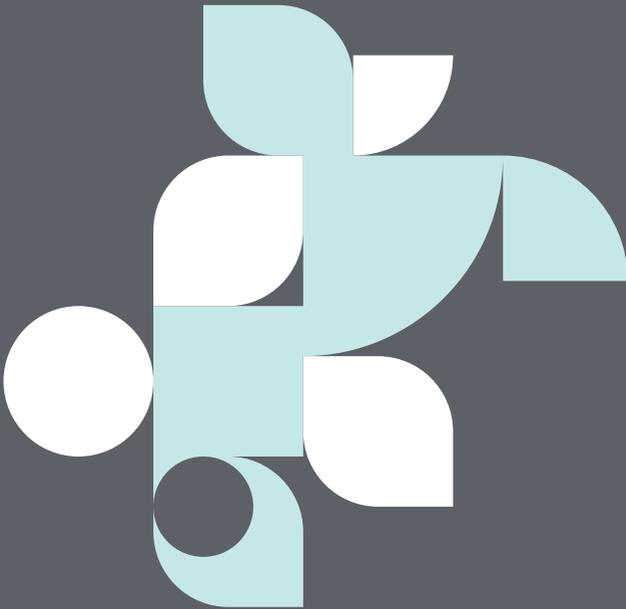


Rathbones

Look forward

Rathbone UK Opportunities Fund

Annual report for the year ended 30 September 2020



Rathbone UK Opportunities Fund

Authorised Fund Manager (the Manager)

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**

Dealing office

SS&C Financial Services Europe Limited
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Essex SS15 5FS
Telephone 0330 123 3810
Facsimile 0330 123 3812

Registrar

SS&C Financial Services International Limited
SS&C House
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**Authorised and regulated by the
Financial Conduct Authority**

Independent Auditor

Deloitte LLP
Statutory Auditor
110 Queen Street
Glasgow G1 3BX

Directors of the Manager

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

Administrator

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

Trustee

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

Manager's report for the year ended 30 September 2020

The Rathbone UK Opportunities Fund gained 3.7% in the 12 months to 30 September, while its FTSE All-Share Index benchmark slumped 16.6%. Meanwhile, the IA UK All Companies sector fell 12.8%.

Markets had a terrible time as the severe impact of COVID-19 on health as well as economies became apparent. March closed out the worst quarter for the UK market since 1987 and ended the 11-year bull market. Rarely does the world change so much in such a short space of time. It was a frightening and emotional time.

At the peak of the panic, selling was indiscriminate. Even companies with cash on the balance sheet, whose revenues will likely hold up during this period have been sold off heavily. This was frustrating; in our view, markets were unlikely to bottom out sustainably until investors were confident that infection rates in the world's largest economies had peaked. And since traditional profit metrics didn't make much sense anymore, we hesitated before making any big moves.

We then had a typically patchy British summer, with markets following suit. One day's promising rays of economic data were quickly shrouded by news of a spike of COVID somewhere. Then something else encouraging popped through the cover, only to be closely trailed by more shaded worry. And the dance has continued into autumn, like clouds chasing the sun.

For our part, we're steeled for a bumpy road. The unfettered conditions for roaring economic growth are the same as for a large resurgence in the pandemic. To restrain the latter and partially enable the former a compromise appears to have been struck. This won't mean cataclysm, but it won't be an easy bounce back either.

We have long admired Greggs, the food-to-go baker but historically, we've felt its valuation has been too high. Markets were concerned that the baker would not be able to maintain the superior like-for-like sales it had been posting since the introduction of its vegan sausage roll and we were able to take advantage of this sentiment. We had a look at the baker's sales performance and found many levers:

new store openings and refurbishments; longer opening hours; better promotions; and headline-grabbing products. Our meetings with management left us convinced of the sustainability of its business model so we began to build a position.

We don't own any 'volume housebuilders' (companies putting up 10,000+ homes a year) as we think that peak valuations, peak margins and a soggy consumer could be a painful combination. But the supply/demand dynamics and benign land-buying market offer an appealing backdrop. So, we added smaller operator Countryside Properties to our existing holding in low-cost-home specialist MJ Gleeson. Countryside is different to a normal housebuilder because half of its business is 'partnerships', which means building homes for third parties, particularly in the private rental sector (PRS). It's this, plus excellent cost control, that gives Countryside some of the highest returns, growth and visibility in the sector.

Another way to buy into the PRS is through Grainger, which develops, builds and maintains blocks of flats for rent. Its work is largely funded by selling off regulated tenancy assets, but it also uses the partnerships model to gain access to land, offering lower-risk projects. When the business raised some money to accelerate the development of these projects, we were able to build a position.

We've also been slowly building a holding in Softcat, a reseller of IT software and hardware. The business offers expertise, experience, a good price and a continuity of service which is particularly appealing to small and medium-sized businesses in need of help with their IT. It also fosters a strong culture and career progression for its sales team, another key differentiator for us. The business is often richly valued so we've been taking advantage of the red days to buy.

We used the equity raise to take a stake in this online media business. Future's strength is writing content once and monetising it many times using their own tech platform. Their websites cover hobbies such as wine and gadgets. The structural growth on offer here is high and during lockdown the company saw more visitors to its websites than ever before.

We had held Bunzl for its defensive qualities, but during the period we thought we could find better risk-reward opportunities elsewhere. The changes in the marketplace and the contracts the business has increasingly relied on have reduced the defensiveness of the model, so we exited.

As noted above, we really like the PRS theme, but sold out of PRS REIT as it was more of an income play than capital return. There were also some delays to planning applications which can be tough for a small company to weather.

We sold down our holding in Royal Dutch Shell because we prefer to own businesses whose pricing is reasonably within their control; that's part of our investment process. We hadn't predicted the oil price crash, but it served to remind us just how volatile Shell's main determinant can be. Environmental Social and Governance (ESG) pressures and dividend concerns also weighed heavily on the price.

We trimmed our position in the brilliant fund management company, Intermediate Capital (ICP). We've owned it for a while and have confidence in the strength of its model, but when credit spreads start blowing out, investors begin worrying (too much, in our view) about impairments on ICP's assets. The good news is that ICP has spent the last 10 years transitioning from being a balance-sheet lender to a third-party fund manager, meaning its earnings are much less impacted by impairments. We trimmed the holding and then bought it back at a much lower price.

We have held GVC since it was a small AIM-listed business and it has been a strong contributor to returns. We still believe there's opportunity for legal gambling to open up the US market. However, the change in CEO and HMRC investigation leaves GVC exposed to a material share price fall so we have exited the position.

Our summer drew to a close with global equity markets falling back from a resurgence forged at a time of sustained risks. But try to keep perspective, remembering the good as well as being mindful of the bad. Here in the UK, the infection rate has surged recently, leading the government to implement yet more localised lockdowns. Yet hospitalisations and deaths, while rising, haven't increased anywhere near the same rate. Hopefully the rapid progress in treating the disease means they never will.

Meanwhile, most schools and businesses have reopened. This is of course a double-edged sword: more commerce and classes mean more chances for infection. Yet we have to get our children back in school otherwise we risk scarring their development and mental health for years. And we must learn how to run our economy safely in this environment to retain our quality of life. Almost a third of Brits think life will take more than a year to get back to how it was before the pandemic (some think it will never happen), and they are likely not wrong. The loss of skills from a year or more out of work would be debilitating for the people left unemployed and the country as well.

The onset of winter always seems gloomy, the addition of a persistent pandemic compounds the feeling. Remember, there will be another summer, and there will be an end to the coronavirus.

Alexandra Jackson
Fund Manager
16 October 2020

Net asset value per unit and comparative tables

R-class income units

	30.09.20 pence per unit	30.09.19 pence per unit	30.09.18 pence per unit
Change in net assets per unit			
Opening net asset value per unit	425.25p	501.56p	484.54p
Return before operating charges*	19.79p	(57.99p)	38.30p
Operating charges	(7.34p)	(7.21p)	(8.28p)
Return after operating charges*	12.45p	(65.20p)	30.02p
Distributions on income units	(5.65p)	(11.11p)	(13.00p)
Closing net asset value per unit	432.05p	425.25p	501.56p
*after direct transactions costs ¹ of:	0.49p	0.76p	0.51p

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

Performance

Return after charges	2.93%	(13.00%)	6.20%
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Other information

Closing net asset value	£1,688,139	£1,883,944	£5,770,024
Closing number of units	390,727	443,021	1,150,406
Operating charges	1.70%	1.65%	1.64%
Direct transaction costs	0.11%	0.17%	0.10%

Prices**

Highest unit price	504.46p	515.45p	541.36p
Lowest unit price	304.60p	392.57p	468.15p

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

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

R-class accumulation units

	30.09.20 pence per unit	30.09.19 pence per unit	30.09.18 pence per unit
Change in net assets per unit			
Opening net asset value per unit	566.36p	647.01p	609.51p
Return before operating charges*	26.96p	(71.25p)	48.03p
Operating charges	(9.82p)	(9.40p)	(10.53p)
Return after operating charges*	17.14p	(80.65p)	37.50p
Distributions on accumulation units	(7.33p)	(14.06p)	(16.25p)
Retained distributions on accumulation units	7.33p	14.06p	16.25p
Closing net asset value per unit	583.50p	566.36p	647.01p
*after direct transactions costs ¹ of:	0.66p	0.99p	0.65p

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

Performance

Return after charges	3.03%	(12.47%)	6.15%
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Other information

Closing net asset value	£5,410,358	£5,588,000	£17,490,424
Closing number of units	927,228	986,644	2,703,262
Operating charges	1.70%	1.65%	1.64%
Direct transaction costs	0.11%	0.17%	0.10%

Prices**

Highest unit price	671.82p	669.01p	690.48p
Lowest unit price	405.37p	510.37p	598.16p

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

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

I-class income units

	30.09.20 pence per unit	30.09.19 pence per unit	30.09.18 pence per unit
Change in net assets per unit			
Opening net asset value per unit	454.25p	523.82p	501.11p
Return before operating charges*	20.92p	(55.78p)	38.99p
Operating charges	(3.02p)	(2.80p)	(3.23p)
Return after operating charges*	17.90p	(58.58p)	35.76p
Distributions on income units	(5.70p)	(10.99p)	(13.05p)
Closing net asset value per unit	466.45p	454.25p	523.82p
*after direct transactions costs ¹ of:	0.53p	0.80p	0.54p

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

Performance

Return after charges	3.94%	(11.18%)	7.14%
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Other information

Closing net asset value	£12,180,413	£14,251,123	£16,705,005
Closing number of units	2,611,297	3,137,317	3,189,055
Operating charges	0.65%	0.61%	0.59%
Direct transaction costs	0.11%	0.17%	0.10%

Prices**

Highest unit price	541.06p	531.25p	555.70p
Lowest unit price	326.51p	416.06p	492.33p

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

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

I-class accumulation units

	30.09.20 pence per unit	30.09.19 pence per unit	30.09.18 pence per unit
Change in net assets per unit			
Opening net asset value per unit	599.49p	675.84p	630.40p
Return before operating charges*	28.37p	(72.73p)	49.52p
Operating charges	(3.99p)	(3.62p)	(4.08p)
Return after operating charges*	24.38p	(76.35p)	45.44p
Distributions on accumulation units	(7.54p)	(14.24p)	(16.49p)
Retained distributions on accumulation units	7.54p	14.24p	16.49p
Closing net asset value per unit	623.87p	599.49p	675.84p

*after direct transactions costs¹ of: 0.70p 1.04p 0.68p

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

Performance

Return after charges 4.07% (11.30%) 7.21%

Other information

Closing net asset value	£21,647,626	£21,651,748	£19,300,647
Closing number of units	3,469,921	3,611,697	2,855,807
Operating charges	0.65%	0.61%	0.59%
Direct transaction costs	0.11%	0.17%	0.10%

Prices**

Highest unit price	714.04p	684.09p	703.95p
Lowest unit price	430.89p	536.47p	624.38p

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

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

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, quarter ending 30 September 2020

	2016	2017	2018	2019	2020
R-class units	9.87%	11.74%	6.30%	-11.65%	2.76%
I-class units	10.70%	12.52%	7.27%	-10.89%	3.73%
IA UK All Companies sector	11.74%	13.65%	5.54%	-0.03%	-12.76%

Source performance data Financial Express, mid to mid, net income reinvested.

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.

Portfolio and net other assets as at 30 September 2020

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
Chemicals (30.09.19: 2.24%)		
18,000 Croda International	1,123,560	2.75
Construction and Materials (30.09.19: 4.81%)		
1,300,000 Breedon	910,000	2.22
20,000 CRH	559,200	1.37
100,000 Marshalls	652,500	1.59
85,000 MJ Gleeson	501,500	1.23
	2,623,200	6.41
Aerospace and Defence (30.09.19: 1.36%)		
300,000 Chemring	724,500	1.77
Electronic and Electrical Equipment (30.09.19: 5.12%)		
180,000 discoverIE	1,090,800	2.67
50,000 Halma	1,172,000	2.86
10,000 XP Power	442,000	1.08
	2,704,800	6.61
Industrial Engineering (30.09.19: 5.08%)		
35,000 AB Dynamics	635,250	1.55
222,500 Ceres Power	1,237,100	3.02
900,000 Melrose Industries	1,039,050	2.54
	2,911,400	7.11
Industrial Transportation (30.09.19: 1.66%)		
35,000 Fisher (James) & Sons	396,900	0.97
Healthcare Equipment and Services (30.09.19: 1.69%)		
270,000 Advanced Medical Solutions*	576,450	1.41
Pharmaceuticals and Biotechnology (30.09.19: 5.72%)		
70,000 Abcam	851,200	2.08
1,000,000 Alliance Pharma*	738,000	1.80
30,000 Dechra Pharmaceuticals	963,600	2.35
	2,552,800	6.23

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

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
Food and Drug Retailers (30.09.19: 3.65%)		
25,000 Diageo	662,500	1.62
25,000 Fevertree Drinks	579,000	1.41
35,000 Greggs	410,900	1.00
20,000 Ocado Group	548,800	1.34
400,000 Tesco	849,600	2.08
	3,050,800	7.45
Food Producers (30.09.19: 0.00%)		
15,000 Cranswick	543,600	1.33
General Retailers (30.09.19: 1.67%)		
85,000 JD Sports Fashion	687,650	1.68
115,000 Keystone Law Group	552,000	1.35
	1,239,650	3.03
Leisure Goods (30.09.19: 0.00%)		
3,000 Games Workshop Group	305,400	0.75
Travel and Leisure (30.09.19: 7.81%)		
900,000 Patisserie Holdings	–	–
250,000 SSP	451,250	1.10
	451,250	1.10
Life Insurance (30.09.19: 3.67%)		
170,000 Phoenix Group Holdings	1,168,240	2.85
Non-Life Insurance (30.09.19: 3.30%)		
230,000 Beazley	701,960	1.72
Real Estate (30.09.19: 13.06%)		
180,000 Countryside Properties	604,800	1.48
240,000 Grainger	713,280	1.74
120,000 Safestore	936,000	2.29
100,000 Segro REIT	932,400	2.28
100,000 Unite	838,500	2.05
800,000 Warehouse REIT	884,000	2.16
	4,908,980	12.00

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

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
General Financial (30.09.19: 6.13%)		
85,000 AJ Bell	380,375	0.93
280,000 Argentex	383,600	0.94
200,000 Draper Esprit	1,088,000	2.66
45,000 Intermediate Capital	535,950	1.31
9,892 Thomas Murray Network*	17,806	0.04
942 Thomas Murray Network Bonus shares*	—	—
	2,405,731	5.88
Support Services (30.09.19: 6.83%)		
47,000 Diploma	1,032,120	2.52
100,000 Grafton	675,500	1.65
40,000 Keywords Studios	870,400	2.13
	2,578,020	6.30
Software and Computer Services (30.09.19: 16.14%)		
20,000 Aveva	954,000	2.33
44,000 Blue Prism	585,640	1.43
90,000 FDM	916,200	2.24
65,000 Gamma Communications	1,072,500	2.62
120,000 GB*	842,400	2.06
120,000 Kainos	1,190,400	2.91
80,000 Rightmove	501,440	1.23
55,000 Softcat	662,750	1.62
180,000 Team17 Group*	1,242,000	3.03
	7,967,330	19.47
Media (30.09.19: 0.00%)		
50,000 Future	971,000	2.37
Total value of investments (30.09.19: 95.40%)	39,905,571	97.51
Net other assets (30.09.19: 4.60%)	1,020,965	2.49
Total value of the fund as at 30 September 2020	40,926,536	100.00

Sectors eliminated since the beginning of the year:

Mining	1.32%
Oil and Gas Producers	4.14%

* Unquoted security

+ Quoted on the Alternative Investment Market

Statement of total return for the year ended 30 September 2020

	Note	30.09.20 £	30.09.20 £	30.09.19 £	30.09.19 £
Income					
Net capital gains/(losses)	2		1,156,402		(7,679,181)
Revenue	3	603,656		1,248,785	
Expenses	4	(350,366)		(492,289)	
Net revenue before taxation		253,290		756,496	
Taxation	5	6		(1,620)	
Net revenue after taxation			253,296		754,876
Total return before distributions			1,409,698		(6,924,305)
Distributions	6		(520,090)		(1,164,885)
Change in net assets attributable to unitholders from investment activities			889,608		(8,089,190)

Statement of change in net assets attributable to unitholders for the year ended 30 September 2020

	30.09.20 £	30.09.20 £	30.09.19 £	30.09.19 £
Opening net assets attributable to unitholders		43,374,815		59,266,100
Amounts receivable on issue of units	3,540,048		2,069,804	
Amounts payable on cancellation of units	(7,219,577)		(10,565,344)	
		(3,679,529)		(8,495,540)
Change in net assets attributable to unitholders from investment activities (see Statement of total return above)		889,608		(8,089,190)
Retained distributions on accumulation units		333,394		686,207
Unclaimed distributions		8,248		7,238
Closing net assets attributable to unitholders		40,926,536		43,374,815

Balance sheet as at 30 September 2020

	Note	30.09.20 £	30.09.20 £	30.09.19 £	30.09.19 £
Assets					
Fixed assets:					
Investments			39,905,571		41,380,222
Current assets:					
Debtors	7	110,904		170,263	
Cash and bank balances		1,140,275		3,070,444	
Total current assets			1,251,179		3,240,707
Total assets			41,156,750		44,620,929
Liabilities					
Creditors:					
Other creditors	8	(139,720)		(988,562)	
Distribution payable on income units		(90,494)		(257,552)	
Total liabilities			(230,214)		(1,246,114)
Net assets attributable to unitholders			40,926,536		43,374,815

Notes to the financial statements

1 Accounting policies

a) Basis of accounting

The annual financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by The Investment Association in May 2014, and as amended in June 2017.

As stated in the Statement of the Manager's responsibilities in relation to the report and accounts of the Company on page 26, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the fund.

b) Recognition of revenue

All dividends on investments marked ex-dividend up to the accounting date are included in revenue inclusive of any tax deducted at source and net of attributable tax credits. Bank and other interest receivable is accrued up to the accounting date, and this forms part of the distribution.

c) Treatment of scrip and special dividends

Any stock received in lieu of cash dividends is credited to capital in the first instance, followed by a transfer to revenue of the cash equivalent being offered, and this forms part of the distribution made by the fund.

Special dividends are treated as revenue or capital depending on the facts of each particular case.

d) Treatment of expenses

All expenses (other than management fees, direct costs of purchase and sale of investments) are charged against revenue.

e) Distribution policy

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

For the purpose of calculating the distribution available to unitholders, the Manager's charge is deducted from capital, offsetting expenses against capital may constrain future growth in revenue and capital.

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 unitholders, interim distributions will be made at the Managers' discretion, up to a maximum of the distributable revenue available for the year. All remaining revenue is distributed in accordance with the regulations.

f) Basis of valuation of investments

The quoted investments of the fund have been valued at the closing bid-market prices excluding any accrued interest in the case of debt securities ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year. If 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 Manager, it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are value based on the latest financial statements of the respective company and agreed with the Trustee.

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.

g) Exchange rates

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

h) Taxation/Deferred Tax

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

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

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

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

The fund may be terminated if an order declaring the fund to be an authorised unit trust scheme is revoked, or the Financial Conduct Authority (FCA) determines to revoke the order at the request of the Trustee or the Manager. In the case of a reconstruction or an amalgamation of the fund with another body or trust, on the passing of an extraordinary resolution of holders of units approving the amalgamation. The Trustee shall wind up the fund in accordance with that resolution.

On the termination of the fund in any other case, the Trustee shall sell the investments, and out of the proceeds of the sale shall settle the fund's liabilities and pay the costs and expenses of the winding up before distributing the proceeds of the realisation to unitholders and the Manager proportionally to their respective interests in the fund. Any unclaimed proceeds or cash held by the Trustee after the expiration of 12 months from the date on which the same became payable shall be paid by the Trustee into court subject to the Trustee having a right to retain any expenses incurred by it in making such payment into court. On the completion of the winding-up the trustee must notify the FCA to revoke the relevant authorisation order.

Allocation of tax and distributable income is done proportionally to the unitholders respective interests in the fund.

Notes to the financial statements *(continued)*

2 Net capital gains/(losses)

	30.09.20	30.09.19
	£	£
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	1,157,405	(7,770,569)
Capital special dividends	—	92,745
Currency losses	(4)	(382)
Transaction charges	(999)	(975)
Net capital gains/(losses)	1,156,402	(7,679,181)

3 Revenue

	30.09.20	30.09.19
	£	£
Dividends – UK Ordinary	483,052	998,304
– Overseas	18,282	81,045
– Property income distributions	99,080	154,056
Bank interest	3,242	15,380
Total revenue	603,656	1,248,785

4 Expenses

	30.09.20	30.09.20	30.09.19	30.09.19
	£	£	£	£
Payable to the Manager, associates of the Manager and agents of either of them:				
Manager's periodic charge		266,673		417,074
Payable to the Trustee, associates of the Trustee and agents of either of them:				
Trustee's fees	8,827		10,158	
Safe custody and other bank charges	3,461		4,067	
		12,288		14,225
Other expenses:				
Administration fees	6,940		6,666	
Audit fee*	10,200		9,600	
FCA fee	—		(1,604)	
Printing and publication costs	5,739		5,524	
Registration fees	48,526		40,804	
		71,405		60,990
Total expenses		350,366		492,289

* Audit fees for 2020 are £8,250 excluding VAT (30.09.19: £7,750 excluding VAT).

5 Taxation

	30.09.20	30.09.19
	£	£
a) Analysis of charge in the year		
Overseas tax	—	1,620
Windfall overseas tax recoveries	(6)	—
Total tax charge for the year (note 5b)	(6)	1,620

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Authorised Unit Trust (20%) (30.09.19: 20%). The differences are explained below.

	30.09.20	30.09.19
	£	£
Net revenue before taxation	253,290	756,496
Corporation tax at 20%	50,658	151,299
Effects of:		
Revenue not subject to taxation	(100,266)	(215,870)
Current year expenses not utilised	49,608	64,571
Corporate tax charge	—	—
Windfall overseas tax recoveries	(6)	—
Irrecoverable overseas tax	—	1,620
Total tax charge for the year (note 5a)	(6)	1,620

c) Deferred tax

At the year end the fund had surplus management expenses of £14,612,157 (30.09.19: £14,364,113). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £2,922,431 (30.09.19: £2,872,823) has not been recognised in the financial statements.

6 Distributions

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

	30.09.20 £	30.09.19 £
Interim	245,260	415,447
Final	265,519	685,263
	510,779	1,100,710
Add: Amounts deducted on cancellation of units	21,602	72,165
Deduct: Amounts received on issue of units	(12,291)	(7,990)
Net distribution for the year	520,090	1,164,885

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

Net distribution for the year	520,090	1,164,885
Expenses charged to capital:		
Manager's periodic charge	(266,673)	(417,074)
Equalisation on conversions	5	6,873
Balance brought forward	(527)	(335)
Balance carried forward	401	527
Net revenue after taxation	253,296	754,876

7 Debtors

	30.09.20 £	30.09.19 £
Amounts receivable for issue of units	18,401	15,387
Sales awaiting settlement	41,667	91,250
Accrued revenue	50,836	62,390
Taxation recoverable	—	1,236
Total debtors	110,904	170,263

8 Other creditors

	30.09.20 £	30.09.19 £
Amounts payable for cancellation of units	23,330	72,447
Purchases awaiting settlement	64,498	862,186
Accrued expenses	30,374	26,364
Accrued manager's periodic charge	21,518	27,565
Total other creditors	139,720	988,562

9 Reconciliation of units

	R-class income	R-class accumulation	I-class income	I-class accumulation
Opening units issued at 01.10.19	443,021	986,644	3,137,317	3,611,697
Unit movements 01.10.19 to 30.09.20				
Units issued	3,434	83,816	155,935	375,542
Units cancelled	(55,433)	(129,490)	(682,226)	(530,239)
Units converted	(295)	(13,742)	271	12,921
Closing units issued at 30.09.20	390,727	927,228	2,611,297	3,469,921

10 Related party transactions

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

Details of units created and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and note 6.

There were no commissions paid to stockbroking of the Manager in respect of dealings in the investments of Rathbone UK Opportunities Fund during the year (30.09.19: 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 unitholders (30.09.19: nil).

11 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30.09.19: nil).

12 Risk disclosures on financial instruments

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

There is little exposure to credit or cash flow risk. There are no net borrowings and little exposure to liquidity risk because assets can be readily realised to meet redemptions.

The fund does not make use of derivatives.

Notes to the financial statements *(continued)*

12 Risk disclosures on financial instruments *(continued)*

The main risks arising from the financial instruments are:

(i) **Foreign currency risk**, being the risk that the value of investments will fluctuate as a result of exchange rate movements. The value of the fund's underlying investments will be affected by movements in exchange rate against sterling, in respect of non-sterling denominated rates.

The table below shows the foreign currency risk profile at the balance sheet date:

	30.09.20	30.09.19
	£	£
Currency:		
US dollar	—	29
Pound sterling	40,926,536	43,373,550
	40,926,536	43,373,579
Other net assets not categorised as financial instruments	—	1,236
Net assets	40,926,536	43,374,815

If GBP to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the fund would have decreased by £nil (30.09.19: £3). If GBP to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the fund would have increased by £nil (30.09.19: £3). These calculations assume all other variables remain constant.

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

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

	30.09.20	30.09.19
	£	£
Floating rate assets:		
US dollar	—	29
Pound sterling	1,140,275	3,070,415
	1,140,275	3,070,444
Assets on which no interest is paid:		
Pound sterling	40,016,475	41,549,249
Liabilities on which no interest is paid:		
Pound sterling	(230,214)	(1,246,114)
Other net assets not categorised as financial instruments	—	1,236
Net assets	40,926,536	43,374,815

12 Risk disclosures on financial instruments *(continued)*

(ii) Interest rate risk *(continued)*

Due to the proportion of interest bearing assets held within the portfolio, no sensitivity analysis has been prepared illustrating the impact changes in yields would have on the value of the fund's portfolio.

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

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

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

If market prices had increased by 10% as at the balance sheet date the net asset value of the fund would have increased by £3,990,557 (30.09.19: £4,138,022). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £3,990,557 (30.09.19: £4,138,022). These calculations assume all other variables remain constant.

(iv) **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.

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

(vi) **Leverage**. 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 UK Opportunities which would increase its exposure.

13 Portfolio transaction cost

For the year ended 30 September 2020

Analysis of total purchases costs

	Value £	Commissions £	%	Taxes £	%
Equity transactions	9,556,750	5,068	0.05	35,771	0.37
Total purchases before transactions costs	9,556,750	5,068		35,771	
Total purchases including commission and taxes	9,597,589				

13 Portfolio transaction cost *(continued)*

Analysis of total sales costs

	Value £	Commissions £	%	Taxes £	%
Equity transactions	12,236,750	7,033	0.06	72	—
Total sales including transactions costs	12,236,750	7,033		72	
Total sales net of commission and taxes	12,229,645				

Commissions and taxes as % of average net assets

Commissions	0.03%
Taxes	0.08%

For the year ended 30 September 2019

Analysis of total purchases costs

	Value £	Commissions £	%	Taxes £	%
Equity transactions	16,256,602	9,174	0.06	61,313	0.38
Corporate actions	348,500	—	—	—	—
Total purchases before transactions costs	16,605,102	9,174		61,313	
Total purchases including commission and taxes	16,675,589				

Analysis of total sales costs

	Value £	Commissions £	%	Taxes £	%
Equity transactions	22,614,362	14,830	0.07	89	—
Fund transactions	178,175	—	—	—	—
Corporate actions	259,224	—	—	—	—
Total sales including transactions costs	23,051,761	14,830		89	
Total sales net of commission and taxes	23,036,842				

Commissions and taxes as % of average net assets

Commissions	0.05%
Taxes	0.12%

13 Portfolio transaction cost *(continued)*

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 0.42% (30.09.19: 0.50%).

14 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 September 2020

Category	1	2	3	Total
	£	£	£	£
Investment assets				
Equities	39,887,765	—	17,806	39,905,571
	39,887,765	—	17,806	39,905,571

For the year ended 30 September 2019

Category	1	2	3	Total
	£	£	£	£
Investment assets				
Equities	41,370,330	—	9,892	41,380,222
	41,370,330	—	9,892	41,380,222

The level 3 Thomas Murray assets are priced by Rathbones and updated with the last known price. These assets are reviewed on a quarterly basis.

15 Unit price movement since the balance sheet date

Subsequent to the year end, the net asset value per unit of the fund has increased using the unit prices at the year end date compared to 17 November 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.

Unit type	30.09.20 mid price	17.11.20 mid price
R-class income	434.68p	472.21p
R-class accumulation	583.34p	637.73p
I-class income	469.35p	510.51p
I-class accumulation	623.65p	682.78p

Distribution tables for the year ended 30 September 2020

Distribution tables (pence per unit)

Interim

Group 1 – Units purchased prior to 1 October 2019

Group 2 – Units purchased on or after 1 October 2019 and on or before 31 March 2020

R-class income units	Net Income	Equalisation	Paid 29.05.20	Paid 31.05.19
Group 1	2.94	–	2.94	3.75
Group 2	1.61	1.33	2.94	3.75

R-class accumulation units	Net Income	Equalisation	Accumulated 29.05.20	Accumulated 31.05.19
Group 1	3.61	–	3.61	4.79
Group 2	1.17	2.44	3.61	4.79

I-class income units	Net Income	Equalisation	Paid 29.05.20	Paid 31.05.19
Group 1	2.64	–	2.64	3.82
Group 2	0.70	1.94	2.64	3.82

I-class accumulation units	Net Income	Equalisation	Accumulated 29.05.20	Accumulated 31.05.19
Group 1	3.49	–	3.49	4.93
Group 2	1.22	2.27	3.49	4.93

Final

Group 1 – Units purchased prior to 1 April 2020

Group 2 – Units purchased on or after 1 April 2020 and on or before 30 September 2020

R-class income units	Net Income	Equalisation	Payable 30.11.20	Paid 29.11.19
Group 1	2.71	–	2.71	7.36
Group 2	1.94	0.77	2.71	7.36

R-class accumulation units	Net Income	Equalisation	Allocated 30.11.20	Accumulated 29.11.19
Group 1	3.72	–	3.72	9.27
Group 2	1.47	2.25	3.72	9.27

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

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

I-class income units	Net Income	Equalisation	Payable 30.11.20	Paid 29.11.19
Group 1	3.06	—	3.06	7.17
Group 2	1.63	1.43	3.06	7.17

I-class accumulation units	Net Income	Equalisation	Allocated 30.11.20	Accumulated 29.11.19
Group 1	4.05	—	4.05	9.31
Group 2	2.34	1.71	4.05	9.31

Notes for corporate unitholders

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

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

Equalisation

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

Directors' statement

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

MM Webb JR Chillingworth
for Rathbone Unit Trust Management Limited
Manager of Rathbone UK Opportunities Fund
11 December 2020

Statement of the Manager's responsibilities in relation to the annual report and financial statements of the scheme

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

1. select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. comply with the disclosure requirements of the SORP relating to financial statements of authorised funds issued by The Investment Association;
4. follow UK generally accepted accounting principles, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice: 'Financial Statements of UK Authorised Funds' issued by The Investment Association in May 2014;
5. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the fund will continue in operation; and
6. keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme and which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The Manager is responsible for the management of the scheme in accordance with its Trust Deed, Prospectus and the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and for the system of internal controls and for safeguarding of the assets of the scheme. The Manager has general responsibility for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Manager is aware:

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

The Manager has considered the activities of the Scheme together with the factors likely to affect its future development, including those related to the COVID-19 pandemic. The assets of the UK Opportunities 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 Manager has also considered the impact of the COVID-19 pandemic on the operations of the Manager and material third party service providers which continue to be maintained and fully functioning. Accordingly, the Manager 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 Manager of the Scheme and authorised for issue on 11 December 2020.

Statement of the Trustee's responsibilities and report of the Trustee to the unitholders of Rathbone UK Opportunities Fund for the year ended 30 September 2020

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together the Regulations), the Trust Deed and Prospectus (together the Scheme documents) as detailed below.

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

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

The Trustee must ensure that:

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

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

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

1. has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the Scheme documents; and
2. has observed the investment and borrowing powers and restrictions applicable to the Scheme.

National Westminster Bank Plc
Trustee and Depositary Services
Trustee of Rathbone UK Opportunities Fund
11 December 2020

Independent Auditor's Report to the unitholders of Rathbone UK Opportunities Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Rathbone UK Opportunities Fund (the fund):

- give a true and fair view of the financial position of the fund as at 30 September 2020 and of the net revenue and the net capital gains on the property of the fund for the year ended 30 September 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 Trust Deed.

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

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the related notes 1 to 15; 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 Trust Deed.

Basis for opinion

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

We are independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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 manager's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the fund'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 unitholders of Rathbone UK Opportunities Fund *(continued)*

Other information

The manager 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 trustee and manager

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

In preparing the financial statements, the manager is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the manager either intends to liquidate the fund or to cease operations, or 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 fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 30 September 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 unitholders of Rathbone UK Opportunities Fund *(continued)*

Use of our report

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

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
11 December 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	1,344	2,740	4,084	5
Risk takers	1,340	1,725	3,065	13
Control functions	268	40	308	3
Other	111	74	185	1
Total remuneration code staff	3,063	4,579	7,642	22
Non-remuneration code staff	968	279	1,247	23
Total for the Manager	4,031	4,858	8,889	45

The variable remuneration disclosed in the table above is for the financial year ended 31 December 2019, 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 as the award for 2020 can not be known until after 31 December 2020 has passed.

Authorised status

The Rathbone UK Opportunities Fund is an authorised unit trust scheme, established by a Trust Deed dated 25 August 1993 and launched on 13 July 2009 following the merger of Rathbone Special Situations Fund with the Rathbone Smaller Companies Fund.

It is a 'UCITS Scheme' authorised under Section 243 of the Financial Services and Markets Act 2000, and the currency of the fund is pounds sterling.

Investment objective, policy and strategy

The objective of the fund is to deliver a greater total return than the FTSE All-Share Index, after fees, over any five-year period.

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

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

To meet the objective, the fund manager will invest at least 80% of our fund in UK-listed companies which are domiciled, incorporated or have a significant part of their business in the UK, with the remainder in global shares, cash, short-term deposits and UK government debt.

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.

This is a stock-picking fund, which means we invest in a small number of UK-listed stocks. We search the UK for exciting businesses that are growing fast yet their value is unrecognised by other investors.

While we invest in companies of all sizes, we gravitate towards medium sized businesses because they tend to meet our criteria and often provide the best reward for the amount of risk we take. Our criteria ensures we buy companies with a durable business model and capable management who can take advantage of growth opportunities in their industry. We don't take coin-toss chances on businesses that can't make a profit in the near future or which are dependent on one or two risky ventures.

We use our Scorecard criteria to regularly check our investments, testing whether the reasons we bought them still hold true. It also helps us sell our holdings at the right time: when growth is exhausted or risks have risen.

Valuation of the fund

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

Stewardship code

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 units

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

General information *(continued)*

Units can be sold by telephone, fax or letter followed by despatch to the Dealing Office of the authorisation to sell duly completed by all unitholders.

In the absence of clear written instructions signed by all the registered holders, a Form of Renunciation will be sent out together with the repurchase contract note. This will need to be signed by all registered holders, and returned to our Dealing Office before settlement can be made. Settlement will be made on whichever is the later of four business days after the dealing date or four days after the receipt of written confirmation.

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

The minimum initial investment for the R-class units is £100,000,000. The minimum initial investment for I-class units is £1,000. Thereafter holders may invest additional amounts to the value of £500 or more from time to time as they wish. Any number of units may be subscribed, sold or transferred so long as transaction complies with applicable minimums.

There is no preliminary charge for I-class or R-class units.

The Manager currently receives an annual remuneration for managing the R-class property of the fund at the rate of 1.50%.

The Manager currently receives an annual remuneration for managing the I-class property of the fund at the rate of 0.45%.

Statements

A distribution statement showing the rate per unit and your unit holding will be sent semi-annually on 31 May and 30 November.

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

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

Prices

Prices are available on our website rathbonefunds.com

Other information

You can see the Trust Deed, 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 Manager. 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 Manager.

The Register of Unitholders 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.

If you have any queries or complaints about the operation of the fund you should put them 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 a unit trust should be regarded as a medium to long term investment. Investors should be aware that the price of units 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 fluctuation in exchange rates, which can be favourable or unfavourable.

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 assessments for the Funds four months after their period end on our website rathbonefunds.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

and the Authorised Corporate Director of:

Rathbone Defensive Growth Fund
Rathbone Dynamic Growth Fund
Rathbone Enhanced Growth Portfolio
Rathbone Global Alpha Fund
Rathbone Global Sustainability Fund
Rathbone High Quality Bond Fund
Rathbone Pharaoh Fund
Rathbone Quercus Growth Fund
Rathbone Sherwood Fund
Rathbone Strategic Growth Portfolio
Rathbone Strategic Income Portfolio
Rathbone Sussex Growth Fund
Rathbone Sussex Income Fund
Rathbone Total Return Portfolio

Further details

Should you need 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

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Authorised and regulated by the
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