Prospectus

Rathbone Strategic Bond Fund

Rathbones
Look forward

Prospectus

This document is the Prospectus of the Rathbone Strategic Bond Fund, an authorised unit trust scheme (the fund) managed by Rathbone Unit Trust Management Limited.

It has been prepared in accordance with The Collective Investment Schemes Sourcebook (the regulations) published as part of the Financial Conduct Authority's (FCA) handbook of Rules made under the Financial Services Markets Act 2000 (the Act). This Prospectus is valid as at 23 May 2019.

It contains all material information which investors and their professional advisers might reasonably require and reasonably expect to find for the purpose of making an informed judgement about the merits of participating in a scheme and the extent of the risks accepted by so participating.

Target investors for the fund may be retail or professional investors.

Copies of the Trust Deed, this Prospectus, Key Investor Information and the most recent annual and half yearly report of the fund may be inspected at the registered offices of the Manager. Copies of the Prospectus and most recent half yearly report may be obtained on application to the Manager.

General information

The Manager of the fund

Rathbone Unit Trust Management Limited is the Manager of the fund.

Rathbone Unit Trust Management is authorised and regulated by the Financial Conduct Authority (FCA) and a member of the Investment Association (IA). The Manager has issued share capital of £202,223, all fully paid. Rathbone Unit Trust Management is a private limited company and was incorporated on 26 April 1989 and is the unit trust management arm of Rathbone Brothers Plc, the listed investment management and private banking group. Rathbone Unit Trust Management is entered on the FCA register under registration number 144266.

The Rathbone Group is engaged in a range of private banking and financial services within which the principal activity is discretionary investment management. The group had £44.1 billion assets under discretionary management on behalf of private investors, charities, pension funds and unit trusts as at 31 December 2018.

Registered Office: 8 Finsbury Circus, London EC2M 7AZ
Information line: 020 7399 0399
Tel: 020 7399 0000
Fax: 020 7399 0057
rathbonefunds.com

Terms of appointment

The Manager's appointment is governed by the Trust Deed.

The Manager is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or realising any outstanding obligations.

The Manager is under no obligation to account to the Trustee or the Unitholders for any profit it makes on the issue or re-issue of Units or cancellation of units which it has redeemed. The fees to which the Manager is entitled are set out later in this document.

The main business activities of the Manager are (i) acting as manager (or authorised corporate director); and (ii) fund administration.

Directors of the Manager

RP Stockton – Chairman
MM Webb – Chief Executive Officer
JR Chillingworth – Chief Investment Officer
JM Ardouin – Finance Director
CRC Hexton
CR Stick
JG Thomson
BN Jones

None of the other directors of the Manager have any significant business activities not connected with the business of the Manager.

Auditor of the fund

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Trustee

The Trustee of the Trust is NatWest Trustee and Depositary Services Limited (Registered No. 11194605).

The Trustee is a private company limited by shares incorporated in England and Wales on 8 February 2018. Its ultimate holding company is The Royal Bank of Scotland Group Plc which is incorporated in Scotland. The Trustees registered office is at 250 Bishopsgate, London EC2M 4AA.

The principal business activity of the Trustee is the provision of trustee and depository services. It is authorised and regulated by the Financial Conduct Authority under the registration number 794152.

Duties and liabilities of the Trustee

The Trustee Agreement sets out the duties and responsibilities of the Trustee. The main duties of the Trustee are to provide safekeeping, oversight and asset verification services in respect of the assets of the Funds in accordance with the FCA regulations.

The Trustee will also provide cash monitoring services in respect of the Fund's cash flows and subscriptions.

Delegation to Sub-custodian

The Trustee is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property.

The Trustee has delegated safekeeping of the Scheme Property to HSBC Bank Plc ("the Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Funds may invest to various sub-delegates ("sub-custodians"). A list of sub-custodians is given in the Appendix contained later in this document. Investors should note that the list of Sub-custodian is updated only at each Prospectus review. An updated list of Sub-custodians is maintained by Rathbone Unit Trust Management at rathbonefunds.com. The Custodian is authorised by the PRA and regulated by the FCA and the PRA in the conduct of its investment business in the United Kingdom.

Terms of Appointment

The Trustee was appointed as the trustee of the UCITS by virtue of the Trust Deed and is authorised by the Regulator to act as depositary of a UCITS.

The Trustee was appointed as depositary under a Depositary Agreement between the AFM and the Trustee (the "Depositary Agreement"). Under the Depositary Agreement, the Trustee is free to render similar services to others and the Trustee, the Trust and the AFM are subject to a duty not to disclose confidential information.

The powers, duties, rights and obligations of the Trustee, the Trust and the AFM under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

Under the Depositary Agreement the Trustee will be liable to the Trust for any loss of Financial Instruments held in Custody or for any liabilities incurred by the Trust as a result of the Trustee's negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Trustee from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations.

It also provides that the Trustee will be entitled to an indemnity from the Scheme Property for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

The Depositary Agreement may be terminated on 90 days' notice by the AFM or the Trustee or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Trustee retire voluntarily, until the appointment of a new depositary.

Details of the fees payable to the Trustee are given in this document under the Expenses of the Fund section.

Conflicts of interest

The Trustee may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

It is possible that the Trustee and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the UCITS or a particular Sub-fund and/or other funds managed by the AFM or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients.

Nevertheless, as the Trustee operates independently from the Company, Unitholders, the AFM and its associated suppliers and the Custodian, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

Updated information

Up-to-date information regarding the Trustee, its duties, its conflicts of interest and the delegation of its safekeeping functions will be made available to Investors on request.

The Trustee may not retire voluntarily except upon the appointment of a new trustee.

The fees to which the Trustee is entitled are set out later in this Prospectus.

Registrar and dealing office

Registrar: DST Financial Services International Ltd

Dealing: DST Financial Services Europe Ltd

Rathbone Unit Trust Management Limited
PO Box 9948
Chelmsford
CM99 2AG

Dealing and valuation line: 0330 123 3810

Dealing facsimile: 0330 123 3812

Authorised and Regulated by the Financial Conduct Authority (FCA). The FCA register number is 161227.

The register of holders may be inspected by unitholders at the above offices during usual business hours.

Delegated functions

All administrative functions, but with the exception of registration, investment management, sales and marketing are delegated to HSBC Securities Services UK Limited. Registration and dealing in units of the fund have been delegated to DST Financial Services International Ltd.

Constitution and investment policy

Rathbone Strategic Bond Fund is an authorised unit trust scheme constituted by a Trust Deed, authorised by the FCA on 20 June 2007 and launched in 3 October 2011.

Product reference number: 467714

The objective of the fund is to focus on achieving a total return comprised of a regular above average income coupled with medium to longer term capital growth from a diversified portfolio of predominantly sterling denominated (or hedged back to sterling) fixed interest and other bond instruments, including gilt edged and other sovereign stocks, corporate bonds, convertibles, preference shares, permanent interest bearing shares. Typically, approximately 50 percent of the value of the fund will be exposed to such securities through investment in other collective investment schemes. During extreme market conditions the Manager may decide to safeguard the interests of investors by moving the entire portfolio into gilt edged stocks.

Derivatives and forward transactions may be used by the fund for investment purposes as well as for the purposes of efficient portfolio management (including 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.

To meet the objective, the fund may also invest, at the Manager's discretion, in other transferable securities, money market instruments, warrants, cash and near cash and deposits. Use may be made of stocklending, borrowing, hedging and other investment techniques permitted by the FCA rules and by the investment limits set out in this Prospectus.

Fund authorisation

The fund is authorised under Section 243 of the Act, and belongs to the category of 'UCITS scheme' and has a base currency of pounds sterling.

Best Execution

The Manager has controls in place to provide unitholders with the best possible result in accordance with its best execution policy which is available on the Manager's website at rathbonefunds.com

Investment risk

Investment risk and liquidity policies

Bonds can be subject to fluctuations in value and there is a risk that their value can decrease as well as increase, albeit to a lesser extent than equity securities. Moreover, the potential for capital growth is not so great over the long term when compared with equity securities. There is a similar risk with currencies. The Manager may therefore attempt to minimise risk by pursuing a policy of diversification, by investing, if it thinks fit, in foreign securities or British Government securities consistent with regulatory limitations and efficient management of the fund, and may also use other hedging mechanisms (see investment limits page 7 and use of derivatives page 10).

Normally, the fund will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of units) and efficient management of the fund both generally and in relation to its strategic objective. This amount will vary depending upon prevailing circumstances and although it would normally not exceed 10 percent of the total value of the fund, there may be times when the Manager considers stock markets around the world to be overpriced or that a period of instability exists which presents unusual risks. In such cases, or during such periods, and subject to the regulations, up to 100 percent of the total value of the fund, may be maintained, and, if considered prudent, the amount of cash or near cash instruments held would be increased. The fund can be fully liquid with a maximum of 20 percent of the value of the fund with any one deposit taker. Unless market conditions were deemed unusually risky, the increased amount and period would not be expected to exceed 30 percent and six months respectively.

It is not intended that the fund will invest in any immovable property or tangible moveable property.

Unitholders are not liable for the debts of a fund.

Upon request from a unitholder, the Manager will provide information supplementary to this Prospectus relating to:

(a) the quantitative limits applying to the risk management of the fund in which they are invested;

(b) the methods used in relation to (a); and any recent development of the risk and yields of the main categories of investment.

Risk factors

Please remember that past performance should not be seen as an indication of future performance and that the value of units and the income from them can go down as well as up and you may not get back the amount invested. Tax levels and reliefs depend on individual circumstances and may be subject to future changes.

Changes in exchange rates will affect the value of your investments. For example, if sterling strengthens against the currency in which your investments are made, the value of your investments will reduce and vice versa.

Interest rate fluctuations are likely to affect the capital value of investments within bond funds. When long-term interest rates rise the capital value of units is likely to fall and vice versa. The effect will be more apparent on funds that invest significantly in long dated securities. The value of capital and income will fluctuate as interest rates and credit ratings of the issuing companies change. Emerging markets are volatile and may suffer from liquidity problems.

Derivatives and forward transactions may be used by the fund for investment purposes as well as for the purposes of efficient portfolio management (including 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.

Where the periodic charge is wholly or partly taken out of the fund's capital, distributable income will be increased at the expense of capital which will either be eroded or future growth constrained. If you are unsure about the suitability of this investment, or your tax position, you should seek professional advice.

The Manager, in accordance with the FCA Rules, must take all reasonable steps to record telephone conversations and keep a copy of electronic communications where such conversations and communications relate to activities in financial instruments as required by the FCA Rules. The manager may keep records of all business transactions for at least five years.

Profile of a typical investor

A "typical investor" in the fund is an investor looking for a regular above average income return together with medium-to-long-term capital growth. Investment diversification in a pooled fund managed by a professional firm would be an attraction, rather than investing in a personal portfolio of individual stocks and shares. The potential investor would be comfortable with the level of risk set out below.

We consider that investors in the fund should be able to bear an average amount of risk in relation to the sums they invest in the fund. The fund will invest in UK and global bonds and bond funds investing in currencies other than sterling, including emerging market bonds. The spread of funds across these markets is likely to reduce the risk and volatility of the fund as a whole. If securities are in a currency other than sterling, the return on them will be subject to fluctuations in exchange rates

Historical performance

Performance	6m	1y	3y	5y
Rathbone Strategic Bond Fund	-0.88%	-1.36%	13.79%	20.32%
IA Sterling Strategic Bond sector	-0.91%	-2.49%	10.22%	16.71%
FTSE Gilts 5-15 yrs	1.5%	1.25%	10.79%	25.6%
*ICE BofAML Sterling Corporate index	-0.54%	-2.3%	14.97%	30.12%

Ranking	6m	1y	3y	5y
Rathbone Strategic Bond Fund	43/90	16/86	12/76	20/69

Discrete calendar year performance	2014	2015	2016	2017	2018
Rathbone Strategic Bond Fund	5.77%	-0.03%	8.48%	6.34%	-1.36%
IA Sterling Strategic Bond sector	6.09%	-0.19%	7.33%	5.31%	-2.49%

Data source — based on I-Class main units; Financial Express, bid to bid net income re-invested, ranked within full sector (main units only) as at 31.12.18. Discrete calendar year performance — data source — Financial Express, to 31.12.18.

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.

The Key Investor Information Document (KIID), the Supplementary Information Document (SID) and application forms may be obtained from Rathbone Unit Trust Management Limited.

* Intercontinental Exchange Bank of America Merrill Lynch Sterling Corporate index

Investment limits

As a UCITS scheme the fund must exercise its investment powers only within (in particular COLL 5.2 and COLL 5.3) the requirements of the FCA rules which provide as follows:

(i) All the property of the fund must be invested in, or a combination of, transferable securities, collective investment schemes, derivatives, deposits and approved money market instruments, except that cash or near cash may be held for liquidity purposes or the efficient management of the fund. From time to time the fund may have a higher than usual level of liquidity if the Manager considers that to be in the interests of unitholders. For the purpose of investment of the property of the fund, a transferable security is an "approved security" if it is admitted for listing in an EEA member state or traded on or under the rules of an eligible securities market. The eligible securities markets in which the property the fund may be invested are set out in the section eligible securities markets.

(ii) Not more than 10 percent of the fund can be invested in transferable securities which are non approved securities.

(iii) The fund shall not hold shares in a body corporate carrying more than 10 percent of voting rights in all circumstances, nor more than 10 percent of any other class of share of a body corporate or bodies corporate in the same group or of the amount in issue of each type of convertible or non-convertible instrument and debenture (other than Government and public securities) nor more than 25 percent of the units in any collective investment scheme, nor more than 10 percent of the debt securities issued by any single issuing body or more than 10 percent of the approved money-market instruments issued by any single body.

(iv) Up to 100 percent in value of the scheme property of the fund may be invested in units in other collective investment schemes subject to no more than 20 percent in value of the scheme property being invested in a single scheme. Investment may only be made in other collective investment schemes whose maximum annual management charge does not exceed 5 percent. The fund will not invest in any collective investment schemes managed by the Manager or its associates. Up to 30 percent in value of the scheme property of the fund may be invested in units in collective investment schemes which do not comply with the conditions necessary for them to enjoy the rights conferred by the UCITS Directive. Any schemes in which a fund invests need to comply with the conditions necessary for them to enjoy the rights conferred by the UCITS Directive; or be recognised under the provision of section 270 of the Financial Services and Market Act 2000; or be authorised as a non-UCITS retail scheme; or be authorised in another EEA state (provided that for the last two the requirements of article 50 of the UCITS Directive are met). Investee schemes must also comply with the rules relating to investment in other group schemes contained in the regulations and themselves be schemes which have terms which prohibit more than 10 percent of their assets consisting of units in other collective investment schemes.

(v) With the exception of Government and public securities not more than 5 percent of the fund may normally be invested in any class of securities issued by one issuer, although up to 10 percent of the fund can be invested in a particular issuer provided that the total value of all those investments exceeding the 5 percent limit does not exceed 40 percent of the value of the fund; more than 35 percent of the fund can be invested in Government and public securities issued by a single issuer.

(vi) Warrants giving the right to subscribe for securities can be acquired provided the exercise of such rights would not infringe an investment limit and the value of all such instruments does not exceed 5 percent of the value of the fund. Provided that warrants may only be held if it is reasonably foreseeable there will be no change to the scheme property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the scheme property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the regulations.

(vii) Up to 100 percent in value of the scheme property of the fund can consist of approved money market instruments, which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time provided the money market instrument is admitted to or normally dealt on an eligible market; or is issued or guaranteed by one of the following: the government of the United Kingdom and the United States of America; or issued by a body, any securities of which are dealt in on an eligible market; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by community law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by EU law.

Notwithstanding the above up to 10 percent of the scheme property of the fund may be invested in money market instruments which do not meet these criteria.

(viii) Up to 20 percent in value of the scheme property of the fund can consist of deposits with a single body. The fund may only invest in deposits with an approved bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.

(ix) Except for hedging instruments, the fund may not acquire any investment which has an actual or contingent liability attached unless the maximum amount of such liability is ascertainable at the time of acquisition. Transferable securities on which any sum is unpaid can be acquired only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the fund at the time when payment is required.

(x) Derivatives and forward transactions may be used by the fund for investment purposes as well as for the purposes of efficient portfolio management (including hedging), but must comply with the restrictions set out in COLL, in particular COLL 5.2.19, COLL 5.2.20, COLL 5.2.22, COLL 5.2.23 and the derivative exposure limits set out in COLL 5.3.

The use of derivatives for investment purposes may increase the volatility of the fund's Net Asset Value and may increase its risk profile.

Eligible securities and derivatives markets

The eligible securities and derivatives markets in which the property of the fund may be invested are:

		Rathbone Strategic Bond Fund
Any market established in an EU or EEA country on which transferable securities admitted to the official list in that country are dealt in or traded.		✓
Australia	The Australian Stock Exchange	✓
Brazil	The Sao Paulo Stock Exchange/BOVESPA	✓
Canada	The TSX Venture Exchange	✓
	The Montreal Stock Exchange	✓
Hong Kong	The Hong Kong Exchanges HKEx	✓
Iceland	Iceland Stock Exchange	✓
Japan	The Nagoya Stock Exchange	✓
	The Osaka Stock Exchange	✓
	The Tokyo Stock Exchange	✓
Malaysia	The Bursa Malaysia Berhad	✓
Mexico	The Mexican Stock Exchange	✓
New Zealand	The New Zealand Stock Exchange	✓
Singapore	The Singapore Exchange	✓
South Africa	The Johannesburg Stock Exchange	✓
South Korea	The Korea Stock Exchange Incorporated	✓
Switzerland	The Swiss Stock Exchange SWX	✓
United Kingdom	The Alternative Investment Market AIM	✓
USA	The American Stock Exchange	✓
	The NASDAQ Stock Market	✓
	The New York Stock Exchange	✓
	NYSE Arca	✓
	The Philadelphia Stock Exchange	✓

Eligible Derivatives Markets
(i) LIFFE (NYSE Euronext)
(ii) Chicago Board of Trade (CBOT)

Government and public securities

More than 35 percent of the fund may be invested in government and public securities issued by or on behalf of single named issuer which may be one of the following:

The Government of any of the following countries:

Australia
Canada
Japan
New Zealand
Norway
Switzerland
United States of America

The Government of the United Kingdom and any of the following current EEA member states:

Austria
Belgium
Bulgaria
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Ireland
Italy
Latvia
Lithuania
Luxembourg
Malta
Poland
Portugal
Romania
Slovakia
Slovenia
Spain
Sweden
The Netherlands

Use of derivatives

The Manager may use derivatives for the purposes of efficient portfolio management (as defined in the FCA rules) and which includes hedging. Derivatives will also be used for investment purposes. The use of derivatives for investment purposes may increase the volatility of the fund's Net Asset Value and may increase its risk profile.

Characteristics of units in the funds

The nature of the right represented by the units is that of a beneficial interest under a trust.

Holders of units are entitled to participate in the property of the fund and the net income arising from it in proportion to their share of ownership of the property of the fund represented by their units.

The fund can issue income units where the income is distributed to unitholders and accumulation units in respect of which the relevant proportion of the income is accumulated within the property of the fund for the benefit of those holders of such units. All units are priced in sterling and neither type of unit has a nominal value.

The fund also issues accumulation units and the net income of the fund attributable to accumulation units is retained in the fund for the benefit of holders of such units who will receive notice of allocation twice yearly.

The following classes of units will be available for issue: R-Class income units & Retail accumulation units and I-Class income units & Institutional accumulation units.

The names and addresses of unitholders will be entered in the register. The unit register is the sole evidence of title.

No certificates will be issued in relation to units in the fund. The register of unitholders shall conclusive evidence of title to the units.

Borrowing

The fund may borrow foreign currency for the purpose of hedging against fluctuations in the price of investments comprising the property of the fund, or in interest or currency exchange rates, provided that a sum in pounds sterling at least equivalent to the amount of currency borrowed is placed and kept on deposit by the fund with the lender or its agents, or any other person designated by the lender for that purpose.

In addition to borrowing for hedging purposes, the fund may for periods not exceeding three months borrow sums of money repayable out of the property of the fund, provided that, if these borrowings were to be immediately repayable, they do not exceed 10 percent in value of the property of the fund.

Borrowings may be made from, and deposits made with, the Trustee or any of its associates, provided they are bankers and any such borrowings and deposits are on normal commercial terms. There is no liability on such bankers to account to the Manager or to unitholders for any profit they may derive therefrom.

Termination

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 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.

On the termination of the fund in any other case, the Trustee shall sell all the investments, and out of the proceeds of 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 completion of the winding-up the Manager must notify the FCA that the winding-up is complete and the Trustee must request that the FCA revoke the relevant authorisation order.

Accounting dates, distributions and reports

The interim Accounting and Record Date for the interim income distribution or allocation and the annual accounting and record date for the final distribution or allocation are set out below.

The first income distribution with respect to units purchased between record dates (group 2 units) will be paid together with an amount of equalisation. Such units contain in their purchase price an amount called equalisation which represents a proportion of the net income of the fund already accrued to the date of the purchase. Except in the case of accumulation units this is returned to holders of group 2 units with their first income distribution but for tax purposes is treated as a return of capital.

Grouping for equalisation is permitted by the Trust Deed, which means that the amount returned may be ascertained per unit as the aggregate of all equalisation amounts divided by the number of group 2 units in issue at the Record Date for the distribution or allocation. The Interim distribution may be restricted by the Manager to regulate the payment of income during the accounting year. All available income will be distributed at the final distribution date. Distributions are made by bank transfer (BACS) direct to the unitholder's designated account.

Any distributions unclaimed after a period of six years will be transferred into the fund property by the Trustees for the benefit of all unitholders in the fund.

Annual managers reports of the fund will be published within four months of the end of each annual accounting period and half yearly managers reports will be published within two months of the end of the interim accounting period ending on 31 March.

	Accounting and record dates		Income distribution/allocation	
	Interim	**Annual**	**Interim**	**Annual**
Rathbone Strategic Bond Fund	31 March	30 June	31 May[1]	30 June
	30 September		30 November[1]	
	31 December		28 February	

[1] No interim report

Meetings and voting rights

A meeting of unitholders duly convened and held shall be competent by extraordinary resolution to require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the regulations and in particular to approve any modification, alteration or addition to the provisions of the Trust Deed which has been agreed by the Trustee and the Manager, or to remove the Manager or to approve any arrangement for the reconstruction or amalgamation of the fund, or to approve a departure by the Manager from a policy or set of investment objectives a statement of which has been included in these or any revised Prospectus. Apart from the foregoing, unitholders have no other powers exercisable at a meeting of unitholders.

Unitholders will receive at least 14 days' notice of a unitholders' meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two unitholders, present in person or by proxy. The quorum for an adjourned meeting is also two unitholders present in person or by proxy, however if a quorum is not present from a reasonable time from the time appointed for the meeting then one person entitled to be counted in a quorum shall be a quorum. Notices of meetings and adjourned meetings will be sent to unitholders at their registered addresses. Votes are given by a show of hands unless a poll is demanded by the Chairman, by the Trustee or by at least two unitholders present in person or by proxy.

On a show of hands every unitholder who (being an individual) is present in person or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every unitholder who is present in person or by proxy shall have one vote for every complete undivided share in the property of the fund and a further part of one vote proportionate to any fraction of such undivided share of which he is the holder and a unitholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint unitholders, the vote of the senior unitholder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint unitholders and for this purpose seniority shall be determined by the order in which the names stand in the register of unitholders. The Manager is not entitled to vote on units registered in his name unless they are held on behalf of beneficial owners and in respect of which he has received voting instructions.

Valuation of the fund and unit pricing

The property of the funds will be valued as set out in the Appendix on each normal business day at midday. Additional valuations may be made on other days or at other times with the Trustee's approval (see Appendix).

The fund is single priced.

The price at which units are issued or redeemed is based on the value of the scheme property of the relevant fund (adjusted to reflect any dilution adjustment).

Changes to the funds under the regulations

Changes to the funds' operation would fall within one of the following three categories. The categories are:

(i) fundamental events which change the nature of the fund or the basis on which the investor invested. For example changes to an investment objective, its risk profile or something that would cause material prejudice to the investors would require prior investor approval.

(ii) Significant events which would materially affect an investor's investment, result in increased payments out of the fund, or could reasonably be expected to cause investors to reconsider their participation in the fund. Those should be notified pre-event to investors and in sufficient time to enable them to leave the fund, if they wish, before the change takes effect. 60 days minimum written notice is required for these changes.

(iii) Notifiable events for which the Manager would decide when and how the investor should be notified in writing, depending on the type of event. In these cases written notification could be after the event.

Buying and selling of units in the fund

At present units are dealt in on a forward price basis which means that transactions will be effected at prices determined by the next following valuation. The Manager has discretion to vary the pricing basis of units subject to the regulations. The Manager is available to receive requests at the order desk for the buying and selling of units on normal business days between 9.00am and 5.00pm. In respect of telephoned orders, remittances should be sent on receipt of the contract note.

Completed application forms for units (obtainable from the Manager or the website) should be sent to DST Financial Services International Limited. Contract notes confirming transactions will be issued by the close of business on the next business day after the dealing date. The purchase price of units may include a preliminary charge being a percentage of the unit price. This is a charge paid by the purchasers of units and is not payable by the scheme property. Out of this preliminary charge the Manager may pay commission to qualifying intermediaries.

There is currently no preliminary charge on the I-Class units.

The minimum initial investment (which may be varied by the Manager with the approval of the Trustee), the minimum additional investment and the minimum holding in the fund is set out in the next table. In the case of the reinvestment of distributions, however, there is no minimum. Any number of units may be subscribed, sold or transferred so long as the transaction complies with applicable minimums.

I-Class units	Minimum initial lump sum investment	Minimum initial lump sum investment	Minimum holding
Rathbone Strategic Bond Fund	£1,000	£500	£1,000

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. The unit trust register is the sole evidence of title.

Units can be sold by telephone, fax or letter followed by despatch to the Administrator 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 Administrators 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 Manager's policy is to pay the proceeds of settlement for redemption or cancellation of units, regardless of size, by cash only and not by inspecie transfer. In respect of re-registration, Stock Transfer forms are accepted for unit trust transfers. For re-registration of PEPs and ISAs involving a change of nominee, a charge is currently applied. Rathbone Unit Trust Management Limited reserves the right to vary this charge without prior notice. 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 Manager may make a charge on the redemption of Units (though this may be waived wholly or partially at the Manager's discretion). At present no redemption charge is levied. The Manager may not introduce a redemption charge on Units unless, not less than 60 days before the introduction, it has given notice in writing to the then current Unitholders at their registered address of that introduction and has revised and made available the Prospectus to reflect the introduction and the date of its commencement. If charged, the redemption charge will be deducted from the price of the Units being redeemed and will be paid by the fund to the Manager.

In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the Manager.

If it comes to the notice of the Manager that any units ("affected units") are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or by virtue of which the unitholder or unitholders in question is/are not qualified and entitled to hold such units or if it reasonably believes this to be the case, the Manager may give notice to the holder(s) of the affected units requiring either transfer of such units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such units in accordance with the regulations. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer his affected units to a person qualified to hold them or establish to the satisfaction of the Manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected shares, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected shares pursuant to the regulations.

The Manager may, with the agreement of the Trustee, or must if the Trustee so requires, temporarily suspend the issue, cancellation, purchase and redemption of Units in the fund, if the Manager or the Trustee is of the opinion that due to exceptional circumstances it is in the interests of all the unitholders. The suspension will only be permitted to continue for as long as it is justified having regard to the interests of the unitholders. The Manager and the Trustee must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased. On suspension, the Manager or Trustee must immediately inform the FCA stating the reasons for its action.

The Manager will notify all unitholders of the suspension in writing as soon as practicable and will publish details to keep unitholders appropriately informed about the suspension, including its likely duration.

Re-calculation of the unit price for the purpose of purchases and redemptions will commence on the next relevant valuation point following the ending of the suspension.

This fund is marketable to all retail investors.

The most recent prices of units are published daily in the Financial Times. They are also available on the IA website at trustnet.com and can be viewed on the Manager's website rathbonefunds.com. Investors can also obtain prices by calling 0330 123 3810. The price shown will be those calculated at the previous valuation point.

The Manager will not arrange the cancellation of units in specie except at its sole discretion.

Client money

1 In accordance with the Client Asset Sourcebook (CASS) of the Financial Conduct Authority's (FCA) handbook, Rathbone Unit Trust Management Limited has chosen to operate the Delivery versus Payment Exemption with regard to investors' subscriptions and redemptions. This exemption, under the FCA's rules, allows Rathbone Unit Trust Management to not treat investor monies as client money in the following two Delivery versus Payment scenarios:

   (i) Where money is received from an investor in relation to Rathbone Unit Trust Management's obligation to issue units in accordance with FCA rules.

   (ii) Where money is held by Rathbone Unit Trust Management in the course of units being redeemed where the proceeds of that redemption are paid to a client within the time specified in the FCA rules.

   By agreeing to subscribe to any Rathbone Unit Trust Management funds, unitholders agree to Rathbone Unit Trust Management using such arrangements. Should Rathbone Unit Trust Management cease at any time to use the Delivery versus Payment Exemption, you will be pre-notified in writing ahead of the relevant cessation date.

2 Where in the scenario described in 1 above Rathbone Unit Trust Management has not, by the close of business on the business day following the receipt of money, paid that money to the authorised depositary or to the client as the case may be, then Rathbone Unit Trust Management must stop using the DVP exemption, for that specific transaction.

3 Any redemption proceeds to be paid by cheque will be paid from a relevant client money account.

4 Where Rathbone Unit Trust Management makes use of the DVP exemption, it will always obtain the client's consent, and will retain this for the whole period it operates the exemption.

5 In the scenarios under 1 above where money is not treated as client money, such money is not protected and in the event that Rathbone Unit Trust Management should fail, then the money would be at risk.

6 Further, in accordance with the CASS regulations Rathbone Unit Trust Management is obliged to obtain unitholder agreement to use the Delivery versus Payment Exemption within the use of any Commercial Settlement systems we utilise. By subscribing to Rathbone Unit Trust Management funds, unitholders confirm agreement to the use of such systems.

7 In relation to the CASS regulations, by agreeing to purchase units in any Rathbone Unit Trust Management fund, unitholders agree for Rathbone Unit Trust Management and any applicable third party to establish a contractual agreement to cover the holding of client money by the third party in a client transaction account showing that it is holding the monies on behalf of Rathbone Unit Trust Management's clients.

Dilution Adjustment

The basis on which the funds' investments are valued for the purpose of calculating the issue and redemption price of units as stipulated in the FCA regulations is summarised later in the Appendix. The actual cost of purchasing or selling a fund's investments may be higher or lower than the mid-market value used in calculating the unit price – for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on unitholders' interest in a fund, this is known as "dilution".

Therefore, once the single price of a unit has been determined (in accordance with the Appendix) a dilution adjustment will be applied to the price in accordance with the policy outlined below. This is known as "swinging single pricing" i.e. the price swings in response to particular circumstances to mitigate the effects of dilution.

When there are net inflows to a fund, a dilution adjustment increases the price (price swings up) and when there are net outflows from a fund, the dilution adjustment reduces the price (price swings down). This is to reflect the true cost of purchasing or selling units in a fund. These costs are estimated and can vary over time dependent on prevailing dealing spreads and market transaction costs and as a result the dilution adjustment will also vary over time.

Any dilution adjustment is imposed for the protection of existing unitholders to prevent inflows and outflows adversely affecting their interests through the costs referred to above. Neither the Manager nor any introducing agent in any way benefits from the imposition of a dilution adjustment.

The Manager's policy is to make a dilution adjustment when it believes that it is in the interests of unitholders to do so. For example:

- when a fund is typically expanding the Manager may operate a dilution adjustment on a semi-permanent basis to reflect the trend of net inflows to that fund. The effect is that the price will swing up. However, in the event of a large outflow on a particular day, the price will swing down;
- when a fund is typically contracting the Manager may operate a dilution adjustment on a semi-permanent basis to reflect the trend of net outflows from the Sub-Fund. The effect is that the price will swing down. However, in the event of a large inflow on a particular day, the price will swing up; and
- due to the nature of investments held within a fund the Manager reserves the right to impose a higher dilution adjustment on any day on which net flows are larger than [3%] of the Net Asset Value. The higher dilution adjustment is imposed to reflect the higher trading costs which may be suffered if there are significant cash flows into or out of the fund.

Notwithstanding the above, the Manager reserves the right to impose or amend a dilution adjustment where the Manager is of the opinion that it is in the interests of the unitholders to do so. Where the Manager elects not to apply a Dilution Adjustment this may have an adverse affect on the total assets of the fund as a result of net subscriptions or redemptions.

The Manager would typically expect to make a dilution adjustment whenever there are inflows to or outflows from the funds. It is not possible to predict accurately how frequently the Manager will need to make such a dilution adjustment in respect of a particular fund, as this is dependent on inflows to or outflows from that fund.

The Manager will review previous dilution adjustments made on at least a quarterly basis or dependent on prevailing market conditions.

The Manager may alter its dilution policy either by unitholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of unitholders and by amending this Prospectus or by giving unitholder's notice and amending the Prospectus 60 days before the change to the dilution policy is to take effect.

The rates of the dilution adjustment at the time of this Prospectus are:

Fund	For purchases	For redemptions
Rathbone Strategic Bond Fund	0.26%	0.26%

Expenses of the fund

The Manager currently receives an annual remuneration for managing the property of the fund at the rate set out below and payable monthly out of the income property of the fund. Subject to at least 60 days written notice, the Manager may increase this charge.

The charge is based upon Net Asset Value of the previous dealing date and is payable in arrears.

The Manager's total annual fee is taken from capital. This is due to the fact that this fund's investment objectives place an emphasis on the generation of income for unitholders, and charging the fee in this way enables the Manager to address these objectives more easily. However, unitholders should be aware that this will mean that capital may be eroded or growth restricted to the extent of the charge and that, while there may, as a result, be a reduction in liability for Capital Gains Tax, there will be some increase in Income Tax liability, for tax paying unitholders.

	I-Class annual remuneration (subject to any applicable VAT)
Rathbone Strategic Bond Fund	0.50%

The Trustee will receive remuneration (plus VAT thereon) out of the property of the fund for its services as a Trustee. This remuneration is calculated on the basis of an annual percentage of the value of the property of the fund and is calculated and paid in the same manner as stated for the Manager's annual charge.

The current rate of remuneration is based on the Net Asset Value for previous dealing date and is payable is arrears. The current rate is outlined in the table below.

	Indicative Trustee/ Depositary Tariff
On the first £300 million value in each fund	0.0175% p.a.
On the next £200 million value in each fund	0.0150% p.a.
On the next £500 million value in each fund	0.0100% p.a.
On the remaining value in each fund	0.0075% p.a.

In addition, service charges may be paid to the Trustee. These charges consist of safe custody charges of 0.01 percent minimum of the value of the securities held and transaction fees of between £10 and £250 depending on the geographical location of the fund securities.

Due to the nature of the markets currently invested in, the safe custody charges do not exceed 0.25 percent, and the transaction fees £80.

The Manager is not entitled to receive a periodic charge during a winding-up of the fund, but the Trustee is so entitled and during a winding-up, its charge will be calculated as if the regulations for valuation of the fund still applied.

The following other expenses may be paid out of the property of the fund:

1 broker's commission (where such payment may be made in accordance with the FCA rules), fiscal charges and other disbursements which are necessary to be incurred in effecting transactions for the fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

2 any costs incurred in modifying the Trust Deed including costs incurred in respect of meetings of unitholders convened for purposes which include modifying the Trust Deed, where the modification is necessary to implement changes in the law or as a direct consequence of any change in the law, or is expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of unitholders, or to remove obsolete provisions from the Trust Deed;

3 any costs incurred in respect of meetings of unitholders convened on a requisition by unitholders not including the Manager or an associate of the Manager;

4 any costs incurred in respect of printing and publication of half yearly report to unitholders;

5 any costs incurred in the publication of unit prices as required by the FCA regulation; whether by press publication or financial websites, including the maintenance costs of such websites;

6 the fees associated with the provision of services by a third party administrator;

7 liabilities on unitisation, amalgamation or reconstruction;

8 interest on permitted borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;

9 taxation and duties payable in respect of the property of the fund, the Trust Deed or the issue of units;

10 the audit fees of the Auditor (including VAT) and any relevant expenses of the Auditor;

11 the periodic fees of the Financial Conduct Authority (zero rated for VAT) under Schedule 1 part III of the Financial Services Markets Act 2000, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which units in the fund are or may be marketed;

12 the Trustee will also be reimbursed out of the property of the fund for expenses incurred in performing the following duties:

Delivery of stock to the Trustee or Custodian;

Custody of assets;

Registration;

The current annual fee of £14.41 per annum per unitholder for the maintenance of the register and any plan sub-register;

Collection of income and capital;

Submission of tax returns;

Handling tax claims;

Preparation of the Trustee's annual report; and

Such other duties as the Trustee is required by law to perform.

The Manager's annual charge, the Trustee's remuneration, audit fees and Registrar's fees accrue daily and are reflected in the unit price calculation.

It is the Manager's policy not to enter into any soft commission arrangements with its brokers for the supply of goods and services, in return for an agreed volume of business.

In accordance with the FCA Rules, the Manager, when executing orders or placing orders with other entities in relation to financial instruments for execution on behalf of the funds, must not accept and retain any fees, commission or monetary benefits from a third party ('Thirds Party Payments'). If the Manager receives any Third Party Payments, the Manager will return the Third Party Payments to the relevant fund as soon as reasonably possible and will inform unitholders of the amount received which will be set out in the annual reports.

The Manager must not accept any non-monetary benefits when executing orders or placing orders with other entities for execution in relation to financial instruments on behalf of the funds, except those which are capable of enhancing the quality of the service provided to the funds, and which are of a scale and nature such that they could not be judged to impair the Manager's compliance with its duty to act honestly, fairly and professionally in the best interests of the funds.

The Manager conducts its own research and/or uses third party providers of research. The Manager will pay for this research out of its own resources.

Taxation of the fund

(i) Income

Provided that the fund does not hold its investments for the purposes of a trade, it will not be liable to Corporation Tax on its income but receives interest from issuers gross.

(ii) Capital gains

The fund is exempt from taxation on capital gains. Should the fund be considered to be trading in securities (rather than holding them as investments), however, any gains made will be treated as trading income and will be subject to Corporation Tax.

(iii) Stamp Duty Reserve Tax (SDRT)

With effect from 30 March 2014 SDRT is not chargeable on the surrender of units to the fund.

Unitholders are generally liable to SDRT at 0.5 percent on acquiring units from a third party (that is, where the transaction is not handled by the fund) and in cases where they redeem units in consideration of a transfer of assets of the fund other than cash (an in specie redemption) and that consideration is non-pro rata (not in proportion to the total assets of the fund).

Taxation of the unitholders

The following notes are provided primarily for guidance only and unitholders should always consult their own advisers as the bases and rates of taxation may vary.

(i) Income

Dividend income whether paid or reinvested is treated as the 'top slice' of an individuals income.

Distributions for Rathbone Strategic Bond Fund are paid net of 20 percent Income Tax to UK resident individuals.

(ii) Gross interest payments

From April 2001, corporates have been entitled to receive their interest gross. Likewise bond fund unitholders are now entitled to receive their interest gross if the recipient can show evidence that they are within the charge of Corporation Tax.

There is no obligation for the unit trust Manager to pay gross interest without such evidence or to seek evidence from unitholders.

(iii) Capital gains

Gains made by unitholders from the proceeds of the sale of all investments will be tax free if they fall within an individual's annual exemption (£11,100 in the 2015/2016 tax year) after deduction of allowable losses and any tax relief. Gains made during the period 6 April 2015 to 5 April 2016 are taxed at either 18 percent or 28 percent, depending on investor's total taxable income.

(iv) Other payments

Equalisation is allocated without deduction of tax and is not subject to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

Proceeds on the redemption of units are paid without deduction of tax.

Other information

Unitholders wishing to have their net distribution reinvested should purchase accumulation units.

Unitholders who have any queries or complaints about the operation of the fund should address them in the first instance to the Compliance Officer, Rathbone Unit Trust Management Limited, 8 Finsbury Circus, London EC2M 7AZ. Any complaint we receive will be handled in accordance with our internal complaint procedures. A copy of these are available from the Compliance Officer. If you have occasion to complain, and in the unlikely event that you do not receive a satisfactory response, you may direct your complaint to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR.

Unit trusts should be regarded as longer term investments and investors should be aware that the value of their units and the income from them can go down as well as up and investors may not receive back the full amount invested.

The Trust Deeds for the funds can be inspected at Rathbone Unit Trust Management Limited, 8 Finsbury Circus, London EC2M 7AZ.

The most recent half yearly Long Reports and Short Reports may be inspected, and copies obtained, free of charge, from Rathbone Unit Trust Management Limited, 8 Finsbury Circus, London EC2M 7AZ.

Units in the fund are not marketed outside the United Kingdom.

Risk management

Upon request to the Manager, a unitholder can receive information relating to the quantitative limits applying in the risk management of the fund, the methods used in relation to these limits, and any recent developments of the risk and yields of the main categories of investment.

Unitholders' names will be added to a mailing list which may be used by the Manager, its associates or third parties to inform investors of other products by sending details of such products. Unitholders who do not wish to receive such details should contact the Administrator requesting their removal from any mailing list.

If you do not wish to receive information on other products and services offered by the Rathbone Group, please write to us at the following address:

Data Protection Officer,
Rathbone Unit Trust Management Limited
8 Finsbury Circus
London EC2M 7AZ

Remuneration Policy

The Manager's remuneration policy ("Remuneration Policy") is designed to establish and apply a remuneration code that is consistent with, and will promote sound and effective risk management in compliance with the UCITS V Directive's Remuneration Code as found in SYSC 19E of the FCA Handbook. The Remuneration Policy does not, and must not encourage excessive risk-taking which is inconsistent with the profile of each UCITS, or the prospectus or trust deed of each UCITS. The Remuneration Policy does not impair the Manager's compliance with its duty to act in the best interests of each UCITS.

The Remuneration Policy will apply to those staff working for the Manager whose professional activities have a material impact on the risk profiles of the Manager or the UCITS under its management.

The Manager must ensure that the Remuneration Policy remains in line with the business strategy, objectives, values and interests of

(i) The Manager

(ii) Each UCITS managed; and

(iii) The investors in each UCITS; and includes measures to avoid conflicts of interest.

The assessment of performance is set in a multi- year framework appropriate to any holding period recommended to the investors of each UCITS, to ensure that the:

(1) Assessment process is based on the long-term performance of each UCITS and its investment risks; and

(2) actual payment of performance-related components of remuneration is spread over the same period, and where deferred is held in share linked instruments managed by the Manager.

Remuneration and benefits are agreed and awarded by the Rathbone Brothers Plc Remuneration Committee which operates at a group level and consists of five Non Executive directors.

Up to date details of the matters set out above are available via the company's website at rathbonefunds.com, and a paper copy of the website information will be made available free of charge upon request.

Other funds

List of authorised funds where Rathbone Unit Trust Management acts as the authorised fund manager or the Authorised Corporate Director (ACD):

Authorised units trusts:

- Rathbone Active Income and Growth Fund
- Rathbone Core Investment Fund for Charities
- Rathbone Dragon Trust
- Rathbone Ethical Bond Fund
- Rathbone Global Opportunities Fund
- Rathbone Heritage Fund
- Rathbone High Quality Bond Fund
- Rathbone Income Fund
- Rathbone Spenser Fund
- Rathbone UK Opportunities Fund

Investment Companies with Variable Capital (ICVC):

- Rathbone Alpha Funds
- Rathbone Global Sustainability Fund
- Rathbone Multi Asset Portfolio
- Rathbone Pharaoh Fund
- Rathbone Quercus Fund
- Rathbone Sherwood Fund
- Rathbone Sussex Fund

Appendix

Calculation of the Net Asset Value

The value of the scheme property of each fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

All the scheme property (including receivables) of the fund is to be included, subject to the following provisions.

1 Scheme property which is not cash (or other assets dealt with below) or a contingent liability transaction shall be valued as follows:

(a) Units or shares in a collective investment scheme:

(i) if a single price for buying and selling units is quoted, at the most recent such price; or

(ii) if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

(iii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the Manager, is fair and reasonable;

(b) Any other transferable security:

(i) if a single price for buying and selling the security is quoted, at that price; or

(ii) if separate buying and selling prices are quoted, the average of those two prices; or

(iii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the Manager reflects a fair and reasonable price for that investment;

(c) Property other than that described in paragraphs 1(a) and 1(b) above:

(i) at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.

2 Cash and amounts held in current, margin and deposit accounts and in other time-related deposits shall be valued at their nominal values.

3 Currencies or values in currencies other than sterling shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of unitholders or potential unitholders.

4 Property which is a contingent liability transaction shall be treated as follows:

(a) if it is a written option (and the premium for writing the option has become part of the scheme property), the amount of the net valuation of premium receivable shall be deducted;

(b) if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the Manager and the Trustee;

(c) if the property is an off-exchange derivative, it will be included at a valuation method agreed between the Manager and Trustee;

(d) if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).

5 In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

6 Agreements for the unconditional sale or purchase of property which are in existence but uncompleted will generally be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission will not materially affect the final net asset amount.

7 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under the preceding paragraph.

8 All agreements will be included in the calculation of Net Asset Value which are, or ought reasonably to have been, known to the person valuing the property.

9 An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) Capital Gains Tax, Income Tax, Corporation Tax, Stamp Duty, Stamp Duty Reserve Tax, Advance Corporation Tax and Value Added Tax will be deducted.

10 An estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day will be deducted.

11 The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.

12 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.

13 Any other credits or amounts due to be paid into the scheme property will be added.

14 A sum representing any interest or any income accrued due or deemed to have accrued but not received and any Stamp Duty Reserve Tax provision anticipated to be received will be added.

Sub-custodian relationships

Australia
HSBC Bank Australia Limited
L32, 580 George Street
SYDNEY 2000
Australia

Austria
Bank Austria Creditanstalt AG
1030 Vienna
Vordere Zollamtsstrase 13
Austria

Belgium
(Local Custody)
Fortis Bank (Nederland) NV
Rokin 55
P.O. Box 243
1000 AE Amsterdam
The Netherlands

(Please note the that the operations platform is located in the Netherlands, however, the assets remain in Belgium).

Brazil
HSBC Bank Brazil S.A.
AV. Brig. Farla Lima
3064 2nd Floor Itaim Bibi
Sao Paulo
SP 01451 000
Brazil

Canada
Royal Bank of Canada
1 Place Ville Marie 5th Floor
East Wing
Montreal
QC H3B 1Z3
Canada

Czech Republic
HVB Bank Czech Republic A.S.
Revolucni 7
POB48
110 05 Prague 1
Czech Republic

Denmark
Danske Bank
12 Holmens Kanal
1092 Copenhagen
Denmark

Estonia
AS Hansabank
8 Liivalaia Street
15040 Tallinn
Estonia

Finland
Nordea Bank Finland
Aleksis Kiven Katu 3-3
Helsinki
00020 Nordea
Finland

France
Caceis Bank
1, Place Valhubert
75013 Paris
France

Germany
Deutsche Bank AG
Domestic Custody Services Germany
Trust and Securities Services
Alfred-Herrhausen-Allee 16-24
D-65760 Eschborn
Germany

Greece
HSBC Bank Plc
Securities Services
109-111 Messogion Avenue
Athens 115 26
Greece

Hong Kong
Special Administrative Region The Hong Kong
& Shanghai Banking Corporation Limited
5/F, Tower 1
HSBC Centre
1 Sham Mong Road
Kowloon
Hong Kong

Hungary
Unicredit Bank Hungary ZRT
6th Floor
Szabadság Tér 5-6
H-1054 Budapest
Hungary

Iceland
Landsbanki
Austurstraeti 11
155 Reykjavik
Iceland

Italy
Intesa Sanpaolo SPA
Piazza Della Scala 6
20121 Milan
Italy

Japan
The Hong Kong & Shanghai Banking Corporation Limited
HSBC Building
11-1 Nihonbashi 3 - Chome
Chuo-Ku
Tokyo 103-0027
Japan

Latvia
SEB Latvijas Unibanka
Unicentrs
Valdlauci
Kekavas Pag.
LV-1076
Latvia

Lithuania
SEB Vilniaus Bankas
12 Gedimino Avenue
LT-2600 Vilnius
Lithuania

Malaysia
HSBC Bank Malaysia Berhad
2 Leboh Ampang
50100 Kuala Lumpur
Malaysia

Mexico
Banco Santander, S.A.
Prol. Paseo de la Reforma 500
Módulo 102
Col. Lomas de Santa Fé
Mexico, D.F. 01210
Netherlands
Fortis Bank (Netherland) N.V.
Rokin 55
1012KK Amsterdam

or

P.O.Box 243, 1000 AE Amsterdam
Netherlands

New Zealand
The Hong Kong & Shanghai Banking Corporation Limited
9/F 1 Queen Street
Po Box 5947
Wellesley Street
Auckland
New Zealand

Norway
DnB Nor ASA
STRANDEN 21
NO - 0021 Oslo
Norway

Philippines
The Hong Kong & Shanghai Banking Corporation Limited
30/F Discovery Suites
25 ADB Avenue
Ortigas Centre
Pasig City
Manilla
Philippines

Poland
ING Bank Slaski S.A.
Plac Trzech Krzyzy 10/14
00-499 Warsaw
Poland

Portugal
Banco Espirito Santo SAAV. da Liberdade, 195
1250 -142 Lisbon
Portugal

Singapore
The Hong Kong & Shanghai Banking Corporation Limited
21 Collyer Quay 13-00
Hong Kong Bank Building
Singapore 049320

Slovakia
Ceskoslovenska Obchodna Banka AS
Custody Services
Michalska 18
NAM SNP 29
815 63 Bratislava
Slovakia

Slovenia
Bank Austria Creditanstalt D.D. Ljubljana
Wolfova 1
1000 Ljubljana
Slovenia

South Africa
Standard Bank
Financial Asset Services
25 Sauer Street
3rd Floor Johannesburg 2001
South Africa

South Korea
The Hong Kong & Shanghai Banking Corporation Limited
CPO Box 6910
5/F HSBC Building
#25 1-KA Bongrae-Dong
Chung-Ku
Seoul
South Korea

Spain
BNP Paribas Securities Services
Riberia Del Loira
28-3rd Floor
28042 Madrid
Spain

Sweden
Skandinaviska Enskilda Banken
Sergels Torg 2
S 10640 Stockholm
Sweden

Switzerland
Credit Suisse
Paradeplatz 8
CH-8001
Zurich
Switzerland

Taiwan
The Hong Kong & Shanghai Banking Corporation Limited
17th Floor
No. 3-1 Yuan Qu Street
115 Taipei
Taiwan

Thailand
The Hong Kong & Shanghai Banking Corporation Limited
Corporation Limited, Level 5
HSBC Building
968 Rama IV Road
Bangkok
Thailand

United States of America
Brown Brothers Harriman & Co
140 Broadway
New York NY 10005
United States of America

Rathbone Unit Trust Management Limited
8 Finsbury Circus, London EC2M 7AZ
Tel 020 7399 0000
Fax 020 7399 0057

Information line
020 7399 0399
rutm@rathbones.com
rathbonefunds.com

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