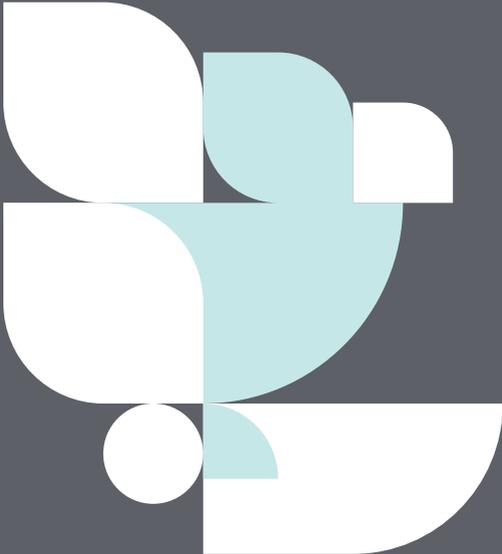


Rathbones

Look forward

Rathbone Core Investment Fund  
for Charities

Interim report for the half year ended 30 September 2022



# Contents

Directory	2
Investment objective and policy	3
Investment report	4
Net asset value per unit and comparative tables	6
Risk and reward profile	8
Portfolio and net other assets	9
Summary of portfolio investments	13
Statement of total return	14
Statement of change in net assets attributable to unitholders	14
Balance sheet	15
Notes to the interim financial statements	15
Distribution tables	16
Directors' statement	18
General information	19

# Rathbone Core Investment Fund for Charities

## **Authorised Fund Manager (the Manager)**

Rathbone Unit Trust Management Limited  
8 Finsbury Circus  
London EC2M 7AZ  
Telephone 020 7399 0399  
Facsimile 020 7399 0057

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

## **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  
**MM Webb** – Chief Executive Officer  
**JR Chillingworth** – Chief Investment Officer  
(Retired 31 May 2022)  
**T Carroll** – Chief Investment Officer  
(Appointed 1 June 2022)  
**JM Ardouin** – Finance Director  
**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

We aim to deliver a greater total return than our benchmark (made up of 35% FTSE All-Share Index, 35% FTSE World excluding UK Index, 5% Investment Association (IA) UK Direct Property sector, 5% Bank of England Base Rate + 2%, 18% FTSE Actuaries UK Conventional Gilts All Stocks Index and 2% Bank of England Base Rate), after fees, over any rolling five-year period.

Total return means the return we receive from the value of our investments increasing (capital growth) plus the income we receive from our investments (interest and dividend payments).

We use our benchmark as a target for our fund's return because it represents a diversified, long-term portfolio for charities.

## Investment policy

To meet the objective, the fund manager will invest globally in government and corporate bonds with no restriction on their credit quality, equities and commodities. Investment will be made directly in such assets or through other collective investment schemes.

The fund will not hold property directly but may make investments in property through collective investment schemes. Collective investment schemes include authorised, unauthorised and alternative collective investment schemes including private equity funds.

The fund manager defines restrictions on how much of the fund can be invested in different types of assets. The restrictions are set at the discretion of the fund manager and will change over time. The restrictions are reviewed annually and in response to market events. Further details in relation to the current restrictions may be obtained by contacting Rathbone Unit Trust Management.

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.

## Ethical investment policy

The fund will not invest directly in any company that manufactures tobacco or tobacco products, or derives more than 10% of its sales from gambling, high-interest-rate lending, pornography or from the manufacture of alcohol or armaments.

The ethical investment policy does not apply to investments made through collective investment schemes.

# Investment report for the half year ended 30 September 2022

## Performance

Since 31 March 2022, the Rathbone Core Investment Fund for Charities has marginally underperformed the composite index benchmark in relative terms, returning -8.8% versus the benchmark at -8.7%. Our asset allocation stance was positive as being underweight to fixed income and overweight to alternatives added value. Stock and fund selection was negative overall. Both UK equities (-9.8% vs. the FTSE All Share at -8.3%) and Overseas equities (-8.3% vs the FTSE All World ex-UK at -7.0%) were behind their respective benchmarks. Alternatives/property had a difficult end to the period (-7.5% over the six months) as discounts to NAV widened on combined fears of higher interest rates reducing NAVs, a potential fall in property values, as well as potential renewable energy price caps. Our short duration positioning in fixed income helped relative performance, as our bonds fell -12.4% compared to -19.3% for the FTSE All Stocks Gilt Index.

## Portfolio activity

Diversified Energy, a new holding, is a UK mid-cap company which primarily operates gas fields in the US. The company buys gas fields which are small by 'Oil Majors' standards, but meaningful for them, and runs them as efficiently as possible for the remainder of their life. The company also helps other gas producers to reduce leakages in their pipelines and cap wells at the end of their life, ensuring assets are managed and wound down in a responsible manner. The company will, over time, benefit from increased gas prices as their current price hedges expire and they are able to enter new contracts at higher prices. An improved pipeline network will also allow them to move their gas more efficiently across the country, further improving the price they receive. The business is highly cash generative and uses this cash to pay down debt, buy more gas fields and return cash to shareholders.

We bought LVMH in Europe. It is a market leader in luxury fashion and products, with renowned brands such as Louis Vuitton, Christian Dior, Givenchy, Bulgari and Tiffany. Globalisation of luxury and the rise of the young wealthy consumer is a powerful driver of luxury sales globally. Luxury brands are showing no sign of slowing down, despite rising inflation, given the resilience of wealthier consumers' spending patterns. Recent results from LVMH reinforce their continued strong performance, with growth still running at nearly 20% p.a. The company has a strong balance sheet which provides ample opportunity for M&A activity to increase its brand proposition and for share buybacks which would be reflected positively in the share price.

We bought Standard Chartered. Whilst Standard Chartered is listed in the UK, most of its operations are based in Asia. The bank is highly geared to rising rates, which should help to drive double digit revenue growth over the next couple of years. Margins should increase as a result of rising net interest, taking their Return on Tangible Equity ('ROTE' – a key indicator of bank returns) above 10% for the first time since the Global Financial Crisis. We view banks' asset quality to be good and so would expect the benefit of higher interest rates to outweigh any increased loan loss provisions. The shares trade cheaply given the improving quality of the business too.

Given the recent rise in bond yields we are, for the first time in several years, actively considering increasing our allocation to fixed income. UK corporate bonds are now trading at an attractive spread over Gilts and the rise in yields now put some of these bonds at outright attractive prices. To that end we have bought the HSBC Holdings 5.75%, EMTN Sub 20/12/2027 and Pension Insurance Corp 6.5% Sub 3/07/2024.

The decision was made to begin transitioning the Core Fund's Japan, Asia and Emerging Markets equities from third party funds to direct holdings. This was with the intention of reducing costs for the unit holders as well as allowing us to better action our investment views at a sector and individual security level. This led to the sale of the Redwheel Global Emerging Markets Fund, Mirae Asia Sectors Leaders Fund, JP Morgan Japan Fund and Stewart Asia Pacific Leaders Fund.

Finally, we sold M&G. The share price had held up well since the beginning of the year as its status as a 'value' name meant it was not the subject of intense selling by investors. Given its relatively solid performance, its valuation compared to alternative ideas became less compelling. Furthermore, growth in the investment management and insurance businesses continued to be lacklustre, potentially hampering the long-term potential of the business. With this in mind we sold the shares in favour of Standard Chartered, not wanting to reduce our exposure to financials too much whilst favouring the latter company at this time.

### **Market overview**

Inflation has risen sharply around the globe over the past 18 months, driven mainly by rising energy and food prices as well as by Covid-induced supply chain problems. However, our base case is that global inflation will be a little lower than it is now by the end of 2022 (albeit not in Europe nor the UK as a result of the Russia-induced energy shock on gas and power prices and weakness in both the Euro and Sterling), and well below current levels by late 2023.

There are several reasons to think that global inflation will peak in the next few months and then start to fall back. First, the contribution of energy to headline inflation should fall. Second, food price inflation is on the wane. Third, the worst of the supply chain problems now seem to be behind us, helped by the ongoing normalisation of consumption patterns. Finally, demand is being squeezed on several fronts, which should eventually help to quell core price pressures. There is a risk that inflation declines more slowly than we expect though. Since core inflation hasn't been this high for several decades, there is a lot of uncertainty about how persistent it will turn out to be in today's very different economic circumstances.

There has been a broad deterioration in global economic data in the last few months. Monetary policy continues to be tightened as central banks raise interest rates and shrink their balance sheets (quantitative tightening). They are placing more weight than before on bringing down inflation over supporting growth. The chances of a recession are much higher in the UK and Eurozone than they are in the US, where the savings that households acquired during Covid could continue to provide a buffer for longer than elsewhere. The US also has much less exposure to the Russia-related energy supply shock. The latest developments in China have not been encouraging either, with the government quietly abandoning its economic growth target for the year, the housing market continuing to weaken and there being no sign that policy support may come to the rescue in a major way. In addition, China's zero-Covid policy is being retained indefinitely, meaning ongoing lockdowns are likely.

If we do have a global recession in 2023, it is unlikely to be deep (especially so in the US) which means any further fall in equity markets should not be precipitous. There is little likelihood of a global financial crisis as per 2007-2009. There have been few signs of a destabilising rapid accumulation of debt, and banks are very well capitalised as a result of measures taken following the financial crisis. However, we fully acknowledge that equity and bond markets are going to be volatile until the outlook for inflation and economic growth become clearer.

**Andy Pitt**  
Fund Manager  
*14 October 2022*

**Gareth Pearl**  
Assistant Fund Manager

## Net asset value per unit and comparative tables

### Income units

	30.09.22 pence per unit	31.03.22 pence per unit	31.03.21 pence per unit	31.03.20 pence per unit
<b>Change in net assets per unit</b>				
Opening net asset value per unit	127.84p	123.73p	96.16p	108.53p
Return before operating charges*	(10.87p)	7.33p	30.48p	(9.07p)
Operating charges	(0.23p)	(0.49p)	(0.43p)	(0.59p)
Return after operating charges*	(11.10p)	6.84p	30.05p	(9.66p)
Distributions on income units	(1.59p)	(2.73p)	(2.48p)	(2.71p)
Closing net asset value per unit	115.15p	127.84p	123.73p	96.16p
*after direct transaction costs <sup>1</sup> of:	0.01p	0.02p	0.03p	0.04p

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

### Performance

Return after charges	(8.68%)	5.54%	31.25%	(8.90%)
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### Other information

Closing net asset value	£136,913,813	£139,706,697	£137,458,896	£100,811,934
Closing number of units	118,903,355	109,279,175	111,094,081	104,837,334
Operating charges**	0.61%	0.49%	0.52%	0.52%
Direct transaction costs	0.01%	0.02%	0.03%	0.04%

### Prices\*\*\*

Highest unit price	129.32p	137.42p	125.01p	117.68p
Lowest unit price	116.81p	122.96p	93.79p	88.31p

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP and includes a synthetic element relating to the expenses paid by any investment funds which the fund holds.

\*\*\* 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)*

### Accumulation units<sup>†</sup>

	<b>30.09.22</b> pence per unit	31.03.22 pence per unit	31.03.21 pence per unit	31.03.20 pence per unit
<b>Change in net assets per unit</b>				
Opening net asset value per unit	95.42p	100.00p	n/a	n/a
Return before operating charges*	(8.14p)	(4.35p)	n/a	n/a
Operating charges	(0.10p)	(0.23p)	n/a	n/a
Return after operating charges*	(8.24p)	(4.58p)	n/a	n/a
Distributions on accumulation units	(1.18p)	(0.85p)	n/a	n/a
Retained distributions on accumulation units	1.18p	0.85p	n/a	n/a
Closing net asset value per unit	87.18p	95.42p	n/a	n/a
*after direct transaction costs <sup>1</sup> of:	0.01p	0.02p	n/a	n/a

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

### Performance

Return after charges	(8.64%)	(4.57%)	n/a	n/a
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### Other information

Closing net asset value	£1,283,131	£739,309	n/a	n/a
Closing number of units	1,471,799	774,792	n/a	n/a
Operating charges**	0.61%	0.49%	n/a	n/a
Direct transaction costs	0.01%	0.02%	n/a	n/a

### Prices\*\*\*

Highest unit price	96.55p	101.91p	n/a	n/a
Lowest unit price	87.81p	91.21p	n/a	n/a

† Accumulation units launched on 1 November 2021.

\*\* The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP and includes a synthetic element relating to the expenses paid by any investment funds which the fund holds.

\*\*\* 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



Lower potential risk/reward  
(Not risk-free)

Higher potential risk/reward

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.

## Portfolio and net other assets as at 30 September 2022

Holding (Ordinary shares unless otherwise stated)		Value £	Percentage of total net assets
<b>Debt Securities (31.03.22: 2.01%)</b>			
<b>Corporate Bonds (31.03.22: 2.01%)</b>			
£600,000	3i 6.875% 2023**	602,688	0.44
£400,000	A2Dominion Housing 3.5% 2028**	341,459	0.25
£420,000	Barclays Bank 5.75% 2026**	394,548	0.28
£350,000	Heathrow Funding 5.225% VRN 2023**	348,730	0.25
£685,000	HSBC Bank 5.75% 2027**	618,401	0.45
£600,000	Intermediate Capital 5% 2023**	597,681	0.43
£750,000	Lloyds Banking 2.25% 2024**	689,583	0.50
£700,000	LVMH Moet Hennessy Louis Vuitton 1.125% 2027**	576,857	0.42
£700,000	Pension Insurance 6.5% 2024**	680,462	0.49
£771,000	Phoenix 5.75% VRN Perp**	577,676	0.42
£291,000	Zurich Finance 6.625% VRN Perp**	291,000	0.21
<b>Total Debt Securities</b>		<b>5,719,085</b>	<b>4.14</b>
<b>Bond Funds (31.03.22: 4.24%)</b>			
1,150,000	Fidelity Strategic Bond Fund*	1,183,350	0.86
120,000	iShares Core UK Gilts ETF**	1,240,200	0.90
1,500,000	M&G Global Macro Bond Fund*	1,375,650	1.00
88,500	PIMCO GIS Global Investment Grade Credit Fund*	960,225	0.69
550,000	Rathbone High Quality Bond Fund*	462,880	0.33
<b>Total Bond Funds</b>		<b>5,222,305</b>	<b>3.78</b>
<b>Global Equities (31.03.22: 78.57%)</b>			
<b>Oil and Gas (31.03.22: 5.14%)</b>			
600,000	BP	2,598,600	1.88
800,000	Diversified Energy	1,034,400	0.75
250,000	Shell	5,616,250	4.06
15,000	TotalEnergies	635,351	0.46
		<b>9,884,601</b>	<b>7.15</b>
<b>Basic Materials (31.03.22: 5.49%)</b>			
100,000	Anglo American	2,735,500	1.98
625,000	Glencore	2,988,125	2.16
2,500	Linde	611,678	0.44
4,500	Shin-Etsu Chemical	397,840	0.29
		<b>6,733,143</b>	<b>4.87</b>

## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
<b>Industrials (31.03.22: 6.96%)</b>		
7,500 Accenture	1,729,441	1.25
90,000 Experian	2,394,000	1.73
18,000 Fidelity National Information	1,219,672	0.88
10,000 Hitachi	378,329	0.28
5,000 Hoya	427,655	0.31
1,450,000 Melrose Industries	1,481,900	1.07
8,000 Nidec	402,429	0.29
200,000 Rentokil Initial	954,600	0.69
65,000 Sandvik	799,898	0.58
18,000 Shimadzu	422,209	0.31
200,000 Strix	246,000	0.18
	<b>10,456,133</b>	<b>7.57</b>
<b>Consumer Goods (31.03.22: 7.69%)</b>		
25,000 Capri	861,104	0.62
130,000 Countryside Partnerships	259,350	0.19
15,000 Daimler	691,626	0.50
1,500 LVMH	803,255	0.58
8,000 Moncler	297,537	0.22
4,450 Nestlé (registered)	433,693	0.32
9,000 PepsiCo	1,316,340	0.95
11,000 Procter & Gamble	1,245,149	0.90
12,000 Pulte	403,117	0.29
50,000 Reckitt Benckiser	2,988,000	2.16
3,000 Shimano	422,209	0.31
7,000 Sony	402,249	0.29
41,800 Unilever	1,659,042	1.20
	<b>11,782,671</b>	<b>8.53</b>
<b>Healthcare (31.03.22: 7.90%)</b>		
16,750 Abbott Laboratories	1,452,327	1.05
2,000 Align Technology	371,065	0.27
45,000 AstraZeneca	4,473,000	3.24
2,000 Becton Dickinson	399,230	0.29
153,851 Belluscura	81,541	0.06
8,500 Johnson & Johnson	1,245,266	0.90
7,000 Merck & Co.	540,348	0.39
8,400 Novo Nordisk 'B'	756,759	0.55
3,500 Roche	1,030,201	0.74
	<b>10,349,737</b>	<b>7.49</b>

## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
<b>Consumer Services</b> (31.03.22: 4.68%)		
276,337 CMO	71,848	0.05
140,000 Elixirr International	812,000	0.59
1,700 Kering	683,662	0.49
20,000 PayPal	1,542,059	1.12
42,970 PPHE Hotel	571,501	0.41
711,396 S4 Capital	1,033,658	0.75
25,000 Yum China	1,059,751	0.77
	<b>5,774,479</b>	<b>4.18</b>
<b>Telecommunications</b> (31.03.22: 0.52%)		
580,000 Vodafone	<b>586,496</b>	<b>0.42</b>
<b>Utilities</b> (31.03.22: 1.14%)		
100,000 National Grid	<b>930,800</b>	<b>0.67</b>
<b>Financials</b> (31.03.22: 29.74%)		
50,000 AIA	373,452	0.27
210,000 Baillie Gifford Japan Investment Trust	1,509,900	1.09
70,000 Bank of America	1,895,010	1.37
2,300,000 Barclays	3,318,900	2.40
850,000 BlackRock European Absolute Alpha Fund*	1,465,656	1.06
52,500 Citigroup	1,959,755	1.42
231,408 International Public Partnership	350,352	0.25
565,000 iShares Core S&P 500 UCITS ETF**	3,567,410	2.58
70,000 iShares Physical Gold ETC**	2,046,100	1.48
600,000 iShares USD TIPS UCITS ETF**	2,877,300	2.08
7,000 JP Morgan Chase	655,979	0.48
2,600,000 JP Morgan Emerging Markets Investment Trust	2,615,600	1.89
100,000 JTC	687,000	0.50
550,000 Legal & General	1,190,750	0.86
900,000 Man GLG Japan CoreAlpha Professional Fund*	2,108,700	1.53
5,500 Mastercard	1,402,862	1.02
120,000 Plus500	1,976,400	1.43
250,000 Prudential	2,234,500	1.62
150,000 Standard Chartered	849,900	0.61
60,000 Swedbank 'A'	710,760	0.52
75,000 Tatton Asset Management	280,500	0.20
	<b>34,076,786</b>	<b>24.66</b>

## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
<b>Technology</b> (31.03.22: 7.01%)		
31,300 Alibaba	278,251	0.20
29,000 Alphabet 'A'	2,485,380	1.80
4,500 Autodesk	753,023	0.54
145,285 Big Technologies	406,798	0.29
20,900 GoDaddy	1,327,055	0.96
9,000 Meta Platforms	1,093,899	0.79
7,500 Microsoft	1,564,163	1.13
2,500 Palo Alto Networks	366,747	0.27
6,500 Taiwan Semiconductor ADR	399,969	0.29
100,000 Team17	370,000	0.27
181,712 TPXimpact	63,599	0.05
	<b>9,108,884</b>	<b>6.59</b>
<b>Private Equity Funds</b> (31.03.22: 2.00%)		
700,000 Chrysalis Investment	431,900	0.32
73,000 Princess Private Equity	679,076	0.49
875,319 Schiehallion Fund	470,475	0.34
	<b>1,581,451</b>	<b>1.15</b>
<b>Media</b> (31.03.22: 0.30%)		
228,000 LBG Media	<b>157,343</b>	<b>0.11</b>
<b>Total Global Equities</b>	<b>101,422,524</b>	<b>73.39</b>
<b>Alternatives</b> (31.03.22: 10.46%)		
700,000 abrdn European Logistics Income Fund	618,800	0.45
12,000 BlackRock Strategic Funds*	1,417,080	1.02
475,000 Civitas Social Housing REIT	310,650	0.22
750,000 Digital 9 Infrastructure	757,500	0.55
1,800,000 GCP Infrastructure Investments	1,749,600	1.27
950,099 Gore Street Energy Storage Fund	1,045,109	0.76
860,000 Greencoat UK Wind Fund	1,290,000	0.93
500,000 HICL Infrastructure Fund	808,000	0.58
500,000 Home REIT	454,000	0.33
1,000,000 Octopus Renewables Infrastructure Fund	1,014,000	0.73
892,685 PRS REIT	834,660	0.60
1,400,000 Sequoia Economic Infrastructure Income Fund	1,142,400	0.83
650,000 Urban Logistics REIT	838,500	0.61
700,000 Warehouse REIT	754,600	0.55
<b>Total Alternatives</b>	<b>13,034,899</b>	<b>9.43</b>

## Portfolio and net other assets as at 30 September 2022 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
<b>Property Unit Trusts</b> (31.03.22: 2.50%)		
3,615,262 Property Income Trust for Charities Fund*	<b>3,632,615</b>	<b>2.63</b>
<b>Total value of investments</b> (31.03.22: 97.78%)	129,031,428	93.37
<b>Net other assets</b> (31.03.22: 2.22%)	9,165,516	6.63
<b>Total value of the fund as at 30 September 2022</b>	<b>138,196,944</b>	<b>100.00</b>

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

\* Collectives

\*\* Debt securities

# Exchange Traded Funds

## Statement of total return for the half year ended 30 September 2022

	30.09.22 £	30.09.22 £	30.09.21 £	30.09.21 £
Income				
Net capital (losses)/gains		<b>(14,613,731)</b>		10,855,540
Revenue	<b>1,903,331</b>		1,565,341	
Expenses	<b>(264,552)</b>		(261,450)	
Net revenue before taxation	<b>1,638,779</b>		1,303,891	
Taxation	<b>(63,723)</b>		(38,083)	
Net revenue after taxation		<b>1,575,056</b>		1,265,808
<b>Total return before distributions</b>		<b>(13,038,675)</b>		12,121,348
Distributions		<b>(1,846,297)</b>		(1,531,203)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(14,884,972)</b>		10,590,145

## Statement of change in net assets attributable to unitholders for the half year ended 30 September 2022

	30.09.22 £	30.09.22 £	30.09.21 £	30.09.21 £
<b>Opening net assets attributable to unitholders</b>		<b>140,446,006</b>		137,458,896
Amounts receivable on issue of units	<b>13,391,205</b>		6,490,976	
Amounts payable on cancellation of units	<b>(768,550)</b>		(8,527,577)	
		<b>12,622,655</b>		(2,036,601)
Change in net assets attributable to unitholders from investment activities (see Statement of total return above)		<b>(14,884,972)</b>		10,590,145
Retained distributions on accumulation units		<b>13,255</b>		—
<b>Closing net assets attributable to unitholders</b>		<b>138,196,944</b>		146,012,440

## Balance sheet as at 30 September 2022

	30.09.22 £	30.09.22 £	31.03.22 £	31.03.22 £
<b>Assets</b>				
<b>Fixed assets:</b>				
Investments		<b>129,031,428</b>		137,321,404
<b>Current assets:</b>				
Debtors	<b>1,026,901</b>		553,636	
Cash and bank balances	<b>9,948,831</b>		4,272,075	
<b>Total current assets</b>		<b>10,975,732</b>		4,825,711
<b>Total assets</b>		<b>140,007,160</b>		142,147,115
<b>Liabilities</b>				
<b>Creditors:</b>				
Other creditors	<b>(847,099)</b>		(815,948)	
Distribution payable on income units	<b>(963,117)</b>		(885,161)	
<b>Total liabilities</b>		<b>(1,810,216)</b>		(1,701,109)
<b>Net assets attributable to unitholders</b>		<b>138,196,944</b>		140,446,006

## Notes to the interim financial statements

### Accounting policies

The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by The Investment Association in May 2014 (and amended in June 2017).

All accounting policies applied are consistent with those of the annual report for the year ended 31 March 2022 and are detailed in full in those financial statements.

### Portfolio transactions

Total purchases and sales transactions for the half year ended 30 September 2022 were £18,514,892 and £12,234,017 respectively.

## Distribution tables for the half year ended 30 September 2022

### Distribution tables (pence per unit)

#### First Interim

Group 1 – Units purchased prior to 1 April 2022

Group 2 – Units purchased on or after 1 April 2022 and on or before 30 June 2022

Income units	Income	Equalisation	Paid 31.08.22	Paid 31.08.21
<b>Dividend Distribution</b>				
Group 1	0.69	–	0.69	0.62
Group 2	0.51	0.18	0.69	0.62
<b>Non-dividend Distribution</b>				
Group 1	0.09	–	0.09	0.06
Group 2	0.07	0.02	0.09	0.06
Accumulation units*	Income	Equalisation	Accumulated 31.08.22	Accumulated 31.08.21
<b>Dividend Distribution</b>				
Group 1	0.52	–	0.52	n/a
Group 2	0.52	0.00	0.52	n/a
<b>Non-dividend Distribution</b>				
Group 1	0.07	–	0.07	n/a
Group 2	0.07	0.00	0.07	n/a

## Distribution tables for the half year ended 30 September 2022 *(continued)*

### Distribution tables (pence per unit) *(continued)*

#### Second Interim

Group 1 – Units purchased prior to 1 July 2022

Group 2 – Units purchased on or after 1 July 2022 and on or before 30 September 2022

Income units	Income	Equalisation	Payable 30.11.22	Paid 30.11.21
<b>Dividend Distribution</b>				
Group 1	0.68	–	0.68	0.64
Group 2	0.45	0.23	0.68	0.64
<b>Non-dividend Distribution</b>				
Group 1	0.13	–	0.13	0.11
Group 2	0.09	0.04	0.13	0.11
Accumulation units*	Income	Equalisation	Allocated 30.11.22	Accumulated 30.11.21
<b>Dividend Distribution</b>				
Group 1	0.51	–	0.51	n/a
Group 2	0.02	0.49	0.51	n/a
<b>Non-dividend Distribution</b>				
Group 1	0.08	–	0.08	n/a
Group 2	0.00	0.08	0.08	n/a

\*Accumulation units launched on 1 November 2021.

#### 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.

MM Webb                      T Carroll  
for Rathbone Unit Trust Management Limited  
Manager of Rathbone Core Investment Fund for Charities  
*22 November 2022*

## General information

### Authorised status

The Rathbone Core Investment Fund for Charities is a non-UCITS retail scheme (NURS) and qualifies as an Alternative Investment Fund within the meaning of AIFMD.

The fund falls under the TEF regime and it is the intention that the fund will continue to meet the conditions to be treated as such.

The currency of the fund is pounds 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.

### Eligible investors

An eligible investor is any person who is and who will, throughout the period for which it is a unitholder, remain:

- (a) a charity as defined in paragraph 1(1) of Schedule 6 Finance Act 2010 which:
  - (i) holds the units for qualifying charitable purposes within the meaning of paragraph 1(2) Schedule 8, Finance Act 2003; and
  - (ii) applies any income or gain accruing to it in respect of its units for charitable purposes only; or
- (b) a unit trust scheme (as defined in section 101(4) Finance Act 2003) in which all the unit holders are charities falling within limb (a) above.

### Stewardship code

Rathbone Unit Trust Management Limited fully supports the UK Stewardship Code sponsored by the Financial Reporting Council. Our statement on complying with the code can be found on our website: [rathbonefunds.com](http://rathbonefunds.com)

### AIFMD disclosure

The provisions of the Alternative Investment Fund Managers Directive (AIFMD) took effect in full on 22 July 2014. That legislation requires the fund manager, to establish and apply remuneration policies and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, prospectuses, trust deeds and deeds of constitution of the Alternative Investment Funds to which it has been appointed (the Funds) nor impair compliance with the AIFM's duty to act in the best interests of the Funds.

As the nature and range of the AIFM's activities, its internal organisation and operations are, in the Directors' opinion, limited in their nature, scale and complexity, that is, to the business of a management company engaging in collective portfolio management of investments of capital raised from the public, this is reflected in the manner in which the AIFM has addressed certain requirements regarding remuneration imposed upon it by the Regulations. The board of directors of the AIFM (the Board) consists of eleven directors (each a Director). The AIFM has delegated the performance of the investment of the Company to Rathbone Unit Trust Management Limited (the Investment Manager). As noted below, the AIFM relies on the remuneration policies and procedures of each delegate to ensure that their remuneration structures promote a culture of investor protection and mitigate conflicts of interest.

The Regulations provide that the remuneration policies and practices shall apply to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Funds.

## General information *(continued)*

The AIFM has appointed the Board and eleven Directors who are therefore considered to be those that have a material impact on the risk profile of the Funds. Accordingly, the remuneration provisions of the Regulations only affect the AIFM with regard to the Board. Each Director is entitled to be paid a fixed director's fee based on an expected number of meetings and the work required to oversee the operations of the AIFM, which is considered to be consistent with the powers, tasks, expertise and responsibility of the Directors. The fee payable to each Director is reviewed from time to time, based on the evolution of the AIFM's activities and the aggregate fees payable are disclosed in the prospectus of the Funds. The Directors do not receive performance based variable remuneration, therefore avoiding any potential conflicts of interest. In addition, each of the Directors has waived the fees to which they would otherwise be entitled.

### **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 units at present is to the value of £10,000 which may be varied by the Manager. Thereafter holders may invest additional amounts to the value of £2,000 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.

The Manager currently receives an annual remuneration for managing the property of the fund at the rate of 0.3%.

### **Statements**

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

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 30 June and 31 December, unitholders will receive a consolidated statement showing, where applicable, their Unit Trust, ICVC and ISA holdings for each fund held.

### **Prices**

The prices of units are available on request from the Manager.

### 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, Rathbone Unit Trust Management Limited, 8 Finsbury Circus, London EC2M 7AZ.

If you have any queries or complaints about the operation of the fund you should put them to the Compliance Officer, Rathbone Unit Trust Management Limited, 8 Finsbury Circus, London EC2M 7AZ. 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)

### 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 income 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.

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

### Other funds

Rathbone Unit Trust Management Limited is also the Manager of the following funds:

Rathbone Active Income and Growth Fund  
Rathbone Ethical Bond Fund  
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 Global Sustainability Fund  
Rathbone Greenbank Defensive Growth Portfolio  
Rathbone Greenbank Dynamic Growth Portfolio  
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

### **Further details**

Should you need further details of this fund or any of the other funds managed by Rathbone Unit Trust 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  
Rathbone Unit Trust Management Limited  
8 Finsbury Circus  
London EC2M 7AZ

All literature is available free of charge.  
Information is also available on our website:  
[rathbonefunds.com](http://rathbonefunds.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 Rathbone Unit Trust 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  
Rathbone Unit Trust Management Limited  
8 Finsbury Circus  
London EC2M 7AZ

# Rathbones

Look forward

**Rathbone Unit Trust Management Limited**

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**Information line**

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Financial Conduct Authority

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Investment Association

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