RATHBONES

I-class units

Contact us 020 7399 0399 ram@rathbones.com

Rathbone Strategic Bond Fund

Investment objective

We aim to deliver a greater total return than the Investment Association (IA) Sterling Strategic Bond sector, after fees, over any rolling five-year period. Total return means the return we receive from the value of our investments increasing (capital growth) plus the income we receive from our investments (interest payments). We use the IA Sterling Strategic Bond sector as a target for our fund's return because we aim to achieve a better return than the average of funds that are similar to ours.

We aim to deliver this return with a lower volatility than the IA Sterling Strategic Bond sector. As an indication, the value of our fund should be expected to fluctuate less than the sector. Because we measure volatility over a five-year period, some falls may be larger or smaller over shorter periods of time. We aim to limit the amount of volatility risk our fund can take because we want our investors to understand the risk they are taking compared to funds similar to ours.

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

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

Management



Bryn Jones
Fund Manager

Lead Manager, asset allocation and stock selection. Bryn joined Rathbones in November 2004. He is also manager of the Rathbone Ethical Bond Fund. He has over 25 years of investment industry experience in equity and fixed income markets and holds the Investment Management Certificate.



Stuart Chilvers
Fund Manager

Stuart joined Rathbones in September 2017. He assists in the management of the Rathbone Ethical Bond Fund and the Rathbone Strategic Bond Fund. He also manages the Rathbone High Quality Bond Fund since April 2023. Stuart holds a first-class Bachelor's degree in Mathematics.



Christie Goncalves
Assistant Fund Manager

Christie joined Rathbones in January 2024. Christie is the assistant fund manager in the fixed income team. She has 15 years of experience in fixed income markets, an honours degree in Investment Management from the University of Pretoria (cum laude), is a CFA Charterholder and holds the Financial Risk Manager qualification.

Fund facts

Manager
Rathbones Asset Management Limited

Trustee
NatWest Trustee and Depositary Services

Date launched/launch price
03 October 2011/100p

Size of fund
Mid-market: £111.28m

Unit price
Income (Inc): 98.56p
Accumulation (Acc): 153.85p

Historical distribution yield*
5.10%

Average yield to maturity
5.80%

Modified duration
5.46 years

Total no. of holdings
146

Initial charge
None

MiFID II charges

Ongoing charges figure (OCF) as at 31.12.2023
0.58%

Transaction costs
0.12%

Total MiFID II charges^
0.70%

Minimum initial investment
£1,000

Minimum additional investments
£500

Distributions per unit

Latest distributions

Interim	1.99p
Interim	1.92p
Annual	2.28p
Interim	1.72p

Historic distributions based on Acc units

	Ex div	Payment
Interim	01 Jan 24	29 Feb 24
Interim	01 Oct 23	30 Nov 23
Annual	01 Jul 23	31 Aug 23
Interim	01 Apr 23	31 May 23

Year end 30 June
Since 6 April 2017, distributions are paid gross.

Dealing/valuation

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

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

Product availability

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

For more information, please see our 'Fund Centre' page on the 'How to Invest' section of our website rathbonesam.com

Fund ratings

FE fundinfo Crown Fund Rating

DYNAMIC PLANNER PROFILED 3

MORNINGSTAR ★★★★

CITYWIRE WINNER BEST FUND GROUP 2020 UK BONDS - STERLING STRATEGIC BOND RATHBONE

Manager ratings

CITYWIRE A
Bryn Jones

CITYWIRE A
Stuart Chilvers

Asset allocation overall

Data as at 29.02.24



I-class fund performance

Data as at 29.02.24	1 year	3 years	5 years
Rathbone Strategic Bond Fund	6.68%	-3.90%	6.80%
IA Sterling Strategic Bond sector	5.73%	-2.79%	9.44%
Quartile rank	2	3	3

Discrete performance, to previous quarter. 12 months ending:	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19
Rathbone Strategic Bond Fund	9.89%	-14.09%	0.84%	7.50%	6.47%
IA Sterling Strategic Bond sector	7.83%	-11.01%	0.77%	6.55%	9.26%

Data since launch (03.10.11)	Max Drawdown**	Volatility**	Turnover***
Rathbone Strategic Bond Fund	-18.18	6.46%	162.06%
IA Sterling Strategic Bond sector	-14.92	6.57%	
Median	-15.94	6.49%	

Data using prices as at 29.02.2024. Price performance based upon bid to bid prior to 21.01.19 and single price (mid) thereafter. Past performance should not be seen as an indication of future performance. The value of investments and the income from them may go down as well as up and you may not get back your original investment.

Top direct holdings

UK Government as at 29.02.24	% of whole fund
UK Treasury 3.25% 22/01/2044	9.61
UK Treasury 1.5% 31/07/2053	5.50
UK Treasury Index Linked Gilt 0.125% 22/03/2029	4.20
UK Treasury 0.5% 22/10/2061	0.06
Non-UK Government as at 29.02.24	**% of whole fund**
US Treasury Inflation Indexed Bonds 1.25% 15/04/2028	3.94
Royal London 4.875% 07/10/2049	2.06
Australian Government 3.0% 21/11/2033	2.02
AXA 6.379% Perp	1.72
Beazley Insurance 5.875% 04/11/2026	1.61

Top 5 funds holdings

Data as at 29.02.24	% of whole fund
Pareto SICAV - Pareto Nordic C	3.31
SQN Asset Finance Income Fund	0.02
Catco Reinsurance Opportunities Fund	0.01

Credit quality distribution

(Direct bonds portion) as at 29.02.24†	%
AAA	2.63
AA	27.03
A	6.78
BBB	45.91
BB	11.42
B	1.62
NR	4.61

You should know

Important information

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

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

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

Derivatives and forward transactions may be used by the fund for investment purposes as well as for the purposes of efficient portfolio management (including hedging). The use of derivatives for investment purposes may increase the volatility of the fund's Net Asset Value and may increase its risk profile.

To meet the investment objective, the fund may also invest, at the Manager's discretion, in other transferable securities, money market instruments, warrants, cash and near cash and deposits. Use may be made of stocklending, borrowing, hedging and other investment techniques permitted by the FCA rules and by the investment limits set out in the Prospectus.

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

Information notes

If you require clarity on any of the terms used in this factsheet then please refer to our Supplementary Information Document for further explanation.

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

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

Source performance data FE fundinfo, price performance based upon bid to bid prior to 21.01.19 and single price (mid) thereafter. This is net of expenses and tax. Data using prices as at 29.02.2024. **Volatility and Maximum drawdown given on a 5 year rolling basis. ***Turnover is calculated on a 1 year rolling basis.

†Credit quality distribution ratings from various sources

Source and Copyright Citywire: Bryn Jones is A rated by Citywire for his three year risk adjusted performance for the period 28.02.2021-29.02.2024.

Source and Copyright Citywire: Stuart Chilvers is A rated by Citywire for his three year risk adjusted performance for the period 28.02.2021-29.02.2024.

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A member of the Rathbones Group.
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