minimum initial investment for the 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 1.25%.

The Manager currently receives an annual remuneration for managing the I-class property of the fund at the rate of 0.625%.

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

For more information on our charges, please visit the fund-specific pages of our website: [rathbonefunds.com](http://rathbonefunds.com)

### 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 31 March and 30 September, 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 [rathbonefunds.com](http://rathbonefunds.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, Rathbone Unit Trust 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, Rathbone Unit Trust 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 revenue 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.

### Other funds

Rathbone Unit Trust Management Limited is also the Manager of the following funds:

Rathbone Active Income and Growth Fund  
Rathbone Core Investment Fund for Charities  
Rathbone Global Opportunities Fund  
Rathbone Income 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

### Further details

Should you need further details of this fund or any of the other funds managed by Rathbone Unit Trust 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  
Rathbone Unit Trust Management Limited  
8 Finsbury Circus  
London EC2M 7AZ

All literature is available free of charge. Information is also available on our website: [rathbonefunds.com](http://rathbonefunds.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 Rathbone Unit Trust 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  
Rathbone Unit Trust Management Limited  
8 Finsbury Circus  
London EC2M 7AZ

## General information

### UCITS Remuneration

In line with the requirements of the UCITS Directive, Rathbone Unit Trust 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.

	<b>Fixed remuneration £'000</b>	<b>Variable remuneration £'000</b>	<b>Total remuneration £'000</b>	<b>Headcount</b>
Senior Management	1,934	4,428	6,362	9
Risk takers	2,103	2,386	4,489	16
Control functions	287	31	318	3
Other	140	121	261	1
Total remuneration code staff	4,464	6,966	11,430	29
Non-remuneration code staff	946	240	1,186	21
<b>Total for the Manager</b>	<b>5,410</b>	<b>7,206</b>	<b>12,616</b>	<b>50</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

**Rathbone Unit Trust Management Limited**

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

**Information line**

020 7399 0399  
rutm@rathbones.com  
rathbonefunds.com

Authorised and regulated by the  
Financial Conduct Authority

A member of The  
Investment Association

A member of the Rathbones Group.  
Registered No. 02376568