

Rathbone Strategic Bond Fund

Investment objective

The objective of the fund is to focus on achieving a total return comprised of a regular above average income, coupled with medium to longer term capital growth from a diversified portfolio of predominantly Sterling denominated (or hedged back to Sterling) fixed interest and other bond instruments, including gilt edged and other sovereign stocks, corporate bonds, convertibles, preference shares, permanent interest bearing shares. Typically, approximately 50% of the value of the fund will be exposed to such securities through investment in other collective investment schemes (funds). During extreme market conditions the Manager may decide to safeguard the interests of investors by moving the entire portfolio into gilt edged stocks.

Fund snapshot

Managed with volatility (performance ups and downs) in mind, this fund targets lower levels than the sector to offer steady fixed income returns. Generating returns that are less correlated (moving together) with risk markets acts as a good diversifier for portfolios that have higher beta risk assets in them. With no income target, distributions are a function of the fund's asset allocation. The fund achieves its lower volatility by investing in multi-asset fixed income assets that can invest across most fixed income markets. Typically, half the base portfolio is invested in direct bonds (predominantly gilts and sterling-denominated investment grade corporate debt) and the remainder invested in funds. We use funds to access expertise in specialist areas such as high-yield, emerging market, and distressed debt, as well as credit alternatives. That ensures a greater spread of risk than a directly invested fund could otherwise achieve.

Fund facts

Manager Rathbone Unit Trust Management Limited
Trustee NatWest Trustee and Depositary Services
Date launched/launch price 03 October 2011/100p
Size of fund Mid-market: £210.28m
Unit price Income (Inc): 115.60p Accumulation (Acc): 150.03p
Historical distribution yield* 2.20%
Total no. of holdings 160
Initial charge None
MiFID II charges Ongoing Charges Figure (OCF) as at 30.06.2019 0.76%
Transaction costs 0.05%
Total MiFID II charges 0.81%
<small>The MiFID II charges include the Ongoing Charges Figure (OCF) and transaction costs. PRIIPs compliant*</small>
Minimum initial investment £1,000
Minimum additional investments £500

Distributions per unit

Latest distributions			
Interim	1.02p		
Annual	1.29p		
Interim	1.17p		
Interim	1.29p		
Ex div			
Interim	01 Oct 19	30 Nov 19	
Annual	01 Jul 19	31 Aug 19	
Interim	01 Apr 19	31 May 19	
Interim	01 Jan 19	28 Feb 19	
<i>Year end 30 June</i>			
<i>Since 6 April 2017, distributions are paid gross.</i>			

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): B6ZS1L8
Sedol (Acc): B6ZS248
ISIN (Inc): GB00B6ZS1L87
ISIN (Acc): GB00B6ZS2486

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



Bryn Jones
Fund Manager

Lead Manager, asset allocation and stock selection. Bryn joined Rathbones in November 2004. He is also manager of the Rathbone Ethical Bond Fund. He has over 20 years of investment industry experience in equity and fixed income markets and holds the Investment Management Certificate.



Noelle Cazalis
Fund Manager

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

Fund ratings



Manager ratings



Bryn Jones

Asset allocation overall

Data as at 30.11.19



- UK corporate bonds: 34.12%
- UK governments bonds: 20.68%
- Global high yield bonds: 12.56%
- Emerging markets: 8.79%
- Global corporate bonds (investment grade credit): 8.77%
- Global government bonds: 4.92%
- UK indexed-linked: 2.96%
- Other: 0.09%
- Cash: 7.11%

I-Class fund performance

Data as at 30.11.19

	1 year	3 years	5 years
Rathbone Strategic Bond Fund	5.90%	12.39%	20.47%
IA Sterling Strategic Bond Sector	8.89%	13.03%	19.60%
Quartile rank	4	3	2

Discrete annual performance, quarter ending 30 September

	2015	2016	2017	2018	2019
Rathbone Strategic Bond Fund	0.76%	8.28%	5.34%	0.89%	4.36%
IA Sterling Strategic Bond Sector	1.05%	8.37%	3.27%	-0.11%	7.08%

Data since launch (03.10.11)

	Max Drawdown**	Volatility**	Turnover***
Rathbone Strategic Bond Fund	-2.14	2.31%	259.78%
IA Sterling Strategic Bond Sector	-3.56	2.98%	
Median	-5.06	4.02%	

Price performance based upon bid to bid prior to 21.01.19 and single price (mid) thereafter. 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.

Top 5 direct holdings

UK Government as at 30.11.19	% of whole fund
UK Treasury 0.0% 03/02/2020	5.70
UK Treasury 0.875% 22/10/2029	4.27
UK Treasury 4.5% 07/09/2034	2.97
UK Treasury 0.0% 17/02/2020	2.52
UK Treasury Index Linked Gilt 1.875% 22/11/2022	2.48
Non-UK Government as at 30.11.19	% of whole fund
Aviva 5.9021% Perp	1.57
Pension Insurance 7.375% Perp	1.34
Royal London 4.875% 07/10/2049	1.23
Rothsay Life 8.0% 30/10/2025	1.17
Bank of Scotland 7.281% Perp	1.08

Top 5 funds holdings

Data as at 30.11.19	% of whole fund
Ashmore SICAV Emerging Markets Total Return Fund	3.67
Barings Emerging Markets Debt Blended Total Return Fund	2.93
Angel Oak Multi-Strategy Income Fund	2.54
Muzinich Funds Asia Credit Opportunities Fund	2.38
TCW Funds - MetWest Unconstrained Bond Fund	1.92

Rathbone Unit Trust Management Limited

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Credit quality distribution

(Direct bonds portion) as at 30.11.19 [†]	%
AAA	4.71
AA	40.43
A	4.95
BBB	40.21
BB	4.51
B	0.96
NR	4.23

You should know

Important information

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

Changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Details of tax levels and reliefs may change in the future. The value of any tax relief depends on individual circumstances. If you have any doubts about your tax position, or the suitability of this investment, you should seek professional advice.

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

Derivatives and forward transactions may be used by the fund for investment purposes as well as for the purposes of efficient portfolio management (including 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.

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 and deposits. Use may be made of stocklending, borrowing, hedging and other investment techniques permitted by the FCA rules and by the investment limits set out in the Prospectus.

As the Manager's annual fee is taken out from capital, distributable income will be increased at the expense of capital which will either be eroded or future growth constrained. All charges are deducted from the fund's capital.

Information notes

*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.

[†]The OCF includes the charges for the underlying funds held in the product. 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 performance data Financial Express, price performance based upon bid to bid prior to 21.01.19 and single price (mid) thereafter. This is net of expenses and tax. Data using prices as at 30.11.2019. **Volatility and Maximum drawdown given on a 5 year rolling basis.

***Turnover is calculated on a 1 year rolling basis.

[†]Credit quality distribution ratings from various sources

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Source and Copyright Citywire: Bryn Jones is A rated by Citywire for his three year risk adjusted performance for the period 31.10.2016-31.10.2019.

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Authorised and regulated by the Financial Conduct Authority

A member of the Investment Association (IA)

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