

# 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: £304.77m

**Share price**  
Income (Inc): 97.91p  
Accumulation (Acc): 102.74p

**Average yield to maturity**  
1.31%

**Modified duration**  
3.69 years

**Total no. of holdings**  
91

**Initial charge**  
None

### MiFID II charges

**Ongoing charges figure (OCF) as at 30.04.2021**  
Inc: 0.40%/Acc: 0.40%

**Transaction costs**  
Inc: 0.04%/Acc: 0.04%

**Total MiFID II charges**  
Inc: 0.44%/Acc: 0.44%  
The MiFID II charges include the ongoing charges figure (OCF) and transaction costs. PRIIPs compliant\*

**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 30.09.21 | % in fund |
|---------------------|-----------|
| 0-3 Years           | 25.04     |
| 3-5 Years           | 43.94     |
| 5-10 Years          | 29.14     |
| 10+ Years           | 0.20      |
| Cash                | 1.68      |

## 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](http://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 20 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.

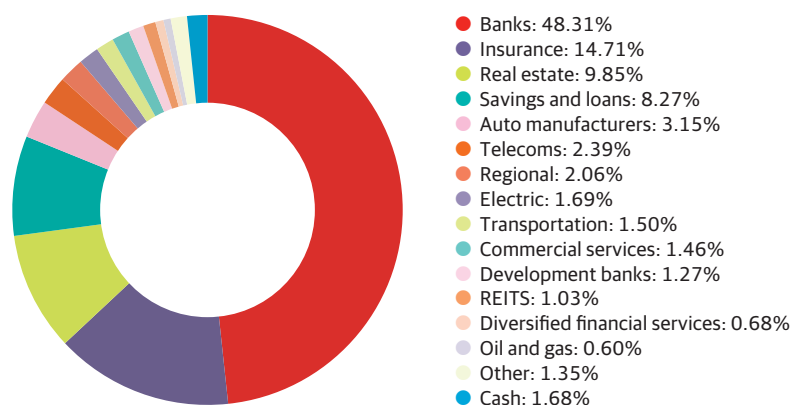
## Manager ratings



**Bryn Jones**

## Sector asset allocation (iBoxx sector classifications)

Data as at 30.09.21



## I-class fund performance

Data as at 30.09.21

|                                 | 1 year | Since launch |
|---------------------------------|--------|--------------|
| Rathbone High Quality Bond Fund | 0.35%  | 5.58%        |
| Bank of England Base Rate +0.5% | 0.60%  | 2.60%        |

Discrete performance, to previous quarter. 12 months ending:

|                                 | Sep 21 | Sep 20 | Sep 19 | Sep 18 | Sep 17 |
|---------------------------------|--------|--------|--------|--------|--------|
| Rathbone High Quality Bond Fund | 0.35%  | 1.94%  | -      | -      | -      |
| Bank of England Base Rate +0.5% | 0.60%  | 0.89%  | -      | -      | -      |

Rathbone High Quality Bond Fund

Turnover<sup>†</sup>  
137.99%

I-class units launched on 23 July 2019.

Data using prices as at 30.09.2021. 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 30.09.21

|  | %    |
|--|------|
| Places for People 2.875% 17/08/2026          | 2.52 |
| Toyota Motor Finance 0.75% 19/12/2025        | 2.22 |
| Zurich Finance 6.625% Perp                   | 2.20 |
| Athene Global Funding 1.75% 24/11/2027       | 2.10 |
| Places for People 3.625% 22/11/2028          | 2.08 |
| Leeds Building Society 1.5% 16/03/2026       | 2.07 |
| UK Municipal Bonds Agency 0.8495% 12/03/2025 | 2.06 |
| Aviva 6.125% Perp                            | 2.05 |
| HSBC 6.5% 20/05/2024                         | 2.00 |
| Coventry Building Society 1.0% 21/09/2025    | 1.99 |

## Credit quality distribution

Data as at 30.09.21\*

|      | %     |
|------|-------|
| AA+  | 0.93  |
| AA   | 1.39  |
| AA-  | 6.87  |
| A+   | 10.99 |
| A    | 30.80 |
| A-   | 35.72 |
| BBB+ | 9.04  |
| BBB  | 1.92  |
| NR   | 0.66  |
| Cash | 1.68  |

## 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

<sup>†</sup>From April 2018, the ongoing charges figure has been calculated according to PRIIPs regulations, which came into effect on 1 January 2018. Holdings are based on six monthly audited accounts. Changes to fund holdings within this period may result in higher or lower ongoing charges.

Source and Copyright Citywire: Bryn Jones is A rated by Citywire for his three year risk adjusted performance for the period 31.08.2018-31.08.2021.

Source performance data FE fundinfo, mid to mid, net income reinvested. This is net of expenses and tax. Data using prices as at 30.09.2021. 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). <sup>†</sup>Turnover is calculated on a 1 year rolling basis.

\*Credit quality distribution ratings from various sources