

# Rathbone Ethical Bond Fund

## Illustrative holdings



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# Rathbone Ethical Bond Fund

We understand that transparency is vital when it comes to showing you exactly what goes into our investment process and the holdings in which we choose to invest. Moreover, we recognise the importance of fully researching all the companies in which we choose to invest, to ensure our strict criteria are met.

Companies are reviewed against a number of positive and negative top-level social and environmental criteria, made up of over a hundred distinct sub-criteria respectively.

They are judged on both a bottom-up (looking in detail at the specific merits of their individual activities and how they address corporate responsibility issues) and a top-down approach (comparing this performance to that of their peers for the range of corporate responsibility issues covered and quality of response).

As well as the reporting outputs of companies themselves, the ethical research team looks at a variety of sources (industry groups, non-governmental organisations, sell-side analysts, external research bodies, specialist SRI conferences, financial news monitoring, SRI media publications) to arrive at a balanced view of companies' overall performance.

Research is also conducted on a thematic basis and has examined such topics as: climate change, clean energy, human rights, community investment and employee welfare.

Here is a snapshot of some of the ethical investments, we have made in the past and present.

**“We believe that the fund offers the opportunity to invest in a fixed income fund with high quality investment grade bonds whilst applying a broad range of both positive and negative screening criteria that will appeal to consumers with ethical concerns.” – Bryn Jones**



**Bryn Jones**  
Fund Manager



**Noelle Cazalis**  
Fund Manager



**Stuart Chilvers**  
Fund Manager

north  
west  
bicester

a2dominion

## Environmental and sustainable housing: A2Dominion

### Committed to improving environmental sustainability and performance.

#### Site visit to North West Bicester

The UK's first true zero-carbon development of its size launches in Bicester, Oxfordshire.

1. Elmsbrook, launched on 6-7 June 2015, is the first true zero-carbon residential development of its size in the UK. FABRICA by A2Dominion will deliver the pioneering properties, which are part of the wider North West Bicester (NW Bicester) Masterplan in Oxfordshire.
2. Each of the 393 true zero-carbon homes, built with zero waste to landfill during construction, has been developed responsibly with a 30% reduction in carbon used compared with a typical build process. A mechanism for harvesting rainwater will come as standard, and has been designed to reduce water use to 80 litres per person, per day. The development includes one of the largest assemblies of solar panels in the UK, amounting to 17,500 square meters arranged across the roofs of the homes, which will contribute towards reducing the energy bill of each Elmsbrook property.

3. Real time energy use and costs, and real-time bus travel updates will be displayed in every home via a tablet home information system. Known as the 'Shimmy', it will act as a communication portal for the community.
4. Elmsbrook aims to deliver a valuable and sustainable community that supports and enhances the town of Bicester, providing a range of facilities aimed at all ages, including a new primary school, nursery, community hall, local shops, cafés, eco pub and eco-business centre providing accommodation for start-up businesses.
  - Green governance and culture: adopting and promoting environmentally conscious practices.
  - Reduced CO2 emissions: understanding our carbon emissions and where these can be cut.
  - Affordable warmth: reducing customers' exposure to extreme fluctuations in fuel prices.
  - Sustainable approach to waste, water and purchasing: minimising water use in homes and offices, reducing consumption, reusing and recycling where possible.
  - Sustainable land use, enhanced biodiversity and adapting to climate change: mitigating against the detrimental effects the built environment has on nature.
  - As of May 2022, 38,395 homes owned or managed; 5,009 homes in development and 68,000 customers.





## ACCIONA

**Their goal: to make a positive contribution to society and the planet, providing sustainable solutions to the most urgent issues such as global warming and water scarcity.**

They want to encourage social awareness about sustainability in a way that resonates with the authorities, society and businesses – wanting to lead, accelerate and complete the transition towards a decarbonised economic model.

They design solutions that address the major global challenges facing humanity: decarbonisation of the energy system, the climate emergency, water and sanitation shortages, the need for resilient infrastructures, and innovation and the development of more sustainable cities.

ACCIONA incorporates the latest technological advances into the development of their projects and the generation of new businesses, while bringing technology closer to markets and customers to drive sustainable development together.

In a continuous exploration of new ideas to develop the capabilities, products and services required to design a better planet, ACCIONA combines the most open, disruptive and digital innovation within their innovation centres.



## Aggregated Micro Power

**The Project at Colin Myers Timber (Part of Beesley & Fildes Ltd) involved the installation of a 999 kilowatt (kW) Binder wood chip biomass boiler, wood chipper and fuel store housed in a purpose built plant room provided for by the Client.**

The purpose behind the installation of the biomass boiler was twofold, firstly, to provide heat energy to the various buildings on site by virtue of using the waste wood produced by the facility and secondly, to reduce the exporting of this waste wood off site to landfill sites around the county.

AMP provided the Client with a financed solution, whereby he was able to shred his waste wood from the site to provide wood chip which fuelled the biomass boiler. It has been estimated that by shredding his waste wood and generating heat energy, he would, at a minimum, reduce his haulage of waste wood off site by circa 400 tonnes. The Scheme not only allows the Client to save on his haulage costs and landfill charges but also, he now has access to "free" heat energy by virtue of his waste wood.

We believe that ultimately this site will be central to the reduction in landfill and energy charges for the Client as it provides a "win-win" solution in providing free heat energy from waste wood.



Fund Manager Bryn Jones inspects biomass boiler



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## The Alnwick Garden

**The Alnwick Garden is a breath-taking and evolving garden open to all.**

Behind the scenes of the picturesque water features, Poison Garden, Labyrinth, and many other wonderful experiences, there is a hard-working charity that seeks to support those in the community who need it most. Using the proceeds from The Garden to maintain the site, and more fundamentally to deliver on charitable objectives, The Alnwick Garden strive to reduce social isolation, improve well-being and support the most vulnerable community members.

Identified challenges in their local communities include increasing young people's employment chances, drugs education and making positive choices for children and young people and supporting other organisations to create beautiful, mindful and sensory outdoor spaces for their beneficiaries. They also strive to reduce isolation and increase social networks for older people in our communities.

The garden, due to its particular features, its peacefulness and tranquility, was extremely successful and popular during the COVID pandemic.



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## Audax Renovables

**Audax Renovables is an independent company dedicated to generate electricity using 100% renewable sources.**

As a leading utility group in the small and medium-sized enterprises segment in Spain, Audax Renovables guarantees efficient supply of energy retailed through a process of vertical integration with the renewable energy generation branch, has a robust financial position and is ready to be at the forefront of the energy transition in the European market.

The group runs a portfolio of operating wind farms of 91 megawatts (MW) in Spain, France and Poland. Additionally, the group has a wind project under construction in Panama, of 66 MW. Moreover, it also has a portfolio of 60 MWp photovoltaic projects under construction and a 2,291 megawatt peak (MWp) photovoltaic portfolio in different phases of development located in Spain, Portugal and Italy.

Audax Renovables, operating as a 100% renewable energy supplier, is present in Spain, Portugal, Italy, Germany, Poland, the Netherlands and Hungary, with over 515 thousand customers and 15 terawatt-hours (TWh) supplied in 2020.



## Belong

**Belong is a values-based organisation founded on their vision that older people have the right to enjoy the same community belonging and richness of experience that they have known.**

- 20 years of experience as a care operator informs their ambition to offer a radically different alternative to the host of existing care settings.
- Belong were one of the early pioneers of the 'household' model for people with dementia and their drive for innovation and excellence has earned them recognition and accolades in the industry, but most importantly from their customers.



## Social housing: Bedford Pilgrims Housing Association (BPHA)

**Since formation in 1990, BPHA has more than trebled its property stock and now owns and manages 19,527 homes across the home counties to the north and west of London.**

BPHA offers a diverse range of housing options to its customers, including:

1. Provision of affordable homes for people unable to afford to rent or buy in the open market.
2. A range of housing products for the intermediate, near market rent and shared ownership markets.
3. Development of new homes for sub market rent.
4. Housing management contracts for local authorities, other housing associations, developers and private investors.
5. Registered care homes.
6. Community Employment Support project – help and support is free of charge and takes the form of one-to-one career advice sessions with a specialist adviser in a safe, friendly environment that is convenient to the resident.
7. BPHA run a range of courses to help tenants develop their skills and improve their lives. Course including DIY, budget management, literacy and numeracy.
8. BPHA also supports older residents through "Silver Surfers" and the "Fit@sixty" projects helping them to become digitally included, fitter and healthier to live their day-to-day life.



Community employment support project



## BRIDGE Housing

**BRIDGE Housing is headquartered in San Francisco, with offices in Los Angeles, San Diego, Orange County, Portland and Seattle. Since 1983, BRIDGE has been a mission-driven nonprofit known for creating award-winning affordable homes that not only reflect the character of the community but also display the same quality of design and construction as market-rate housing. A nonprofit and seasoned developer, uniquely equipped to find and leverage capital, lower development costs and forge community partnerships.**

Their expertise can also help other developers meet their affordable housing requirements. As a leading community development partner, they aspire to add value to every deal.

Their range of expertise includes:

- Family and senior affordable housing
- Transit-oriented, infill and sustainable development
- Master plans
- Mixed-use, mixed-income
- Acquisition, rehab and preservation
- Supportive housing and assisted living
- Ownership



## Broadband for the Rural North Ltd

**Broadband for the Rural North Ltd or 'B4RN' (pronounced 'Barn') was launched in December 2011 by a local volunteer group. Registered as a Community Benefit Society, it can never be bought by a commercial operator and its profits can only be distributed to the community or used to expand the network.**

The company's initial share offering raised hundreds of thousands of pounds from the local community and the first ground was broken in Quernmore in March 2012. Within months, B4RN's affordable, community-focused model won it the ISPA's 'Internet Hero' award. By 2015, they had 1,000 properties connected and received royal recognition with a visit from HRH The Prince of Wales. Regularly used as a leading exemplar by national TV and press of what is possible both in terms of gigabit fibre and an empowered rural community.

### The numbers\*

1. B4RN has more than 9,000 connected properties
2. B4RN is an equal opportunities employer with more than 70 staff and hundreds of dedicated volunteers
3. Uptake of B4RN averages about 75% of all properties in the communities they have completed
4. Local communities have invested more than £9 million in B4RN
5. B4RN has more than 2,900 shareholders.

\*figures updated August 2021





## Burnham and Weston Energy

### One of the largest community solar farms in the UK.

- The 9.3MW Wick Farm Community Solar Project has been generating electricity and income from the sun since June 2016. It is made up of 36,000 solar panels generating the equivalent of the electricity consumption of around 2,000 homes.
- Surplus income generated by the Wick Farm Community Solar Project will be used to provide funding for community organisations and projects in the local area. Surplus will be around £50,000 per year from the outset and an estimated £3 million over 23 years.

The community fund payments will be split in half between:

- A community grant fund for local projects – managed by Somerset Community Foundation.
- An energy and fuel poverty advice service delivered through partnerships with local organisations.



## Canal & River Trust Realising the value of waterways

**The Canal & River Trust is the guardian of 2,000 miles of historic inland waterways across England and Wales. They maintain one of the nation's largest collection of listed structures, including locks, aqueducts, bridges, tunnels, docks, wharves, historic warehouses, offices and houses, as well as reservoirs, embankments and cuttings and many important wildlife habitats.**

Caring appropriately for these features (or assets) is vital to the achievement of their vision for *Living waterways that transform places and enrich lives*; enabling the waterways to be valued and enjoyed by future generations.

Their aim is to attract more visitors to the waterways and museums and support a thriving community of private boaters and boating businesses. Involving local people and volunteers in caring and improving their local waterway and engender widespread support for waterways and the activities of the Trust.

Getting the most out of the waterways and assets which surround them is key; whilst providing good customer service and a positive customer experience, something which is central to their asset management approach.



# CAF Charities Aid Foundation

## Helping charities thrive: Charities Aid foundation

**The Charities Aid Foundation is one of the largest charitable foundations in Europe and is among the largest providers of products and services to charities, donors and companies worldwide.**

1. CAF help people and businesses support the causes they care about, and for charities, they provide simple and straightforward day-to-day banking and fundraising services, freeing them up to concentrate on the real work of making a difference.
2. Cost structure is flexible and interest on the bond will represent 0.8% of the group income – this gives us comfort about our interest payments.
3. Covenants protect us from excessive leverage that would be detrimental to bondholders (1:1 leverage ratio debt to unrestricted funds).
4. Very strong demand.

The logo for Chelmer Housing Partnership (CHP) features a stylized graphic of three overlapping leaf-like shapes in green, purple, and teal to the left of the letters 'CHP' in a bold, dark teal font.

## Social housing: Chelmer Housing Partnership (CHP)

**CHP is a not-for-profit limited company focusing on core social housing.**

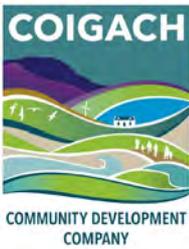
1. CHP Charitable foundation – 2013/2014 budget allocated £500,000 to charitable actions.
2. The Parkside Community Hub – a local engagement centre to build peoples skills and self esteem.
3. Mendip Place – completed pioneering new housing scheme in Chelmsford. Code for Sustainable Homes Level 6.
4. The environmental improvements committee – resident-led group, helps transform neighbourhoods.
5. Wingspan – organisation that helps provide ex-offenders and long-term unemployed a chance to work.



Charities Aid Foundation



High quality social housing



## Coigach Community Development Company

### Community wind turbine project.

- Refinancing the wind turbine (Varuna) to fund a variety of community projects in the area.
- 100% of the profits from this community energy asset will be donated to Coigach Community Development Company to fund projects such as affordable housing, bring employment in to the area, develop transport links, support local amenities and conserve the natural environment. One key project is to re-develop the community's harbour facilities to support the local fishing fleet.
- The Coigach Community CIC bonds will be secured by way of a first legal charge over the wind turbine asset and will pay interest of 5% a year increasing annually in line with inflation.



## Social housing: Dolphin Living

**Founded in June 2005 as a charitable trust, they hold 811 homes across London with a total cost of £250 million. Since 2005 in London, house prices are up over 100%.**

The trust provides stable tenancies at a range of rents affordable to households earning less than the affordable housing incomes limits set annually by the Mayor of London.

72% of the total portfolio is intermediate rent, providing homes at an average rent of 60% of the market rent. Intermediate and social rents are cross subsidised by the 169 market rent units.

The charitable trust have a growing and resilient rental income stream underpinned by market demand for their product and an experienced management team with extensive expertise. Aligned to this, the charity contribute to wider housing agenda through speaking opportunities and policy discussions and only employ contractors who sign up to a Considerate Contractors Scheme.



Fund Manager  
Bryn Jones  
visiting one of  
the homes





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## Ecology Building Society

**They're dedicated to building a greener society by providing mortgages for properties and projects that respect the environment and support sustainable communities, funded through a range of simple, transparent savings accounts.**

The Ecology Building Society were established in 1981 by a group of pioneering founder members who wanted to start a building society to help finance environmental building renovations and support sustainable development. Since then they have expanded the reach of their lending; throughout they remain committed to their mission and ethical principles.

Their impact isn't about the profit they make – it's about the difference they make to the environment and to communities across the UK.

Since 1981 they've lent to over 3,000 projects, supporting individuals, charities, environmental businesses and community-led housing organisations to realise their sustainable living ambitions.

In 2020 they lent £39.3 million across 230 sustainable properties and projects.



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## Ford Foundation

**They believe in the inherent dignity of all people. Yet around the world, billions of people are excluded from full participation in the political, economic, and cultural systems that shape their lives.**

The Ford Foundation view this fundamental inequality as the defining challenge of our time, one that limits the potential of all people, everywhere. Addressing inequality is at the centre of everything they do.

Throughout their history, the foundation's approach has been characterised by a continuous emphasis on building institutions and networks, investing in individuals and leadership, and supporting new ideas. These are their *three I's*.

### **Institutions**

They've helped launch institutions like Human Rights Watch, the Public Broadcasting Service, and South Africa's Legal Resources Centre.

### **Ideas**

They have invested in the ideas, insights, and research that have seeded pioneering movements like public broadcasting, microfinance, legal services for the poor, community development, and Internet rights – to name a few.

### **Individuals**

They have stood behind thousands of extraordinary individuals, ranging from Martin Luther King Jr. to Nelson Mandela, James Baldwin to Gloria Steinem, Muhammad Yunus to Ai-jen Poo. Nearly 50 Nobel laureates were Ford Foundation grantees – before they won their prizes.

# GREATER GABBARD



## Sustainable energy: Greater Gabbard Offshore Winds

**Greater Gabbard Offshore Winds generates wind energy in the United Kingdom.**

1. A 504 mega watt wind farm off the coast of Suffolk; completed in September 2012.
2. A- rated by Moody's.
3. The EIB credit enhancement prevent from liquidity events and there is also a reserve account.
4. No construction risk, assets were already operating when the bond was issued and no further CAPEX anticipated.
5. Revenue is based on availability (sector average: >99%) and is RPI-linked.

504 mega watt wind farm



No construction risk



Fund manager Bryn Jones flies over Greater Gabbard on return from Isle of Man

## Sustainable transport: Great Rolling Stock Company

**The Great Rolling Stock Company Limited is an operating subsidiary of Angel Trains, a rolling stock company (ROSCO) including a fleet of high-speed passenger trains; regional and commuter passenger trains and freight locomotives.**

1. It finances the provision of new and improved passenger and freight rolling stock by leasing carriages to rail companies.
2. Angel Trains owns and maintains over 4,000 rail vehicles in the UK, more than £5 billion invested in the nation's rail rolling stock.
3. It leases to 17 of the 19 franchised operators in the UK.
4. Its fleet includes high-speed passenger trains, regional and commuter passenger multiple units and freight locomotives.



Taking you from A to B



A range of housing projects



## Greensleeves Home Trust

**Greensleeves are a high quality care home charity operating 18 residential care homes and 2 nursing homes in the Midlands, South and East of England. They have a £88.7 million portfolio with properties held freehold or on long leases.**

Greensleeves provide a home for 1,081 elderly and frail residents, built around the Eden Alternative care model which embraces person-centred care and personal growth.

The Care Quality Commission regulate Greensleeves and conduct frequent reviews of each property. 21 out of 22 currently open homes have a Care Quality Commission rating of good or above, with a further two new homes yet to be inspected.

The devolved company structure means that each care home operates as an independent business, with 75% privately funded residents. This approach is based on the belief that homes are more responsive to local demand and are embedded and respected in their communities.



## Charitable, social enterprise: GLL

**A charitable social enterprise for all the community.**

1. GLL manages leisure centres around the UK, (including the Copper Box and the Olympic swimming pool) and does a lot for local communities, for kids and disabled persons to get involved with sport.
2. It is a charitable social enterprise, which works for the benefit of everyone: the public, the communities they work in, the environment, their staff and their partners. As a result, they are the first leisure operator in the UK to be awarded both the Social Enterprise Mark and the Prime Minister's Big Society Award.
3. Since the birth of GLL, management of over 150 facilities has been achieved resulting in memberships rising from 7,000 to nearly 500,000 with tens of millions of visitors every year.
4. Always looking to grow, and add new services and spaces. They have moved beyond leisure, to explore what else can provide for communities – such as libraries and playgrounds. All of which will be run in a charitable, social way.



Fund Manager Noelle Cazalis visits GLL leisure centre site

Sponsoring the London Olympics 2012



GLL leisure centre



## Hightown Praetorian & Churches Housing Association

**Hightown are a Registered Provider and constituted as a Cooperative and Community Benefit Society with charitable status that owns and manages over 7,300 units across four counties.**

They focus on a wide range of accommodation relating to social support which includes housing for those with learning disabilities and mental health problems, housing for homeless people and other groups that require support.

Established in 1967, Hightown creates significant additional social impact whilst simultaneously providing affordable housing in areas of great need. Hightown aims to grow its portfolio by 300-400 units per year.

They are aiming to build 700 new affordable homes in 2021/22.



Fund Manager Bryn Jones meets Carla, who runs a 12 bed drop in centre for the Open door homeless charity



Project redeveloping Marylands plaza into social and affordable homes



Project converting two terrace houses into high quality homeless accommodation



## W.K. Kellogg Foundation

**The W.K. Kellogg Foundation (WKKF), founded in 1930 as an independent, private foundation by breakfast cereal innovator and entrepreneur Will Keith Kellogg, is among the largest philanthropic foundations in the United States. Guided by the belief that all children should have an equal opportunity to thrive, WKKF works with communities to create conditions for vulnerable children so they can realize their full potential in school, work and life.**

Their mission is to support children, families and communities as they strengthen and create conditions that propel vulnerable children to achieve success as individuals and as contributors to the larger community and society.



## LINTON HYDRO

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### Linton Hydro Limited

**Linton Hydro Limited was established April 2016 by its five founding directors and shareholders, specifically for the purposes of constructing and developing a new 280kW turbine as well as upgrading the existing 100kW scheme at the site. The broader aims of the Linton Lock Scheme were to provide a powerful local asset which would boost the river's fish population and a valuable regional canoeing facility.**

Through their existing businesses, they have worked together over the past 20 years to design, develop and construct over 50 operational hydro power schemes in the UK. Together they share a complementary range of skills and experience in fisheries ecology, engineering and hydro power technology.

In 2016 Linton Hydro acquired 100% of Flowpower Limited, which owns and operates a 100kW turbine that is adjacent to the 280kW turbine at Linton Lock. The company also established a new wholly-owned subsidiary Widdington Hydro Limited to develop the larger turbine.





## Community support: L&Q

### Site visit to L&Q, Bermondsey

**L&Q is one of 2,000 housing associations that work in the UK. Their main purpose is to provide high quality, affordable homes. L&Q residents are varied. Most families are on low incomes and usually come from the local council lists of those who need housing.**

1. They manage over 105,000 homes in London, South East England and the North West following the acquisition of Trafford Housing Trust.
2. They have a target to deliver at least 8,000 new homes by 31 March 2024.
3. Target to reduce direct carbon emissions intensity by 20% by 31 March 2024 relative to a 2019/20 baseline.
4. They are developing a decarbonisation strategy for existing homes, setting out the roadmap to average EPC band C by 2030 and Net Zero 2050.



Central heating from waste plant



Fund Manager Bryn Jones on site visiting the new built estate

### Aylesbury and Silwood

**Each year, L&Q supports charities whose work resonates with its aim to make a difference in local communities.**

1. They have now come to the end of the regeneration programme which started in the mid-90s. The Aylesbury estate is now in phase four of the development stage; approximately 146 units of housing are left to be developed out of an approximate 1,000 which have been completed for social and shared ownership.
2. What was a crime area is now fully developed and crime has been reduced.
3. A heating system has been created from the land waste plant.
4. There is a £150 million annual maintenance spend and a proposition to reinvest a build-up of £1.25 billion into work in progress, like building 11,883 homes within that budget. Commercial discipline with a social objective is their mantra.



Before



After



After



## Nottinghamshire YMCA

### **Building stronger communities by promoting mind, body and spirit.**

Through the charity's core values of caring, honesty, respect and social responsibility, their range of programmes aim to support local individuals, families and communities to improve health and wellbeing for all.

**Gym:** get fit and change lives while doing it! Access their vast range of exercise equipment, facilities and instructors to achieve personal fitness goals and holistically improve your health and wellbeing.

**Housing:** they manage emergency accommodation and transitional houses for adults and young people, plus residential settled care for children.

**Children and families:** programmes for children, young people and families ranging from adventure guides and day camps to digital sessions and affordable childcare.



## Paces Sheffield

### **Paces Sheffield ("Paces") is a specialist centre, school and charity for children and adults with Cerebral Palsy and other motor disorders of a neurological origin. Paces aims to positively change the lives of those it supports. The charity focuses on ability, not disability.**

Paces delivers Conductive Education: a holistic package of educational support that aims to help children and adults obtain the greatest level of independence through a range of supportive measures.

They have over 20 years' experience of supporting individuals using the techniques of Conductive Education and have directly supported over 350 children and adults with a range of complex needs. Paces is the only provider of Conductive Education between Nottingham and Newcastle.

- Paces School provides 'all through' provision for children aged three-to-18 years old (early years, primary and secondary school). The school currently supports 38 children (34 full time equivalent ("FTE")) and uses Conductive Education in all areas of the curriculum, which has positive impacts for children in all aspects of life; in school, at home and in the wider community.
- Paces Adult Day Service (Paces Conductive Living for Adults) supports six young people and adults (5 FTE) with motor disorders (mainly Cerebral Palsy). Programmes are designed to support participants' transition into adulthood, helping to gain the knowledge, skills and confidence to lead independent lifestyles.
- Paces Family Services (Paces Charity) has been developed over the last 20 years as a response to the need for support expressed by parents, families and carers. They support 50 families of disabled children and adults every year at the Paces Campus. Paces Outreach programme is a free service that currently supports 20 young children (aged six months to four years) and their families, both at Paces and at home.





## Social investment: Places for People (North British Housing Association)

**Places for People (PfP) is one of a new breed of “super housing associations” which have benefited from public funding streams, the onset of large-scale private finance from banks and the transfer of housing stock from local authorities.**

1. With assets in excess of £4.9 billion, PfP manage more than 217,000 homes across the UK, of which around two-thirds are classified as “affordable rent” properties.
2. In December 2021, it was awarded ‘Residential Company of the Decade’ at the prestigious RESI Awards.

### Site visit to Lock 54, Blackburn

Beneficiary of directly invested monies in Places for People bond issuance.

1. In 2005/2006 this area was 320 substandard terrace houses. The area was designed as a “housing market collapse” area, where house prices rapidly declined. Streets were half empty and houses boarded up. Places for People won the contract to rebuild the area.
2. Rebuilt 159 units of one to four bedroom homes. Social housing, shared ownership, to outright ownership. They built wheelchair accessible bungalows, flats and homes too.
3. They identified a community centre which they kept as the heartbeat of the development. They won lottery funding to create some open space, and encouraged a doctor’s surgery into the area.



**This is no longer an investment by the Rathbone Ethical Bond Fund as the bond has matured.**



## Community support: Scope

**Scope is a UK disability charity that supports disabled people and their families in England and Wales. The Rathbone Ethical Bond Fund invested £100,000 in a three year fixed rate bond; Bryn Jones, Fund Manager, went to visit Scope and find out more ahead of the deal.**

1. Scope offers a range of services including local disability advice and information lines (DIALs), Scope Response; education and learning opportunities; after school schemes and home support; residential care; and employment and training.
2. Scope is active in carrying out the Face2Face programme. This is a support programme that helps families with disability needs. 80% of disabled people are not born with the disability so this support is essential.
3. They are promoting Helpline which offers free impartial and expert information, advice and support. They provide support to over 20,000 people.
4. They are promoting their foster care service. Disabled children find it hard to find families. Most disabled kids end up in hospices and hospitals. So far they place just 20 kids a year.
5. Their independent living accommodation scheme looks to place 18-25 year olds in properties and shared bungalows; their first one in Cardiff centre was a great success.
6. Scope charity shops raise millions of pounds to fund their work with disabled people and their families.

8. Scope are looking at retail expansion to boost fundraising. They look to open 100 shops over five years, and say that after six years from the original £50,000 investment, it will hope to create £180,000 of sustainable income.

### Site visit to Meldreth Manor School

Offering children and young adults aged 9-24 years; with complex needs, a creative approach to multi-sensory curriculum; helping to promote all aspects of their developmental requirements. More than just a school.

### Site visit to Beaumont College, Lancaster

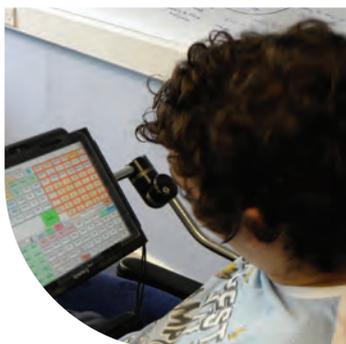
Beneficiary of charitable payments from SCOPE, a bond in which we invest. A very productive field trip.

1. The college offers the technology to help enable communication amongst physically disabled young adults. The college uses creative arts, dance and film-making to support the personal development of the 18-25 year olds who attend.
2. OFSTED have given a glowing report.
3. The college work with partners such as the BBC and BT to support the students developmental needs.
4. Technology such as Disseminating Assistive Roles Technology (DART) and connect2control are used; the later being a technology that helps with everyday tasks such as opening curtains, turning on lights and operating electronic devices in the home.
5. The college and SCOPE both wish to establish enterprise hubs that provide pre-employment experience, plus possibilities for these students to run their own businesses.



Fund Manager Bryn Jones meets with students at Meldreth Manor School

Gregor and his communication aid



Fund Manager Bryn Jones in sensory room



## South Bristol Sports Centre

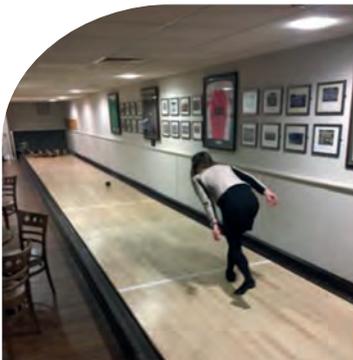
**The project involved building 6 five-a-side football pitches, resurfacing an AstroTurf pitch and relocating a bowling green.**

The overall goal of the project was to raise the confidence, aspirations, health and wellbeing of the participants. This aimed to be achieved through increased engagement in health related activities and social cohesion through participation of excluded social groups.

The £938,000 raised between March – June 2016 through investment in Series A, B and C bonds have so far resulted in the pitches being built and the centre is already generating income. The project has delivered various positive outcomes including the pitches being utilised across a number of social inclusion activities, the formation of the Youth Council and a strong uptake with the participation of 30 teams.

The Youth Council is made up of teenagers hand picked from social inclusion programmes. The members have volunteered a total of 480 hours to run the summer football camps on the pitches and have themselves designed and delivered the social impact measurement framework for the sporting activities.

We believe the project has had a significant financial and social impact on an area that contains 3 wards within the top 1% deprived areas in the UK.



Source: social and financial impact reporting, September 2016



**St John's School**  
LEATHERHEAD

## St John's School, Leatherhead

- The objective of St John's School is the advancement of the education of boys and girls by the provision of a day and boarding school.
- The school aims to promote academic excellence, intellectual curiosity and a love of learning.
- A recently built state of the art leisure centre which opened 2019, financed by us on the proviso that the pool is loaned to local primary schools, and community groups in the area. At the time of printing five primary schools in the area are now benefiting from this access.
- Additionally they make the space available free of charge to groups such as Flyerz Hockey – a special needs partnership.





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## The California Endowment

### **Supporting wellness, inclusion, and shared prosperity for all Californians.**

Developing young and adult leaders to work intergenerationally to raise up the voice of marginalized communities and promote greater civic activism

Transforming public institutions to become significant investors in, and champions of, racial and social equity, and in the healthy development and success of young people for generations to come.

Ensuring prevention, community wellness, and access to quality health care for all Californians.

The Endowment intends to use the net proceeds of the social bond offering in pursuit of health, wellness, and racial equity for California and Californians.



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## The Nature Conservancy

### **The Nature Conservancy is a global environmental nonprofit working to create a world where people and nature can thrive.**

Founded in the US. in 1951, The Nature Conservancy has grown to become one of the most effective and wide-reaching environmental organizations in the world. Thanks to more than a million members and the dedicated efforts of our diverse staff and over 400 scientists, they impact conservation in 72 countries and territories: 38 by direct conservation impact and 34 through partners.

#### **Recent projects:**

Restoring coastal habitat by supporting local restaurants during COVID.

Lack of demand during the pandemic led to a surplus of oversized oysters from growers. They're purchasing the oysters and using them in restoration projects where they filter water and support the ecosystem. This provides income to small businesses.

A marine protected area the size of Great Britain.

They led a ground-breaking deal that protects nearly 160,000 square miles of ocean off of Seychelles while helping the small island nation pay off its debt and make important climate change adaptations.

Helping Indigenous leaders protect "The Land of the Ancestors".

The Łutsël K'é Dene First Nation, with support from TNC, established 6.5 million acre protected area Thaidene Néné in Canada. The historic agreement ensures the First Nation can manage the land according to their values.



## Charitable, social enterprise: Thera Trust

**Thera is a group of companies that support adults with a learning disability to have control over their own life. Good support empowers people with a learning disability to be leaders in society.**

1. Thera Trust is a charity that leads the Thera Group of companies.
2. Supporting people with a learning disability since 1998, they now support around 3,000 people across England and Scotland.
3. Seven voluntary directors have a learning disability, covering 44% of their boards.
4. 593 people engaged with their Unity Works programmes in 2019-2020.
5. 800 people have been supported for more than 30 hours per week including 501 with complex behaviour support needs in 2019-2020.
6. Through Forward Housing (part of the group of companies), 156 tenancies have been developed so that people can achieve a tenancy in their own home.



Camden Society enterprise cafes

## Thrive Renewables

**Thrive was established in 1994 in response to the Chernobyl disaster, with a mission to power the transition to a sustainable energy future. Thrive offer opportunities to invest in clean energy projects that deliver financial, environmental and social rewards.**

### Incubated within Triodos and spin-off

- Strong track record in its 27 years of operations.
- Have built or funded the construction of 25 renewable energy projects, the majority of which they still own and operate

### Solid financial performance

- 149,292 MWH of green electricity generated in 2020
- Generated enough green electricity to power all the homes in the city a size of Lincoln
- 60 tonnes of CO2 saved by community benefit programme to date

### Strong covenant package

- Gearing covenant: Total borrowings/(Net assets + total borrowings) < 70%.
- If interest payment is late or if the gearing covenant is breached, interest rate will jump from 5% to 8% during the period of default/non-compliance.

**Despite being unsecured, we believe this bond is backed by predictable cash flows and we take comfort from management long term track record and conservative use of debt within the structure.**



## Triodos Bank

### Triodos Bank UK

**Triodos Bank is a global pioneer in sustainable banking; a values-based organisation that promotes responsible and transparent banking with an explicit principle of values-based banking; only lending to and investing in sustainable, entrepreneurial and progressive enterprises that have a positive impact on people and the planet.**

- In April 2020, Triodos Bank UK was announced as a winner of the prestigious *Queen's Award for Enterprise*, in the Sustainable Development category
- Triodos' financing enabled the following in 2019: 31 million equivalent organic meals produced; 43,000 elderly people cared for; 4.6 million households worldwide provided with green electricity and 25.8 million visitors enjoyed cultural events
- As at 30 June 2020: 66,000 customers; £1.27 billion total funds entrusted from savers and depositors and a sustainable loan book of over £1 billion
- Triodos Bank actively contributed to the development of the UN Principles for Responsible Banking. These principles, launched in September 2019, define the global banking industry's role and responsibilities in shaping a sustainable future.

Their lending is UK-wide and currently focused around three areas:

**Social** (53% of lending by value): this sector includes loans to businesses, non-profit organisations and innovative enterprises with clear social objectives, such as providing social housing or health care, promoting fair trade or supporting those with disabilities or at risk of social exclusion;

**Environment** (32% of lending by value): this sector consists of renewable energy projects such as wind and solar power, hydroelectric, heat and cold storage, and energy saving projects. It also includes organic agriculture and projects across the entire agricultural chain, from farms, processors and wholesale companies to natural food shops. Environmental technology is also included;

**Culture** (15% of lending by value): this sector covers loans to organisations working in education, retreat centres, religious groups, cultural centres and organisations, and artists.



## VENA ENERGY

### Vena Energy

**Headquartered in Singapore, Vena Energy is one of the leading pure renewable energy Independent Power Producers (IPP) which develops, constructs, owns and operates solar photovoltaic (PV) power generation, wind power generation and energy storage projects in the Asia-Pacific region. Established in 2012, Vena Energy's asset base has since rapidly grown into one of the largest and most geographically diversified portfolios across Asia-Pacific.**

Sustainability is at the heart of what they do. Vena Energy aims to become the vessel that accelerates the transition to renewable energy in the Asia-Pacific region. Committed to generating solar energy and wind energy that empowers and enriches local economies and communities.

Vena Energy is a portfolio company of Global Infrastructure Partners, a leading global independent infrastructure fund manager in the energy, transport and water/waste sectors. Taking advantage of this scale and experience to deliver low-cost, clean energy for retailers and large energy consumers to support continued economic growth and the preservation of the environment in the Asia-Pacific region.

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# Rathbones

Look forward

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.



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The European SRI Transparency logo signifies that Rathbone Unit Trust Management Limited commits to provide accurate, adequate and timely information to enable stakeholders, in particular consumers, to understand the Socially Responsible Investment (SRI) policies and practices relating to the fund.

Detailed information about the European SRI Transparency Guidelines can be found on [eurosif.org](https://www.eurosif.org), and information of the SRI policies and practices of the Rathbone Ethical Bond Fund can be found at: [rathbonefunds.com](https://www.rathbonefunds.com).

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**Rathbone Unit Trust Management meets the recommendations of the European SRI Transparency Guidelines excepting questions which we do not feel are appropriate for a fund of the type in question.**