

Rathbone Unit Trust Management

Rathbones  
Look forward

# Rathbone Strategic Income

A multi-asset portfolio designed  
to deliver real returns and real  
risk management





## Rathbone Strategic Income Portfolio

# Adding value to your portfolios

The Rathbone Strategic Income Portfolio is designed to provide investors with inflation beating returns, robust risk-management, and a regular source of natural income. It is an ideal complement to a multi-asset portfolio as a straight-forward risk managed fund that provides an income.

*The investment approach can offer:*

### **Flexibility**

- The ability to act opportunistically to take advantage of more niche areas of the market that can be harder to access.

### **Tactical positioning**

- The ability to act swiftly and benefit from tactical trade ideas and market dislocations, including being active in areas like duration management.

### **Robust risk management tools**

- The ability to utilise a wide variety of means to manage risk and drawdowns in the fund, such as put options and currency hedging.

### **Straight-forward portfolio construction**

- The ability, via our LED (Liquidity, Equity-type, Diversifiers) process, to look at risk through a simpler lens and avoid unnecessarily complicated strategies.

## Rathbone Strategic Income Portfolio

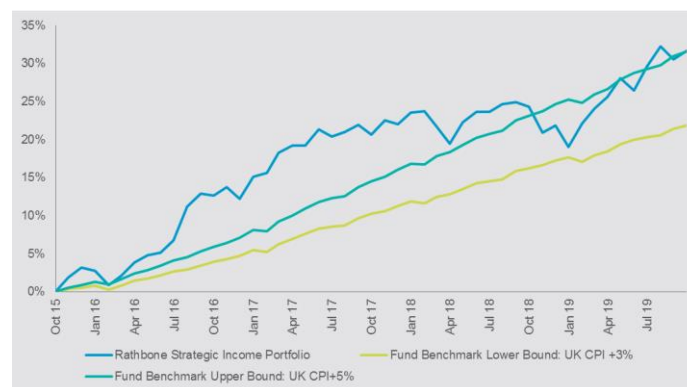
# Seeking equity-like returns and a dependable income without equity-like risk

David Coombs has managed the fund since inception, with Will McIntosh-Whyte joining David in 2015.

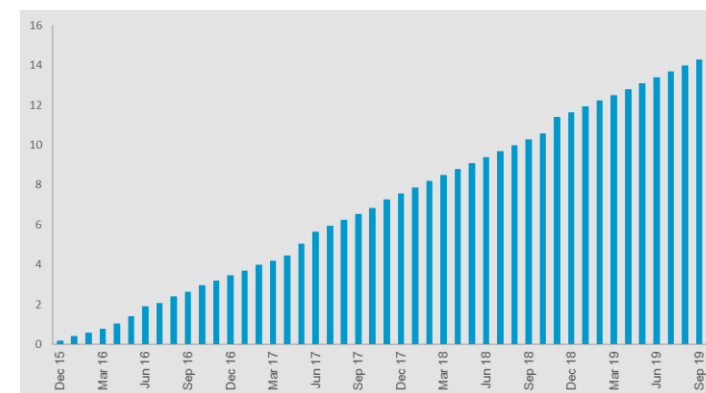
The key aims of the fund are:

1. Return target of UK CPI + 3-5% over a minimum 5 year time horizon (5% is the typical long-term real return of equities).
2. Provide a regular and dependable income of over 3% pa paid monthly.
3. Manage volatility to generate lower drawdowns.
4. Risk budget of up to two thirds of global equities (MSCI World index).

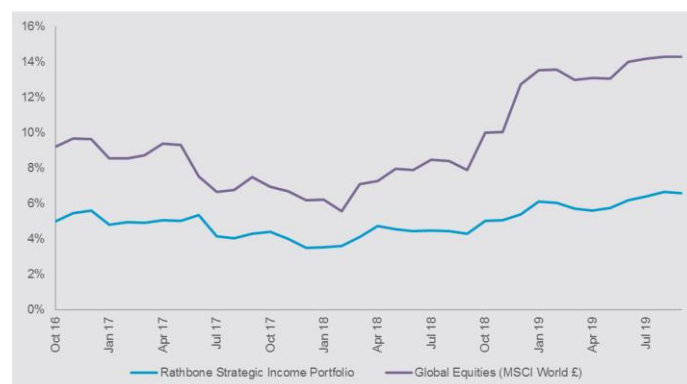
### 1. Return vs. target (since inception)



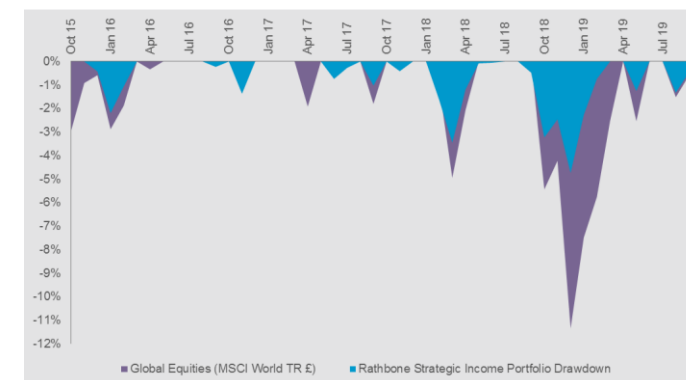
### 2. Regular income payments from the fund\*



### 3. Rolling volatility vs. MSCI World index



### 4. Drawdowns† vs. MSCI World index (since inception)

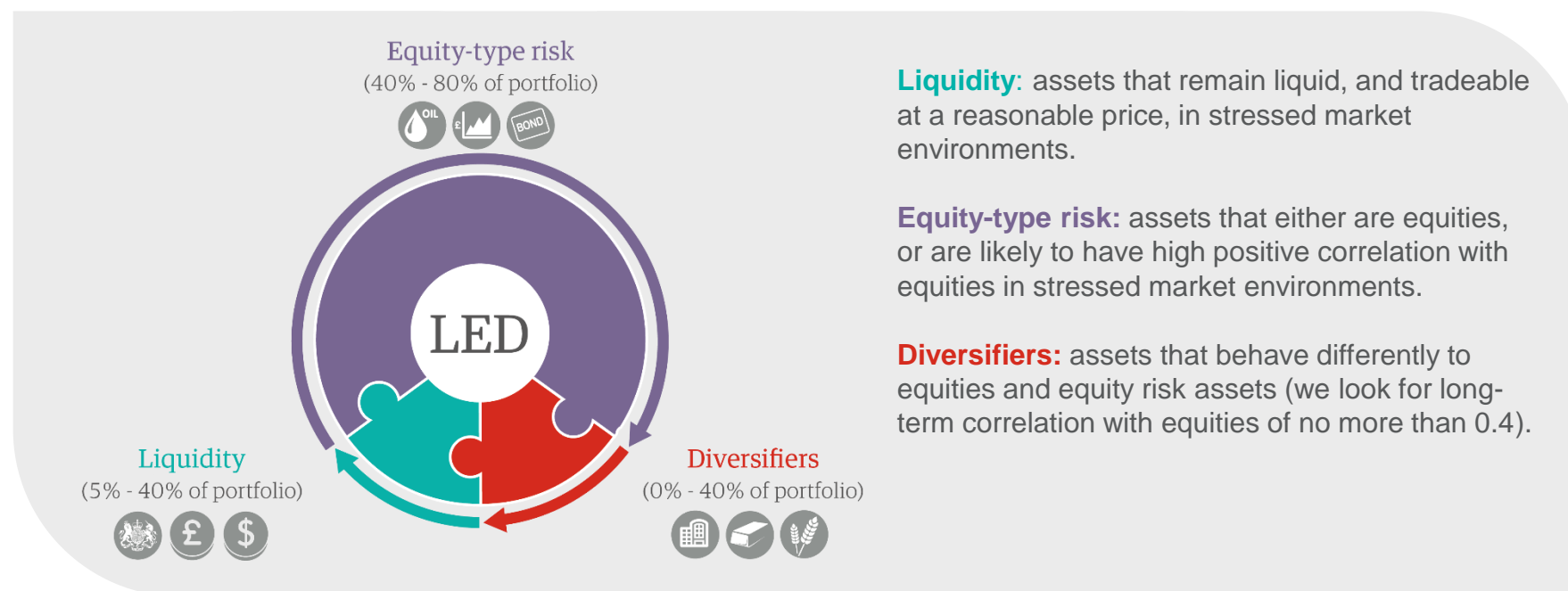


Source: Financial Express, performance based on S-Class shares as at 30 September 2019, mid to mid, net income re-invested. S-Class shares launched on 1 October 2015. † To gauge potential losses, you need to have some idea of how extreme and deep the peaks and troughs of performance might be on a fund. Drawdown in the context used here is a measure, usually a percentage change, of past performance decline from a high point during a specific record period to the bottom of the next low point. High drawdown can indicate heavy losses. \*cumulative pence per unit. \*Standard deviation (volatility) is a statistical measurement that, when applied to an investment fund, expresses its volatility, or risk. It shows how widely a range of returns varied from the fund's average return over a particular period. **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**

## Rathbone Strategic Income Portfolio

# A different way of managing risk and generating returns

Our LED investment process leads us to think beyond the traditional asset class splits and relative geographical and sector positioning. We manage risk by instead focusing on delivering true forward looking diversification by evaluating the correlation and liquidity of assets and splitting them into three classifications.



Each of these component parts will result in unique exposures that blend to generate the kind of return profile we aim to provide, and manage the investment journey in line with the risk profile and objectives of the fund.

The managers set the allocation to these classifications depending on their macro view and where they see value. Combined with their own experience of asset selection, they draw on the wider Rathbones team for valuable input on equities, fixed income, and funds, from asset class specialists, which includes both analysts and fund managers.

# Rathbone Strategic Income Portfolio

## Experience to deliver a sustainable regular income and manage cost

### Fund facts

Fund size: **£63.44m** (30.09.19)

Fund inception date: **1 October 2015**

OCF	Transaction costs	Total MiFID II charges*
Inc: 0.92%	Inc: 0.10%	Inc: 1.02%
Acc: 0.92%	Acc: 0.10%	Acc: 1.02%

- Focus on delivering a sustainable and regular income to investors whilst growing the real value of the capital base
- A mix of direct assets and funds to generate alpha at a controlled cost.
- Team with a proven track record in asset allocation and security selection across asset classes.

### The multi-asset team



**David Coombs**  
Fund Manager and Head of  
Multi-Asset Investments



**Will McIntosh-Whyte**  
Fund Manager



**Craig Brown**  
RMAPs Investment  
Specialist

David and Will both joined Rathbones in 2007, with David joining to pioneer the Rathbone Multi-Asset portfolio fund range after spending 20 years managing multi-asset portfolios at Barings. Will joined to manage multi-asset portfolios for charities and has spent over a decade in the industry. In 2015 Will joined David to manage the Rathbone Multi-Asset portfolio fund range, and Craig joined the team as the investment specialist in 2018. Craig has over a decade of experience in financial services, including managing discretionary multi-asset portfolios. Together the team run over £1.2bn<sup>†</sup> of assets.

### Ratings and awards



David Coombs



Moderately Adventurous

\*The MiFID II charges include the Ongoing Charges Figure (OCF) and transaction costs. The OCF includes the charges for the underlying funds held in the product. From April 2018, the Ongoing Charges Figure has been calculated according to PRIIPs regulations, which came into effect on 1 January 2018. Holdings are based on six monthly audited accounts. Changes to fund holdings within this period may result in higher or lower ongoing charges. Based on S class fund data as at 30.09.2019<sup>†</sup> as at 30.06.2019

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