

# Rathbones

Look forward

## Rathbone Multi-Asset Portfolio

Annual report for the year ended 30 September 2022

Rathbone Total Return Portfolio

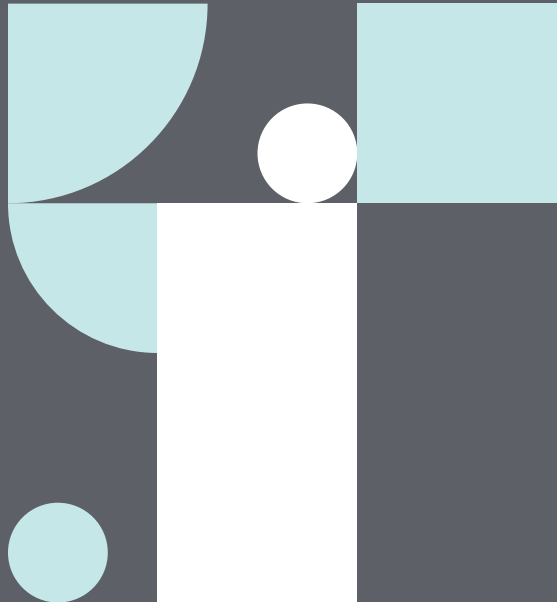
Rathbone Defensive Growth Portfolio

Rathbone Strategic Growth Portfolio

Rathbone Strategic Income Portfolio

Rathbone Dynamic Growth Portfolio

Rathbone Enhanced Growth Portfolio



# Contents

Directory	2
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## **Rathbone Total Return Portfolio**

Investment objective and policy	3
Investment report	4
Net asset value per share and comparative table	6
Risk and reward profile	12
Discrete annual performance	12
Portfolio and net other assets	13
Summary of portfolio investments	17
Financial statements	18

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## **Rathbone Defensive Growth Portfolio**

Investment objective and policy	36
Investment report	37
Net asset value per share and comparative table	39
Risk and reward profile	41
Discrete annual performance	41
Portfolio and net other assets	42
Summary of portfolio investments	47
Financial statements	48

---

## **Rathbone Strategic Growth Portfolio**

Investment objective and policy	65
Investment report	66
Net asset value per share and comparative table	68
Risk and reward profile	74
Discrete annual performance	74
Portfolio and net other assets	75
Summary of portfolio investments	80
Financial statements	81

---

## Contents *(continued)*

### **Rathbone Strategic Income Portfolio**

Investment objective and policy	98
Investment report	99
Net asset value per share and comparative table	101
Risk and reward profile	105
Discrete annual performance	105
Portfolio and net other assets	106
Summary of portfolio investments	110
Financial statements	111

### **Rathbone Dynamic Growth Portfolio**

Investment objective and policy	130
Investment report	131
Net asset value per share and comparative table	133
Risk and reward profile	135
Discrete annual performance	135
Portfolio and net other assets	136
Summary of portfolio investments	140
Financial statements	141

### **Rathbone Enhanced Growth Portfolio**

Investment objective and policy	158
Investment report	159
Net asset value per share and comparative table	162
Risk and reward profile	164
Discrete annual performance	164
Portfolio and net other assets	165
Summary of portfolio investments	169
Financial statements	170

Directors' statement	186
Statement of the ACD's responsibilities	187
Statement of the Depositary's responsibilities	188
Independent Auditor's Report	189
General information	192

# Rathbone Multi-Asset Portfolio

## Authorised Corporate Director (ACD)

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**

## The Company

Rathbone Multi-Asset Portfolio  
Head Office:  
8 Finsbury Circus  
London EC2M 7AZ

## 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

## Independent Auditor

Deloitte LLP  
Statutory Auditor  
110 Queen Street  
Glasgow G1 3BX

## Directors of the ACD

**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**

## 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**

## Depository

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 Bank of England's Base Rate +2%, after fees, over any three-year period by investing with our Liquidity, Equity-type risk and Diversifiers (LED) framework. The fund aims to deliver this return with no more than one-third of the volatility of the FTSE Developed stock market Index.

There is no guarantee that this investment objective will be achieved over three years, or any other time period.

We aim to deliver this return with no more than one-third of the volatility of the FTSE Developed stock market Index. We aim to limit the amount of volatility risk our fund can take because we want our investors to understand the risk they are taking in terms of the global stock market.

### Investment policy

To meet the objective, the fund manager will invest globally in government and corporate bonds with no restriction on their credit quality, equities, collective investment schemes and structured products.

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

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 fund manager defines restrictions on how much of the fund can be invested in different types of assets based on the LED Framework. The restrictions are set at the discretion of the fund manager and will change over time. The restrictions are reviewed annually and in response to market events. Further details in relation to the current restrictions may be obtained by contacting Rathbone Unit Trust Management.

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

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

### Investment objectives, policies and strategies

#### For all sub-funds

Subject to the FCA Regulations, the relative weightings of each asset class, will be determined by the Manager's view on worldwide securities markets, and their ability to provide both capital return and income over the long term.

The Manager's investment policy may mean that at times it is appropriate for the property of the fund not to be fully invested and for cash or near cash to be held. This will only occur when the Manager reasonably regards it as necessary in order to enable redemption of shares, efficient management of the fund or for a purpose ancillary to the objectives of the fund.

The impact of potential currency movements on the sterling value of capital and income will be taken into account when selecting investments. Derivatives and forward transactions may be used by the sub-funds for the purposes of efficient portfolio management (including hedging). The use of derivatives for investment purposes may increase the volatility of the sub-fund's Net Asset Value, and may increase its risk profile.

## Investment report for the year ended 30 September 2022

### Performance

During the year ended 30 September 2022, the Rathbone Total Return Portfolio Fund fell 5.1%. For the same period the fund's benchmark, the Bank of England (BoE) Base Rate + 2%, returned 2.8%. Over the portfolio's three-year objective period, it returned 4.9% compared with 7.5% for its benchmark. Three-year portfolio volatility as a percentage of the FTSE Developed global stock market index was 38%, compared with a target of 33%.

### Market overview and portfolio activity

This year has been very grim: war, sky-high inflation, an energy crisis, a cost-of-living crisis, a stock market correction and increasing fears of recession. These risks cascaded through 2022 sending bond yields aboard a rocket ship.

Over the past 12 months, the yield of a benchmark 10-year UK government bond yield has soared from 1.02% to 4.10%. The rise of the US 10-year is a little less dramatic, but still incredible: from 1.49% on 30 September 2021, it finished a year later at 3.90%. After years of ultra-low interest rates and deflationary concerns, inflation returned with a bang, dragging central banks and the markets flailing behind it.

We've become accustomed to some breakneck market shifts in recent years, yet they pale in comparison to the last nine months. Equities around the world tumbled back after getting more than a little overoptimistic about the US Federal Reserve (Fed) shying away from interest rate hikes. Yet bond markets were arguably the epicentre of the pain. Investors expect central banks to deliver a whole bunch of interest rate increases and reverse their quantitative easing schemes, perhaps more tightening than is indeed possible.

Towards the end of the period, the new government of Prime Minister Liz Truss released its mini-budget, which only managed to exacerbate the UK's woes. Truss and her Chancellor Kwasi Kwarteng admirably tried a bold dash for boosting flagging economic growth – a particularly apt idea given the nation is headed for recession. However, the fiscal set-piece was bungled from the start by a lack of communication, a cocksure disregard for the fiscal watchdog and a failure to read the room politically. The announcement of unfunded tax cuts

for the wealthiest went down like a lead balloon with investors and voters alike. Sterling plunged, government bond yields soared (taking mortgage rates with them) and Labour took a 30-something-point lead in the polls.

After all the turmoil – which spread to the UK pension industry, causing the BoE to intervene to prevent spiking yields upending the UK's financial stability – the government will abandon virtually everything announced at the mini-budget. All of this is a clanger case study on the importance of leadership, communication and listening to your stakeholders.

We completely sold the Ashmore Emerging Markets Short Duration Fund over the fourth quarter of 2021. The US Federal Reserve was poised to raise interest rates and that usually bodes ill for emerging markets as money flows out of riskier assets and a stronger dollar weighs on developing economies.

We bought European Investment Bank 0.875% 2023 bonds throughout the period to get more interest from our cash holdings. In another bit of cash management, we sold short-dated UK Treasury 0.5% 2022 bonds in May so we could use the cash to add to stocks at lower prices.

We added to our iShares Physical Gold ETF over the course of 2022 because of increasing geopolitical tension and the rising risk of economic upheaval.

As bond yields flew higher around the world, we added to our holdings of the US Treasury 1.875% 2032, and the UK Government 4¼% 2032, predominantly following the mini-budget. While rates likely have a bit further to rise, we believe it was time to start adding to these sorts of assets to protect ourselves if yields fall suddenly, as they would if the world tumbles into recession, for instance. Meanwhile, we sold our US Treasury Inflation-Protected Securities 0.125% 2024 bonds in late July and August.

In the second quarter of 2022, we switched from UK treasury bonds to the Australian Government 1% 2031 while fixing the exchange rate of the Australian dollar to protect ourselves from currency fluctuations. We did this because the Aussie treasury offered a much better yield for a similarly safe government bond, even when taking into account the cost of hedging the currency.

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

We sold the iShares China CNY Bond ETF in August. This tracker holds a range of government-issued and government-backed Chinese bonds. We have held it for some time as Chinese yields were significantly higher than similar bonds in the West, providing a more attractive risk-off asset. During the recent market falls, these yields actually held up relatively well, so we sold this position to recycle the cash into Western markets now that their yields have increased to more attractive levels.

We reduced our holdings in the Invesco LGIM Commodity Composite ETF in July because we believe that peak inflation should now be behind us. If we are correct, commodity prices should broadly fall from here.

The number one biggest upset to the world today is the considerable rise in the cost of energy. This is tremendously broad brush – the world is a mess of different causes, effects and complexities. Yet it really does seem that much of the upheaval and strains of 2022 have their roots in a world that became accustomed to cheap and abundant energy, which was then suddenly taken away. Power is a crucial input for virtually everything. Without it, there's no technological uplift, so the progress of centuries is discounted. And when it becomes more expensive and rationed, it means less output is possible or profitable, and less fun can be afforded by everyone. There is actually one of those 'theory of everything' sort of arguments that says booms and busts can be mapped solely on the cost and abundance of popular energy sources.

Our current energy crisis has its base in climate change, really. It's a dirty secret of Western nations that, to reduce carbon emissions, they became ever more dependent on gas for heating and electricity generation. While a much cleaner option than coal, it is still bad for the environment and requires long-term infrastructure that binds you to specific suppliers. Not only that, but in Europe in particular, it meant countries were dependent on regimes that became politically troublesome. This year, Russian President Vladimir Putin jumped the shark and

invaded Ukraine. It was perhaps inevitable that this decision would lead to the gas pipes being turned off to Europe (the cognitive dissonance, for both sides, of continuing this trade relationship while effectively in a proxy war was simply too great). And so, finally, this quarter Putin turned the taps off, sending gas prices spiking once again. Meanwhile, oil prices remain relatively high, especially given the monumental strength of the dollar, coached that way by the OPEC cartel. Because of the need to reduce the carbon intensity of our societies, supply of hydrocarbons is politically constrained, so the era of low-cost energy is probably behind us. At least until the next energy source comes along. That requires some adjustment from everyone – people, businesses and governments.

Investors' hopes that the Fed would be cutting rates by early next year always seemed fanciful to us. Now that investors have decided the Fed really isn't for turning, prices of stocks and bonds have dropped significantly lower. Broadly, that makes us buyers at current levels.

There are still lots of risks out there and we think a global recession is almost a foregone conclusion (if it's not already here). The question is how deep will that downturn be? At the moment, it seems likely to be mild, with shallow GDP contraction for two or three quarters. Then, if inflation falls back toward central banks' target levels, it will give policymakers more flexibility to help drive the economy forward once again. The risk is that inflation simply doesn't quit, that it gets baked into the collective psyche and central bankers must continue hiking rates to the point that it leads to a deeper and harsher recession. We are keeping extremely vigilant for this scenario, even though we think it's not the most likely outcome right now.

David Coombs  
Lead Fund Manager  
18 October 2022

Will McIntosh-Whyte  
Fund Manager

## Net asset value per share and comparative tables

## R-class income shares

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	142.40p	134.81p	134.35p
Return before operating charges*	(6.65p)	11.58p	4.14p
Operating charges	(2.14p)	(2.21p)	(2.06p)
Return after operating charges*	(8.79p)	9.37p	2.08p
Distributions on income shares	(2.14p)	(1.78p)	(1.62p)
Closing net asset value per share	131.47p	142.40p	134.81p
*after direct transaction costs <sup>1</sup> of:	0.03p	0.03p	0.04p

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

## Performance

Return after charges	(6.17%)	6.95%	1.55%
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## Other information

Closing net asset value	£1,166,475	£145,626	£184,267
Closing number of shares	887,287	102,267	136,684
Operating charges**	1.58%	1.62%	1.59%
Direct transaction costs	0.02%	0.02%	0.03%

## Prices\*\*\*

Highest share price	146.46p	144.76p	136.52p
Lowest share price	133.01p	133.60p	122.84p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.



Net asset value per share and comparative tables *(continued)***R-class accumulation shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	170.79p	159.72p	157.21p
Return before operating charges*	(8.03p)	13.70p	4.93p
Operating charges	(2.63p)	(2.63p)	(2.42p)
Return after operating charges*	(10.66p)	11.07p	2.51p
Distributions on accumulation shares	(2.58p)	(2.11p)	(1.91p)
Retained distributions on accumulation shares	2.58p	2.11p	1.91p
Closing net asset value per share	160.13p	170.79p	159.72p

\*after direct transaction costs<sup>1</sup> of: 0.03p 0.03p 0.04p

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

**Performance**

Return after charges (6.24%) 6.93% 1.60%

**Other information**

Closing net asset value	£2,452,248	£2,189,305	£1,880,650
Closing number of shares	1,531,379	1,281,864	1,177,472
Operating charges**	1.58%	1.62%	1.59%
Direct transaction costs	0.02%	0.02%	0.03%

**Prices\*\*\***

Highest share price	175.66p	172.96p	161.24p
Lowest share price	161.27p	158.29p	144.12p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Net asset value per share and comparative tables *(continued)***S-class income shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	132.12p	124.13p	122.72p
Return before operating charges*	(6.36p)	10.38p	3.57p
Operating charges	(0.72p)	(0.75p)	(0.67p)
Return after operating charges*	(7.08p)	9.63p	2.90p
Distributions on income shares	(2.00p)	(1.64p)	(1.49p)
Closing net asset value per share	123.04p	132.12p	124.13p
*after direct transaction costs <sup>1</sup> of:	0.03p	0.02p	0.03p

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

**Performance**

Return after charges	(5.36%)	7.76%	2.36%
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**Other information**

Closing net asset value	£80,860,289	£77,369,131	£58,873,986
Closing number of shares	65,717,710	58,560,005	47,427,703
Operating charges**	0.58%	0.62%	0.59%
Direct transaction costs	0.02%	0.02%	0.03%

**Prices\*\*\***

Highest share price	136.15p	134.27p	125.73p
Lowest share price	124.49p	123.11p	112.73p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Net asset value per share and comparative tables *(continued)***S-class accumulation shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	151.55p	140.61p	137.32p
Return before operating charges*	(7.38p)	11.79p	4.04p
Operating charges	(0.83p)	(0.85p)	(0.75p)
Return after operating charges*	(8.21p)	10.94p	3.29p
Distributions on accumulation shares	(2.30p)	(1.87p)	(1.67p)
Retained distributions on accumulation shares	2.30p	1.87p	1.67p
Closing net asset value per share	143.34p	151.55p	140.61p

\*after direct transaction costs<sup>1</sup> of: 0.03p 0.03p 0.04p

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

**Performance**

Return after charges (5.42%) 7.78% 2.40%

**Other information**

Closing net asset value	£305,807,894	£268,467,903	£198,899,186
Closing number of shares	213,338,270	177,149,579	141,454,047
Operating charges**	0.58%	0.62%	0.59%
Direct transaction costs	0.02%	0.02%	0.03%

**Prices\*\*\***

Highest share price	156.17p	153.41p	141.97p
Lowest share price	144.36p	139.45p	126.47p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Net asset value per share and comparative tables *(continued)***M-class income shares<sup>†</sup>**

	<b>30.09.22</b>	30.09.21	30.09.20
	<b>pence per share</b>	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	n/a	n/a	103.31p
Return before operating charges*	n/a	n/a	1.42p
Operating charges	n/a	n/a	(0.61p)
Return after operating charges*	n/a	n/a	0.81p
Distributions on income shares	n/a	n/a	(0.56p)
Redemption price	n/a	n/a	(103.56p)
Closing net asset value per share	n/a	n/a	—
*after direct transaction costs <sup>1</sup> of:	n/a	n/a	0.03p

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

**Performance**

Return after charges	n/a	n/a	0.78%
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**Other information**

Closing net asset value	n/a	n/a	—
Closing number of shares	n/a	n/a	—
Operating charges**	n/a	n/a	—
Direct transaction costs	n/a	n/a	0.03%

**Prices\*\*\***

Highest share price	n/a	n/a	104.77p
Lowest share price	n/a	n/a	94.79p

<sup>†</sup> M-class income was closed on 26 June 2020.

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Net asset value per share and comparative tables *(continued)***M-class accumulation shares<sup>†</sup>**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	n/a	n/a	107.13p
Return before operating charges*	n/a	n/a	1.48p
Operating charges	n/a	n/a	(0.63p)
Return after operating charges*	n/a	n/a	0.85p
Distributions on accumulation shares	n/a	n/a	(0.58p)
Retained distributions on accumulation shares	n/a	n/a	0.58p
Redemption price	n/a	n/a	(107.98p)
Closing net asset value per share	n/a	n/a	—
*after direct transaction costs <sup>1</sup> of:	n/a	n/a	0.03p

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

**Performance**

Return after charges	n/a	n/a	0.79%
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**Other information**

Closing net asset value	n/a	n/a	—
Closing number of shares	n/a	n/a	—
Operating charges**	n/a	n/a	—
Direct transaction costs	n/a	n/a	0.03%

**Prices\*\*\***

Highest share price	n/a	n/a	108.93p
Lowest share price	n/a	n/a	98.55p

<sup>†</sup> M-class accumulation was closed on 26 June 2020.

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

**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

### Discrete annual performance, year ending 30 September 2022

	2018	2019	2020	2021	2022
R-class shares	1.24%	5.07%	1.42%	7.28%	-5.88%
S-class shares	2.19%	6.04%	2.27%	8.10%	-5.08%
LIBOR GBP 6 month +2%	2.52%	2.78%	2.40%	2.10%	2.79%

Source performance data FE fundinfo, 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 (Fixed Income unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
<b>United Kingdom (30.09.21: 25.53%)</b>			
£1,125,000	3i 6.875% 2023	1,130,040	0.29
30,200	Ashtead*	1,233,670	0.32
93,500	Assa Abloy 'B'*	1,591,022	0.41
£2,000,000	Aviva 6.125% VRN 2036	1,840,839	0.47
£1,427,000	Barclays 2.375% VRN 2023	1,426,800	0.37
£2,500,000	Co-operative Wholesale Society 7.5% 2026 Step	2,175,148	0.56
65,496	Diageo*	2,486,883	0.64
£15,000,000	EIB 0.875% 2023	14,349,882	3.68
£7,500,000	EIB 2.5% 2022	7,493,805	1.92
£8,000,000	EIB 5.5% 2025	8,062,541	2.06
20,000	Ferguson*	1,880,400	0.48
60,000	Fever-Tree Drinks*	502,200	0.13
£1,997,000	Heathrow Funding 7.125% 2024	1,967,235	0.51
357,718	HG Capital Trust <sup>††</sup>	1,200,144	0.31
£2,400,000	Leeds Building Society 1.5% VRN 2027	1,976,659	0.51
860,000	Legal & General*	1,861,900	0.48
\$2,180,000	Legal & General 5.25% VRN 2047	1,662,174	0.42
£1,300,000	Lloyds Banking 1.875% VRN 2026	1,148,088	0.29
30,349	London Stock Exchange*	2,315,022	0.59
£2,000,000	Marks & Spencer 4.75% 2025	1,808,280	0.46
£2,700,000	National Grid Gas 1.125% 2033	1,598,495	0.41
£3,000,000	NatWest 5.125% VRN perp	2,230,410	0.57
£3,000,000	Premier Foods Finance 3.5% 2026	2,385,000	0.61
82,000	RELX (EUR)*	1,799,052	0.46
475,500	Rentokil Initial*	2,269,561	0.58
34,300	Rio Tinto*	1,679,328	0.43
£2,000,000	Rolls-Royce 3.375% 2026	1,597,140	0.41
£236,000	Sainsburys Bank 6% VRN 2027	233,579	0.06
£1,271,000	Sainsburys Bank 10.5% VRN 2033	1,286,252	0.33
£1,014,000	Scottish Widows 5.5% 2023	1,006,202	0.26
105,500	Shell*	2,370,057	0.61
£2,000,000	Skipton Building Society 2% VRN 2026	1,724,760	0.44
134,000	Smith & Nephew*	1,407,000	0.36
134,000	SSE*	2,046,850	0.52
£3,000,000	Thames Water Kemble Finance 4.625% 2026	2,489,915	0.64
£2,500,000	Travis Perkins 3.75% 2026	2,132,869	0.55
£3,000,000	UK Treasury 1.5% 2026	2,693,760	0.69
£4,150,000	UK Treasury 4.25% 2032	4,201,211	1.08

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

Holding (Fixed Income unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
£1,700,000	Virgin Money UK 3.375% VRN 2026	1,497,634	0.38
1,550,000	Vodafone*	1,567,360	0.40
£1,700,000	Zurich Finance UK 6.625% VRN Perp	1,700,000	0.43
<b>Total United Kingdom</b>		<b>98,029,167</b>	<b>25.12</b>
<b>Australia (30.09.21: 2.06%)</b>			
AUD44,000,000	Government of Australia 1% 2031	19,751,527	5.06
£2,400,000	Macquarie 2.125% 2031	1,621,683	0.42
<b>Total Australia</b>		<b>21,373,210</b>	<b>5.48</b>
<b>Canada (30.09.21: 2.22%)</b>			
CAD21,000,000	Government of Canada 0.5% 2030	11,043,862	2.83
44,000	Shopify*	1,061,865	0.27
<b>Total Canada</b>		<b>12,105,727</b>	<b>3.10</b>
<b>Channel Islands (30.09.21: 0.57%)</b>			
27,500	Aptiv*	1,926,946	0.49
<b>Total Channel Islands</b>		<b>1,926,946</b>	<b>0.49</b>
<b>France (30.09.21: 0.48%)</b>			
£2,400,000	AXA 5.453% VRN perp	2,206,850	0.57
£2,700,000	BNP Paribas 1.25% 2031	1,721,698	0.44
3,805	LVMH*	2,037,590	0.52
<b>Total France</b>		<b>5,966,138</b>	<b>1.53</b>
<b>Germany (30.09.21: 0.82%)</b>			
36,900	KION*	644,097	0.16
19,800	Siemens*	1,755,345	0.45
<b>Total Germany</b>		<b>2,399,442</b>	<b>0.61</b>
<b>Ireland (30.09.21: 2.57%)</b>			
9,639	Accenture*	2,222,678	0.57
55,000	iShares Agribusiness UCITS ETF**	2,302,300	0.59
520,000	iShares S&P 500 Energy Sector UCITS ETF**	3,239,810	0.83
8,770	Linde*	2,118,533	0.54
50,847	SPDR Russell 2000 US Small Cap UCITS ETF**	2,183,191	0.56
<b>Total Ireland</b>		<b>12,066,512</b>	<b>3.09</b>
<b>Japan (30.09.21: 4.98%)</b>			
JPY3,000,000,000	Government of Japan Five Year Bond 0.10% 2023	18,599,279	4.77



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

Holding (Fixed Income unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Luxembourg (30.09.21: 0.41%)</b>		
\$6,900,000 Credit Agricole CIB Financial Solutions 2% 2025	5,776,270	1.48
23,400 Eurofins Scientific*	1,255,131	0.32
<b>Total Luxembourg</b>	<b>7,031,401</b>	<b>1.80</b>
<b>Netherlands (30.09.21: 1.93%)</b>		
3,830 ASML*	<b>1,457,397</b>	<b>0.37</b>
<b>Switzerland (30.09.21: 0.51%)</b>		
90,000 SIG Combibloc*	<b>1,651,379</b>	<b>0.42</b>
<b>United States (30.09.21: 28.20%)</b>		
23,000 Abbott Laboratories*	1,994,240	0.51
8,174 Activision Blizzard*	544,421	0.14
7,300 Adobe*	1,799,790	0.46
26,800 Alphabet 'C'*	2,308,598	0.59
24,400 Amazon.com*	2,470,382	0.63
36,677 Amphenol 'A'*	2,201,343	0.56
7,990 Ansys*	1,585,904	0.41
8,000 Apple*	989,555	0.25
15,900 Cadence Design Systems*	2,327,812	0.60
13,000 Chicago Mercantile Exchange*	2,063,137	0.53
44,100 Coca-Cola*	2,215,074	0.57
6,005 Costco*	2,540,680	0.65
28,600 Dexcom*	2,063,463	0.53
27,232 Discover Financial Services*	2,220,422	0.57
30,500 Edwards Lifesciences*	2,259,290	0.58
4,550 Electronic Arts*	471,548	0.12
9,800 Estée Lauder 'A'*	1,898,284	0.49
15,259 First Republic Bank*	1,784,932	0.46
£2,500,000 Goldman Sachs 1.875% 2030	1,746,695	0.45
7,700 Home Depot*	1,906,410	0.49
14,200 Jack Henry & Associates*	2,318,583	0.59
5,940 Lockheed Martin*	2,058,008	0.53
8,000 Mastercard*	2,040,527	0.52
19,000 Merck & Co.*	1,466,658	0.38
11,314 Microsoft*	2,359,592	0.60
32,000 Morgan Stanley*	2,264,911	0.58
20,899 Nike 'B'*	1,555,958	0.40
6,000 Nvidia*	652,244	0.17

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

Holding (Fixed Income unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
30,000	Schwab (Charles)*	1,932,545	0.50
5,202	Take-Two Interactive*	507,944	0.13
4,150	Thermo Fisher Scientific*	1,886,553	0.48
6,200	Ulta Beauty*	2,225,402	0.57
58,000	US Bancorp*	2,095,440	0.54
\$20,200,000	US Treasury 1.5% 2030	15,357,137	3.93
\$31,000,000	US Treasury 1.875% 2032	23,531,001	6.03
\$10,000,000	US Treasury 2.5% 2024	8,701,318	2.23
38,500	Verizon Communications*	1,310,235	0.33
14,500	Visa 'A'*	2,308,725	0.59
25,748	WEC Energy*	2,062,977	0.53
<b>Total United States</b>		<b>114,027,738</b>	<b>29.22</b>
<b>Global (30.09.21: 8.24%)</b>			
250,000	AIA*	1,867,259	0.48
€920,000	Hiscox 6.125% VRN 2045	822,862	0.21
52,195	Invesco LGIM Commodity Composite UCITS ETF**	4,361,974	1.12
660,000	iShares Physical Gold ETF**	19,259,608	4.93
£1,000,000	PGH Capital 6.625% 2025	934,978	0.24
446,560	L&G ALL Commodities UCITS ETF**	5,702,511	1.46
7,000	Roche*	2,060,401	0.53
698,948	SLF Realisation Fund††	39,141	0.01
4,529	SPDR S&P 500 UCITS ETF**	1,449,174	0.37
45,000	TotalEnergies*	1,906,052	0.49
<b>Total Global</b>		<b>38,403,960</b>	<b>9.84</b>
<b>Alternative Investments (30.09.21: 4.81%)</b>			
630,000	CGFML Note Linked to SMI Top10 ELN 2022	696,217	0.18
£1,979,822	JP Morgan 1255 FTSE OTM Accelerator 0% 2025	1,862,221	0.48
9,850,000	JP Morgan Emerging Markets Warrants 2023	8,472,606	2.17
15,400,000	S&P 500 Index Warrants 2022 CITI	53,803	0.01
6,400,000	S&P 500 Index Warrants 2022 UBS	307,200	0.08
6,400,000	S&P 500 Index Warrants 2023 UBS	244,480	0.06
7,000,000	S&P 500 Index Warrants 2023 UBS	484,400	0.12
4,600,000	SGI Commodity Dynamic Alpha Index ELN 2024	4,249,324	1.09
7,800,000	Structured Note on SGI VRR US Trend Index ELN 2023	8,768,449	2.25
8,200,000	Structured Note on SGI VRR USD Index ELN 2023	8,611,359	2.21
<b>Total Alternative Investments</b>		<b>33,750,059</b>	<b>8.65</b>

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

Holding (Fixed Income unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Forward Foreign Exchange Contracts</b> (30.09.21: (0.79%))		
Buy €1,352,517, Sell £1,209,502	(16,375)	0.00
Buy £128,492,244, Sell \$151,057,795	(6,667,550)	(1.71)
Buy £10,198,960, Sell €11,697,316	(119,862)	(0.03)
Buy £10,367,251, Sell AUD 17,600,938	226,474	0.06
<b>Total Forward Foreign Exchange Contracts</b>	<b>(6,577,313)</b>	<b>(1.68)</b>
<b>Total value of investments</b> (30.09.21: 87.37%)	362,211,042	92.81
<b>Net other assets</b> (30.09.21: 12.63%)	28,075,864	7.19
<b>Total value of the fund as at 30 September 2022</b>	<b>390,286,906</b>	<b>100.00</b>

All investments are fixed income unless otherwise stated and admitted to official stock exchange listings.

Sectors eliminated since the beginning of the year:

Emerging Markets	1.76%
China	3.07%

\* Equity shares

\*\* CIS securities

†† Closed-end funds

## Summary of portfolio investments

	Value £	Percentage of total net assets
Debt Securities	183,633,878	47.06
Equity Securities	112,905,850	28.92
Collective Investment Schemes	38,498,568	9.86
Structured Products	33,750,059	8.65
Forward Contracts	(6,577,313)	(1.68)
<b>Total value of investments</b>	<b>362,211,042</b>	<b>92.81</b>

## 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>(26,837,054)</b>		19,161,695
Revenue	4	<b>6,852,344</b>		4,421,629	
Expenses	5	<b>(2,091,587)</b>		(1,747,782)	
Interest payable and similar charges	6	<b>(8,545)</b>		(199)	
Net revenue before taxation		<b>4,752,212</b>		2,673,648	
Taxation	7	<b>(635,689)</b>		(361,488)	
Net revenue after taxation			<b>4,116,523</b>		2,312,160
<b>Total return before distributions</b>			<b>(22,720,531)</b>		21,473,855
Distributions	8		<b>(5,795,084)</b>		(3,825,253)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(28,515,615)</b>		17,648,602

## Statement of change in net assets attributable to shareholders 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 shareholders</b>		<b>348,171,965</b>		259,838,089
Amounts receivable on issue of shares	<b>118,030,253</b>		114,422,617	
Amounts payable on cancellation of shares	<b>(52,133,632)</b>		(46,759,222)	
		<b>65,896,621</b>		67,663,395
Dilution levy		<b>104,728</b>		–
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)		<b>(28,515,615)</b>		17,648,602
Retained distributions on accumulation shares		<b>4,629,207</b>		3,021,768
Unclaimed distributions		–		111
<b>Closing net assets attributable to shareholders</b>		<b>390,286,906</b>		348,171,965

## 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>369,014,829</b>		306,954,079
<b>Current assets:</b>					
Debtors	9	<b>3,001,238</b>		5,187,923	
Cash and bank balances		<b>28,492,769</b>		40,388,117	
Total current assets			<b>31,494,007</b>		45,576,040
<b>Total assets</b>			<b>400,508,836</b>		352,530,119
<b>Liabilities</b>					
Investment liabilities			<b>(6,803,787)</b>		(2,751,764)
<b>Creditors:</b>					
Distribution payable on income shares			<b>(380,003)</b>		(305,085)
Other creditors	10		<b>(3,038,140)</b>		(1,301,305)
<b>Total liabilities</b>			<b>(10,221,930)</b>		(4,358,154)
<b>Net assets attributable to shareholders</b>			<b>390,286,906</b>		348,171,965

## Notes to the financial statements

### 1 Accounting policies

#### a) Basis of accounting

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

As stated in the Statement of the ACD's responsibilities in relation to the report and the financial statements of the Company on page 187, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the fund.

There are no significant judgments or sources of estimation uncertainty.

#### b) Recognition of revenue

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

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

Revenue received from investments in authorised collective investment schemes, which are purchased during the financial year, will include an element of equalisation which represents the average amount of revenue included in the price paid for shares or units. The equalisation is treated as capital and deducted from the cost of the investment.

#### 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 (excluding overdraft interest) are charged against capital.

#### 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 ACD it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are valued based on the latest financial statements of the respective company and agreed with the Depositary.

Structured products are valued based upon available market data.

Authorised collective investment schemes are valued at the bid price for dual price funds and at the quoted price for single price funds.

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.

#### 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 middle 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.

## 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 shareholders.

For the purpose of calculating the distribution available to shareholders, all expenses are deducted from capital, offsetting expenses against capital may constrain future growth in revenue and capital.

For the purpose of calculating the distribution available to shareholders, 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 shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the year. All remaining revenue is distributed in accordance with the regulations.

**3 Net capital (losses)/gains**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
The net capital (losses)/gains during the year comprise:		
Realised (losses)/gains derivative contracts	<b>(17,938,966)</b>	5,688,197
Unrealised losses derivative contracts	<b>(6,577,313)</b>	(2,751,764)
Realised gains non-derivative securities	<b>3,574,604</b>	5,819,414
Unrealised (losses)/gains non-derivative securities	<b>(5,759,130)</b>	10,269,898
Realised losses currency	<b>(359,009)</b>	(114,842)
Unrealised gains currency	<b>227,803</b>	228,560
Capital special dividend	—	26,890
Transaction charges	<b>(5,043)</b>	(4,658)
Net capital (losses)/gains	<b>(26,837,054)</b>	19,161,695

**4 Revenue**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Dividends — UK Ordinary	<b>979,556</b>	788,845
— Overseas	<b>1,434,389</b>	1,260,158
Interest on debt securities	<b>4,267,163</b>	2,372,626
Inland revenue interest received	<b>349</b>	—
Bank interest	<b>170,887</b>	—
Total revenue	<b>6,852,344</b>	4,421,629



Notes to the financial statements *(continued)***5 Expenses**

	<b>30.09.22</b>	<b>30.09.22</b>	30.09.21	30.09.21
	<b>£</b>	<b>£</b>	£	£
Payable to the ACD, associates of the ACD and agents of either of them:				
ACD's charge		<b>1,920,925</b>		1,515,471
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	<b>65,179</b>		62,465	
Safe custody and other bank charges	<b>42,211</b>		27,656	
		<b>107,390</b>		90,121
Other expenses:				
Administration fees	<b>41,057</b>		112,745	
Audit fee*	<b>11,320</b>		10,360	
Printing and publication costs	<b>2,182</b>		2,027	
Registration fees	<b>15,589</b>		13,529	
Listing fee	<b>(6,876)</b>		3,529	
		<b>63,272</b>		142,190
<b>Total expenses</b>		<b>2,091,587</b>		1,747,782

\* Audit fees for 2022 are £9,433 excluding VAT (30.09.21: £8,633 excluding VAT).

**6 Interest payable and similar charges**

	30.09.22 £	30.09.21 £
Bank interest payable	<b>8,545</b>	(199)
Interest payable and similar charges	<b>8,545</b>	(199)

**7 Taxation**

	30.09.22 £	30.09.21 £
a) Analysis of charge in the year		
Corporate tax	<b>607,004</b>	154,706
Double taxation relief	<b>(4,116)</b>	(6,212)
Overseas tax	<b>157,905</b>	113,584
Current tax charge (note 5b)	<b>760,793</b>	262,078
Deferred tax (note 5c)	<b>(125,104)</b>	99,410
Total tax charge for the year	<b>635,689</b>	361,488

**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 Open-Ended Investment Company (20%) (30.09.21: 20%). The differences are explained below.

	30.09.22 £	30.09.21 £
Net revenue before taxation	<b>4,752,212</b>	2,673,648
Corporation tax at 20%	<b>950,442</b>	534,730
Effects of:		
Revenue not subject to taxation	<b>(477,301)</b>	(401,519)
Overseas tax	<b>157,905</b>	113,584
Realised gains on non-qualifying offshore funds	<b>133,863</b>	21,495
Double taxation relief	<b>(4,116)</b>	(6,212)
Current tax charge (note 5a)	<b>760,793</b>	262,078
c) Provision for deferred tax		
Provision at start of year	<b>241,357</b>	141,947
Deferred tax (credit)/charge in profit and loss account for the year (note 5a)	<b>(125,104)</b>	99,410
Provision at end of year (note 5a)	<b>116,253</b>	241,357

## 8 Distributions

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

	30.09.22 £	30.09.21 £
First Interim	978,324	728,769
Second Interim	1,215,831	704,404
Third Interim	1,930,237	1,143,854
Final	1,799,368	1,358,856
	<b>5,923,760</b>	<b>3,935,883</b>
Add: Amounts deducted on cancellation of shares	94,233	70,908
Deduct: Amounts received on issue of shares	<b>(222,909)</b>	<b>(181,538)</b>
Net distribution for the year	<b>5,795,084</b>	<b>3,825,253</b>

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

Net distribution for the year	5,795,084	3,825,253
Expenses allocated to capital:		
ACD's periodic charge	(1,920,925)	(1,515,471)
Depositary fees	(65,179)	(62,465)
Safe custody and other bank charges	(42,211)	(27,656)
Audit fee	(11,320)	(10,360)
Printing costs	(2,182)	(2,027)
Registration fees	(15,589)	(13,529)
Listing fee	6,876	(3,529)
Administrator fee	(41,057)	(112,745)
Tax relief on expenses	409,559	228,652
Equalisation on conversions	(1)	(40)
Balance brought forward	(13,824)	(7,747)
Balance carried forward	17,292	13,824
Net revenue after taxation	<b>4,116,523</b>	<b>2,312,160</b>

## 9 Debtors

	30.09.22 £	30.09.21 £
Amounts receivable for issue of shares	781,688	3,868,832
Accrued revenue	2,078,579	1,191,622
Prepaid expenses	—	127,469
Taxation recoverable	140,971	—
Total debtors	<b>3,001,238</b>	<b>5,187,923</b>

**10 Other creditors**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Amounts payable for cancellation of shares	<b>416,691</b>	155,055
Purchases awaiting settlement	<b>1,955,404</b>	576,109
Accrued expenses	<b>54,681</b>	95,502
Accrued ACD's charge	<b>168,223</b>	142,788
Taxation payable	<b>443,141</b>	331,851
<b>Total other creditors</b>	<b>3,038,140</b>	1,301,305

**11 Reconciliation of shares**

	<b>R-class income</b>	<b>R-class accumulation</b>	<b>S-class income</b>	<b>S-class accumulation</b>
Opening shares issued at 01.10.21	102,267	1,281,864	58,560,005	177,149,579
Share movements 01.10.21 to 30.09.22				
Shares issued	805,986	509,363	15,476,284	63,245,931
Shares cancelled	(20,966)	(259,848)	(8,417,925)	(26,971,218)
Shares converted	–	–	99,346	(86,022)
<b>Closing shares at 30.09.22</b>	<b>887,287</b>	<b>1,531,379</b>	<b>65,717,710</b>	<b>213,338,270</b>

**12 Related parties**

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

Details of shares created and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 8.

There were no commissions paid to stockbroking of the ACD in respect of dealings in the investments of Rathbone Total Return Portfolio 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.

At the year end there were no significant shareholders (30.09.21: nil).

**13 Shareholder funds**

The fund has two share class: R-class and S-class. The annual ACD charge on the R-class is 1.50%, on the S-class 0.50%.

The net asset value, the net asset value per share and the number of shares in issue are given in the net asset value per share and comparative tables on pages 6 to 11.

**14 Contingent liabilities and commitments**

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

**15 Risk disclosures on financial instruments**

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

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

The fund holds a substantial number of Collective Investment Schemes that are designed to give overseas exposure. The fund has indirect exposure to foreign currency risk, interest rate risk and credit risk as a result of these holdings (see the portfolio statements on pages 13 to 17).

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 some of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated assets.

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>20,068,903</b>	7,256,778
Canadian dollar	<b>11,066,555</b>	5,921,073
Euro	<b>10,763,680</b>	10,567,482
Hong Kong dollar	<b>1,878,242</b>	2,629,542
Japanese yen	<b>18,604,468</b>	17,350,992
Swedish krona	<b>1,591,022</b>	1,775,136
Swiss franc	<b>4,407,997</b>	10,412,523
Singapore dollar	—	7,261,039
US dollar	<b>186,999,463</b>	150,359,889
Pound sterling	<b>135,092,494</b>	134,841,893
	<b>390,472,824</b>	348,376,347
Other net liabilities not categorised as financial instruments	<b>(185,918)</b>	(204,382)
Net assets	<b>390,286,906</b>	348,171,965

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 £23,216,394 (30.09.21: £19,412,223). 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 £28,375,592 (30.09.21: £23,726,050). These calculations assume all other variables remain constant.

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

Notes to the financial statements *(continued)***15 Risk disclosures on financial instruments** *(continued)***(ii) Interest rate risk** *(continued)*

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

	<b>30.09.22</b>	30.09.21
	<b>£</b>	<b>£</b>
<b>Fixed rate assets:</b>		
Australian dollar	<b>19,751,527</b>	7,185,054
Canadian dollar	<b>11,043,862</b>	5,902,349
Japanese yen	<b>18,599,279</b>	17,346,162
US dollar	<b>47,589,455</b>	9,096,517
Pound sterling	<b>58,941,431</b>	56,246,273
	<b>155,925,554</b>	95,776,355
<b>Floating rate assets:</b>		
Australian dollar	—	9,375
Canadian dollar	—	8,050
Euro	<b>1,630</b>	—
Hong Kong dollar	<b>10,983</b>	6,350
Swedish krona	—	26,593
Singapore dollar	—	7,261,039
US dollar	<b>7,438,444</b>	37,381,156
Pound sterling	<b>48,750,037</b>	38,348,753
	<b>56,201,094</b>	83,041,316
<b>Assets on which no interest is paid:</b>		
Australian dollar	<b>317,376</b>	62,349
Canadian dollar	<b>22,693</b>	10,674
Euro	<b>10,881,912</b>	10,660,966
Hong Kong dollar	<b>1,867,259</b>	2,623,192
Japanese yen	<b>5,189</b>	4,830
Swedish krona	<b>1,591,022</b>	1,748,543
Swiss franc	<b>4,407,997</b>	10,551,873
US dollar	<b>138,639,114</b>	106,401,146
Pound sterling	<b>30,508,655</b>	41,521,406
	<b>188,241,217</b>	173,584,979
<b>Liabilities on which no interest is paid:</b>		
Euro	<b>(119,862)</b>	(93,484)
Swiss franc	—	(139,350)
US dollar	<b>(6,667,550)</b>	(2,518,930)
Pound sterling	<b>(3,107,629)</b>	(1,274,539)
	<b>(9,895,041)</b>	(4,026,303)
<b>Other net liabilities not categorised as financial instruments</b>	<b>(185,918)</b>	(204,382)
<b>Net assets</b>	<b>390,286,906</b>	348,171,965

**15 Risk disclosures on financial instruments** *(continued)***(ii) Interest rate risk** *(continued)*

If interest rates had increased by 1% as at the balance sheet date, the net asset value of the fund would have increased by £9,263,691 (30.09.21: £1,393,612). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the fund would have decreased by £9,263,691 (30.09.21: £1,393,612). These calculations assume all other variables remain constant.

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>172,009,838</b>	<b>44.08</b>	135,453,311	38.89
Below investment grade	<b>11,624,040</b>	<b>2.98</b>	2,976,242	0.86
<b>Total bonds</b>	<b>183,633,878</b>	<b>47.06</b>	138,429,553	39.75

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 ACD 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 Instrument of Incorporation 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 £36,221,104 (30.09.21: £30,420,232). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £36,221,104 (30.09.21: £30,420,232). 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.** There is no significant leverage in Rathbone Total Return Portfolio which would increase its exposure.

**16 Portfolio transaction cost****For the year ended 30 September 2022****Analysis of total purchase costs**

	Value	Commissions		Taxes	
	£	£	%	£	
Equity transactions	37,306,955	18,619	0.05	31,771	0.09
Bond transactions	153,632,362	—	—	—	—
Fund transactions	19,193,502	5,650	0.03	—	—
Total purchases before transaction costs	210,132,819	24,269		31,771	
Total purchases including commission and taxes	210,188,859				

**Analysis of total sales costs**

	Value	Commissions		Taxes	
	£	£	%	£	
Equity transactions	18,874,090	9,060	0.05	1,776	0.01
Bond transactions	76,021,455	—	—	—	—
Fund transactions	29,036,985	7,143	0.02	8	—
Corporate actions	23,567,642	—	—	—	—
Total sales including transaction costs	147,500,172	16,203		1,784	
Total sales net of commission and taxes	147,482,185				

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.01%



**16 Portfolio transaction cost** (continued)

**For the year ended 30 September 2021**

**Analysis of total purchase costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	32,537,728	11,586	0.04	30,801	0.09
Bond transactions	81,814,157	—	—	—	—
Fund transactions	21,165,003	3,465	0.02	—	—
Corporate actions	119,870	—	—	—	—
Total purchases before transaction costs	135,636,758	15,051		30,801	
Total purchases including commission and taxes	135,682,610				

**Analysis of total sales costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	12,748,448	6,680	0.05	430	—
Bond transactions	13,889,157	—	—	—	—
Fund transactions	14,030,391	1,385	0.01	2	—
Corporate actions	35,829,751	—	—	—	—
Total sales including transaction costs	76,497,747	8,065		432	
Total sales net of commission and taxes	76,489,250				

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.01%

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.29% (31.09.21: 0.19%).

**17 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	112,905,850	–	–	112,905,850
Bonds	103,879,095	79,754,783	–	183,633,878
Structured product	307,200	2,558,438	30,884,421	33,750,059
Pooled investment vehicles	38,498,568	–	–	38,498,568
Derivatives	–	226,474	–	226,474
	255,590,713	82,539,695	30,884,421	369,014,829

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	–	(6,803,787)	–	(6,803,787)
	–	(6,803,787)	–	(6,803,787)

**For the year ended 30 September 2021**

Category	1	2	3	Total
	£	£	£	£
<b>Investment assets</b>				
Equities	105,072,741	–	–	105,072,741
Bonds	100,877,533	37,552,020	5,128,364	143,557,917
Structured product	–	–	16,744,015	16,744,015
Pooled investment vehicles	35,439,912	6,139,494	–	41,579,406
	241,390,186	43,691,514	21,872,379	306,954,079

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	–	(2,751,764)	–	(2,751,764)
	–	(2,751,764)	–	(2,751,764)

**18 Cross holdings**

The fund did not hold shares in any of the other sub-funds of Rathbones Multi-Asset Portfolio at the period end.

## Distribution tables for the year ended 30 September 2022

## Distribution tables (pence per share)

## First Interim

Group 1 – Shares purchased prior to 1 October 2021

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

<b>R-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.22</b>	<b>Paid 26.02.21</b>
Group 1	0.37	–	0.37	0.36
Group 2	0.15	0.22	0.37	0.36
<b>R-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.22</b>	<b>Accumulated 26.02.21</b>
Group 1	0.44	–	0.44	0.42
Group 2	0.25	0.19	0.44	0.42
<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.22</b>	<b>Paid 26.02.21</b>
Group 1	0.35	–	0.35	0.33
Group 2	0.21	0.14	0.35	0.33
<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.22</b>	<b>Accumulated 26.02.21</b>
Group 1	0.40	–	0.40	0.37
Group 2	0.24	0.16	0.40	0.37

## Second Interim

Group 1 – Shares purchased prior to 1 January 2022

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

<b>R-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.22</b>	<b>Paid 28.05.21</b>
Group 1	0.47	–	0.47	0.35
Group 2	0.19	0.28	0.47	0.35
<b>R-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.22</b>	<b>Accumulated 28.05.21</b>
Group 1	0.57	–	0.57	0.41
Group 2	0.43	0.14	0.57	0.41

Distribution tables for the year ended 30 September 2022 *(continued)*Distribution tables (pence per share) *(continued)*Second Interim *(continued)*

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.22</b>	<b>Paid 28.05.21</b>
Group 1	0.43	—	0.43	0.32
Group 2	0.27	0.16	0.43	0.32

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.22</b>	<b>Accumulated 28.05.21</b>
Group 1	0.50	—	0.50	0.37
Group 2	0.24	0.26	0.50	0.37

## Third Interim

Group 1 – Shares purchased prior to 1 April 2022

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

<b>R-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.08.22</b>	<b>Paid 31.08.21</b>
Group 1	0.69	—	0.69	0.51
Group 2	0.06	0.63	0.69	0.51

<b>R-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.08.22</b>	<b>Accumulated 31.08.21</b>
Group 1	0.83	—	0.83	0.61
Group 2	0.47	0.36	0.83	0.61

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.08.22</b>	<b>Paid 31.08.21</b>
Group 1	0.65	—	0.65	0.47
Group 2	0.31	0.34	0.65	0.47

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.08.22</b>	<b>Accumulated 31.08.21</b>
Group 1	0.74	—	0.74	0.54
Group 2	0.35	0.39	0.74	0.54

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

Group 1 – Shares purchased prior to 1 July 2022

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

<b>R-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.22</b>	<b>Paid 30.11.21</b>
Group 1	0.61	–	0.61	0.56
Group 2	0.46	0.15	0.61	0.56

<b>R-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.22</b>	<b>Accumulated 30.11.21</b>
Group 1	0.74	–	0.74	0.67
Group 2	0.33	0.41	0.74	0.67

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.22</b>	<b>Paid 30.11.21</b>
Group 1	0.57	–	0.57	0.52
Group 2	0.24	0.33	0.57	0.52

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.22</b>	<b>Accumulated 30.11.21</b>
Group 1	0.66	–	0.66	0.59
Group 2	0.32	0.34	0.66	0.59

**Equalisation**

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. 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 shares for Capital Gains Tax purposes.

### **Investment objective**

The objective of the fund is to deliver a greater total return than the Consumer Price Index (CPI) measure of inflation +2%, after fees, over any rolling five-year period by investing with our Liquidity, Equity-type risk and Diversifiers (LED) framework. The fund aims to deliver this return with no more than half of the volatility of the FTSE Developed stock market Index.

There is no guarantee that this investment objective will be achieved over five years, or any other time period.

We use the CPI +2% as a target for our fund's return because we aim to grow your investment above inflation. We aim to limit the amount of volatility risk our fund can take because we want our investors to understand the risk they are taking in terms of the global stock market.

### **Investment policy**

To meet the objective, the fund manager will invest globally in government and corporate bonds with no restriction on their credit quality, equities, collective investment schemes and structured products.

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

Derivatives may be used by the fund for the purpose of efficient portfolio management and hedging. The fund does not use derivatives for investment purposes. In the event the fund intends to use derivatives for investment purposes shareholders will be given 60 days notice.

The fund manager defines restrictions on how much of the fund can be invested in different types of assets based on the LED Framework. The restrictions are set at the discretion of the fund manager and will change over time. The restrictions are reviewed annually and in response to market events. Further details in relation to the current restrictions may be obtained by contacting Rathbone Unit Trust Management.

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

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

### **Investment objectives, policies and strategies**

#### **For all sub-funds**

Subject to the FCA Regulations, the relative weightings of each asset class, will be determined by the Manager's view on worldwide securities markets, and their ability to provide both capital return and income over the long term.

The Manager's investment policy may mean that at times it is appropriate for the property of the fund not to be fully invested and for cash or near cash to be held. This will only occur when the Manager reasonably regards it as necessary in order to enable redemption of shares, efficient management of the fund or for a purpose ancillary to the objectives of the fund.

The impact of potential currency movements on the sterling value of capital and income will be taken into account when selecting investments. Derivatives and forward transactions may be used by the sub-funds for the purposes of efficient portfolio management (including hedging). The use of derivatives for investment purposes may increase the volatility of the sub-fund's Net Asset Value, and may increase its risk profile.

## Investment report for the year ended 30 September 2022

### Performance

During the 12 months to 30 September 2022, the Rathbone Defensive Growth Portfolio Fund fell 7.5%. For the same period, the fund's UK CPI + 2% benchmark returned 12.0%. Since launch on 19 June 2020, the portfolio returned 3.9%, compared with 18.6% for its benchmark.

### Market overview and portfolio activity

This year has been very grim: war, sky-high inflation, an energy crisis, a cost-of-living crisis, a stock market correction and increasing fears of recession. These risks cascaded through 2022 sending bond yields aboard a rocket ship.

Over the past 12 months, the yield of a benchmark 10-year UK government bond yield has soared from 1.02% to 4.10%. The rise of the US 10-year is a little less dramatic, but still incredible: from 1.49% on 30 September 2021, it finished a year later at 3.90%. After years of ultra-low interest rates and deflationary concerns, inflation returned with a bang, dragging central banks and the markets flailing behind it.

We've become accustomed to some breakneck market shifts in recent years, yet they pale in comparison to the last nine months. Equities around the world tumbled back after getting more than a little overoptimistic about the US Federal Reserve (Fed) shying away from interest rate hikes. Yet bond markets were arguably the epicentre of the pain. Investors expect central banks to deliver a whole bunch of interest rate increases and reverse their quantitative easing schemes, perhaps more tightening than is indeed possible.

Towards the end of the period, the new government of Prime Minister Liz Truss released its mini-budget, which only managed to exacerbate the UK's woes. Truss and her Chancellor Kwasi Kwarteng admirably tried a bold dash for boosting flagging economic growth – a particularly apt idea given the nation is headed for recession. However, the fiscal set-piece was bungled from the start by a lack of communication, a cocksure disregard for the fiscal watchdog and a failure to read the room politically. The announcement of unfunded

tax cuts for the wealthiest went down like a lead balloon with investors and voters alike. Sterling plunged, government bond yields soared (taking mortgage rates with them) and Labour took a 30-something-point lead in the polls.

After all the turmoil – which spread to the UK pension industry, causing the Bank of England (BoE) to intervene to prevent spiking yields upending the UK's financial stability – the government will abandon virtually everything announced at the mini-budget. All of this is a clanger case study on the importance of leadership, communication and listening to your stakeholders.

In early 2022, we bought European Investment Bank 5.5% 2025 bonds to get more interest from our cash holdings.

In the second quarter of 2022 we switched from UK Treasury 7/8% 2029 bonds to the Australian Government 1% 2031 while fixing the exchange rate of the Australian dollar to protect ourselves from currency fluctuations. We did this because the Aussie treasury offered a much better yield for a similarly safe government bond, even when taking into account the cost of hedging the currency.

The FTSE 100 had a run of unusual outperformance compared with other stock markets in the first half of the period, so in February we took the opportunity to reduce our holding of the iShares Core FTSE 100 ETF. We invested the cash directly into some of our favoured businesses.

We added to our iShares Physical Gold ETF over the course of 2022 because of increasing geopolitical tension and the rising risk of economic upheaval.

As bond yields flew higher around the world, we added to our holdings of the US Treasury 1.875% 2032, and the UK Government 4¼% 2032, predominantly following the mini-budget. While rates likely have a bit further to rise, we believe it was time to start adding to these sorts of assets to protect ourselves if yields fall suddenly, as they would if the world tumbles into recession, for instance. Meanwhile, we sold our US Treasury Inflation-Protected Securities 0.125% 2032 bonds in late July and August.

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

We completely sold the Ashmore Emerging Markets Short Duration Fund over the fourth quarter of 2021. The US Federal Reserve was poised to raise interest rates and that usually bodes ill for emerging markets as money flows out of riskier assets and a stronger dollar weighs on developing economies.

We sold the iShares China CNY Bond ETF in August. This tracker holds a range of government-issued and government-backed Chinese bonds. We have held it for some time as Chinese yields were significantly higher than similar bonds in the West, providing a more attractive risk-off asset. During the recent market falls, these yields actually held up relatively well, so we sold this position to recycle the cash into Western markets now that their yields have increased to more attractive levels.

The number one biggest upset to the world today is the considerable rise in the cost of energy. This is tremendously broad brush – the world is a mess of different causes, effects and complexities. Yet it really does seem that much of the upheaval and strains of 2022 have their roots in a world that became accustomed to cheap and abundant energy, which was then suddenly taken away. Power is a crucial input for virtually everything. Without it, there's no technological uplift, so the progress of centuries is discounted. And when it becomes more expensive and rationed, it means less output is possible or profitable, and less fun can be afforded by everyone. There is actually one of those 'theory of everything' sort of arguments that says booms and busts can be mapped solely on the cost and abundance of popular energy sources.

Our current energy crisis has its base in climate change, really. It's a dirty secret of Western nations that, to reduce carbon emissions, they became ever more dependent on gas for heating and electricity generation. While a much cleaner option than coal, it is still bad for the environment and requires long-term infrastructure that binds you to specific suppliers. Not only that, but in Europe in particular, it meant countries were dependent on regimes that became politically troublesome. This

year, Russian President Vladimir Putin jumped the shark and invaded Ukraine. It was perhaps inevitable that this decision would lead to the gas pipes being turned off to Europe (the cognitive dissonance, for both sides, of continuing this trade relationship while effectively in a proxy war was simply too great). And so, finally, this quarter Putin turned the taps off, sending gas prices spiking once again. Meanwhile, oil prices remain relatively high, especially given the monumental strength of the dollar, coached that way by the OPEC cartel. Because of the need to reduce the carbon intensity of our societies, supply of hydrocarbons is politically constrained, so the era of low-cost energy is probably behind us. At least until the next energy source comes along. That requires some adjustment from everyone – people, businesses and governments.

Investors' hopes that the Fed would be cutting rates by early next year always seemed fanciful to us. Now that investors have decided the Fed really isn't for turning, prices of stocks and bonds have dropped significantly lower. Broadly, that makes us buyers at current levels.

There are still lots of risks out there and we think a global recession is almost a foregone conclusion (if it's not already here). The question is how deep will that downturn be? At the moment, it seems likely to be mild, with shallow GDP contraction for two or three quarters. Then, if inflation falls back toward central banks' target levels, it will give policymakers more flexibility to help drive the economy forward once again. The risk is that inflation simply doesn't quit, that it gets baked into the collective psyche and central bankers must continue hiking rates to the point that it leads to a deeper and harsher recession. We are keeping extremely vigilant for this scenario, even though we think it's not the most likely outcome right now.

**David Coombs**  
Lead Fund Manager  
18 October 2022

**Will McIntosh-Whyte**  
Fund Manager



## Net asset value per share and comparative tables

## S-class income shares

	30.09.22 pence per share	30.09.21 pence per share	30.09.20**** pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	110.01p	101.09p	100.00p
Return before operating charges*	(7.80p)	10.94p	1.53p
Operating charges	(0.58p)	(0.61p)	(0.19p)
Return after operating charges*	(8.38p)	10.33p	1.34p
Distributions on income shares	(1.69p)	(1.41p)	(0.25p)
Closing net asset value per share	99.94p	110.01p	101.09p
*after direct transaction costs <sup>1</sup> of:	0.03p	0.05p	0.04p

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

## Performance

Return after charges	(7.62%)	10.22%	1.34%
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## Other information

Closing net asset value	£70,077,374	£58,657,616	£27,223,345
Closing number of shares	70,120,465	53,318,388	26,930,546
Operating charges**	0.59%	0.62%	0.73%
Direct transaction costs	0.03%	0.05%	0.04%

## Prices\*\*\*

Highest share price	114.11p	112.64p	102.56p
Lowest share price	101.20p	100.01p	98.79p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

\*\*\*\* The fund was launched on 19 June 2020.

Net asset value per share and comparative tables *(continued)***S-class accumulation shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20**** pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	111.74p	101.35p	100.00p
Return before operating charges*	(7.96p)	11.00p	1.54p
Operating charges	(0.63p)	(0.61p)	(0.19p)
Return after operating charges*	(8.59p)	10.39p	1.35p
Distributions on accumulation shares	(1.69p)	(1.42p)	(0.25p)
Retained distributions on accumulation shares	1.69p	1.42p	0.25p
Closing net asset value per share	103.15p	111.74p	101.35p

\*after direct transaction costs<sup>1</sup> of: 0.04p      0.05p      0.04p

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

**Performance**

Return after charges (7.69%)      10.25%      1.35%

**Other information**

Closing net asset value	£204,845,796	£164,864,252	£95,149,017
Closing number of shares	198,597,834	147,538,069	93,880,034
Operating charges**	0.59%	0.62%	0.73%
Direct transaction costs	0.03%	0.05%	0.04%

**Prices\*\*\***

Highest share price	115.89p	113.92p	102.58p
Lowest share price	103.89p	100.26p	98.79p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

\*\*\*\*The fund was launched on 19 June 2020.

## Rathbone Defensive Growth Portfolio

### 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

#### Discrete annual performance, year ending 30 September 2022

	2018	2019	2020	2021	2022
S-class shares	–	–	–	10.87%	-7.50%
UK Consumer Price Index +2%	–	–	–	5.28%	12.01%

Source performance data FE fundinfo, 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 (Equities unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
<b>United Kingdom (30.09.21: 19.37%)</b>			
38,500	Ashtead	1,572,725	0.57
£1,300,000	Aviva 6.125% VRN 2036**	1,196,545	0.44
£600,000	Babcock International 1.875% 2026	479,773	0.17
£1,500,000	Co-operative Wholesale Society 6.25% 2026 Step	1,305,088	0.47
£538,725	Credit Suisse 0% 2023**	622,120	0.23
55,300	Diageo	2,099,741	0.76
£4,500,000	EIB 2.5% 2022**	4,496,283	1.64
£5,000,000	EIB 5.5% 2025**	5,039,088	1.83
49,500	Fever-Tree Drinks	414,315	0.15
230,025	HG Capital Trust**	771,734	0.28
725,000	Legal & General	1,569,625	0.57
£500,000	Lloyds Banking 1.875% VRN 2026**	441,572	0.16
25,106	London Stock Exchange	1,915,086	0.70
£1,000,000	Marks & Spencer 4.75% 2025**	904,140	0.33
193,000	National Grid	1,796,444	0.65
31,500	Next	1,512,000	0.55
£800,000	PGH Capital 6.625% 2025**	747,982	0.27
£1,000,000	Premier Foods Finance 3.5% 2026**	795,000	0.29
£1,500,000	Punch Finance 6.125% 2026**	1,199,750	0.44
74,000	RELX (EUR)	1,623,535	0.59
410,000	Rentokil Initial	1,956,930	0.71
36,600	Rio Tinto	1,791,936	0.65
£1,000,000	Rolls-Royce 3.375% 2026**	798,570	0.29
£186,000	Sainsburys Bank 6% VRN 2027**	184,092	0.07
£1,017,000	Sainsburys Bank 10.5% VRN 2033**	1,029,204	0.37
£463,000	Scottish Widows 5.5% 2023**	459,439	0.17
114,000	Shell	2,561,010	0.93
180,000	Smith & Nephew	1,890,000	0.69
126,000	SSE	1,924,650	0.70
£1,000,000	Thames Water Kemble Finance 4.625% 2026**	829,972	0.30
£1,300,000	Travis Perkins 3.75% 2026**	1,109,092	0.40
£2,000,000	UK Treasury 1.5% 2026**	1,795,840	0.65
£2,000,000	UK Treasury 4.25% 2032**	2,024,680	0.74
1,320,000	Vodafone	1,334,784	0.49
£1,200,000	Yorkshire Building Society 3% VRN 2025**	1,125,048	0.41
<b>Total United Kingdom</b>		<b>51,317,793</b>	<b>18.66</b>

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

Holding (Equities unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
<b>Australia</b> (30.09.21: 2.13%)			
AUD\$26,800,000	Government of Australia 1% 2031**	<b>12,030,476</b>	<b>4.38</b>
<b>Canada</b> (30.09.21: 2.16%)			
C\$12,000,000	Government of Canada 0.5% 2030**	6,310,778	2.30
32,850	Shopify	792,779	0.29
<b>Total Canada</b>		<b>7,103,557</b>	<b>2.59</b>
<b>Channel Islands</b> (30.09.21: 0.60%)			
23,300	Ferguson	2,190,666	0.79
£1,000,000	Heathrow Funding 7.125% 2024**	985,095	0.36
<b>Total Channel Islands</b>		<b>3,175,761</b>	<b>1.15</b>
<b>Denmark</b> (30.09.21: 0.49%)			
27,000	Christian Hansen	<b>1,193,753</b>	<b>0.43</b>
<b>France</b> (30.09.21: 1.36%)			
£1,000,000	BNP Paribas SA 3.375% 2026**	889,069	0.32
3,525	LVMH	1,887,649	0.69
42,000	TotalEnergies	1,778,982	0.65
10,000	Ubisoft Entertainment	248,445	0.09
<b>Total France</b>		<b>4,804,145</b>	<b>1.75</b>
<b>Germany</b> (30.09.21: 1.21%)			
26,400	KION	460,817	0.17
17,600	Siemens	1,560,306	0.57
<b>Total Germany</b>		<b>2,021,123</b>	<b>0.74</b>
<b>Hong Kong</b> (30.09.21: 0.57%)			
218,000	AIA	<b>1,628,250</b>	<b>0.59</b>
<b>Ireland</b> (30.09.21: 14.15%)			
8,800	Accenture	2,029,211	0.74
33,235	Barings Emerging Market Debt Balanced Total Return**	2,422,499	0.88
\$1,200,000	Beazley Insurance DAC 5.5% 2029**	967,482	0.35
18,025	Invesco LGIM Commodity Composite UCITS ETF**	1,506,362	0.55
50,000	iShares Agribusiness UCITS ETF**	2,093,000	0.76
415,000	iShares Physical Gold ETF**	12,110,208	4.40
340,000	iShares S&P 500 Energy Sector UCITS ETF**	2,118,337	0.77
180,000	L&G All Commodities UCITS ETF**	2,298,576	0.84
8,580	Linde	2,072,635	0.75

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

Holding (Equities unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
140,000	SPDR Russell 2000 US Small Cap UCITS ETF**	6,011,108	2.19
14,500	SPDR S&P 500 UCITS ETF**	4,753,839	1.73
29,000	Tencent	881,632	0.32
<b>Total Ireland</b>		<b>39,264,889</b>	<b>14.28</b>
<b>Japan (30.09.21: 4.11%)</b>			
¥1,400,000,000	Government of Japan Five Year Bond 0.10% 2023**	8,679,663	3.16
22,200	Nidec	1,116,740	0.41
<b>Total Japan</b>		<b>9,796,403</b>	<b>3.57</b>
<b>Luxembourg (30.09.21: 0.47%)</b>			
\$4,700,000	Credit Agricole CIB Finance 0% VRN 2025**	3,934,561	1.43
22,000	Eurofins Scientific	1,180,038	0.43
<b>Total Luxembourg</b>		<b>5,114,599</b>	<b>1.86</b>
<b>Netherlands (30.09.21: 1.82%)</b>			
4,000	ASML	1,522,086	0.55
£590,443	JPM 0% 2025**	555,371	0.20
<b>Total Netherlands</b>		<b>2,077,457</b>	<b>0.75</b>
<b>Sweden (30.09.21: 0.64%)</b>			
84,700	Assa Abloy 'B'	1,441,279	0.52
<b>Switzerland (30.09.21: 2.03%)</b>			
26,000	Novartis	1,787,101	0.65
6,800	Roche	2,001,533	0.73
103,500	SIG Combibloc	1,899,086	0.69
<b>Total Switzerland</b>		<b>5,687,720</b>	<b>2.07</b>
<b>United States (30.09.21: 29.43%)</b>			
19,900	Abbott Laboratories	1,725,451	0.63
5,000	Activision Blizzard	333,020	0.12
7,350	Adobe	1,812,118	0.66
23,000	Alphabet 'C'	1,981,259	0.72
20,500	Amazon.com	2,075,526	0.76
9,500	Amgen	1,918,297	0.70
31,034	Amphenol 'A'	1,862,652	0.68
7,260	Ansys	1,441,009	0.52
5,750	Apple	711,242	0.26
24,700	Aptiv	1,730,748	0.63
13,750	Cadence Design Systems	2,013,045	0.73

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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net asset
10,500 Chicago Mercantile Exchange	1,666,380	0.61
30,900 Coca-Cola	1,552,059	0.56
5,000 Costco	2,115,471	0.77
25,520 Dexcom	1,841,244	0.67
25,600 Discover Financial Services	2,087,353	0.76
13,300 Ecolab	1,721,387	0.63
22,500 Edwards Lifesciences	1,666,689	0.61
3,460 Electronic Arts	358,584	0.13
3,250 Equinix REIT	1,656,123	0.60
7,847 Estée Lauder 'A'	1,519,983	0.55
10,800 First Republic Bank	1,263,338	0.46
£1,500,000 Goldman Sachs 1.875% 2030	1,048,017	0.38
6,900 Home Depot	1,708,342	0.62
11,950 Jack Henry and Associates	1,951,202	0.71
5,500 Lockheed Martin	1,905,563	0.69
6,500 Mastercard	1,657,928	0.60
13,000 Merck & Co.	1,003,503	0.37
9,000 Microsoft	1,876,995	0.68
22,100 Morgan Stanley	1,564,204	0.57
17,740 Nike 'B'	1,320,766	0.48
15,710 Northern Trust	1,204,110	0.44
4,400 Nvidia	478,312	0.17
28,000 Schwab (Charles)	1,803,709	0.66
4,558 Take-Two Interactive	445,061	0.16
3,870 Thermo Fisher Scientific	1,759,267	0.64
6,000 Ulta Beauty	2,153,615	0.78
46,000 US Bancorp	1,661,901	0.60
\$10,000,000 US Treasury 1.5% 2030**	7,602,543	2.77
\$22,950,000 US Treasury 1.875% 2032**	17,420,531	6.34
\$5,000,000 US Treasury 2.5% 2024**	4,350,659	1.58
\$2,050,000 US Treasury 5.25% 2028**	1,952,276	0.71
35,600 Verizon Communications	1,211,542	0.44
10,600 Visa 'A'	1,687,758	0.61
24,300 WEC Energy	1,946,960	0.71
<b>Total United States</b>	<b>94,767,742</b>	<b>34.47</b>

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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets	
<b>Alternative Investments (30.09.21: 4.89%)</b>			
560,000	CGFML Note Linked to SMI Top10 ELN 2022	618,859	0.23
6,500,000	FX Emerging Market Momentum Index Warrants 2023	5,591,060	2.03
£159,000	RBC Capital Markets 1303 New Issue FTSE Accelerator	138,807	0.05
15,700,000	S&P 500 Index Warrants 2022 CITI	54,851	0.02
6,400,000	S&P 500 Warrants 2023 UBS	244,480	0.09
7,000,000	S&P 500 Warrants 2023 UBS	484,400	0.18
6,380,000	S&P 500 WTS 11/22 (UBS)	306,240	0.11
3,180,000	SGI Commodity Dynamic Alpha Index ELN 2024	2,937,576	1.07
5,500,000	Structured Note on SGI VRR USD Index ELN 2023	5,775,911	2.10
5,500,000	Structured Note on SGI VRR US Trend Index ELN 2023	6,182,881	2.25
<b>Total Alternative Investments</b>		<b>22,335,065</b>	<b>8.13</b>
<b>Forward Foreign Exchange Contracts (30.09.21: (0.76%))</b>			
	Buy £6,314,598, Sell AUD10,720,571	137,943	0.05
	Buy £9,405,192, Sell €10,786,933	(110,533)	(0.04)
	Buy £104,158,277, Sell \$122,450,345	(5,404,844)	(1.97)
	Buy \$5,209,442, Sell £4,616,900	44,277	0.02
<b>Total Forward Foreign Exchange Contracts</b>		<b>(5,333,157)</b>	<b>(1.94)</b>
<b>Total value of investments (30.09.21: 88.98%)</b>		<b>258,426,855</b>	<b>94.00</b>
<b>Net other assets (30.09.21: 11.02%)</b>		<b>16,496,315</b>	<b>6.00</b>
<b>Total value of the fund as at 30 September 2022</b>		<b>274,923,170</b>	<b>100.00</b>

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

Countries eliminated since the beginning of the year:

Asia (Ex Japan)	2.87%
Emerging Markets	1.44%

\*\* CIS securities

++ Closed-end funds



Rathbone Defensive Growth Portfolio  
Summary of portfolio investments

	Value £	Percentage of total net assets
Debt Securities	93,309,799	33.95
Equity Securities	114,801,219	41.74
Collective Investment Schemes	33,313,929	12.12
Structured Products	22,335,065	8.13
Forward Contracts	(5,333,157)	(1.94)
<b>Total value of investments</b>	<b>258,426,855</b>	<b>94.00</b>

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

	Note	30.09.22 £	30.09.22 £	30.09.21 £	30.09.21 £
Income					
Net capital (losses)/gains	3		<b>(24,788,124)</b>		13,841,180
Revenue	4	<b>4,728,575</b>		2,771,670	
Expenses	5	<b>(1,417,668)</b>		(979,427)	
Interest payable and similar charges	6	—		(300)	
Net revenue before taxation		<b>3,310,907</b>		1,791,943	
Taxation	7	<b>(335,579)</b>		(94,464)	
Net revenue after taxation			<b>2,975,328</b>		1,697,479
<b>Total return before distributions</b>			<b>(21,812,796)</b>		15,538,659
Distributions	8		<b>(3,976,455)</b>		(2,387,446)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(25,789,251)</b>		13,151,213

## Statement of change in net assets attributable to shareholders 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 shareholders</b>		<b>223,521,868</b>		122,372,362
Amounts receivable on issue of shares	<b>84,511,261</b>		93,796,673	
Amounts payable on cancellation of shares	<b>(10,365,144)</b>		(7,686,136)	
		<b>74,146,117</b>		86,110,537
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)		<b>(25,789,251)</b>		13,151,213
Retained distributions on accumulation shares		<b>3,044,436</b>		1,867,344
SDRT charge		—		20,412
<b>Closing net assets attributable to shareholders</b>		<b>274,923,170</b>		223,521,868

Rathbone Defensive Growth Portfolio  
 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>263,942,233</b>		200,589,457
<b>Current assets:</b>					
Debtors	9	<b>2,123,328</b>		1,388,372	
Cash and bank balances		<b>16,695,576</b>		25,721,132	
<b>Total current assets</b>			<b>18,818,904</b>		27,109,504
<b>Total assets</b>			<b>282,761,137</b>		227,698,961
<b>Liabilities</b>					
Investment liabilities			<b>(5,515,378)</b>		(1,697,287)
<b>Creditors:</b>					
Distribution payable on income shares			<b>(378,651)</b>		(255,928)
Other creditors	10		<b>(1,943,938)</b>		(2,223,878)
<b>Total liabilities</b>			<b>(7,837,967)</b>		(4,177,093)
<b>Net assets attributable to shareholders</b>			<b>274,923,170</b>		223,521,868

## 1 Accounting policies

### a) Basis of accounting

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

As stated in the Statement of the ACD's responsibilities in relation to the report and the financial statements of the Company on page 187, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the fund.

There are no significant judgments or sources of estimation uncertainty.

### b) Recognition of revenue

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

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

Revenue received from investments in authorised collective investment schemes, which are purchased during the financial year, will include an element of equalisation which represents the average amount of revenue included in the price paid for shares or units. The equalisation is treated as capital and deducted from the cost of the investment.

### 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 the ACD charge and 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 ACD it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are valued based on the latest financial statements of the respective company and agreed with the Depositary.

Structured products are valued based upon available market data.

Authorised collective investment schemes are valued at the bid price for dual price funds and at the quoted price for single price funds.

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.

### 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 middle exchange rates ruling on that date.

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

### 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.

### 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 shareholders.

For the purpose of calculating the distribution available to shareholders, the ACD'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 shareholders, 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 shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the year. All remaining revenue is distributed in accordance with the regulations.

**3 Net capital (losses)/gains**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
The net capital (losses)/gains during the year comprise:		
Realised (losses)/gains derivative contracts	<b>(12,840,065)</b>	3,316,917
Unrealised losses derivative contracts	<b>(5,333,157)</b>	(1,697,287)
Realised (losses)/gains non-derivative securities	<b>(684,489)</b>	255,756
Unrealised (losses)/gains non-derivative securities	<b>(5,802,273)</b>	12,047,329
Realised losses currency	<b>(244,514)</b>	(150,260)
Unrealised gains currency	<b>121,039</b>	51,487
Capital special dividend	—	26,132
Transaction charges	<b>(4,665)</b>	(8,894)
<b>Net capital (losses)/gains</b>	<b>(24,788,124)</b>	13,841,18

**4 Revenue**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Dividends — UK Ordinary	<b>980,273</b>	586,912
— Overseas	<b>1,441,300</b>	1,122,330
Interest on debt securities	<b>2,268,130</b>	1,062,426
Bank interest	<b>38,872</b>	2
<b>Total revenue</b>	<b>4,728,575</b>	2,771,670

Notes to the financial statements *(continued)***5 Expenses**

	<b>30.09.22</b>	<b>30.09.22</b>	30.09.21	30.09.21
	<b>£</b>	<b>£</b>	£	£
Payable to the ACD, associates of the ACD and agents of either of them:				
ACD's charge		<b>1,271,052</b>		878,612
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	<b>44,910</b>		36,902	
Safe custody and other bank charges	<b>28,197</b>		6,855	
		<b>73,107</b>		43,757
Other expenses:				
Administration fees	<b>56,864</b>		36,588	
Audit fee*	<b>11,320</b>		10,360	
Listing fee	<b>(4,523)</b>		3,529	
Printing and publication costs	<b>2,182</b>		2,707	
Registration fees	<b>7,666</b>		3,874	
		<b>73,509</b>		57,058
<b>Total expenses</b>		<b>1,417,668</b>		979,427

\* Audit fees for 2022 are £9,433 excluding VAT (30.09.21: £8,633 excluding VAT).

**6 Interest payable and similar charges**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Bank interest payable	—	(300)
Interest payable and similar charges	—	(300)

**7 Taxation**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
a) Analysis of charge in the year		
Overseas tax	<b>155,911</b>	89,243
Corporate tax	<b>183,365</b>	6,113
Reclaimable tax written off	<b>427</b>	—
Overseas withholding tax charged to capital	—	1,362
Double taxation relief	<b>(4,124)</b>	(2,254)
Total tax charge for the year (note 5b)	<b>335,579</b>	94,464

## 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 Open-Ended Investment Company (20%) (30.09.21: 20%). The differences are explained below.

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Net revenue before taxation	<b>3,310,907</b>	1,791,943
Corporation tax at 20%	<b>662,181</b>	358,389
Effects of:		
Revenue not subject to taxation	<b>(478,816)</b>	(338,843)
Excess management expenses utilised	—	(13,433)
Overseas tax	<b>155,911</b>	89,243
Irrecoverable overseas tax on capital special dividends	—	1,362
Double taxation relief	<b>(4,124)</b>	(2,254)
Reclaimable tax written off	<b>427</b>	—
Corporate tax charge	<b>335,579</b>	94,464

## c) Deferred tax

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



Notes to the financial statements *(continued)***8 Distributions**

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

	30.09.22 £	30.09.21 £
First Interim	<b>604,351</b>	395,156
Second Interim	<b>889,976</b>	444,531
Third Interim	<b>1,239,110</b>	687,656
Final	<b>1,411,359</b>	978,865
	<b>4,144,796</b>	2,506,208
Add: Amounts deducted on cancellation of shares	<b>19,477</b>	11,820
Deduct: Amounts received on issue of shares	<b>(187,818)</b>	(130,582)
Net distribution for the year	<b>3,976,455</b>	2,387,446

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

Net distribution for the year	<b>3,976,455</b>	2,387,446
Expenses allocated to Capital:		
ACD's periodic charge	<b>(1,271,052)</b>	(878,612)
Equalisation on conversions	<b>7</b>	3
Overseas withholding tax charged to capital	<b>—</b>	(1,362)
Tax relief on expenses	<b>254,211</b>	189,155
Balance brought forward	<b>(5,674)</b>	(4,825)
Balance carried forward	<b>21,381</b>	5,674
Net revenue after taxation	<b>2,975,328</b>	1,697,479

**9 Debtors**

	30.09.22 £	30.09.21 £
Amounts receivable for issue of shares	<b>1,036,849</b>	747,057
Accrued revenue	<b>1,025,599</b>	620,081
Taxation recoverable	<b>60,880</b>	21,234
Total debtors	<b>2,123,328</b>	1,388,372

## 10 Other creditors

	<b>30.09.22</b>	30.09.21
	<b>£</b>	<b>£</b>
Amounts payable for cancellation of shares	<b>47,059</b>	49,265
Purchases awaiting settlement	<b>1,562,349</b>	2,036,281
Accrued expenses	<b>41,165</b>	42,652
Accrued ACD's charge	<b>114,123</b>	91,821
Taxation payable	<b>179,242</b>	3,859
<b>Total other creditors</b>	<b>1,943,938</b>	2,223,878

## 11 Reconciliation of shares

	<b>S-class income</b>	<b>S-class accumulation</b>
Opening shares issued at 01.10.21	53,318,388	147,538,069
Share movements 01.10.21 to 30.09.22		
Shares issued	21,094,884	56,192,978
Shares cancelled	(3,894,842)	(5,521,480)
Shares converted	(397,965)	388,267
<b>Closing shares at 30.09.22</b>	<b>70,120,465</b>	<b>198,597,834</b>

## 12 Related parties

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

Details of shares created and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 8.

There were no commissions paid to stockbroking of the ACD in respect of dealings in the investments of Rathbone Defensive Growth Portfolio 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.

At the year end there were no significant shareholders (30.09.21: nil).

## 13 Shareholder funds

The fund has one share class: S Class. The annual ACD charge on the fund is 0.50%.

The net asset value, the net asset value per share and the number of shares in issue are given in the net asset value per share and comparative tables on pages 39 and 40.

## 14 Contingent liabilities and commitments

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

**15 Risk disclosures on financial instruments**

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

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

The fund holds a substantial number of Collective Investment Schemes that are designed to give overseas exposure. The fund has indirect exposure to foreign currency risk, interest rate risk and credit risk as a result of these holdings (see the portfolio statements on pages 42 to 46).

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 some of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated assets.

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>12,223,787</b>	4,801,793
Canadian dollar	<b>6,323,746</b>	3,440,304
Danish krone	<b>1,193,753</b>	1,098,583
Euro	<b>10,174,951</b>	9,432,627
Hong Kong dollar	<b>2,509,882</b>	2,053,983
Japanese yen	<b>9,803,153</b>	8,695,496
Swedish krona	<b>1,441,279</b>	1,429,541
Swiss franc	<b>6,306,579</b>	7,287,895
US dollar	<b>147,678,437</b>	102,548,607
Pound sterling	<b>77,385,965</b>	82,715,664
	<b>275,041,532</b>	223,504,493
Other net assets/(liabilities) not categorised as financial instruments	<b>(118,362)</b>	17,375
Net assets	<b>274,923,170</b>	223,521,868

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 £17,968,688 (30.09.21: £12,798,984). 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 £21,961,730 (30.09.21: £15,643,203). These calculations assume all other variables remain constant.

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

Notes to the financial statements *(continued)***15 Risk disclosures on financial instruments** *(continued)***(ii) Interest rate risk** *(continued)*

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>12,030,476</b>	4,766,199
Canadian dollar	<b>6,310,778</b>	3,434,094
Japanese yen	<b>8,679,664</b>	7,338,761
US dollar	<b>32,293,492</b>	7,883,569
Pound sterling	<b>23,601,791</b>	20,444,093
	<b>82,916,201</b>	43,866,716
Floating rate assets:		
Euro	<b>12</b>	—
Swedish krona	—	2
US dollar	—	14,052,145
Pound sterling	<b>21,977,114</b>	28,297,975
	<b>21,977,126</b>	42,350,122
Assets on which no interest is paid:		
Australian dollar	<b>193,311</b>	35,594
Canadian dollar	<b>12,968</b>	6,210
Danish krone	<b>1,193,753</b>	1,098,583
Euro	<b>10,285,473</b>	9,513,489
Hong Kong dollar	<b>2,509,882</b>	2,053,983
Japanese yen	<b>1,123,489</b>	1,356,735
Swedish krona	<b>1,441,279</b>	1,429,539
Swiss franc	<b>6,306,579</b>	7,345,882
US dollar	<b>120,789,789</b>	82,171,331
Pound sterling	<b>33,950,407</b>	36,449,543
	<b>177,806,930</b>	141,460,889
Liabilities on which no interest is paid:		
Euro	<b>(110,534)</b>	(80,862)
Swiss franc	—	(57,987)
US dollar	<b>(5,404,844)</b>	(1,558,438)
Pound sterling	<b>(2,143,347)</b>	(2,475,947)
	<b>(7,658,725)</b>	(4,173,234)
Other net (liabilities)/assets not categorised as financial instruments	<b>(118,362)</b>	17,375
Net assets	<b>274,923,170</b>	223,521,868

Notes to the financial statements *(continued)***15 Risk disclosures on financial instruments** *(continued)***(ii) Interest rate risk** *(continued)*

If interest rates had increased by 1% as at the balance sheet date, the net asset value of the fund would have increased by £2,810,022 (30.09.21: £425,093). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the fund would have decreased by £2,810,022 (30.09.21: £425,093). These calculations assume all other variables remain constant.

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>83,291,140</b>	<b>30.31</b>	57,466,939	25.71
Below investment grade	<b>10,018,659</b>	<b>3.64</b>	3,028,767	1.36
<b>Total bonds</b>	<b>93,309,799</b>	<b>33.95</b>	60,495,706	27.07

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 ACD 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 Instrument of Incorporation 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 £25,842,685 (30.09.21: £19,889,217). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £25,842,685 (30.09.21: £19,889,217). 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.** There is no significant leverage in Rathbone Defensive Growth Portfolio which would increase its exposure.

## 16 Portfolio transaction cost

For the year ended 30 September 2022

### Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	43,660,890	20,635	0.05	47,344	0.11
Bond transactions	89,319,112	—	—	—	—
Fund transactions	16,416,247	5,369	0.03	—	—
Total purchases before transaction costs	149,396,249	26,004		47,344	
Total purchases including commission and taxes	149,469,597				

### Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	6,979,119	3,072	0.04	79	—
Bond transactions	37,815,564	—	—	—	—
Fund transactions	20,942,312	5,421	0.03	—	—
Corporate actions	14,744,214	—	—	—	—
Total sales including transaction costs	80,481,209	8,493		79	
Total sales net of commission and taxes	80,472,637				

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.02%

**16 Portfolio transaction cost** (continued)

**For the year ended 30 September 2021**

**Analysis of total purchase costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	46,544,959	19,555	0.04	54,667	0.12
Bond transactions	49,086,014	—	—	—	—
Fund transactions	19,822,181	5,268	0.03	—	—
Corporate actions	87,388	—	—	—	—
Total purchases before transaction costs	115,540,542	24,823		54,667	
Total purchases including commission and taxes	115,620,032				

**Analysis of total sales costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	5,944,506	3,164	0.05	26	—
Bond transactions	506,894	—	—	—	—
Fund transactions	13,244,504	400	—	—	—
Corporate actions	10,165,477	—	—	—	—
Total sales including transaction costs	29,861,381	3,564		26	
Total sales net of commission and taxes	29,857,791				
Commissions and taxes as % of average net assets					
Commissions			0.02%		
Taxes			0.03%		

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.26% (30.09.21: 0.21%).

Notes to the financial statements *(continued)***17 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	114,801,219	–	–	114,801,219
Bonds	62,167,446	31,142,353	–	93,309,799
Structured products	306,240	618,859	21,409,966	22,335,065
Pooled investment vehicles	26,137,591	7,176,338	–	33,313,929
Derivatives	–	182,220	–	182,220
	203,412,496	39,119,770	21,409,966	263,942,232

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	–	(5,515,377)	–	(5,515,377)
	–	(5,515,377)	–	(5,515,377)

**For the year ended 30 September 2021**

Category	1	2	3	Total
	£	£	£	£
<b>Investment assets</b>				
Equities	90,043,374	–	–	90,043,374
Bonds	44,455,861	16,655,446	2,961,781	64,073,088
Structured products	–	876,492	10,062,705	10,939,197
Pooled investment vehicles	25,294,823	10,238,975	–	35,533,798
	159,794,058	27,770,913	13,024,486	200,589,457

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	–	(1,697,287)	–	(1,697,287)
	–	(1,697,287)	–	(1,697,287)

**18 Cross holdings**

The fund did not hold shares in any of the other sub-funds of Rathbones Multi-Asset Portfolio at the period end.



## Distribution tables for the year ended 30 September 2022

**Distribution tables (pence per share)****First Interim**

Group 1 – Shares purchased prior to 1 October 2021

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.22</b>	<b>Paid 26.02.21</b>
Group 1	0.28	–	0.28	0.28
Group 2	0.14	0.14	0.28	0.28

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.22</b>	<b>Accumulated 26.02.21</b>
Group 1	0.28	–	0.28	0.28
Group 2	0.15	0.13	0.28	0.28

**Second Interim**

Group 1 – Shares purchased prior to 1 January 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.22</b>	<b>Paid 28.05.21</b>
Group 1	0.37	–	0.37	0.27
Group 2	0.18	0.19	0.37	0.27

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.22</b>	<b>Accumulated 28.05.21</b>
Group 1	0.39	–	0.39	0.27
Group 2	0.19	0.20	0.39	0.27

Distribution tables for the year ended 30 September 2022 *(continued)***Distribution tables (pence per share)** *(continued)*

## Third Interim

Group 1 – Shares purchased prior to 1 April 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.08.22</b>	<b>Paid 31.08.21</b>
Group 1	0.50	–	0.50	0.38
Group 2	0.28	0.22	0.50	0.38

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.08.22</b>	<b>Accumulated 31.08.21</b>
Group 1	0.50	–	0.50	0.38
Group 2	0.22	0.28	0.50	0.38

## Final

Group 1 – Shares purchased prior to 1 July 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.22</b>	<b>Paid 30.11.21</b>
Group 1	0.54	–	0.54	0.48
Group 2	0.29	0.25	0.54	0.48

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.22</b>	<b>Accumulated 30.11.21</b>
Group 1	0.52	–	0.52	0.49
Group 2	0.20	0.32	0.52	0.49

## Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. 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 shares for Capital Gains Tax purposes.

## Investment objective and policy

### Investment objective

We aim to deliver a greater total return than the Consumer Price Index (CPI) measure of inflation +3%, after fees, over any rolling five-year period by investing with our Liquidity, Equity-type risk and Diversifiers (LED) framework. Total return means the return we receive from the value of our investments increasing (capital growth) plus the income we receive from our investments (interest and dividend payments). We use the CPI +3% as a target for our fund's return because we aim to grow your investment above inflation.

We aim to deliver this return with no more than two-thirds of the volatility of the FTSE Developed stock market Index. As an indication, if global stock markets fall our fund value should be expected to fall by around two-thirds of that amount. Because we measure volatility over a five-year period, some falls may be larger or smaller over shorter periods of time. We aim to limit the amount of volatility risk our fund can take because we want our investors to understand the risk they are taking in terms of the global stock market.

### Investment policy

To meet the objective, the fund manager will invest globally in government and corporate bonds with no restriction on their credit quality, equities, collective investment schemes and structured products.

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

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 fund manager defines restrictions on how much of the fund can be invested in different types of assets based on the LED Framework. The restrictions are set at the discretion of the fund manager and will change over time. The restrictions are reviewed annually and in response to market events. Further details in relation to the current restrictions may be obtained by contacting Rathbone Unit Trust Management.

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

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

### Investment objectives, policies and strategies

#### For all sub-funds

Subject to the FCA Regulations, the relative weightings of each asset class, will be determined by the Manager's view on worldwide securities markets, and their ability to provide both capital return and income over the long term.

The Manager's investment policy may mean that at times it is appropriate for the property of the fund not to be fully invested and for cash or near cash to be held. This will only occur when the Manager reasonably regards it as necessary in order to enable redemption of shares, efficient management of the fund or for a purpose ancillary to the objectives of the fund.

The impact of potential currency movements on the sterling value of capital and income will be taken into account when selecting investments. Derivatives and forward transactions may be used by the sub-funds for the purposes of efficient portfolio management (including hedging). The use of derivatives for investment purposes may increase the volatility of the sub-fund's Net Asset Value, and may increase its risk profile.

## Investment report for the year ended 30 September 2022

### Performance

During the 12 months ended 30 September 2022, the Rathbone Strategic Growth Portfolio Fund fell 10.4%. For the same period, the fund's CPI + 3% benchmark rose 13.1%. Over the portfolio's five-year objective period, it returned 18.2%, compared with 37.5% for its benchmark. Five-year portfolio volatility as a percentage of the FTSE Developed global stock market index was 66%, in line with target.

### Market overview and portfolio activity

This year has been very grim: war, sky-high inflation, an energy crisis, a cost-of-living crisis, a stock market correction and increasing fears of recession. These risks cascaded through 2022 sending bond yields aboard a rocket ship.

Over the past 12 months, the yield of a benchmark 10-year UK government bond yield has soared from 1.02% to 4.10%. The rise of the US 10-year is a little less dramatic, but still incredible: from 1.49% on 30 September 2021, it finished a year later at 3.90%. After years of ultra-low interest rates and deflationary concerns, inflation returned with a bang, dragging central banks and the markets flailing behind it.

We've become accustomed to some breakneck market shifts in recent years, yet they pale in comparison to the last nine months. Equities around the world tumbled back after getting more than a little overoptimistic about the US Federal Reserve (Fed) shying away from interest rate hikes. Yet bond markets were arguably the epicentre of the pain. Investors expect central banks to deliver a whole bunch of interest rate increases and reverse their quantitative easing schemes, perhaps more tightening than is indeed possible.

Towards the end of the period, the new government of Prime Minister Liz Truss released its mini-budget, which only managed to exacerbate the UK's woes. Truss and her Chancellor Kwasi Kwarteng admirably tried a bold dash for boosting flagging economic growth – a particularly apt idea given the nation is headed for recession. However, the fiscal set-piece was bungled from the start by a lack of communication, a cocksure disregard for the fiscal watchdog and a failure to read the room politically. The announcement of unfunded tax cuts for the wealthiest went down like a lead balloon

with investors and voters alike. Sterling plunged, government bond yields soared (taking mortgage rates with them) and Labour took a 30-something-point lead in the polls.

After all the turmoil – which spread to the UK pension industry, causing the Bank of England to intervene to prevent spiking yields upending the UK's financial stability – the government will abandon virtually everything announced at the mini-budget. All of this is a clanger case study on the importance of leadership, communication and listening to your stakeholders.

We sold European Investment Bank 2.5% 2022 bonds throughout the period to raise cash and add to equities as they fell.

In the first quarter of 2022, the period we bought Home Depot. This US business is the place to go for DIY warriors, with good value tools and materials, and well-skilled and knowledgeable staff who can give advice on getting the job done. But it is also one of the most popular suppliers for small and medium-sized trades businesses. Its professional sales relationships are thriving because of Home Depot's investment in its supply chain, delivery service and staff.

The FTSE 100 had a run of unusual outperformance compared with other stock markets in the first half of the period, so in February we took the opportunity to reduce our holding of the iShares Core FTSE 100 ETF. We invested the cash directly into some of our favoured businesses.

As bond yields flew higher around the world, we added to our holdings of the US Treasury 1.875% 2032, and the UK Government 4¼% 2032, predominantly following the mini-budget. While rates likely have a bit further to rise, we believe it was time to start adding to these sorts of assets to protect ourselves if yields fall suddenly, as they would if the world tumbles into recession, for instance.

In the second quarter of 2022, we switched from UK treasury bonds to the Australian Government 1% 2031 while fixing the exchange rate of the Australian dollar to protect ourselves from currency fluctuations. We did this because the Aussie treasury offered a much better yield for a similarly safe government bond, even when taking into account the cost of hedging the currency.

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

We added to our iShares Physical Gold ETF over the course of 2022 because of increasing geopolitical tension and the rising risk of economic upheaval.

We completely sold the Ashmore Emerging Markets Short Duration Fund over the fourth quarter of 2021. The US Federal Reserve was poised to raise interest rates and that usually bodes ill for emerging markets as money flows out of riskier assets and a stronger dollar weighs on developing economies.

We sold European Investment Bank 2.5% 2022 bonds during the period to raise cash so that we could add to our favoured stocks.

We sold the iShares China CNY Bond ETF in August. This tracker holds a range of government-issued and government-backed Chinese bonds. We have held it for some time as Chinese yields were significantly higher than similar bonds in the West, providing a more attractive risk-off asset. During the recent market falls, these yields actually held up relatively well, so we sold this position to recycle the cash into Western markets now that their yields have increased to more attractive levels.

We reduced our holdings in the Invesco LGIM Commodity Composite ETF in July because we believe that peak inflation should now be behind us. If we are correct, commodity prices should broadly fall from here.

The number one biggest upset to the world today is the considerable rise in the cost of energy. This is tremendously broad brush – the world is a mess of different causes, effects and complexities. Yet it really does seem that much of the upheaval and strains of 2022 have their roots in a world that became accustomed to cheap and abundant energy, which was then suddenly taken away. Power is a crucial input for virtually everything. Without it, there's no technological uplift, so the progress of centuries is discounted. And when it becomes more expensive and rationed, it means less output is possible or profitable, and less fun can be afforded by everyone. There is actually one of those 'theory of everything' sort of arguments that says booms and busts can be mapped solely on the cost and abundance of popular energy sources.

Our current energy crisis has its base in climate change, really. It's a dirty secret of Western nations that, to reduce carbon emissions, they became ever more dependent on gas for heating and electricity

generation. While a much cleaner option than coal, it is still bad for the environment and requires long-term infrastructure that binds you to specific suppliers. Not only that, but in Europe in particular, it meant countries were dependent on regimes that became politically troublesome. This year, Russian President Vladimir Putin jumped the shark and invaded Ukraine. It was perhaps inevitable that this decision would lead to the gas pipes being turned off to Europe (the cognitive dissonance, for both sides, of continuing this trade relationship while effectively in a proxy war was simply too great). And so, finally, this quarter Putin turned the taps off, sending gas prices spiking once again. Meanwhile, oil prices remain relatively high, especially given the monumental strength of the dollar, coached that way by the OPEC cartel. Because of the need to reduce the carbon intensity of our societies, supply of hydrocarbons is politically constrained, so the era of low-cost energy is probably behind us. At least until the next energy source comes along. That requires some adjustment from everyone – people, businesses and governments.

Investors' hopes that the Fed would be cutting rates by early next year always seemed fanciful to us. Now that investors have decided the Fed really isn't for turning, prices of stocks and bonds have dropped significantly lower. Broadly, that makes us buyers at current levels.

There are still lots of risks out there and we think a global recession is almost a foregone conclusion (if it's not already here). The question is how deep will that downturn be? At the moment, it seems likely to be mild, with shallow GDP contraction for two or three quarters. Then, if inflation falls back toward central banks' target levels, it will give policymakers more flexibility to help drive the economy forward once again. The risk is that inflation simply doesn't quit, that it gets baked into the collective psyche and central bankers must continue hiking rates to the point that it leads to a deeper and harsher recession. We are keeping extremely vigilant for this scenario, even though we think it's not the most likely outcome right now.

**David Coombs**  
Lead Fund Manager  
*18 October 2022*

**Will McIntosh-Whyte**  
Fund Manager

## Net asset value per share and comparative tables

**R-class income shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	201.06p	180.78p	180.67p
Return before operating charges*	(19.55p)	26.07p	5.36p
Operating charges	(3.04p)	(3.02p)	(2.73p)
Return after operating charges*	(22.59p)	23.05p	2.63p
Distributions on income shares	(3.03p)	(2.77p)	(2.52p)
Closing net asset value per share	175.44p	201.06p	180.78p
*after direct transaction costs <sup>1</sup> of:	0.08p	0.11p	0.14p

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

**Performance**

Return after charges	(11.24%)	12.75%	1.46%
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**Other information**

Closing net asset value	£565,685	£588,700	£701,517
Closing number of shares	322,444	292,803	388,056
Operating charges**	1.58%	1.60%	1.62%
Direct transaction costs	0.04%	0.06%	0.08%

**Prices\*\*\***

Highest share price	211.02p	207.25p	186.09p
Lowest share price	177.69p	177.76p	154.40p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Net asset value per share and comparative tables *(continued)***R-class accumulation shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	233.12p	206.69p	203.61p
Return before operating charges*	(22.92p)	29.90p	6.16p
Operating charges	(3.53p)	(3.47p)	(3.08p)
Return after operating charges*	(26.45p)	26.43p	3.08p
Distributions on accumulation shares	(3.51p)	(3.19p)	(2.85p)
Retained distributions on accumulation shares	3.51p	3.19p	2.85p
Closing net asset value per share	206.67p	233.12p	206.69p
*after direct transaction costs <sup>1</sup> of:	0.09p	0.13p	0.16p

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

**Performance**

Return after charges	(11.35%)	12.79%	1.51%
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**Other information**

Closing net asset value	£12,492,322	£8,562,558	£5,961,368
Closing number of shares	6,044,677	3,673,036	2,884,236
Operating charges**	1.58%	1.60%	1.62%
Direct transaction costs	0.04%	0.06%	0.08%

**Prices\*\*\***

Highest share price	244.57p	239.25p	210.39p
Lowest share price	208.40p	203.23p	174.57p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Net asset value per share and comparative tables *(continued)***S-class income shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	174.52p	155.36p	153.71p
Return before operating charges*	(17.12p)	22.49p	4.61p
Operating charges	(0.94p)	(0.93p)	(0.81p)
Return after operating charges*	(18.06p)	21.56p	3.80p
Distributions on income shares	(2.64p)	(2.40p)	(2.15p)
Closing net asset value per share	153.82p	174.52p	155.36p
*after direct transaction costs <sup>1</sup> of:	0.07p	0.10p	0.12p

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

**Performance**

Return after charges	(10.35%)	13.88%	2.47%
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**Other information**

Closing net asset value	£207,950,312	£215,667,810	£117,729,410
Closing number of shares	135,195,023	123,581,104	75,780,074
Operating charges**	0.58%	0.60%	0.62%
Direct transaction costs	0.04%	0.06%	0.08%

**Prices\*\*\***

Highest share price	183.45p	179.78p	158.79p
Lowest share price	155.80p	152.89p	131.97p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.



Net asset value per share and comparative tables *(continued)***S-class accumulation shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	197.84p	173.66p	169.38p
Return before operating charges*	(19.61p)	25.22p	5.18p
Operating charges	(1.07p)	(1.04p)	(0.90p)
Return after operating charges*	(20.68p)	24.18p	4.28p
Distributions on accumulation shares	(3.00p)	(2.70p)	(2.38p)
Retained distributions on accumulation shares	3.00p	2.70p	2.38p
Closing net asset value per share	177.16p	197.84p	173.66p
*after direct transaction costs <sup>1</sup> of:	0.08p	0.11p	0.13p

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

**Performance**

Return after charges	(10.45%)	13.92%	2.53%
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**Other information**

Closing net asset value	£1,400,121,499	£1,217,595,875	£719,205,369
Closing number of shares	790,309,970	615,458,744	414,134,262
Operating charges**	0.58%	0.60%	0.62%
Direct transaction costs	0.04%	0.06%	0.08%

**Prices\*\*\***

Highest share price	207.96p	202.91p	176.09p
Lowest share price	178.64p	170.90p	145.89p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Net asset value per share and comparative tables *(continued)***M-class income shares<sup>†</sup>**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	n/a	n/a	106.63p
Return before operating charges*	n/a	n/a	1.02p
Operating charges	n/a	n/a	(0.60p)
Return after operating charges*	n/a	n/a	0.42p
Distributions on income shares	n/a	n/a	(0.72p)
Redemption price	n/a	n/a	(106.33p)
Closing net asset value per share	n/a	n/a	—
*after direct transaction costs <sup>1</sup> of:	n/a	n/a	0.08p

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

**Performance**

Return after charges	n/a	n/a	0.39%
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**Other information**

Closing net asset value	n/a	n/a	—
Closing number of shares	n/a	n/a	—
Operating charges**	n/a	n/a	—
Direct transaction costs	n/a	n/a	0.08%

**Prices\*\*\***

Highest share price	n/a	n/a	110.07p
Lowest share price	n/a	n/a	91.44p

<sup>†</sup> M-class income was closed on 19 June 2020.

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Net asset value per share and comparative tables *(continued)***M-class accumulation shares<sup>†</sup>**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	n/a	n/a	113.78p
Return before operating charges*	n/a	n/a	0.51p
Operating charges	n/a	n/a	(0.66p)
Return after operating charges*	n/a	n/a	(0.15p)
Distributions on accumulation shares	n/a	n/a	(0.77p)
Retained distributions on accumulation shares	n/a	n/a	0.77p
Redemption price	n/a	n/a	(113.63p)
Closing net asset value per share	n/a	n/a	—

\*after direct transaction costs<sup>1</sup> of: n/a n/a 0.09p

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

**Performance**

Return after charges n/a n/a 0.13%

**Other information**

Closing net asset value	n/a	n/a	—
Closing number of shares	n/a	n/a	—
Operating charges**	n/a	n/a	—
Direct transaction costs	n/a	n/a	0.08%

**Prices\*\*\***

Highest share price	n/a	n/a	117.84p
Lowest share price	n/a	n/a	97.89p

<sup>†</sup> M-class accumulation was closed on 26 June 2020.

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

**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

### Discrete annual performance, year ending 30 September 2022

	2018	2019	2020	2021	2022
R-class shares	5.33%	4.48%	1.32%	13.67%	-11.24%
S-class shares	6.30%	5.54%	2.34%	14.81%	-10.35%
UK Consumer Price Index +3%	5.68%	4.83%	3.20%	6.32%	13.11%

Source performance data FE fundinfo, 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 (Equities unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
<b>United Kingdom</b> (30.09.21: 14.39%)			
289,500	Ashtead	11,826,075	0.73
£14,000,000	Co-operative Wholesale Society 7.50% 2026 Step**	12,180,826	0.75
£3,643,636	Credit Suisse 0% 2023**	4,207,671	0.26
368,000	Diageo	13,972,960	0.86
572,539	Fever-Tree Drinks	4,792,151	0.30
522,500	Halma	10,685,125	0.66
£12,000,000	Heathrow Finance 3.875% 2027**	9,560,232	0.59
1,640,000	HG Capital Trust**	5,502,200	0.34
6,040,000	Legal & General	13,076,600	0.81
192,583	London Stock Exchange	14,690,231	0.91
218,000	Next	10,464,000	0.65
580,000	Patisserie#†	–	–
580,000	RELX (EUR)	12,725,002	0.78
3,060,000	Rentokil Initial	14,605,380	0.90
254,000	Rio Tinto	12,435,840	0.77
£10,000,000	Saga 5.5% 2026**	7,200,000	0.44
701,500	Shell	15,759,198	0.97
1,115,000	Smith & Nephew	11,707,500	0.72
600,000	SSE	9,165,000	0.56
£14,000,000	UK Treasury 3.75% 2052**	13,924,960	0.86
£12,000,000	UK Treasury 4.25% 2032**	12,148,080	0.75
10,298,696	Vodafone	10,414,041	0.64
<b>Total United Kingdom</b>		<b>231,043,072</b>	<b>14.25</b>
<b>Australia</b> (30.09.21: 1.00%)			
AUD\$108,000,000	Government of Australia 1% 2031**	<b>48,481,021</b>	<b>2.99</b>
<b>Canada</b> (30.09.21: 1.99%)			
CAD\$60,000,000	Government of Canada 0.5% 2030**	31,553,892	1.95
336,000	Shopify	8,108,788	0.50
<b>Total Canada</b>		<b>39,662,680</b>	<b>2.45</b>
<b>Cayman Islands</b> (30.09.21: 0.63%)			
255,400	Tencent	<b>7,764,439</b>	<b>0.48</b>

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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Channel Islands</b> (30.09.21: 1.68%)		
194,050 Aptiv	13,597,233	0.84
153,283 Ferguson	14,411,668	0.89
<b>Total Channel Islands</b>	<b>28,008,901</b>	<b>1.73</b>
<b>China</b> (30.09.21: 2.46%)		
3,000,000 Travelsky Technology	<b>4,115,103</b>	<b>0.25</b>
<b>Denmark</b> (30.09.21: 1.08%)		
176,000 Christian Hansen	<b>7,781,503</b>	<b>0.48</b>
<b>France</b> (30.09.21: 1.78%)		
27,004 LVMH	14,460,728	0.89
368,000 TotalEnergies	15,587,268	0.96
67,500 Ubisoft Entertainment	1,677,002	0.11
<b>Total France</b>	<b>31,724,998</b>	<b>1.96</b>
<b>Germany</b> (30.09.21: 2.07%)		
75,066 CTS Eventim	2,815,579	0.18
291,000 KION	5,079,461	0.31
143,000 Siemens	12,677,490	0.78
<b>Total Germany</b>	<b>20,572,530</b>	<b>1.27</b>
<b>Hong Kong</b> (30.09.21: 0.75%)		
1,860,000 AIA	<b>13,892,409</b>	<b>0.86</b>
<b>Ireland</b> (30.09.21: 10.15%)		
65,082 Accenture	15,007,397	0.93
218,093 Barings Emerging Market Debt Balanced Total Return**	15,896,798	0.98
410,000 iShares Agribusiness UCITS ETF**	17,162,600	1.06
1,280,000 iShares Physical Gold ETF**	37,351,966	2.30
1,600,000 iShares Physical Gold ETF**	9,968,646	0.61
65,100 Linde	15,725,939	0.97
983,993 SPDR Russell 2000 US Small Cap UCITS ETF**	42,249,202	2.61
<b>Total Ireland</b>	<b>153,362,548</b>	<b>9.46</b>

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

Holding (Equities unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
<b>Japan</b> (30.09.21: 3.87%)			
¥6,820,000,000	Government of Japan Five Year Bond 0.10% 2023**	42,282,361	2.61
1,310,405	JP Morgan Japanese Trust**	5,680,606	0.35
227,000	Nidec	11,418,921	0.70
82,500	Shimano	11,610,740	0.72
<b>Total Japan</b>		<b>70,992,628</b>	<b>4.38</b>
<b>Luxembourg</b> (30.09.21: 0.66%)			
141,000	Eurofins Scientific	<b>7,562,969</b>	<b>0.46</b>
<b>Netherlands</b> (30.09.21: 2.32%)			
31,500	ASML	11,986,425	0.74
£6,555,973	JPM 0% 2025**	6,166,548	0.38
<b>Total Netherlands</b>		<b>18,152,973</b>	<b>1.12</b>
<b>Norway</b> (30.09.21: 0.47%)			
387,000	Tomra Systems	<b>6,119,669</b>	<b>0.38</b>
<b>Sweden</b> (30.09.21: 0.83%)			
697,500	Assa Abloy 'B'	<b>11,868,853</b>	<b>0.73</b>
<b>Switzerland</b> (30.09.21: 2.33%)			
167,750	Novartis	11,530,238	0.71
49,000	Roche	14,422,809	0.89
749,000	SIG Combibloc	13,743,144	0.85
<b>Total Switzerland</b>		<b>39,696,191</b>	<b>2.45</b>
<b>Taiwan</b> (30.09.21: 0.75%)			
157,000	Taiwan Semiconductor	<b>9,660,781</b>	<b>0.59</b>
<b>United States</b> (30.09.21: 36.28%)			
146,000	Abbott Laboratories	12,659,088	0.78
54,000	Activision Blizzard	3,596,614	0.22
51,500	Adobe	12,697,151	0.78
187,000	Alphabet 'C'	16,108,501	0.99
165,800	Amazon.com	16,786,452	1.04
60,600	Amgen	12,236,716	0.76
255,406	Amphenol 'A'	15,329,394	0.95
72,204	Ansys	14,331,488	0.88
90,000	Apple	11,132,491	0.69
117,791	Cadence Design Systems	17,244,991	1.06
77,000	Caterpillar	11,319,269	0.70

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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
86,000 Chicago Mercantile Exchange	13,648,446	0.84
270,000 Coca-Cola	13,561,677	0.84
38,300 Costco	16,204,506	1.00
32,600 Deere & Company	9,759,849	0.60
197,600 DexCom	14,256,655	0.88
179,500 Discover Financial Services	14,635,931	0.90
110,000 Ecolab	14,237,033	0.88
175,000 Edwards Lifesciences	12,963,137	0.80
25,000 Electronic Arts	2,590,925	0.16
26,450 Equinix REIT	13,478,293	0.83
65,000 Estée Lauder 'A'	12,590,657	0.78
116,200 First Republic Bank	13,592,579	0.84
65,000 Home Depot	16,093,075	0.99
107,000 Jack Henry & Associates	17,471,011	1.08
41,650 Lockheed Martin	14,430,309	0.89
58,550 Mastercard	14,934,105	0.92
110,000 Merck & Co.	8,491,176	0.52
76,000 Microsoft	15,850,184	0.98
215,250 Morgan Stanley	15,235,064	0.94
160,500 Nike 'B'	11,949,436	0.74
36,000 Nvidia	3,913,464	0.24
402,309 Schlumberger	12,938,182	0.80
240,000 Schwab (Charles)	15,460,360	0.95
33,925 Take-Two Interactive	3,312,573	0.20
34,050 Thermo Fisher Scientific	15,478,826	0.96
253,000 Trex	9,958,631	0.61
45,000 Ulta Beauty	16,152,110	1.00
372,000 US Bancorp	13,439,721	0.83
\$50,000,000 US Treasury 1.5% 2030**	38,012,715	2.35
\$75,000,000 US Treasury 1.875% 2032**	56,929,841	3.51
321,000 Verizon Communications	10,924,295	0.67
91,000 Visa 'A'	14,489,241	0.89
196,000 WEC Energy	15,703,879	0.97
36,000 Zebra Technologies	8,449,664	0.52
<b>Total United States</b>	<b>644,579,705</b>	<b>39.76</b>
<b>Global (30.09.21: 0.04%)</b>		
1,882,545 SLF Realisation**	<b>105,423</b>	<b>0.01</b>



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

Holding (Equities unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
<b>Alternative Investments (30.09.21: 5.45%)</b>			
3,560,000	CGFML Note Linked to SMI Top10 ELN 2022	3,934,178	0.24
37,200,000	JP Morgan Emerging Market Warrants 2023	31,998,065	1.97
£2,809,000	RBC Capital Markets 1303 New Issue FTSE Accelerator 2024 preference	2,452,257	0.15
130,000,000	S&P 500 Index Warrants 2022 CITI	454,179	0.03
55,000,000	S&P 500 Warrants 2022 UBS	2,640,000	0.16
54,000,000	S&P 500 Warrants 2023 UBS	2,062,800	0.13
60,000,000	S&P 500 Warrants 2023 UBS	4,152,000	0.26
15,000,000	SGI Commodity Dynamic Alpha Index ELN 2024	13,856,490	0.86
34,000,000	Structured Note on SGI VRR US Trend Index ELN 2023	38,221,446	2.36
34,000,000	Structured Note on SGI VRR USD Index ELN 2023	35,705,635	2.20
<b>Total Alternative Investments</b>		<b>135,477,050</b>	<b>8.36</b>
<b>Forward Foreign Exchange Contracts (30.09.21: (0.96%))</b>			
	Buy £25,446,889, Sell AUD43,202,303	555,892	0.03
	Buy £80,860,239, Sell €92,739,629	(950,301)	(0.06)
	Buy €11,928,660, Sell £10,667,323	(144,421)	(0.01)
	Buy \$66,957,806, Sell £60,393,781	(482,915)	(0.03)
	Buy £676,243,093, Sell \$795,003,552	(35,090,716)	(2.16)
<b>Total Forward Foreign Exchange Contracts</b>		<b>(36,112,461)</b>	<b>(2.23)</b>
<b>Total value of investments (30.09.21: 92.33%)</b>		<b>1,494,512,985</b>	<b>92.19</b>
<b>Net other assets (30.09.21: 7.67%)</b>		<b>126,616,833</b>	<b>7.81</b>
<b>Total value of the fund as at 30 September 2022</b>		<b>1,621,129,818</b>	<b>100.00</b>

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

Countries eliminated since the beginning of the year:

Asia (ex Japan)	0.72%
Bermuda	0.02%
Emerging Markets	1.57%

\*\* CIS Securities

++ Closed-end funds

# Suspended securities

† This holding was acquired following the merger of the Rathbone Heritage Fund into the Rathbone Strategic Growth Portfolio on 22 April 2022.

Rathbone Strategic Growth Portfolio  
Summary of portfolio investments

	Value £	Percentage of total net assets
Debt Securities	282,648,147	17.44
Equity Securities	989,871,037	61.06
Collective Investment Schemes	122,629,212	7.56
Structured Products	135,477,050	8.36
Forwards	(36,112,461)	(2.23)
<b>Total value of investments</b>	<b>1,494,512,985</b>	<b>92.19</b>

## 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>(204,010,936)</b>		127,067,807
Revenue	4	<b>29,173,972</b>		19,476,752	
Expenses	5	<b>(8,961,192)</b>		(6,485,508)	
Interest payable and similar charges	6	<b>(3,682)</b>		(6,538)	
Net revenue before taxation		<b>20,209,098</b>		12,984,706	
Taxation	7	<b>(1,664,988)</b>		(802,305)	
Net revenue after taxation			<b>18,544,110</b>		12,182,401
<b>Total return before distributions</b>			<b>(185,466,826)</b>		139,250,208
Distributions	8		<b>(25,065,838)</b>		(17,012,085)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(210,532,664)</b>		122,238,123

## Statement of change in net assets attributable to shareholders 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 shareholders</b>		<b>1,442,414,943</b>		843,597,664
Amounts receivable on issue of shares	<b>389,117,033</b>		484,285,153	
Amounts payable on cancellation of shares	<b>(32,400,951)</b>		(22,866,951)	
In-specie transfer*	<b>10,309,192</b>		—	
		<b>367,025,274</b>		461,418,202
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)		<b>(210,532,664)</b>		122,238,123
Retained distributions on accumulation shares		<b>22,222,265</b>		15,160,954
<b>Closing net assets attributable to shareholders</b>		<b>1,621,129,818</b>		1,442,414,943

\* In-specie transfer relates to the transfer of the shares from Rathbone Heritage Fund on 22 April 2022.

## 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>1,531,181,338</b>		1,345,592,022
<b>Current assets:</b>					
Debtors	9	<b>16,685,161</b>		7,477,816	
Cash and bank balances		<b>112,654,512</b>		104,933,131	
<b>Total current assets</b>			<b>129,339,673</b>		112,410,947
<b>Total assets</b>			<b>1,660,521,011</b>		1,458,002,969
<b>Liabilities</b>					
Investment liabilities			<b>(36,668,353)</b>		(13,852,007)
<b>Creditors:</b>					
Distribution payable on income shares			<b>(935,361)</b>		(954,151)
Other creditors	10		<b>(1,787,479)</b>		(781,868)
<b>Total liabilities</b>			<b>(39,391,193)</b>		(15,588,026)
<b>Net assets attributable to shareholders</b>			<b>1,621,129,818</b>		1,442,414,943

## Notes to the financial statements

### 1 Accounting policies

#### a) Basis of accounting

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

As stated in the Statement of the ACD's responsibilities in relation to the report and the financial statements of the Company on page 187, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the fund.

There are no significant judgments or sources of estimation uncertainty.

#### b) Recognition of revenue

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

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

Revenue received from investments in authorised collective investment schemes, which are purchased during the financial year, will include an element of equalisation which represents the average amount of revenue included in the price paid for shares or units. The equalisation is treated as capital and deducted from the cost of the investment.

#### 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 the ACD charge and 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 ACD it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are valued based on the latest financial statements of the respective company and agreed with the Depositary.

Structured products are valued based upon available market data.

Authorised collective investment schemes are valued at the bid price for dual price funds and at the quoted price for single price funds.

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.

#### 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 middle 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.

## 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 shareholders.

For the purpose of calculating the distribution available to shareholders, the ACD'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 shareholders, 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 shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the year. All remaining revenue is distributed in accordance with the regulations.

**3 Net capital (losses)/gains**

	30.09.22 £	30.09.21 £
The net capital (losses)/gains during the year comprise:		
Realised (losses)/gains derivative contracts	<b>(87,784,699)</b>	25,251,311
Unrealised losses derivative contracts	<b>(36,112,461)</b>	(13,852,007)
Realised gains non-derivative securities	<b>21,040,879</b>	20,946,825
Unrealised (losses)/gains non-derivative securities	<b>(100,102,092)</b>	95,224,991
Realised losses currency	<b>(1,219,968)</b>	(1,065,433)
Unrealised gains currency	<b>176,831</b>	320,443
Capital special dividend	—	252,258
Transaction charges	<b>(9,426)</b>	(10,581)
<b>Net capital (losses)/gains</b>	<b>(204,010,936)</b>	127,067,807

**4 Revenue**

	30.09.22 £	30.09.21 £
Dividends — UK Ordinary	<b>6,740,576</b>	4,429,157
— Overseas	<b>12,524,943</b>	8,898,340
Interest on debt securities	<b>9,353,637</b>	6,149,255
Bank interest	<b>554,816</b>	—
<b>Total revenue</b>	<b>29,173,972</b>	19,476,752

**5 Expenses**

	30.09.22 £	30.09.22 £	30.09.21 £	30.09.21 £
Payable to the ACD, associates of the ACD and agents of either of them:				
ACD's charge		<b>8,163,404</b>		5,912,803
Payable to the Depository, associates of the Depository and agents of either of them:				
Depository's fees	<b>191,693</b>		173,483	
Safe custody and other bank charges	<b>184,313</b>		111,616	
		<b>376,006</b>		285,099
Other expenses:				
Administration fees	<b>390,197</b>		255,238	
Audit fee*	<b>11,320</b>		10,360	
Printing and publication costs	<b>2,183</b>		2,027	
Registration fees	<b>24,958</b>		16,451	
Listing fee	<b>(6,876)</b>		3,530	
		<b>421,782</b>		287,606
<b>Total expenses</b>		<b>8,961,192</b>		6,485,508

\* Audit fees for 2022 are £9,433 excluding VAT (30.09.21: £8,633 excluding VAT).

**6 Interest payable and similar charges**

	30.09.22 £	30.09.21 £
Bank interest payable	<b>3,682</b>	6,538
Interest payable and similar charges	<b>3,682</b>	6,538

**7 Taxation**

	30.09.22 £	30.09.21 £
a) Analysis of charge in the year		
Overseas tax	<b>1,446,362</b>	788,234
Irrecoverable overseas tax on capital special dividend	—	14,071
Corporation tax	<b>257,933</b>	—
Deferred tax	<b>(39,307)</b>	—
Total tax charge for the year (note 5b)	<b>1,664,988</b>	802,305

**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 Open-Ended Investment Company (20%) (30.09.21: 20%). The differences are explained below.

	30.09.22 £	30.09.21 £
Net revenue before taxation	<b>20,209,098</b>	12,984,706
Corporation tax at 20%	<b>4,041,820</b>	2,596,941
Effects of:		
Revenue not subject to taxation	<b>(3,800,695)</b>	(2,622,455)
Utilisation of excess management expenses	<b>(428,750)</b>	(151,339)
Overseas tax	<b>1,446,362</b>	788,234
Realised gains on non-qualifying offshore funds	<b>445,558</b>	183,310
Tax relief on overseas tax suffered	—	(6,457)
Irrecoverable overseas tax on capital special dividend	—	14,071
Double taxation relief	<b>(39,307)</b>	—
Total tax charge for the year (note 5a)	<b>1,664,988</b>	802,305

**c) Deferred tax**

At 30 September 2022, there is no potential deferred tax asset (30.09.21: £428,750) in relation to surplus management expenses.



## 8 Distributions

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

	30.09.22	30.09.21
	£	£
First Interim	<b>4,284,987</b>	2,920,896
Second Interim	<b>6,044,472</b>	3,387,531
Third Interim	<b>8,248,075</b>	5,120,672
Final	<b>7,154,181</b>	6,346,107
	<b>25,731,715</b>	17,775,206
Add: Amounts deducted on cancellation of shares	<b>78,865</b>	31,037
Deduct: Amounts received on issue of shares	<b>(744,742)</b>	(794,158)
Net distribution for the year	<b>25,065,838</b>	17,012,085

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

Net distribution for the year	<b>25,065,838</b>	17,012,085
Expenses allocated to Capital:		
ACD's periodic charge	<b>(8,163,404)</b>	(5,912,803)
Equilisation on conversions	<b>(17)</b>	109
Tax relief on expenses	<b>1,615,873</b>	1,110,692
Balance brought forward	<b>(9,093)</b>	(36,775)
Balance carried forward	<b>34,913</b>	9,093
Net revenue after taxation	<b>18,544,110</b>	12,182,401

## 9 Debtors

	30.09.22	30.09.21
	£	£
Amounts receivable for issue of shares	<b>2,381,442</b>	4,690,221
Sales awaiting settlement	<b>10,782,775</b>	–
Accrued revenue	<b>2,582,733</b>	2,239,262
Taxation recoverable	<b>938,211</b>	548,333
Total debtors	<b>16,685,161</b>	7,477,816

## 10 Other creditors

	30.09.22	30.09.21
	£	£
Amounts payable for cancellation of shares	<b>200,305</b>	33,227
Purchases awaiting settlement	<b>484,439</b>	–
Accrued expenses	<b>177,793</b>	143,135
Accrued ACD's charge	<b>706,316</b>	605,506
Taxation payable	<b>218,626</b>	–
Total other creditors	<b>1,787,479</b>	781,868

**11 Reconciliation of shares**

	R-class income	R-class accumulation	S-class income	S-class accumulation
Opening shares issued at 01.10.21	292,803	3,673,036	123,581,104	615,458,744
Share movements 01.10.21 to 30.09.22				
Shares issued	42,546	3,973,406	25,100,880	176,704,922
Shares cancelled	(2,629)	(1,590,961)	(13,594,956)	(1,781,118)
Shares converted	(10,276)	(10,804)	107,995	(72,578)
Closing shares at 30.09.22	322,444	6,044,677	135,195,023	790,309,970

**12 Related parties**

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

Details of shares created and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 8.

There were no commissions paid to stockbroking of the ACD in respect of dealings in the investments of Rathbone Strategic Growth Portfolio 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.

At the year end there were no significant shareholders (30.09.21: nil).

**13 Shareholder funds**

The fund has two share classes: R-class and S-class. The annual ACD charge on R-class is 1.50%, and S-class is 0.50%.

The net asset value, the net asset value per share and the number of shares in issue are given in the net asset value per share and comparative tables on pages 68 to 73.

**14 Contingent liabilities and commitments**

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

**15 Risk disclosures on financial instruments**

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

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

The fund holds a substantial number of Collective Investment Schemes that are designed to give overseas exposure. The fund has indirect exposure to foreign currency risk, interest rate risk and credit risk as a result of these holdings (see the portfolio statements on pages 75 to 79).

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 some of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated assets.

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

	<b>30.09.22</b>	30.09.21
	£	£
Currency:		
Australian dollar	<b>49,260,037</b>	14,571,210
Canadian dollar	<b>31,618,730</b>	16,126,425
Danish krone	<b>7,781,503</b>	15,600,126
Euro	<b>83,851,097</b>	86,729,271
Hong Kong dollar	<b>25,771,951</b>	26,722,964
Japanese yen	<b>65,368,071</b>	46,927,255
Norwegian krone	<b>6,119,668</b>	6,818,656
Swedish krona	<b>11,868,853</b>	11,912,829
Swiss franc	<b>43,630,369</b>	52,118,117
US dollar	<b>882,330,361</b>	744,988,964
Pound sterling	<b>412,809,593</b>	419,350,793
	<b>1,620,410,233</b>	1,441,866,610
Other net assets not categorised as financial instruments	<b>719,585</b>	548,333
Net assets	<b>1,621,129,818</b>	1,442,414,943

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 £109,781,876 (30.09.21: £92,955,983). 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 £134,177,849 (30.09.21: £113,612,869). These calculations assume all other variables remain constant.

Notes to the financial statements *(continued)***15 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 charges.

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>48,481,021</b>	14,411,067
Canadian dollar	<b>31,553,892</b>	16,097,314
Japanese yen	<b>42,282,361</b>	34,692,325
US dollar	<b>94,942,556</b>	24,605,332
Pound sterling	<b>42,833,272</b>	48,657,422
	<b>260,093,102</b>	138,463,460
Floating rate assets:		
Euro	<b>6,637</b>	–
US dollar	–	83,637,659
Pound sterling	<b>135,611,476</b>	104,933,131
	<b>135,618,113</b>	188,570,790
Floating rate assets:		
US dollar	<b>(10,782,775)</b>	–
	<b>(10,782,775)</b>	–
Assets on which no interest is paid:		
Australian dollar	<b>779,016</b>	160,143
Canadian dollar	<b>64,838</b>	29,111
Danish krone	<b>7,781,503</b>	15,600,126
Euro	<b>84,794,761</b>	87,470,678
Hong Kong dollar	<b>25,771,951</b>	26,722,964
Japanese yen	<b>23,085,710</b>	12,234,930
Norwegian krone	<b>6,119,668</b>	6,818,656
Swedish krona	<b>11,868,853</b>	11,912,829
Swiss franc	<b>43,630,369</b>	52,819,622
US dollar	<b>833,261,296</b>	649,155,068
Pound sterling	<b>237,496,395</b>	267,496,259
	<b>1,274,654,360</b>	1,130,420,386
Liabilities on which no interest is paid:		
Euro	<b>(950,301)</b>	(741,407)
Swiss franc	–	(701,505)
US dollar	<b>(35,090,716)</b>	(12,409,095)
Pound sterling	<b>(3,131,550)</b>	(1,736,019)
	<b>(39,172,567)</b>	(15,588,026)
Other net assets not categorised as financial instruments	<b>719,585</b>	548,333
Net assets	<b>1,621,129,818</b>	1,442,414,943

**15 Risk disclosures on financial instruments** *(continued)***(ii) Interest rate risk** *(continued)*

If interest rates had increased by 1% as at the balance sheet date, the net asset value of the fund would have increased by £15,127,034 (30.09.21: £830,782). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the fund would have decreased by £15,127,034 (30.09.21: £830,782). These calculations assume all other variables remain constant.

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>243,332,870</b>	<b>15.02</b>	222,101,119	15.40
Below investment grade	<b>28,941,058</b>	<b>1.78</b>	—	—
<b>Total bonds</b>	<b>272,273,928</b>	<b>16.80</b>	222,101,119	15.40

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 ACD 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 Instrument of Incorporation 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 £149,451,299 (30.09.21: £133,174,002). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £149,451,299 (30.09.21: £133,174,002). 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.** There is no significant leverage in Rathbone Strategic Growth Portfolio which would increase its exposure.

**16 Portfolio transaction cost****For the year ended 30 September 2022****Analysis of total purchase costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	383,133,112	209,570	0.05	319,636	0.08
Bond transactions	261,086,921	—	—	—	—
Fund transactions	78,400,085	20,593	0.03	—	—
In-specie transactions	8,048,808	—	—	—	—
Total purchases before transaction costs	730,668,926	230,163		319,636	
Total purchases including commission and taxes	731,218,725				

**Analysis of total sales costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	121,632,593	65,435	0.05	6,551	0.01
Bond transactions	160,656,687	—	—	—	—
Fund transactions	138,425,160	36,196	0.03	27	—
Corporate actions	50,497,946	—	—	—	—
Total sales including transaction costs	471,212,386	101,631		6,578	
Total sales net of commission and taxes	471,104,177				

The fund had paid nil as commission on purchases and sale derivative transactions for the year ended 30.09.22.

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

Commissions	0.02%
Taxes	0.02%

**16 Portfolio transaction cost** (continued)

**For the year ended 30 September 2021**

**Analysis of total purchase costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	401,799,852	214,169	0.05	381,439	0.09
Bond transactions	188,682,658	—	—	—	—
Fund transactions	108,445,527	19,537	0.02	—	—
Corporate actions	730,572	—	—	—	—
Total purchases before transaction costs	699,658,609	233,706		381,439	
Total purchases including commission and taxes	700,273,754				

**Analysis of total sales costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	63,798,101	38,800	0.06	62	—
Bond transactions	6,800,268	—	—	—	—
Fund transactions	95,276,724	8,024	0.01	—	—
Corporate actions	46,430,744	—	—	—	—
Total sales including transaction costs	212,305,837	46,824		62	
Total sales net of commission and taxes	212,258,951				

The fund had paid nil as commission on purchases and sale derivative transactions for the year ended 30.09.21.

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

Commissions	0.03%
Taxes	0.03%

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.28% (30.09.21: 0.24%).

**17 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	989,871,037	—	—	989,871,037
Bonds	243,332,870	39,315,277	—	282,648,147
Pooled investment vehicles	106,732,414	15,896,798	—	122,629,212
Structured Products	2,640,000	3,934,178	128,902,872	135,477,050
Derivatives	—	555,892	—	555,892
	1,342,576,321	59,702,145	128,902,872	1,531,181,338

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	—	(36,668,353)	—	(36,668,353)
	—	(36,668,353)	—	(36,668,353)

**For the year ended 30 September 2021**

Category	1	2	3	Total
	£	£	£	£
<b>Investment assets</b>				
Equities	840,475,428	—	—	840,475,428
Bonds	183,450,797	42,813,905	23,081,861	249,346,563
Pooled investment vehicles	132,784,576	44,384,649	—	177,169,225
Structured Products	—	7,701,983	70,898,823	78,600,806
	1,156,710,801	94,900,537	93,980,684	1,345,592,022

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	—	(13,852,007)	—	(13,852,007)
	—	(13,852,007)	—	(13,852,007)

**18 Cross holdings**

The fund did not hold shares in any of the other sub-funds of Rathbones Multi-Asset Portfolio at the period end.



## Distribution tables for the year ended 30 September 2022

## Distribution tables (pence per share)

## First Interim

Group 1 – Shares purchased prior to 1 October 2021

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

<b>R-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.22</b>	<b>Paid 26.02.21</b>
Group 1	0.56	–	0.56	0.55
Group 2	0.23	0.33	0.56	0.55
<b>R-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.22</b>	<b>Accumulated 26.02.21</b>
Group 1	0.65	–	0.65	0.63
Group 2	0.35	0.30	0.65	0.63
<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.22</b>	<b>Paid 26.02.21</b>
Group 1	0.49	–	0.49	0.47
Group 2	0.25	0.24	0.49	0.47
<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.22</b>	<b>Accumulated 26.02.21</b>
Group 1	0.55	–	0.55	0.53
Group 2	0.27	0.28	0.55	0.53

## Second Interim

Group 1 – Shares purchased prior to 1 January 2022

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

<b>R-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.22</b>	<b>Paid 28.05.21</b>
Group 1	0.75	–	0.75	0.57
Group 2	0.01	0.74	0.75	0.57
<b>R-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.22</b>	<b>Accumulated 28.05.21</b>
Group 1	0.85	–	0.85	0.66
Group 2	0.40	0.45	0.85	0.66
<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.22</b>	<b>Paid 28.05.21</b>
Group 1	0.64	–	0.64	0.49
Group 2	0.33	0.31	0.64	0.49

**Distribution tables (pence per share)** *(continued)*Second Interim *(continued)*

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.22</b>	<b>Accumulated 28.05.21</b>
Group 1	0.73	—	0.73	0.55
Group 2	0.40	0.33	0.73	0.55

## Third Interim

Group 1 – Shares purchased prior to 1 April 2022

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

<b>R-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.08.22</b>	<b>Paid 31.08.21</b>
Group 1	0.94	—	0.94	0.77
Group 2	0.38	0.56	0.94	0.77

<b>R-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.08.22</b>	<b>Accumulated 31.08.21</b>
Group 1	1.11	—	1.11	0.88
Group 2	0.55	0.56	1.11	0.88

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.08.22</b>	<b>Paid 31.08.21</b>
Group 1	0.82	—	0.82	0.67
Group 2	0.40	0.42	0.82	0.67

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.08.22</b>	<b>Accumulated 31.08.21</b>
Group 1	0.94	—	0.94	0.75
Group 2	0.46	0.48	0.94	0.75

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

## Final

Group 1 – Shares purchased prior to 1 July 2022

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

R-class income shares	Income	Equalisation	Payable 30.11.22	Paid 30.11.21
Group 1	0.78	–	0.78	0.88
Group 2	0.61	0.17	0.78	0.88

R-class accumulation shares	Income	Equalisation	Allocated 30.11.22	Accumulated 30.11.21
Group 1	0.90	–	0.90	1.02
Group 2	0.38	0.52	0.90	1.02

S-class income shares	Income	Equalisation	Payable 30.11.22	Paid 30.11.21
Group 1	0.69	–	0.69	0.77
Group 2	0.35	0.34	0.69	0.77

S-class accumulation shares	Income	Equalisation	Allocated 30.11.22	Accumulated 30.11.21
Group 1	0.78	–	0.78	0.87
Group 2	0.39	0.39	0.78	0.87

## Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. 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 shares for Capital Gains Tax purposes.

## Investment objective and policy

### Investment objective

We aim to deliver an income of 3% or more each year. We also aim to deliver a greater total return than the Consumer Price Index (CPI) measure of inflation +3%, after fees, over any rolling five-year period by investing with our Liquidity, Equity-type risk and Diversifiers (LED) framework. Total return means the return we receive from the value of our investments increasing (capital growth) plus the income we receive from our investments (interest and dividend payments). We use the CPI +3% as a target for our fund's return because we aim to grow your investment above inflation.

We aim to deliver this return with no more than two-thirds of the volatility of the FTSE Developed stock market Index. As an indication, if global stock markets fall our fund value should be expected to fall by around two-thirds of that amount. Because we measure volatility over a five-year period, some falls may be larger or smaller over shorter periods of time. We aim to limit the amount of volatility risk our fund can take because we want our investors to understand the risk they are taking in terms of the global stock market.

### Investment policy

To meet the objective, the fund manager will invest globally in government and corporate bonds with no restriction on their credit quality, equities, collective investment schemes and structured products.

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

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 fund manager defines restrictions on how much of the fund can be invested in different types of assets based on the LED Framework. The restrictions are set at the discretion of the fund manager and will change over time. The restrictions are reviewed annually and in response to market events. Further details in relation to the current restrictions may be obtained by contacting Rathbone Unit Trust Management.

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

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

### Investment objectives, policies and strategies

#### For all sub-funds

Subject to the FCA Regulations, the relative weightings of each asset class, will be determined by the Manager's view on worldwide securities markets, and their ability to provide both capital return and income over the long term.

The Manager's investment policy may mean that at times it is appropriate for the property of the fund not to be fully invested and for cash or near cash to be held. This will only occur when the Manager reasonably regards it as necessary in order to enable redemption of shares, efficient management of the fund or for a purpose ancillary to the objectives of the fund.

The impact of potential currency movements on the sterling value of capital and income will be taken into account when selecting investments. Derivatives and forward transactions may be used by the sub-funds for the purposes of efficient portfolio management (including hedging). The use of derivatives for investment purposes may increase the volatility of the sub-fund's Net Asset Value, and may increase its risk profile.

## Investment report for the year ended 30 September 2022

### Performance

During the 12 months ended 30 September 2022, the Rathbone Strategic Income Portfolio Fund fell 8.6%. For the same period, the fund's CPI + 3% benchmark rose 13.1%. Over the portfolio's five-year objective period, it returned 8.2%, compared with 37.5% for its benchmark. Five-year portfolio volatility as a percentage of the FTSE Developed global stock market index was 58%, compared with its target of 66%

### Market overview and portfolio activity

This year has been very grim: war, sky-high inflation, an energy crisis, a cost-of-living crisis, a stock market correction and increasing fears of recession. These risks cascaded through 2022 sending bond yields aboard a rocket ship.

Over the past 12 months, the yield of a benchmark 10-year UK government bond yield has soared from 1.02% to 4.10%. The rise of the US 10-year is a little less dramatic, but still incredible: from 1.49% on 30 September 2021, it finished a year later at 3.90%. After years of ultra-low interest rates and deflationary concerns, inflation returned with a bang, dragging central banks and the markets flailing behind it.

We've become accustomed to some breakneck market shifts in recent years, yet they pale in comparison to the last nine months. Equities around the world tumbled back after getting more than a little overoptimistic about the US Federal Reserve (Fed) shying away from interest rate hikes. Yet bond markets were arguably the epicentre of the pain. Investors expect central banks to deliver a whole bunch of interest rate increases and reverse their quantitative easing schemes, perhaps more tightening than is indeed possible.

Towards the end of the period, the new government of Prime Minister Liz Truss released its mini-budget, which only managed to exacerbate the UK's woes. Truss and her Chancellor Kwasi Kwarteng admirably tried a bold dash for boosting flagging economic growth – a particularly apt idea given the nation is headed for recession. However, the fiscal set-piece was bungled from the start by a lack of communication, a cocksure disregard for the fiscal watchdog and a failure to read the room

politically. The announcement of unfunded tax cuts for the wealthiest went down like a lead balloon with investors and voters alike. Sterling plunged, government bond yields soared (taking mortgage rates with them) and Labour took a 30-something-point lead in the polls.

After all the turmoil – which spread to the UK pension industry, causing the Bank of England to intervene to prevent spiking yields upending the UK's financial stability – the government will abandon virtually everything announced at the mini-budget. All of this is a clanger case study on the importance of leadership, communication and listening to your stakeholders.

We completely sold the JP Morgan Global Emerging Markets Income Trust over the fourth quarter of 2021. The Fed was poised to raise interest rates and that usually bodes ill for emerging markets as money flows out of riskier assets and a stronger dollar weighs on developing economies.

Throughout the first half of the period we steadily added to our collection of sovereign bonds because of the rising geopolitical risks. These included the Australian Government 4.75% 2027 and US Treasury 4.5% 2036, which we added to with cash from maturing bonds. We have added to our holdings of foreign government bonds to protect our portfolio in the face of rising inflation, higher energy prices and potentially much slower economic growth.

The FTSE 100 had a run of unusual outperformance compared with other stock markets in the first half of the period, so in February we took the opportunity to reduce our holding of the iShares Core FTSE 100 ETF. We invested the cash directly into some of our favoured businesses.

In May, we switched our developing world bond exposure from the Ashmore Emerging Markets Short Duration Fund to the Barings Emerging Markets Debt Blended Total Return Fund. The Barings fund has greater duration, albeit still less than 4 years, making it more sensitive to changes in interest rates. It is also more flexible, owning bonds that have embedded options.

We sold the Baillie Gifford Japanese Income & Growth Fund because we felt we could find better income elsewhere.

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

As bond yields flew higher around the world, we added to our holdings of the UK Government 4¼% 2032. While rates likely have a bit further to rise, we believe it was time to start adding to these sorts of assets to protect ourselves if yields fall suddenly, as they would if the world tumbles into recession, for instance.

We took advantage of large falls in the price of bonds to add to our corporate credit positions, using the Invesco US High Yield Fallen Angels ETF.

We sold the iShares China CNY Bond ETF in August. This tracker holds a range of government-issued and government-backed Chinese bonds. We have held it for some time as Chinese yields were significantly higher than similar bonds in the West, providing a more attractive risk-off asset. During the recent market falls, these yields actually held up relatively well, so we sold this position to recycle the cash into Western markets now that their yields have increased to more attractive levels.

The number one biggest upset to the world today is the considerable rise in the cost of energy. This is tremendously broad brush – the world is a mess of different causes, effects and complexities. Yet it really does seem that much of the upheaval and strains of 2022 have their roots in a world that became accustomed to cheap and abundant energy, which was then suddenly taken away. Power is a crucial input for virtually everything. Without it, there's no technological uplift, so the progress of centuries is discounted. And when it becomes more expensive and rationed, it means less output is possible or profitable, and less fun can be afforded by everyone. There is actually one of those 'theory of everything' sort of arguments that says booms and busts can be mapped solely on the cost and abundance of popular energy sources.

Our current energy crisis has its base in climate change, really. It's a dirty secret of Western nations that, to reduce carbon emissions, they became ever more dependent on gas for heating and electricity generation. While a much cleaner option than coal, it is still bad for the environment and requires long-term infrastructure that binds you to specific suppliers. Not only that, but in Europe in particular,

it meant countries were dependent on regimes that became politically troublesome. This year, Russian President Vladimir Putin jumped the shark and invaded Ukraine. It was perhaps inevitable that this decision would lead to the gas pipes being turned off to Europe (the cognitive dissonance, for both sides, of continuing this trade relationship while effectively in a proxy war was simply too great). And so, finally, this quarter Putin turned the taps off, sending gas prices spiking once again. Meanwhile, oil prices remain relatively high, especially given the monumental strength of the dollar, coached that way by the OPEC cartel. Because of the need to reduce the carbon intensity of our societies, supply of hydrocarbons is politically constrained, so the era of low-cost energy is probably behind us. At least until the next energy source comes along. That requires some adjustment from everyone – people, businesses and governments.

Investors' hopes that the Fed would be cutting rates by early next year always seemed fanciful to us. Now that investors have decided the Fed really isn't for turning, prices of stocks and bonds have dropped significantly lower. Broadly, that makes us buyers at current levels.

There are still lots of risks out there and we think a global recession is almost a foregone conclusion (if it's not already here). The question is how deep will that downturn be? At the moment, it seems likely to be mild, with shallow GDP contraction for two or three quarters. Then, if inflation falls back toward central banks' target levels, it will give policymakers more flexibility to help drive the economy forward once again. The risk is that inflation simply doesn't quit, that it gets baked into the collective psyche and central bankers must continue hiking rates to the point that it leads to a deeper and harsher recession. We are keeping extremely vigilant for this scenario, even though we think it's not the most likely outcome right now.

David Coombs  
Lead Fund Manager  
18 October 2022

Will McIntosh-Whyte  
Fund Manager

## Net asset value per share and comparative tables

## S-class income shares

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	115.60p	106.90p	114.42p
Return before operating charges*	(8.90p)	13.20p	(3.25p)
Operating charges	(0.68p)	(0.70p)	(0.69p)
Return after operating charges*	(9.58p)	12.50p	(3.94p)
Distributions on income shares	(3.77p)	(3.80p)	(3.58p)
Closing net asset value per share	102.25p	115.60p	106.90p
*after direct transaction costs <sup>1</sup> of:	0.04p	0.06p	0.06p

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

## Performance

Return after charges	(8.29%)	11.69%	(3.44%)
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## Other information

Closing net asset value	£75,453,864	£71,911,019	£59,841,133
Closing number of shares	73,792,423	62,208,619	55,977,671
Operating charges**	0.67%	0.70%	0.75%
Direct transaction costs	0.03%	0.05%	0.06%

## Prices\*\*\*

Highest share price	119.27p	118.84p	116.93p
Lowest share price	103.69p	105.17p	96.00p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Net asset value per share and comparative tables *(continued)***S-class accumulation shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	141.86p	126.90p	131.42p
Return before operating charges*	(11.20p)	15.81p	(3.72p)
Operating charges	(0.85p)	(0.85p)	(0.80p)
Return after operating charges*	(12.05p)	14.96p	(4.52p)
Distributions on accumulation shares	(4.69p)	(4.57p)	(4.18p)
Retained distributions on accumulation shares	4.69p	4.57p	4.18p
Closing net asset value per share	129.81p	141.86p	126.90p

\*after direct transaction costs<sup>1</sup> of: 0.05p 0.07p 0.07p

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

**Performance**

Return after charges (8.49%) 11.79% (3.44%)

**Other information**

Closing net asset value	£17,876,600	£17,087,387	£13,276,008
Closing number of shares	13,771,326	12,045,356	10,461,446
Operating charges**	0.67%	0.70%	0.75%
Direct transaction costs	0.03%	0.05%	0.06%

**Prices\*\*\***

Highest share price	147.24p	144.74p	135.37p
Lowest share price	130.48p	124.85p	111.63p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.



Net asset value per share and comparative tables *(continued)***M-class income shares<sup>†</sup>**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	n/a	n/a	99.94p
Return before operating charges*	n/a	n/a	(3.50p)
Operating charges	n/a	n/a	(0.64p)
Return after operating charges*	n/a	n/a	(4.14p)
Distributions on income shares	n/a	n/a	(2.00p)
Redemption price	n/a	n/a	(93.80p)
Closing net asset value per share	n/a	n/a	—
*after direct transaction costs <sup>1</sup> of:	n/a	n/a	0.05p

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

**Performance**

Return after charges	n/a	n/a	(4.14%)
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**Other information**

Closing net asset value	n/a	n/a	—
Closing number of shares	n/a	n/a	—
Operating charges**	n/a	n/a	—
Direct transaction costs	n/a	n/a	0.06%

**Prices\*\*\***

Highest share price	n/a	n/a	102.07p
Lowest share price	n/a	n/a	83.77p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

<sup>†</sup> M-class income was merged into S-class income on 26 June 2020.

Net asset value per share and comparative tables *(continued)***M-class accumulation shares<sup>†</sup>**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	n/a	n/a	105.03p
Return before operating charges*	n/a	n/a	(3.69p)
Operating charges	n/a	n/a	(0.67p)
Return after operating charges*	n/a	n/a	(4.36p)
Distributions on accumulation shares	n/a	n/a	(2.15p)
Retained distributions on accumulation shares	n/a	n/a	2.15p
Redemption price	n/a	n/a	(100.67p)
Closing net asset value per share	n/a	n/a	—
*after direct transaction costs <sup>1</sup> of:	n/a	n/a	0.06p

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

**Performance**

Return after charges	n/a	n/a	(4.15%)
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**Other information**

Closing net asset value	n/a	n/a	—
Closing number of shares	n/a	n/a	—
Operating charges**	n/a	n/a	—
Direct transaction costs	n/a	n/a	0.06%

**Prices\*\*\***

Highest share price	n/a	n/a	108.12p
Lowest share price	n/a	n/a	89.13p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

<sup>†</sup> M-class accumulation was merged into S-class accumulation on 26 June 2020.

**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**

**Discrete annual performance, year ending 30 September 2022**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
S-class shares	3.06%	5.88%	-3.53%	12.45%	-8.63%
UK Consumer Price Index +3%	5.68%	4.83%	3.20%	6.32%	13.11%

Source performance data FE fundinfo, 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 (Equities unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
<b>United Kingdom</b> (30.09.21: 44.05%)			
£475,000	3i 6.875% 2023**	477,128	0.51
£120,000	A2D Funding 4.75% 2022**	59,987	0.06
106,500	AJ Bell	286,698	0.31
16,300	Ashtead	665,855	0.71
765,000	Barclays	1,103,895	1.18
265,000	BP	1,147,715	1.23
£100,000	BUPA Finance 5% 2023**	99,164	0.11
£500,000	Co-Operative 11% 2025**	528,036	0.57
£500,000	Coventry Building Society 6.875% VRN perp**	446,875	0.48
26,000	Diageo	987,220	1.06
£2,500,000	EIB 5.5% 2025**	2,519,544	2.70
£2,750,000	EIB 6% 2028**	2,900,700	3.11
5,250	Ferguson	493,605	0.53
67,600	GSK	882,721	0.95
235,000	HG Capital Trust	788,425	0.84
£500,000	HSBC 6.5% 2024**	498,778	0.53
£400,000	John Lewis 6.125% 2025**	376,096	0.40
£473,000	Jupiter Fund Management 8.875% VRN 2030**	466,052	0.50
£406,000	Just 7% VRN 2031**	380,148	0.41
510,000	Legal & General	1,104,150	1.18
£500,000	Lloyds Banking 7.875% VRN perp**	432,540	0.46
121,000	National Grid	1,126,268	1.21
£500,000	Nationwide Building Society 5.875% VRN perp**	432,480	0.46
£850,000	NatWest 5.125% VRN perp**	631,950	0.68
11,600	Next	556,800	0.60
£400,000	Ocado 3.875% 2026**	291,766	0.31
£600,000	Punch Finance 6.125% 2026**	479,900	0.51
258,000	Quilter	236,586	0.25
44,000	RELX (EUR)	965,345	1.03
23,800	Rio Tinto	1,165,248	1.25
£500,000	RL Finance Bonds 6.125% VRN 2043**	489,263	0.52
£500,000	Saga 5.5% 2026**	360,000	0.39
£390,000	Scottish & Southern 8.375% 2028**	423,580	0.45
£400,000	Scottish Widows 5.5% 2023**	396,924	0.43
56,300	Shell	1,264,780	1.36
55,000	Smith & Nephew	577,500	0.62
74,000	SSE	1,130,350	1.21
140,000	TR Property Investment Trust	415,100	0.44
£2,400,000	UK Treasury 4.25% 2027**	2,376,432	2.55

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

Holding (Equities unless otherwise stated)		Value (note 1e) £	Percentage of total net assets
£4,000,000	UK Treasury 5% 2025**	4,041,480	4.33
1,020,000	Vodafone	1,031,424	1.11
£450,000	Zurich Finance 6.625% VRN perp**	450,000	0.48
<b>Total United Kingdom</b>		<b>35,488,508</b>	<b>38.02</b>
<b>Australia (30.09.21: 2.02%)</b>			
AUD\$3,200,000	Government of Australia 4.75% 2027**	1,925,685	2.06
AUD\$1,750,000	Government of Australia 5.5% 2023**	1,020,476	1.10
<b>Total Australia</b>		<b>2,946,161</b>	<b>3.16</b>
<b>Bermuda (30.09.21: 0.58%)</b>			
£300,000	Fidelity International 7.125% 2024**	301,092	0.32
£250,000	Hiscox 6.125% VRN 2045**	223,604	0.24
<b>Total Bermuda</b>		<b>524,696</b>	<b>0.56</b>
<b>Cayman Islands (30.09.21: 0.42%)</b>			
9,550	Tencent	<b>290,330</b>	<b>0.31</b>
<b>Channel Islands (30.09.21: 2.43%)</b>			
7,200	Aptiv	504,510	0.54
£500,000	Heathrow Funding 7.125% 2024**	492,548	0.53
£400,000	HSBC Bank 5.844% VRN perp**	404,711	0.43
£400,000	Rothschild 9% perp**	424,000	0.46
<b>Total Channel Islands</b>		<b>1,825,769</b>	<b>1.96</b>
<b>China (30.09.21: 3.03%)</b>			
95,000	AIA	<b>709,559</b>	<b>0.76</b>
<b>Denmark (30.09.21: 0.41%)</b>			
6,000	Christian Hansen	<b>265,279</b>	<b>0.28</b>
<b>Emerging Markets (30.09.21: 3.89%)</b>			
26,000	Barings Emerging Market Debt Balanced Total Return**	<b>1,895,140</b>	<b>2.03</b>
<b>Finland (30.09.21: 1.27%)</b>			
33,800	Sampo Oyj	<b>1,298,324</b>	<b>1.39</b>

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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>France</b> (30.09.21: 2.00%)		
£300,000 AXA 6.6862% VRN perp**	285,850	0.31
\$400,000 Orange SA 9% 2031 Step**	429,740	0.46
30,000 TotalEnergies	1,270,701	1.36
<b>Total France</b>	<b>1,986,291</b>	<b>2.13</b>
<b>Germany</b> (30.09.21: 2.48%)		
£1,500,000 KfW 5.5% 2025**	1,518,407	1.63
13,200 KION	230,409	0.25
6,360 Siemens	563,838	0.60
<b>Total Germany</b>	<b>2,312,654</b>	<b>2.48</b>
<b>Ireland</b> (30.09.21: 9.46%)		
3,070 Accenture	707,918	0.76
\$500,000 Beazley Insurance DAC 5.5% 2029**	403,117	0.43
314,000 Invesco US High Yield Fallen Angels UCITS ETF**	5,870,230	6.29
14,000 iShares S&P SmallCap 600 UCITS ETF**	909,160	0.97
2,750 Linde	664,306	0.71
7,500 SPDR S&P 500 UCITS ETF**	2,458,882	2.64
<b>Total Ireland</b>	<b>11,013,613</b>	<b>11.80</b>
<b>Netherlands</b> (30.09.21: 0.75%)		
1,200 ASML	456,626	0.49
<b>Singapore</b> (30.09.21: 0.00%)		
44,700 DBS	929,565	1.00
<b>Sweden</b> (30.09.21: 0.85%)		
35,000 Assa Abloy 'B'	595,570	0.64
<b>Switzerland</b> (30.09.21: 3.51%)		
16,000 Novartis	1,099,754	1.18
4,250 Roche	1,250,958	1.34
50,000 SIG Combibloc	917,433	0.98
<b>Total Switzerland</b>	<b>3,268,145</b>	<b>3.50</b>
<b>Taiwan</b> (30.09.21: 0.31%)		
6,600 Taiwan Semiconductor	406,122	0.44

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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>United States</b> (30.09.21: 20.43%)		
6,600 Abbott Laboratories	572,260	0.61
7,360 Alphabet 'C'	634,003	0.68
5,000 Amgen	1,009,630	1.08
10,400 Amphenol 'A'	624,205	0.67
2,650 Ansys	525,988	0.56
5,250 Cadence Design Systems	768,617	0.82
5,500 Chicago Mercantile Exchange	872,866	0.94
22,700 Coca-Cola	1,140,185	1.22
13,750 Discover Financial Services	1,121,137	1.20
2,640 Estée Lauder 'A'	511,374	0.55
2,860 Home Depot	708,095	0.76
3,800 Lockheed Martin	1,316,571	1.41
8,000 Merck & Co.	617,540	0.66
3,000 Microsoft	625,665	0.67
15,200 Morgan Stanley	1,075,833	1.15
11,500 Northern Trust	881,430	0.95
16,200 Schlumberger	520,989	0.56
29,000 Source Morningstar US Energy Infrastructure UCITS ETF**	1,038,490	1.11
27,800 US Bancorp	1,004,366	1.08
\$2,150,000 US Treasury 4.5% 2036**	2,082,719	2.23
\$2,900,000 US Treasury 5.25% 2028**	2,761,757	2.96
29,000 Verizon Communications	986,930	1.06
5,200 Visa 'A'	827,957	0.89
14,250 WEC Energy	1,141,736	1.22
<b>Total United States</b>	<b>23,370,343</b>	<b>25.04</b>
<b>Alternative Investments</b> (30.09.21: 1.95%)		
210,000 CGFML Note Linked to SMI Top10 ELN 2022	232,072	0.25
6,300,000 S&P 500 Index Warrants 2022 CITI	22,010	0.02
2,800,000 S&P 500 Index Warrants 2022 UBS	134,400	0.15
2,600,000 S&P 500 Index Warrants 2023 UBS	99,320	0.11
3,000,000 S&P 500 Index Warrants 2023 UBS	207,600	0.22
1,300,000 Structured Note on SGI VRR USD Index ELN 2023	1,365,215	1.46
<b>Total Alternative Investments</b>	<b>2,060,617</b>	<b>2.21</b>

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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Forward Foreign Exchange Contracts</b> (30.09.21 : (0.71%))		
Buy £2,948,654, Sell AUD5,006,059	64,414	0.07
Buy £4,700,529, Sell €5,399,900	(62,456)	(0.07)
Buy \$1,382,490, Sell £1,225,240	11,750	0.01
Buy £27,761,693, Sell \$32,644,628	(1,447,696)	(1.55)
<b>Total Forward Foreign Exchange Contracts</b>	<b>(1,433,988)</b>	<b>(1.54)</b>
<b>Total value of investments</b> (30.09.21: 99.13%)	90,209,324	96.66
<b>Net other assets</b> (30.09.21: 0.87%)	3,121,140	3.34
<b>Total value of the fund as at 30 September 2022</b>	<b>93,330,464</b>	<b>100.00</b>

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

\*\* CIS securities

†† Closed-end funds

## Summary of portfolio investments

	Value £	Percentage of total net assets
Debt Securities	31,832,529	34.11
Equity Securities	45,578,264	48.84
Collective Investment Schemes	12,171,902	13.04
Structured Products	2,060,617	2.21
Forward Contracts	(1,433,988)	(1.54)
<b>Total value of investments</b>	<b>90,209,324</b>	<b>96.66</b>



## 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>(10,675,082)</b>		7,081,232
Revenue	4	<b>2,818,456</b>		2,428,944	
Expenses	5	<b>(569,303)</b>		(509,990)	
Interest payable and similar charges	6	<b>(112)</b>		(1,075)	
Net revenue before taxation		<b>2,249,041</b>		1,917,879	
Taxation	7	<b>(177,002)</b>		(135,432)	
Net revenue after taxation			<b>2,072,039</b>		1,782,447
<b>Total return before distributions</b>			<b>(8,603,043)</b>		8,863,679
Distributions	8		<b>(3,183,960)</b>		(2,785,716)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(11,787,003)</b>		6,077,963

## Statement of change in net assets attributable to shareholders 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 shareholders</b>		<b>88,998,406</b>		73,117,141
Amounts receivable on issue of shares	<b>25,699,608</b>		26,147,031	
Amounts payable on cancellation of shares	<b>(10,202,090)</b>		(16,856,559)	
		<b>15,497,518</b>		9,290,472
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)		<b>(11,787,003)</b>		6,077,963
Retained distributions on accumulation shares		<b>621,543</b>		513,519
Unclaimed distributions		—		(689)
<b>Closing net assets attributable to shareholders</b>		<b>93,330,464</b>		88,998,406

## 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>91,719,476</b>		88,851,347
<b>Current assets:</b>					
Debtors	9	<b>2,008,899</b>		928,813	
Cash and bank balances		<b>2,171,074</b>		984,696	
Total current assets			<b>4,179,973</b>		1,913,509
<b>Total assets</b>			<b>95,899,449</b>		90,764,856
<b>Liabilities</b>					
Investment liabilities			<b>(1,510,152)</b>		(631,486)
<b>Creditors:</b>					
Distribution payable on income shares		<b>(869,176)</b>		(716,686)	
Other creditors	10	<b>(189,657)</b>		(418,278)	
<b>Total liabilities</b>			<b>(2,568,985)</b>		(1,766,450)
<b>Net assets attributable to shareholders</b>			<b>93,330,464</b>		88,998,406

## Notes to the financial statements

### 1 Accounting policies

#### a) Basis of accounting

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

As stated in the Statement of the ACD's responsibilities in relation to the report and the financial statements of the Company on page 187, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the fund.

There are no significant judgments or sources of estimation uncertainty.

#### b) Recognition of revenue

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

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

Revenue received from investments in authorised collective investment schemes, which are purchased during the financial year, will include an element of equalisation which represents the average amount of revenue included in the price paid for shares or units. The equalisation is treated as capital and deducted from the cost of the investment.

#### 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 fees are charged to capital.

#### 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 ACD it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are valued based on the latest financial statements of the respective company and agreed with the Depositary.

Structured products are valued based upon available market data.

Authorised collective investment schemes are valued at the bid price for dual price funds and at the quoted price for single price funds.

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.

#### 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 middle 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.

## 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 shareholders.

For the purpose of calculating the distribution available to shareholders, all fees are charged to capital, offsetting expenses against capital may constrain future growth in revenue and capital.

For the purpose of calculating the distribution available to shareholders, 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 shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the year. All remaining revenue is distributed in accordance with the regulations.

**3 Net capital (losses)/gains**

	30.09.22	30.09.21
	£	£
The net capital (losses)/gains during the year comprise:		
Realised (losses)/gains derivative contracts	<b>(3,741,250)</b>	1,188,063
Unrealised losses derivative contracts	<b>(1,433,988)</b>	(631,486)
Realised (losses)/gains non-derivative securities	<b>(1,148,356)</b>	737,478
Unrealised (losses)/gains non-derivative securities	<b>(4,406,227)</b>	5,799,302
Realised gains/(losses) currency	<b>20,317</b>	(14,343)
Unrealised losses currency	<b>(14,400)</b>	(8,973)
Capital special dividend	<b>52,171</b>	16,018
Transaction charges	<b>(3,349)</b>	(4,827)
<b>Net capital (losses)/gains</b>	<b>(10,675,082)</b>	7,081,232

**4 Revenue**

	30.09.22	30.09.21
	£	£
Dividends — UK Ordinary	<b>789,293</b>	742,725
— Overseas	<b>953,210</b>	762,700
— Unfranked Income	—	109,241
Interest on debt securities	<b>1,063,149</b>	814,278
Bank interest	<b>12,804</b>	—
<b>Total revenue</b>	<b>2,818,456</b>	2,428,944

**5 Expenses**

	30.09.22	30.09.22	30.09.21	30.09.21
	£	£	£	£
Payable to the ACD, associates of the ACD and agents of either of them:				
ACD's charge		<b>477,806</b>		418,187
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	<b>18,244</b>		17,564	
Safe custody and other bank charges	<b>11,172</b>		8,911	
		<b>29,416</b>		26,475
Other expenses:				
Administration fees	<b>24,011</b>		32,100	
Audit fee*	<b>11,320</b>		10,360	
Printing and publication costs	<b>2,144</b>		2,027	
Registration fees	<b>24,606</b>		20,841	
		<b>62,081</b>		65,328
<b>Total expenses</b>		<b>569,303</b>		509,990

\* Audit fees for 2022 are £9,433 excluding VAT (30.09.21: £8,633 excluding VAT).

**6 Interest payable and similar charges**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Bank interest payable	<b>112</b>	1,075
Interest payable and similar charges	<b>112</b>	1,075

**7 Taxation**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
a) Analysis of charge in the year		
Corporate tax	<b>101,307</b>	82,491
Overseas tax	<b>74,793</b>	52,260
Reclaimable tax written off	<b>902</b>	–
Irrecoverable overseas tax on capital special dividend	–	681
Total tax charge for the year (note 5b)	<b>177,002</b>	135,432

**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 Open-Ended Investment Company (20%) (30.09.21: 20%). The differences are explained below.

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Net revenue before taxation	<b>2,249,041</b>	1,917,879
Corporation tax at 20%	<b>449,808</b>	383,576
Effects of:		
UK dividends	–	–
Exempt dividend income	<b>(348,501)</b>	(301,085)
Overseas tax	<b>74,793</b>	52,260
Reclaimable tax written off	<b>902</b>	–
Irrecoverable overseas tax on capital special dividend	–	681
Corporate tax charge	<b>177,002</b>	135,432

**c) Deferred tax**

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 shares and amounts deducted on the cancellation of shares, and comprise:

	30.09.22 £	30.09.21 £
Interim	<b>2,508,928</b>	2,207,199
Final	<b>726,596</b>	596,822
	<b>3,235,524</b>	2,804,021
Add: Amounts deducted on cancellation of shares	<b>31,551</b>	50,931
Deduct: Amounts received on issue of shares	<b>(83,115)</b>	(69,236)
Net distribution for the year	<b>3,183,960</b>	2,785,716

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

Net distribution for the year	<b>3,183,960</b>	2,785,716
Expenses allocated to Capital:		
ACD's periodic charge	<b>(477,806)</b>	(418,187)
Depository's fees	<b>(18,244)</b>	(17,564)
Safe custody and other bank charges	<b>(11,172)</b>	(8,911)
Administrator fee	<b>(24,011)</b>	(32,100)
Audit fee	<b>(11,320)</b>	(10,360)
Printing and publication costs	<b>(2,144)</b>	(2,027)
Registration fees	<b>(24,606)</b>	(20,841)
Effective yield amortisation	<b>(821,408)</b>	(745,099)
Tax relief on expenses	<b>278,142</b>	251,018
Overseas withholding tax charged to capital	—	(681)
Equalisation on conversions	<b>(31)</b>	248
Balance brought forward	<b>(6,575)</b>	(5,340)
Balance carried forward	<b>7,254</b>	6,575
Net revenue after taxation	<b>2,072,039</b>	1,782,447

**9 Debtors**

	30.09.22 £	30.09.21 £
Amounts receivable for issue of shares	<b>339,650</b>	254,609
Sales awaiting settlement	<b>745,600</b>	—
Accrued revenue	<b>831,047</b>	616,235
Taxation recoverable	<b>92,602</b>	57,969
Total debtors	<b>2,008,899</b>	928,813

**10 Other creditors**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Amounts payable for cancellation of shares	<b>60,065</b>	176,624
Purchases awaiting settlement	—	141,255
Accrued expenses	<b>31,997</b>	32,581
Accrued ACD's charge	<b>40,288</b>	37,176
Taxation payable	<b>57,307</b>	30,642
<b>Total other creditors</b>	<b>189,657</b>	418,278

**11 Reconciliation of shares**

	<b>S-class income</b>	<b>S-class accumulation</b>
Opening shares issued at 01.10.21	<b>62,208,619</b>	12,045,356
Share movements 01.10.21 to 30.09.22		
Shares issued	<b>17,459,777</b>	4,270,967
Shares cancelled	<b>(6,004,652)</b>	(2,440,780)
Shares converted	<b>128,679</b>	(104,217)
<b>Closing shares at 30.09.22</b>	<b>73,792,423</b>	13,771,326

**12 Related parties**

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

Details of shares created and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 8.

There were no commissions paid to stockbroking of the ACD in respect of dealings in the investments of Rathbone Strategic Income Portfolio 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.

At the year end there were no significant shareholders (30.09.21: nil).

**13 Shareholder funds**

The fund has one share class: S-class. The annual ACD charge on the fund is 0.50%.

The net asset value, the net asset value per share and the number of shares in issue are given in the net asset value per share and comparative tables on pages 101 to 104.

**14 Contingent liabilities and commitments**

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



## 15 Risk disclosures on financial instruments

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

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

The fund holds a substantial number of Collective Investment Schemes that are designed to give overseas exposure. The fund has indirect exposure to foreign currency risk, interest rate risk and credit risk as a result of these holdings (see the portfolio statements on pages 106 to 110).

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 some of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated assets.

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

	30.09.22 £	30.09.21 £
Currency:		
Australian dollar	<b>3,073,863</b>	1,816,317
Danish krone	<b>265,279</b>	366,194
Euro	<b>4,740,960</b>	4,338,812
Hong Kong dollar	<b>999,889</b>	1,103,848
Singapore dollar	<b>929,565</b>	—
Swedish krona	<b>595,570</b>	758,089
Swiss franc	<b>3,500,217</b>	3,251,132
US dollar	<b>27,953,838</b>	25,555,917
Pound sterling	<b>51,235,988</b>	51,780,770
	<b>93,295,169</b>	88,971,079
Other net assets not categorised as financial instruments	<b>35,295</b>	27,327
Net assets	<b>93,330,464</b>	88,998,406

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 £3,823,562 (30.09.21: £3,380,937). 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 £4,673,242 (30.09.21: £4,132,257). These calculations assume all other variables remain constant.

Notes to the financial statements *(continued)***15 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 charges.

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

	<b>30.09.22</b>	30.09.21
	<b>£</b>	<b>£</b>
Fixed rate assets:		
Australian dollar	<b>2,946,161</b>	1,794,441
Pound sterling	<b>18,565,562</b>	16,831,266
US dollar	<b>5,247,593</b>	3,066,893
	<b>26,759,316</b>	21,692,600
Floating rate assets:		
Euro	<b>8</b>	—
Pound sterling	<b>6,814,539</b>	3,882,993
US dollar	<b>429,740</b>	346,097
	<b>7,244,287</b>	4,229,090
Assets on which no interest is paid:		
Australian dollar	<b>127,702</b>	36,339
Danish krone	<b>265,279</b>	366,194
Euro	<b>4,803,408</b>	4,375,862
Hong Kong dollar	<b>999,889</b>	1,103,848
Singapore dollar	<b>929,565</b>	—
Swedish krona	<b>595,570</b>	758,089
Swiss franc	<b>3,500,217</b>	3,297,201
US dollar	<b>23,724,201</b>	22,760,789
Pound sterling	<b>26,857,413</b>	32,086,875
	<b>61,803,244</b>	64,785,197
Liabilities on which no interest is paid:		
Australian dollar	—	(14,464)
Euro	<b>(62,456)</b>	(37,050)
Swiss franc	—	(46,069)
US dollar	<b>(1,447,696)</b>	(617,862)
Pound sterling	<b>(1,001,526)</b>	(1,020,363)
	<b>(2,511,678)</b>	(1,735,808)
Other net assets not categorised as financial instruments	<b>35,295</b>	27,327
Net assets	<b>93,330,464</b>	88,998,406

**15 Risk disclosures on financial instruments** *(continued)***(ii) Interest rate risk** *(continued)*

If interest rates had increased by 1% as at the balance sheet date, the net asset value of the fund would have increased by £1,803,366 (30.09.21: £1,426,701). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the fund would have decreased by £1,803,366 (30.09.21: £1,426,701). These calculations assume all other variables remain constant.

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>27,198,407</b>	<b>29.15</b>	22,283,814	25.03
Below investment grade	<b>4,634,122</b>	<b>4.96</b>	2,653,180	2.98
<b>Total bonds</b>	<b>31,832,529</b>	<b>34.11</b>	24,936,994	28.01

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 ACD 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 Instrument of Incorporation 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 £9,020,932 (30.09.21: £8,821,986). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £9,020,932 (30.09.21: £8,821,986). 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**. There is no significant leverage in Rathbone Strategic Income Portfolio which would increase its exposure.

**16 Portfolio transaction cost****For the year ended 30 September 2022****Analysis of total purchase costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	11,162,894	5,356	0.05	21,333	0.19
Bond transactions	12,795,519	—	—	—	—
Fund transactions	4,609,365	738	0.02	—	—
Total purchases before transaction costs	28,567,778	6,094		21,333	
Total purchases including commission and taxes	28,595,205				

**Analysis of total sales costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	5,901,395	2,025	0.03	69	—
Fund transactions	10,740,367	2,540	0.02	—	—
Corporate actions	2,798,628	—	—	—	—
Total sales including transaction costs	19,440,390	4,565		69	—
Total sales net of commission and taxes	19,435,756				

Commissions and taxes as % of average net assets

Commissions 0.01%

Taxes 0.02%

**16 Portfolio transaction cost** (continued)**For the year ended 30 September 2021****Analysis of total purchase costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	12,489,226	5,072	0.04	31,094	0.25
Bond transactions	13,375,139	—	—	—	—
Fund transactions	7,484,065	1,205	0.02	—	—
Total purchases before transaction costs	33,348,430	6,277		31,094	
Total purchases including commission and taxes	33,385,801				

**Analysis of total sales costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	6,002,083	2,892	0.05	457	0.01
Bond transactions	790,350	—	—	—	—
Fund transactions	8,205,312	321	—	2	—
Corporate actions	7,866,906	—	—	—	—
Total sales including transaction costs	22,864,651	3,213		459	
Total sales net of commission and taxes	22,860,979				

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

Commissions	0.01%
Taxes	0.04%

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.34% (30.09.21: 0.27%).

**17 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	45,578,264	–	–	45,578,264
Bonds	14,208,549	17,623,980	–	31,832,529
Pooled investment vehicles	7,817,880	4,354,022	–	12,171,902
Structured Products	134,400	232,072	1,694,145	2,060,617
Derivatives	–	76,164	–	76,164
	67,739,093	22,286,238	1,694,145	91,719,476

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	–	(1,510,152)	–	(1,510,152)
	–	(1,510,152)	–	(1,510,152)

**For the year ended 30 September 2021**

Category	1	2	3	Total
	£	£	£	£
<b>Investment assets</b>				
Equities	42,875,264	–	–	42,875,264
Bonds	8,511,716	16,425,278	–	24,936,994
Pooled investment vehicles	13,425,589	5,880,442	–	19,306,031
Structured Products	–	–	1,733,058	1,733,058
	64,812,569	22,305,720	1,733,058	88,851,347

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	–	(631,486)	–	(631,486)
	–	(631,486)	–	(631,486)

**18 Cross holdings**

The fund did not hold shares in any of the other sub-funds of Rathbones Multi-Asset Portfolio at the year end.

## Distribution tables for the year ended 30 September 2022

**Distribution tables (pence per share)**

## First Interim

Group 1 – Shares purchased prior to 1 October 2021

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.12.21</b>	<b>Paid 31.12.20</b>
Group 1	0.17	–	0.17	0.27
Group 2	0.07	0.10	0.17	0.27

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.12.21</b>	<b>Accumulated 31.12.20</b>
Group 1	0.21	–	0.21	0.31
Group 2	0.11	0.10	0.21	0.31

## Second Interim

Group 1 – Shares purchased prior to 1 November 2021

Group 2 – Shares purchased on or after 1 November 2021 and on or before 30 November 2021

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.01.22</b>	<b>Paid 29.01.21</b>
Group 1	0.27	–	0.27	0.25
Group 2	0.16	0.11	0.27	0.25

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.01.22</b>	<b>Accumulated 29.01.21</b>
Group 1	0.33	–	0.33	0.29
Group 2	0.19	0.14	0.33	0.29

Distribution tables for the year ended 30 September 2022 *(continued)***Distribution tables (pence per share)** *(continued)*

## Third Interim

Group 1 – Shares purchased prior to 1 December 2021

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.22</b>	<b>Paid 26.02.21</b>
Group 1	0.27	–	0.27	0.27
Group 2	0.07	0.20	0.27	0.27

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.22</b>	<b>Accumulated 26.02.21</b>
Group 1	0.41	–	0.41	0.36
Group 2	0.17	0.24	0.41	0.36

## Fourth Interim

Group 1 – Shares purchased prior to 1 January 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.03.22</b>	<b>Paid 31.03.21</b>
Group 1	0.27	–	0.27	0.27
Group 2	0.04	0.23	0.27	0.27

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.03.22</b>	<b>Accumulated 31.03.21</b>
Group 1	0.30	–	0.30	0.31
Group 2	0.06	0.24	0.30	0.31

## Fifth Interim

Group 1 – Shares purchased prior to 1 February 2022

Group 2 – Shares purchased on or after 1 February 2022 and on or before 28 February 2022

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 29.04.22</b>	<b>Paid 30.04.21</b>
Group 1	0.26	–	0.26	0.24
Group 2	0.10	0.16	0.26	0.24

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 29.04.22</b>	<b>Accumulated 30.04.21</b>
Group 1	0.27	–	0.27	0.27
Group 2	0.19	0.08	0.27	0.27



Distribution tables for the year ended 30 September 2022 *(continued)***Distribution tables (pence per share)** *(continued)*

## Sixth Interim

Group 1 – Shares purchased prior to 1 March 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.22</b>	<b>Paid 28.05.21</b>
Group 1	0.27	–	0.27	0.27
Group 2	0.00	0.27	0.27	0.27
<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.22</b>	<b>Accumulated 28.05.21</b>
Group 1	0.62	–	0.62	0.49
Group 2	0.26	0.36	0.62	0.49

## Seventh Interim

Group 1 – Shares purchased prior to 1 April 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 30.06.22</b>	<b>Paid 30.06.21</b>
Group 1	0.27	–	0.27	0.27
Group 2	0.00	0.27	0.27	0.27
<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 30.06.22</b>	<b>Accumulated 30.06.21</b>
Group 1	0.39	–	0.39	0.46
Group 2	0.26	0.13	0.39	0.46

## Eighth Interim

Group 1 – Shares purchased prior to 1 May 2022

Group 2 – Shares purchased on or after 1 May 2022 and on or before 31 May 2022

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 29.07.22</b>	<b>Paid 30.07.21</b>
Group 1	0.27	–	0.27	0.27
Group 2	0.00	0.27	0.27	0.27
<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 29.07.22</b>	<b>Accumulated 30.07.21</b>
Group 1	0.37	–	0.37	0.32
Group 2	0.10	0.27	0.37	0.32

Distribution tables for the year ended 30 September 2022 *(continued)***Distribution tables (pence per share)** *(continued)*

## Ninth Interim

Group 1 – Shares purchased prior to 1 June 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.08.22</b>	<b>Paid 31.08.21</b>
Group 1	0.27	–	0.27	0.27
Group 2	0.00	0.27	0.27	0.27

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.08.22</b>	<b>Accumulated 31.08.21</b>
Group 1	0.58	–	0.58	0.50
Group 2	0.30	0.28	0.58	0.50

## Tenth Interim

Group 1 – Shares purchased prior to 1 July 2022

Group 2 – Shares purchased on or after 1 July 2022 and on or before 31 July 2022

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 30.09.22</b>	<b>Paid 30.09.21</b>
Group 1	0.27	–	0.27	0.27
Group 2	0.00	0.27	0.27	0.27

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 30.09.22</b>	<b>Accumulated 30.09.21</b>
Group 1	0.34	–	0.34	0.39
Group 2	0.12	0.22	0.34	0.39

## Eleventh Interim

Group 1 – Shares purchased prior to 1 August 2022

Group 2 – Shares purchased on or after 1 August 2022 and on or before 31 August 2022

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.10.22</b>	<b>Paid 29.10.21</b>
Group 1	0.27	–	0.27	0.27
Group 2	0.00	0.27	0.27	0.27

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.10.22</b>	<b>Accumulated 29.10.21</b>
Group 1	0.47	–	0.47	0.46
Group 2	0.22	0.25	0.47	0.46

Distribution tables for the year ended 30 September 2022 *(continued)***Distribution tables (pence per share)** *(continued)*

## Final

Group 1 – Shares purchased prior to 1 September 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.22</b>	<b>Paid 30.11.21</b>
Group 1	0.91	–	0.91	0.88
Group 2	0.16	0.75	0.91	0.88

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.22</b>	<b>Accumulated 30.11.21</b>
Group 1	0.40	–	0.40	0.41
Group 2	0.12	0.28	0.40	0.41

## Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. 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 shares for Capital Gains Tax purposes.

## Investment objective and policy

### Investment objective

The objective of the fund is to deliver a greater total return than the Consumer Price Index (CPI) measure of inflation +4%, after fees, over any rolling five-year period by investing with our Liquidity, Equity-type risk and Diversifiers (LED) framework. The fund aims to deliver this return with no more than five-sixths of the volatility of the FTSE Developed stock market Index.

There is no guarantee that this investment objective will be achieved over five years, or any other time period.

We use the CPI +4% as a target for our fund's return because we aim to grow your investment considerably above inflation. We aim to limit the amount of volatility risk our fund can take because we want our investors to understand the risk they are taking in terms of the global stock market.

### Investment policy

To meet the objective, the fund manager will invest globally in government and corporate bonds with no restriction on their credit quality, equities, collective investment schemes and structured products.

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

Derivatives may be used by the fund for the purpose of efficient portfolio management and hedging. The fund does not use derivatives for investment purposes. In the event the fund intends to use derivatives for investment purposes shareholders will be given 60 days notice.

The fund manager defines restrictions on how much of the fund can be invested in different types of assets based on the LED Framework. The restrictions are set at the discretion of the fund manager and will change over time. The restrictions are reviewed annually and in response to market events. Further details in relation to the current restrictions may be obtained by contacting Rathbone Unit Trust Management.

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

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

### Investment objectives, policies and strategies

#### For all sub-funds

Subject to the FCA Regulations, the relative weightings of each asset class, will be determined by the Manager's view on worldwide securities markets, and their ability to provide both capital return and income over the long term.

The Manager's investment policy may mean that at times it is appropriate for the property of the fund not to be fully invested and for cash or near cash to be held. This will only occur when the Manager reasonably regards it as necessary in order to enable redemption of shares, efficient management of the fund or for a purpose ancillary to the objectives of the fund.

The impact of potential currency movements on the sterling value of capital and income will be taken into account when selecting investments. Derivatives and forward transactions may be used by the sub-funds for the purposes of efficient portfolio management (including hedging). The use of derivatives for investment purposes may increase the volatility of the sub-fund's Net Asset Value, and may increase its risk profile.

## Investment report for the year ended 30 September 2022

### Performance

During the 12 months ended 30 September 2022, the Rathbone Dynamic Growth Portfolio Fund fell 12.2%. For the same period, the fund's UK CPI + 4% benchmark rose 14.2%. Since launch on 19 June 2020, the portfolio returned 5.2%, compared with 24% for its benchmark.

### Market overview and portfolio activity

This year has been very grim: war, sky-high inflation, an energy crisis, a cost-of-living crisis, a stock market correction and increasing fears of recession. These risks cascaded through 2022 sending bond yields aboard a rocket ship.

Over the past 12 months, the yield of a benchmark 10-year UK government bond yield has soared from 1.02% to 4.10%. The rise of the US 10-year is a little less dramatic, but still incredible: from 1.49% on 30 September 2021, it finished a year later at 3.90%. After years of ultra-low interest rates and deflationary concerns, inflation returned with a bang, dragging central banks and the markets flailing behind it.

We've become accustomed to some breakneck market shifts in recent years, yet they pale in comparison to the last nine months. Equities around the world tumbled back after getting more than a little overoptimistic about the US Federal Reserve (Fed) shying away from interest rate hikes. Yet bond markets were arguably the epicentre of the pain. Investors expect central banks to deliver a whole bunch of interest rate increases and reverse their quantitative easing schemes, perhaps more tightening than is indeed possible.

Towards the end of the period, the new government of Prime Minister Liz Truss released its mini-budget, which only managed to exacerbate the UK's woes. Truss and her Chancellor Kwasi Kwarteng admirably tried a bold dash for boosting flagging economic growth – a particularly apt idea given the nation is headed for recession. However, the fiscal set-piece was bungled from the start by a lack of communication, a cocksure disregard for the fiscal watchdog and a failure to read the room politically. The announcement of unfunded tax cuts for the wealthiest went down like a lead balloon

with investors and voters alike. Sterling plunged, government bond yields soared (taking mortgage rates with them) and Labour took a 30-something-point lead in the polls.

After all the turmoil – which spread to the UK pension industry, causing the Bank of England to intervene to prevent spiking yields upending the UK's financial stability – the government will abandon virtually everything announced at the mini-budget. All of this is a clanger case study on the importance of leadership, communication and listening to your stakeholders.

The FTSE 100 had a run of unusual outperformance compared with other stock markets in the first half of the period, so in February we took the opportunity to reduce our holding of the iShares Core FTSE 100 ETF. We invested the cash directly into some of our favoured businesses.

We completely sold the iShares MSCI Far East Ex-Japan ETF and the Ashmore Emerging Markets Short Duration and ChinaAMC China Opportunities funds over the fourth quarter of 2021. The Fed was poised to raise interest rates and that usually bodes ill for emerging markets as money flows out of riskier assets and a stronger dollar weighs on developing economies.

We sold the iShares China CNY Bond ETF in August. This tracker holds a range of government-issued and government-backed Chinese bonds. We have held it for some time as Chinese yields were significantly higher than similar bonds in the West, providing a more attractive risk-off asset. During the recent market falls, these yields actually held up relatively well, so we sold this position to recycle the cash into Western markets now that their yields have increased to more attractive levels.

Around the time of the market wobble about skyrocketing cases of Omicron in mid-December, we added to our holding of the SPDR Russell 2000 Small Cap ETF. We felt the concerns about COVID's impact on economic activity were overstated. We also built a position in German electronics company Siemens, one of several more cyclical businesses with more attractive valuations that we have added to our portfolio this year.

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

One of the quality growth businesses we bought during the period was American stockbroker, ETF provider and wealth manager Charles Schwab. The company is growing well, driven by its compelling zero-fee approach to execution-only accounts. Charles Schwab makes most of its revenue from the interest earned on cash in client accounts, so it is actually an interest-rate beneficiary in disguise.

One theme that has interested us for a while is the opportunity for disruption and powerful new products and services in farming and food production. Climate change and limited resources mean clean and efficient production in these areas is vital to the future. Many of the most promising companies in this space are a bit small for us, so we bought the iShares Agribusiness ETF to gain exposure to an industry basket.

We added to our iShares Physical Gold ETF over the course of 2022 because of increasing geopolitical tension and the rising risk of economic upheaval.

The number one biggest upset to the world today is the considerable rise in the cost of energy. This is tremendously broad brush – the world is a mess of different causes, effects and complexities. Yet it really does seem that much of the upheaval and strains of 2022 have their roots in a world that became accustomed to cheap and abundant energy, which was then suddenly taken away. Power is a crucial input for virtually everything. Without it, there's no technological uplift, so the progress of centuries is discounted. And when it becomes more expensive and rationed, it means less output is possible or profitable, and less fun can be afforded by everyone. There is actually one of those 'theory of everything' sort of arguments that says booms and busts can be mapped solely on the cost and abundance of popular energy sources.

Our current energy crisis has its base in climate change, really. It's a dirty secret of Western nations that, to reduce carbon emissions, they became ever more dependent on gas for heating and electricity generation. While a much cleaner option than coal, it is still bad for the environment and requires long-term infrastructure that binds you to specific suppliers. Not only that, but in Europe in particular,

it meant countries were dependent on regimes that became politically troublesome. This year, Russian President Vladimir Putin jumped the shark and invaded Ukraine. It was perhaps inevitable that this decision would lead to the gas pipes being turned off to Europe (the cognitive dissonance, for both sides, of continuing this trade relationship while effectively in a proxy war was simply too great). And so, finally, this quarter Putin turned the taps off, sending gas prices spiking once again. Meanwhile, oil prices remain relatively high, especially given the monumental strength of the dollar, coached that way by the OPEC cartel. Because of the need to reduce the carbon intensity of our societies, supply of hydrocarbons is politically constrained, so the era of low-cost energy is probably behind us. At least until the next energy source comes along. That requires some adjustment from everyone – people, businesses and governments.

Investors' hopes that the Fed would be cutting rates by early next year always seemed fanciful to us. Now that investors have decided the Fed really isn't for turning, prices of stocks and bonds have dropped significantly lower. Broadly, that makes us buyers at current levels.

There are still lots of risks out there and we think a global recession is almost a foregone conclusion (if it's not already here). The question is how deep will that downturn be? At the moment, it seems likely to be mild, with shallow GDP contraction for two or three quarters. Then, if inflation falls back toward central banks' target levels, it will give policymakers more flexibility to help drive the economy forward once again. The risk is that inflation simply doesn't quit, that it gets baked into the collective psyche and central bankers must continue hiking rates to the point that it leads to a deeper and harsher recession. We are keeping extremely vigilant for this scenario, even though we think it's not the most likely outcome right now.

David Coombs  
Lead Fund Manager  
18 October 2022

Will McIntosh-Whyte  
Fund Manager

## Net asset value per share and comparative tables

## S-class income shares

	30.09.22 pence per share	30.09.21 pence per share	30.09.20 pence per share****
<b>Change in net assets per share</b>			
Opening net asset value per share	118.31p	102.85p	100.00p
Return before operating charges*	(13.70p)	17.93p	3.40p
Operating charges	(0.66p)	(0.68p)	(0.29p)
Return after operating charges*	(14.36p)	17.25p	3.11p
Distributions on income shares	(1.80p)	(1.79p)	(0.26p)
Closing net asset value per share	102.15p	118.31p	102.85p
*after direct transaction costs <sup>1</sup> of:	0.06p	0.11p	0.10p

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

## Performance

Return after charges	(12.14%)	16.77%	3.11%
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## Other information

Closing net asset value	£31,618,893	£25,777,141	£10,316,314
Closing number of shares	30,954,087	21,787,679	10,030,120
Operating charges**	0.61%	0.67%	0.82%
Direct transaction costs	0.05%	0.09%	0.10%

## Prices\*\*\*

Highest share price	124.78p	122.24p	105.10p
Lowest share price	103.51p	100.83p	98.62p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

\*\*\*\* The fund was launched on 19 June 2020.

Net asset value per share and comparative tables *(continued)***S-class accumulation shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share****
<b>Change in net assets per share</b>			
Opening net asset value per share	118.86p	101.74p	100.00p
Return before operating charges*	(13.90p)	17.80p	2.07p
Operating charges	(0.66p)	(0.68p)	(0.33p)
Return after operating charges*	(14.56p)	17.12p	1.74p
Distributions on accumulation shares	(1.81p)	(1.78p)	(0.26p)
Retained distributions on accumulation shares	1.81p	1.78p	0.26p
Closing net asset value per share	104.30p	118.86p	101.74p

\*after direct transaction costs<sup>1</sup> of: 0.06p 0.11p 0.10p

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

**Performance**

Return after charges (12.25%) 16.83% 1.74%

**Other information**

Closing net asset value	£104,439,539	£78,395,121	£26,961,553
Closing number of shares	100,138,457	65,955,684	26,499,931
Operating charges**	0.61%	0.68%	0.84%
Direct transaction costs	0.05%	0.09%	0.10%

**Prices\*\*\***

Highest share price	125.31p	122.28p	103.70p
Lowest share price	105.18p	99.74p	98.23p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

\*\*\*\*The fund was launched on 19 June 2020.



**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

### Discrete annual performance, year ending 30 September 2022

	2018	2019	2020	2021	2022
S-class shares	–	–	–	17.84%	-12.16%
UK Consumer Price Index +4%	–	–	–	7.35%	14.21%

Source performance data FE fundinfo, 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 (Equities unless otherwise stated)	Value £	Percentage of total net assets
<b>United Kingdom (30.09.21: 13.55%)</b>		
28,300 Ashtead	1,156,055	0.85
£1,500,000 BAT International Finance 2.25% 2052**	593,384	0.44
275,000 BP	1,191,025	0.88
£500,000 Co-operative Wholesale Society 6.25% 2026 Step**	435,029	0.32
£700,000 Coventry Building Society 6.875% VRN Perp**	625,625	0.46
36,000 Diageo	1,366,920	1.00
44,200 Fever-Tree Drinks	369,954	0.27
65,800 Halma	1,345,610	0.99
271,613 HG Capital Trust*	911,262	0.67
509,000 Legal & General	1,101,985	0.81
19,300 London Stock Exchange	1,472,204	1.08
£200,000 M&G 5.625% VRN 2051**	160,139	0.12
£500,000 Nationwide Building Society 5.875% VRN perp**	432,480	0.32
£600,000 NatWest 5.125% VRN perp**	446,082	0.33
24,000 Next	1,152,000	0.85
£750,000 Ocado 3.875% 2026**	547,062	0.40
£750,000 Premier Foods Finance 3.5% 2026**	596,250	0.44
£900,000 Punch Finance 6.125% 2026**	719,850	0.53
£200,000 Quilter 4.478% VRN 2028**	194,040	0.14
55,000 RELX (EUR)	1,206,681	0.89
269,000 Rentokil Initial	1,283,937	0.94
25,300 Rio Tinto	1,238,688	0.91
£600,000 Saga 3.375% 2024**	494,604	0.36
£100,000 Sainsburys Bank 6% VRN 2027**	98,974	0.07
60,000 Shell	1,347,900	0.99
111,400 Smith & Nephew	1,169,700	0.86
880,000 Vodafone	889,856	0.65
<b>Total United Kingdom</b>	<b>22,547,296</b>	<b>16.57</b>
<b>Canada (30.09.21: 0.99%)</b>		
37,460 Shopify	904,033	0.66
<b>Channel Islands (30.09.21: 1.61%)</b>		
18,000 Aptiv	1,261,274	0.93
12,200 Ferguson	1,147,044	0.84
<b>Total Channel Islands</b>	<b>2,408,318</b>	<b>1.77</b>
<b>China (30.09.21: 3.02%)</b>		
530,000 Travelsky Technology	727,001	0.53

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

Holding (Equities unless otherwise stated)		Value £	Percentage of total net assets
<b>Denmark (30.09.21: 1.54%)</b>			
20,000	Christian Hansen	<b>884,262</b>	<b>0.65</b>
<b>France (30.09.21: 2.66%)</b>			
15,700	Eurofins Scientific	842,118	0.62
2,205	LVMH	1,180,785	0.87
28,300	Total SA	1,198,695	0.88
7,270	Ubisoft Entertainment	180,619	0.13
<b>Total France</b>		<b>3,402,217</b>	<b>2.50</b>
<b>Germany (30.09.21: 1.30%)</b>			
28,700	KION	500,964	0.37
14,450	Siemens	1,281,047	0.94
<b>Total Germany</b>		<b>1,782,011</b>	<b>1.31</b>
<b>Hong Kong (30.09.21: 1.41%)</b>			
160,400	AIA	1,198,034	0.88
27,600	Tencent	839,070	0.62
<b>Total Hong Kong</b>		<b>2,037,104</b>	<b>1.50</b>
<b>Ireland (30.09.21: 13.64%)</b>			
6,400	Accenture	1,475,790	1.08
25,182	Barings Emerging Market Debt Balanced Total Return*	1,835,516	1.35
\$220,000	Beazley 5.875% 2026	187,226	0.14
40,000	iShares Agribusiness UCITS ETF*	1,674,400	1.23
100,000	iShares Physical Gold ETF*	2,918,122	2.14
120,000	iShares S&P 500 Energy Sector UCITS ETF*	747,648	0.55
6,400	Linde	1,546,022	1.14
88,000	SPDR Russell 2000 US Small Cap UCITS ETF*	3,793,740	2.79
11,000	SPDR S&P 500 UCITS ETF*	3,606,426	2.65
<b>Total Ireland</b>		<b>17,784,890</b>	<b>13.07</b>
<b>Japan (30.09.21: 2.81%)</b>			
JPY 270,000,000	Government of Japan Five Year Bond 0.10% 2023**	1,673,935	1.23
36,000	Kurita Water Industries	1,142,972	0.84
20,500	Nidec	1,031,224	0.76
8,400	Shimano	1,182,184	0.87
<b>Total Japan</b>		<b>5,030,315</b>	<b>3.70</b>

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

Holding (Equities unless otherwise stated)		Value £	Percentage of total net assets
<b>Netherlands</b> (30.09.21: 0.94%)			
3,080	ASML	1,172,006	0.86
£299,467	JPM 0% 2025**	281,679	0.21
<b>Total Netherlands</b>		<b>1,453,685</b>	<b>1.07</b>
<b>Norway</b> (30.09.21: 0.56%)			
47,600	Tomra Systems	<b>752,703</b>	<b>0.55</b>
<b>Sweden</b> (30.09.21: 0.89%)			
64,500	Assa Abloy 'B'	<b>1,097,550</b>	<b>0.81</b>
<b>Switzerland</b> (30.09.21: 2.68%)			
15,800	Novartis	1,086,007	0.80
4,800	Roche	1,412,847	1.04
65,000	SIG Combibloc	1,192,663	0.87
<b>Total Switzerland</b>		<b>3,691,517</b>	<b>2.71</b>
<b>Taiwan</b> (30.09.21: 0.84%)			
15,250	Taiwan Semiconductor	<b>938,388</b>	<b>0.69</b>
<b>United States</b> (30.09.21: 31.93%)			
13,500	Abbott Laboratories	1,170,532	0.86
4,630	Activision Blizzard	308,376	0.23
5,100	Adobe	1,257,388	0.92
16,500	Alphabet 'C'	1,421,338	1.05
13,900	Amazon.com	1,407,308	1.03
6,000	Amgen	1,211,556	0.89
23,500	Amphenol 'A'	1,410,463	1.04
6,320	Ansys	1,254,432	0.92
7,000	Apple	865,860	0.64
10,800	Cadence Design Systems	1,581,156	1.16
8,030	Caterpillar	1,180,438	0.87
7,700	Chicago Mercantile Exchange	1,222,012	0.90
22,000	Coca-Cola	1,105,026	0.81
3,295	Costco	1,394,095	1.03
3,750	Deere & Co	1,122,682	0.83
20,000	Dexcom	1,442,981	1.06
14,820	Discover Financial Services	1,208,382	0.89
9,460	Ecolab	1,224,385	0.90
17,500	Edwards Lifesciences	1,296,314	0.95

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

Holding (Equities unless otherwise stated)		Value £	Percentage of total net assets
2,530	Electronic Arts	262,202	0.19
2,495	Equinix REIT	1,271,393	0.93
6,600	Estée Lauder 'A'	1,278,436	0.94
10,050	First Republic Bank	1,175,606	0.86
5,495	Home Depot	1,360,484	1.00
8,300	Jack Henry & Associates	1,355,228	1.00
4,265	Lockheed Martin	1,477,678	1.09
5,345	Mastercard	1,363,327	1.00
18,000	Merck & Co.	1,389,465	1.02
6,500	Microsoft	1,355,608	1.00
19,500	Morgan Stanley	1,380,180	1.01
17,450	Nike 'B'	1,299,175	0.96
9,782	Northern Trust	749,752	0.55
2,640	Nvidia	286,987	0.21
37,088	Schlumberger	1,192,743	0.88
24,500	Schwab (Charles)	1,578,245	1.16
38,650	Squarespace	739,208	0.54
2,975	Take-Two Interactive	290,491	0.21
2,970	Thermo Fisher Scientific	1,350,135	0.99
25,800	Trex Com	1,015,544	0.75
4,000	Ulta Beauty	1,435,743	1.06
32,000	US Bancorp	1,156,105	0.85
\$300,000	US Treasury 0.125% Index-Linked 2024**	298,433	0.22
\$400,000	US Treasury 0.125% Index-Linked 2031**	345,366	0.25
\$1,014,000	US Treasury 0.25% Index-Linked 2025**	1,087,329	0.80
\$1,000,000	US Treasury 5.25% 2028**	952,330	0.70
29,700	Verizon Communications	1,010,752	0.74
7,200	Visa 'A'	1,146,402	0.84
16,500	WEC Energy	1,322,010	0.97
3,600	Zebra Technologies 'A'	844,966	0.62
<b>Total United States</b>		<b>54,856,047</b>	<b>40.32</b>
<b>Alternative Investments (30.09.21: 4.64%)</b>			
440,000	CGFML Note Linked to SMI Top10 ELN 2022	486,247	0.36
2,300,000	JP Morgan Emerging Markets Warrants 2023	1,978,375	1.45
12,700,000	S&P 500 Index Warrants 2022 CITI	44,370	0.03
5,200,000	S&P 500 Warrants 2022 UBS	249,600	0.18
5,300,000	S&P 500 Warrants 2023 UBS	202,460	0.15
6,000,000	S&P 500 Warrants 2023 UBS	415,200	0.31

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

Holding (Equities unless otherwise stated)	Value £	Percentage of total net assets
1,200,000 SGI Commodity Dynamic Alpha Index ELN 2024	1,108,519	0.82
2,450,000 SGI VRR USD Index ELN 2023	2,572,906	1.89
2,660,000 SGI VRR USD Trend Index ELN 2023	2,990,266	2.20
<b>Total Alternative Investments</b>	<b>10,047,943</b>	<b>7.39</b>
<b>Forward Foreign Exchange Contracts (30.09.21: (0.81%))</b>		
Buy \$7,150,455 , Sell £6,482,416	(84,507)	(0.06)
Buy €1,102,298 , Sell £985,741	(13,346)	(0.01)
Buy £60,464,901, Sell \$71,083,626	(3,137,565)	(2.31)
Buy £7,257,175, Sell €8,323,345	(85,289)	(0.06)
<b>Total Forward Foreign Exchange Contracts</b>	<b>(3,320,707)</b>	<b>(2.44)</b>
<b>Total value of investments (30.09.21: 89.31%)</b>	<b>127,024,573</b>	<b>93.36</b>
<b>Net other assets (30.09.21: 10.69%)</b>	<b>9,033,859</b>	<b>6.64</b>
<b>Total value of the fund as at 30 September 2022</b>	<b>136,058,432</b>	<b>100.00</b>

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

Countries eliminated since the beginning of the year:

Asia (ex Japan)	2.81%
Emerging Markets	2.30%

\* Collective Investment Schemes

\*\* Debt securities

## Summary of portfolio investments

	Value £	Percentage of total net assets
Debt Securities	10,169,817	7.48
Equity Securities	95,551,668	70.22
Collective Investment Schemes	14,575,852	10.71
Structured Products	10,047,943	7.39
Forwards	(3,320,707)	(2.44)
<b>Total value of investments</b>	<b>127,024,573</b>	<b>93.36</b>

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

	Note	30.09.22 £	30.09.21 £	30.09.21 £	30.09.21 £
<b>Income</b>					
Net capital (losses)/gains	3	(19,824,944)			7,892,001
Revenue	4	2,356,699		1,268,953	
Expenses	5	(720,712)		(393,622)	
Interest payable and similar charges	6	—		(283)	
Net revenue before taxation		1,635,987		875,048	
Taxation	7	(133,092)		(51,076)	
Net revenue after taxation		1,502,895			823,972
<b>Total return before distributions</b>		<b>(18,322,049)</b>			<b>8,715,973</b>
Distributions	8	(2,035,971)			(1,109,309)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(20,358,020)</b>			<b>7,606,664</b>

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

	30.09.22 £	30.09.21 £	30.09.21 £	30.09.21 £
<b>Opening net assets attributable to shareholders</b>		<b>104,172,262</b>		37,277,867
Amounts receivable on issue of shares	59,657,628		61,359,487	
Amounts payable on cancellation of shares	(9,010,103)		(3,001,104)	
		50,647,525		58,358,383
Stamp duty reserve tax		—		6,732
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)		(20,358,020)		7,606,664
Retained distributions on accumulation shares		1,596,665		922,616
<b>Closing net assets attributable to shareholders</b>		<b>136,058,432</b>		104,172,262

Rathbone Dynamic Growth Portfolio  
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>130,345,280</b>		93,874,726
<b>Current assets:</b>					
Debtors	9	<b>1,251,055</b>		1,895,111	
Cash and bank balances		<b>8,087,758</b>		9,436,849	
Total current assets			<b>9,338,813</b>		11,331,960
<b>Total assets</b>			<b>139,684,093</b>		105,206,686
<b>Liabilities</b>					
Investment liabilities			<b>(3,320,707)</b>		(840,441)
<b>Creditors:</b>					
Distribution payable on income shares			<b>(151,675)</b>	(111,117)	
Bank overdrafts			<b>(84)</b>	—	
Other creditors	10		<b>(153,195)</b>	(82,866)	
<b>Total liabilities</b>			<b>(3,625,661)</b>		(1,034,424)
<b>Net assets attributable to shareholders</b>			<b>136,058,432</b>		104,172,262



## Notes to the financial statements

### 1 Accounting policies

#### a) Basis of accounting

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

As stated in the Statement of the ACD's responsibilities in relation to the report and the financial statements of the Company on page 187, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the fund.

There are no significant judgments or sources of estimation uncertainty.

#### b) Recognition of revenue

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

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

Revenue received from investments in authorised collective investment schemes, which are purchased during the financial year, will include an element of equalisation which represents the average amount of revenue included in the price paid for shares or units. The equalisation is treated as capital and deducted from the cost of the investment.

#### 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 the ACD charge and 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 ACD

it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are valued based on the latest financial statements of the respective company and agreed with the Depositary.

Structured products are valued based upon available market data.

Authorised collective investment schemes are valued at the bid price for dual price funds and at the quoted price for single price funds.

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.

#### 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 middle 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.

## 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 shareholders.

For the purpose of calculating the distribution available to shareholders, the ACD'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 shareholders, 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 shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the year. All remaining revenue is distributed in accordance with the regulations.

**3 Net capital (losses)/gains**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
The net capital (losses)/gains during the year comprise:		
Realised (losses)/gains derivative contracts	<b>(7,091,565)</b>	1,117,748
Unrealised losses derivative contracts	<b>(3,320,707)</b>	(840,441)
Realised gains non-derivative securities	<b>58,141</b>	253,477
Unrealised gains non-derivative securities	<b>(9,429,252)</b>	7,406,299
Realised losses currency	<b>(69,487)</b>	(59,682)
Unrealised gains currency	<b>35,004</b>	13,298
Capital special dividend	—	16,748
Transaction charges	<b>(7,078)</b>	(15,446)
<b>Net capital (losses)/gains</b>	<b>(19,824,944)</b>	7,892,001

**4 Revenue**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Dividends — UK Ordinary	<b>596,231</b>	304,399
— Overseas	<b>1,179,866</b>	618,803
Interest on debt securities	<b>572,607</b>	345,468
Bank interest	<b>7,995</b>	283
<b>Total revenue</b>	<b>2,356,699</b>	1,268,953

Notes to the financial statements *(continued)***5 Expenses**

	<b>30.09.22</b>	<b>30.09.22</b>	30.09.21	30.09.21
	<b>£</b>	<b>£</b>	£	£
Payable to the ACD, associates of the ACD and agents of either of them:				
ACD's charge		<b>638,114</b>		343,960
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	<b>23,385</b>		14,446	
Safe custody and other bank charges	<b>14,971</b>		(11,309)	
		<b>38,356</b>		3,137
Other expenses:				
Administration fees	<b>28,544</b>		25,802	
Audit fee**	<b>10,360</b>		10,360	
Listing fee	<b>(4,523)</b>		3,530	
Printing and publication costs	<b>2,183</b>		2,707	
Registration fees	<b>7,678</b>		4,126	
		<b>44,242</b>		46,525
<b>Total expenses</b>		<b>720,712</b>		393,622

\*\* Audit fees for 2022 are £9,433 excluding VAT (30.09.21: £8,633 excluding VAT).

## 6 Interest payable and similar charges

	30.09.22 £	30.09.21 £
Bank interest payable	—	(283)
Interest payable and similar charges	—	(283)

## 7 Taxation

	30.09.22 £	30.09.21 £
a) Analysis of charge in the year		
Overseas tax	<b>133,092</b>	49,941
Irrecoverable Overseas tax on capital special dividends	—	1,135
Total tax charge for the year (note 5b)	<b>133,092</b>	51,076

### 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 Open-Ended Investment Company (20%) (30.09.21: 20%). The differences are explained below.

	30.09.22 £	30.09.21 £
Net revenue before taxation	<b>1,635,987</b>	875,048
Corporation tax at 20%	<b>327,197</b>	175,010
Effects of:		
Revenue not subject to taxation	<b>(351,422)</b>	(182,944)
Excess management expenses not utilised	<b>24,795</b>	8,189
Tax relief on overseas tax suffered	<b>(570)</b>	(255)
Overseas tax	<b>133,092</b>	49,941
Irrecoverable Overseas tax on capital special dividends	—	1,135
Total tax charge for the year (note 5a)	<b>133,092</b>	51,076

### c) Deferred tax

At the year end the fund had surplus management expense of £215,866 (30.09.21: £91,893). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £43,173 (30.09.21: £18,379) has not been recognised in the financial statements.

**8 Distributions**

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

	30.09.22 £	30.09.21 £
First Interim	<b>327,033</b>	186,295
Second Interim	<b>529,212</b>	238,604
Third Interim	<b>624,003</b>	346,690
Final	<b>642,353</b>	454,087
	<b>2,122,601</b>	1,225,676
Add: Amounts deducted on cancellation of shares	<b>18,830</b>	3,879
Deduct: Amounts received on issue of shares	<b>(105,460)</b>	(120,246)
Net distribution for the year	<b>2,035,971</b>	1,109,309

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

Net distribution for the year	<b>2,035,971</b>	1,109,309
Expenses allocated to Capital:		
ACD's periodic charge	<b>(638,114)</b>	(343,960)
Capital taxation	<b>100,550</b>	55,806
Balance brought forward	<b>(3,732)</b>	(915)
Balance carried forward	<b>8,220</b>	3,732
Net revenue after taxation	<b>1,502,895</b>	823,972

**9 Debtors**

	30.09.22 £	30.09.21 £
Amounts receivable for issue of shares	<b>981,566</b>	1,785,093
Accrued revenue	<b>229,077</b>	98,357
Taxation recoverable	<b>40,412</b>	11,661
Total debtors	<b>1,251,055</b>	1,895,111

**10 Other creditors**

	30.09.22 £	30.09.21 £
Purchases awaiting settlement	<b>62,978</b>	–
Accrued expenses	<b>31,764</b>	40,869
Accrued ACD's charge	<b>58,453</b>	41,997
Total other creditors	<b>153,195</b>	82,866

**11 Reconciliation of shares**

	S-class income	S-class accumulation
Opening shares issued at 01.10.21	21,787,679	65,955,684
Share movements 01.10.21 to 30.09.22		
Shares issued	12,684,488	38,645,792
Shares cancelled	(3,518,080)	(4,463,019)
Closing shares at 30.09.22	30,954,087	100,138,457

**12 Related parties**

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

Details of shares created and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 8.

There were no commissions paid to stockbroking of the ACD in respect of dealings in the investments of Rathbone Dynamic Growth Portfolio 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.

At the year end there were no significant shareholders (30.09.21: nil).

**13 Shareholder funds**

The fund has one share class: S-Class. The annual ACD charge on the fund is 0.50%.

The net asset value, the net asset value per share and the number of shares in issue are given in the net asset value per share and comparative tables on 133 and 134.

**14 Contingent liabilities and commitments**

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

**15 Risk disclosures on financial instruments**

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

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

The fund holds a substantial number of Collective Investment Schemes that are designed to give overseas exposure. The fund has indirect exposure to foreign currency risk, interest rate risk and credit risk as a result of these holdings (see the portfolio statements on 136 to 140).

Notes to the financial statements *(continued)***15 Risk disclosures on financial instruments** *(continued)*

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 some of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated assets.

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:		
Danish krone	<b>886,664</b>	1,607,298
Euro	<b>7,504,310</b>	5,823,526
Hong Kong dollar	<b>2,764,105</b>	1,968,070
Japanese yen	<b>5,042,599</b>	2,922,758
Norwegian krone	<b>752,703</b>	578,906
Swedish krona	<b>1,098,580</b>	932,448
Swiss franc	<b>4,203,077</b>	3,142,332
US dollar	<b>77,891,327</b>	52,809,136
Pound sterling	<b>35,874,655</b>	34,376,127
	<b>136,018,020</b>	104,160,601
Other net assets not categorised as financial instruments	<b>40,412</b>	11,661
Net assets	<b>136,058,432</b>	104,172,262

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 £9,103,942 (30.09.21: £6,344,043). 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 £11,127,041 (30.09.21: £7,753,830). These calculations assume all other variables remain constant.



Notes to the financial statements *(continued)***15 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 charges.

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

	<b>30.09.22</b>	30.09.21
	<b>£</b>	<b>£</b>
Fixed rate assets:		
Japanese yen	<b>1,673,935</b>	1,801,332
US dollar	<b>1,139,556</b>	419,337
Pound sterling	<b>3,232,829</b>	–
	<b>6,046,320</b>	2,220,669
Floating rate assets:		
Swiss franc	–	366,291
US dollar	<b>1,731,127</b>	3,481,796
Pound sterling	<b>10,480,127</b>	10,717,536
	<b>12,211,254</b>	14,565,623
Floating rate liabilities:		
Euro	<b>(84)</b>	–
	<b>(84)</b>	–
Assets on which no interest is paid:		
Danish krone	<b>886,664</b>	1,607,298
Euro	<b>7,589,683</b>	5,870,883
Hong Kong dollar	<b>2,764,105</b>	1,968,070
Japanese yen	<b>3,368,664</b>	1,121,426
Norwegian krone	<b>752,703</b>	578,906
Swedish krona	<b>1,098,580</b>	932,448
Swiss franc	<b>4,203,077</b>	2,799,141
US dollar	<b>78,158,209</b>	49,677,987
Pound sterling	<b>22,564,422</b>	23,852,574
	<b>121,386,107</b>	88,408,733
Liabilities on which no interest is paid:		
Euro	<b>(85,289)</b>	(47,357)
Swiss franc	–	(23,100)
US dollar	<b>(3,137,565)</b>	(769,984)
Pound sterling	<b>(402,723)</b>	(193,983)
	<b>(3,625,577)</b>	(1,034,424)
Other net assets not categorised as financial instruments	<b>40,412</b>	11,661
Net assets	<b>136,058,432</b>	104,172,262

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

**15 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>6,182,623</b>	<b>4.55</b>	3,719,528	3.57
Below investment grade	<b>3,987,194</b>	<b>2.93</b>	1,436,218	1.38
<b>Total bonds</b>	<b>10,169,817</b>	<b>7.48</b>	5,155,746	4.95

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 ACD 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 Instrument of Incorporation 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 £12,702,457 (30.09.21: £9,303,429). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £12,702,457 (30.09.21: £9,303,429). 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**. There is no significant leverage in Rathbone Dynamic Growth Portfolio which would increase its exposure.

## 16 Portfolio transaction cost

For the year ended 30 September 2022

### Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	48,677,513	24,941	0.05	34,113	0.07
Bond transactions	9,299,986	—	—	—	—
Fund transactions	9,381,048	1,284	0.01	—	—
Total purchases before transaction costs	67,358,547	26,225		34,113	
Total purchases including commission and taxes	67,418,885				

### Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	6,081,780	3,342	0.05	201	—
Bond transactions	273,692	—	—	—	—
Fund transactions	14,035,516	2,675	0.02	—	—
Corporate actions	1,322,092	—	—	—	—
Total sales including transaction costs	21,713,080	6,017		201	
Total sales net of commission and taxes	21,706,862				

The fund had paid £nil as commission on purchases and sale derivative transactions for the period ended 30.09.22.

Commissions and taxes as % of average net assets

Commissions	0.03%
Taxes	0.02%

**16 Portfolio transaction cost** (continued)

**For the year ended 30 September 2021**

**Analysis of total purchase costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	42,827,485	18,545	0.04	41,183	0.10
Bond transactions	6,730,239	—	—	—	—
Fund transactions	11,289,252	2,669	0.02	—	—
Corporate actions	37,428	—	—	—	—
Total purchases before transaction costs	60,884,404	21,214		41,183	
Total purchases including commission and taxes	60,946,801				

**Analysis of total sales costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	2,002,143	988	0.05	14	—
Bond transactions	1,035,047	—	—	1	—
Fund transactions	5,200,267	382	0.01	—	—
Corporate actions	755,636	—	—	—	—
Total sales including transaction costs	8,993,093	1,370		15	
Total sales net of commission and taxes	8,991,708				

The fund had paid £nil as commission on purchases and sale derivative transactions for the period ended 30.09.21.

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

Commissions	0.04%
Taxes	0.05%

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.31% (30.09.21: 0.22%).

**17 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	95,551,667	–	–	95,551,667
Bonds	4,357,393	5,812,424	–	10,169,817
Pooled investment vehicles	9,133,911	5,441,942	–	14,575,853
Structured Products	249,600	486,247	9,312,096	10,047,943
	109,292,571	11,740,613	9,312,096	130,345,280

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	–	(3,320,707)	–	(3,320,707)
	–	(3,320,707)	–	(3,320,707)

**For the year ended 30 September 2021**

Category	1	2	3	Total
	£	£	£	£
<b>Investment assets</b>				
Equities	64,442,605	–	–	64,442,605
Bonds	3,483,363	1,464,653	207,730	5,155,746
Pooled investment vehicles	12,484,909	6,959,524	–	19,444,433
Structured Products	–	–	4,831,942	4,831,942
	80,410,877	8,424,177	5,039,672	93,874,726

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	–	(840,441)	–	(840,441)
	–	(840,441)	–	(840,441)

**18 Cross holdings**

The fund did not hold shares in any of the other sub-funds of Rathbones Multi-Asset Portfolio at the period end.

## Distribution tables for the year ended 30 September 2022

**Distribution tables (pence per share)****First Interim**

Group 1 – Shares purchased prior to 1 October 2021

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.22</b>	<b>Paid 26.02.21</b>
Group 1	0.34	—	0.34	0.42
Group 2	0.15	0.19	0.34	0.42

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.22</b>	<b>Accumulated 26.02.21</b>
Group 1	0.34	—	0.34	0.41
Group 2	0.18	0.16	0.34	0.41

**Second Interim**

Group 1 – Shares purchased prior to 1 January 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.05.22</b>	<b>Paid 28.05.21</b>
Group 1	0.47	—	0.47	0.39
Group 2	0.28	0.19	0.47	0.39

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.05.22</b>	<b>Accumulated 28.05.21</b>
Group 1	0.47	—	0.47	0.39
Group 2	0.28	0.19	0.47	0.39

**Third Interim**

Group 1 – Shares purchased prior to 1 April 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 31.08.22</b>	<b>Paid 31.08.21</b>
Group 1	0.50	—	0.50	0.47
Group 2	0.27	0.23	0.50	0.47

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 31.08.22</b>	<b>Accumulated 31.08.21</b>
Group 1	0.51	—	0.51	0.46
Group 2	0.29	0.22	0.51	0.46

Distribution tables for the year ended 30 September 2022 *(continued)***Distribution tables (pence per share)** *(continued)*

## Final

Group 1 – Shares purchased prior to 1 July 2022

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

<b>S-class income shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Payable 30.11.22</b>	<b>Paid 30.11.21</b>
Group 1	0.49	–	0.49	0.51
Group 2	0.25	0.24	0.49	0.51

<b>S-class accumulation shares</b>	<b>Income</b>	<b>Equalisation</b>	<b>Allocated 30.11.22</b>	<b>Accumulated 30.11.21</b>
Group 1	0.49	–	0.49	0.52
Group 2	0.23	0.26	0.49	0.52

**Equalisation**

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. 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 shares for Capital Gains Tax purposes.

## Investment objective and policy

### Investment objective

We aim to deliver a greater total return than the Consumer Price Index (CPI) measure of inflation +5%, after fees, over any rolling five-year period by investing with our Liquidity, Equity-type risk and Diversifiers (LED) framework. Total return means the return we receive from the value of our investments increasing (capital growth) plus the income we receive from our investments (interest and dividend payments). We use the CPI +5% as a target for our fund's return because we aim to grow your investment significantly above inflation.

We aim to deliver this return with no more volatility than that of the FTSE Developed stock market Index. As an indication, if global stock markets fall our fund value should be expected to fall by around that amount. Because we measure volatility over a five-year period, some falls may be larger or smaller over shorter periods of time. We aim to limit the amount of volatility risk our fund can take because we want our investors to understand the risk they are taking in terms of the global stock market.

### Investment policy

To meet the objective, the fund manager will invest globally in government and corporate bonds with no restriction on their credit quality, equities, collective investment schemes and structured products.

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

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 fund manager defines restrictions on how much of the fund can be invested in different types of assets based on the LED Framework. The restrictions are set at the discretion of the fund manager and will change over time. The restrictions are reviewed annually and in response to market events. Further details in relation to the current restrictions may be obtained by contacting Rathbone Unit Trust Management.

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

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

### Investment objectives, policies and strategies

#### For all sub-funds

Subject to the FCA Regulations, the relative weightings of each asset class, will be determined by the Manager's view on worldwide securities markets, and their ability to provide both capital return and income over the long term.

The Manager's investment policy may mean that at times it is appropriate for the property of the fund not to be fully invested and for cash or near cash to be held. This will only occur when the Manager reasonably regards it as necessary in order to enable redemption of shares, efficient management of the fund or for a purpose ancillary to the objectives of the fund.

The impact of potential currency movements on the sterling value of capital and income will be taken into account when selecting investments. Derivatives and forward transactions may be used by the sub-funds for the purposes of efficient portfolio management (including hedging). The use of derivatives for investment purposes may increase the volatility of the sub-fund's Net Asset Value, and may increase its risk profile.



## Investment report for the year ended 30 September 2022

### Performance

During the 12 months ended 30 September 2022, the Rathbone Enhanced Growth Portfolio Fund fell 14.6%. For the same period, the fund's CPI + 5% benchmark returned 15.3%. Over the portfolio's five-year objective period, it returned 22.9%, compared with 51.4% for its benchmark. Five-year portfolio volatility as a percentage of the FTSE Developed global stock market index was 91%, compared with its target of 100%.

### Market overview and portfolio activity

This year has been very grim: war, sky-high inflation, an energy crisis, a cost-of-living crisis, a stock market correction and increasing fears of recession. These risks cascaded through 2022 sending bond yields aboard a rocket ship.

Over the past 12 months, the yield of a benchmark 10-year UK government bond yield has soared from 1.02% to 4.10%. The rise of the US 10-year is a little less dramatic, but still incredible: from 1.49% on 30 September 2021, it finished a year later at 3.90%. After years of ultra-low interest rates and deflationary concerns, inflation returned with a bang, dragging central banks and the markets flailing behind it.

We've become accustomed to some breakneck market shifts in recent years, yet they pale in comparison to the last nine months. Equities around the world tumbled back after getting more than a little overoptimistic about the US Federal Reserve (Fed) shying away from interest rate hikes. Yet bond markets were arguably the epicentre of the pain. Investors expect central banks to deliver a whole bunch of interest rate increases and reverse their quantitative easing schemes, perhaps more tightening than is indeed possible.

Towards the end of the period, the new government of Prime Minister Liz Truss released its mini-budget, which only managed to exacerbate the UK's woes. Truss and her Chancellor Kwasi Kwarteng admirably tried a bold dash for boosting flagging economic growth – a particularly apt idea given the nation is headed for recession. However, the

fiscal set-piece was bungled from the start by a lack of communication, a cocksure disregard for the fiscal watchdog and a failure to read the room politically. The announcement of unfunded tax cuts for the wealthiest went down like a lead balloon with investors and voters alike. Sterling plunged, government bond yields soared (taking mortgage rates with them) and Labour took a 30-something-point lead in the polls.

After all the turmoil – which spread to the UK pension industry, causing the Bank of England to intervene to prevent spiking yields upending the UK's financial stability – the government will abandon virtually everything announced at the mini-budget. All of this is a clanger case study on the importance of leadership, communication and listening to your stakeholders.

We completely sold the ChinaAMC China Opportunities and Ashmore Emerging Markets Short Duration funds and the iShares MSCI Far East Ex-Japan ETF over the fourth quarter of 2021. The US Federal Reserve was poised to raise interest rates and that usually bodes ill for emerging markets as money flows out of riskier assets and a stronger dollar weighs on developing economies.

Around the time of the market wobble about skyrocketing cases of Omicron in mid-December, we felt the concerns about COVID's impact on economic activity were overstated. This led us to build a position in German electronics company Siemens, one of several more cyclical businesses with more attractive valuations that we have added to our portfolio this year.

In the first quarter of 2022, the period we bought Home Depot. This US business is the place to go for DIY warriors, with good value tools and materials, and well-skilled and knowledgeable staff who can give advice on getting the job done. But it is also one of the most popular suppliers for small and medium-sized trades businesses. Its professional sales relationships are thriving because of Home Depot's investment in its supply chain, delivery service and staff.

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

Another of the quality growth businesses we bought was Ashtead, a construction equipment rental business – cherry pickers, drills, small diggers, compactors, chainsaws, that sort of thing. The company is listed in the UK, but 80% of its sales are made in North America. The outlook for construction is pretty bright, both in the UK and especially in the US. Housing is going up fast and infrastructure is in dire need of upgrade and replacement. Ashtead is growing well – an unfortunately unusual trait among British companies. We have been watching the business for some time, but it has always been a bit too expensive for us to start a position. We used the market falls of January and February to jump in at a decent price.

In the third quarter of 2022 we sold biotech business Amgen because we thought the US-listed pharmaceutical, veterinary medicine and vaccine manufacturer Merck was more attractive. Merck's sales have grown steadily over many years and it sports exceptionally high gross profit margins (gross profit is revenue less the costs of production). The business should also be less susceptible to rising costs from inflation.

We used market weakness to buy tractor and farm machinery manufacturer Deere. The opportunity for powerful new products and services in farming and food production has interested us for a while. The war in Ukraine has only reinforced our belief that food security and the need to boost yields while protecting soil and the climate is one of the paramount issues of our age. Technology, as always, is the solution. Deere is the leader in the high-quality machinery that does the heavy lifting in all sorts of agriculture and horticulture around the world.

We reduced our holdings in the Invesco LGIM Commodity Composite ETF in July because we believe that peak inflation should now be behind us. If we are correct, commodity prices should broadly fall from here.

The number one biggest upset to the world today is the considerable rise in the cost of energy. This is tremendously broad brush – the world is a mess of different causes, effects and complexities. Yet it really does seem that much of the upheaval and strains of 2022 have their roots in a world that became accustomed to cheap and abundant energy, which was then suddenly taken away. Power is a crucial input for virtually everything. Without it, there's no technological uplift, so the progress of centuries is discounted. And when it becomes more expensive and rationed, it means less output is possible or profitable, and less fun can be afforded by everyone. There is actually one of those 'theory of everything' sort of arguments that says booms and busts can be mapped solely on the cost and abundance of popular energy sources.

Our current energy crisis has its base in climate change, really. It's a dirty secret of Western nations that, to reduce carbon emissions, they became ever more dependent on gas for heating and electricity generation. While a much cleaner option than coal, it is still bad for the environment and requires long-term infrastructure that binds you to specific suppliers. Not only that, but in Europe in particular, it meant countries were dependent on regimes that became politically troublesome. This year, Russian President Vladimir Putin jumped the shark and invaded Ukraine. It was perhaps inevitable that this decision would lead to the gas pipes being turned off to Europe (the cognitive dissonance, for both sides, of continuing this trade relationship while effectively in a proxy war was simply too great). And so, finally, this quarter Putin turned the taps off, sending gas prices spiking once again. Meanwhile, oil prices remain relatively high, especially given the monumental strength of the dollar, coached that way by the OPEC cartel. Because of the need to reduce the carbon intensity of our societies, supply of hydrocarbons is politically constrained, so the era of low-cost energy is probably behind us. At least until the next energy source comes along. That requires some adjustment from everyone – people, businesses and governments.

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

Investors' hopes that the Fed would be cutting rates by early next year always seemed fanciful to us. Now that investors have decided the Fed really isn't for turning, prices of stocks and bonds have dropped significantly lower. Broadly, that makes us buyers at current levels.

There are still lots of risks out there and we think a global recession is almost a foregone conclusion (if it's not already here). The question is how deep will that downturn be? At the moment, it seems likely to be mild, with shallow GDP contraction for two or three quarters. Then, if inflation falls back toward central banks' target levels, it will give policymakers more flexibility to help drive the economy forward once again. The risk is that inflation simply doesn't quit, that it gets baked into the collective psyche and central bankers must continue hiking rates to the point that it leads to a deeper and harsher recession. We are keeping extremely vigilant for this scenario, even though we think it's not the most likely outcome right now.

David Coombs  
Lead Fund Manager  
*18 October 2022*

Will McIntosh-Whyte  
Fund Manager

## Net asset value per share and comparative tables

**R-class accumulation shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	214.31p	179.58p	173.05p
Return before operating charges*	(29.82p)	37.90p	9.25p
Operating charges	(3.25p)	(3.17p)	(2.72p)
Return after operating charges*	(33.07p)	34.73p	6.53p
Distributions on accumulation shares	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	181.24	214.31	179.58

\*after direct transaction costs<sup>1</sup> of: 0.11p      0.15p      0.16p

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

**Performance**

Return after charges (15.43%)      19.34%      3.77%

**Other information**

Closing net asset value	£23,623	£33,661	£53,882
Closing number of shares	13,034	15,707	30,004
Operating charges**	1.61%	1.66%	1.71%
Direct transaction costs	0.05%	0.07%	0.09%

**Prices\*\*\***

Highest share price	228.87p	222.77p	183.30p
Lowest share price	182.92p	176.06p	140.61p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

Net asset value per share and comparative tables *(continued)***S-class accumulation shares**

	<b>30.09.22</b> pence per share	30.09.21 pence per share	30.09.20 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	237.63p	197.15p	188.07p
Return before operating charges*	(33.31p)	41.80p	10.15p
Operating charges	(1.31p)	(1.32p)	(1.07p)
Return after operating charges*	(34.62p)	40.48p	9.08p
Distributions on accumulation shares	(2.33p)	(2.35p)	(2.06p)
Retained distributions on accumulation shares	2.33p	2.35p	2.06p
Closing net asset value per share	203.01p	237.63p	197.15p
*after direct transaction costs <sup>1</sup> of:	0.12p	0.17p	0.17p

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

**Performance**

Return after charges	(14.57%)	20.53%	4.83%
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**Other information**

Closing net asset value	£209,031,074	£199,063,074	£102,775,139
Closing number of shares	102,964,618	83,768,677	52,129,615
Operating charges**	0.61%	0.67%	0.71%
Direct transaction costs	0.05%	0.07%	0.09%

**Prices\*\***

Highest share price	254.12p	246.86p	201.09p
Lowest share price	204.90p	193.43p	153.54p

\*\* 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 share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

**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**

**Discrete annual performance, year ending 30 September 2022**

	2018	2019	2020	2021	2022
R-class shares	6.53%	4.35%	3.44%	20.66%	-15.46%
S-class shares	7.60%	5.05%	4.49%	21.87%	-14.60%
UK Consumer Price Index +5%	7.73%	6.86%	5.21%	8.38%	15.30%

Source performance data FE fundinfo, 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 (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>United Kingdom</b> (30.09.21: 16.91%)		
31,700 Aptiv	2,221,243	1.06
68,800 Ashtead	2,810,480	1.34
£2,450,000 BAT International Finance 2.25% 2052**	969,194	0.46
27,500 Ferguson	2,585,550	1.24
130,909 Fever-Tree Drinks	1,095,708	0.52
123,000 Halma	2,515,350	1.20
845,000 HG Capital Trust**	2,834,975	1.36
1,000,000 Legal & General	2,165,000	1.04
36,300 London Stock Exchange	2,768,964	1.32
44,300 Next	2,126,400	1.02
£1,400,000 Ocado 3.875% 2026**	1,021,183	0.49
120,000 RELX	2,632,759	1.26
508,000 Rentokil Initial	2,424,684	1.16
50,600 Rio Tinto	2,477,376	1.19
£1,200,000 Saga 3.375% 2024**	989,208	0.47
119,000 Shell	2,673,335	1.28
212,000 Smith & Nephew	2,226,000	1.07
<b>Total United Kingdom</b>	<b>36,537,409</b>	<b>17.48</b>
<b>Asia (Ex Japan)</b> (30.09.21: 2.64%)		
363,900 AIA	2,717,983	1.30
<b>Bermuda</b> (30.09.21: 0.02%)		
2,023 CATCo Reinsurance Opportunities	3,625	0.00
<b>Canada</b> (30.09.21: 1.22%)		
17,000 Canadian Pacific Railway	1,016,528	0.48
70,000 Shopify 'A'	1,689,331	0.81
<b>Total Canada</b>	<b>2,705,859</b>	<b>1.29</b>
<b>Cayman Islands</b> (30.09.21: 0.82%)		
50,000 Tencent	1,520,055	0.73
<b>China</b> (30.09.21: 0.59%)		
1,000,000 TravelSky Technology	1,371,701	0.66

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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Denmark</b> (30.09.21: 1.99%)		
42,200 Christian Hansen	<b>1,865,792</b>	<b>0.89</b>
<b>Emerging Markets</b> (30.09.21: 3.89%)		
<b>France</b> (30.09.21: 2.39%)		
5,110 LVMH	2,736,421	1.31
61,200 Total Energies	2,592,230	1.24
13,000 Ubisoft Entertainment	322,978	0.15
<b>Total France</b>	<b>5,651,629</b>	<b>2.70</b>
<b>Germany</b> (30.09.21: 1.19%)		
75,700 KION	1,321,358	0.63
28,700 Siemens	2,544,363	1.22
<b>Total Germany</b>	<b>3,865,721</b>	<b>1.85</b>
<b>Ireland</b> (30.09.21: 7.28%)		
12,311 Accenture	2,838,820	1.36
68,500 iShares Agribusiness UCITS ETF**	2,867,410	1.37
150,000 iShares S&P 500 Energy Sector UCITS ETF**	934,561	0.45
11,750 Linde	2,838,399	1.35
139,200 SPDR Russell 2000 US Small Cap UCITS ETF**	5,976,759	2.86
<b>Total Ireland</b>	<b>15,455,949</b>	<b>7.39</b>
<b>Japan</b> (30.09.21: 2.32%)		
69,000 Kurita Water Industries	2,190,695	1.05
46,000 Nidec	2,313,966	1.11
16,500 Shimano	2,322,148	1.11
<b>Total Japan</b>	<b>6,826,809</b>	<b>3.27</b>
<b>Luxembourg</b> (30.09.21: 1.05%)		
27,500 Eurofins Scientific	<b>1,475,047</b>	<b>0.71</b>



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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Netherlands</b> (30.09.21: 2.12%)		
6,750 ASML	2,568,520	1.23
£2,174,295 JP Morgan 1255 FTSE OTM Accelerator 0% 2025**	2,045,142	0.98
<b>Total Netherlands</b>	<b>4,613,662</b>	<b>2.21</b>
<b>Norway</b> (30.09.21: 0.55%)		
82,800 Tomra Systems	<b>1,309,324</b>	<b>0.63</b>
<b>Sweden</b> (30.09.21: 1.09%)		
132,000 Assa Abloy 'B'	<b>2,246,149</b>	<b>1.07</b>
<b>Switzerland</b> (30.09.21: 2.93%)		
9,500 Roche	2,796,259	1.34
130,000 SIG Combibloc	2,385,325	1.14
<b>Total Switzerland</b>	<b>5,181,584</b>	<b>2.48</b>
<b>Taiwan</b> (30.09.21: 1.10%)		
32,100 Taiwan Semiconductor	<b>1,975,230</b>	<b>0.94</b>
<b>United States</b> (30.09.21: 43.12%)		
26,500 Abbott Laboratories	2,297,711	1.10
12,160 Activision Blizzard	809,904	0.39
10,300 Adobe	2,539,430	1.21
32,300 Alphabet 'C'	2,782,378	1.33
27,000 Amazon.com	2,733,620	1.31
45,900 Amphenol 'A'	2,754,905	1.32
13,377 Ansys	2,655,148	1.27
17,000 Apple	2,102,804	1.01
19,000 Cadence Design Systems	2,781,663	1.33
19,050 Caterpillar	2,800,417	1.34
16,800 Chicago Mercantile Exchange	2,666,208	1.28
56,500 Coca-Cola	2,837,906	1.36
6,650 Costco	2,813,576	1.35
9,600 Deere & Co.	2,874,066	1.37
42,600 Dexcom	3,073,550	1.47
33,000 Discover Financial Services	2,690,728	1.29
17,150 Ecolab	2,219,683	1.06
34,000 Edwards Lifesciences	2,518,552	1.20
5,479 Electronic Arts	567,827	0.27

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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
5,085 Equinix REIT	2,591,195	1.24
13,050 Estée Lauder 'A'	2,527,816	1.21
17,300 First Republic Bank	2,023,680	0.97
11,560 Home Depot	2,862,092	1.37
3,750 Idexx Laboratories	1,094,464	0.52
18,350 Jack Henry & Associates	2,996,197	1.43
21,000 Live Nation	1,431,793	0.69
7,900 Lockheed Martin	2,737,081	1.31
9,900 Mastercard	2,525,152	1.21
16,500 Merck & Co.	1,273,676	0.61
13,000 Microsoft	2,711,216	1.30
41,200 Morgan Stanley	2,916,073	1.39
29,900 Nike 'B'	2,226,094	1.06
6,025 Nvidia	654,962	0.31
76,500 Schlumberger	2,460,226	1.18
46,000 Schwab (Charles)	2,963,236	1.42
98,000 Squarespace	1,874,317	0.90
5,731 Take-Two Interactive	559,598	0.27
6,500 Thermo Fisher Scientific	2,954,842	1.41
58,300 Trex	2,294,815	1.10
8,000 Ulta Beauty	2,871,486	1.37
73,000 US Bancorp	2,637,365	1.26
17,250 Visa 'A'	2,746,587	1.31
30,000 WEC Energy	2,403,655	1.15
6,000 Zebra Technologies 'A'	1,408,277	0.67
<b>Total United States</b>	<b>102,265,971</b>	<b>48.92</b>
<b>Alternative Investments (30.09.21: 3.07%)</b>		
1,053,326 FTSE 100 Participatory Note 2024 (UBS)	1,198,369	0.57
877,772 HSBC Bank 1019 FTSE Accelerator ELN 2023	805,882	0.39
10,120,000 S&P 500 Index Warrants 2022 UBS	485,760	0.23
10,100,000 S&P 500 Index Warrants 2023 UBS	385,820	0.19
24,300,000 S&P 500 Index Warrants 2022 CITI	84,897	0.04
11,000,000 S&P 500 Index Warrants 2023 UBS	761,200	0.36
5,000,000 Structured Note on SGI VRR US Trend Index ELN 2023	5,620,801	2.69
<b>Total Alternative Investments</b>	<b>9,342,729</b>	<b>4.47</b>

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

Holding (Equities unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
<b>Forward Foreign Exchange Contracts</b> (30.09.21: (0.99%))		
Buy £15,474,750, Sell €17,748,186	(181,865)	(0.09)
Buy €2,400,145, Sell £2,146,353	(29,059)	(0.01)
Buy \$9,832,142, Sell £8,799,710	(2,347)	0.00
Buy £96,552,180, Sell \$113,508,481	(5,010,159)	(2.40)
<b>Total Forward Foreign Exchange Contracts</b>	<b>(5,223,430)</b>	<b>(2.50)</b>
<b>Total value of investments</b> (30.09.21: 96.04%)	201,708,798	96.49
<b>Net other assets</b> (30.09.21: 3.96%)	7,345,899	3.51
<b>Total value of the fund as at 30 September 2022</b>	<b>209,054,697</b>	<b>100.00</b>

Countries eliminated since the beginning of the year:

Emerging Markets	3.89%
Global	0.74%

\*\* CIS securities

†† Closed-end funds

## Summary of portfolio investments

	Value £	Percentage of total net assets
Debt Securities	5,024,727	2.40
Equity Securities	182,786,042	87.44
Collective Investment Schemes	9,778,730	4.68
Structured Products	9,342,729	4.47
Forward Foreign Exchange Contracts	(5,223,430)	(2.50)
<b>Total value of investments</b>	<b>201,708,798</b>	<b>96.49</b>

## 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>(37,003,590)</b>		23,397,083
Revenue	4	<b>3,737,349</b>		2,650,048	
Expenses	5	<b>(1,235,645)</b>		(885,568)	
Interest payable and similar charges	6	<b>(111)</b>		(88)	
Net revenue before taxation		<b>2,501,593</b>		1,764,392	
Taxation	7	<b>(264,343)</b>		(139,494)	
Net revenue after taxation			<b>2,237,250</b>		1,624,898
<b>Total return before distributions</b>			<b>(34,766,340)</b>		25,021,981
Distributions	8		<b>(2,242,054)</b>		(1,661,100)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(37,008,394)</b>		23,360,881

## Statement of change in net assets attributable to shareholders 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 shareholders</b>		<b>199,096,735</b>		102,829,021
Amounts receivable on issue of shares	<b>56,800,761</b>		78,231,530	
Amounts payable on cancellation of shares	<b>(12,153,503)</b>		(7,156,393)	
		<b>44,647,258</b>		71,075,137
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)		<b>(37,008,394)</b>		23,360,881
Retained distributions on accumulation shares		<b>2,319,098</b>		1,831,696
<b>Closing net assets attributable to shareholders</b>		<b>209,054,697</b>		199,096,735

Rathbone Enhanced Growth Portfolio  
 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>206,932,228</b>		193,183,590
<b>Current assets:</b>					
Debtors	9	<b>889,984</b>		998,881	
Cash and bank balances		<b>6,636,515</b>		7,120,543	
<b>Total current assets</b>			<b>7,526,499</b>		8,119,424
<b>Total assets</b>			<b>214,458,727</b>		201,303,014
<b>Liabilities</b>					
Investment liabilities			<b>(5,223,430)</b>		(1,977,142)
<b>Creditors:</b>					
Other creditors	10	<b>(180,600)</b>		(229,137)	
<b>Total liabilities</b>			<b>(5,404,030)</b>		(2,206,279)
<b>Net assets attributable to shareholders</b>			<b>209,054,697</b>		199,096,735

## 1 Accounting policies

### a) Basis of accounting

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

As stated in the Statement of the ACD's responsibilities in relation to the report and the financial statements of the Company on page 187, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the fund.

There are no significant judgments or sources of estimation uncertainty.

### b) Recognition of revenue

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

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

Revenue received from investments in authorised collective investment schemes, which are purchased during the financial year, will include an element of equalisation which represents the average amount of revenue included in the price paid for shares or units. The equalisation is treated as capital and deducted from the cost of the investment.

### 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 ACD it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are valued based on the latest financial statements of the respective company and agreed with the Depositary.

Structured products are valued based upon available market data.

Authorised collective investment schemes are valued at the bid price for dual price funds and at the quoted price for single price funds.

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.

### 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 middle 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.

## 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 shareholders.

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

**3 Net capital (losses)/gains**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
The net capital (losses)/gains during the year comprise:		
Realised (losses)/gains derivative contracts	<b>(11,829,368)</b>	3,115,136
Unrealised losses derivative contracts	<b>(5,223,430)</b>	(1,977,142)
Realised gains non-derivative securities	<b>4,285,552</b>	2,601,058
Unrealised (losses)/gains non-derivative securities	<b>(24,155,420)</b>	19,765,318
Realised losses currency	<b>(67,641)</b>	(73,842)
Unrealised losses currency	<b>(6,472)</b>	(61,095)
Capital special dividend	—	37,987
Transaction charges	<b>(6,811)</b>	(10,337)
Net capital (losses)/gains	<b>(37,003,590)</b>	23,397,083

**4 Revenue**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Dividends — UK Ordinary	<b>1,148,744</b>	737,150
— Overseas	<b>2,276,317</b>	1,465,367
Interest on debt securities	<b>263,810</b>	447,531
Bank interest	<b>48,478</b>	—
Total revenue	<b>3,737,349</b>	2,650,048



## 5 Expenses

	<b>30.09.22</b>	<b>30.09.22</b>	30.09.21	30.09.21
	<b>£</b>	<b>£</b>	£	£
Payable to the ACD, associates of the ACD and agents of either of them:				
ACD's charge		<b>1,097,122</b>		769,918
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	<b>39,287</b>		32,319	
Safe custody and other bank charges	<b>25,850</b>		15,770	
		<b>65,137</b>		48,089
Other expenses:				
Administration fees	<b>60,076</b>		50,084	
Audit fee*	<b>10,360</b>		10,360	
Printing & Stationery	<b>2,182</b>		2,026	
Registration fees	<b>4,206</b>		3,326	
Listing fee	<b>(3,438)</b>		1,765	
		<b>73,386</b>		67,561
<b>Total expenses</b>		<b>1,235,645</b>		885,568

\* Audit fees for 2022 are £8,633 excluding VAT (30.09.21: £8,633 excluding VAT).

## 6 Interest payable and similar charges

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Interest on bank overdrafts	<b>111</b>	88
Interest payable and similar charges	<b>111</b>	88

Notes to the financial statements *(continued)***7 Taxation**

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
a) Analysis of charge in the year		
Overseas tax	<b>264,343</b>	137,333
Irrecoverable overseas tax on capital special dividend	—	2,161
Current tax charge (note 5b)	<b>264,343</b>	139,494

**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 Open-Ended Investment Company (20%) (30.09.21: 20%). The differences are explained below.

	<b>30.09.22</b>	30.09.21
	<b>£</b>	£
Net revenue before taxation	<b>2,501,593</b>	1,764,392
Corporation tax at 20%	<b>500,319</b>	352,878
Effects of:		
Revenue not subject to taxation	<b>(675,863)</b>	(433,248)
Excess management expenses not utilised	<b>101,076</b>	76,608
Overseas tax	<b>264,343</b>	137,333
Tax relief on overseas tax suffered	<b>(1,372)</b>	(1,088)
Irrecoverable overseas tax on capital special dividend	—	2,161
Realised gains on non-qualifying offshore fund	<b>75,840</b>	4,850
Corporate tax charge	<b>264,343</b>	139,494

**c) Deferred tax**

At the year end the fund had surplus management expense of £1,978,332 (30.09.21: £1,472,948). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £395,666 (30.09.21: £294,590) has not been recognised in the financial statements.

## 8 Distributions

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

	30.09.22 £	30.09.21 £
Interim	<b>990,855</b>	608,673
Final	<b>1,328,243</b>	1,223,023
	<b>2,319,098</b>	1,831,696
Add: Amounts deducted on cancellation of shares	<b>36,152</b>	18,460
Deduct: Amounts received on issue of shares	<b>(113,196)</b>	(189,056)
Net distribution for the year	<b>2,242,054</b>	1,661,100

### Reconciliation of net distribution for the year to net revenue/(expense) after tax:

Net distribution for the year	<b>2,242,054</b>	1,661,100
Expenses allocated to Capital:		
Corporation tax charged to capital	<b>146</b>	(38,508)
Equalisation on conversions	<b>(13)</b>	—
Deficit transfer to capital	<b>(27)</b>	(19)
Balance brought forward	<b>(6,646)</b>	(4,321)
Balance carried forward	<b>1,736</b>	6,646
Net revenue after taxation	<b>2,237,250</b>	1,624,898

## 9 Debtors

	30.09.22 £	30.09.21 £
Amounts receivable for issue of shares	<b>465,293</b>	759,205
Accrued revenue	<b>277,915</b>	142,510
Taxation recoverable	<b>146,776</b>	97,166
Total debtors	<b>889,984</b>	998,881

## 10 Other creditors

	30.09.22 £	30.09.21 £
Purchases awaiting settlement	<b>48,445</b>	101,426
Accrued expenses	<b>40,807</b>	45,164
Accrued ACD's periodic charge	<b>91,348</b>	82,547
Total other creditors	<b>180,600</b>	229,137

**11 Reconciliation of shares**

	R-class accumulation	S-class accumulation
Opening shares issued at 01.10.21	15,707	83,768,677
Share movements 01.10.21 to 30.09.22		
Shares issued	190,000	24,276,239
Shares cancelled	(190,058)	(5,082,646)
Shares converted	(2,615)	2,348
Closing shares at 30.09.22	13,034	102,964,618

**12 Related parties**

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

Details of shares created and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 8.

There were no commissions paid to stockbroking of the ACD in respect of dealings in the investments of Rathbone Enhanced Growth Portfolio 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.

At the year end there were no significant shareholders (30.09.21: nil).

**13 Shareholder funds**

The fund has two share class: R-class and S-class. The annual ACD charge on the R-class is 1.50%, on the S-class is 0.50%.

The net asset value, the net asset value per share and the number of shares in issue are given in the net asset value per share and comparative tables on 162 and 163.

**14 Contingent liabilities and commitments**

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

**15 Risk disclosures on financial instruments**

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

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

The fund holds a substantial number of Collective Investment Schemes that are designed to give overseas exposure. The fund has indirect exposure to foreign currency risk, interest rate risk and credit risk as a result of these holdings (see the portfolio statements on 165 to 169).

Notes to the financial statements *(continued)***15 Risk disclosures on financial instruments** *(continued)*

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 some of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated assets.

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

	<b>30.09.22</b>	30.09.21
	<b>£</b>	<b>£</b>
Currency:		
Canadian dollar	<b>1,790</b>	–
Danish krone	<b>1,865,792</b>	3,964,338
Euro	<b>16,048,871</b>	13,651,387
Hong Kong dollar	<b>5,609,738</b>	4,839,711
Japanese yen	<b>6,850,766</b>	3,216,474
Norwegian krone	<b>1,309,324</b>	1,103,418
Swedish krona	<b>2,246,149</b>	2,165,969
Swiss franc	<b>5,181,584</b>	5,755,403
US dollar	<b>122,590,468</b>	106,024,921
Pound sterling	<b>47,203,439</b>	58,277,948
	<b>208,907,921</b>	198,999,569
Other net assets not categorised as financial instruments	<b>146,776</b>	97,166
<b>Net assets</b>	<b>209,054,697</b>	199,096,735

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 £14,700,407 (30.09.21: £12,792,875). 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 £17,967,165 (30.09.21: £15,653,736). These calculations assume all other variables remain constant.

Notes to the financial statements *(continued)***15 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 charges.

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

	<b>30.09.22</b>	30.09.21
	<b>£</b>	<b>£</b>
Fixed rate assets:		
Pound sterling	<b>5,024,727</b>	—
	<b>5,024,727</b>	—
Floating rate assets:		
Pound sterling	<b>6,636,515</b>	7,120,543
	<b>6,636,515</b>	7,120,543
Assets on which no interest is paid:		
Canadian dollar	<b>1,790</b>	—
Danish krone	<b>1,865,792</b>	3,964,338
Euro	<b>16,230,736</b>	13,768,292
Hong Kong dollar	<b>5,609,738</b>	4,839,711
Japanese yen	<b>6,850,766</b>	3,216,474
Norwegian krone	<b>1,309,324</b>	1,103,418
Swedish krona	<b>2,246,149</b>	2,165,969
Swiss franc	<b>5,181,584</b>	5,834,743
US dollar	<b>127,600,627</b>	107,907,244
Pound sterling	<b>35,754,203</b>	51,285,116
	<b>202,650,709</b>	194,085,305
Liabilities on which no interest is paid:		
Euro	<b>(181,865)</b>	(116,905)
Swiss franc	—	(79,340)
US dollar	<b>(5,010,159)</b>	(1,882,323)
Pound sterling	<b>(212,006)</b>	(127,711)
	<b>(5,404,030)</b>	(2,206,279)
Other net assets not categorised as financial instruments	<b>146,776</b>	97,166
<b>Net assets</b>	<b>209,054,697</b>	199,096,735

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

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

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

	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>969,194</b>	<b>0.46</b>	—	—
Below investment grade	<b>4,055,533</b>	<b>1.94</b>	—	—
<b>Total bonds</b>	<b>5,024,727</b>	<b>2.40</b>	—	—

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 ACD 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 Instrument of Incorporation 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 £20,170,880 (30.09.21: £19,120,645). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £20,170,880 (30.09.21: £19,120,645). 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) **Counterparty risk**, being the risk that the counterparty will not deliver the investments for a purchase, or the cash for a sale after the fund has fulfilled its responsibilities.

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

(vii) **Leverage**. There is no significant leverage in Rathbone Enhanced Growth Portfolio which would increase its exposure.

## 16 Portfolio transaction cost

For the year ended 30 September 2022

### Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	82,583,736	43,399	0.05	47,249	0.06
Bond transactions	5,257,595	—	—	—	—
Fund transactions	4,780,032	970	0.02	—	—
Total purchases before transaction costs	92,621,363	44,369		47,249	
Total purchases including commission and taxes	92,712,981				

### Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	36,263,761	17,502	0.05	582	—
Fund transactions	19,740,124	2,189	0.01	5	—
Corporate actions	3,223,920	—	—	—	—
Total sales including transaction costs	59,227,805	19,691		587	
Total sales net of commission and taxes	59,207,527				

The fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 30.09.22.

Commissions and taxes as % of average net assets

Commissions	0.03%
Taxes	0.02%



**16 Portfolio transaction cost** (continued)

**For the year ended 30 September 2021**

**Analysis of total purchase costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	76,402,719	36,903	0.05	68,611	0.09
Bond transactions	2,097,422	—	—	—	—
Fund transactions	9,163,966	1,198	0.01	—	—
Corporate actions	118,633	—	—	—	—
Total purchases before transaction costs	87,782,740	38,101		68,611	
Total purchases including commission and taxes	87,889,452				

**Analysis of total sales costs**

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	11,925,130	6,840	0.06	67	—
Bond transactions	736,550	—	—	—	—
Fund transactions	6,417,196	488	0.01	—	—
Corporate actions	224,454	—	—	—	—
Total sales including transaction costs	19,303,330	7,328		67	
Total sales net of commission and taxes	19,295,935				

The fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 30.09.21.

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

Commissions	0.03%
Taxes	0.04%

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.29% (30.09.21: 0.26%).

Notes to the financial statements *(continued)***17 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	157,194,810	–	25,591,232	182,786,042
Bonds	–	–	5,024,727	5,024,727
Structured products	–	1,198,369	8,144,360	9,342,729
Pooled investment vehicles	5,976,759	3,801,971	–	9,778,730
	163,171,569	5,000,340	38,760,319	206,932,228

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	–	(5,223,430)	–	(5,223,430)
	–	(5,223,430)	–	(5,223,430)

**For the year ended 30 September 2021**

Category	1	2	3	Total
	£	£	£	£
<b>Investment assets</b>				
Equities	158,827,033	1,092,591	–	159,919,624
Bonds	–	–	2,160,223	2,160,223
Structured products	–	1,192,892	4,927,743	6,120,635
Pooled investment vehicles	17,231,308	7,751,800	–	24,983,108
	176,058,341	10,037,283	7,087,966	193,183,590

Category	1	2	3	Total
	£	£	£	£
<b>Investment liabilities</b>				
Derivatives	–	(1,977,142)	–	(1,977,142)
	–	(1,977,142)	–	(1,977,142)

**18 Cross holdings**

The fund did not hold shares in any of the other sub-funds of Rathbones Multi-Asset Portfolio at the period end.

## Distribution tables for the year ended 30 September 2022

## Distribution tables (pence per share)

## Interim

Group 1 – Shares purchased prior to 1 October 2021

Group 2 – Shares purchased on or after 1 October 2021 and on or before 31 March 2021

R-class accumulation shares	Income	Equalisation	Accumulated 31.05.22	Accumulated 28.05.21
Group 1	0.00	–	0.00	0.00
Group 2	0.00	0.00	0.00	0.00

S-class accumulation shares	Income	Equalisation	Accumulated 31.05.22	Accumulated 28.05.21
Group 1	1.04	–	1.04	0.89
Group 2	0.62	0.42	1.04	0.89

## Final

Group 1 – Shares purchased prior to 1 April 2022

Group 2 – Shares purchased on or after 1 April 2022 and on or before 30 September 2022

R-class accumulation shares	Income	Equalisation	Allocated 30.11.22	Accumulated 30.11.21
Group 1	0.00	–	0.00	0.00
Group 2	0.00	0.00	0.00	0.00

S-class accumulation shares	Income	Equalisation	Allocated 30.11.22	Accumulated 30.11.21
Group 1	1.29	–	1.29	1.46
Group 2	0.74	0.55	1.29	1.46

## Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. 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 shares 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  
ACD of Rathbone Multi-Asset Portfolio  
*31 January 2023*

## Statement of the ACD's responsibilities in relation to the annual report and accounts of the Rathbone Multi-Asset Portfolio

The Financial Conduct Authority's Collective Investment Schemes Sourcebook requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net revenue or expense and of the net gains or losses on the property of the Company for that year. In preparing those financial statements, the ACD 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 United Kingdom Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 to 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation; and
6. keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the Collective Investment Schemes Sourcebook. The ACD has general responsibility for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

1. there is no relevant audit information of which the Company's auditor is unaware; and
2. the ACD 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 ACD 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 Company 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 ACD of the Scheme and authorised for issue on 31 January 2023.

# Statement of the Depositary's responsibilities and report of the Depositary to the shareholders of Rathbone Multi-Asset Portfolio (the Company) for the year ended 30 September 2022

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together the Regulations), the Company's Instrument of Incorporation and Prospectus (together the Scheme documents) as detailed below.

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

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

The Depositary must ensure that:

1. the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
2. the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
3. the value of shares in the Company is calculated in accordance with the Regulations;
4. any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
5. the Company'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 Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

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

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

**NatWest Trustee and Depositary Services Limited**  
Depositary of Rathbone Multi-Asset Portfolio  
*31 January 2023*

# Independent Auditor's Report to the shareholders of Rathbone Multi-Asset Portfolio

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Rathbone Multi-Asset Portfolio (the 'company'):

- give a true and fair view of the financial position of the company and its sub fund as at 30 September 2022 and of the net revenue and the net capital gains on the property of the company and its sub 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 Instrument of Incorporation.

We have audited the financial statements which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution tables; and
- the accounting policies, risk management policies and individual notes 1 to 18.

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

## 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 company 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 authorised corporate director's (ACD'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 company'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 ACD 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 ACD 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 shareholders of Rathbone Multi-Asset Portfolio *(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 depositary and ACD**

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the company and the ACD 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 ACD 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 ACD is responsible for assessing the company'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 ACD either intends to liquidate the company 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 company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company 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 company's ability to operate or to avoid a material penalty. These included The Open-Ended Investment Companies Regulations 2001.

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



# Independent Auditor's Report to the shareholders of Rathbone Multi-Asset Portfolio *(continued)*

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

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management 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 company 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 company's shareholders, 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 company's shareholders 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 company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom  
31 January 2023

## General information

### Authorised status

Rathbone Multi-Asset Portfolio (the Company) is an investment Company with variable capital (ICVC) incorporated in England and Wales under registered number 498834 and authorised by the Financial Conduct Authority on 29 May 2009.

Rathbone Multi-Asset Portfolio is structured as an umbrella scheme. Provision exists for an unlimited number of sub-funds, and at the date of this report six sub-funds, Rathbone Strategic Growth Portfolio, Rathbone Strategic Income Portfolio, Rathbone Total Return Portfolio, Rathbone Enhanced Growth Portfolio, Rathbone Defensive Growth Portfolio and Rathbone Dynamic Growth Portfolio, are available for investment. The shareholders are not liable for the debts of the Company.

On 21 December 2011, the Open Ended Investment Company Regulations 2001 (SI 2001/1228) (the Regulations) were amended to introduce a Protected Cell Regime (PCR) for OEICs. Under the PCR, each fund represents a segregated portfolio of assets and accordingly, the asset of each fund belong exclusively to that fund and shall not be used or made available to discharge the liabilities of any other fund.

### Valuation of the sub-funds

The sub-funds are valued on each business day at 12 noon for the purpose of determining prices at which shares in the sub-funds may be bought or sold. Valuations may be made at other times on business days with the Depositary'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 shares

The ACD is available to receive requests for the buying and selling of shares on business days between 9.00am and 5.00pm and transactions will be effected at prices determined by the next valuation. Application forms for shares (obtainable from the ACD or the Administrator) should be completed and sent to the Administrator. 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 shares are required to enter their registration details on the form supplied with their contract note. Once shares are paid for these details will be entered on the share register.

Shares can be sold by telephone or letter followed by despatch to the Administrator of the authorisation to sell duly completed by all shareholders.

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 Administrators 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.

Shareholders may sell shares on submitting the purchase contract note and a duly executed Deed of Transfer. The issue and redemption of shares will not take place if dealing in the shares is suspended by operation of law or any statute for the time being in place. Sales, in retail units, constituting a "large deal" of £50,000 or more may receive a lower price than the published price.

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

## General information *(continued)*

The ACD currently receives an annual remuneration for managing the R-class and S-class from the property of the fund at the rate of 1.50% and 0.5% respectively.

### Statements

A distribution statement showing the rate per share and your shareholding will be sent half yearly on the 31 May and 30 November.

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

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

### Prices

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

### Other information

You can see the Instrument of Incorporation, the Key Investor Information Document, the Supplementary Information Document, the Prospectus and the most recent half yearly report of each fund by visiting the registered offices of the ACD. Copies of the Prospectus, Key Investor Information Document, Supplementary Information Document and the most recent half yearly report of each fund may be obtained free of charge on application to the ACD.

The Register of Shareholders 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 Company 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

Investments in an investment Company with variable capital should be regarded as a longer term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance should not be seen as an indication of future performance. Investments denominated in currencies other than the base currency are subject to fluctuations in exchange rates which can be favourable or unfavourable. Where the ACD's charge is fully or partly taken out of the fund's capital, distributable income will be increased at the expense of capital which will either be eroded or future growth restricted.

### Value assessment

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

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

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

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

### 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 Ethical Bond Fund  
Rathbone Global Opportunities Fund  
Rathbone Income Fund  
Rathbone Strategic Bond Fund  
Rathbone UK Opportunities Fund

and the Authorised Corporate Director of:

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

### 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

## 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.

	Fixed remuneration £'000	Variable remuneration £'000	Total remuneration £'000	Headcount
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**

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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