RATHBONES

RATHBONE UK OPPORTUNITIES FUND

Task Force on Climate-Related Financial Disclosures Product Report

June 2024

Rathbones Asset Management

FUND OBJECTIVES AND COMMENTARY

Fund investment objective

We aim to deliver a greater total return than the FTSE All-Share Index, after fees, over any 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 (dividend payments).

We use the FTSE All-Share Index as a target for our fund's return because we want to offer you a better return than the UK stock market.

We also compare our fund against the Investment Association (IA) UK All Companies sector to give you an indication of how we perform against other funds in our peer group. Apart from investing exclusively in the UK, the funds in this sector aren't always similar to ours.

ALEXANDRA JACKSON CFA
Fund Manager

Fund manager's commentary

The Rathbone UK Opportunities Fund invests at least 80% in UK listed companies which are domiciled, incorporated or have a significant part of their business in the UK, with the remainder in global shares, cash, short-term deposits and UK government debt. Due to the high weighting in equities (which as an asset class has a greater risk than either bonds or money market instruments) the fund sits at the high end of the risk-reward spectrum.

Our investment process is centred upon the assessment of the three key risks, business, financial and price, that we argue are inherent in any investment. While the fund does not have an explicit ESG mandate, the investment process seeks out quality businesses and takes into account any factors that might present a risk to the business or investment case. This includes ESG risks and we assess all of our investments, referencing data providers such as MSCI (who inform on relative risk within individual industry sectors) and Sustainalytics, who examine absolute risk. Our preference for durable business models, where management have control over their own destiny, naturally leads us away from investing in many commodities.

For all three scenarios the climate value-at-risk is medium to high as some of the companies the fund is invested in are exposed to high emission industries such as the construction and aerospace sector. Some companies held within the fund are also more likely to be negatively impacted by a faster climate transition as they will need to accelerate their strategies towards a lower carbon future. Companies are regularly reviewed, and their low carbon transition plans are taken into account as part of evaluating their risk profile.

In terms of the equity allocation the fund has exposure to the construction and aerospace sectors as part of its investment strategy. This increases the funds climate value-at-risk. The fund also invests in companies that have exposure to low carbon technologies, products and services that form part of the climate transition. This lowers its climate value-at-risk.

CARBON METRICS

The purpose of this report is to provide you with a summary of the possible impact of climate change, both the risks and opportunities, on the securities held within the fund. For the purposes of comparison, we calculate the same metrics for the fund's benchmark using MSCI data. Reporting period 1st January 2023 to 31st December 2023. Calculation date 31st December 2023.

Rathbones' approach to governance, strategy, risk management and Group / Entity level metrics can be found in the Group / Entity TCFD report. A glossary of terms used in this document can be found here - https://www.rathbones.com/ri-glossary. The value of investments may increase or decrease due to the impact of climate change. Rathbones believes that there is sufficient data coverage to rely on these figures.

WEIGHTED AVERAGE CARBON INTENSITY (WACI)

The carbon intensity of the fund weighted by the amount invested in each company, which serve as a measurement of emissions performance of the fund (for Scope 1+ Scope 2).
This is calculated in tonnes CO_2e divided by £M sales.

92.6
Tonnes CO_2e/£M sales
Data coverage: 95%

108.4
Tonnes CO_2e/£M sales
Benchmark name: FTSE All-Share Index
Benchmark Data coverage: 93%

TOTAL CARBON FOOTPRINT

The total carbon emissions of the fund divided by the total value of the fund. This is calculated in tonnes CO_2e divided per £M invested.

71.6
Tonnes CO_2e/£M invested
Data coverage: 94%

87.4
Tonnes CO_2e/£M invested
Benchmark name: FTSE All-Share Index
Benchmark Data coverage: 93%

SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

The sum of the total operational emissions from securities within the fund.
This is calculated in tonnes CO_2e.

3,417
Tonnes CO_2e
Data coverage: 94%

4,173
Tonnes CO_2e
Benchmark name: FTSE All-Share Index*
Benchmark Data coverage: 93%

SCOPE 3 GREENHOUSE GAS EMISSIONS

The total indirect emissions that the fund is responsible for, within its value chain, including: employee travel, waste disposal, leased assets and franchises.

17,218
Tonnes CO_2e
Data coverage: 94%

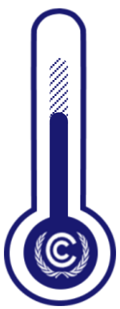
46,111
Tonnes CO_2e
Benchmark name: FTSE All-Share Index*
Benchmark Data coverage: 93%

* Benchmark data scaled to match AUM of fund

IMPLIED TEMPERATURE RISE

IMPLIED TEMPERATURE RISE

The Implied Temperature Rise (ITR) is a forward-looking metric which provides an indication of how well the fund aligns with the ambitions of the Paris Agreement calculated in degrees Celsius.



1.5°C

UK Opportunities Fund

1.5 - 2°C

Paris agreement target

HOW DO THESE SCENARIOS ALIGN TO PARIS AGREEMENT COMMITMENTS?

The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping the global temperature rise this century to well below 2 degrees Celsius above pre-industrial levels.

SCENARIO ANALYSIS

Climate value-at-risk attempts to assess the potential financial loss or gain from the fund as a result of climate change, including the impact of: climate policy; new technology opportunities; physical risks.

The 3 scenarios of climate change which we have assessed shows how a global temperature increase of between 1.5°C and 3°C by 2100 may impact the fund. We calculate these using the Network for Greening the Financial System (NGFS) REMIND model, accessed through MSCI.

	ORDERLY TRANSITION	DISORDERLY TRANSITION	HOT HOUSE WORLD
Global temperature rise	+ 1.5°C	+ 1.5°C	+ 3.0°C
Application of climate policies	Climate policies are introduced and gradually become more stringent	Climate policies are delayed or inconsistent across countries	Global efforts are insufficient to halt significant global warming
UK Opportunities Climate value-at-risk (Data coverage: 95%)	-7.8%	-9.9%	-4.4%
Benchmark (FTSE All-Share Index) Climate value-at-risk (Data coverage: 94%)	-16.2%	-18.0%	-6.1%
Climate scenarios Climate scenario analysis helps us understand the implications of possible climate scenarios on our investment portfolio, and the resilience of our investment strategies in the transition to a net zero economy. Our approach to scenario analysis involves assessing the exposure of our equity and corporate bonds holdings by applying MSCI's Climate Value-at-Risk methodology.	Orderly scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.	Disorderly scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors. For example, carbon prices would have to increase abruptly after a period of delay.	Hot house world scenarios assume that some climate policies are implemented in some jurisdictions, but globally efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts like sea-level rise.

ADDITIONAL INFORMATION

This is a financial promotion relating to a particular fund. Any views and opinions are those of the investment manager, and coverage of any assets held must be taken in the context of the constitution of the fund and in no way reflects an investment recommendation.

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. Past performance should not be seen as an indication of future performance.

Use of MSCI data to calculate our investment metrics: This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although Rathbones Group Plc's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the ''ESG Parties''), obtain information (the ''Information'') from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose.

Information valid at date of presentation.

Tax regimes, bases and reliefs may change in the future.

Rathbones Group Plc is independently owned, is the sole shareholder in each of its subsidiary businesses and is listed on the London Stock Exchange. Rathbones is the trading name of Rathbones Investment Management Limited.

Rathbones Asset Management Limited is authorised and regulated by the Financial Conduct Authority. Registered office: 8 Finsbury Circus, London EC2M 7AZ, Registered in England No. 02376568.

Trust, tax and company administration services are supplied by trust companies in the Rathbones Group. Provision of legal services is provided by Rathbones Legal Services Limited ('RLS'), a wholly owned subsidiary of Rathbones Trust Company Limited ('RTC'). RLS is authorised and regulated by the Solicitors Regulation Authority under no.636409. The registered office of both RTC and RLS is 8 Finsbury Circus, London EC2M 7AZ. RTC and RLS are registered in England under company nos.01688454 and 10514352 respectively.

Rathbones Investment Management International Limited is the registered business name of Rathbones Investment Management International Limited which is regulated by the Jersey Financial Services Commission. Registered Office: 26 Esplanade, St Helier, Jersey JE1 2RB. Company Registration No. 50503.

Rathbones Investment Management International Limited is not authorised or regulated by the Financial Conduct Authority or the Prudential Regulation Authority in the UK. Rathbones Investment Management International Limited is not subject to the provisions of the UK Financial Services and Markets Act 2000 and the Financial Services Act 2012; and, investors entering into investment agreements with Rathbones Investment Management International Limited will not have the protections afforded by that Act or the rules and regulations made under it, including the UK Financial Services Compensation Scheme. This document is not intended as an offer or solicitation for the purpose or sale of any financial instrument by Rathbones Investment Management International Limited.