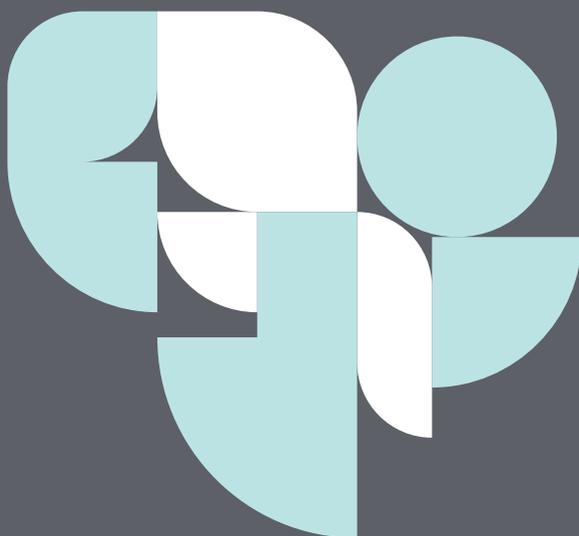


Rathbones

Look forward

Rathbone High Quality Bond Fund

Annual report for the year ended 30 April 2020



Rathbone High Quality Bond Fund

Authorised Corporate Director (ACD)

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

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

The Company

Rathbone High Quality Bond Fund
Head Office:
8 Finsbury Circus
London EC2M 7AZ

Dealing office

SS&C Financial Services Europe Limited
SS&C House
St Nicholas Lane
Basildon
Essex SS15 5FS
Telephone 0330 123 3810
Facsimile 0330 123 3812

Independent Auditor

Deloitte LLP
Statutory Auditor
110 Queen Street
Glasgow G1 3BX

Directors of the ACD

RP Stockton – Chairman
MM Webb – Chief Executive Officer
JR Chillingworth – Chief Investment Officer
JM Ardouin – Finance Director
MS Warren – Non-Executive Director
J Lowe – Non-Executive Director
PL Howell – (retired 9 May 2019)
CRC Hexton – (resigned 29 October 2019)
CR Stick – (resigned 29 October 2019)
JG Thomson – (resigned 29 October 2019)
BN Jones – (resigned 29 October 2019)

Administrator

HSBC Securities Services
1-2 Lochside Way
Edinburgh Park
Edinburgh EH12 9DT
**Authorised and regulated by the
Financial Conduct Authority**

Registrar

SS&C Financial Services International Limited
SS&C House
St Nicholas Lane
Basildon
Essex SS15 5FS
Telephone 0330 123 3810
Facsimile 0330 123 3812
**Authorised and regulated by the
Financial Conduct Authority**

Depository

NatWest Trustee and Depository Services Limited
250 Bishopsgate
London EC2M 4AA
**Authorised and regulated by the
Financial Conduct Authority**

ACD's report for the year ended 30 April 2020

In the year to 30 April 2020, our fund returned 1.02%, while our benchmark, the Bank of England Base Rate + 0.5% returned 1.17%.

2019 was a year of omnipresent doom and gloom, which ended as one of the best for investors on record. In the UK, more than three years of political impasse and rancour was washed away by a resounding electoral victory for Boris Johnson, paving the way to the resolution of Brexit and dispatching the risk of a Labour government led by Jeremy Corbyn. And despite all the trade tussles and panics, the US economy remained resilient. Economic growth did decelerate from its tax cut-driven 2018 peak, but it remained in good order. That was, until 2020.

This year, global markets have had a terrible time as the severity of the impact of COVID-19 on health as well as economies has become all too apparent. The first quarter of 2020 was one of the worst quarters in living memory and ended the 11-year bull market in stocks. Major equity markets around the world were down between 20% and 30% as investors tried to work out the severity of the impact of COVID-19 on the short-term profitability of businesses. Credit spreads jumped higher as investors worried about widespread defaults and ratings agencies started downgrading pandemic-struck companies.

Thankfully, the spread of the COVID-19 pandemic across the world has been matched by truly speedy and enormous support packages from central banks and governments. The US, Europe and UK in particular have rolled out trillions of dollars of furlough schemes, bargain loans, grants, bolstered unemployment benefits and the obligatory quantitative easing (QE). This is a welcome response to a global health emergency, and a much more timely reaction than during the credit crunch a decade ago.

Buying debt with shorter maturities has been a game plan for us. During the review period, we actually got a better yield from debt with less time till maturity than from bonds with longer lives (known as a yield curve inversion). To take advantage of this, we bought **Virgin Money Holdings 2.25% Senior 2020** and **Euro Investment Bank 2.25% Senior 2020**.

Buying short-dated bonds isn't the only way for bondholders to protect themselves from movements in interest rates, which cause losses when they rise and profits when they fall. Another way is to buy floating-rate bonds whose coupon payments are linked to interest rates. We have been doing this since launch and continued to add to assets linked to the Bank of England's Sterling Overnight Index Average (SONIA) – a replacement for LIBOR. We bought **Nationwide Building Society Floating Rate 2025** and **Royal Bank of Canada 1.35% Floating Rate 2024**.

In January, we sold the **Lloyds Bank Floating Rate Note 2021** in order to reinvest in higher-yielding bonds. Mid-March was a very difficult time for credit, with spreads rising rapidly and liquidity leaking out of the market. Around this time we increased our cash allocation, partially by selling the **Lloyds Bank SONIA-Linked FRN 2022**. In March we bought the first UK municipal public debt issue, the **UK Municipal Bonds New Issue Floating Rate 2025**.

Toward the end of March and in early April we sold many floating rate note bonds because interest rates appeared likely to be pinned to the floor for some time. These sales included the **Yorkshire Building Society Floating Rate Senior 2024**, **Nationwide Building Society Floating Rate Senior 2022** and **Nationwide Building Society Floating Rate Note 2024**.

US Federal Reserve (Fed) Chair Jay Powell gave a sombre assessment of the US economy as lockdowns were eased across a number of states. He expects the recovery to be slower than many optimistic forecasters have been touting. Given the sheer number of unemployed, it will take some time to get people back to work, he warns. Mr Powell's downbeat speech dampened stock market enthusiasm and sent American and European indices lower. As did very weak US economic data.

Since the end of March, there have been huge dividend cuts across the board, which have presented equity income-seeking investors with a bit of a challenge. Property funds have closed, gilts don't generate yields, interest rates on cash are at rock bottom and dividends from the FTSE 100 have been slashed – so where can they go? Their next stop is fixed income credit. That, we believe, is the driving force behind the recent general improvement in investment grade debt markets. This hunt for income could be a positive for corporate credit over the next six to 12 months as investors continue to swap out of riskier asset classes.

Noelle Cazalis
Fund Manager
29 June 2020

Net asset value per share and comparative tables

I-class income shares

	30.04.20*** pence per share
Change in net assets per share	
Opening net asset value per share	100.00p
Return before operating charges*	(0.23p)
Operating charges	(0.31p)
Return after operating charges*	(0.54p)
Distributions on income shares	(1.52p)
Closing net asset value per share	97.94p

*after direct transactions costs¹ of: 0.00p

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

Performance

Return after charges (0.54%)

Other information

Closing net asset value	£8,424,516
Closing number of shares	8,602,031
Operating charges	0.41%
Direct transaction costs	0.00%

Prices**

Highest share price	100.81p
Lowest share price	96.46p

** These prices may have been calculated on a different basis to the opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

*** The I-class launched on 23 July 2019.

Net asset value per share and comparative tables *(continued)*

I-class accumulation shares

	30.04.20*** pence per share
Change in net assets per share	
Opening net asset value per share	100.00p
Return before operating charges*	(0.03p)
Operating charges	(0.30p)
Return after operating charges*	(0.33p)
Distributions on accumulation shares	(1.61p)
Retained distributions on accumulation shares	1.61p
Closing net asset value per share	99.67p

*after direct transactions costs¹ of: 0.00p

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

Performance

Return after charges (0.33%)

Other information

Closing net asset value	£3,296,090
Closing number of shares	3,306,856
Operating charges	0.41%
Direct transaction costs	0.00%

Prices**

Highest share price	101.51p
Lowest share price	97.58p

** These prices may have been calculated on a different basis to the opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

*** The I-class launched on 23 July 2019.

Net asset value per share and comparative tables *(continued)*

S-class income shares

	30.04.20	30.04.19***
	pence per share	pence per share
Change in net assets per share		
Opening net asset value per share	100.57p	100.00p
Return before operating charges*	1.62p	1.57p
Operating charges	(0.28p)	(0.18p)
Return after operating charges*	1.34p	1.39p
Distributions on income shares	(2.40p)	(0.82p)
Closing net asset value per share	99.51p	100.57p
*after direct transactions costs ¹ of:	0.00p	0.00p

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

Performance

Return after charges	1.33%	1.39%
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Other information

Closing net asset value	£193,385,432	£85,608,086
Closing number of shares	194,329,497	85,122,486
Operating charges	0.27%	0.38%
Direct transaction costs	0.00%	0.00%

Prices**

Highest share price	102.83p	101.39p
Lowest share price	98.00p	99.76p

** These prices may have been calculated on a different basis to the opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

*** The fund was launched on 16 November 2018.

Net asset value per share and comparative tables *(continued)*

S-class accumulation shares

	30.04.20 pence per share	30.04.19*** pence per share
Change in net assets per share		
Opening net asset value per share	101.40p	100.00p
Return before operating charges*	1.67p	1.57p
Operating charges	(0.28p)	(0.17p)
Return after operating charges*	1.39p	1.40p
Distributions on accumulation shares	(2.54p)	(0.82p)
Retained distributions on accumulation shares	2.54p	0.82p
Closing net asset value per share	102.79p	101.40p

*after direct transactions costs¹ of: 0.00p 0.00p

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

Performance

Return after charges 1.37% 1.40%

Other information

Closing net asset value	£13,144,117	£7,253,958
Closing number of shares	12,787,108	7,154,136
Operating charges	0.27%	0.36%
Direct transaction costs	0.00%	0.00%

Prices**

Highest share price	104.64p	101.58p
Lowest share price	100.62p	99.81p

** These prices may have been calculated on a different basis to the opening/closing net asset value per share shown in the comparative table, this may result in the opening/closing net asset value per share being higher or lower than the published highest or lowest prices for the period.

*** The fund was launched on 16 November 2018.

Net asset value per share and comparative tables *(continued)*

Risk and reward profile as published in the fund's most recent Key Investor Information Document



Lower potential risk/reward
(Not risk-free)

Higher potential risk/reward

This indicator is a measure of the fund's past volatility (the extent and rapidity of up-and-down movements of the value of an investment). It may not be a reliable indication of the fund's future risk. The risk category shown is not a target or a guarantee and may change over time.

Discrete annual performance, year ending 30 April 2020

No discrete annual performance is available as the Fund launched 16 November 2018.

Portfolio and net other assets as at 30 April 2020

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets	
Corporate Bonds (30.04.19: 89.09%)			
£760,900	A2D Funding 4.5% 2026	865,566	0.40
£1,868,700	A2D Funding 4.75% 2022	1,983,008	0.91
£900,000	ABN AMRO Bank 1% 2020	899,482	0.41
£325,000	AMP Group Finance 6.875% 2022	349,801	0.16
£574,000	Anglian Water 5.837% 2022	629,282	0.29
£2,500,000	Australia and New Zealand Banking FRN 2022	2,499,575	1.15
£2,200,000	Aviva 5.9021% VRN perp	2,165,900	0.99
£500,000	Aviva 6.125% VRN perp	511,760	0.23
£480,000	AWG Parent 6.875% 2023 Step	561,662	0.26
£1,100,000	Banco Santander SA 1.375% 2024	1,073,638	0.49
£1,200,000	Banco Santander SA 1.75% 2027	1,160,035	0.53
£2,250,000	Bank of America 2.3% 2025	2,287,946	1.05
£1,950,000	Bank of America 6.125% 2021	2,068,808	0.95
£1,200,000	Bank of Montreal 1.5% 2024	1,178,919	0.54
£1,500,000	Bank of Nova Scotia 1.375% 2023	1,476,586	0.68
£1,600,000	Banque Federative du Credit Mutuel 0.875% 2020	1,598,384	0.73
£1,000,000	Banque Federative du Credit Mutuel 1.25% 2025	970,064	0.44
£2,600,000	Banque Federative du Credit Mutuel 1.375% 2021	2,594,017	1.19
£1,000,000	Banque Federative du Credit Mutuel 1.75% 2024	996,650	0.46
£1,500,000	Banque Federative du Credit Mutuel 1.875% 2022	1,507,187	0.69
£700,000	Barclays Bank 2.375% VRN 2023	700,050	0.32
£100,000	Barclays Bank 3% 2026	101,273	0.05
£1,600,000	Barclays Bank FRN 2023	1,593,776	0.73
£900,000	BMW 1.25% 2022	882,604	0.40
£570,000	BNP Paribas 1.125% 2022	566,688	0.26
£709,000	BP Capital Markets 1.177% 2023	690,686	0.32
£1,111,000	BP Capital Markets 1.827% 2025	1,092,963	0.50
£2,000,000	BPCE SA 1.375% 2026	1,934,382	0.89
£1,000,000	BPCE SA 2.125% 2022	1,014,472	0.46
£2,360,000	BUPA Finance 6.125% VRN perp	2,294,203	1.05
£1,000,000	Canadian Imperial Bank of Commerce 1.625% 2025	972,717	0.45
£2,200,000	Canadian Imperial Bank of Commerce FRN 2022	2,184,046	1.00
£1,662,000	Citigroup 2.75% 2024	1,705,341	0.78
£1,400,000	Close Brothers Finance 3.875% 2021	1,425,993	0.65
£1,605,000	Close Brothers Group 2.75% 2023	1,615,478	0.74
£550,000	Close Brothers Group 4.25% VRN 2027	560,230	0.26
£1,000,000	Commonwealth Bank of Australia 1.125% 2021	1,008,390	0.46

Portfolio and net other assets as at 30 April 2020 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets	
£1,200,000	Co-operatieve Rabobank 1.25% 2025	1,172,374	0.54
£2,012,000	Coventry Building Society 1% 2020	2,011,948	0.92
£3,300,000	Coventry Building Society 1.5% 2023	3,273,636	1.50
£2,600,000	Coventry Building Society 1.875% 2023	2,602,920	1.19
£1,350,000	Coventry Building Society 5.875% 2022	1,479,960	0.68
£2,215,000	Coventry Building Society FRN 2023	2,213,281	1.01
£2,500,000	Coventry Building Society FRN 2025	2,472,825	1.13
£2,000,000	Deutsche Pfandbriefbank 1.75% 2022	1,957,045	0.90
£1,200,000	DNB Bank 1.625% 2023	1,188,964	0.54
£700,000	Electricite De France 6.875% 2022	795,566	0.36
£2,500,000	Euroclear Bank SA 1.25% 2024	2,459,458	1.13
£900,000	Fidelity International 6.75% 2020	920,925	0.42
£2,700,000	First Abu Dhabi Bank 1.375% 2023	2,644,272	1.21
£2,357,000	Friends Life 12% 2021	2,602,401	1.19
£933,000	GE Capital UK Funding 5.125% 2023	994,581	0.46
£550,000	Goldman Sachs 4.25% 2026	608,909	0.28
£1,400,000	Heathrow Funding 5.225% VRN 2023	1,490,694	0.68
£2,964,000	Heathrow Funding 9.2% VRN 2023	3,136,819	1.44
£900,000	Henkel AG 1% 2022	898,190	0.41
£2,350,000	HSBC 6.5% 2024	2,763,856	1.27
£3,260,000	HSBC Holdings 2.175% VRN 2023	3,277,942	1.50
£1,650,000	HSBC Holdings 2.256% VRN 2026	1,662,951	0.76
£2,040,000	IBM 2.75% 2020	2,061,726	0.94
£2,050,000	Industrial and Commercial Bank of China 1.5% 2022	2,031,163	0.93
£300,000	Investec Bank 4.5% 2022	307,025	0.14
£1,760,000	Land Securities Capital Markets 1.974% 2026	1,788,713	0.82
£1,300,000	LBBW 1.5% 2025	1,256,613	0.58
£1,800,000	Leeds Building Society FRN 2023	1,800,522	0.82
£3,000,000	Leeds Building Society FRN 2025	2,968,542	1.36
£1,400,000	Lloyds Bank 1.875% VRN 2026	1,359,453	0.62
£2,000,000	Lloyds Bank 2.25% 2024	2,011,625	0.92
£1,200,000	Lloyds Bank 5.75% 2025	1,205,808	0.55
£3,300,000	Lloyds Bank FRN 2024	3,283,111	1.50
£3,077,000	Lloyds Bank Corporate Markets 1.75% 2024	3,036,455	1.39
£2,125,000	Logicor 2019-1 UK 1.875% 2026	2,071,162	0.95
£1,400,000	London and Quadrant Housing Trust 2.625% 2026	1,458,622	0.67
£1,638,600	London Stock Exchange 4.75% 2021	1,704,672	0.78
£3,000,000	LVMH Moet Hennessy Louis Vuitton 1% 2023	2,971,811	1.36

Portfolio and net other assets as at 30 April 2020 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets
£600,000 LVMH Moet Hennessy Louis Vuitton 1.125% 2027	585,760	0.27
£233,000 M&G 3.875% VRN 2049	220,673	0.10
£1,950,000 Macquarie Bank 3.5% 2020	1,978,447	0.91
£270,000 Metlife 5.375% 2024	310,387	0.14
£2,150,000 Metropolitan Funding 1.125% 2021	2,134,934	0.98
£400,000 Motability Operations 5.375% 2022	435,143	0.20
£1,100,000 Munich Re 6.625% VRN 2042	1,189,946	0.55
£750,000 National Australia Bank 0.875% 2020	749,517	0.34
£1,600,000 National Australia Bank 1.375% 2022	1,581,836	0.72
£800,000 National Australia Bank FRN 2021	793,696	0.36
£1,500,000 National Australia Bank FRN 2025	1,473,720	0.68
£2,600,000 National Westminster Bank FRN 2023	2,599,678	1.19
£500,000 Nationwide Building Society 1% 2023	490,513	0.22
£800,000 Nationwide Building Society 2.25% 2022	813,128	0.37
£2,200,000 Nationwide Building Society FRN 2025	2,179,179	1.00
£1,200,000 NatWest Markets 6.875% 2025	1,436,850	0.66
£700,000 New York Life Global Funding 1.25% 2026	681,390	0.31
£1,500,000 New York Life Global Funding 1.625% 2023	1,499,426	0.69
£1,000,000 Northern Electric 8.875% 2020	1,033,584	0.47
£1,116,000 Paragon 6% 2020	1,132,550	0.52
£1,200,000 PGH Capital 5.75% 2021	1,256,246	0.58
£262,000 Places for People Homes 1% Index-Linked 2022	328,241	0.15
£2,600,000 Places for People Treasury 2.875% 2026	2,700,114	1.24
£1,600,000 Procter and Gamble 1.8% 2029	1,697,280	0.78
£1,583,000 Rabobank Nederland 2.25% 2022	1,605,527	0.74
£150,000 Retail Charity Bonds 4% 2029	133,200	0.06
£2,000,000 Royal Bank of Canada 1.125% 2025	1,925,074	0.88
£1,500,000 Royal Bank of Canada 1.375% 2024	1,477,429	0.68
£1,400,000 Royal Bank of Canada FRN 2021	1,396,816	0.64
£3,300,000 Royal Bank of Canada FRN 2024	3,261,469	1.49
£2,000,000 Royal Bank of Canada FRN 2025	1,960,040	0.90
£2,036,000 Santander UK 1.625% 2021	2,042,564	0.94
£1,800,000 Santander UK FRN 2021	1,796,753	0.82
£2,322,000 Santander UK FRN 2024	2,324,740	1.07
£2,500,000 Santander UK FRN 2027	2,440,325	1.12
£1,650,000 Scottish Widows 5.5% 2023	1,778,997	0.82
£50,000 Segro 6.75% 2021	53,573	0.02
£510,000 Segro 7% 2022	559,592	0.26

Portfolio and net other assets as at 30 April 2020 *(continued)*

Holding (Bonds unless otherwise stated)		Value (note 1f) £	Percentage of total net assets
£2,200,000	Siemens Financieringsmaatschappij 1% 2025	2,185,986	1.00
£1,300,000	Skipton Building Society FRN 2024	1,299,930	0.60
£1,230,000	Svenska Handelsbanken 1.625% 2022	1,231,259	0.56
£1,500,000	Svenska Handelsbanken 1.625% 2023	1,499,539	0.69
£1,000,000	Svenska Handelsbanken 2.375% 2022	1,012,857	0.46
£150,000	Svenska Handelsbanken 3% 2020	151,500	0.07
£100,000	Tesco Personal Finance 3.5% 2025	101,446	0.05
£1,495,000	Tesco Personal Finance 5% 2020	1,468,927	0.67
£1,000,000	Toronto Dominion Bank FRN 2021	997,856	0.46
£2,500,000	Toronto Dominion Bank FRN 2022	2,485,780	1.14
£1,792,000	Total Capital International SA 1.75% 2025	1,791,282	0.82
£460,000	Total Capital International SA 2.25% 2020	462,845	0.21
£400,000	Toyota Motor Credit 1% 2022	392,839	0.18
£1,300,000	TSB Bank United Kingdom FRN 2024	1,307,540	0.60
£3,800,000	UK Municipal Bonds Agency Finance FRN 2025	3,781,000	1.73
£1,753,000	Unilever 1.375% 2024	1,791,630	0.82
£500,000	United Utilities Water Finance 2% 2025	514,436	0.24
£1,167,000	Welcome Trust 4.75% 2021	1,214,893	0.56
£750,000	Wells Fargo 2% 2025	747,115	0.34
£1,618,000	Westfield Stratford City Finance 1.642% 2031	1,609,319	0.74
£1,000,000	Westpac Banking 2.625% 2022	1,019,871	0.47
£704,000	Yorkshire Building Society 3% VRN 2025	716,080	0.33
£1,800,000	Yorkshire Building Society FRN 2023	1,798,762	0.82
£651,000	Yorkshire Water Finance 1.75% 2026	647,290	0.30
£1,160,000	Zurich Finance 6.625% VRN perp	1,232,949	0.57
		205,189,370	94.02
Mortgage Bonds (30.04.19: 3.15%)			
£2,043,000	China Development Bank 1.25% 2023	2,026,853	0.93
£400,000	Development Bank of Japan 1.125% 2023	403,158	0.18
£2,583,000	Korea Development Bank 1.75% 2022	2,603,478	1.19
£500,000	Province of Quebec Canada 1.5% 2023	513,423	0.23
£623,000	Silverstone Master Issuer FRN 2070	450,116	0.21
£2,600,000	Transport for London 2.25% 2022	2,676,931	1.23
		8,673,959	3.97

Portfolio and net other assets as at 30 April 2020 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets
Supranational Bonds (30.04.19: 0.00%)		
£1,492,000 International Bank for Reconstruction and Development 0.5% 2023	1,491,242	0.68
£1,000,000 International Bank for Reconstruction and Development FRN 2024	994,530	0.46
	2,485,772	1.14
Total value of investments (30.04.19: 97.19%)	216,349,101	99.13
Net other assets (30.04.19: 2.81%)	1,901,054	0.87
Total value of the fund as at 30 April 2020	218,250,155	100.00
Sectors eliminated since the beginning of the year:		
Government Bonds	4.95%	

Summary of portfolio investments

	Value £	Percentage of total net assets
Corporate Bonds	205,189,370	94.02
Mortgage Bonds	8,673,959	3.97
Supranational Bonds	2,485,772	1.14
Total value of investments	216,349,101	99.13

Statement of total return for the year ended 30 April 2020

	Note	30.04.20 £	30.04.20 £	30.04.19* £	30.04.19* £
Income					
Net capital (losses)/gains	2		(1,439,280)		425,276
Revenue	3	2,905,045		509,669	
Expenses	4	(468,490)		(107,005)	
Interest payable and similar charges		(827)		(3,189)	
Net revenue before taxation		2,435,728		399,475	
Taxation	5	—		—	
Net revenue after taxation			2,435,728		399,475
Total return before distributions			996,448		824,751
Distributions	6		(4,369,279)		(503,581)
Change in net assets attributable to shareholders from investment activities			(3,372,831)		321,170

Statement of change in net assets attributable to shareholders for the year ended 30 April 2020

	30.04.20 £	30.04.20 £	30.04.19* £	30.04.19* £
Opening net assets attributable to shareholders		92,862,044		—
Amounts receivable on issue of shares	139,902,377		94,882,013	
Amounts payable on cancellation of shares	(11,490,857)		(2,395,258)	
		128,411,520		92,486,755
Dilution adjustment		12,509		—
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)		(3,372,831)		321,170
Retained distributions on accumulation shares		336,913		54,119
Closing net assets attributable to shareholders		218,250,155		92,862,044

* The fund was launched on 16 November 2018.

Balance sheet as at 30 April 2020

	Note	30.04.20 £	30.04.20 £	30.04.19* £	30.04.19* £
Assets					
Fixed assets:					
Investments			216,349,101		90,250,685
Current assets:					
Debtors	7	3,374,538		2,708,359	
Cash and bank balances		1,056,799		5,856,226	
Total current assets			4,431,337		8,564,585
Total assets			220,780,438		98,815,270
Liabilities					
Creditors:					
Distribution payable on income shares		(1,236,162)		(544,784)	
Other creditors	8	(1,294,121)		(5,408,442)	
Total liabilities			(2,530,283)		(5,953,226)
Net assets attributable to shareholders			218,250,155		92,862,044

* The fund was launched on 16 November 2018.

Notes to the financial statements

1 Accounting policies

a) Basis of accounting

The annual financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by The Investment Association in May 2014.

As stated in the Statement of the ACD's responsibilities in relation to the report and the financial statements of the Company on page 32, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the fund.

b) Recognition of revenue

Bank and other interest receivable is accrued up to the accounting date, and this forms part of the distribution.

Revenue on debt securities has been accounted for on coupon accounting method.

c) Treatment of expenses

All expenses are charged against capital.

d) Distribution policy

Revenue arising from the fund's investments accumulates during each accounting period. If, at the end of the accounting period, revenue exceeds expenses, the net revenue of the fund is available to be distributed to shareholders.

For the purpose of calculating the distribution available to shareholders, all expenses are charge is deducted from capital, offsetting expenses against capital may constrain future growth in revenue and capital.

For the purpose of calculating the distribution available to shareholders, revenue on debt securities is computed as the higher of the amount determined on an accrual of coupon basis and on an effective yield basis. A reconciliation of the net distribution to the net revenue of the fund as reported total return is shown in note 6.

In order to conduct a controlled dividend flow to shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the year. All remaining revenue is distributed in accordance with the regulations.

e) Basis of valuation of investments

The quoted investments of the fund have been valued at the closing bid-market prices excluding any accrued interest in the case of debt securities ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year. If no market price is available we use two different vendors (at least one being independent) to obtain a price and verify it against. If the Stock Exchange quotation of an investment has been suspended, and in the opinion of the ACD it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are valued based on the latest financial statements of the respective company and agreed with the Depositary.

All assets are recognised and derecognised on trade date. Any trades occurring between valuation point and close of business are included in the financial statements.

f) Exchange rates

The functional currency of the fund is pound sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting year are translated into sterling at the closing middle exchange rates ruling on that date.

g) Taxation/Deferred Tax

i) Corporation tax is provided for at 20% on taxable revenue, after deduction of expenses.

ii) Where overseas tax has been deducted from taxable overseas revenue, that tax can, in some instances, be set off against the corporation tax payable by the fund, by way of double taxation relief.

1 Accounting policies *(continued)*

iii) The charge for deferred tax is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax assets can be offset. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Notes to the financial statements *(continued)*

2 Net capital (losses)/gains

	30.04.20 £	30.04.19** £
The net capital (losses)/gains during the year/period comprise:		
Non-derivative securities	(1,429,248)	425,380
Transaction charges	(10,032)	(104)
Net capital (losses)/gains	(1,439,280)	425,276

3 Revenue

	30.04.20 £	30.04.19** £
Interest on debt securities	2,899,408	507,547
Bank interest	5,637	2,122
Total revenue	2,905,045	509,669

4 Expenses

	30.04.20 £	30.04.20 £	30.04.19** £	30.04.19** £
Payable to the ACD, associates of the ACD and agents of either of them: ACD's charge		353,410		54,035
Payable to the Depositary, associates of the Depositary and agents of either of them: Depositary's fees	36,701		5,503	
Safe custody and other bank charges	25,077		330	
		61,778		5,833
Other expenses:				
Administration fees	23,793		32,763	
Audit fee*	12,660		9,300	
Printing and publication costs	2,543		134	
Listing fees	3,540		251	
Registration fees	10,766		4,689	
		53,302		47,137
Total expenses		468,490		107,005

* Audit fees for 2020 are £9,300 excluding VAT (30.04.19: £9,000 excluding VAT).

5 Taxation

	30.04.20 £	30.04.19** £
a) Analysis of charge in the year/period		
Corporation tax	—	—
Total tax charge (note 5b)	—	—

b) Factors affecting current tax charge for the year/period

The tax assessed for the year/period is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (20%) (30.04.19: 20%). The differences are explained below.

	30.04.20 £	30.04.19** £
Net revenue before taxation	2,435,728	399,475
Corporation tax at 20%	487,146	79,895
Effects of:		
Tax deductible interest distributions	(487,146)	(79,895)
Total tax charge for the year/period (note 5a)	—	—

c) Deferred tax

At the year end the fund had no surplus management expenses (30.04.19: £nil) and no deferred tax asset has been recognised.

6 Distributions

The distributions take account of amounts received on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

	30.04.20 £	30.04.19** £
First Interim	655,184	–
Second Interim	764,608	–
Third Interim	1,924,232	93,811
Final	1,336,231	590,570
	4,680,255	684,381
Add: Amounts deducted on cancellation of shares	44,415	130
Deduct: Amounts received on issue of shares	(355,391)	(180,930)
Net distribution for the year/period	4,369,279	503,581

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

Net distribution for the year/period	4,369,279	503,581
Expenses allocated to Capital:		
ACD's periodic charge	(353,410)	(54,035)
Depository's fees	(36,701)	(5,503)
Safe custody and other bank charges	(25,077)	(330)
Administration fees	(23,793)	(32,763)
Audit fee	(12,660)	(9,300)
Printing and publication costs	(2,543)	(134)
Listing fees	(3,540)	(251)
Registration fees	(10,766)	(4,689)
Effective yield amortisation	(1,472,312)	–
Equalisation on conversion	(3)	–
Balance brought forward	(2,899)	–
Balance carried forward	10,153	2,899
Net revenue after taxation	2,435,728	399,475

7 Debtors

	30.04.20 £	30.04.19** £
Amounts receivable for issue of shares	948,906	1,620,296
Accrued revenue	2,425,632	1,088,063
Total debtors	3,374,538	2,708,359

8 Other creditors

	30.04.20	30.04.19**
	£	£
Amounts payable for cancellation of shares	5,125	4,265
Purchases awaiting settlement	1,220,342	5,374,779
Accrued expenses	32,121	15,598
Accrued ACD's charge	36,533	13,800
Total other creditors	1,294,121	5,408,442

** The fund launched on 16 November 2018.

9 Reconciliation of shares

	I-class income	I-class accumulation	S-class income	S-class accumulation
Opening shares issued at 01.05.19	–	–	85,122,486	7,154,136
Share movements 01.05.19 to 30.04.20				
Shares issued	10,164,847	3,508,923	117,848,887	6,787,215
Shares cancelled	(1,575,689)	(202,067)	(8,819,661)	(966,663)
Shares converted	12,873	–	177,785	(187,580)
Closing shares at 30.04.20	8,602,031	3,306,856	194,329,497	12,787,108

10 Related parties

ACD fees paid to Rathbone Unit Trust Management Limited (the ACD) are disclosed in note 4 and amounts outstanding at the year end in note 8.

Details of shares created and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

There were no commissions paid to stockbroking of the ACD in respect of dealings in the investments of Rathbone High Quality Bond Fund during the year (30.04.19: nil).

All other amounts paid to or received from the related parties, together with the outstanding balances are disclosed in the financial statements.

At the year end there were no significant shareholders (30.04.19: nil).

11 Shareholder funds

The fund has two share class: I-class and S-class. The annual ACD charge on the fund is 0.35% and 0.20% respectively.

The net asset value, the net asset value per share and the number of shares in issue are given in the net asset value per share and comparative tables on pages 4 to 7.

12 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30.04.19: nil).

13 Risk disclosures on financial instruments

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for liquidations and debtors for accrued revenue.

The fund is exposed to credit risk as a result of its investment in bonds. There are no net borrowings and little exposure to liquidity risk because assets can be readily realised to meet redemptions.

The fund does not make use of derivatives.

The main risks arising from the financial instruments are:

(i) **Interest rate risk**, being the risk that the value of investments will fluctuate as a result of interest rate charges.

The table below shows the interest rate risk profile at the balance sheet date:

	30.04.20	30.04.19**
	£	£
Fixed rate assets:		
Pound sterling	141,376,132	63,206,458
Floating rate assets:		
Pound sterling	76,029,768	32,900,453
Assets on which no interest is paid:		
Pound sterling	3,374,538	2,708,359
Liabilities on which no interest is paid:		
Pound sterling	(2,530,283)	(5,953,226)
Net assets	218,250,155	92,862,044

If interest rates had increased by 10% as at the balance sheet date, the net asset value of the fund would have increased by £7,953,240 (30.04.19: £3,343,804). If interest rates had decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased by £7,953,240 (30.04.19: £3,343,804). These calculations assume all other variables remain constant.

13 Risk disclosures on financial instruments *(continued)*

(i) Interest rate risk *(continued)*

The floating rate financial assets and liabilities comprise bank balances, floating rate securities and index linked bonds that earn or pay interest at rates linked to the UK base rate or its international equivalents.

	30.04.20		30.04.19	
	Value (note 1f) £	Percentage of total net assets	Value (note 1f) £	Percentage of total net assets
Bond credit ratings				
Investment grade	206,884,491	94.79	64,741,031	69.71
Below investment grade	9,464,610	4.34	25,509,654	27.48
Total Bonds	216,349,101	99.13	90,250,685	97.19

There are no material amounts of non-interest bearing financial assets and liabilities.

(ii) Market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than currency or interest rate movements.

The investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy set out in the Prospectus. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and Prospectus and the rules of the FCA's Collective Investment Scheme Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices had increased by 10% as at the balance sheet date the net asset value of the fund would have increased by £21,634,910 (30.04.19: £9,025,068). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £21,634,910 (30.04.19: £9,025,068). These calculations assume all other variables remain constant.

(iii) Counterparty risk, being the risk that the counterparty will not deliver the investments for a purchase, or the cash for a sale after the fund has fulfilled its responsibilities.

(iv) Fair value. There is no material difference between the carrying value and fair value of the financial instruments disclosed in the balance sheet.

(v) Leverage. In accordance with the IA SORP issued in May 2014 we are required to disclose any leverage of the fund. There is no significant leverage in Rathbone High Quality Bond Fund which would increase its exposure.

(vi) Liquidity risk, being the risk that the value of the investment portfolio is adversely affected by the illiquid nature of certain debt securities. The investment portfolio may consist of a substantial number of fixed debt securities assets in below investment grade fixed interest securities. Such securities are generally not regularly traded on secondary markets. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed and Prospectus and the rules of the FCA's Collective Investment Scheme Sourcebook mitigates the risk of excessive exposure to liquidity risk.

** The fund launched on 16 November 2018.

14 Portfolio transaction cost

For the year ended 30 April 2020

Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Bond transactions	226,656,592	—	—	—	—
Total purchases before transactions costs	226,656,592	—		—	
Total purchases including commission and taxes	226,656,592				

Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Bond transactions	44,103,506	—	—	—	—
Corporate actions	53,552,784	—	—	—	—
Total sales including transactions costs	97,656,290	—		—	
Total sales net of commission and taxes	97,656,290				

The fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 30 April 2020.

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

14 Portfolio transaction cost *(continued)*

For the period ended 30 April 2019*

Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Bond transactions	95,733,271	—	—	—	—
Total purchases before transactions costs	95,733,271	—	—	—	—
Total purchases including commission and taxes	95,733,271	—	—	—	—

Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Bond transactions	4,600,583	—	—	—	—
Corporate actions	1,065,000	—	—	—	—
Total sales including transactions costs	5,665,583	—	—	—	—
Total sales net of commission and taxes	5,665,583	—	—	—	—

The fund had paid £nil as commission on purchases and sale derivative transactions for the period ended 30 April 2019.

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.43% (30.04.19: 0.30%).

* The fund launched on 16 November 2018.

15 Fair value of investments

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 30 April 2020

Category	1	2	3	Total
	£	£	£	£
Investment assets				
Bonds	– 216,349,101		– 216,349,101	
	– 216,349,101		– 216,349,101	

For the period ended 30 April 2019*

Category	1	2	3	Total
	£	£	£	£
Investment assets				
Bonds	3,596,046	86,654,639	–	90,250,685
	3,596,046	86,654,639	–	90,250,685

* The fund launched on 16 November 2018.

16 Share price movement since the balance sheet date

Subsequent to the year end, the net asset value per share of the fund has increased using the share prices at the year end date compared to 16 June 2020. This movement takes into account routine transactions but also reflects the market movements of recent months. There are no post balance sheet events which require adjustments.

Share type	30.04.20 mid price	16.06.20 mid price
I-class income	98.66p	99.51p
I-class accumulation	99.81p	101.26p
S-class income	100.25p	101.14p
S-class accumulation	102.93p	104.45p

During the period from the balance sheet date to the date that the Financial Statements were approved, the coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. The quantum of the effect on the price of each unit has been disclosed above in the unit price movement since the balance sheet date note to the financial statements. The Authorised Fund Manager is monitoring the situation and considering the effect it may have on the valuation of any impacted underlying investment holdings in the future. In accordance with the requirements of FRS 102 and the IA SORP, the fair valuations at balance sheet date reflect the economic conditions in existence at that date.

Distribution tables for the year ended 30 April 2020

Distribution tables (pence per share)

First Interim

Group 1 – Shares purchased prior to 1 May 2019

Group 2 – Shares purchased on or after 1 May 2019 and on or before 31 July 2019

I-class income** shares	Net income	Equalisation	Paid 30.09.19
Group 1	0.02	–	0.02
Group 2	0.02	0.00	0.02

I-class accumulation** shares	Net income	Equalisation	Accumulated 30.09.19
Group 1	0.02	–	0.02
Group 2	0.00	0.02	0.02

S-class income* shares	Net income	Equalisation	Paid 30.09.19
Group 1	0.44	–	0.44
Group 2	0.17	0.27	0.44

S-class accumulation* shares	Net income	Equalisation	Accumulated 30.09.19
Group 1	0.45	–	0.45
Group 2	0.28	0.17	0.45

* The fund was launched on 16 November 2018.

** I-class was launched on 23 July 2019 at 100.00p (I-class income) and 100.00p (I-class accumulation).

Distribution tables for the year ended 30 April 2020 *(continued)*

Distribution tables (pence per share) *(continued)*

Second Interim

Group 1 – Shares purchased prior to 1 August 2019

Group 2 – Shares purchased on or after 1 August 2019 and on or before 31 October 2019

I-class income** shares	Net income	Equalisation	Paid 31.12.19
Group 1	0.43	–	0.43
Group 2	0.15	0.28	0.43
I-class accumulation** shares	Net income	Equalisation	Accumulated 31.12.19
Group 1	0.43	–	0.43
Group 2	0.20	0.23	0.43
S-class income* shares	Net income	Equalisation	Paid 31.12.19
Group 1	0.44	–	0.44
Group 2	0.19	0.25	0.44
S-class accumulation* shares	Net income	Equalisation	Accumulated 31.12.19
Group 1	0.44	–	0.44
Group 2	0.21	0.23	0.44

* The fund was launched on 16 November 2018.

** I-class was launched on 23 July 2019.

Distribution tables for the year ended 30 April 2020 *(continued)*

Distribution tables (pence per share) *(continued)*

Third Interim

Group 1 – Shares purchased prior to 1 November 2019

Group 2 – Shares purchased on or after 1 November 2019 and on or before 31 January 2020

I-class income** shares	Net income	Equalisation	Paid 31.03.20	Paid 28.02.19
Group 1	0.48	–	0.48	N/A
Group 2	0.18	0.30	0.48	N/A
I-class accumulation** shares	Net income	Equalisation	Accumulated 31.03.20	Accumulated 28.02.19
Group 1	0.57	–	0.57	N/A
Group 2	0.00	0.57	0.57	N/A
S-class income* shares	Net income	Equalisation	Paid 31.03.20	Paid*** 28.02.19
Group 1	0.91	–	0.91	0.18
Group 2	0.70	0.21	0.91	0.18
S-class accumulation* shares	Net income	Equalisation	Accumulated 31.03.20	Accumulated*** 28.02.19
Group 1	1.02	–	1.02	0.18
Group 2	0.71	0.31	1.02	0.18

* The fund was launched on 16 November 2018.

** I-class was launched on 23 July 2019.

*** Period for distribution is from 16 November 2018 till 31 December 2018.

Distribution tables for the year ended 30 April 2020 *(continued)*

Distribution tables (pence per share) *(continued)*

Final

Group 1 – Shares purchased prior to 1 February 2020

Group 2 – Shares purchased on or after 1 February 2020 and on or before 30 April 2020

I-class income** shares	Net income	Equalisation	Payable 30.06.20	Paid 30.06.19
Group 1	0.59	—	0.59	N/A
Group 2	0.23	0.36	0.59	N/A

I-class accumulation** shares	Net income	Equalisation	Allocated 30.06.20	Accumulated 30.06.19
Group 1	0.59	—	0.59	N/A
Group 2	0.14	0.45	0.59	N/A

S-class income* shares	Net income	Equalisation	Payable 30.06.20	Paid*** 30.06.19
Group 1	0.61	—	0.61	0.64
Group 2	0.30	0.31	0.61	0.64

S-class accumulation* shares	Net income	Equalisation	Allocated 30.06.20	Accumulated*** 30.06.19
Group 1	0.63	—	0.63	0.64
Group 2	0.39	0.24	0.63	0.64

* The fund was launched on 16 November 2018.

** I-class was launched on 23 July 2019.

*** Period for distribution is from 1 January 2019 to 30 April 2019.

Notes for corporate shareholders

Corporate shareholders should read the important information on the reverse of the tax voucher in respect of this distribution. The relevant information required by a corporate shareholder is as follows:

Franked investment income	0.00%
Unfranked investment income	100.00%
Depositary net liability to corporation tax	nil pence per share

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

Directors' statement

This report is approved in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

MM Webb JR Chillingworth
for Rathbone Unit Trust Management Limited
ACD of Rathbone High Quality Bond Fund
31 July 2020

Statement of the ACD's responsibilities in relation to the report and accounts of the Rathbone High Quality Bond Fund

The Financial Conduct Authority's Collective Investment Schemes Sourcebook requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net revenue and of the net capital gains or losses on the property of the Company for that year. In preparing those financial statements, the ACD is required to:

1. select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. comply with the disclosure requirements of the SORP relating to financial statements of UK authorised funds issued by The Investment Association;
4. follow United Kingdom Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 to 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation; and
6. keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the Collective Investment Schemes Sourcebook. The ACD has general responsibility for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

1. there is no relevant audit information of which the Company's auditor is unaware;
2. the ACD has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and
3. the ACD is of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the fund consist predominantly of securities that are readily realisable and, accordingly, the Company has adequate resources to continue in operational existence for the foreseeable future.

The ACD has considered the activities of the Company together with the factors likely to affect its future development, including those related to the COVID-19 pandemic. The assets of the Rathbone Global Sustainability Fund consist predominantly of cash and liquid securities that are readily realisable and therefore has adequate resources to continue in operational existence for the foreseeable future. The ACD has also considered the impact of the COVID-19 pandemic on the operations of the ACD and material third party service providers which continue to be maintained and fully functioning. Accordingly, the ACD continues to adopt the going concern basis in the preparation of the financial statements.

In accordance with COLL 4.5.8 R, the Annual Report and the audited financial statements were approved by the board of directors of the ACD of the Scheme and authorised for issue on 26 June 2020.

Statement of the Depositary's responsibilities and report of the Depositary to the shareholders of Rathbone High Quality Bond Fund (the Company) for the year ended 30 April 2020

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together the Regulations), the Company's Instrument of Incorporation and Prospectus (together the Scheme documents) as detailed below.

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

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

The Depositary must ensure that:

1. the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
2. the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
3. the value of shares in the Company is calculated in accordance with the Regulations;
4. any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
5. the Company's income is applied in accordance with the Regulations; and
6. the instructions of the Authorised Fund Manager (the AFM) are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

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

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

NatWest Trustee and Depositary Services Limited
Depositary of Rathbone High Quality Bond Fund
31 July 2020

Independent Auditor's Report to the shareholders of Rathbone High Quality Bond Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Rathbone High Quality Bond Fund (the company):

- give a true and fair view of the financial position of the company as at 30 April 2020 and of the net revenue and the net capital gains on the property of the Company for the year ended 30 April 2020; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds', the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements of the company which comprise:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- individual notes 1 to 16; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the authorised corporate director's (ACD's) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent Auditor's Report to the shareholders of Rathbone High Quality Bond Fund *(continued)*

Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the company have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- where the information required by COLL4.5.9R is not all included within the ACD's report: the information disclosed in the annual report for the year ended 30 April 2020 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Independent Auditor's Report to the shareholders of Rathbone High Quality Bond Fund *(continued)*

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
31 July 2020

General information

UCITS Remuneration

In line with the requirements of the UCITS Directive, Rathbone Unit Trust Management Limited (the Manager) has adopted a remuneration policy which is consistent with the remuneration principles applicable to UCITS management companies. Its purpose is to ensure that the remuneration of the staff of the Manager is consistent with and promotes sound and effective risk management, does not encourage risk-taking which is inconsistent with the risk profiles of the Manager and the UCITS that it manages and does not impair the Manager's compliance with its duty to act in the best interests of the UCITS it manages. The remuneration policy applies to staff of the Manager whose professional activities have a material impact on the risk profile of the Manager or the UCITS that it manages (known as Remuneration Code Staff).

The aggregate remuneration paid by the Manager to its staff, and to those staff who are identified as Remuneration Code Staff, is disclosed below.

	Fixed remuneration £'000	Variable remuneration £'000	Total remuneration £'000	Headcount
Senior Management	1,301	2,740	4,041	5
Risk takers	1,323	1,724	3,047	13
Control functions	267	40	307	3
Other	108	74	182	1
Total remuneration code staff	2,999	4,578	7,577	22
Non-remuneration code staff	959	279	1,238	23
Total for the Manager	3,958	4,857	8,815	45

The variable remuneration disclosed in the table above is for the financial year ended 31 December 2018, which is the most recent period for which data are available. Variable remuneration is determined annually based on, inter alia, the results of the Manager and the investment performance of the UCITS that it manages for discrete annual periods ending on 31 December each year. Consequently, it is not possible to apportion the variable award between calendar years.

Authorised status

The Rathbone High Quality Bond Fund (the Company) is a stand-alone open-ended investment company with variable capital ICVC, incorporated in England and Wales under registered number IC002299 and authorised by the FCA with effect from 7 November 2018.

Investment objective, policy and strategy

Investment objective

The objective of the fund is to preserve capital and pay an income by delivering a greater total return than the Bank of England's Base Rate + 0.5%, after fees, over any rolling three-year period. There is no guarantee that this investment objective will be achieved over three years, or any other time period. We use the Bank of England's Base Rate + 0.5% as a target for our fund's return because we aim to provide a return in excess of what you would receive in a UK savings account. This is an investment product, not a cash savings account. Your capital is at risk.

Investment policy

To meet the objective, the fund manager will invest at least 80% of the fund in government and corporate bonds with high credit ratings (AAA to A-). The remaining 20% of the fund is invested in investment grade government and corporate bonds with lower credit ratings (BBB+ to BBB-) or bonds with no rating at all. Up to 10% of the fund can be invested directly in contingent convertible bonds. If a bond's rating falls below BBB-, otherwise known as high yield, the fund manager will sell it within six months.

The fund may invest globally but at least 80% of the portfolio will be invested in sterling denominated assets or hedged back to sterling. Derivatives may be used by the fund for the purposes of efficient portfolio management and hedging. The manager may use all investment powers as permitted by the prospectus, outside the ranges described above, to ensure the fund is managed in the best interest of investors in times of market irregularities or stress. The fund may invest at the fund manager's

discretion in other transferable securities, money market instruments, warrants, cash and near cash and deposits and units in collective investment schemes. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted by the FCA Rules.

Investment strategy

When picking our investments, there are three assessments we make. First, we look at the economic environment to determine which industries we want to own and the duration of our investments. Then we use the Four C approach to evaluate creditworthiness. We assess:

- Character: Whether a company's managers have integrity and competence
- Capacity: Ensuring a company isn't over-borrowing and has the cash to pay its debts
- Collateral: Are there assets backing the loan, which reduces the risk of a loan
- Covenants: These loan agreements set out the terms of the bond and restrictions on the company

Finally, we compare prices to determine the best value bonds to include in our fund.

Fund benchmark

Bank of England's Base Rate + 0.5%.

Valuation of the sub-funds

The fund is valued on each business day at 12 noon for the purpose of determining prices at which shares in the fund may be bought or sold. Valuations may be made at other times on business days with the Depositary's approval.

Stewardship code

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

Buying and selling of shares

The ACD is available to receive requests for the buying and selling of shares on business days between 9.00am and 5.00pm and transactions will be effected at prices determined by the next valuation. Application forms for shares (obtainable from the ACD or the Administrator) should be completed and sent to the Administrator. In respect of telephoned orders, remittances should be sent on receipt of the contract note. Contract notes confirming transactions will be issued by the close of business on the next business day after the dealing date. Purchasers of shares are required to enter their registration details on the form supplied with their contract note. Once shares are paid for these details will be entered on the share register.

Shares can be sold by telephone, fax or letter followed by despatch to the Administrator of the authorisation to sell duly completed by all shareholders.

In the absence of clear written instructions signed by all the registered holders, a Form of Renunciation will be sent out together with their purchase 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 our business days after the dealing date or four days after the receipt of written confirmation.

Shareholders may sell shares on submitting the purchase contract note and a duly executed Deed of Transfer. The issue and redemption of shares will not take place if dealing in the shares is suspended by operation of law or any statute for the time being in place.

The minimum initial and additional investment for S-class shares is set at £100,000,000 or Fund Manager's discretion. Any number of shares may be subscribed, sold or transferred so long as transaction complies with applicable minimums.

The ACD currently receives an annual remuneration for managing the S-class from the property of the fund at the rate of 0.2%.

Statements

A distribution statement showing the rate per share and your shareholding will be sent half yearly on the 30 June and 31 December.

The current value of your shares is shown on a valuation statement, which shows the number of shares bought over the previous six months, the total number of shares in your account and their current value.

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

Prices

Prices are available on our website rathbonefunds.com

Other information

You can see the Instrument of Incorporation, the Key Investor Information Document and Supplementary Information Document, the Prospectus and the most recent half yearly report of each fund by visiting the registered offices of the ACD. Copies of the Prospectus, the Key Investor Information Document and Supplementary Information Document and the most recent half yearly report of each fund may be obtained free of charge on application to the ACD.

The Register of Shareholders can be inspected during normal business hours at the office of the Registrar, SS&C Financial Services International Limited, SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS.

Further copies of this report are available upon request, free of charge, from Client Services Department, Rathbone Unit Trust Management Limited, 8 Finsbury Circus, London EC2M 7AZ.

General information *(continued)*

Shareholders who have any queries or complaints about the operation of the Company 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, London E14 9SR. Further details about the Financial Ombudsman Service are available on their website at financial-ombudsman.org.uk

ISA eligibility

The fund has been managed throughout the year to ensure that it is eligible to qualify and be included in an Individual Savings Account (ISA). The fund will at all times be invested in such a way that the units will constitute 'Qualifying Investments' for the purposes of the Individual Savings Account (ISA) Regulations 1998, as amended from time to time.

Risk factors

An investment in an investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance should not be seen as an indication of future performance. Investments denominated in currencies other than the base currency are subject to fluctuations in exchange rates which can be favourable or unfavourable. Where the ACD's charge is fully 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 restricted.

Value Assessment

Our regulator, the Financial Conduct Authority (FCA), has asked us to assess the value of our funds. Assessing value is much more than just looking at the fees you pay or the performance of your fund in isolation. Considering this, we have designed an assessment which looks at nine criteria.

We have also appointed an independent research firm, Square Mile Investment Consulting & Research, to provide an impartial report on the value our funds offer compared with the market.

It is the responsibility of our board of directors to consider the outcomes of these assessments, ensure they are clear and fair, and then communicate to you, our investors, if we have delivered value or, if not, where we need to improve.

You can view the value assessment for this fund on rathbones.com

Other funds

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

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 Income Fund
Rathbone Spenser Fund
Rathbone Strategic Bond Fund
Rathbone UK Opportunities Fund

and the Authorised Corporate Director of:

Rathbone Global Alpha Fund
Rathbone Global Sustainability Fund
Rathbone Enhanced Growth Portfolio
Rathbone Strategic Growth Portfolio
Rathbone Strategic Income Portfolio
Rathbone Total Return Portfolio
Rathbone Pharaoh Fund
Rathbone Quercus Growth Fund
Rathbone Sherwood Fund
Rathbone Sussex Income Fund
Rathbone Sussex Growth Fund

Further details

Should you require further details of this fund or any of the other funds managed by Rathbone Unit Trust Management Limited, a Prospectus, Key Investor Information Document and Supplementary Information Document or an application form for the purchase of shares or units, please write to:

Client Services Department
Rathbone Unit Trust Management Limited
8 Finsbury Circus
London EC2M 7AZ

All literature is available free of charge.
Information is also available on our website:
rathbonefunds.com

Data protection

Where relevant, Rathbones' privacy notice for clients, together with our relevant terms of business, sets out how your personal data (as further detailed in the privacy notice) shall be processed by Rathbones. A copy of the privacy notice is available on request or on Rathbones' website.

From time to time Rathbone Unit Trust Management Limited may wish to communicate with you with information on other products and services offered by the Rathbone group. If you do not wish to receive these communications, please advise us in writing at the following address:

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

Rathbones

Look forward

Rathbone Unit Trust Management Limited

8 Finsbury Circus, London EC2M 7AZ

Tel 020 7399 0000

Fax 020 7399 0057

Information line

020 7399 0399

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rathbonefunds.com

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