



# RATHBONE ETHICAL BOND FUND

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# RATHBONE ETHICAL BOND FUND

## **AUTHORISED FUND MANAGER (THE MANAGER)**

Rathbones Asset Management Limited  
30 Gresham Street  
London EC2V 7QN  
Telephone 020 7399 0399

**A member of the Rathbones Group  
Authorised and regulated by the  
Financial Conduct Authority and member  
of The Investment Association**

Prior to 15 July 2024 the registered address for  
Rathbones Asset Management Limited was:  
8 Finsbury Circus  
London EC2M 7AZ

Effective 30 November 2023, Rathbone Unit  
Trust Management Limited changed its name to  
Rathbones Asset Management Limited.

## **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

## **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**

## **INDEPENDENT AUDITOR**

Deloitte LLP  
Statutory Auditor  
110 Queen Street  
Glasgow G1 3BX

## **DIRECTORS OF THE MANAGER**

RP Stockton – Chairman  
(resigned 1 December 2023)  
MM Webb – Chief Executive Officer  
(resigned 1 December 2023)  
T Carroll – Chief Investment Officer and  
Chief Executive Officer  
E Renals – Chief Operating Officer  
(resigned 2 December 2024)  
JA Rogers – Chief Distribution Officer and  
Chair of the Board (appointed 1 December 2023)  
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**

## **TRUSTEE**

NatWest Trustee and Depositary 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 IA Sterling Corporate Bond sector, after fees, over any rolling five-year period.

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

We use the IA Sterling Corporate Bond sector as a target for our fund's return because we aim to consistently outperform the average return of our competitors.

## 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 Cs Plus 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

**Conviction:** The Plus: We think differently to the market; sometimes contrarian, sometimes sceptical of orthodox thinking, but always opinionated

Meanwhile, Rathbone Greenbank, an ethical research division of our company, assesses potential investments against positive and negative social and environmental criteria. Finally, we compare prices to determine the best value bonds to include in our fund.

## INVESTMENT POLICY

To meet the objective, the fund manager will invest at least 80% of our fund in corporate bonds with an investment-grade rating (AAA to BBB-). The remaining 20% of the fund is invested in corporate bonds with a credit rating below BBB- or with no rating at all.

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

The fund may invest globally but at least 80% of the portfolio will be invested in sterling denominated assets or hedged back to sterling.

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 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.

The manager will apply ethical criteria and screening in order to avoid investing in companies involved in specific activities or engaged in behaviour that is considered to be of concern to ethical investors. The fund will seek to invest in companies that are aware of their wider responsibilities to society and the environment.

Further details in relation to the current ethical and sustainability criteria may be obtained by contacting Rathbones Asset Management. Investors should be aware that these criteria may change over time.

# INVESTMENT REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024

## PERFORMANCE

In the 12 months ended 30 September 2024, your fund (I-class accumulation units) gained 13.12%, while the IA Sterling Corporate Bond returned 10.91%.

## MARKET OVERVIEW

For well over two years, global bond markets have borne the brunt of one of the most aggressive interest rate-rising cycles on record as the world's biggest central banks hiked rates from near-zero in a bid to tame persistently high inflation. Now, after a long wait, those rates are starting to fall back once more.

At the start of the period, the benchmark 10-year UK government bond yield was 4.51%. By 30 September 2024, after a quarter-percentage-point cut from the Bank of England (BoE) in August, it had dropped back to 4.01%. Those figures in isolation don't show just how hugely volatile the 10-year yield has been over the last year. In December 2023 it had dropped to 3.51% as it was reported that the UK had fallen into recession in the second half of the year. The yield then rebounded in the spring to roughly 4.20% because the UK's inflation rate proved stickier than elsewhere. As 2024 progressed, inflation fell below 4% back towards the central bank's target of 2%.

Inflation has receded abroad as well, allowing most major central banks to cut interest rates, most notably the US Federal Reserve (Fed) and the European Central Bank (ECB). By and large, the broader global economy has proved remarkably resilient in the face of high interest rates. The US in particular has defied gloomy predictions of a looming recession driven by much higher borrowing costs that squeezed away at businesses and consumers' spending power.

Global government bond yields have been very sensitive to forecasts of rate cuts - especially to the expected path of US rates. Contradictory and volatile economic data along with circumspect guidance from the Fed's rate-setting committee members has led the market to second-guess the path of rates many times over the past 12 months. This is likely to continue.

Even though this was a turbulent period for government bonds, corporate bond markets have proved remarkably resilient. Credit spreads (the extra yields that corporate bonds offer over government debt to compensate for their higher default risks) tightened for much of the year, bar a few temporary spikes in April, June and August. The iTraxx European Crossover Index spread fell from 426 basis points (bps) to 311bps.

That overall tightening reflects growing investor confidence that the global economy will manage to swerve a deep recession that might trigger a deluge of defaults and downgrades, despite the big increase in borrowing costs over the last couple of years.

## PORTFOLIO ACTIVITY

We don't invest in mainstream UK government gilts as the government is involved in some areas prohibited by our screening criteria. Instead, we focus on the UK's green sovereign bonds ('Green Gilts') as an ethical alternative. We traded our Green Gilts throughout period, buying more when yields rose and selling some of them when yields fell. To do this, we bought and sold the UK Green Gilt 1.5% 2053 and 0.875% 2033 bonds.

Early in the period we bought some newly issued insurer Phoenix 7.75% 2053 bonds. These bonds were issued to replace some Phoenix bonds that we owned which it had asked bondholders to 'tender' (sell back). When issuers tender for their bonds, they can sweeten the deal by offering to buy them at premium prices, giving us scope to lock in attractive price gains. We also bought some newly issued French investment bank Société Générale Senior Non-preferred 5.75% 2032 bonds that we felt were attractively priced. These bonds rank towards the top of the bank's liability stack (which means this debt would be repaid ahead of lower-ranking, more subordinated bonds if the bank collapsed).

As credit spreads rallied over the period, we sold the Lloyds Banking Group 2.707% 2035 as we thought it was a prudent way for us to reduce some risk. It was the longest-dated tier 2 bond that we owned. Tier 2 is much further down the company's credit hierarchy, so would be paid back behind other, more senior debt. This specific bond happens to be a very big issue, which means that it is easier to trade so its spread often widens quickly when credit comes under pressure as investors sell what they can.

# INVESTMENT REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024

(continued)

We also sought to dial down risk by seeking out shorter-dated corporate bonds. Many of these bonds' yields got close to those on offer from longer-term corporate bonds. That meant they could deliver attractive carry (coupon income) alongside less credit and duration risk because of their shorter maturity (i.e. there's less time before maturity for rates to change and defaults to occur). In the first quarter of 2024, for example, we bought some attractively priced Coventry Building Society 5.875% 2030 bonds. And we sold some of our longer-dated corporate bonds. These included some asset manager Legal & General 5.5% 2064 bonds that we felt looked a touch overvalued. In addition, we sold some UK insurer Hiscox 6.125% 2045 bonds because of concerns that their credit rating could be downgraded from investment grade to high yield (in the event, this didn't happen).

This volatility hasn't just been limited to the US. As Continental economic data continues to disappoint, it seems increasingly likely that the ECB will cut rates again in October and thus increase their current rate-cutting pace of 0.25% each quarter. Here at home, BoE Governor Andrew Bailey suggested in a recent interview an openness to picking up the pace of rate cuts, assuming continued progress on inflation. Albeit other rate-setting committee members take a less dovish view. And then there's the Budget at the end of October, which could change the supply of gilts.

Given the economic uncertainty driving large volatility in bond markets, we think the wild times will continue for a while yet. But at the same time, we think bond yields offer good value for the risk we're taking on.

## OUTLOOK

While government bond volatility dropped back in 2024 compared with the extremes of 2022 and 2023, it's still been a wild ride.

Take just the last two months of our reporting period: first an exceptionally weak US jobs report for July sparked 'manic Monday' in early August and a significant rally in US Treasury yields. Investors anticipated the Fed starting its interest rate-cutting cycle with a double-strength 50-basis-point cut which duly arrived. However, by late September yields had rapidly unravelled again as stronger economic data made investors re-evaluate whether the Fed could continue cutting at the pace many had hoped.

**Bryn Jones**  
Lead Fund Manager

**Stuart Chilvers**  
Fund Manager

# ETHICAL REPORT FOR THE FULL YEAR ENDED 30 SEPTEMBER 2024

In the year to 30 September 2024, the Fund has invested in new bonds issued by the following organisations whose products and services provide benefits to society or the environment and/or who demonstrate good practice in responsible business matters.

## BIODIVERSITY AND NATURE

Unlocking flows of private finance to support nature preservation and restoration will play a vital role in global efforts to halt and reverse biodiversity loss. In August 2024, the fund invested in the World Bank Amazon Reforestation Outcome Bond – an innovative investment that supports reforestation of degraded, unproductive pastureland in the Amazon rainforest. The bond's principal of \$225 million is protected by the World Bank (through the International Bank for Reconstruction and Development, IBRD). The bond provides investors with a fixed guaranteed coupon and a variable coupon linked to the generation of carbon credits from reforestation projects.

Proceeds from this bond are directed towards reforestation efforts in the Amazon rainforest through Mombak, a Brazilian company that partners with local landowners. Together, they reforest the land with native tree species, which not only helps address climate change through the removal and capture of carbon from the atmosphere, but also restores vital ecosystems.

## FINANCIAL INSTITUTIONS

During the year, the Fund invested in a number of bonds issued by insurance and banking groups that demonstrate good management of environmental, social and governance issues, as assessed by Greenbank's ethical, sustainable and impact research team. These include building societies such as Coventry and Saffron building societies which all have a strong focus on retail banking and promoting access to finance.

The Fund has also invested in bonds issued by larger financial institutions including: Crédit Agricole, a leader in supporting issuance of green and sustainable debt that has ambitious climate goals for its own operations; and Aviva, which has ambitious targets to reduce its own climate impacts, in addition to progressively tightening policies

on provision of financial services to companies involved in fossil fuels.

Bonds issued by organisations such as Pension Insurance Corporation, NN Group and CNP Assurances that display good corporate social responsibility practices have also been bought over the year.

In addition to an assessment of how well financial institutions are managing their direct social and environmental impacts, we are placing an increasing focus in our analysis on the management of indirect impacts via financing and investment activities.

## GREEN, SOCIAL AND SUSTAINABILITY (GSS) BONDS

These are bonds where the proceeds are used to support specified environmental or social activities or projects. Entities issuing GSS bonds publish a framework of eligible activities that proceeds can be used to support and then provide ongoing reporting on where proceeds have been allocated.

The Fund has invested in a number of GSS bonds over the year, including a green bond issued by the Australian government to bolster existing federal green spending and form part of the country's climate change transition and environmental transition plans. Proceeds raised by the bond will finance projects relating to renewable energy, energy efficiency, low-carbon transport, green buildings, climate change adaptation, agriculture, forestry, land conservation and restoration, biodiversity conservation, water infrastructure and waste management.

Additional green bonds purchased in the fund include issuance from Société Générale, the real estate group Logicor, and the utility groups Suez and SSE. Eligible projects for financing across these green bond frameworks include: building energy efficiency upgrades, renewable energy, carbon transport, water management and water treatment.

## ENGAGEMENT

Greenbank's ethical, sustainable and impact research team (which provides ethical screening services for the fund) has engaged with a number of holdings over the year to 30 September 2024.

# ETHICAL REPORT FOR THE FULL YEAR ENDED 30 SEPTEMBER 2024

(continued)

This has included both thematic engagement on sustainability issues and tactical engagement in response to emerging issues and concerns with investee organisations. We continue to encourage holdings to adopt decarbonisation strategies aligned to the aims of the Paris Agreement on climate change. We have written to holdings to set out investor expectations on this issue in line with the Net Zero Investment Framework and continued to hold detailed discussions with National Grid on progress in aligning to a net zero emissions pathway.

Human rights is another priority area for engagement and Greenbank has engaged with several holdings on the issue of digital human rights – including how IT and telecoms companies are responding to emerging risks surrounding AI and how they ensure protection of their users’ privacy and freedom of expression. We have engaged on this issue both individually and as part of a newly launched collaborative engagement initiative on ethical AI convened by the World Benchmarking Alliance.

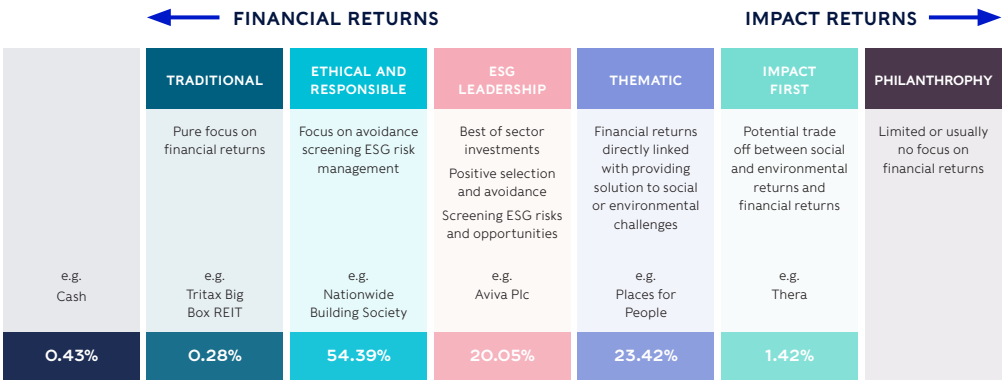
## PORTFOLIO ETHICAL & SUSTAINABILITY CHARACTERISTICS

Various different terms are used to describe responsible, sustainable and impact investment approaches with no universally accepted definition or terminology for each.

The Fund’s style has typically been described as ‘ethically balanced’, applying both positive and negative screening criteria. However, while not primarily focused on companies addressing sustainability or impact issues, a meaningful proportion (between 15% and 25%) of the Fund has been invested in issuers addressing key sustainability or impact themes in recent years.

The Fund is active across five of the categories below: Traditional, Ethical & Responsible, ESG Leadership, Thematic and, to a lesser extent, Impact First. In practice, the boundaries between the different approaches are gradual rather than clearly delineated.

## SPECTRUM OF CAPITAL



Source: Graphic modified from Bridges Ventures’ Spectrum of Capital Rathbones, 30 September 2024. Please note that due to rounding the total may not always be 100.00%.

The positive element of the Fund’s ethical research process does, however, also recognise key global sustainable development trends and identifies investee companies’ exposure to these. Many of these overlap, but can be broadly divided into two groups: environmental sustainability and social development.

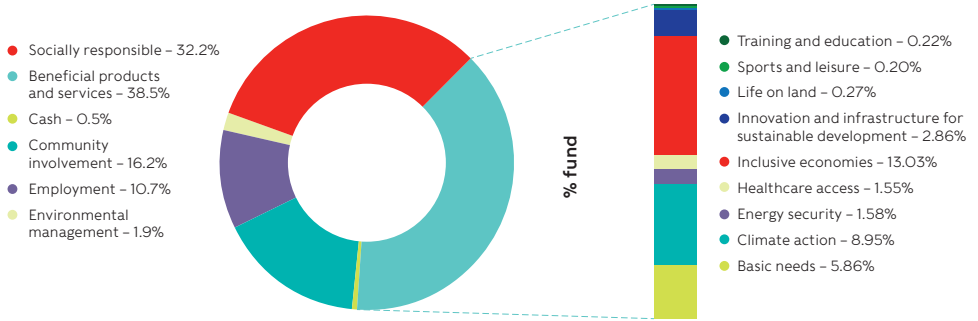
The chart below sets out the portion of the Fund’s exposure to companies offering solutions to various sustainability challenges (“beneficial products and services”) as well as the primary ethical attributes of the remaining portion of the Fund’s portfolio.



# ETHICAL REPORT FOR THE FULL YEAR ENDED 30 SEPTEMBER 2024

(continued)

While not directly linked to sustainability solutions via the products and services they provide, many holdings also have significant positive attributes associated with the way in which they operate and align with the requirements of the Fund's positive criteria (those classified as "socially responsible" address more than one positive aspect).



# NET ASSET VALUE PER UNIT AND COMPARATIVE TABLES

## R-CLASS INCOME UNITS<sup>#</sup>

	<b>30.09.24</b> pence per unit	30.09.23 pence per unit	30.09.22 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	<b>74.19p</b>	71.09p	96.70p
Return before operating charges*	<b>4.90p</b>	7.66p	(21.16p)
Operating charges	<b>(0.32p)</b>	(0.97p)	(1.14p)
Return after operating charges*	<b>4.58p</b>	6.69p	(22.30p)
Distributions on income units	<b>(0.96p)</b>	(3.59p)	(3.31p)
Redemption price	<b>(77.81p)</b>	–	–
Closing net asset value per unit	–	74.19p	71.09p
*after direct transaction costs <sup>1</sup> of:	<b>0.01p</b>	0.00p	0.00p

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

## PERFORMANCE

Return after charges	<b>6.17%</b>	9.41%	(23.06%)
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## OTHER INFORMATION

Closing net asset value	–	£4,036,078	£4,845,243
Closing number of units	–	5,440,276	6,815,379
Operating charges**	–	1.28%	1.28%
Direct transaction costs	<b>0.01%</b>	0.00%	0.00%

## PRICES\*\*\*

Highest unit price	<b>79.91p</b>	79.84p	97.57p
Lowest unit price	<b>73.12p</b>	69.59p	72.02p

<sup>#</sup> R-class income merged into I-class income on 26 January 2024.

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

# NET ASSET VALUE PER UNIT AND COMPARATIVE TABLES (continued)

## R-CLASS ACCUMULATION UNITS<sup>#</sup>

	30.09.24 pence per unit	30.09.23 pence per unit	30.09.22 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	<b>194.22p</b>	177.45p	231.94p
Return before operating charges*	<b>12.80p</b>	19.24p	(51.72p)
Operating charges	<b>(0.84p)</b>	(2.47p)	(2.77p)
Return after operating charges*	<b>11.96p</b>	16.77p	(54.49p)
Distributions on accumulation units	<b>(2.53p)</b>	(9.13p)	(8.04p)
Retained distributions on accumulation units	<b>2.53p</b>	9.13p	8.04p
Redemption Price	<b>(206.18p)</b>	–	–
Closing net asset value per unit	–	194.22p	177.45p
*after direct transaction costs <sup>1</sup> of:	<b>0.02p</b>	0.00p	0.00p

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

## PERFORMANCE

Return after charges	<b>6.16%</b>	9.45%	(23.49%)
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## OTHER INFORMATION

Closing net asset value	–	£11,317,543	£13,883,234
Closing number of units	–	5,827,297	7,823,661
Operating charges**	–	1.28%	1.28%
Direct transaction costs	<b>0.01%</b>	0.00%	0.00%

## PRICES\*\*\*

Highest unit price	<b>209.19p</b>	201.56p	234.04p
Lowest unit price	<b>191.41p</b>	173.69p	177.62p

<sup>#</sup> R-class accumulation merged into I-class accumulation on 26 January 2024.

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

# NET ASSET VALUE PER UNIT AND COMPARATIVE TABLES (continued)

## I-CLASS INCOME UNITS

	<b>30.09.24</b> pence per unit	30.09.23 pence per unit	30.09.22 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	<b>80.15p</b>	76.33p	103.16p
Return before operating charges*	<b>10.95p</b>	8.22p	(22.67p)
Operating charges	<b>(0.54p)</b>	(0.53p)	(0.62p)
Return after operating charges*	<b>10.41p</b>	7.69p	(23.29p)
Distributions on income units	<b>(4.32p)</b>	(3.87p)	(3.54p)
Closing net asset value per unit	<b>86.24p</b>	80.15p	76.33p
*after direct transaction costs <sup>1</sup> of:	<b>0.02p</b>	0.00p	0.00p

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

## PERFORMANCE

Return after charges	<b>12.99%</b>	10.07%	(22.58%)
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## OTHER INFORMATION

Closing net asset value	<b>£510,637,219</b>	£690,178,845	£582,186,517
Closing number of units	<b>592,110,863</b>	861,067,119	762,729,809
Operating charges**	<b>0.65%</b>	0.66%	0.66%
Direct transaction costs	<b>0.02%</b>	0.00%	0.00%

## PRICES\*\*\*

Highest unit price	<b>88.20p</b>	85.90p	104.18p
Lowest unit price	<b>79.03p</b>	74.73p	77.32p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

# NET ASSET VALUE PER UNIT AND COMPARATIVE TABLES (continued)

## I-CLASS ACCUMULATION UNITS

	<b>30.09.24</b> pence per unit	30.09.23 pence per unit	30.09.22 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	<b>207.66p</b>	188.55p	244.92p
Return before operating charges*	<b>28.70p</b>	20.45p	(54.87p)
Operating charges	<b>(1.43p)</b>	(1.34p)	(1.50p)
Return after operating charges*	<b>27.27p</b>	19.11p	(56.37p)
Distributions on accumulation units	<b>(11.39p)</b>	(9.74p)	(8.15p)
Retained distributions on accumulation units	<b>11.39p</b>	9.74p	8.15p
Closing net asset value per unit	<b>234.93p</b>	207.66p	188.55p

\*after direct transaction costs<sup>1</sup> of: **0.04p**      0.00p      0.00p

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

## PERFORMANCE

Return after charges **13.13%**      10.14%      (23.02%)

## OTHER INFORMATION

Closing net asset value	<b>£1,081,124,739</b>	£1,115,024,795	£1,206,199,895
Closing number of units	<b>460,191,921</b>	536,940,110	639,710,393
Operating charges**	<b>0.65%</b>	0.66%	0.66%
Direct transaction costs	<b>0.02%</b>	0.00%	0.00%

## PRICES\*\*\*

Highest unit price	<b>237.19p</b>	214.64p	247.34p
Lowest unit price	<b>204.74p</b>	184.60p	188.73p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

# NET ASSET VALUE PER UNIT AND COMPARATIVE TABLES (continued)

## S-CLASS INCOME UNITS

	30.09.24 pence per unit	30.09.23 pence per unit	30.09.22 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	<b>82.54p</b>	78.50p	105.95p
Return before operating charges*	<b>11.27p</b>	8.47p	(23.31p)
Operating charges	<b>(0.43p)</b>	(0.44p)	(0.51p)
Return after operating charges*	<b>10.84p</b>	8.03p	(23.82p)
Distributions on income units	<b>(4.44p)</b>	(3.99p)	(3.63p)
Closing net asset value per unit	<b>88.94p</b>	82.54p	78.50p
*after direct transaction costs <sup>1</sup> of:	<b>0.01p</b>	0.00p	0.00p

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

## PERFORMANCE

Return after charges	<b>13.13%</b>	10.23%	(22.48%)
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## OTHER INFORMATION

Closing net asset value	<b>£324,713,611</b>	£180,100,230	£175,483,285
Closing number of units	<b>365,088,066</b>	218,199,253	223,540,743
Operating charges**	<b>0.52%</b>	0.52%	0.52%
Direct transaction costs	<b>0.02%</b>	0.00%	0.00%

## PRICES\*\*\*

Highest unit price	<b>90.96p</b>	88.39p	107.02p
Lowest unit price	<b>81.40p</b>	76.86p	79.53p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

# NET ASSET VALUE PER UNIT AND COMPARATIVE TABLES (continued)

## S-CLASS ACCUMULATION UNITS

	<b>30.09.24</b> pence per unit	30.09.23 pence per unit	30.09.22 pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	<b>102.65p</b>	93.08p	120.74p
Return before operating charges*	<b>14.19p</b>	10.10p	(27.07p)
Operating charges	<b>(0.55p)</b>	(0.53p)	(0.59p)
Return after operating charges*	<b>13.64p</b>	9.57p	(27.66p)
Distributions on accumulation units	<b>(5.64p)</b>	(4.81p)	(4.20p)
Retained distributions on accumulation units	<b>5.64p</b>	4.81p	4.20p
Closing net asset value per unit	<b>116.29p</b>	102.65p	93.08p

\*after direct transaction costs<sup>1</sup> of: **0.02p**      0.00p      0.00p

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

## PERFORMANCE

Return after charges **13.29%**      10.28%      (22.91%)

## OTHER INFORMATION

Closing net asset value	<b>£82,860,888</b>	£57,476,847	£35,064,772
Closing number of units	<b>71,254,433</b>	55,991,603	37,671,723
Operating charges**	<b>0.52%</b>	0.52%	0.52%
Direct transaction costs	<b>0.02%</b>	0.00%	0.00%

## PRICES\*\*\*

Highest unit price	<b>117.40p</b>	106.01p	121.96p
Lowest unit price	<b>101.22p</b>	91.13p	93.17p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

\*\*\* These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/closing net asset value per unit being higher or lower than the published highest or lowest prices for the period.

# RISK AND REWARD PROFILE

## RISK AND REWARD PROFILE AS PUBLISHED IN THE FUND'S MOST RECENT KEY INVESTOR INFORMATION DOCUMENT



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

### QUARTER ENDING 30 SEPTEMBER 2024

	2020	2021	2022	2023	2024
R-class units	5.02%	4.09%	-23.25%	8.87%	N/A
I-class units	5.67%	4.74%	-22.77%	9.55%	13.12%
S-class units	5.82%	4.88%	-22.67%	9.69%	13.28%
IA Sterling Corporate Bond sector	4.21%	1.26%	-20.53%	7.28%	10.91%

Source performance data Financial Express, 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 2024

Holding		Value (note 1e) £	Percentage of total net assets
<b>Bonds (30.09.2023 : 98.27%)</b>			
<b>Mortgage Bonds (30.09.2023 : 0.39%)</b>			
£9,123,625	Finance for Residential Social Housing 8.369% 04/10/2058	6,200,392	0.31
£1,917,847	Finance for Residential Social Housing 8.569% 04/10/2058	1,093,305	0.05
£600,000	Finance for Residential Social Housing PLC 8.569% 04/10/2058	403,086	0.02
\$3,000,000	Goodgreen 2020-1 Trust 2.63% 15/04/2055	997,492	0.05
\$888,000	Hero Funding Trust 3.19% 20/09/2048	135,547	0.01
\$500,000	Hero Funding Trust 3.28% 20/09/2048	69,095	—
£4,800,000	Vantage Data Centers Jersey 6.172% 28/05/2039	4,897,243	0.25
		<b>13,796,160</b>	<b>0.69</b>
<b>Supranational Bonds (30.09.23: 0.38%)</b>			
\$20,000,000	International Bank 1.745% Step 31/07/2033	<b>15,160,398</b>	<b>0.76</b>
<b>Corporate Bonds (30.09.23: 91.64%)</b>			
\$19,131,000	abrdn 4.25% 30/06/2028	13,671,744	0.68
NLG8,900,000	Aegon 1.506% VRN perp	2,524,527	0.13
\$12,000,000	Aegon 5.5% VRN 11/04/2048	8,926,267	0.45
€2,000,000	Aegon 5.625% VRN perp	1,639,108	0.08
€4,300,000	Aegon FRN perp	2,897,977	0.15
£2,962,700	Aggregate Micro Power Infrastructure 8% 17/10/2036	2,817,066	0.14
\$2,727,000	American Museum of Natural History 3.121% 15/07/2052	1,481,126	0.07
£9,300,000	Anchor Hanover 2% 21/07/2051	4,825,330	0.24
\$7,864,000	Argentum Netherlands 4.625% VRN perp	5,877,982	0.29
£28,600,000	Assicurazioni Generali 6.269% perp	28,700,569	1.44
£259,000	Aster Treasury 4.5% 18/12/2043	233,157	0.01
€22,200,000	Athora 6.625% 16/06/2028	19,877,843	0.99
€12,700,000	Audax Renovables 4.2% 18/12/2027	9,198,434	0.46
£19,479,000	Aviva 4% VRN 03/06/2055	16,233,220	0.81
£3,972,000	Aviva 4.375% VRN 12/09/2049	3,759,628	0.19
£2,559,000	Aviva 5.125% VRN 04/06/2050	2,473,350	0.12
£90,000	Aviva 6.125% VRN 14/11/2036	92,088	—
£15,063,000	Aviva 6.125% VRN 12/09/2054	14,976,312	0.75
£17,691,000	Aviva 6.875% VRN 27/11/2053	18,583,056	0.93
£33,203,000	Aviva 6.875% VRN 20/05/2058	34,454,019	1.72
€2,000,000	AXA 0% VRN perp	1,547,584	0.08
\$16,750,000	AXA 4.5% perp	11,488,426	0.57
\$46,800,000	AXA 6.379% VRN perp	38,838,196	1.94

# PORTFOLIO AND NET OTHER ASSETS AS AT 30 SEPTEMBER 2024

(continued)

Holding	Value (note 1e) £	Percentage of total net assets
\$14,865,000 AXA FRN perp	10,370,093	0.52
\$2,353,000 BAC Capital Trust 4% VRN perp	1,489,449	0.07
£8,700,000 Banco Bilbao Vizcaya Argent 3.104% VRN 15/07/2031	8,316,444	0.42
£5,400,000 Banco Bilbao Vizcaya Argent 8.25% VRN 30/11/2033	5,863,123	0.29
€12,380,200 Banco Santander 1% VRN perp	10,181,658	0.51
£39,400,000 Banco Santander 2.25% VRN 04/10/2032	35,813,186	1.79
£3,100,000 Banco Santander 4.75% VRN 30/08/2028	3,099,706	0.16
£7,500,000 Banco Santander 5.375% 17/01/2031	7,642,798	0.38
£9,200,000 Banco Santander 5.5% 11/06/2029	9,320,879	0.47
€7,350,000 Banco Santander FRN perp	5,223,870	0.26
€15,520,000 Barclays Bank 4.75% VRN perp	12,499,827	0.63
\$18,650,000 Beazley 5.875% 04/11/2026	14,073,530	0.70
\$19,979,000 Beazley Insurance DAC 5.5% 10/09/2029	14,821,786	0.74
£8,800,000 BPCE 2.5% VRN 30/11/2032	7,971,643	0.40
AUD8,000,000 BPCE 4.5% 26/04/2028	4,002,903	0.20
£15,100,000 BPCE 4.875% 22/10/2030	15,067,902	0.75
£6,500,000 BPCE 5.375% 22/10/2031	6,502,937	0.33
AUD8,660,000 BPCE 6.3424% VRN 29/09/2028	4,574,738	0.23
\$5,000,000 Bridge Housing Corporation 3.25% 15/07/2030	3,407,929	0.17
£7,900,000 Brit Insurance 6.625% VRN 09/12/2030	6,401,102	0.32
£4,242,000 BUPA Finance 4% VRN perp	3,213,654	0.16
£32,495,000 BUPA Finance 4.125% 14/06/2035	27,242,914	1.36
£300,000 Burnham And Weston Energy CIC 5% Index-Linked 31/03/2036	226,832	0.01
\$4,545,000 California Endowment 2.498% 01/04/2051	2,240,128	0.11
£3,448,000 Canal & River Trust 2.85% Series A Senior 19/01/2043	2,487,387	0.12
£4,358,000 Channel Link FRN 30/12/2050	3,309,615	0.17
£9,900,000 Clarion Funding 1.25% 13/11/2032	7,459,818	0.37
£5,025,000 Clarion Funding 1.875% 22/01/2035	3,721,511	0.19
£4,812,000 Clarion Funding 5.375% 30/05/2057	4,739,495	0.24
£3,636,000 Close Brothers 7.75% 14/06/2028	3,794,330	0.19
€7,000,000 CNP Assurances 5.25% VRN perp	5,766,932	0.29
€10,300,000 CNP Assurances FRN perp	7,972,203	0.40
£175,000 Coigach Community CIC 5% Index-Linked 31/03/2030	133,752	0.01
£4,820,000 Cooperative Bank 11.75% VRN 22/05/2034	5,832,412	0.29
£20,721,000 Coventry Building Society 5.875% VRN 12/03/2030	21,141,995	1.06
£7,821,000 Coventry Building Society 8.75% VRN perp	8,079,093	0.40
£2,600,000 Coventry Building Society 12.125% PIBS perp	4,439,913	0.22
£2,200,000 Credit Agricole 1.874% VRN 09/12/2031	2,040,974	0.10

# PORTFOLIO AND NET OTHER ASSETS AS AT 30 SEPTEMBER 2024

(continued)

Holding		Value (note 1e) £	Percentage of total net assets
£3,800,000	Credit Agricole 4.875% 23/10/2029	3,813,313	0.19
£6,100,000	Credit Agricole 5.75% VRN 09/11/2034	6,087,013	0.30
£9,000,000	CYBG 4% VRN 03/09/2027	8,826,525	0.44
£3,660,000	Direct Line Insurance 4% 05/06/2032	3,117,866	0.16
\$3,360,000	Dresdner Funding Trust 8.151% 30/06/2031	2,827,104	0.14
£162,000	Ecology Building Society 9.625% VRN perp	142,835	0.01
£1,975,000	Ellenbrook Developments 3.3894% Index-Linked 31/07/2032	1,299,592	0.07
£195,000	Fixed Rate Unsecured Bonds 4.5% 30/04/2026	185,465	0.01
\$4,500,000	Ford Foundation 2.415% 01/06/2050	2,211,408	0.11
£130,000	Glasgow Together 4% 29/07/2022	2,132	0.00
£10,803,000	Grainger 3% 03/07/2030	9,411,624	0.47
£3,589,000	Grainger 3.375% 24/04/2028	3,352,148	0.17
£12,674,000	Greater Gabbard 4.137% 29/11/2032	7,320,626	0.37
£7,750,000	Gwynt y Mor OFTO 2.778% 17/02/2034	4,163,424	0.21
£4,600,000	Hannover Rueck 3.375% VRN perp	3,809,279	0.19
£51,729,000	HSBC Bank 5.844% VRN perp	54,540,363	2.73
\$5,000,000	Intesa Sanpaolo 7.7% VRN perp	3,723,042	0.19
£8,382,000	Investec Bank 1.25% VRN 11/08/2026	6,821,521	0.34
£29,422,000	Investec Bank 1.875% VRN 16/07/2028	26,662,081	1.33
£21,014,000	Investec Bank 2.625% VRN 04/01/2032	19,285,653	0.96
£9,300,000	Investec Bank 9.125% VRN 06/03/2033	10,009,868	0.50
£1,000,000	Investec Bank 10.5% VRN perp	1,087,530	0.05
£1,646,000	Jupiter Fund Management 8.875% VRN 27/07/2030	1,673,365	0.08
£1,322,000	Just 3.5% 07/02/2025	1,308,494	0.07
£16,043,000	Just 5% VRN perp	13,028,199	0.65
£20,002,000	Just 6.875% 30/03/2035	19,993,815	1.00
£7,650,000	Just 8.125% 26/10/2029	8,268,671	0.41
£10,953,000	Just 9% 26/10/2026	11,824,695	0.59
\$25,200,000	La Mondiale SAM 4.8% VRN 18/01/2048	18,247,103	0.91
£34,991,000	Legal & General 3.75% VRN 26/11/2049	31,957,221	1.60
£9,525,000	Legal & General 4.5% VRN 01/11/2050	8,875,646	0.44
\$2,360,000	Legal & General 5.25% VRN 21/03/2047	1,759,404	0.09
£12,839,000	Legal & General 5.375% VRN 27/10/2045	12,802,817	0.64
£3,743,000	Legal & General 5.5% VRN 27/06/2064	3,573,238	0.18
£12,501,000	Legal & General 5.625% VRN perp	11,503,420	0.58
£165,000	Linton Hydro Limited 5.25% Index-Linked 18/09/2030	121,411	0.01
£17,951,000	Liverpool Victoria Friendly Society 6.5% VRN 22/05/2043	18,265,143	0.91
£5,851,000	Lloyds Banking 1.985% VRN 15/12/2031	5,466,937	0.27

# PORTFOLIO AND NET OTHER ASSETS AS AT 30 SEPTEMBER 2024

(continued)

Holding		Value (note 1e) £	Percentage of total net assets
£4,183,000	Lloyds Banking 2.707% VRN 03/12/2035	3,509,516	0.18
AUD5,050,000	Lloyds Banking 5.3906% VRN 10/06/2027	2,630,863	0.13
£17,976,000	Lloyds Banking 6.625% VRN 02/06/2033	18,507,133	0.93
£8,000,000	Logicor 2019-1 1.875% 17/11/2031	7,538,898	0.38
€5,300,000	Logicor Financing 2% 17/01/2034	3,694,537	0.19
£10,313,000	London and Quadrant Housing Trust 2% 31/03/2032	8,361,365	0.42
£6,102,000	London and Quadrant Housing Trust 2.25% 20/07/2029	5,399,915	0.27
£4,054,000	London and Quadrant Housing Trust 2.625% 28/02/2028	3,771,846	0.19
£2,955,000	London Merchant Securities 6.5% 16/03/2026	2,991,810	0.15
£2,212,000	M&G 5% VRN 20/07/2055	2,052,763	0.10
£17,443,000	M&G 5.625% VRN 20/10/2051	16,913,308	0.85
£6,314,000	M&G 5.7% VRN 19/12/2063	6,056,430	0.30
£5,100,000	M&G 6.25% VRN 20/10/2068	4,763,701	0.24
\$4,593,000	Massachusetts Department of Higher Education 2.673% 01/07/2031	2,973,346	0.15
£3,263,000	Motability Operations 2.125% 18/01/2042	2,138,434	0.11
£4,360,000	Motability Operations 4.875% 17/01/2043	4,079,204	0.20
£12,882,000	Motability Operations 5.625% 24/01/2054	12,978,639	0.65
£6,944,000	Motability Operations 5.75% 11/09/2048	7,187,746	0.36
£5,500,000	Motability Operations 5.75% 17/06/2051	5,648,690	0.28
£5,833,000	National Grid Electricity Distribution 5.35% 10/07/2039	5,685,663	0.28
£7,882,000	National Grid Electricity Distribution 5.818% 31/07/2041	7,975,461	0.40
£6,523,000	National Grid Electricity Transportation 5.272% 18/01/2043	6,154,755	0.31
£2,500,000	Nationwide Building Society 5.75% VRN perp	2,414,325	0.12
£5,570,000	Nationwide Building Society 5.769% perp	5,458,600	0.27
£1,556,000	Nationwide Building Society 6.25% VRN perp	1,551,916	0.08
£8,907,000	Nationwide Building Society 7.5% VRN perp	8,951,535	0.45
£3,000,000	Nationwide Building Society 7.859% VRN perp	2,980,042	0.15
\$900,000	Nature Conservancy 1.154% 01/07/2027	612,891	0.03
\$6,875,000	Nature Conservancy 3.957% 01/03/2052	4,446,760	0.22
£2,423,000	NatWest 2.057% VRN 09/11/2028	2,230,146	0.11
£4,305,000	NatWest 2.105% VRN 28/11/2031	4,035,668	0.20
€5,000,000	NatWest 3.575% VRN 12/09/2032	4,190,852	0.21
€2,692,000	NatWest 3.673% VRN 05/08/2031	2,280,021	0.11
£11,000,000	NatWest 5.642% VRN 17/10/2034	10,930,315	0.55
£10,185,000	NatWest 7.416% VRN 06/06/2033	10,734,257	0.54
£10,059,000	NN Group 6% VRN 03/11/2043	9,277,429	0.46
NOK24,500,000	Norlandia Health & Care FRN 04/07/2028	1,768,832	0.09
£1,998,000	Notting Hill Genesis 2% 03/06/2036	1,429,896	0.07

# PORTFOLIO AND NET OTHER ASSETS AS AT 30 SEPTEMBER 2024

(continued)

Holding		Value (note 1e) £	Percentage of total net assets
£1,033,000	Notting Hill Housing 3.25% 12/10/2048	725,263	0.04
£1,357,000	Notting Hill Housing 3.75% 20/12/2032	1,242,146	0.06
£200,000	Nottinghamshire YMCA 6% 28/02/2027	186,060	0.01
£1,900,000	Orbit Capital 2% 24/11/2038	1,294,925	0.06
£1,790,000	Orbit Capital 3.375% 14/06/2048	1,288,094	0.06
£3,500,000	Orsted 2.5% VRN 18/02/3021	2,590,000	0.13
£440,000	Our Power Social Purpose 6.5% 31/01/2021*	—	—
£150,000	Paces Sheffield 6% 31/08/2029	127,320	0.01
£4,854,000	Paragon 2% 07/05/2036	3,447,016	0.17
£8,825,000	Paragon 4.375% VRN 25/09/2031	8,477,648	0.42
£4,583,000	Peabody Capital No.2 2.75% 02/03/2034	3,765,333	0.19
£3,688,000	Pension Insurance 3.625% 21/10/2032	3,051,018	0.15
£22,463,000	Pension Insurance 4.625% 07/05/2031	20,479,647	1.02
£5,500,000	Pension Insurance 5.625% 20/09/2030	5,346,545	0.27
£12,279,000	Pension Insurance 6.875% 15/11/2034	12,424,189	0.62
£17,000,000	Pension Insurance 8% 13/11/2033	18,471,139	0.92
\$1,027,000	Phoenix 4.75% VRN 04/09/2031	754,162	0.04
£3,000,000	Phoenix 5.625% 28/04/2031	2,909,293	0.15
£15,330,000	Phoenix 5.867% 13/06/2029	15,282,575	0.76
£35,000,000	Phoenix 7.75% VRN 06/12/2053	37,235,457	1.86
£6,993,000	Places for People Homes 3.625% 22/11/2028	6,643,213	0.33
£5,981,000	Places for People Treasury 2.5% 26/01/2036	4,472,926	0.22
£4,227,000	Places for People Treasury 6.25% 06/12/2041	4,444,746	0.22
£5,042,000	Platform HG Financing 5.342% 10/04/2050	5,003,206	0.25
£11,225,000	Principality Building Society 8.625% 12/07/2028	12,256,181	0.61
£3,911,000	Prologis International Funding II 3% 22/02/2042	2,807,455	0.14
£5,500,000	QBE Insurance 2.5% VRN 13/09/2038	4,876,045	0.24
£920,000	Quadrant Housing 7.93% Step 10/02/2033	722,109	0.04
£8,000,000	Quilter 8.625% VRN 18/04/2033	8,508,320	0.43
£5,160,000	Rabobank Nederland 4.625% 23/05/2029	5,039,708	0.25
£1,297,000	RCB Bonds 3.5% 08/12/2033	998,690	0.05
£553,200	Retail Charity Bonds 3.9% 23/11/2029	494,804	0.03
£1,331,200	Retail Charity Bonds 4% 31/10/2027	1,186,752	0.06
£2,414,800	Retail Charity Bonds 4.25% 30/03/2026	2,288,699	0.11
£1,089,800	Retail Charity Bonds 4.25% 06/07/2028	1,021,589	0.05
£871,800	Retail Charity Bonds 4.4% 30/04/2027	849,351	0.04
£1,598,800	Retail Charity Bonds 4.5% 20/06/2026	1,509,907	0.08
£900,000	Retail Charity Bonds 5% 27/03/2030	791,361	0.04
£40,570,000	RL Finance Bonds 4.875% VRN 07/10/2049	33,608,472	1.68

# PORTFOLIO AND NET OTHER ASSETS AS AT 30 SEPTEMBER 2024

(continued)

Holding	Value (note 1e) £	Percentage of total net assets	
£27,151,000	RL Finance Bonds 6.125% 13/11/2028	27,815,616	1.39
£8,527,000	RL Finance Bonds 10.125% VRN perp	9,584,050	0.48
£16,007,000	Rothesay Life 3.375% 12/07/2026	15,526,724	0.78
\$13,306,000	Rothesay Life 4.875% VRN perp	9,187,156	0.46
£26,200,000	Rothesay Life 5% VRN perp	21,336,756	1.07
£3,370,000	Rothesay Life 6.875% VRN perp	3,308,076	0.17
£12,281,000	Rothesay Life 7.019% 10/12/2034	12,673,829	0.63
£10,912,000	Rothesay Life 8% 30/10/2025	11,150,355	0.56
£4,500,000	Royal Bank of Scotland 3.125% VRN 28/03/2027	4,378,401	0.22
£25,328,000	Royal Bank of Scotland 3.622% VRN 14/08/2030	24,986,427	1.25
£300,000	Saffron Building Society 12.5% VRN 19/10/2034	300,000	0.02
£916,000	Santander UK 5.875% 14/08/2031	862,016	0.04
£4,407,000	Santander UK 7.098% VRN 16/11/2027	4,580,162	0.23
£800,000	Santander UK 7.482% VRN 29/08/2029	864,843	0.04
€7,200,000	Scatec ASA FRN 19/08/2025	5,960,696	0.30
£9,821,000	Schroders 6.346% VRN 18/07/2034	10,015,781	0.50
£3,636,000	Scottish Hydro Electric Transmission 5.5% 15/01/2044	3,574,824	0.18
£21,022,000	Scottish Widows 7% 16/06/2043	22,314,262	1.12
£16,757,000	Skipton Building Society 6.25% VRN 25/04/2029	17,288,199	0.87
€1,900,000	Società Cattolica di Assicurazione 4.25% VRN 14/12/2047	1,595,771	0.08
\$5,000,000	Societe Generale 4.75% VRN perp	3,490,565	0.17
£28,400,000	Societe Generale 5.75% VRN 22/01/2032	28,359,539	1.42
£10,000,000	Societe Generale 6.25% 22/06/2033	10,638,861	0.53
\$11,300,000	Societe Generale 8% VRN perp	8,509,291	0.43
£91,500	South Bristol Sports Centre 7% 31/12/2027	37,604	—
£1,364,000	Sovereign Housing Capital 5.5% 24/01/2057	1,358,084	0.07
£9,146,000	Stonewater Funding 1.625% 10/09/2036	6,361,541	0.32
£6,200,000	Suez 6.625% 05/10/2043	6,724,351	0.34
\$5,600,000	Swiss Re Finance 5% VRN 02/04/2049	4,233,422	0.21
£14,113,000	TC Dudgeon Ofto 3.158% 12/11/2038	10,240,814	0.51
£1,117,000	Telereal Securitisation 1.3657% 10/12/2033	585,951	0.03
£2,270,000	Telereal Securitisation 1.9632% VRN 10/12/2033	2,161,971	0.11
£5,169,000	Telereal Securitisation FRN 10/12/2033	3,994,603	0.20
£089,500	Thera Trust 5.5% 31/12/2025	76,308	—
£410,500	Thera Trust 7.25% 31/03/2029	294,246	0.02
£850,000	TP ICAP Finance 7.875% 17/04/2030	916,854	0.05
£300,000	Triodos Bank 4% 30/11/2030	288,150	0.01
€3,500,000	Triodos Bank 4.875% VRN 12/09/2029	2,925,293	0.15
£17,680,000	Virgin Money UK 2.625% VRN 19/08/2031	16,814,511	0.84

# PORTFOLIO AND NET OTHER ASSETS AS AT 30 SEPTEMBER 2024

(continued)

Holding		Value (note 1e) £	Percentage of total net assets
£14,359,000	Virgin Money UK 5.125% VRN 11/12/2030	14,258,500	0.71
£2,727,000	Virgin Money UK 7.625% VRN 23/08/2029	2,969,900	0.15
£6,650,000	Virgin Money UK 8.25% VRN perp	6,813,590	0.34
£12,256,000	Vodafone International Financing 5.125% 02/12/2052	10,984,040	0.55
£2,043,000	Welltower 4.5% 01/12/2034	1,899,250	0.10
£700,000	Welltower 4.8% 20/11/2028	695,573	0.04
\$12,766,000	WK Kellogg Foundation Trust 2.443% 01/10/2050	6,171,457	0.31
£12,023,000	Wods Transmission 3.446% 24/08/2034	7,457,029	0.37
£3,786,000	Yorkshire Building Society 1.5% VRN 15/09/2029	3,309,028	0.17
£22,614,000	Yorkshire Building Society 3.375% VRN 13/09/2028	21,202,122	1.06
£15,846,000	Yorkshire Building Society 3.511% VRN 11/10/2030	14,719,967	0.74
£269,000	Yorkshire Building Society 6.375% VRN 15/11/2028	278,790	0.01
£1,000,000	Yorkshire Building Society 7.375% VRN 12/09/2027	1,040,908	0.05
\$13,520,000	Zurich Finance Ireland Designated 3% VRN 19/04/2051	8,866,637	0.44
£10,874,000	Zurich Finance Ireland Designated 5.125% VRN 23/11/2052	10,531,751	0.53
		<b>1,770,418,778</b>	<b>88.55</b>
<b>Government Bonds (30.09.23: 5.86%)</b>			
AUD10,000,000	Australia Government Bond 4.25% 21/06/2034	5,282,039	0.26
£27,100,000	UK Treasury Gilt 0.875% 31/07/2033	20,954,804	1.05
£262,205,000	UK Treasury Gilt 1.5% 31/07/2053	134,671,110	6.74
		<b>160,907,953</b>	<b>8.05</b>
<b>Total Bonds</b>			
		<b>1,960,283,289</b>	<b>98.05</b>
<b>Forward Foreign Exchange Contracts (30.09.23: (0.26%))</b>			
	Buy £1,705,742 Sell NOK24,121,475	(2,540)	—
	Buy £20,891,843 Sell AUD40,968,215	(316,261)	(0.02)
	Buy £115,246,701 Sell €136,079,845	1,653,563	0.08
	Buy £226,268,062 Sell \$296,890,173	4,880,889	0.25
	Buy \$6,728,351 Sell £5,166,387	(149,142)	(0.01)
	Buy AUD10,023,278 Sell £5,178,560	10,212	—
		<b>6,076,721</b>	<b>0.30</b>
<b>Total value of investments (30.09.23: 98.01%)</b>		<b>1,966,360,010</b>	<b>98.35</b>
<b>Net other assets (30.09.23: 1.99%)</b>		<b>32,976,447</b>	<b>1.65</b>
<b>Total value of the fund as at 30 September 2024</b>		<b>1,999,336,457</b>	<b>100.00</b>

\* Delisted

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

## STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	30.09.24 £	30.09.24 £	30.09.23 £	30.09.23 £
Income					
Net capital gains	3		<b>162,251,943</b>		114,162,632
Revenue	4	<b>103,752,085</b>		102,349,350	
Expenses	5	<b>(12,488,397)</b>		(13,844,904)	
Net revenue before taxation		<b>91,263,688</b>		88,504,446	
Taxation	6	<b>(17,035)</b>		(9,265)	
Net revenue after taxation			<b>91,246,653</b>		88,495,181
<b>Total return before distributions</b>			<b>253,498,596</b>		202,657,813
Distributions	7		<b>(103,646,130)</b>		(101,740,272)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>149,852,466</b>		100,917,541

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	30.09.24 £	30.09.24 £	30.09.23 £	30.09.23 £
<b>Opening net assets attributable to unitholders</b>		<b>2,058,134,338</b>		2,017,662,946
Amounts receivable on issue of units	<b>108,422,321</b>		245,934,400	
Amounts payable on cancellation of units	<b>(375,827,818)</b>		(366,028,022)	
		<b>(267,405,497)</b>		(120,093,622)
Change in net assets attributable to unitholders from investment activities (see Statement of total return above)		<b>149,852,466</b>		100,917,541
Retained distributions on accumulation units		<b>58,754,788</b>		59,647,473
Unclaimed distributions		<b>362</b>		–
<b>Closing net assets attributable to unitholders</b>		<b>1,999,336,457</b>		2,058,134,338



## BALANCE SHEET AS AT 30 SEPTEMBER 2024

	Note	30.09.24 £	30.09.24 £	30.09.23 £	30.09.23 £
<b>Assets</b>					
<b>Fixed assets:</b>					
Investments			<b>1,966,827,953</b>		2,022,612,285
<b>Current assets:</b>					
Debtors	8	<b>43,650,361</b>		62,889,465	
Cash and bank balances		<b>21,104,839</b>		12,654,787	
Total current assets			<b>64,755,200</b>		75,544,252
<b>Total assets</b>			<b>2,031,583,153</b>		2,098,156,537
<b>Liabilities</b>					
Investment liabilities		<b>(467,943)</b>		(5,401,055)	
<b>Creditors:</b>					
Bank overdrafts		<b>(10,361)</b>		—	
Other creditors	9	<b>(20,938,238)</b>		(23,387,558)	
Distribution payable on income units		<b>(10,830,154)</b>		(11,233,586)	
<b>Total liabilities</b>			<b>(32,246,696)</b>		(40,022,199)
<b>Net assets attributable to unitholders</b>			<b>1,999,336,457</b>		2,058,134,338

# 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 Manager's responsibilities in relation to the report and accounts of the fund on page 41, the Manager 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

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.

### 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 assets will be priced at cost until a market price becomes available.

If the Stock Exchange quotation of an investment has been suspended, and in the opinion of the Manager, it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are value based on the latest financial statements of the respective company and agreed with the Trustee.

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.

Unquoted investments are valued at fair value, which represents the Manager's view of the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction at the maximum price a buyer is willing to pay for the asset. This does not assume that the underlying business is saleable at the reporting date or that its current shareholders have an intention to sell their holding in the near future.

The unquoted investments are valued by the Manager based upon information from an independent valuation firm, taking into account, where appropriate, latest dealing prices, achievement or not of key milestones, valuations from reliable sources, financial performance, and other relevant factors.

### 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 mid exchange rates ruling on that date.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1 ACCOUNTING POLICIES (continued)

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.

### h) Unit classes rights on termination, allocation of tax and distributable income

The fund may be terminated if an order declaring the fund to be an authorised unit trust scheme is revoked, or the Financial Conduct Authority (FCA) determines to revoke the order at the request of the Trustee or the Manager. In the case of a reconstruction or an amalgamation of the fund with another body or trust, on the passing of an extraordinary resolution of holders of units approving the amalgamation. The Trustee shall wind up the fund in accordance with that resolution. On the termination of the fund in any other case, the Trustee shall sell the investments, and out of the proceeds of the sale shall settle the fund's liabilities and pay the costs and expenses of the winding up before distributing the proceeds of the realisation to unitholders and the Manager proportionally to their respective interests in the fund. Any unclaimed proceeds or cash held by the Trustee after the expiration of 12 months from the date on which the same became payable shall be paid by the Trustee into court subject to the Trustee having a right to retain any expenses incurred by it in making such payment into court. On the completion of the winding-up the trustee must notify the FCA to revoke the relevant authorisation order.

Allocation of tax and distributable income is done proportionally to the unitholders respective interests in the fund.

## 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 unitholders.

For the purpose of calculating the distribution available to unitholders, the Manager's charge is charged to capital, offsetting expenses against capital may constrain future growth in revenue and capital.

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

Distributions remaining unclaimed after 6 years are paid into the fund as part of the capital property.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3 NET CAPITAL GAINS

	30.09.24	30.09.23
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	<b>137,745,377</b>	92,109,952
Currency gains/(losses)	<b>943,226</b>	(221,428)
Forward currency contracts	<b>23,747,928</b>	22,275,910
Transaction charges	<b>(184,588)</b>	(1,802)
Net capital gains	<b>162,251,943</b>	114,162,632

### 4 REVENUE

	30.09.24	30.09.23
	£	£
Dividends – Overseas	–	324,417
Interest on debt securities	<b>102,784,148</b>	100,925,365
Bank interest	<b>967,937</b>	1,099,537
Inland revenue interest received	–	31
Total revenue	<b>103,752,085</b>	102,349,350

### 5 EXPENSES

	30.09.24	30.09.24	30.09.23	30.09.23
	£	£	£	£
Payable to the Manager, associates of the Manager and agents of either of them:				
Manager's periodic charge		<b>12,429,985</b>		13,193,447
Payable to the Trustee, associates of the Trustee and agents of either of them:				
Trustee's fees	<b>209,616</b>		217,913	
Safe custody and other bank charges	<b>(152,540)</b>		211,299	
		<b>57,076</b>		429,212
Other expenses:				
Administration fees	<b>(82,269)</b>		138,076	
Audit fee*	<b>33,000</b>		29,400	
Bank interest payable	<b>10,187</b>		7,754	
Printing and publication costs	<b>3,404</b>		3,455	
Registration fees	<b>37,014</b>		43,560	
		<b>1,336</b>		222,245
Total expenses		<b>12,488,397</b>		13,844,904

\* Audit fees for 2024 is £20,000 excluding VAT (30.09.23: £26,000 excluding VAT).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6 TAXATION

	30.09.24 £	30.09.23 £
a) Analysis of charge in the year		
Irrecoverable overseas tax	17,035	10,365
(Recoverable)/Irrecoverable Income tax	–	(1,100)
Total tax charge for the year (note 6b)	17,035	9,265

#### 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 Authorised Unit Trust (20%) (30.09.23: 20%). The differences are explained below.

	30.09.24 £	30.09.23 £
Net revenue before taxation	91,263,688	88,504,446
Corporation tax at 20%	18,252,738	17,700,889
Effects of:		
Revenue not subject to taxation	–	(64,883)
Tax deductible interest distribution	(18,252,738)	(17,636,006)
Irrecoverable overseas tax	17,035	10,365
(Recoverable)/Irrecoverable Income tax	–	(1,100)
Corporate tax charge	17,035	9,265

#### c) Deferred tax

At the year end the fund had no surplus management expenses (30.09.23: £nil) and no deferred tax asset has been recognised.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7 DISTRIBUTIONS

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

	30.09.24 £	30.09.23 £
First Interim	25,870,507	24,547,619
Second Interim	25,261,640	24,670,459
Third Interim	24,998,409	25,143,725
Final	25,697,603	26,280,047
	<b>101,828,159</b>	100,641,850
Add: Amounts deducted on cancellation of units	2,575,749	2,401,822
Deduct: Amounts received on issue of units	(757,778)	(1,303,400)
Net distribution for the year	<b>103,646,130</b>	101,740,272

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

Net distribution for the year	103,646,130	101,740,272
Expenses charged to capital:		
Manager's periodic charge	(12,429,985)	(13,193,447)
Equalisation on conversions	986	(39)
Balance brought forward	(53,354)	(104,959)
Balance carried forward	82,876	53,354
Net revenue after taxation	<b>91,246,653</b>	88,495,181

### 8 DEBTORS

	30.09.24 £	30.09.23 £
Amounts receivable for issue of units	126,334	408,731
Sales awaiting settlement	5,694,808	20,525,267
Accrued revenue	37,826,207	41,952,328
Taxation recoverable	3,012	3,139
Total debtors	<b>43,650,361</b>	62,889,465

### 9 OTHER CREDITORS

	30.09.24 £	30.09.23 £
Amounts payable for cancellation of units	4,074,650	7,215,927
Purchases awaiting settlement	15,736,843	14,596,880
Accrued expenses	102,021	509,744
Accrued Manager's periodic charge	1,024,724	1,065,007
Total other creditors	<b>20,938,238</b>	23,387,558

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10 RECONCILIATION OF UNITS

	R-class income	R-class accumulation	I-class income	I-class accumulation
Opening units issued at 01.10.23	5,440,276	5,827,297	861,067,119	536,940,110
Unit movements 01.10.23 to 30.09.24				
Units issued	124,189	138,969	50,737,466	14,376,185
Units cancelled	(183,196)	(420,764)	(157,685,853)	(91,867,550)
Units converted	(5,381,269)	(5,545,502)	(162,007,869)	743,176
Closing units issued at 30.09.24	—	—	592,110,863	460,191,921

	S-class income	S-class accumulation
Opening units issued at 01.10.23	218,199,253	55,991,603
Unit movements 01.10.23 to 30.09.24		
Units issued	19,322,975	15,181,060
Units cancelled	(31,237,657)	(11,339,061)
Units converted	158,803,495	11,420,831
Closing units issued at 30.09.24	365,088,066	71,254,433

### 11 RELATED PARTY TRANSACTIONS

Management fees paid to Rathbone Unit Trust Management Limited (the Manager) are disclosed in note 5 and amounts outstanding at the year end in note 9.

Details of units created and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and note 7.

There were no commissions paid to stockbroking of the Manager in respect of dealings in the investments of Rathbones Ethical Bond Fund during the year (30.09.23: 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 unitholders (30.09.23: nil).

### 12 CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or outstanding commitments at the balance sheet date (30.09.23: nil).

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 13 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 main risks arising from the financial instruments are:

(i) **Foreign currency risk**, being the risk that the value of assets and liabilities will fluctuate as a result of exchange rate movements. The value of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated rates.

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

	30.09.24 £	30.09.23 £
Currency:		
Australian dollar	<b>715,897</b>	355,611
Dutch florin	<b>2,538,179</b>	–
Euro	<b>5,351,225</b>	3,292,236
Norwegian krone	<b>103,958</b>	–
US dollar	<b>7,778,920</b>	5,795,546
Pound sterling	<b>1,982,845,267</b>	2,048,687,806
	<b>1,999,333,446</b>	2,058,131,199
Other net assets not categorised as financial instruments	<b>3,011</b>	3,139
Net assets	<b>1,999,336,457</b>	2,058,134,338

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 £1,498,925 (30.09.23: £858,490). 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 £1,832,020 (30.09.23: £1,049,266). These calculations assume all other variables remain constant.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13 RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (continued)

(ii) Interest rate risk, being the risk that the value of assets and liabilities will fluctuate as a result of interest rate changes.

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

	30.09.24 £	30.09.23 £
Fixed rate assets:	<b>899,509,405</b>	793,467,719
Floating rate assets:	<b>1,081,878,723</b>	1,241,799,353
Assets on which no interest is paid:	<b>50,192,014</b>	62,886,326
Floating rate liabilities:	<b>(10,361)</b>	–
Liabilities on which no interest is paid:	<b>(32,236,335)</b>	(40,022,199)
Other net assets not categorised as financial instruments	<b>3,011</b>	3,139
<b>Net assets</b>	<b>1,999,336,457</b>	2,058,134,338

If interest rates had increased by 1% as at the balance sheet date, the net asset value of the fund would have decreased by £172,671,338(30.09.23: £100,930,320). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the fund would have increased by £172,671,338 (30.09.23: £100,930,320). 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.

	30.09.24		30.09.23	
	Value (note 1e) £	Percentage of total net assets	Value (note 1e) £	Percentage of total net assets
<b>Bond credit rating</b>				
Investment grade	<b>1,807,329,859</b>	<b>90.39</b>	1,898,530,251	92.24
Below investment grade	<b>83,493,805</b>	<b>4.17</b>	69,018,711	3.35
Unrated stocks***	<b>69,459,625</b>	<b>3.49</b>	55,063,323	2.68
<b>Total Bonds</b>	<b>1,960,283,289</b>	<b>98.05</b>	2,022,612,285	98.27

\*\*\* Stocks not rated by S&P, Moody or Fitch

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 Manager 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 Trust Deed 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 £196,636,001 (30.09.23: £201,721,123). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £196,636,001 (30.09.23: £201,721,123). These calculations assume all other variables remain constant.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13 RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (continued)

(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 the fund which would increase its exposure.

### 14 PORTFOLIO TRANSACTION COST

For the year ended 30 September 2024

#### Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	1,416,774	—	—	—	—
Bond transactions	1,035,820,795	150,033	0.01	—	—
Corporate actions	255,500	—	—	—	—
Total purchases before transaction costs	1,037,493,069	150,033		—	
Total purchases including commission and taxes	1,037,643,102				

#### Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Bond transactions	989,472,897	225,341	0.02	—	—
Corporate actions	246,856,862	—	—	—	—
Total sales including transaction costs	1,236,329,759	225,341		—	
Total sales net of commission and taxes	1,236,104,418				

The fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 30/09/2024.

Commissions and taxes as % of average net assets

Commissions	0.02%
Taxes	0.00%

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 14 PORTFOLIO TRANSACTION COST (continued)

For the year ended 30 September 2023

### Analysis of total purchase costs

	Value £	Commissions		Taxes	
		£	%	£	%
Equity transactions	303,838	—	—	—	—
Bond transactions	845,246,737	—	—	—	—
Total purchases before transaction costs	845,550,575	—		—	
Total purchases including commission and taxes	845,550,575				

### Analysis of total sales costs

	Value £	Commissions		Taxes	
		£	%	£	%
Equity transactions	14,893,888	7,519	0.05	29	—
Bond transactions	753,871,345	—	—	—	—
Corporate actions	122,343,259	—	—	—	—
Total sales including transaction costs	891,108,492	7,519		29	
Total sales net of commission and taxes	891,100,944				

The fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 30/09/2023.

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

Commissions	0.00%
Taxes	0.00%

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 0.51% (30.09.23: 0.75%).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 15 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 2024

Category	1	2	3	Total
	£	£	£	£
<b>Investment assets</b>				
Bonds	160,907,953	1,775,142,993	24,232,343	1,960,283,289
Derivatives	—	6,544,664	—	6,544,664
	160,907,953	1,781,687,657	24,232,343	1,966,827,953
<b>Category</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>Investment liabilities</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Derivatives	—	(467,943)	—	(467,943)
	—	(467,943)	—	(467,943)

#### For the year ended 30 September 2023

Category	1	2	3	Total
	£	£	£	£
<b>Investment assets</b>				
Bonds	120,737,314	1,880,889,382	20,985,589	2,022,612,285
	120,737,314	1,880,889,382	20,985,589	2,022,612,285
<b>Category</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>Investment liabilities</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Derivatives	—	(5,401,055)	—	(5,401,055)
	—	(5,401,055)	—	(5,401,055)

# DISTRIBUTION TABLES FOR THE YEAR ENDED 30 SEPTEMBER 2024

## INTEREST DISTRIBUTION (PENCE PER UNIT)

First Interim

Group 1 – Units purchased prior to 1 October 2023

Group 2 – Units purchased on or after 1 October 2023 and on or before 31 December 2023

<b>R-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.24</b>	<b>Paid 28.02.23</b>
Group 1	0.96	—	0.96	0.86
Group 2	0.50	0.46	0.96	0.86

<b>R-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.24</b>	<b>Accumulated 28.02.23</b>
Group 1	2.53	—	2.53	2.16
Group 2	1.46	1.07	2.53	2.16

<b>I-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.24</b>	<b>Paid 28.02.23</b>
Group 1	1.04	—	1.04	0.93
Group 2	0.50	0.54	1.04	0.93

<b>I-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.24</b>	<b>Accumulated 28.02.23</b>
Group 1	2.70	—	2.70	2.29
Group 2	1.37	1.33	2.70	2.29

<b>S-class income units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Paid 28.02.24</b>	<b>Paid 28.02.23</b>
Group 1	1.07	—	1.07	0.96
Group 2	0.51	0.56	1.07	0.96

<b>S-class accumulation units</b>	<b>Income</b>	<b>Equalisation</b>	<b>Accumulated 28.02.24</b>	<b>Accumulated 28.02.23</b>
Group 1	1.34	—	1.34	1.13
Group 2	0.57	0.77	1.34	1.13

# DISTRIBUTION TABLES FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

## INTEREST DISTRIBUTIONS (PENNY PER UNIT) (continued)

Second Interim

Group 1 – Units purchased prior to 1 January 2024

Group 2 – Units purchased on or after 1 January 2024 and on or before 31 March 2024

R-class income units*	Income	Equalisation	Paid 31.05.24	Paid 31.05.23
Group 1	n/a	—	n/a	0.88
Group 2	n/a	n/a	n/a	0.88
R-class accumulation units**	Income	Equalisation	Accumulated 31.05.24	Accumulated 31.05.23
Group 1	n/a	—	n/a	2.21
Group 2	n/a	n/a	n/a	2.21
I-class income units	Income	Equalisation	Paid 31.05.24	Paid 31.05.23
Group 1	1.08	—	1.08	0.94
Group 2	0.43	0.65	1.08	0.94
I-class accumulation units	Income	Equalisation	Accumulated 31.05.24	Accumulated 31.05.23
Group 1	2.83	—	2.83	2.36
Group 2	1.19	1.64	2.83	2.36
S-class income units	Income	Equalisation	Paid 31.05.24	Paid 31.05.23
Group 1	1.11	—	1.11	0.97
Group 2	0.48	0.63	1.11	0.97
S-class accumulation units	Income	Equalisation	Accumulated 31.05.24	Accumulated 31.05.23
Group 1	1.40	—	1.40	1.17
Group 2	0.64	0.76	1.40	1.17

\* R-class income was merged into I-class income on 26 January 2024.

\*\* R-class accumulation was merged into I-class accumulation on 26 January 2024.

# DISTRIBUTION TABLES FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

## INTEREST DISTRIBUTIONS (PENCE PER UNIT) (continued)

Third Interim

Group 1 – Units purchased prior to 1 April 2024

Group 2 – Units purchased on or after 1 April 2024 and on or before 30 June 2024

R-class income units*	Income	Equalisation	Paid 30.08.24	Paid 31.08.23
Group 1	n/a	—	n/a	0.90
Group 2	n/a	n/a	n/a	0.90
R-class accumulation units**	Income	Equalisation	Accumulated 30.08.24	Accumulated 31.08.23
Group 1	n/a	—	n/a	2.30
Group 2	n/a	n/a	n/a	2.30
I-class income units	Income	Equalisation	Paid 30.08.24	Paid 31.08.23
Group 1	1.08	—	1.08	0.97
Group 2	0.58	0.50	1.08	0.97
I-class accumulation units	Income	Equalisation	Accumulated 30.08.24	Accumulated 31.08.23
Group 1	2.86	—	2.86	2.45
Group 2	1.56	1.30	2.86	2.45
S-class income units	Income	Equalisation	Paid 30.08.24	Paid 31.08.23
Group 1	1.11	—	1.11	1.00
Group 2	0.54	0.57	1.11	1.00
S-class accumulation units	Income	Equalisation	Accumulated 30.08.24	Accumulated 31.08.23
Group 1	1.41	—	1.41	1.21
Group 2	0.66	0.75	1.41	1.21

\* R-class income was merged into I-class income on 26 January 2024.

\*\* R-class accumulation was merged into I-class accumulation on 26 January 2024.

# DISTRIBUTION TABLES FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

## INTEREST DISTRIBUTIONS (PENCE PER UNIT) (continued)

Final Interim

Group 1 – Units purchased prior to 1 July 2024

Group 2 – Units purchased on or after 1 July 2024 and on or before 30 September 2024

R-class income units*	Income	Equalisation	Payable 29.11.24	Paid 30.11.23
Group 1	n/a	—	n/a	0.95
Group 2	n/a	n/a	n/a	0.95
R-class accumulation units**	Income	Equalisation	Allocated 29.11.24	Accumulated 30.11.23
Group 1	n/a	—	n/a	2.46
Group 2	n/a	n/a	n/a	2.46
I-class income units	Income	Equalisation	Payable 29.11.24	Paid 30.11.23
Group 1	1.12	—	1.12	1.03
Group 2	0.66	0.46	1.12	1.03
I-class accumulation units	Income	Equalisation	Allocated 29.11.24	Accumulated 30.11.23
Group 1	3.00	—	3.00	2.64
Group 2	1.48	1.52	3.00	2.64
S-class income units	Income	Equalisation	Payable 29.11.24	Paid 30.11.23
Group 1	1.15	—	1.15	1.06
Group 2	0.60	0.55	1.15	1.06
S-class accumulation units	Income	Equalisation	Allocated 29.11.24	Accumulated 30.11.23
Group 1	1.49	—	1.49	1.30
Group 2	0.73	0.76	1.49	1.30

\* R-class income was merged into I-class income on 26 January 2024.

\*\* R-class accumulation was merged into I-class accumulation on 26 January 2024.

### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. 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 units 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.

JA Rogers                      T Carroll  
for Rathbones Asset Management Limited  
Manager of Rathbone Ethical Bond Fund  
*12 December 2024*

# STATEMENT OF THE MANAGER'S RESPONSIBILITIES IN RELATION TO THE ANNUAL REPORT AND ACCOUNTS OF THE RATHBONE ETHICAL BOND FUND

The Financial Conduct Authority's Collective Investment Schemes Sourcebook requires the Manager to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the fund and of the net revenue and of the net capital gains or losses on the property of the fund for that year. In preparing those financial statements, the Manager 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 UK generally accepted accounting principles, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice: 'Financial Statements of UK Authorised Funds' issued by The Investment Association in May 2014;
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in operation; and
6. keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the fund and which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The Manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and for the system of internal controls and for safeguarding of the assets of the fund. The Manager has general responsibility for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Manager is aware:

1. there is no relevant audit information of which the fund's auditor is unaware; and
2. the Manager 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 Manager 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 fund has adequate resources to continue in operational existence for the period of at least twelve months from when the financial statements are authorised for issue.

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 Manager of the fund and authorised for issue on 12 December 2024.

# STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF RATHBONE ETHICAL BOND FUND ('THE FUND') FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Trustee must ensure that the fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together the 'Regulations'), the Trust Deed and Prospectus (together the 'fund documents') as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the fund and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the fund in accordance with the Regulations.

The Trustee must ensure that:

1. the fund's cash flows are properly monitored and that cash of the fund is booked into the cash accounts in accordance with the Regulations;
2. the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
3. the value of units in the fund is calculated in accordance with the Regulations;
4. any consideration relating to transactions in the fund's assets is remitted to the fund within the usual time limits;
5. the fund'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 Trustee also has a duty to take reasonable care to ensure that the fund is managed in accordance with the Regulations and the fund documents in relation to the investment and borrowing powers applicable to the fund.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the fund, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the fund's units and the application of the fund's income in accordance with the Regulations and the fund documents; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the fund.

**NatWest Trustee and Depositary Services Limited**  
Trustee of Rathbone Ethical Bond Fund  
*12 December 2024*

# INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF RATHBONE ETHICAL BOND FUND

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

In our opinion the financial statements of Rathbone Ethical Bond Fund ('the fund'):

- give a true and fair view of the financial position of the fund as at 30 September 2024 and of the net revenue and the net capital gains on the property of the fund for the year ended 30 September 2024; 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 Trust Deed.

We have audited the financial statements of the fund which comprise:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the distribution table; and
- the notes 1 to 15.

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 Trust Deed.

### 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 fund 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 manager'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 fund'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 manager 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 manager 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 UNITHOLDERS OF RATHBONE ETHICAL BOND FUND (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 TRUSTEE AND MANAGER

As explained more fully in the trustee's responsibilities statement and the manager's responsibilities statement, the trustee is responsible for the safeguarding the property of the fund and the manager 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 manager 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 manager is responsible for assessing the fund'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 manager either intends to liquidate the fund 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 fund's industry and its control environment, and reviewed the fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the Authorised Fund Manager about their own identification and assessment of the risks of irregularities, including those that are specific to funds.

We obtained an understanding of the legal and regulatory frameworks that the fund 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 fund's ability to operate or to avoid a material penalty.

# INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF RATHBONE ETHICAL BOND FUND (continued)

We discussed among the audit engagement teams regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. There is an incentive to manipulate holdings and prices used in closing value of investments due to their significance to the net asset values of the sub-funds. 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 and those charged with governance concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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 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 2024 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 fund's unitholders, 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 fund's unitholders 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 fund and the fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Deloitte LLP**  
Statutory Auditor  
Glasgow, United Kingdom  
*12 December 2024*

# GENERAL INFORMATION

## MANAGER NAME

Effective 30 November 2023, Rathbone Unit Trust Management Limited changed its name to Rathbones Asset Management Limited.

## R-CLASS UNITS

On 26 January 2024, the R-class Income Units merged into the I-class Income Units and the R-class Accumulation Units merged into the I-class Accumulation Units.

## SUSTAINABILITY DISCLOSURE REQUIREMENTS (SDR)

Rathbones Asset Management Limited as Authorised Fund Manager have chosen not to pursue voluntary labels in response to the Sustainability Disclosure Requirements (SDR) and investment labels regime.

## AUTHORISED STATUS

The Rathbone Ethical Bond Fund is an authorised unit trust scheme, authorised by the Financial Conduct Authority on 29 October 2001 and launched in May 2002.

It is a 'UCITS Scheme' authorised under Section 243 of the Financial Services and Markets Act 2000, and the currency of the fund is pound sterling.

## VALUATION OF THE FUND

The fund is valued on each business day at 12 noon for the purpose of determining prices at which units in the fund may be bought or sold. Valuations may be made at other times on business days with the Trustee's approval.

## STEWARDSHIP CODE

Rathbones Asset Management Limited fully supports the UK Stewardship Code sponsored by the Financial Reporting Council.

## BUYING AND SELLING OF UNITS

The Manager is available to receive requests for the buying and selling of units on normal business days between 9.00am and 5.00pm and transactions will be effected at prices determined by the next valuation. Application forms for the purchase of units (obtainable from the Manager) should be completed and sent to the dealing office. 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 units are required to enter their registration details on the form supplied with their contract note. Once units are paid for these details will be entered on the unit register.

Units can be sold by telephone, fax or letter followed by despatch to the dealing office of the authorisation to sell duly completed by all unitholders.

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 dealing office 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.

Unitholders may sell units on submitting the purchase contract note and a duly executed Deed of Transfer. The issue and redemption of units will not take place if dealing in the units is suspended by operation of law or any statute for the time being in place.

The minimum initial investment for I-class units is £1,000. The minimum initial investment for the S-class units is £100,000,000.

Thereafter holders may invest additional amounts to the value of £500 or more from time to time as they wish. Any number of units may be subscribed, sold or transferred so long as transaction complies with applicable minimums.

There is no preliminary charge for I-class or S-class units.

## GENERAL INFORMATION (continued)

The Manager received an annual remuneration for managing the R-class property of the fund at the rate of 1.25%.

The Manager currently receives an annual remuneration for managing the I-class property of the fund at the rate of 0.625%.

The Manager currently receives an annual remuneration for managing the S-class property of the fund at a rate of 0.49%.

For more information on our charges, please visit the fund-specific pages of our website: [rathbonesam.com](http://rathbonesam.com)

### STATEMENTS

A distribution statement showing the rate per unit and your unit holding will be sent semi-annually on 31 May and 30 November.

The current value of your units is shown on a valuation statement, which shows the number of units bought over the previous six months, the total number of units in your account and their current value.

Twice yearly on 31 March and 30 September, unitholders will receive a consolidated statement showing, where applicable, their Unit Trust, ICVC and ISA holdings for each fund held.

### PRICES

Prices are available on our website [rathbonesam.com](http://rathbonesam.com)

### OTHER INFORMATION

Copies of the Prospectus, Key Investor Information Document, Supplementary Information Document and the most recent Annual and Interim Reports may be obtained free of charge on application to the Manager or seen by visiting their registered office.

The Register of Unitholders 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, Rathbones Asset Management Limited, 30 Gresham Street, London EC2V 7QN.

If you have any queries or complaints about the operation of the fund you should put them to the Compliance Officer, Rathbones Asset Management Limited, 30 Gresham Street, London EC2V 7QN. 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

An investment in a unit trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the revenue 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 fluctuation in exchange rates, which can be favourable or unfavourable.



## GENERAL INFORMATION (continued)

### 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 [rathbonesam.com](http://rathbonesam.com)

### OTHER FUNDS

Rathbones Asset Management Limited is also the Manager of the following funds:

Rathbone Active Income and Growth Fund  
Rathbone Core Investment Fund for Charities  
Rathbone Global Opportunities Fund  
Rathbone Income Fund  
Rathbone Strategic Bond Fund  
Rathbone UK Opportunities Fund

and the Authorised Corporate Director of:

Rathbone Defensive Growth Portfolio  
Rathbone Dynamic Growth Portfolio  
Rathbone Enhanced Growth Portfolio  
Rathbone Greenbank Defensive Growth Portfolio  
Rathbone Greenbank Dynamic Growth Portfolio  
Rathbone Greenbank Global Sustainability Fund  
Rathbone Greenbank Global Sustainable Bond Fund  
Rathbone Greenbank Strategic Growth Portfolio  
Rathbone Greenbank Total Return Portfolio  
Rathbone High Quality Bond Fund  
Rathbone Strategic Growth Portfolio  
Rathbone Strategic Income Portfolio  
Rathbone Total Return Portfolio

Greenbank and Greenbank Investments are trading names of Rathbones Investment Management Limited

### FURTHER DETAILS

Should you need further details of this fund or any of the other funds managed by Rathbones Asset 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  
Rathbones Asset Management Limited  
30 Gresham Street  
London EC2V 7QN

All literature is available free of charge. Information is also available on our website: [rathbonesam.com](http://rathbonesam.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 Rathbones Asset 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  
Rathbones Asset Management Limited  
30 Gresham Street  
London EC2V 7QN

## GENERAL INFORMATION (continued)

### 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	1,897	4,091	5,988	7
Risk takers	2,461	3,767	6,228	18
Other	159	198	357	1
Total remuneration code staff	4,517	8,056	12,573	26
Non-remuneration code staff	1,707	895	2,602	28
<b>Total for the Manager</b>	<b>6,224</b>	<b>8,951</b>	<b>15,175</b>	<b>54</b>

The variable remuneration disclosed in the table above is for the financial year ended 31 December 2023, 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 Asset Management

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Rathbones Asset Management Limited is authorised and regulated by the Financial Conduct Authority and a member of The Investment Association. A member of the Rathbones Group Plc. Registered office: 30 Gresham Street, London EC2V 7QN. Registered in England No. 02376568.