



RATHBONES

RATHBONE STRATEGIC BOND FUND

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

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RATHBONE STRATEGIC 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

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

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
MS Warren – Non-Executive Director
(resigned 30 June 2025)
J Lowe – Non-Executive Director
J Ide – Non-Executive Director
(appointed 1 July 2025)

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 Strategic Bond sector, after fees, over any rolling five-year period. We aim to deliver this return with a lower volatility than the IA Sterling Strategic Bond sector.

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

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 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 POLICY

To meet the objective, the fund manager will invest in government and corporate bonds, with no restriction on their credit quality. Up to 10% of the fund can be invested directly in contingent convertible bonds. The fund will also use a mixture of specialist funds and direct investment in bonds, with no limits on either.

The fund manager defines restrictions on how much of the fund can be invested in different types of bonds. 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 Rathbones Asset Management Limited.

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.

INVESTMENT REPORT FOR THE YEAR ENDED 30 JUNE 2025

PERFORMANCE

In the 12 months to 30 June 2025, the Rathbone Strategic Bond Fund (I-class Acc units) returned 6.26%, while our benchmark, the IA Sterling Strategic bond sector, returned 6.58%.

MARKET OVERVIEW

At the start of the period, government bond yields were falling (meaning their prices were rising) as investors grew more confident that longed-for interest rate cuts might finally be on the horizon. But it wasn't until August and September that monetary policy easing finally began in earnest in the UK and the US. Government bond yields tend to fall alongside interest rates. But this time around, yields fell only briefly on relief that rates were heading lower as investors began to re-evaluate whether the central banks on both sides of the Atlantic would keep cutting at the pace they'd hoped.

The catalyst for this shift in interest rate expectations were big changes in American trade policy and European fiscal management. US President Donald Trump's decision to turn off the military aid tap to Ukraine shocked Europe's policymakers into recognising they'd need to spend a lot to rearm and bolster their commitment to regional security.

Much of Europe promised to loosen the purse strings and invest heavily in its own defence and vital infrastructure. Most notably, Germany proposed amending the country's constitution and scrapping the country's debt brake to allow for the creation of a 10-year €500 billion infrastructure fund and permit essentially unlimited borrowing for defence budgets. This river of money should flow into a nation that's parched itself of infrastructure investment for years because of a commitment to straitened government finances. Expectations of higher public spending that might ignite Europe's growth prospects sent the 10-year German government bond yield (the benchmark for regional borrowing costs) soaring to 2.91%.

The yield has dropped back, but ending the period at 2.60% is still a quarter of a percentage point higher than it started. Meanwhile, the UK 10-year government bond (gilt) yield rose from 4.29% to 4.48%. By contrast, the 10-year US Treasury yield fell from 4.47% to 4.23%, though it briefly rose to just below 4.6% in the week after President Donald Trump unveiled his 'reciprocal' tariff policy on Liberation Day (2 April) as investors feared it risked stoking inflation that might, in turn, stall further rate cuts.

Rising levels of government debt seems to have been a key driver behind the spike in longer-term government bond yields. Most major developed countries are struggling to rein in their fiscal deficits (the gap between government expenses and revenues). And that's led to a glut in the supply of government debt. Supply and demand are key in determining bond prices so all the extra supply has exerted downward pressure on prices. At the same time, investors have worried that extra government spending funded by new debt issuance could reignite inflation, meaning central banks might cut rates less and more slowly.

At the start of this year, the gilt market got caught right in the eye of this global bond storm as investors worried that the UK was digging itself into a deepening fiscal hole. That drove an aggressive sell-off in gilts that drove the 10-year gilt yield to as high as 4.90% in the first half of January. This intense selling pressure subsequently eased and fiscal concerns were largely swept aside as investors everywhere grew more and more spooked by incoming President Trump's escalating trade war.

The extreme market volatility (especially the big spike in US Treasury yields) after Liberation Day seemed to galvanise Trump into hastily calling for a 90-day pause in most tariffs and to open up trade negotiations with America's trading partners. That U-turn brought an end to full-blown market panic. But the underlying drivers of that extreme volatility – trade policy uncertainty, concerns about slower US growth, heightened geopolitical risks and fiscal deficits – remain largely unresolved.

INVESTMENT REPORT FOR THE YEAR ENDED 30 JUNE 2025

(continued)

Meanwhile, credit spreads (the extra yield investors get for lending to companies versus 'risk-free' government bonds) narrowed pretty consistently throughout 2024 and into the start of 2025, bar a few short-lived blowouts. But that tightening reversed course in April amid concerns about the impact of Trump's tariffs and the potential for a recession. The iTraxx European Crossover Index, which measures credit spreads, began the period at 321 basis points (bps) and blew out to as wide as 427bps immediately after Liberation Day.

Credit markets subsequently rallied sharply, ensuring spreads had narrowed to 283bps by the end of the period, as investors grew increasingly confident that Trump's about-turn on tariffs would play out again. This is based on the belief that Trump's most outrageous policy announcements trigger market mayhem that force him into big walk-backs, which, in turn, revive investor confidence once again.

While investment grade spreads remain tight by historical standards, we think there's a strong chance that they will remain this tight for the time being. The chances of a global recession (emanating from the US) or a regional one in Europe seem low, and this is what traditionally causes the failure of companies that leads to defaults. Meanwhile, the supply of new investment grade bonds is overwhelmed by investor demand, which should keep prices high. As for high yield, there's a risk that the continued pressure of increases in financing costs will start to hurt these lesser-value companies. Many refinanced for bargain rates during the pandemic. These are now starting to come due and involve high step-ups in interest payments.

For these reasons, we generally prefer investment grade over high yield.

PERFORMANCE REVIEW

We were very active in managing our exposure to duration (the sensitivity of a bond's value to changes in rates) throughout the period. We were underweight duration at the start of 2024 as we felt investors had priced in more rate cuts than central banks would likely deliver. As hopes of bold cuts were upended by strong US economic growth and sticky inflation, we added some duration back last spring and early summer. We then reduced it again after last August's 'manic Monday' market meltdown when investors briefly feared an unexpected rise in US unemployment might signal a looming recession.

We felt that investors' over-optimism about the likely scale and speed of rate cuts had driven up the prices of government bonds (especially longer-dated ones) too much. As a result, we sold some of our gilts, including some UK Treasury 3.25% 2033s, 3.25% 2044s and some 1.5% 2053 Green Gilts ahead of the BoE and Fed rate cuts in August and September. When their prices later dipped, we added to our UK Treasury 2033s and 2044s again and also bought some 4.25% 2040s.

In early 2025, we continued to buy more higher-coupon gilts, including some UK Treasury 4.25% 2049s. While they are relatively longer-dated, their higher coupons make them lower duration than low-coupon gilts of a similar maturity. We also sold some of our longest-dated Treasuries to add to our shorter-dated 4.625% 2034s instead.

The blizzard of policy announcements that has come out of the White House since Trump took office has stunned America's allies, rivals and markets alike. Given the highly uncertain outlook for economic growth, inflation and rates, we have wanted to stay flexible and nimble as information changes and markets react. As a result, we've continued actively to trade our gilts, buying more 0.875% 2033 Green Gilts, UK Treasury 3.25% 2033s and 4.25% 2049s when their yields rose and selling some when they fell.

We bought some Australian Federal Government 3% 2033 bonds when we felt they offered good value. By late 2024, Australian government bond yields had drifted quite a bit lower than gilt yields, and their prices were correspondingly higher. We took this opportunity to take profits on these bonds and sold some to add to our higher-yielding gilts.

INVESTMENT REPORT FOR THE YEAR ENDED 30 JUNE 2025

(continued)

OUTLOOK

We're expecting global bond yields to edge lower this year, but it's likely to be a bumpy ride. We think the BoE will likely proceed cautiously in rate-cutting for now, but that could change if the cracks appearing in the UK economy start to suggest a more serious slowdown is looming.

We're comfortable with our duration exposure looking ahead. If gilt yields across short to very long maturities dip below their current levels of c.4.0-5.5% at some point, they could offer very decent capital gains.

In the meantime, gilts are paying very generous levels of income. And their juicy yields reinforce their ability to serve as a valuable counterweight if the prices of stocks and other 'risk assets' suddenly crater.

Bryn Jones
Fund Manager

Stuart Chilvers
Fund Manager

NET ASSET VALUE PER UNIT AND COMPARATIVE TABLES

I-CLASS INCOME UNITS

	30.06.25 pence per unit	30.06.24 pence per unit	30.06.23 pence per unit
Change in net assets per unit			
Opening net asset value per unit	98.25p	94.20p	100.02p
Return before operating charges*	6.60p	9.97p	(0.17p)
Operating charges	(0.48p)	(0.57p)	(0.55p)
Return after operating charges*	6.12p	9.40p	(0.72p)
Distributions on income units	(5.36p)	(5.35p)	(5.10p)
Closing net asset value per unit	99.01p	98.25p	94.20p
*after direct transaction costs ¹ of:	0.01p	0.01p	0.00p

¹ Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

PERFORMANCE

Return after charges	6.23%	9.98%	(0.72%)
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OTHER INFORMATION

Closing net asset value	£35,630,180	£43,685,895	£44,799,916
Closing number of units	35,984,654	44,465,387	47,558,573
Operating charges**	0.56%	0.58%	0.64%
Direct transaction costs	0.02%	0.01%	0.00%

PRICES***

Highest unit price	102.37p	100.72p	103.07p
Lowest unit price	96.97p	92.98p	90.43p

** 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

	30.06.25 pence per unit	30.06.24 pence per unit	30.06.23 pence per unit
Change in net assets per unit			
Opening net asset value per unit	157.71p	143.21p	144.12p
Return before operating charges*	11.10p	15.38p	(0.10p)
Operating charges	(1.08p)	(0.88p)	(0.81p)
Return after operating charges*	10.02p	14.50p	(0.91p)
Distributions on accumulation units	(8.78p)	(8.29p)	(7.50p)
Retained distributions on accumulation units	8.78p	8.29p	7.50p
Closing net asset value per unit	167.73p	157.71p	143.21p
*after direct transaction costs ¹ of:	0.03p	0.02p	0.00p

¹ Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

PERFORMANCE

Return after charges	6.35%	10.12%	(0.63%)
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OTHER INFORMATION

Closing net asset value	£80,177,677	£74,761,120	£78,108,819
Closing number of units	47,801,776	47,404,274	54,541,226
Operating charges**	0.56%	0.58%	0.64%
Direct transaction costs	0.02%	0.01%	0.00%

PRICES***

Highest unit price	168.10p	158.81p	148.44p
Lowest unit price	157.66p	142.22p	131.90p

** 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 JUNE 2025

	2025	2024	2023	2022	2021
I-class units	6.26%	10.27%	-0.73%	-11.53%	7.86%
IA Sterling Strategic Bond Sector	6.58%	8.84%	-0.19%	-10.20%	6.13%

Source performance data Financial Express, bid to bid, net income re-invested.

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.

PERFORMANCE OVER 5 YEARS

	2025	2024	2023	2022	2021
Rathbone Strategic Bond Fund I Acc [#]	10.99%	7.40%	0.52%	3.19%	26.89%
Rathbone Strategic Bond Fund I Inc [#]	11.00%	7.42%	0.58%	3.27%	26.92%
Sector: IA Sterling Strategic Bond	10.34%	7.46%	3.98%	4.52%	24.36%

[#] Launch date: 03/10/2011

PORTFOLIO AND NET OTHER ASSETS AS AT 30 JUNE 2025

Holding		Value £	Percentage of total net assets
United Kingdom (30.06.24: 59.55%)			
Government Bonds (30.06.24: 19.30%)			
£3,110,000	UK Treasury 0.5% 22/10/61	810,746	0.70
£10,300,000	UK Treasury 0.875% 31/07/33	7,909,679	6.83
£1,000,000	UK Treasury 1.5% 31/07/53	453,750	0.39
£4,300,000	UK Treasury 3.25% 22/01/44	3,336,198	2.88
£9,920,000	UK Treasury 4.25% 07/12/40	9,194,352	7.94
£2,520,000	UK Treasury 4.25% 07/12/49	2,179,019	1.88
£1,500,000	UK Treasury 4.625% 31/01/34	1,526,445	1.32
		25,410,189	21.94
Government Index-Linked Bonds (30.06.24: 2.83%)			
£2,700,000	UK Treasury 0.125% IL 22/03/29	4,481,215	3.87
Corporate Bonds (30.06.2024: 37.26%)			
\$700,000	Abdrn 4.25% 30/06/28	494,074	0.43
£800,000	Admiral 8.5% 06/01/34	909,128	0.79
£352,000	Aviva 4% VRN 03/06/55	296,564	0.26
£500,000	Aviva 6.875% VRN 27/11/53	527,850	0.46
£301,000	Aviva 6.125% VRN 12/09/54	300,660	0.26
\$200,000	Aviva 7.75% VRN	203,420	0.18
\$950,000	Barclays 6.278% VRN Perp	743,514	0.64
\$250,000	Bellis Acquisition Co 8.125% 14/05/30	235,312	0.20
€500,000	BP Capital Markets 3.625% VRN Perp	424,639	0.37
£800,000	Brit Insurance 6.625% VRN 09/12/30	696,000	0.60
£500,000	Channel Link FRN 30/12/50 [#]	388,963	0.34
£980,000	Cooperative Bank L 11.75% VRN 22/05/34	1,174,117	1.01
£300,000	Cooperative Bank P 5.579% VRN 19/09/28	303,715	0.26
£401,000	Coventry Building Society 5.875% VRN Perp	412,259	0.36
£306,000	Coventry Building Society 8.75% VRN Perp	320,578	0.28
£338,000	Coventry Building Society 12.125% Perp	629,848	0.54
£300,000	Direct Line Insurance 4% 05/06/32	275,297	0.24
£1,000,000	Direct Line Insurance 4.75% VRN	972,700	0.84
£400,000	Esure 6% VRN	397,087	0.34
£400,000	Finance For Residential Soc Housing 8.569% 04/10/58 [#]	215,256	0.19
£45,000	HBOS 5.75% VRN Perp	44,326	0.04
£400,000	Heathrow Finance 3.875% 01/03/27 Step	387,725	0.33
\$250,000	HSBC 6% VRN Prep	182,251	0.16
£949,000	Investec 1.875% VRN 16/07/28	890,400	0.77
£1,216,000	Investec 2.625% VRN 04/01/32	1,168,761	1.01

PORTFOLIO AND NET OTHER ASSETS AS AT 30 JUNE 2025

(continued)

Holding		Value £	Percentage of total net assets
£586,000	Investec 9.125% VRN 06/03/33	630,507	0.54
£200,000	Investec 10.5% VRN Perp	219,750	0.19
£500,000	JRP 9% 26/10/26	523,290	0.45
£200,000	J Sainsbury 5.625% 29/01/35	201,021	0.17
£200,000	Just 5% VRN Perp	173,750	0.15
£100,000	Just 8.125% 26/10/29	108,499	0.09
£1,272,000	Just 6.875% 30/03/35	1,279,702	1.10
£599,000	Legal and General 3.75% VRN 26/11/49	563,497	0.49
£245,000	Legal and General 4.5% VRN 01/11/50	234,347	0.20
\$400,000	Legal and General 5.25% VRN 21/03/47	291,398	0.25
\$215,000	Legal and General 6.625% VRN 01/04/55	219,653	0.19
£940,000	Liverpool Victoria Friendly Soc 6.5% VRN 22/05/43	968,557	0.84
£800,000	Lloyds Bank 2.707% VRN 03/12/35	694,264	0.60
£200,000	Lloyds Bank 6% 08/02/29	211,548	0.18
£150,000	Longstone Fin 4.791% 19/04/36	43,162	0.04
£300,000	M&G 5% VRN 20/07/55	281,212	0.24
£378,000	M&G 5.625% VRN 20/10/51	371,431	0.32
£300,000	Miller Homes Finco 7% 15/05/29	301,632	0.26
£560,000	Nationwide BS 5.769% Perp	554,743	0.48
£300,000	Nationwide BS 7.859% VRN Perp	315,085	0.27
£200,000	Nationwide BS 7.875% VRN Perp	204,750	0.18
€450,000	NatWest 1.043% VRN 14/09/32	370,230	0.32
£221,000	NatWest 2.105% VRN 28/11/31	213,169	0.18
£710,000	NatWest 5% 18/11/29	718,216	0.62
£1,000,000	NatWest 6.625% 22/06/26	1,020,673	0.88
£625,000	Paragon Banking 4.375% VRN 25/09/31	612,501	0.53
£1,350,000	Pension Insurance Corp 4.625% 07/05/31	1,260,926	1.09
£900,000	Pension Insurance Corp 5.625% 20/09/30	895,590	0.77
£641,000	Pension Insurance Corp 6.875% 15/11/34	651,211	0.56
£250,000	Pension Insurance Corp 8% 13/11/33	273,312	0.24
£750,000	Principality Building Society 8.625% 12/07/28	819,462	0.71
£400,000	Quilter 8.625% VRN 18/04/33	427,784	0.37
£300,000	Reassure 5.867% 13/06/29	302,956	0.26
£700,000	RL Finance Bonds NO 3 6.125% 13/11/28	720,750	0.62
£2,864,000	RL Finance Bonds NO 4 4.875% VRN 07/10/49	2,325,628	2.01
£341,000	RL Finance Bonds NO 6 10.125% VRN Perp	392,150	0.34
\$1,147,000	Rothsay Life 4.875% VRN Perp	798,301	0.69
£1,400,000	Rothsay Life 5% VRN Perp	1,193,731	1.03
£491,000	Rothsay Life 7.019% 10/12/34	511,912	0.44
£200,000	Saffron Building Society 12.5% VRN 19/10/34	203,942	0.18

PORTFOLIO AND NET OTHER ASSETS AS AT 30 JUNE 2025

(continued)

Holding		Value £	Percentage of total net assets
£393,000	Schroders 6.346% VRN 18/07/34	402,678	0.35
£961,000	Scottish Widows 7% 16/06/43	989,387	0.85
£300,000	Shawbrook 9% VRN 10/10/30	300,000	0.26
£598,000	Skipton Building Society 6.25% VRN 25/04/29	619,214	0.53
£300,000	South West Water Finance 5.75% 11/12/32	306,571	0.26
\$300,000	Standard Chartered 6.409% VRN Perp	208,169	0.18
\$200,000	Stonegate Pub Co Financing 2019 10.75% 31/07/29	207,339	0.18
\$105,000	TP ICAP Finance 6.375% 12/06/32	106,618	0.09
£150,000	TP ICAP Finance 7.875% 17/04/30	162,598	0.14
£800,000	Utmost 4% 15/12/31	696,336	0.60
£193,000	Virgin Money UK 5.125% VRN 11/12/30	192,892	0.17
\$300,000	WE Soda Investments 9.5% 06/10/28	228,380	0.20
£200,000	Yorkshire Building Society 6.375% VRN 15/11/28	206,635	0.18
£500,000	Yorkshire Building Society 7.375% VRN 12/09/27	513,584	0.44
		39,839,087	34.40
Equities (30.06.24: 0.16%)			
£125,000	Santander UK 10.375% Preference Perp	216,500	0.19
Total United Kingdom		69,946,991	60.40
Belgium (30.06.24: 0.82%)			
Corporate Convertibles (30.06.24: 0.40%)			
€400,000	Ageas 3.875% VRN Perp	325,570	0.28
€500,000	BNP Paribas Fortis SA CV FRN Perp	396,823	0.34
Total Belgium		722,393	0.62
Bermuda (30.06.24: 1.69%)			
Corporate Bonds (30.06.24: 1.68%)			
€300,000	Aegon 5.625% VRN Perp	263,424	0.23
€400,000	Athora 5.875% 10/09/34	359,402	0.31
\$200,000	Hiscox Ltd 7% VRN 11/06/36	148,080	0.13
\$200,000	RLGH Finance Bermuda Ltd 6.75% 02/07/35	147,192	0.12
Total Bermuda		918,098	0.79

PORTFOLIO AND NET OTHER ASSETS AS AT 30 JUNE 2025

(continued)

Holding	Value £	Percentage of total net assets
Canada (30.06.24: 0.77%)		
Corporate Bonds (30.06.24: 0.77%)		
\$200,000 Emera Inc 6.75% VRN 15/06/76	146,863	0.13
CAD 1,500,000 Scotiabank Capital Trust 5.65% VRN 31/12/56	851,045	0.73
Canada Total	997,908	0.86
Cayman Islands (30.06.24: 0.16%)		
Corporate Bonds (30.06.24: 0.16%)		
£200,000 Phoenix 5.625% 28/04/31	197,207	0.17
Channel Islands (30.06.24: 2.53%)		
Corporate Bonds (30.06.24: 2.52%)		
£250,000 AA Bond Co Ltd 7.375% 31/07/50	262,266	0.23
£1,550,000 HSBC Bank Fund 5.844% VRN Perp	1,622,695	1.40
Total Channel Islands	1,884,961	1.63
Czech Republic (30.06.24: 0.14%)		
Corporate Bonds (30.06.24: 0.14%)		
€300,000 Ceska Sporitelna AS 4.824% VRN 15/01/30	269,392	0.23
Denmark (30.06.24: 0.21%)		
Corporate Bonds (30.06.24: 0.21%)		
€106,000 GoCollective AS FRN 12/04/27	91,254	0.08
France (30.06.24: 5.95%)		
Corporate Bonds (30.06.24: 5.95%)		
€600,000 AXA FRN Perp+	501,115	0.43
\$1,035,000 AXA FRN Perp+	734,511	0.63
€200,000 AXA SA 0% VRN Perp	164,468	0.14
\$800,000 AXA SA 4.5% VRN Perp	528,015	0.46
\$200,000 AXA SA 5.625% VRN 16/01/54	201,238	0.17
\$129,000 AXA SA 5.75% VRN	113,309	0.10
\$2,200,000 AXA SA 6.379% VRN Perp	1,765,772	1.52
€500,000 BNP Paribas FRN Perp	404,337	0.35
£300,000 BPCE SA 2.5% VRN 30/11/32	281,573	0.24
£100,000 BPCE SA 4.25% VRN 16/07/35	87,344	0.08
AUD 500,000 BPCE SA 4.5% 26/04/28	236,693	0.20

PORTFOLIO AND NET OTHER ASSETS AS AT 30 JUNE 2025

(continued)

Holding		Value £	Percentage of total net assets
AUD 870,000	BPCE SA 6.3424% VRN 29/09/28	429,113	0.37
€1,000,000	CNP Assurances FRN Perp	830,908	0.72
£600,000	Credit Agricole SA 1.874% VRN 09/12/31	573,436	0.50
\$1,181,000	La Mondiale 4.8% VRN 18/01/48	840,476	0.73
Total France		7,692,308	6.64
Germany (30.06.24: 1.00%)			
Corporate Bonds (30.06.24: 1.00%)			
£200,000	Commerzbank AG 8.625% VRN 28/02/33	214,925	0.18
£100,000	Lifefit Midco GmbH FRN 29/08/29	87,765	0.08
£200,000	Smava GmbH FRN 22/05/29	173,977	0.15
Total Germany		476,667	0.41
Ireland (30.06.24: 4.15%)			
Corporate Bonds (30.06.24: 4.15%)			
\$1,682,000	Beazley Insurance DAC 5.5% 10/09/29	1,220,544	1.06
\$2,320,000	Beazley Re 5.875% 04/11/26	1,699,347	1.47
\$500,000	Willow No.2 For Zurich 1 4.25% VRN 01/10/45	363,265	0.31
\$500,000	Zurich Finance Ireland II DA 6.25% VRN 22/11/55	373,054	0.32
Total Ireland		3,656,210	3.16
Italy (30.06.24: 1.30%)			
Corporate Bonds (30.06.24: 1.30%)			
£650,000	Assicurazioni Generali 6.269% Perp	658,032	0.57
€200,000	Cassa di Risparmio di Asti SpA 9.25% VRN Perp	175,230	0.15
€200,000	Castello BC Bidco SpA FRN 14/11/31	172,176	0.15
€200,000	Eolo SpA 4.875% 21/10/28	160,524	0.14
€346,000	Generali 4.083% 16/07/35	297,473	0.26
\$800,000	Intesa Sanpaolo SpA 7.7% VRN Perp	584,870	0.51
€200,000	Irca SpA FRN 15/12/29	171,552	0.15
€200,000	Omnia Della Toffola SpA FRN 05/11/31	169,865	0.15
Total Italy		2,389,722	2.08
Japan (30.06.24: 0.00%)			
Corporate Bonds (30.06.24: 0.00%)			
\$200,000	Meiji Yasuda Life Insurance C 6.1% VRN 11/06/55	145,939	0.13
\$200,000	Nippon Life Insurance Co 6.5% VRN 30/04/55	151,308	0.13
Total Japan		297,247	0.26

PORTFOLIO AND NET OTHER ASSETS AS AT 30 JUNE 2025

(continued)

Holding	Value £	Percentage of total net assets
Luxembourg (30.06.24: 3.71%)		
Collective Investment Schemes (30.06.24: 2.39%)		
£10,500 Pareto SICAV — Pareto Nordic Corporate Bond*	1,572,545	1.36
Corporate Bonds (30.06.24: 0.53%)		
\$400,000 Swiss RE Finance 5% VRN 02/04/49	290,939	0.25
Corporate Convertibles (30.06.24: 0.79%)		
€2,000,000 Mitsubishi UFJ Investor Serv FRN CV 15/12/50	1,004,223	0.87
Total Luxembourg	2,867,707	2.48
Netherlands (30.06.24: 0.58%)		
Corporate Bonds (30.06.24: 0.58%)		
\$1,450,000 Argentum Netherlands BV 5.75% VRN 15/08/50	1,058,124	0.91
\$400,000 ARG SWI 4.625% VRN Perp	291,896	0.25
€500,000 Athora Netherlands NV 6.75% VRN Perp	441,688	0.39
\$500,000 ING Groep NV 3.875% VRN	338,993	0.29
€300,000 ING Groep NV 4.125% VRN 20/05/36	260,448	0.22
€950,000 Lifetri Groep BV 5.25% VRN 01/06/32	817,175	0.71
€414,000 NN 6% VRN 03/11/43	394,690	0.34
Total Netherlands	3,603,014	3.11
Norway (30.06.24: 0.72%)		
Corporate Bonds (30.06.24: 0.72%)		
€300,000 B2 Impact ASA FRN 31/03/30	258,262	0.23
NOK 6,000,000 DNB Boligkreditt AS FRN 24/11/25	433,124	0.37
NOK 1,500,000 Norlandia Health & Care FRN 04/07/28	111,411	0.10
€400,000 Parc Bidco AS FRN 21/11/28	340,929	0.29
Total Norway	1,143,726	0.99
Portugal (30.06.24: 0.00%)		
Corporate Bonds (30.06.24: 0.00%)		
€500,000 EDP Energias de Portugal S 5.943% VRN 23/04/83	454,783	0.39
€200,000 Novo Banco SALuxembourg 0% 09/04/52	59,986	0.05
Total Portugal	514,769	0.44

PORTFOLIO AND NET OTHER ASSETS AS AT 30 JUNE 2025

(continued)

Holding		Value £	Percentage of total net assets
Spain (30.06.24: 2.99%)			
Corporate Bonds (30.06.24: 2.99%)			
£1,000,000	Banco Bilbao Vizcaya Argent 3.104% VRN 15/07/31	978,191	0.84
€650,000	Banco Santander SA FRN Perp	516,777	0.45
\$600,000	Banco Santander SA 4.75% VRN Perp	424,459	0.37
£800,000	Banco Santander SA 2.25% VRN 04/10/32	756,083	0.65
€400,000	Unicaja Banco SA 4.875% VRN Perp	340,057	0.29
Total Spain		3,015,567	2.60
Supranational (30.06.24: 0.00%)			
Supranational Bonds (30.06.24: 0.00%)			
£200,000	European Investment Bank 0% 07/12/28	174,646	0.15
Sweden (30.06.24: 0.08%)			
Corporate Bonds (30.06.24: 0.08%)			
SEK 1,250,000	B3 Consulting FRN 24/06/27	95,951	0.08
€100,000	Eltel AB FRN 24/06/29	85,379	0.07
€100,000	FC Husky HoldCo AB FRN 24/04/29	85,661	0.07
€400,000	Verve SE FRN 01/04/29	340,458	0.30
Total Sweden		607,449	0.52
United States (30.06.24: 9.07%)			
Government Index-linked (30.06.24: 5.86%)			
\$1,350,000	US Treasury 3.375% 15/05/33	939,086	0.81
\$8,300,000	US Treasury 1.25% IL 15/04/28	6,464,943	5.58
		7,404,029	6.39
Corporate Bonds (30.06.24: 3.21%)			
\$300,000	BAC Capital Trust XIV 4% VRN Prep	183,214	0.16
\$1,500,000	Dresdner Funding Trust 8.151% 30/06/31	1,207,670	1.04
\$200,000	Gran Tierra Energy Inc 7.75% 23/05/27	114,569	0.10
\$1,000,000	HSBC USA Inc 7.2% 15/07/97	864,628	0.75
\$200,000	MercadoLibre Inc 3.125% 14/01/31	131,245	0.11
\$200,000	SBL Holdings Inc 6.5% VRN	133,789	0.12
\$707,000	WK Kellogg Foundation Trust 2.443% 01/10/50	303,781	0.26
		2,938,896	2.54
Total United States		10,342,925	8.93

PORTFOLIO AND NET OTHER ASSETS AS AT 30 JUNE 2025

(continued)

Holding	Value £	Percentage of total net assets
Structured Products[^] (30.06.24: 0.02%)		
€100 iTraxx Warrants 2025 JPM	3,683	—
Forward Foreign Exchange Contracts (30.06.24: (0.32%))		
Buy £649,961 Sell AUD 1,346,465	5,316	—
Buy £834,074 Sell CAD 1,534,999	10,409	0.01
Buy £535,839 Sell NOK 7,323,230	7,762	0.01
Buy £94,305 Sell SEK 1,215,531	810	—
Buy £11,905,365 Sell € 13,974,090	(119,772)	(0.10)
Buy £1,312,327 Sell € 1,530,221	(4,476)	—
Buy £23,699,325 Sell \$ 32,019,282	345,110	0.30
Buy £628,572 Sell \$ 865,261	(2,532)	—
Buy €1,345,884 Sell £ 1,152,985	5,190	—
Buy €1,248,224 Sell £ 1,069,100	5,035	—
Total Forward Foreign Exchange Contracts	252,852	0.22
Total value of investments (30.06.24: 98.40%)	112,066,696	96.77
Net other assets (30.06.24: 1.60%)	3,741,161	3.23
Total value of the fund as at 30 June 2025	115,807,857	100.00

All investments are fixed income and admitted to an official stock exchange, unless otherwise stated.

[^] Structured Products are not listed on an official stock exchange

* Collective Investment Schemes

VRN = Variable Rate Note

* These two securities are different with respect to interest rate and hence disclosed separately

* Hard-to-value asset

Perp = Perpetual

FRN = Floating Rate Note

Sectors/Countries eliminated since the beginning of the year:

Australia	1.20%
Belgium:	
Corporate Bonds	0.42%
Bermuda:	
Non Equity Instruments	0.01%
Channel Islands:	
Non-Equity Investment Trusts	0.01%
Chile	0.23%
Greece:	
Corporate Bonds	0.37%
Mauritius:	
Corporate Bonds	0.33%

STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 30 JUNE 2025

	Note	30.06.25 £	30.06.25 £	30.06.24 £	30.06.24 £
Income					
Net capital gains	3		1,636,238		5,452,025
Revenue	4	6,066,488		6,529,774	
Expenses	5	(597,590)		(683,968)	
Net revenue before taxation		5,468,898		5,845,806	
Taxation	6	(15,651)		(22,504)	
Net revenue after taxation			5,453,247		5,823,302
Total return before distributions			7,089,485		11,275,327
Distributions	7		(6,046,733)		(6,511,594)
Change in net assets attributable to unitholders from investment activities			1,042,752		4,763,733

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 30 JUNE 2025

	30.06.25 £	30.06.25 £	30.06.24 £	30.06.24 £
Opening net assets attributable to unitholders		118,447,015		122,908,735
Amounts receivable on issue of units	16,732,356		22,514,190	
Amounts payable on cancellation of units	(24,413,499)		(35,847,542)	
		(7,681,143)		(13,333,352)
Change in net assets attributable to unitholders from investment activities (see Statement of total return above)		1,042,752		4,763,733
Retained distributions on accumulation units		3,999,076		4,107,899
Unclaimed distributions		157		—
Closing net assets attributable to unitholders		115,807,857		118,447,015

BALANCE SHEET AS AT 30 JUNE 2025

	Note	30.06.25 £	30.06.25 £	30.06.24 £	30.06.24 £
Assets					
Fixed assets:					
Investments			112,193,476		115,578,956
Current assets:					
Debtors	8	2,132,312		2,081,147	
Cash and bank balances		2,499,432		2,455,241	
Total current assets			4,631,744		4,536,388
Total assets			116,825,220		120,115,344
Liabilities					
Investment liabilities		(126,780)		(381,148)	
Creditors:					
Other creditors	9	(415,586)		(678,005)	
Distribution payable on income units		(474,997)		(609,176)	
Total liabilities			(1,017,363)		(1,668,329)
Net assets attributable to unitholders			115,807,857		118,447,015

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 35, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the fund.

b) Critical accounting judgments

Significant judgment and estimation uncertainty were applied in the valuation of Level 3 assets. Note 1f provides more details on this.

c) Recognition of revenue

All dividends including distributions from collective investment schemes on investments marked ex-dividend up to the accounting date are included in revenue inclusive of any tax deducted at source and net of attributable tax credits. 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.

Revenue received from investments in authorised collective investment schemes, which are purchased during the financial year, will include an element of equalisation which represents the average amount of revenue included in the price paid for shares or units. The equalisation is treated as capital and deducted from the cost of the investment.

Management fee rebates arising from the holding of units or shares in underlying funds are recognised on an accrual basis. Where the policy of the underlying fund is to charge its management fee to capital, in determining its distributions, then the management fee rebates are recognised in capital. Otherwise, the management fee rebates are recognised in revenue.

d) 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

e) Treatment of expenses

All expenses (excluding overdraft interest) are charged against capital.

f) 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 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.

Authorised collective investment schemes are valued at the bid price for dual price funds and at the quoted price for single price funds.

The Company may use warrants, derivative and structured products in order to generate long or short exposures. Such structured products may include notes, certificates or any other eligible transferable security whose returns are linked to an index, currencies, interest rates, transferable securities, a basket of transferable securities, or a UCI. Where market prices are unavailable, valuation models are applied considering relevant transaction characteristics, observable inputs or unobservable market parameters. The pricing source of these warrants and structured products is in most cases the issuer, however the prices are reviewed and relayed through third party market providers, such as Atlantic House and Fortem Capital, which is a well-known structurer or collector of the issuer prices, and internally controlled by independent pricing vendors such as Markit.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

f) Basis of valuation of investments (*continued*)

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Board of Directors of the Company may, at their discretion, prudently and in good faith follow other methods of valuation to be used if they consider such method of valuation better reflects the value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the Company.

Profits or losses arising on the disposal of investments are calculated by reference to the net sales proceeds and the average cost attributable to those investments.

For assets considered as 'Hard-to-value' the valuer applies Fair Value as the basis of valuation and estimates the implied rating of the investment by assessing the contractual cash flows as at the Acquisition Date and estimating the Yield-To-Maturity and Z-spread required for the discounted cash flow ("DCF") to result in a principal amount of par as at the Acquisition Date.

On a quarterly basis Rathbone Asset Management Fair Value Pricing Committee review the daily checks that were performed during the previous quarter to ensure the prices used reflected fair value.

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. 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.

g) 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.

h) 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.

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.

i) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

i) Unit classes rights on termination, allocation of tax and distributable income *(continued)*

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.

j) Cash and bank balances

Cash and bank balances includes deposits held with banks. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

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, all expenses are 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 7.

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.

There may be instances where marginal tax relief is due to/from revenue for the utilisation of allowable expense.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 NET CAPITAL GAINS

	30.06.25 £	30.06.24 £
The net capital gains during the year comprise:		
Non-derivative securities	(429,460)	5,543,275
Currency losses	(8,564)	(8,300)
Forward currency contracts	2,108,495	(73,829)
Transaction charges	(34,233)	(9,121)
Net capital gains	1,636,238	5,452,025

4 REVENUE

	30.06.25 £	30.06.24 £
Dividends — UK Ordinary	12,967	12,969
— Overseas	—	90,186
Interest on debt securities	5,939,374	6,278,722
Rebates on annual management charges on underlying investments	—	1,333
Bank interest	114,147	146,564
Total revenue	6,066,488	6,529,774

5 EXPENSES

	30.06.25 £	30.06.25 £	30.06.24 £	30.06.24 £
Payable to the Manager, associates of the Manager and agents of either of them:				
Manager's periodic charge		561,468		595,378
Trustee and agents of either of them:				
Trustee's fees	18,770		19,624	
Safe custody and other bank charges	(2,092)		16,303	
		16,678		35,927
Other expenses:				
Administration fees	(6,762)		27,003	
Audit fee*	16,762		13,838	
Printing and publication costs	3,043		1,728	
Registration fees	6,380		9,794	
Bank interest payable	21		300	
		19,444		52,663
Total expenses		597,590		683,968

* Audit fees for 2025 are £14,000 excluding VAT (30.06.24: £11,500 excluding VAT).

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 TAXATION

	30.06.25 £	30.06.24 £
a) Analysis of charge in the year		
Overseas tax	16,782	22,504
Windfall overseas tax recoveries	(1,131)	—
Total tax charge for the year (note 6b)	15,651	22,504

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%).

	30.06.25 £	30.06.24 £
Net revenue before taxation	5,468,898	5,845,806
Corporation tax at 20%	1,093,780	1,169,161
Effects of:		
Revenue not subject to taxation	(2,594)	(20,631)
Tax deductible interest distributions	(1,056,863)	(1,122,629)
Tax relief on Index Linked Gilt	(34,323)	(25,901)
Corporate tax charge	—	—
Overseas tax	16,782	22,504
Windfall overseas tax recoveries	(1,131)	—
Total tax charge for the year (note 6a)	15,651	22,504

c) Deferred tax

At the year end the fund had no surplus management expenses (30.06.24: £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:

	30.06.25 £	30.06.24 £
First Interim	1,445,299	1,573,558
Second Interim	1,657,729	1,534,633
Third Interim	1,384,836	1,769,535
Final	1,526,637	1,633,108
	6,014,501	6,510,834
Add: Amounts deducted on cancellation of units	156,174	227,891
Deduct: Amounts received on issue of units	(123,942)	(227,131)
Net distribution for the year	6,046,733	6,511,594

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

Net distribution for the year	6,046,733	6,511,594
Expenses charged to capital:		
Manager's periodic charge	(561,468)	(595,378)
All other fees	(36,101)	(88,290)
Balance brought forward	(274)	(4,898)
Balance carried forward	4,357	274
Net revenue after taxation	5,453,247	5,823,302

8 DEBTORS

	30.06.25 £	30.06.24 £
Amounts receivable for issue of units	725,551	273,328
Sales awaiting settlement	8,500	8,500
Accrued revenue	1,398,035	1,789,139
Prepaid expenses	—	9,957
Taxation recoverable	226	223
Total debtors	2,132,312	2,081,147

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 OTHER CREDITORS

	30.06.25 £	30.06.24 £
Amounts payable for cancellation of units	195,152	435,587
Purchases awaiting settlement	145,948	137,389
Accrued expenses	25,704	55,665
Accrued manager's periodic charge	48,782	49,364
Total other creditors	415,586	678,005

10 RECONCILIATION OF UNITS

	I-class income	I-class accumulation
Opening units issued at 01.07.24	44,465,387	47,404,274
Unit movements 01.07.24 to 30.06.25		
Units issued	3,462,589	8,186,116
Units cancelled	(11,943,322)	(7,788,614)
Closing units issued at 30.06.25	35,984,654	47,801,776

11 RELATED PARTY TRANSACTIONS

Management fees paid to Rathbone Asset 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 10.

There were no commissions paid to stockbroking of the Manager in respect of dealings in the investments of Rathbone Strategic Bond Fund during the year (30.06.24: 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 significant unitholders. Allfunds Nominee Limited (Formerly Rathbones Nominees Limited) held a total of 11.30% (30.06.24: 11.55%), FNZ (UK) Nominees Limited held a total of 16.67% (30.06.24: 24.47%), Transact Nominees Limited held a total of 11.28% (30.06.24: 9.11%) and Fil Nominee (Shareholdings) Limited held a total of 11.34% (30.06.24: 10.95%).

12 CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or outstanding commitments at the balance sheet date (30.06.24: 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 fund holds a limited number of Collective Investment Schemes that are designed to give overseas exposure. The fund has indirect exposure to foreign currency risk, interest rate risk and credit risk as a result of these holdings (see the portfolio statement on pages 10 to 17).

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:

	30.06.25 £	30.06.24 £
Currency:		
Australian dollar	29,741	83,131
Canadian dollar	44,376	47,223
Euro	418,892	404,213
Norwegian krone	21,250	12,855
Swedish krona	2,570	2,872
US dollar	811,326	930,130
Pound sterling	114,479,476	116,956,411
	115,807,631	118,436,835
Other net assets not categorised as financial instruments	226	10,180
Net assets	115,807,857	118,447,015

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 £120,741 (30.06.24: £134,584). 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 £147,573 (30.06.24: £164,492). 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:

	30.06.25 £	30.06.24 £
Fixed rate assets:	65,157,871	53,175,512
Floating rate assets:	47,362,677	61,673,934
Assets on which no interest is paid:	4,304,445	5,255,718
Liabilities on which no interest is paid:	(1,017,362)	(1,668,329)
	115,807,631	118,436,835
Other net assets not categorised as financial instruments	226	10,180
Net assets	115,807,857	118,447,015

If interest rates had increased by 1% as at the balance sheet date, the net asset value of the fund would have decreased by £9,534,389 (30.06.24: £10,271,917). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the fund would have increased by £9,534,389 (30.06.24: £10,271,917). 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.

	30.06.25 Value (note 1e) £	Percentage of total net assets	30.06.24 Value (note 1e) £	Percentage of total net assets
Bond credit ratings				
Investment grade	92,249,111	79.64	75,513,459	63.75
Below investment grade	10,753,276	9.28	36,992,192	31.23
Unrated stocks***	7,018,729	6.08	—	—
Total Bonds	110,021,116	95.00	112,505,651	94.98

***Stocks not rated by S&P, Moody and 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 £11,206,670 (30.06.24: £11,519,781). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £11,206,670 (30.06.24: £11,519,781). 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 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 June 2025

Analysis of total purchase costs

	Value £	Commissions £	%	Taxes £	%
Equity transactions	248,731	59	0.02	—	—
Bond transactions	62,907,034	8,759	0.01	—	—
Total purchases before transaction costs	63,155,765	8,818		—	
Total purchases including commission and taxes	63,164,583				

Analysis of total sales costs

	Value £	Commissions £	%	Taxes £	%
Equity transactions	19,502	3	0.02	—	—
Bond transactions	52,273,702	8,384	0.02	—	—
Fund transactions	1,416,779	—	—	—	—
Corporate actions	13,576,242	—	—	—	—
Total sales including transaction costs	67,286,225	8,387		—	
Total sales net of commission and taxes	67,277,838				

The fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 30 June 2025.

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 June 2024

Analysis of total purchase costs

	Value £	Commissions £	%	Taxes £	%
Equity transactions	247,532	—	—	—	—
Bond transactions	95,855,310	8,978	0.01	—	—
Total purchases before transaction costs	96,102,842	8,978		—	
Total purchases including commission and taxes	96,111,820				

Analysis of total sales costs

	Value £	Commissions £	%	Taxes £	%
Equity transactions	2,041,568	817	0.04	13	—
Bond transactions	84,705,454	7,532	0.01	—	—
Fund transactions	6,098,446	—	—	—	—
Corporate actions	14,407,541	—	—	—	—
Total sales including transaction costs	107,253,009	8,349		13	
Total sales net of commission and taxes	107,244,647				

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

Commissions and taxes as % of average net assets

Commissions	0.01%
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 0.38% (30.06.24: 0.46%).

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 June 2025

Category	1	2	3*	Total
	£	£	£	£
Investment assets				
Equities	216,500	—	—	216,500
Bonds	37,295,433	72,121,464	604,219	110,021,116
Collective Investment Schemes	—	1,572,545	—	1,572,545
Structured Products	—	—	3,683	3,683
Derivatives	—	379,632	—	379,632
	37,511,933	74,073,641	607,902	112,193,476

Category	1	2	3	Total
	£	£	£	£
Investment liabilities				
Derivatives	—	(126,780)	—	(126,780)
	—	(126,780)	—	(126,780)

* See note 1b in Accounting Policies section.

For the year ended 30 June 2024

Category	1	2	3	Total
	£	£	£	£
Investment assets				
Equities	186,625	—	—	186,625
Bonds	34,604,486	77,292,648	608,517	112,505,651
Collective Investment Schemes	31,928	2,826,265	—	2,858,193
Structured Products	25,893	—	—	25,893
Derivatives	—	2,594	—	2,594
	34,848,932	80,121,507	608,517	115,578,956

Category	1	2	3	Total
	£	£	£	£
Investment liabilities				
Derivatives	—	(381,148)	—	(381,148)
	—	(381,148)	—	(381,148)

DISTRIBUTION TABLES FOR THE YEAR ENDED 30 JUNE 2025

INTEREST DISTRIBUTION (PENCE PER UNIT)

First 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

I-class income units	Income	Equalisation	Paid 30.11.24	Paid 30.11.23
Group 1	1.30	—	1.30	1.27
Group 2	0.69	0.61	1.30	1.27

I-class accumulation units	Income	Equalisation	Accumulated 29.11.24	Accumulated 30.11.23
Group 1	2.09	—	2.09	1.92
Group 2	1.06	1.03	2.09	1.92

Second Interim

Group 1 – Units purchased prior to 1 October 2024

Group 2 – Units purchased on or after 1 October 2024 and on or before 31 December 2024

I-class income units	Income	Equalisation	Paid 28.02.25	Paid 29.02.24
Group 1	1.50	—	1.50	1.29
Group 2	0.78	0.72	1.50	1.29

I-class accumulation units	Income	Equalisation	Accumulated 28.02.25	Accumulated 29.02.24
Group 1	2.44	—	2.44	1.99
Group 2	1.29	1.15	2.44	1.99

Third Interim

Group 1 – Units purchased prior to 1 January 2025

Group 2 – Units purchased on or after 1 January 2025 and on or before 31 March 2025

I-class income units	Income	Equalisation	Paid 30.05.25	Paid 31.05.24
Group 1	1.24	—	1.24	1.42
Group 2	0.56	0.68	1.24	1.42

I-class accumulation units	Income	Equalisation	Accumulated 30.05.25	Accumulated 31.05.24
Group 1	2.05	—	2.05	2.22
Group 2	0.98	1.07	2.05	2.22

DISTRIBUTION TABLES FOR THE YEAR ENDED 30 JUNE 2025
(continued)

INTEREST DISTRIBUTION (PENCE PER UNIT) (continued)

Final

Group 1 – Units purchased prior to 1 April 2025

Group 2 – Units purchased on or after 1 April 2025 and on or before 30 June 2025

I-class income units	Income	Equalisation	Payable 29.08.25	Paid 31.08.24
Group 1	1.32	—	1.32	1.37
Group 2	0.56	0.76	1.32	1.37

I-class accumulation units	Income	Equalisation	Allocated 29.08.25	Accumulated 31.08.24
Group 1	2.20	—	2.20	2.16
Group 2	0.98	1.22	2.20	2.16

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 Strategic Bond Fund
3 September 2025

STATEMENT OF THE MANAGER'S RESPONSIBILITIES IN RELATION TO THE ANNUAL REPORT AND ACCOUNTS OF THE RATHBONE STRATEGIC 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 and amended in June 2017;
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 Scheme 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 scheme 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 the assets of the Scheme. 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.

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 Scheme and authorised for issue on 3 September 2025.

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF RATHBONE STRATEGIC BOND FUND (THE SCHEME) FOR THE YEAR ENDED 30 JUNE 2025

The Trustee must ensure that the Scheme 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 Scheme documents') as detailed below.

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

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

The Trustee must ensure that:

1. the Scheme's cash flows are properly monitored and that cash of the Scheme 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 Scheme is calculated in accordance with the Regulations;
4. any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
5. the Scheme'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 Scheme is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

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

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

NatWest Trustee and Depositary Services Limited
Trustee of Rathbone Strategic Bond Fund
3 September 2025

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

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

- give a true and fair view of the financial position of the fund as at 30 June 2025 and of the net revenue and the net capital gains on the property of the fund for the year ended 30 June 2025; 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 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 STRATEGIC 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. 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 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 STRATEGIC BOND FUND (continued)

We discussed among the audit engagement team 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 source.

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 June 2025 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
3 September 2025

GENERAL INFORMATION

AUTHORISED STATUS

The Rathbone Strategic Bond Fund is an authorised unit trust scheme, authorised by the Financial Conduct Authority on 20 June 2007 and launched on 3 October 2011.

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 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 units at present is to the value of £1,000 which may be varied by the Manager. 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 units.

The Manager currently receives an annual remuneration for managing the I-class property of the fund at the rate of 0.50%.

STATEMENTS

A distribution statement showing the rate per unit and your unit holding will be sent half yearly on the 28 February and 31 August.

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 the last day in February and 31 August, unitholders will receive a consolidated statement showing, where applicable, their unit trust, ICVC and ISA holdings for each fund held.

GENERAL INFORMATION (continued)

PRICES

Prices are available on our website 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, by or on behalf of the shareholders, 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

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.

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 Ethical Bond Fund
Rathbone Global Opportunities Fund
Rathbone Income 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 Global Sustainable Bond 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

GENERAL INFORMATION (continued)

FURTHER DETAILS

Should you require 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](https://www.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

SUSTAINABILITY

The Financial Conduct Authority has asked for organisations to make climate-related disclosures, consistent with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). These reports aim to promote transparency on climate-related risks and opportunities and to enable clients to make considered choices.

<https://www.rathbonesam.com/Strategic-Bond-Fund-TCFD-Product-Report>

DILUTION

Swing pricing is used to adjust the Net Asset Value per Share for the Fund in order to reduce the effect of dilution on the Fund, thereby reflecting the true cost of buying or selling investments for the Fund.

The Fund uses "partial" swing pricing. This means that if on any Dealing Day the aggregate value of transactions in shares of the Fund results in a net increase or decrease of shares which exceeds a threshold set by the Board of Directors from time to time for the Fund, the Net Asset Value of the Fund will be adjusted by an amount typically not exceeding 3% of that Net Asset Value. This maximum amount may vary in case of exceptional circumstances (it may be increased in unusual market conditions, e.g., pandemic, natural disaster, economic slowdown caused by terrorist attack or war, high market volatility, disruption of markets, etc.).

GENERAL INFORMATION

UCITS REMUNERATION

In line with the requirements of the UCITS Directive, Rathbones Asset 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	1,931	5,151	7,082	7
Risk takers	2,643	4,508	7,151	18
Other	162	221	383	1
Total remuneration code staff	4,736	9,880	14,616	26
Non-remuneration code staff	1,921	1,065	2,986	28
Total for the Manager	6,657	10,945	17,602	54

The variable remuneration disclosed in the table above is for the financial year ended 31 December 2024, 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

30 Gresham Street
London EC2V 7QN
+44 (0)20 7399 0000
Information line:
+44 (0)20 7399 0399
ram@rathbones.com
rathbonesam.com

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.