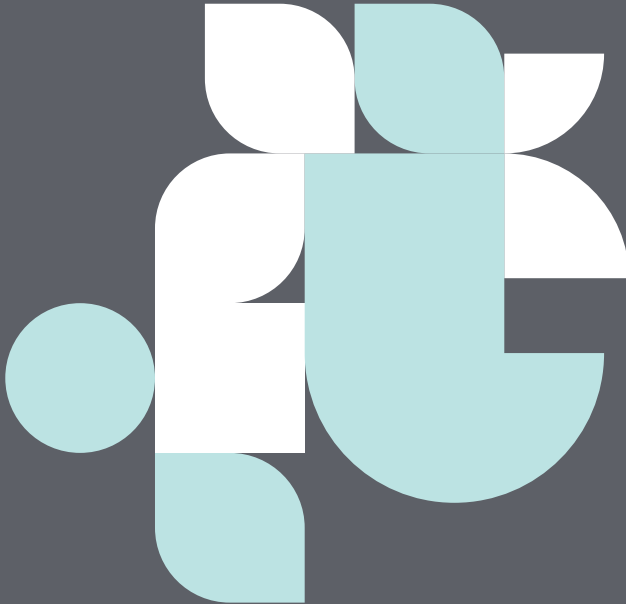


Rathbones

Look forward

Rathbone UK Opportunities Fund

Interim report for the half year ended 31 March 2021



Rathbone UK Opportunities Fund

Authorised Fund Manager (the Manager)

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8 Finsbury Circus
London EC2M 7AZ
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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

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Registrar

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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
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Edinburgh Park
Edinburgh EH12 9DT
**Authorised and regulated by the
Financial Conduct Authority**

Trustee

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

Manager's report for the half year ended 31 March 2021

The UK Opportunities Fund gained 19.7% in the six months to 31 March, while its FTSE All-Share Index benchmark rose 18.5%. Meanwhile, the IA UK All Companies sector increased 22.0%.

The past six months have proved hectic. When the first of the COVID-19 vaccines was announced in November, markets rapidly rotated away from the companies that managed to benefit from lockdowns, back towards the stragglers. The imminent Biden US presidency added impetus to that move back into 'cyclicals', which do well in a more reflationary environment.

A tricky 2020 was topped off by the last-minute signing of a trade deal between the UK and the EU. This boosted the performance of most UK assets, particularly domestic names, and they have continued to rise since.

The backdrop of 2021 so far has mostly been much barking about inflation and interest rate expectations as pent-up demand is unleashed (and resulting swings in the fortunes of value versus 'growth' stocks). But there were also vaccine spats, 'third waves' and renewed European lockdowns, hedge fund implosions and the blockage of the Suez Canal. Through it all your companies have carried on doing what they've been doing for some time now. That is, reporting solid earnings and remaining conservative in guidance on future growth.

Lately the market has favoured domestically focused value stocks more than their 'growthier' counterparts, however. Unsurprisingly, this has weighed on the short-term performance of this midcap growth fund. We remain confident that our focus on stocks that we believe offer consistent and reliable growth potential will prove more attractive on a medium-term view than buying into more fundamentally challenged businesses that may enjoy short-term boosts. Meanwhile, we are pleased to report that several of your holdings continue to display the operational resilience that we regard so highly when underwriting investment opportunities.

During the first quarter of 2021 we bought construction and industrial equipment rental company **Ashtead**, which is listed in the UK but predominantly operates in the US. A thus far strong industrial rebound, with further fiscal stimulus likely to stoke more demand, should create opportunities for the company to expand the footprint of its high-returning rental model.

We have been adding more stocks into our bucket of higher beta, more cyclical names since last quarter. But we are focusing only on those stocks that demonstrate the quality factors we require, and which we believe have scope to deliver materially higher earnings thanks to recovery in their end-markets because of reopening. These include industrial companies, such as **Rotork**, which specialises in flow control systems for water, oil and gas, industrial processes and power stations, and linen rental company **Johnson Service Group**. We are excited about reopening in the UK, but can't predict with any certainty how new COVID variants, local lockdowns or international travel may impact specific hotel groups, pub chains or restaurants. Johnson Service Group provides linens to a wide range of hotels, restaurants and catering companies. It should therefore be exceptionally well placed to benefit from reopening.

We also bought shares in wealth management provider JTC. We regard this as a classic defensive growth business. Once it manages to attract customers, the prove very sticky. It is growing organically, while making some neat acquisitions on top. In addition, we bought shares in leading trade kitchen supplier **Howden Joinery** at an attractive entry point. Howden Joinery has made impressive market share gains and we like its strategic nous. We expect it to benefit from the current surge in housing transactions, which typically lead to a pick-up in new kitchen orders six months later.

We trimmed several companies during the period. The first is serial outperformer **Ceres Power** during the period as its valuation came to reflect more than we could ever hope for in the medium term. Another stock we reduced was self-storage company **Safestore**, because we want to slightly reduce our exposure to defensive names in favour of companies more exposed to economic recovery. We sold some of our shares in venture capital investor **Draper Esprit** because its share price was trading above the value of its assets ahead of the IPO of Trustpilot, one of its investee businesses. Draper Esprit sold some Trustpilot shares in its listing on the FTSE, and retains an almost 8% stake.

Finally, we trimmed **Abcam**, the so-called 'Amazon for antibodies'. It supplies antibodies used in scientific research for, among other things, drug development and testing. So the company serves a huge growth market, without taking on the risks involved in drug approvals. In our view, Abcam is a unique investment. But the company requires more capital investment than we had anticipated. Since raising money in a secondary listing on the Nasdaq, the shares rallied sharply. As a result, we took the opportunity to de-risk a little by trimming back our exposure.

We sold out of our holding in marine engineering services provider **James Fisher**. We liked the business's cyclical nature, plus its commitment to incrementally improve its offering. But we started to question the wisdom of some of its more recent strategic management decisions and opted to replace it with better ideas.

The UK government plans to allow nonessential international travel to resume on 17 May. But its planned 'Traffic Light' system introduces extra planning complexities, cancellation risks and costly PCR testing requirements. We believe this will leave around 68 million Brits facing few realistic alternatives to another Great British Summer!

Last summer saw booming food, furniture and home renovation sales as people diverted their holiday budgets to spending at home. Similar trends are emerging today. New car sales are growing again, domestic music festivals have sold out en masse and summer 'staycation' bookings have increased sharply despite much higher prices. The GfK consumer confidence index suggests that UK consumer confidence is approaching pre-pandemic levels.

These trends mean we expect the domestic market to benefit significantly from pent-up consumer demand in coming months. We have consequently been adding to our existing exposure to domestic consumer themes (hospitality, fashion, hobbies/gaming, real estate and home renovation) and also to industrial stocks likely to benefit from the reopening of the broader economy.

Alexandra Jackson
Fund Manager
22 April 2021

Net asset value per unit and comparative tables

R-class income units

	31.03.21 pence per unit	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	432.05p	425.25p	501.56p	484.54p
Return before operating charges*	83.46p	19.79p	(57.99p)	38.30p
Operating charges	(3.99p)	(7.34p)	(7.21p)	(8.28p)
Return after operating charges*	79.47p	12.45p	(65.20p)	30.02p
Distributions on income units	(2.34p)	(5.65p)	(11.11p)	(13.00p)
Closing net asset value per unit	509.18p	432.05p	425.25p	501.56p
*after direct transactions costs ¹ of:	0.41p	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	18.39%	2.93%	(13.00%)	6.20%
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Other information

Closing net asset value	£1,933,787	£1,688,139	£1,883,944	£5,770,024
Closing number of units	379,785	390,727	443,021	1,150,406
Operating charges	1.65%	1.70%	1.65%	1.64%
Direct transaction costs	0.08%	0.11%	0.17%	0.10%

Prices**

Highest unit price	525.05p	504.46p	515.45p	541.36p
Lowest unit price	434.61p	304.60p	392.57p	468.15p

** These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/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

	31.03.21 pence per unit	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	583.50p	566.36p	647.01p	609.51p
Return before operating charges*	112.41p	26.96p	(71.25p)	48.03p
Operating charges	(5.39p)	(9.82p)	(9.40p)	(10.53p)
Return after operating charges*	107.02p	17.14p	(80.65p)	37.50p
Distributions on accumulation units	(2.87p)	(7.33p)	(14.06p)	(16.25p)
Retained distributions on accumulation units	2.87p	7.33p	14.06p	16.25p
Closing net asset value per unit	690.52p	583.50p	566.36p	647.01p

*after direct transactions costs¹ of: 0.55p 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 18.34% 3.03% (12.47%) 6.15%

Other information

Closing net asset value	£6,488,940	£5,410,358	£5,588,000	£17,490,424
Closing number of units	939,712	927,228	986,644	2,703,262
Operating charges	1.65%	1.70%	1.65%	1.64%
Direct transaction costs	0.08%	0.11%	0.17%	0.10%

Prices**

Highest unit price	709.09p	671.82p	669.01p	690.48p
Lowest unit price	586.95p	405.37p	510.37p	598.16p

** These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/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

	31.03.21 pence per unit	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	466.45p	454.25p	523.82p	501.11p
Return before operating charges*	89.84p	20.92p	(55.78p)	38.99p
Operating charges	(1.57p)	(3.02p)	(2.80p)	(3.23p)
Return after operating charges*	88.27p	17.90p	(58.58p)	35.76p
Distributions on income units	(2.13p)	(5.70p)	(10.99p)	(13.05p)
Closing net asset value per unit	552.59p	466.45p	454.25p	523.82p
*after direct transactions costs ¹ of:	0.44p	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	18.92%	3.94%	(11.18%)	7.14%
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Other information

Closing net asset value	£14,354,100	£12,180,413	£14,251,123	£16,705,005
Closing number of units	2,597,597	2,611,297	3,137,317	3,189,055
Operating charges	0.60%	0.65%	0.61%	0.59%
Direct transaction costs	0.08%	0.11%	0.17%	0.10%

Prices**

Highest unit price	569.12p	541.06p	531.25p	555.70p
Lowest unit price	469.24p	326.51p	416.06p	492.33p

** These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/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

	31.03.21 pence per unit	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	623.87p	599.49p	675.84p	630.40p
Return before operating charges*	120.15p	28.37p	(72.73p)	49.52p
Operating charges	(2.10p)	(3.99p)	(3.62p)	(4.08p)
Return after operating charges*	118.05p	24.38p	(76.35p)	45.44p
Distributions on accumulation units	(2.84p)	(7.54p)	(14.24p)	(16.49p)
Retained distributions on accumulation units	2.84p	7.54p	14.24p	16.49p
Closing net asset value per unit	741.92p	623.87p	599.49p	675.84p

*after direct transactions costs¹ of: 0.59p 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 18.92% 4.07% (11.30%) 7.21%

Other information

Closing net asset value	£34,120,108	£21,647,626	£21,651,748	£19,300,647
Closing number of units	4,598,916	3,469,921	3,611,697	2,855,807
Operating charges	0.60%	0.65%	0.61%	0.59%
Direct transaction costs	0.08%	0.11%	0.17%	0.10%

Prices**

Highest unit price	761.17p	714.04p	684.09p	703.95p
Lowest unit price	627.59p	430.89p	536.47p	624.38p

** These prices may have been calculated on a different basis to the opening/closing net asset value per unit shown in the comparative table, this may result in the opening/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 31 March 2021

	2017	2018	2019	2020	2021
R-class units	13.23%	5.29%	-7.51%	-13.62%	44.97%
I-class units	14.08%	6.17%	-6.71%	-12.92%	45.93%
IA UK All Companies sector	17.95%	2.65%	2.86%	-19.17%	37.99%

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 31 March 2021

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
Oil and Gas Producers (30.09.20: 0.00%)		
250,000 Volution Group	987,500	1.74
Chemicals (30.09.20: 2.75%)		
18,000 Croda International	1,142,640	2.01
Construction and Materials (30.09.20: 6.41%)		
50,000 Accsys Technology	81,750	0.14
1,100,000 Breedon	1,025,200	1.80
20,000 CRH	677,800	1.19
120,000 Marshalls	821,400	1.44
85,000 MJ Gleeson	697,000	1.23
	3,303,150	5.80
Aerospace and Defence (30.09.20: 1.77%)		
300,000 Chemring	796,500	1.40
Electronic and Electrical Equipment (30.09.20: 6.61%)		
180,000 discoverIE	1,206,000	2.12
50,000 Halma	1,187,000	2.09
250,000 Rotork	890,500	1.57
16,000 XP Power	752,000	1.32
	4,035,500	7.10
Industrial Engineering (30.09.20: 7.11%)		
35,000 AB Dynamics	703,500	1.24
90,000 Ceres Power	1,128,600	1.98
900,000 Melrose Industries	1,501,650	2.64
	3,333,750	5.86
Healthcare Equipment and Services (30.09.20: 1.41%)		
270,000 Advanced Medical Solutions*	629,100	1.11
Pharmaceuticals and Biotechnology (30.09.20: 6.23%)		
45,000 Abcam	625,500	1.10
1,000,000 Alliance Pharma*	935,000	1.64
30,000 Dechra Pharmaceuticals	1,029,000	1.81
	2,589,500	4.55

Portfolio and net other assets as at 31 March 2021 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
Food and Drug Retailers (30.09.20: 7.45%)		
25,000 Diageo	747,375	1.31
40,000 Fevertree Drinks	855,600	1.50
40,000 Greggs	897,600	1.58
35,000 Ocado Group	712,250	1.25
315,789 Tesco	722,683	1.27
	3,935,508	6.91
Food Producers (30.09.20: 1.33%)		
25,000 Cranswick	909,000	1.60
General Retailers (30.09.20: 3.03%)		
100,000 JD Sports Fashion	824,400	1.45
115,000 Keystone Law Group	701,500	1.23
	1,525,900	2.68
Leisure Goods (30.09.20: 0.75%)		
8,000 Games Workshop Group	796,400	1.40
Travel and Leisure (30.09.20: 1.10%)		
900,000 Patisserie Holdings	—	—
250,000 SSP	931,000	1.64
	931,000	1.64
Life Insurance (30.09.20: 2.85%)		
170,000 Phoenix Group Holdings	1,247,800	2.19
Non-Life Insurance (30.09.20: 1.72%)		
230,000 Beazley	808,680	1.42
Real Estate (30.09.20: 12.00%)		
180,000 Countryside Properties	914,400	1.61
300,000 Grainger	800,400	1.41
100,000 Safestore	795,500	1.40
100,000 Segro REIT	937,600	1.65
700,000 Sirius Real Estate	621,600	1.09
100,000 Unite	1,066,000	1.87
800,000 Warehouse REIT	996,000	1.75
	6,131,500	10.78

Portfolio and net other assets as at 31 March 2021 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
General Financial (30.09.20: 5.88%)		
85,000 AJ Bell	356,575	0.63
330,000 Argentex	415,800	0.73
170,000 Draper Esprit	1,373,600	2.41
50,000 Intermediate Capital	920,500	1.62
130,000 JTC	798,200	1.40
9,892 Thomas Murray Network*	17,806	0.03
942 Thomas Murray Network Bonus shares*	—	—
	3,882,481	6.82
Support Services (30.09.20: 6.30%)		
20,000 Ashtead	865,200	1.52
47,000 Diploma	1,197,560	2.11
100,000 Grafton	1,024,000	1.80
110,000 Howden Joinery	806,300	1.42
500,000 Johnson Service Group	725,000	1.27
35,000 Keywords Studios	900,200	1.58
	5,518,260	9.70
Software and Computer Services (30.09.20: 19.47%)		
290,015 ActiveOps	539,428	0.95
35,555 Aveva	1,216,692	2.14
40,000 Blue Prism	508,000	0.89
200,000 Bytes Technology	798,400	1.40
90,000 FDM	907,200	1.59
65,000 Gamma Communications	1,062,750	1.87
120,000 GB*	1,017,600	1.79
120,000 Kainos	1,788,000	3.14
100,000 Moonpig Group	424,600	0.75
120,000 Rightmove	698,400	1.23
55,000 Softcat	997,150	1.75
170,000 Team17 Group*	1,275,000	2.24
	11,233,220	19.74

Portfolio and net other assets as at 31 March 2021 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value £	Percentage of total net assets
Media (30.09.20: 2.37%)		
50,000 Future	956,000	1.68
Total value of investments (30.09.20: 97.51%)	54,693,389	96.13
Net other assets (30.09.20: 2.49%)	2,203,546	3.87
Total value of the fund as at 31 March 2021	56,896,935	100.00

Sectors eliminated since the beginning of the year:

Industrial Transportation 0.97%

* Unquoted security

+ Quoted on the Alternative Investment Market

Statement of total return for the half year ended 31 March 2021

	31.03.21 £	31.03.21 £	31.03.20 £	31.03.20 £
Income				
Net capital gains/(losses)		7,799,869		(6,145,985)
Revenue	231,297		294,716	
Expenses	(183,284)		(186,810)	
Net revenue before taxation	48,013		107,906	
Taxation	—		6	
Net revenue after taxation		48,013		107,912
Total return before distributions		7,847,882		(6,038,073)
Distributions		(195,750)		(248,688)
Change in net assets attributable to unitholders from investment activities		7,652,132		(6,286,761)

Statement of change in net assets attributable to unitholders for the half year ended 31 March 2021

	31.03.21 £	31.03.21 £	31.03.20 £	31.03.20 £
Opening net assets attributable to unitholders		40,926,536		43,374,815
Amounts receivable on issue of units	10,049,337		2,444,262	
Amounts payable on cancellation of units	(1,894,867)		(4,445,505)	
		8,154,470		(2,001,243)
Change in net assets attributable to unitholders from investment activities (see Statement of total return above)		7,652,132		(6,286,761)
Retained distributions on accumulation units		157,579		158,369
Unclaimed distributions		6,218		5,671
Closing net assets attributable to unitholders		56,896,935		35,250,851

Balance sheet as at 31 March 2021

	31.03.21 £	31.03.21 £	30.09.20 £	30.09.20 £
Assets				
Fixed assets:				
Investments		54,693,389		39,905,571
Current assets:				
Debtors	564,199		110,904	
Cash and bank balances	2,096,194		1,140,275	
Total current assets		2,660,393		1,251,179
Total assets		57,353,782		41,156,750
Liabilities				
Creditors:				
Other creditors	(392,631)		(139,720)	
Distribution payable on income units	(64,216)		(90,494)	
Total liabilities		(456,847)		(230,214)
Net assets attributable to unitholders		56,896,935		40,926,536

Notes to the interim financial statements

Accounting policies

The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 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.

All accounting policies applied are consistent with those of the annual report for the year ended 30 September 2020 and are detailed in full in those financial statements.

Portfolio transaction costs

Total purchases and sales transactions for the half year ended 31 March 2021 were £10,290,085 and £2,998,124 respectively.

Distribution tables for the half year ended 31 March 2021

Distribution tables (pence per unit)

Interim

Group 1 – Units purchased prior to 1 October 2020

Group 2 – Units purchased on or after 1 October 2020 and on or before 31 March 2021

R-class income units	Net income	Equalisation	Payable 28.05.21	Paid 29.05.20
Group 1	2.34	—	2.34	2.94
Group 2	1.22	1.12	2.34	2.94
R-class accumulation units	Net income	Equalisation	Allocated 28.05.21	Accumulated 29.05.20
Group 1	2.87	—	2.87	3.61
Group 2	0.67	2.20	2.87	3.61
I-class income units	Net income	Equalisation	Payable 28.05.21	Paid 29.05.20
Group 1	2.13	—	2.13	2.64
Group 2	0.72	1.41	2.13	2.64
I-class accumulation units	Net income	Equalisation	Allocated 28.05.21	Accumulated 29.05.20
Group 1	2.84	—	2.84	3.49
Group 2	0.79	2.05	2.84	3.49

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%
Depository 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
28 May 2021

General information

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 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

Information line

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