

Rathbone High Quality Bond Fund

Investment objective

We aim to preserve your capital and pay an income by delivering a greater total return than the Bank of England's Base Rate + 0.5%, after fees, over any rolling three-year period. Total return means the return we receive from the value of our investments increasing (capital growth) plus the income we receive from our investments (interest payments). We use the Bank of England's Base Rate + 0.5% as a target for our fund's return because we aim to provide a return in excess of what you would receive in a UK savings account.

This is an investment product, not a cash savings account. Your capital is at risk.

Investment strategy

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

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

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

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

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

Finally, we compare prices to determine the best value bonds to include in our fund.

Fund facts

Authorised Corporate Director (Manager)
Rathbone Unit Trust Management Limited

Depository
NatWest Trustee and Depository Services

Product Type
Single-priced, Open-Ended Investment Company (OEIC)

Date launched/launch price
16 November 2018/100p (fund)
23 July 2019/100p (share class)

Size of fund
Mid-market: £206.40m

Share price
Income (Inc): 85.57p
Accumulation (Acc): 92.86p

Historical distribution yield*
3.20%

Average yield to maturity
5.48%

Modified duration
2.82 years

Total no. of holdings
71

Initial charge
None

MiFID II charges

Ongoing charges figure (OCF) as at 31.10.2022
Inc: 0.40%/Acc: 0.40%

Transaction costs
Inc: 0.08%/Acc: 0.08%

Total MiFID II charges*
Inc: 0.48%/Acc: 0.48%

Minimum initial investment
£1,000

Minimum additional investments
£500

Distributions per share

	Ex div	Payment
Annual	01 May	30 Jun
Interim	01 Aug	30 Sep
Interim	01 Nov	31 Dec
Interim	01 Feb	31 Mar
Year end 30 April		

Maturity distribution

Data as at 31.12.22	% in fund
0-3 Years	38.23
3-5 Years	42.37
5-10 Years	15.82
Cash	3.58

Dealing/valuation

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

Fund codes

Sedol (Inc): BD5DN49
Sedol (Acc): BD5DN50
ISIN (Inc): GB00BD5DN492
ISIN (Acc): GB00BD5DN500

Product availability

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

For more information, please see our 'distribution partners' page on the 'How to Invest' section of our website rathbonefunds.com

Management



Noelle Cazalis
Fund Manager

Noelle joined Rathbones in July 2011. She has been managing the fund since its launch in 2018. She also assists in the management of the Rathbone Ethical Bond Fund and the Rathbone Strategic Bond Fund. Noelle holds two master's degrees in Economics and Finance.



Bryn Jones
Head of Fixed Income

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

Fund ratings



Manager ratings



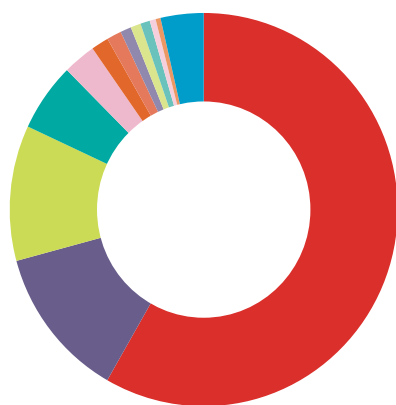
Noelle Cazalis



Bryn Jones

Sector asset allocation

Data as at 31.12.22



- Banks: 58.28%
- Real estate: 12.52%
- Insurance: 11.14%
- Savings and loans: 5.61%
- Regional: 2.74%
- Commercial services: 1.45%
- Telecoms: 1.22%
- Oil and gas: 0.91%
- Auto manufacturers: 0.85%
- Diversified financial services: 0.79%
- Transportation: 0.50%
- Water: 0.41%
- Cash: 3.58%

I-class fund performance

Data as at 31.12.22

	1 year	3 years	Since launch
Rathbone High Quality Bond Fund	-8.97%	-7.74%	-4.57%
Bank of England Base Rate +0.5%	1.95%	3.32%	4.76%

Discrete performance, to previous quarter. 12 months ending:

	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18
Rathbone High Quality Bond Fund	-8.97%	-1.53%	2.93%	3.44%	-
Bank of England Base Rate +0.5%	1.95%	0.61%	0.73%	1.25%	-

Rathbone High Quality Bond Fund

Turnover[†]
41.72%

I-class units launched on 23 July 2019.

Data using prices as at 31.12.2022. Performance is a combination of I-class units and S-class units (where I-class was unavailable).

Past performance should not be seen as an indication of future performance. The value of investments and the income from them may go down as well as up and you may not get back your original investment.

10 largest holdings

Data as at 31.12.22

	%
BNP Paribas 3.375% 23/01/2026	3.16
Goldman Sachs 1.0% 16/12/2024	3.15
HSBC 6.5% 20/05/2024	3.02
UK Municipal Bonds Agency 4.187% 12/03/2025	2.74
JP Morgan 0.991% 28/04/2025	2.70
Scottish Widows 5.5% 16/06/2023	2.62
First Abu Dhabi Bank 0.875% 09/12/2025	2.62
HSBC 1.75% 24/07/2026	2.62
Logicor 2019-1 UK 1.875% 17/11/2026	2.57
Lloyds 2.25% 16/10/2024	2.56

Credit quality distribution

Data as at 31.12.22**

	%
AAA	3.75
AA	2.57
AA-	6.98
A+	12.21
A	15.71
A-	44.17
BBB+	6.71
BBB	4.26
NR	0.06
Cash	3.58

You should know

Important information

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

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

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

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

The annual management charge and other income expenses are paid out of the fund's capital.

Information notes

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

Source and Copyright Citywire: Bryn Jones is A rated by Citywire for his three year risk adjusted performance for the period 30.11.2019-30.11.2022.

Source and Copyright Citywire: Noelle Cazalis is A rated by Citywire for her three year risk adjusted performance for the period 30.11.2019-30.11.2022.

Source performance data FE fundinfo, mid to mid, net income reinvested. This is net of expenses and tax. Data using prices as at 31.12.2022. I-class units/shares were launched on 23 July 2019. Performance is a combination of I-class units and S-class units (where S-class was unavailable). [†]Turnover is calculated on a 1 year rolling basis.

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

^{**}Credit quality distribution ratings from various sources.