RATHBONES

ACTIVE INCOME AND GROWTH FUND

Task Force on Climate-Related Financial Disclosures Product Report

June 2024

Rathbones Asset Management

FUND OBJECTIVES AND COMMENTARY

Fund investment objective

We aim to deliver an annual income of 2.5% averaged over any rolling five-year period. 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. 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.

JAMES CODRINGTON
Fund Manager

Fund manager's commentary

For both the orderly and disorderly scenarios the climate value-at-risk is high as some of the companies the fund is invested in are exposed to high emission industries such as the energy sector. Some companies held within the fund are also more likely to be negatively impacted by a faster climate transition as they will need to accelerate their strategies towards a lower carbon future. Companies are regularly reviewed, and their low carbon transition plans are taken into account as part of evaluating their risk profile.

The fund has exposure to the energy sectors as part of its investment strategy. This increases the funds climate value-at-risk. The fund also invests in companies that have exposure to low carbon technologies, products and services that form part of the climate transition. This lowers its climate value-at-risk.

CARBON METRICS

The purpose of this report is to provide you with a summary of the possible impact of climate change, both the risks and opportunities, on the securities held within the fund. Reporting period 1st January 2023 to 31st December 2023. Calculation date 31st December 2023.

Rathbones' approach to governance, strategy, risk management and Group / Entity level metrics can be found in the Group / Entity TCFD report. A glossary of terms used in this document can be found here - https://www.rathbones.com/ri-glossary. The value of investments may increase or decrease due to the impact of climate change. Rathbones believes that there is sufficient data coverage to rely on these figures.

WEIGHTED AVERAGE CARBON INTENSITY (WACI)

The carbon intensity of the fund weighted by the amount invested in each company, which serve as a measurement of emissions performance of the fund (for Scope 1+ Scope 2).
This is calculated in tonnes CO_2e divided by £M sales.

105.2

Tonnes CO_2e/£M sales

Data coverage 70%

TOTAL CARBON FOOTPRINT

The total carbon emissions of the fund divided by the total value of the fund. This is calculated in tonnes CO_2e divided per £M invested.

48.8

Tonnes CO_2e/£M invested

Data coverage 67%

SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

The sum of the total operational emissions from securities within the fund. This is calculated in tonnes CO_2e.

10,217

Tonnes CO_2e

Data coverage 67%

SCOPE 3 GREENHOUSE GAS EMISSIONS

The total indirect emissions that the fund is responsible for, within its value chain, including: employee travel, waste disposal, leased assets and franchises.

112,523

Tonnes CO_2e

Data coverage 67%

IMPLIED TEMPERATURE RISE

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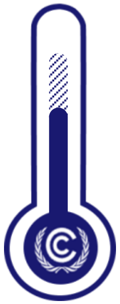
The Implied Temperature Rise (ITR) is a forward-looking metric which provides an indication of how well the fund aligns with the ambitions of the Paris Agreement calculated in degrees Celsius.



1.7°C Active Income & Growth Fund

1.5 - 2°C

Paris agreement target

HOW DO THESE SCENARIOS ALIGN TO PARIS AGREEMENT COMMITMENTS?

The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping the global temperature rise this century to well below 2 degrees Celsius above pre-industrial levels.

SCENARIO ANALYSIS

Climate value-at-risk attempts to assess the potential financial loss or gain from the fund as a result of climate change, including the impact of: climate policy; new technology opportunities; physical risks.

The 3 scenarios of climate change which we have assessed shows how a global temperature increase of between 1.5ºC and 3ºC by 2100 may impact the fund. We calculate these using the Network for Greening the Financial System (NGFS) REMIND model, accessed through MSCI.

	ORDERLY TRANSITION	DISORDERLY TRANSITION	HOT HOUSE WORLD
Global temperature rise	+ 1.5ºC	+ 1.5ºC	+ 3.0ºC
Application of climate policies	Climate policies are introduced and gradually become more stringent	Climate policies are delayed or inconsistent across countries	Global efforts are insufficient to halt significant global warming
Active Income and Growth Fund Climate value-at-risk (Data coverage: 73%)	-9.0%	-10.9%	-4.3%
Climate scenarios Climate scenario analysis helps us understand the implications of possible climate scenarios on our investment portfolio, and the resilience of our investment strategies in the transition to a net zero economy. Our approach to scenario analysis involves assessing the exposure of our equity and corporate bonds holdings by applying MSCI's Climate Value-at-Risk methodology.	Orderly scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.	Disorderly scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors. For example, carbon prices would have to increase abruptly after a period of delay.	Hot house world scenarios assume that some climate policies are implemented in some jurisdictions, but globally efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts like sea-level rise..

ADDITIONAL INFORMATION

This is a financial promotion relating to a particular fund. Any views and opinions are those of the investment manager, and coverage of any assets held must be taken in the context of the constitution of the fund and in no way reflects an investment recommendation.

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. Past performance should not be seen as an indication of future performance.

Use of MSCI data to calculate our investment metrics: This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although Rathbones Group Plc's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose.

Information valid at date of presentation.

Tax regimes, bases and reliefs may change in the future.

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