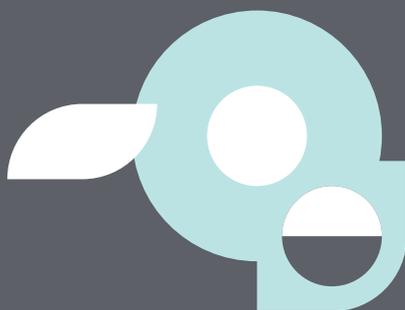


Rathbones

Look forward

Rathbone Ethical Bond Fund

Annual report for the year ended 30 September 2021



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

Dealing office

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

Registrar

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

**Authorised and regulated by the
Financial Conduct Authority**

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 2021

In the 12 months ended 30 September 2021, the Rathbone Ethical Bond Fund gained 4.74%, compared with the IA Sterling Corporate Bond sector's return of 1.26%.

COVID-19 has caused huge changes to everyday life. In late 2020, many big economies were firmly in the grip of the pandemic and effectively shut down. Since then, they've roared back to life on the back of huge vaccine rollouts, only to move into a more challenging phase of their recovery. An unhappy confluence of stresses – the emergence of the highly infectious Delta variant, a slowdown in China's economic recovery, alongside sometimes severe supply logjams and product and labour shortages – have exerted a toll.

Growth rates have begun slowing from the breakneck pace at which they shot ahead when reopening first began. Inflation has bounced higher in most of the world as businesses struggle to attract staff and buy the essentials.

Bond yields (which move in the opposite direction to prices) around the world have jumped considerably over the year as investors factored in a global GDP recovery from lockdowns and accompanying inflationary pressures. The 10-year gilt yield ended September at 1.02%; a year ago it was just 0.23%. Similarly, the US 10-year Treasury finished the period at 1.49%, up from 0.69% on 30 September 2020. Bond yields' upward move has been volatile, sparking quite a bit of angst along the way.

For the most part, we kept our duration (yield/interest-rate sensitivity) low in late 2020 and going into 2021. We added some duration in November 2020 when bond yields briefly rallied as the first raft of effective COVID vaccines were announced, but scaled it back as yields retreated into year-end. We did this by trading the European Investment Bank 5.63% 2032 and International Bank for Reconstruction and Development (World Bank) 5.75% 2032 bonds.

From February onwards, bond investors began to anticipate GDP recovery, and consequently higher inflation and higher interest rates down the line. As a result, yield curves steepened significantly. That's to say, the yields on longer-dated bonds rose relative to those on shorter-dated bonds.

Over the period, we maintained an emphasis on bonds issued by selected banks, insurers and other financial providers, like specialist lenders and investment firms. Many are thriving, well-capitalised businesses that manage their risks very carefully.

Some of our shorter-duration, lower-yielding financial bonds began to look less attractive as the yield curve steepened. As a result, we sold some shorter-dated bonds, like Santander's Floating Rate Notes 2.25% 2021. We added to our longer-dated financials, like UK insurer Phoenix (formerly ReAssure)'s 5.87% 2029 bonds and HSBC's 5.84% 2031 bonds.

We decided to sell our 4.88% 2032 senior bonds issued by Danish renewable energy giant Orsted because of concerns that tougher competitive pressures when bidding for new renewable projects (in particular from new entrants from the oil and gas sector) could undermine Orsted's profitability. We felt these bonds were trading at very expensive levels in outright yield terms considering the risks given the strong demand for assets with positive environmental, social and governance (ESG) credentials.

Keeping duration down and prioritising quality

By mid-2021, government bond markets had clawed back some of the big yield moves from earlier in the year as investors seemed to accept the US Federal Reserve's insistence that the inflation spike was going to prove 'transitory' and wouldn't, therefore, drive sudden policy tightening. We felt the apparent contradiction between plunging bond yields and higher inflation wouldn't last forever. We sought to protect our fund from any future fallout by dialling down exposure to longer-dated (long-duration) bonds most sensitive to changes in yields/interest rates.

The energy price spike in September triggered a big shift in investor expectations about inflation. The price of Brent crude oil rose above \$80 per barrel for the first time in more than three years. And the gas price in the UK and Europe shot up to \$200 a barrel of oil equivalent – nearly three times the price of crude.

This prompted concerns that a lengthy bout of high inflation could pressurise central banks into raising rates earlier than investors had previously expected. Rising inflation expectations hit most big government bond markets, quickly driving up bond yields. These increases have proved particularly steep in the UK, suggesting that investors believe a particularly challenging period lies ahead. UK bond markets are now pricing in an interest rate rise as early as December.

The outlook for many businesses has undoubtedly grown murkier over the last few months. Business and consumer confidence have weakened, job growth has underwhelmed and supply logjams are everywhere. The energy price spike has sharply intensified worries about inflation's capacity to undermine the post-pandemic growth rebound.

We've been very careful not to overstretch in the search for yield by buying bonds issued by less creditworthy companies with weaker balance sheets that might struggle to stay solvent in an environment in which inflation and/or interest rates are higher.

We view Dutch lender Rabobank, for example, as a high quality and resilient business, underpinned by its low risk domestic mortgage loans. In August we bought its 6.5% Tier 1 Perpetual 2029 bonds which offer an attractive extra coupon payment at year-end. This comes about because the bond is very junior in the bank's credit structure, giving it some equity characteristics despite being a bond. When the European Central Bank banned equity dividends early in the pandemic, this bond wasn't allowed to pay its coupons. The year-end extra coupon is a bumper payment to make bondholders whole. In the financials space, we also bought investment firm Investec's 1.88% 2022 bonds.

We funded these purchases by continuing to pare back our longer-duration bonds, including investment firm M&G's 5.63% 2051 bonds.

Tapping into a broader green opportunity set

COVID may have thrown a huge spanner into the works of nearly everything else, but thankfully it hasn't slowed the seemingly inexorable surge in green bonds. More and more governments and companies are issuing them to earmark funds for environmental projects aimed at combatting climate change. This year, green bond issuance has hit record highs, topping well over \$350 billion.

In late September, we bought the UK's first-ever Green Gilt 7/8% 2033. It raised £10 billion, the largest inaugural green issuance by any sovereign. Investors placed more than £100 billion in orders for these bonds, beating all previous records for British government debt sales. We expect this success to encourage more and more companies to start issuing green bonds as they recognise the strong demand for such securities.

Bryn Jones
Fund Manager

Noelle Cazalis
Fund Manager

Stuart Chilvers
Assistant Fund Manager
22 October 2021

Ethical report for the year ended 30 September 2021

In the period since our last report for the full year ended 30 September 2020, the fund has invested in new bonds issued by the following organisations whose products and services provide benefits to society or the environment.

Green and sustainability bonds

Several green and sustainability bonds – with appropriate second-party verification of their financing frameworks and transparency on use of proceeds – were bought during the year. Such issuance included: a green bond issued by the housing developer Berkeley Group, where proceeds were earmarked for the financing of energy efficient homes; a sustainability bond issued by the retirement income provider Just Group, where funds raised were used to finance or refinance socially or environmentally beneficial investments; and Swedbank, a Swedish savings bank where proceeds supported loans and investments that provide clear environmental benefits.

The fund also invested in green bonds issued by the energy providers Vattenfall, Acciona and Audax Renovables. Proceeds from all three bonds will be used to support the construction and operation of renewable energy sites and associated infrastructure, in addition to a number of other environmentally beneficial activities. Due to the ring-fenced nature of green bonds, where proceeds can only be used for specified purposes, these green bonds do not have exposure to areas such as nuclear power or fossil-fuels that would exclude general purpose bonds issued by these companies from the fund.

Charities and social bonds

In the area of impact-driven and charity bond issues, the fund invested in a number of bonds during the year. These included large, grant-making foundations such as the California Endowment, which focuses on combatting inequality in the state of California; the WK Kellogg Foundation, which supports a diverse range of projects on the theme of children, families and communities; and The Nature Conservancy, an environmental NGO active on issues from climate change to sustainable food systems.

At the other end of the scale, Paces Sheffield is a specialist centre, school and charity for people with motor disorders of neurological origin. It is based in South Yorkshire and operates through three divisions: Paces School for 2-18 year olds, Paces Conductive Living for Adults and Paces Charity, which supports individuals and their families. The proceeds from the bond will be used to fund the fit-out, leasehold improvements and relocation of Paces School to a new site.

Proceeds from a charity bond issued by Nottinghamshire YMCA in 2020 will be used to support the completion of the Newark and Sherwood Community and Activity Village. This project is community-led and will feature sporting facilities and family and youth development programmes. It will also house a nursery, community café, music and media suites, education and training suites, an indoor sports hall and an Olympic standard climbing centre.

Social and specialist housing

Proceeds from a green bond issued by Anchor Hanover Group will support the development of retirement homes meeting high sustainability property standards in addition to the refurbishment of existing properties to increase their energy efficiency and reduce their environmental impacts.

The fund also invested in bonds issued by Stonewater, a social housing provider that manages around 33,600 homes in England for over 75,000 customers. These include affordable properties for general rent, shared ownership and sale and specialist accommodation such as retirement and supported living schemes for older and vulnerable people, and domestic abuse refuges.

Financial institutions

During the year, the fund invested in a number of bonds issued by insurance and banking groups with strong environmental, social and governance (ESG) performance. These include Aegon, an insurance group taking a proactive approach to the pricing of climate risk and emerging health trends in its underwriting activities; Zurich Insurance, which displays strong employment practices, particularly on issues of workplace diversity and inclusion; and Landesbank Hessen-Thüringen, a German bank with strong practices on environmental management, climate risk and employment.

Engagement

Since 2019, Rathbone Greenbank (the fund's ethical research provider) has engaged with 20 social housing providers on the issue of the disclosure of indicators related to safety and tenant wellbeing. In November 2020, Rathbone Greenbank became an 'early adopter' of a sector-wide initiative, the Sustainable Reporting Standard for Social Housing, to standardise ESG reporting. The research team also contributed to the formulation of the standard by providing feedback on the draft reporting template. The team has continued to encourage social housing providers to sign-up to the standard, with all but one of those engaged with now committed to it.

Rathbone Greenbank also wrote to Prudential and Sage as part of a broader engagement programme focused on the closely connected standards of a 'living wage' and 'living hours', as defined by the Living Wage Foundation. By committing to paying a living wage, companies pay workers, at minimum, an hourly rate that enables a decent quality of life. Similarly, living hours commitments focus on ensuring sufficient and reliable working hours are available to employees.

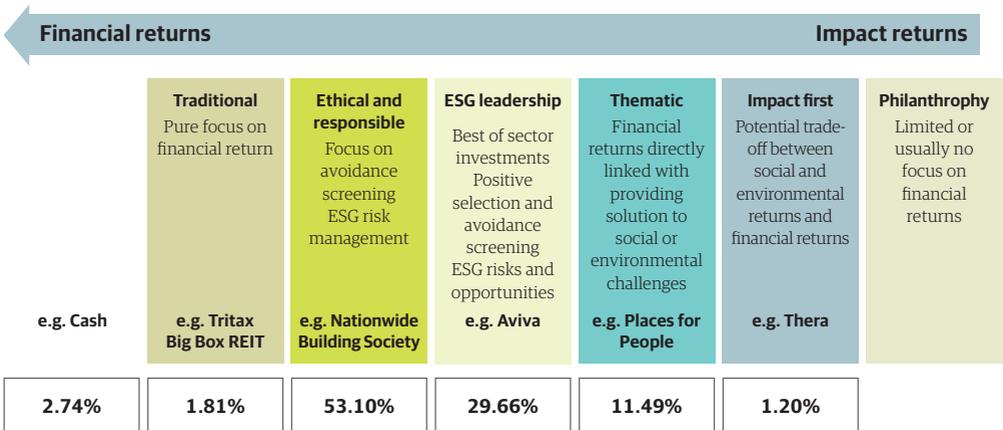
Portfolio ethical & sustainability characteristics

Various different terms are used to describe responsible, sustainable and impact investment approaches with no universally accepted definition or terminology for each.

The fund's style has typically been described as 'ethically balanced', applying both positive and negative screening criteria. However, while not primarily focused on companies addressing sustainability or impact issues, a meaningful proportion (between 20% and 25%) of the fund has been invested in issuers addressing key sustainability or impact themes in recent years.

The fund is active across five of the categories below: Traditional, Ethical & Responsible, ESG Leadership, Thematic and, to a lesser extent, Impact First. In practice, the boundaries between the different approaches are gradual rather than clearly delineated.

Spectrum of capital



Source: Graphic modified from Bridges Fund Management's *The Bridges Spectrum of Capital*

Ethical report for the year ended 30 September 2021 *(continued)*

The positive element of the fund's ethical research process does, however, also recognise key global sustainable development trends and identifies investee companies' exposure to these. Many of these overlap, but can be broadly divided into two groups: environmental sustainability and social development.

The chart below sets out the portion of the fund's exposure to companies offering solutions to various sustainability challenges ("beneficial products and services") as well as the primary ethical attributes of the remaining portion of the fund's portfolio.

While not directly linked to sustainability solutions via the products and services they provide, many holdings also have significant positive attributes associated with the way in which they operate and align with the requirements of the fund's positive criteria (those classified as "socially responsible" address more than one positive aspect).

Ethical and sustainability characteristics



Perry Rudd

11 November 2021

Net asset value per unit and comparative tables

R-class income units

	30.09.21 pence per unit	30.09.20 pence per unit	30.09.19 pence per unit
Change in net assets per unit			
Opening net asset value per unit	95.96p	94.94p	91.00p
Return before operating charges*	5.21p	5.69p	8.94p
Operating charges	(1.26p)	(1.22p)	(1.19p)
Return after operating charges*	3.95p	4.47p	7.75p
Distributions on income units	(3.21p)	(3.45p)	(3.81p)
Closing net asset value per unit	96.70p	95.96p	94.94p
*after direct transaction costs ¹ of:	0.00p	0.00p	0.00p

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

Performance

Return after charges	4.12%	4.71%	8.52%
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Other information

Closing net asset value	£7,340,655	£7,477,251	£7,495,694
Closing number of units	7,591,482	7,792,452	7,894,922
Operating charges	1.28%	1.28%	1.29%
Direct transaction costs	0.00%	0.00%	0.00%

Prices**

Highest unit price	100.71p	98.11p	96.10p
Lowest unit price	96.35p	86.50p	88.82p

** 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

	30.09.21 pence per unit	30.09.20 pence per unit	30.09.19 pence per unit
Change in net assets per unit			
Opening net asset value per unit	222.78p	212.52p	195.81p
Return before operating charges*	12.13p	13.03p	19.31p
Operating charges	(2.97p)	(2.77p)	(2.60p)
Return after operating charges*	9.16p	10.26p	16.71p
Distributions on accumulation units	(7.56p)	(7.81p)	(8.32p)
Retained distributions on accumulation units	7.56p	7.81p	8.32p
Closing net asset value per unit	231.94p	222.78p	212.52p
*after direct transaction costs ¹ of:	0.00p	0.00p	0.00p

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

Performance

Return after charges	4.11%	4.83%	8.53%
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Other information

Closing net asset value	£22,008,508	£20,333,628	£17,756,539
Closing number of units	9,488,714	9,127,328	8,355,391
Operating charges	1.28%	1.28%	1.29%
Direct transaction costs	0.00%	0.00%	0.00%

Prices**

Highest unit price	236.72p	224.41p	213.12p
Lowest unit price	223.70p	195.40p	192.86p

** 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

	30.09.21 pence per unit	30.09.20 pence per unit	30.09.19 pence per unit
Change in net assets per unit			
Opening net asset value per unit	101.74p	100.03p	95.32p
Return before operating charges*	5.53p	6.01p	9.36p
Operating charges	(0.69p)	(0.66p)	(0.65p)
Return after operating charges*	4.84p	5.35p	8.71p
Distributions on income units	(3.42p)	(3.64p)	(4.00p)
Closing net asset value per unit	103.16p	101.74p	100.03p
*after direct transaction costs ¹ of:	0.00p	0.00p	0.00p

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

Performance

Return after charges	4.76%	5.35%	9.14%
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Other information

Closing net asset value	£781,199,550	£595,834,591	£505,980,931
Closing number of units	757,244,490	585,653,621	505,837,528
Operating charges	0.66%	0.66%	0.66%
Direct transaction costs	0.00%	0.00%	0.00%

Prices**

Highest unit price	106.95p	103.63p	101.25p
Lowest unit price	102.17p	91.40p	93.21p

** 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

	30.09.21 pence per unit	30.09.20 pence per unit	30.09.19 pence per unit
Change in net assets per unit			
Opening net asset value per unit	233.77p	221.61p	202.99p
Return before operating charges*	12.75p	13.65p	20.02p
Operating charges	(1.60p)	(1.49p)	(1.40p)
Return after operating charges*	11.15p	12.16p	18.62p
Distributions on accumulation units	(7.96p)	(8.17p)	(8.65p)
Retained distributions on accumulation units	7.96p	8.17p	8.65p
Closing net asset value per unit	244.92p	233.77p	221.61p

*after direct transaction costs¹ of: 0.00p 0.00p 0.00p

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

Performance

Return after charges 4.77% 5.49% 9.17%

Other information

Closing net asset value	£1,560,994,789	£975,737,239	£758,654,184
Closing number of units	637,359,444	417,390,200	342,330,890
Operating charges	0.66%	0.66%	0.66%
Direct transaction costs	0.00%	0.00%	0.00%

Prices**

Highest unit price	249.78p	235.40p	222.24p
Lowest unit price	234.75p	204.36p	200.16p

** 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)*

S-class income units

	30.09.21 pence per unit	30.09.20 pence per unit	30.09.19 pence per unit
Change in net assets per unit			
Opening net asset value per unit	104.34p	102.45p	97.57p
Return before operating charges*	5.68p	6.16p	9.51p
Operating charges	(0.56p)	(0.54p)	(0.53p)
Return after operating charges*	5.12p	5.62p	8.98p
Distributions on income units	(3.51p)	(3.73p)	(4.10p)
Closing net asset value per unit	105.95p	104.34p	102.45p
*after direct transaction costs ¹ of:	0.00p	0.00p	0.00p

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

Performance

Return after charges	4.91%	5.49%	9.20%
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Other information

Closing net asset value	£216,072,152	£183,060,233	£78,591,016
Closing number of units	203,943,333	175,441,571	76,713,992
Operating charges	0.52%	0.52%	0.53%
Direct transaction costs	0.00%	0.00%	0.00%

Prices**

Highest unit price	109.73p	106.20p	103.71p
Lowest unit price	104.79p	93.68p	95.44p

** 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)*

S-class accumulation units

	30.09.21 pence per unit	30.09.20 pence per unit	30.09.19 pence per unit
Change in net assets per unit			
Opening net asset value per unit	115.09p	108.95p	99.61p
Return before operating charges*	6.28p	6.72p	9.89p
Operating charges	(0.63p)	(0.58p)	(0.55p)
Return after operating charges*	5.65p	6.14p	9.34p
Distributions on accumulation units	(3.92p)	(4.02p)	(4.25p)
Retained distributions on accumulation units	3.92p	4.02p	4.25p
Closing net asset value per unit	120.74p	115.09p	108.95p
*after direct transaction costs ¹ of:	0.00p	0.00p	0.00p

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

Performance

Return after charges	4.91%	5.64%	9.38%
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Other information

Closing net asset value	£43,111,733	£24,552,105	£1,402,183
Closing number of units	35,706,450	21,333,012	1,286,957
Operating charges	0.52%	0.52%	0.53%
Direct transaction costs	0.00%	0.00%	0.00%

Prices**

Highest unit price	123.12p	115.89p	109.26p
Lowest unit price	115.58p	100.53p	98.24p

** 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)*

X-class income units[†]

	30.09.21 pence per unit	30.09.20 pence per unit	30.09.19 pence per unit
Change in net assets per unit			
Opening net asset value per unit	n/a	n/a	103.81p
Return before operating charges*	n/a	n/a	3.96p
Operating charges	n/a	n/a	(0.02p)
Return after operating charges*	n/a	n/a	3.94p
Distributions on income units	n/a	n/a	(1.13p)
Redemption price	n/a	n/a	(106.62p)
Closing net asset value per unit	n/a	n/a	–
*after direct transaction costs ¹ of:	n/a	n/a	0.00p

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

Performance

Return after charges	n/a	n/a	3.80%
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Other information

Closing net asset value	n/a	n/a	–
Closing number of units	n/a	n/a	–
Operating charges	n/a	n/a	–
Direct transaction costs	n/a	n/a	0.00%

Prices**

Highest unit price	n/a	n/a	106.68p
Lowest unit price	n/a	n/a	101.68p

[†] The X-class closed on 22 March 2019.

** 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)*

X-class accumulation units[†]

	30.09.21 pence per unit	30.09.20 pence per unit	30.09.19 pence per unit
Change in net assets per unit			
Opening net asset value per unit	n/a	n/a	114.18p
Return before operating charges*	n/a	n/a	4.35p
Operating charges	n/a	n/a	(0.02p)
Return after operating charges*	n/a	n/a	4.33p
Distributions on accumulation units	n/a	n/a	(1.24p)
Retained distributions on accumulation units	n/a	n/a	1.24p
Redemption price	n/a	n/a	(118.51p)
Closing net asset value per unit	n/a	n/a	—
*after direct transaction costs [‡] of:	n/a	n/a	0.00p

[‡] Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs.

Performance

Return after charges	n/a	n/a	3.79%
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Other information

Closing net asset value	n/a	n/a	—
Closing number of units	n/a	n/a	—
Operating charges	n/a	n/a	—
Direct transaction costs	n/a	n/a	0.00%

Prices**

Highest unit price	n/a	n/a	118.59p
Lowest unit price	n/a	n/a	112.72p

[†] The X-class closed on 22 March 2019.

** 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 30 September 2021

	2017	2018	2019	2020	2021
R-class units	5.71%	-0.08%	8.74%	5.02%	4.09%
I-class units	6.38%	0.54%	9.39%	5.67%	4.74%
S-class units	6.38%	0.61%	9.60%	5.82%	4.88%
IA Sterling Corporate Bond sector	0.61%	0.10%	9.02%	4.21%	1.26%

Price performance based upon bid to bid prior to 21.01.19 and single price (mid) thereafter.

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 2021

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets
Bonds (30.09.20: 94.58%)		
Mortgage Bonds (30.09.20: 0.68%)		
£9,123,625 Finance for Residential Social Housing 8.369% 2058	9,934,285	0.38
\$2,500,000 Goodgreen 2020-1 Trust 2.63% 2055	1,636,616	0.06
\$888,000 Hero Funding Trust 3.19% 2048	271,990	0.01
\$500,000 Hero Funding Trust 3.28% 2048	138,817	0.01
	11,981,708	0.46
Supranational Bonds (30.09.20: 1.74%)		
£2,074,000 EIB 0% 2028	1,924,997	0.07
£13,636,000 International Bank for Reconstruction and Development 0.625% 2028	13,284,678	0.51
	15,209,675	0.58
Corporate Bonds (30.09.20: 92.16%)		
£20,574,000 3i 3.75% 2040	23,084,740	0.88
£15,960,000 3i 5.75% 2032	21,182,757	0.81
£4,368,400 A2D Funding 4.5% 2026	4,919,465	0.19
£5,103,200 A2D Funding 4.75% 2022	5,294,590	0.20
£3,050,000 A2D Housing 3.5% 2028	3,321,535	0.13
\$12,031,000 Abrdn 4.25% 2028	9,752,128	0.37
£9,576,000 Abrdn 5.5% VRN 2042	10,007,475	0.38
€10,100,000 ACCIONA Financiacion Filiales 4.25% 2030	10,291,735	0.39
€3,700,000 Aegon FRN perp	2,842,682	0.11
£2,962,700 Aggregate Micro Power Infrastructure 8% 2036	2,972,403	0.11
\$2,727,000 American Museum of Natural History 3.121% 2052	2,117,378	0.08
£9,000,000 Anchor Hanover 2% 2051	8,355,639	0.32
£2,308,000 Anglian Water Osprey Financing 2% 2028	2,293,445	0.09
€1,363,000 Assicurazioni Generali 2.429% 2031	1,264,297	0.05
£9,300,000 Assicurazioni Generali 6.269% perp	10,773,008	0.41
£4,172,000 Assura Financing 1.625% 2033	4,058,235	0.15
£3,941,000 Aster Treasury 4.5% 2043	5,542,128	0.21
€13,800,000 Audax Renovables 4.2% 2027	11,762,713	0.45
£16,717,000 Australia and New Zealand Banking 1.809% VRN 2031	16,600,222	0.63
\$15,070,000 Australia and New Zealand Banking FRN perp	10,587,056	0.40
£6,853,000 Aviva 4% VRN 2055	7,444,811	0.28
£11,122,000 Aviva 4.375% VRN 2049	12,412,632	0.47
£2,559,000 Aviva 5.125% VRN 2050	2,989,607	0.11
£19,090,000 Aviva 6.125% 2036	22,893,436	0.87
£4,060,000 Aviva 6.125% VRN perp	4,252,590	0.16

Portfolio and net other assets as at 30 September 2021 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets
£28,237,000 Aviva 6.875% VRN 2058	43,686,098	1.66
€2,000,000 AXA 0% VRN perp	1,583,687	0.06
£19,029,000 AXA 6.6862% VRN perp	23,283,171	0.89
£25,722,000 AXA SA 5.453% VRN perp	29,741,063	1.13
£26,102,000 AXA SA 5.625% VRN 2054	32,171,080	1.22
\$22,550,000 AXA SA 6.379% VRN perp	23,446,088	0.89
\$2,353,000 BAC Capital Trust 4% VRN perp	1,745,096	0.07
£14,500,000 Banco Bilbao Vizcaya Argent 3.104% VRN 2031	15,127,595	0.58
€7,557,000 Banco Santander 1% VRN perp	6,211,305	0.24
£9,400,000 Banco Santander 1.5% 2026	9,372,437	0.36
£8,400,000 Banco Santander 1.75% 2027	8,423,300	0.32
£22,000,000 Banco Santander 2.25% VRN 2032	21,898,932	0.83
€4,750,000 Banco Santander FRN perp	3,975,604	0.15
€5,116,000 Banque Federative du Credit Mutuel 0.117% VRN perp	4,182,993	0.16
£7,564,000 Barclays Bank 1.7% VRN 2026	7,610,131	0.29
€12,120,000 Barclays Bank 4.75% VRN perp	10,156,984	0.39
£14,341,000 Bazalgette Finance 2.375% 2027	15,132,062	0.58
\$15,900,000 Beazley 5.875% 2026	13,295,695	0.51
\$10,579,000 Beazley Insurance DAC 5.5% 2029	8,842,313	0.34
£10,000,000 Berkeley 2.50% 2031	9,698,884	0.37
\$19,570,000 BNP Paribas FRN perp	13,788,334	0.52
£19,900,000 BPCE SA 5.25% 2029	24,103,887	0.92
\$5,000,000 Bridge Housing Corporation 3.25% 2030	3,878,381	0.15
£3,300,000 Brit Insurance 6.625% VRN 2030	3,176,250	0.12
£2,876,000 British Telecom 3.5% Index-Linked 2025	6,282,967	0.24
\$5,400,000 British Telecom VRN 2030	6,124,514	0.23
£5,042,000 BUPA Finance 4% VRN perp	4,961,227	0.19
£35,495,000 BUPA Finance 4.125% 2035	39,798,027	1.51
£4,297,000 BUPA Finance 5% 2026	4,978,221	0.19
£300,000 Burnham And Weston Energy CIC 5% Index-Linked 2036	297,075	0.01
€7,355,000 Caisse Federale du Credit Mutuel 0.329% VRN perp	6,084,787	0.23
\$4,545,000 California Endowment 2.498% 2051	3,251,026	0.12
£3,448,000 Canal & River Trust 2.85% Series A Senior 2043	3,979,334	0.15
£5,445,000 Catalyst Housing 3.125% 2047	6,276,734	0.24
£4,358,000 Channel Link FRN 2050	3,548,982	0.13
£5,189,000 Citigroup 1.18744% VRN 2067	4,616,653	0.18
£9,900,000 Clarion Funding 1.25% 2032	9,313,258	0.35
£7,225,000 Clarion Funding 1.875% 2035	7,090,116	0.27
£9,286,000 Close Brothers 1.625% 2030	9,087,868	0.35
£8,754,000 Close Brothers 2% VRN 2031	8,731,590	0.33

Portfolio and net other assets as at 30 September 2021 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets	
€7,000,000	CNP Assurances 5.25% VRN perp	6,437,528	0.24
£175,000	Coigach Community CIC 5% Index-Linked 2030	174,402	0.01
£4,614,000	Co-operative Rabobank 5.25% 2027	5,456,594	0.21
£4,193,000	Coventry Building Society 2% 2030	4,185,770	0.16
£3,521,000	Coventry Building Society 6.875% VRN perp	3,885,438	0.15
£6,800,000	Credit Agricole 1.874% VRN 2031	6,743,819	0.26
\$2,977,000	Credit Agricole 6.637% VRN perp	2,191,325	0.08
£2,700,000	CYBG 4% VRN 2026	2,934,176	0.11
£19,500,000	CYBG 4% VRN 2027	21,485,818	0.82
£1,800,000	Direct Line Insurance 4% 2032	1,979,786	0.08
\$1,970,000	DNB Bank ASA FRN perp	1,395,663	0.05
\$2,900,000	DNB Bank ASA FRN perp	2,056,143	0.08
£162,000	Ecology Building Society 9.625% VRN perp	169,410	0.01
£175,000	Ellenbrook Developments 3.3894% Index-Linked 2032	169,530	0.01
\$5,571,000	Equinix 3.2% 2029	4,384,519	0.17
£6,817,000	Fidelity International 7.125% 2024	7,738,404	0.29
£1,917,847	Finance for Residential Social Housing 8.569% 2058	1,711,545	0.07
£600,000	Finance for Residential Social Housing 8.569% 2058	636,580	0.02
£195,000	Fixed Rate Unsecured Bonds 4.5% 2026	202,609	0.01
£9,091,000	Flagship Finance 1.875% 2061	8,290,508	0.32
\$4,500,000	Ford Foundation 2.415% 2050	3,178,565	0.12
£130,000	Glasgow Together 4% 2021	32,500	—
£18,803,000	Grainger 3% 2030	19,593,978	0.74
£3,589,000	Grainger 3.375% 2028	3,844,120	0.15
£12,674,000	Greater Gabbard 4.137% 2032	10,837,958	0.41
£250,000	Greenwich Leisure 3% 2021	249,705	0.01
£900,000	Guinness Partner 4% 2044	1,199,611	0.05
£1,002,500	Heylo Housing Secured Bond 1.625% Index-Linked 2028	1,053,628	0.04
£23,917,000	Hiscox 6.125% VRN 2045	27,437,814	1.04
£1,273,000	Home 3.125% 2043	1,428,060	0.05
£51,529,000	HSBC Bank 5.844% VRN perp	71,584,344	2.72
\$4,400,000	HSBC Bank FRN perp	3,087,326	0.12
£3,627,000	Hyde Housing Association 1.75% 2055	3,197,997	0.12
£8,600,000	ING Groep 1.125% VRN 2028	8,347,258	0.32
£30,740,000	Investec Bank 1.875% VRN 2028	30,262,700	1.15
£17,334,000	Investec Bank 2.625% VRN 2032	17,281,825	0.66
£11,937,000	Investec Bank 4.25% VRN 2028	12,446,531	0.47
£2,362,000	Jupiter Fund Management 8.875% VRN 2030	2,771,098	0.11
£1,322,000	Just 3.5% 2025	1,384,430	0.05
£3,043,000	Just 5% VRN perp	3,026,799	0.12

Portfolio and net other assets as at 30 September 2021 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets	
£18,680,000	Just 7% VRN 2031	21,615,758	0.82
£7,650,000	Just 8.125% 2029	10,111,388	0.38
£27,920,000	Just 9% 2026	36,620,953	1.39
£5,124,000	Korea Development Bank 1.75% 2022	5,198,288	0.20
£6,500,000	LBBW 1.5% 2025	6,562,030	0.25
£21,068,000	Leeds Building Society 1.5% VRN 2027	20,953,609	0.80
£32,191,000	Legal & General 3.75% VRN 2049	34,174,181	1.30
£5,675,000	Legal & General 4.5% VRN 2050	6,366,888	0.24
\$13,200,000	Legal & General 5.25% VRN 2047	11,027,387	0.42
£8,239,000	Legal & General 5.375% VRN 2045	9,375,898	0.36
£34,643,000	Legal & General 5.5% VRN 2064	43,320,205	1.65
£10,877,000	Legal & General 5.625% VRN perp	12,155,048	0.46
£1,777,000	Libra Longhurst Treasury 3.25% 2043	2,032,356	0.08
£165,000	Linton Hydro Limited 5.25% Index-Linked 2033	175,843	0.01
£35,000,000	Liverpool Victoria Friendly Society 6.5% VRN 2043	37,356,858	1.42
£4,100,000	Lloyds Banking 1.875% VRN 2026	4,165,415	0.16
£8,851,000	Lloyds Banking 1.985% VRN 2031	8,839,936	0.34
£7,083,000	Lloyds Banking 2.25% 2024	7,315,621	0.28
£63,483,000	Lloyds Banking 2.707% VRN 2035	63,942,928	2.43
£7,104,000	Lloyds Banking 7.625% 2025	8,658,519	0.33
£9,800,000	Logicor 2019-1 1.875% 2026	10,099,618	0.38
£4,395,000	Logicor Financing 2.75% 2030	4,551,652	0.17
£9,300,000	London and Quadrant Housing Trust 2% 2038	9,104,299	0.35
£6,102,000	London and Quadrant Housing Trust 2.25% 2029	6,363,994	0.24
£4,054,000	London and Quadrant Housing Trust 2.625% 2028	4,321,865	0.16
£400,000	London and Quadrant Housing Trust 3.75% 2049	514,581	0.02
£2,955,000	London Merchant Securities 6.5% 2026	3,525,905	0.13
£17,441,000	London Stock Exchange 1.625% 2030	17,275,865	0.66
£4,450,000	M&G 3.875% VRN 2049	4,691,368	0.18
£9,012,000	M&G 5% VRN 2055	10,612,396	0.40
£17,443,000	M&G 5.625% VRN 2051	20,597,110	0.78
£9,114,000	M&G 5.7% VRN 2063	11,658,334	0.44
£13,641,000	M&G 6.25% VRN 2068	17,489,541	0.66
€2,560,000	Main Capital Funding 5.5% perp	2,274,775	0.09
€5,620,000	Main Capital Funding 5.75% perp	4,997,224	0.19
\$4,593,000	Massachusetts Department of Higher Education 2.673% 2031	3,476,487	0.13
\$590,000	MDIF Media Finance 4% 2023	365,592	0.01
£888,000	Metropolitan Funding 4.125% 2048	1,123,910	0.04
£6,000,000	Metropolitan Housing Trust 1.875% 2036	5,669,612	0.22
£1,818,000	Motability Operations 1.5% 2041	1,627,391	0.06

Portfolio and net other assets as at 30 September 2021 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets	
£888,000	Myriad Capital 4.75% 2043	1,224,365	0.05
£17,600,000	National Australia Bank 1.699% VRN 2031	17,371,131	0.66
\$6,500,000	Nationwide Building Society 4.125% VRN 2032	5,267,929	0.20
\$10,000,000	Nationwide Building Society 4.302% VRN 2029	8,306,449	0.32
£6,172,000	Nationwide Building Society 5.75% VRN perp	6,840,242	0.26
£4,620,000	Nationwide Building Society 5.769% perp	5,054,949	0.19
£1,556,000	Nationwide Building Society 6.25% VRN perp	1,699,899	0.06
£3,000,000	Nationwide Building Society 7.859% VRN perp	3,690,900	0.14
£57,518	Nationwide Building Society 10.25% VRN perp	11,187,251	0.43
£17,100,000	Nationwide Building Society FRN 2031	17,123,598	0.65
\$900,000	Nature Conservancy 1.154% 2027	651,790	0.02
£9,000,000	Natwest 2.105% VRN 2031	8,993,649	0.34
\$39,600,000	Natwest 2.5404% VRN perp	29,202,999	1.11
\$9,000,000	Natwest 4.892% VRN 2029	7,758,568	0.29
\$2,350,000	Natwest Market 7.125% 2093	3,137,168	0.12
£871,800	NatWest Markets 3.9% VRN 2022	909,950	0.03
£2,393,000	NatWest Markets 6.875% 2025	2,802,901	0.11
£3,611,000	Nordea Bank 1.625% VRN 2032	3,534,571	0.13
\$3,418,000	Nordea Bank 3.75% VRN perp	2,493,757	0.09
£6,000,000	Notting Hill Genesis 2% 2036	5,864,075	0.22
£4,560,000	Notting Hill Genesis 2.875% 2029	4,888,432	0.19
£3,800,000	Notting Hill Housing 3.25% 2048	4,431,837	0.17
£1,357,000	Notting Hill Housing 3.75% 2032	1,590,354	0.06
£200,000	Nottinghamshire YMCA 6% 2027	203,124	0.01
£4,091,000	Onward Homes 2.125% 2053	3,998,568	0.15
£6,500,000	Orange SA 3.25% 2032	7,221,491	0.27
\$20,740,000	Orange SA 9% 2031 Step	23,926,861	0.91
£1,900,000	Orbit Capital 2% 2038	1,837,209	0.07
£9,097,000	Orbit Capital 3.375% 2048	10,839,302	0.41
£2,703,000	Orbit Capital 3.5% 2045	3,237,624	0.12
£10,571,000	Orsted AS 2.5% VRN 3021	10,405,916	0.40
£440,000	Our Power Social Purpose 6.5% 2021*	–	–
£150,000	Paces Sheffield 6% 2029	150,000	0.01
£3,454,000	Paragon 2% 2036	3,409,232	0.13
£9,848,000	Paragon 6% 2024	10,876,427	0.41
£2,380,600	Paragon 6.125% 2022	2,412,762	0.09
£4,625,000	Paragon 4.375% VRN 2031	4,884,509	0.19
£550,000	Peabody Capital 5.25% 2043	820,188	0.03
£3,453,000	Peabody Capital No 2 3.25% 2048	4,060,804	0.15
£15,479,000	PGH Capital 6.625% 2025	18,442,486	0.70

Portfolio and net other assets as at 30 September 2021 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets	
\$19,274,000	Phoenix 4.75% VRN 2031	15,456,998	0.59
\$22,299,000	Phoenix 5.375% 2027	18,657,569	0.71
£3,000,000	Phoenix 5.625% 2031	3,589,372	0.14
£13,950,000	Phoenix 5.75% VRN perp	15,122,414	0.57
£1,874,300	Places For People Finance 4.25% 2023	1,920,036	0.07
£1,295,400	Places for People Homes 1% Index-Linked 2022	1,642,205	0.06
£10,568,000	Places for People Homes 3.625% 2028	11,905,647	0.45
£5,940,000	Places for People Treasury 2.875% 2026	6,400,082	0.24
£9,459,000	Principality Building Society 2.375% 2023	9,684,558	0.37
£7,500,000	Prudential Corporation 6.125% 2031	10,136,363	0.39
£5,500,000	QBE Insurance 2.5% VRN 2038	5,390,336	0.20
£920,000	Quadrant Housing 7.93% 2033	1,076,180	0.04
AUD\$5,000,000	Queensland Treasury Corporation 1.25% 2031	2,560,141	0.10
£13,631,000	Quilter 4.478% VRN 2028	14,139,027	0.54
£22,500,000	Rabobank Nederland 4.625% 2029	26,320,723	1.00
£25,700,000	Reassure 5.867% 2029	31,071,459	1.18
£553,200	Retail Charity Bonds 3.9% 2029	566,726	0.02
£1,331,200	Retail Charity Bonds 4% 2029	1,354,216	0.05
£2,414,800	Retail Charity Bonds 4.25% 2026	2,426,294	0.09
£1,089,800	Retail Charity Bonds 4.25% 2028	1,138,154	0.04
£871,800	Retail Charity Bonds 4.4% 2027	893,185	0.03
£1,598,800	Retail Charity Bonds 4.5% 2026	1,609,496	0.06
£900,000	Retail Charity Bonds 5% 2030	966,357	0.04
£1,297,600	Retail Charity Bonds 5% 2026	1,425,855	0.05
£500,000	RHP Finance 3.25% 2048	579,649	0.02
£300,000	Riverside Finance 3.875% 2044	386,301	0.01
£31,170,000	RL Finance Bonds 4.875% VRN 2049	35,067,933	1.33
£19,747,000	RL Finance Bonds 6.125% VRN 2043	21,638,767	0.82
£28,576,000	RL Finance Bonds 6.125% 2028	35,036,113	1.33
£22,807,000	Rothsay Life 3.375% 2026	24,290,668	0.92
£11,923,000	Rothsay Life 5.5% VRN 2029	13,153,541	0.50
£11,270,000	Rothsay Life 6.875% VRN perp	13,057,422	0.50
£14,612,000	Rothsay Life 8% 2025	18,155,517	0.69
£14,027,000	Rothschild 9% perp	16,204,692	0.62
£4,500,000	Royal Bank of Scotland 3.125% VRN 2027	4,780,243	0.18
£15,428,000	Royal Bank of Scotland 3.622% VRN 2030	16,322,958	0.62
£6,741,000	RSA Insurance 5.125% VRN 2045	7,657,119	0.29
£2,572,000	Sage 1.625% 2031	2,473,537	0.09
£3,689,000	Sainsburys Bank 6% VRN 2027	3,789,636	0.14
£15,418,000	Santander UK 2.92% VRN 2026	16,165,543	0.61

Portfolio and net other assets as at 30 September 2021 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets
£4,753,000 Santander UK 3.625% 2026	5,158,713	0.20
£916,000 Santander UK 5.875% 2031	1,069,146	0.04
£1,963,000 Santander UK 6.5% 2030	2,406,658	0.09
£1,400,000 Santander UK 7.037% VRN perp	1,544,550	0.06
€6,000,000 Scatec ASA FRN 2025	5,034,244	0.19
£29,382,000 Scottish Widows 7% 2043	44,801,071	1.70
£24,920,000 Skipton Building Society 2% VRN 2026	25,334,574	0.96
£91,500 South Bristol Sports Centre 7% 2023	55,628	—
£148,800 St Johns School Bond 3.25% 2022	149,657	0.01
€40,570,000 Stichting AK Rabobank Certificaten 2.188% perp Step	50,130,151	1.91
£9,146,000 Stonewater Funding 1.625% 2036	8,627,111	0.33
£8,889,000 Swedbank 1.375% VRN 2027	8,850,704	0.34
£5,353,000 TC Dudgeon Ofto 3.158% 2038	5,512,666	0.21
£1,117,000 Telereal Securitisation 1.3657% 2033	1,045,043	0.04
£2,270,000 Telereal Securitisation 1.9632% VRN 2033	2,285,118	0.09
£5,169,000 Telereal Securitisation FRN 2033	4,956,748	0.19
£500,000 Thera Trust 5.5% 2024	510,769	0.02
£750,000 Thrive Renewables 5% 2024	771,424	0.03
£300,000 Triodos Bank 4% 2030	307,991	0.01
£6,700,000 UK Municipal Bonds Agency Finance FRN 2025	6,766,129	0.26
£2,100,000 Vattenfall 2.5% VRN 2083	2,097,655	0.08
\$10,229,000 Vena Energy Capital 3.133% 2025	7,817,519	0.30
£8,370,000 Verizon Communications 1.125% 2028	8,034,556	0.31
£12,670,000 Virgin Money UK 2.625% VRN 2031	12,743,781	0.48
£15,658,000 Virgin Money UK 5.125% VRN 2030	17,300,437	0.66
£2,043,000 Welltower 4.5% 2034	2,482,645	0.09
£700,000 Welltower 4.8% 2028	832,017	0.03
\$12,766,000 WK Kellogg Foundation Trust 2.443% 2050	9,036,985	0.34
£12,023,000 Wods Transmission 3.446% 2034	10,608,040	0.40
£9,450,000 Workspace 2.25% 2028	9,384,606	0.36
£3,588,000 Wrekin Housing 2.5% 2048	3,742,701	0.14
£7,586,000 Yorkshire Building Society 1.5% VRN 2029	7,429,842	0.28
£27,614,000 Yorkshire Building Society 3.375% VRN 2028	29,357,341	1.12
\$40,055,000 Zurich Finance Ireland Designated 3% VRN 2051	29,610,750	1.13
	2,471,520,167	93.94
Corporate Convertibles (30.09.20: 0.00%)		
\$4,300,000 Beyond Meat 0% 2027	2,736,453	0.10

Portfolio and net other assets as at 30 September 2021 *(continued)*

Holding (Bonds unless otherwise stated)	Value (note 1f) £	Percentage of total net assets
Government Bonds (30.09.20: 0.00%)		
£38,247,640 UK Treasury Gilt 0.875% 2033	37,293,105	1.42
Total Bonds	2,538,741,108	96.50
Equities (30.09.20: 0.12%)		
7,689,079 Greencoat Renewables**	7,600,360	0.29
Forward Foreign Exchange Contracts (30.09.20: 0.01%)		
Buy £292,432,727, Sell \$404,594,808	(7,589,837)	(0.29)
Buy £139,325,792, Sell €163,158,804	(1,141,782)	(0.04)
Buy €10,553,631, Sell £9,113,249	(27,359)	—
Buy \$19,921,464, Sell £14,804,783	(32,254)	—
Buy £2,510,550, Sell AUD\$4,723,997	(20,971)	—
	(8,812,203)	(0.33)
Total value of investments (30.09.20: 95.45%)	2,537,529,265	96.46
Net other assets (30.09.20: 4.55%)	93,198,122	3.54
Total value of the fund as at 30 September 2021	2,630,727,387	100.00

Sector eliminated since the beginning of the period:

Alternatives 0.74%

* Delisted

** Equity Security

Summary of portfolio investments

	Value £	Percentage of total net assets
Debt Securities	2,538,741,108	96.50
Equity Securities	7,600,360	0.29
Derivatives	(8,812,203)	(0.33)
Total value of investments	2,537,529,265	96.46

Statement of total return for the year ended 30 September 2021

	Note	30.09.21 £	30.09.21 £	30.09.20 £	30.09.20 £
Income					
Net capital gains	2		31,400,723		33,754,005
Revenue	3	73,669,370		57,165,054	
Expenses	4	(14,544,898)		(10,283,240)	
Interest payable and similar charges		(5,575)		(4,994)	
Net revenue before taxation		59,118,897		46,876,820	
Taxation	5	(12,352)		(11,510)	
Net revenue after taxation			59,106,545		46,865,310
Total return before distributions			90,507,268		80,619,315
Distributions	6		(72,924,359)		(56,660,131)
Change in net assets attributable to unitholders from investment activities			17,582,909		23,959,184

Statement of change in net assets attributable to unitholders for the year ended 30 September 2021

	30.09.21 £	30.09.21 £	30.09.20 £	30.09.20 £
Opening net assets attributable to unitholders		1,806,995,047		1,369,880,547
Amounts receivable on issue of units	838,220,977		520,022,786	
Amounts payable on cancellation of units	(77,282,688)		(140,587,540)	
		760,938,289		379,435,246
Change in net assets attributable to unitholders from investment activities (see Statement of total return above)		17,582,909		23,959,184
Retained distributions on accumulation units		45,210,122		33,720,070
Unclaimed distributions		1,020		–
Closing net assets attributable to unitholders		2,630,727,387		1,806,995,047

Balance sheet as at 30 September 2021

	Note	30.09.21 £	30.09.21 £	30.09.20 £	30.09.20 £
Assets					
Fixed assets:					
Investments			2,546,341,468	1,725,215,801	
Current assets:					
Debtors	7	101,351,989		35,526,415	
Cash and bank balances		77,172,475		90,923,508	
Total current assets			178,524,464	126,449,923	
Total assets			2,724,865,932	1,851,665,724	
Liabilities					
Investment liabilities			(8,812,203)		(457,952)
Creditors:					
Bank overdrafts		(2,078,961)		—	
Other creditors	8	(75,149,126)		(36,936,445)	
Distribution payable on income units		(8,098,255)		(7,276,280)	
Total liabilities			(94,138,545)		(44,670,677)
Net assets attributable to unitholders			2,630,727,387	1,806,995,047	

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 46, the Manager continues to adopt the going concern basis in the preparation of the financial statements of the fund.

There are no significant judgments or sources of estimation uncertainty.

b) Recognition of revenue

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

Revenue on debt securities has been accounted for on an effective interest method.

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 and 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.

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

In order to conduct a controlled dividend flow to 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.

During the year the fund entered into derivative transactions in the form of forward foreign currency contracts. For forward foreign currency contracts, market value is determined by reference to forward currency exchange rates at the year end.

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.

1 Accounting policies *(continued)*

Unquoted investments are valued at fair value, which represents the Manager's view of the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. This does not assume that the underlying business is saleable at the reporting date or that its current shareholders have an intention to sell their holding in the near future.

The unquoted investments are valued by the Manager based upon information from an independent valuation firm, taking into account, where appropriate, latest dealing prices, achievement or not of key milestones, valuations from reliable sources, financial performance, and other relevant factors.

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

	30.09.21	30.09.20
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	28,196,110	33,199,008
Currency gains	515,444	239,533
Forward currency contracts	2,698,685	321,104
Transaction charges	(9,516)	(5,640)
Net capital gains	31,400,723	33,754,005

3 Revenue

	30.09.21	30.09.20
	£	£
Dividends	208,059	107,055
Interest on debt securities	73,461,311	56,970,371
HMRC repayment	—	26
Bank interest	—	87,602
Total revenue	73,669,370	57,165,054

4 Expenses

	30.09.21	30.09.21	30.09.20	30.09.20
	£	£	£	£
Payable to the Manager, associates of the Manager and agents of either of them:				
Manager's periodic charge		13,823,303		9,807,142
Payable to the Trustee, associates of the Trustee and agents of either of them:				
Trustee's fees	270,053		210,326	
Safe custody and other bank charges	264,553		189,630	
		534,606		399,956
Other expenses:				
Administration fees	121,304		14,727	
Audit fee*	17,400		12,480	
Printing and publication costs	6,979		6,869	
Registration fees	41,306		42,066	
		186,989		76,142
Total expenses	14,544,898			10,283,240

* Audit fees for 2021 are £14,500 excluding VAT (30.09.20: £13,900 excluding VAT).

5 Taxation

	30.09.21 £	30.09.20 £
a) Analysis of charge in the year		
Irrecoverable overseas tax	11,360	11,510
Reclaimable Tax written off	992	—
Total tax charge for the year (note 5b)	12,352	11,510

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%) (30.09.20: 20%). The differences are explained below.

	30.09.21 £	30.09.20 £
Net revenue before taxation	59,118,897	46,876,820
Corporation tax at 20%	11,823,779	9,375,364
Effects of:		
Revenue not subject to taxation	(41,612)	(21,411)
Tax deductible interest distribution	(11,782,167)	(9,353,953)
Irrecoverable overseas tax	11,360	11,510
Reclaimable Tax written off	992	—
Total tax charge for the year (note 5a)	12,352	11,510

c) Deferred tax

At the year end the fund had no surplus management expenses (30.09.20: £nil) and no deferred tax asset has been recognised.

6 Distributions

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

	30.09.21 £	30.09.20 £
First Interim	17,584,558	13,617,474
Second Interim	18,094,387	13,565,840
Third Interim	19,432,065	14,925,822
Final	21,177,079	16,618,625
	76,288,089	58,727,761
Add: Amounts deducted on cancellation of units	322,845	630,729
Deduct: Amounts received on issue of units	(3,686,575)	(2,698,359)
Net distribution for the year	72,924,359	56,660,131

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

Net distribution for the year	72,924,359	56,660,131
Expenses charged to capital:		
Manager's periodic charge	(13,823,303)	(9,807,142)
Equalisation on conversions	(17)	189
Balance brought forward	(64,253)	(52,121)
Balance carried forward	69,759	64,253
Net revenue after taxation	59,106,545	46,865,310

7 Debtors

	30.09.21 £	30.09.20 £
Amounts receivable for issue of units	51,766,213	5,110,611
Sales awaiting settlement	12,779,883	–
Accrued revenue	36,801,582	30,413,604
Taxation recoverable	4,311	2,200
Total debtors	101,351,989	35,526,415

8 Other creditors

	30.09.21 £	30.09.20 £
Amounts payable for cancellation of units	148,913	2,227,343
Purchases awaiting settlement	73,486,951	33,710,520
Accrued expenses	192,531	87,706
Accrued manager's periodic charge	1,320,731	910,876
Total other creditors	75,149,126	36,936,445

9 Reconciliation of units

	R-class income	R-class accumulation	I-class income	I-class accumulation
Opening units issued at 01.10.20	7,792,452	9,127,328	585,653,621	417,390,200
Unit movements 01.10.20 to 30.09.21				
Units issued	769,734	2,092,816	201,793,099	231,766,375
Units cancelled	(574,771)	(1,647,726)	(31,343,633)	(11,636,884)
Units converted	(395,933)	(83,704)	1,141,403	(160,247)
Closing units issued at 30.09.21	7,591,482	9,488,714	757,244,490	637,359,444

	S-class income	S-class accumulation
Opening units issued at 01.10.20	175,441,571	21,333,012
Unit movements 01.10.20 to 30.09.21		
Units issued	39,362,059	15,167,981
Units cancelled	(10,140,994)	(1,254,745)
Units converted	(719,303)	460,202
Closing units issued at 30.09.21	203,943,333	35,706,450

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 Ethical Bond Fund during the year (30.09.20: nil).

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

11 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30.09.20: 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.

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

Details of the fund's portfolio and exposure to credit risk are set out on pages 17 to 26.

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:

	30.09.21	30.09.20
	£	£
Currency:		
Australian dollar	2,541,020	—
Euro	124,850,497	7,345,165
Norwegian krone	—	759,742
US dollar	299,521,159	57,790,671
Pound sterling	2,203,810,400	1,741,097,269
	2,630,723,076	1,806,992,847
Other net assets not categorised as financial instruments	4,311	2,200
Net assets	2,630,727,387	1,806,995,047

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 £38,810,243 (30.09.20: £5,990,507). 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 £47,434,742 (30.09.20: £7,321,731). These calculations assume all other variables remain constant.

Notes to the financial statements *(continued)*

12 Risk disclosures on financial instruments *(continued)*

(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:

	30.09.21	30.09.20
	£	£
Fixed rate assets:		
Australian dollar	2,560,141	–
Euro	37,409,029	5,000,741
US dollar	127,541,514	33,716,808
Pound sterling	921,888,960	775,867,921
	1,089,399,644	814,585,470
Floating rate assets:		
Euro	104,389,355	–
Norwegian krone	–	755,195
US dollar	166,577,899	30,578,595
Pound sterling	1,255,546,685	967,499,431
	1,526,513,939	998,833,221
Floating rate liabilities:		
Euro	(2,078,961)	–
Assets on which no interest is paid:		
Australian dollar	1,850	–
Euro	10,801,336	2,344,424
Norwegian krone	–	4,547
US dollar	12,991,583	903,172
Pound sterling	85,153,269	34,992,690
	108,948,038	38,244,833
Liabilities on which no interest is paid:		
Australian dollar	(20,971)	–
Euro	(25,670,262)	–
US dollar	(7,589,837)	(7,407,904)
Pound sterling	(58,778,514)	(37,262,773)
	(92,059,584)	(44,670,677)
Other net assets not categorised as financial instruments	4,311	2,200
Net assets	2,630,727,387	1,806,995,047

If interest rates had increased by 1% as at the balance sheet date, the net asset value of the fund would have decreased by £214,939,951 (30.09.20: £116,050,129). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the fund would have increased by £214,939,951 (30.09.20: £116,050,129). These calculations assume all other variables remain constant.

12 Risk disclosures on financial instruments *(continued)*

(ii) Interest rate risk *(continued)*

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

	30.09.21		30.09.20	
	Value (note 1f) £	Percentage of total net assets	Value (note 1f) £	Percentage of total net assets
Bond credit ratings				
Investment grade	1,918,467,677	72.91	1,331,709,835	73.71
Below investment grade	620,273,431	23.59	377,404,042	20.87
Total Bonds	2,538,741,108	96.50	1,709,113,877	94.58

There are no material amounts of non-interest bearing financial assets and liabilities, other than equities and collective investment schemes, which do not have maturity dates.

(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 £253,752,927 (30.09.20: £172,475,785). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £253,752,927 (30.09.20: £172,475,785). 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 Ethical Bond Fund which would increase its exposure.

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

13 Portfolio transaction cost

For the year ended 30 September 2021

Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	5,756,989	4,217	0.07	5	—
Bond transactions	1,569,982,415	—	—	—	—
Corporate actions	72,677,081	—	—	—	—
Total purchases before transaction costs	1,648,416,485	4,217		5	
Total purchases including commission and taxes	1,648,420,707				

Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Bond transactions	642,344,072	—	—	—	—
Corporate actions	204,000,039	—	—	—	—
Total sales including transaction costs	846,344,111	—		—	
Total sales net of commission and taxes	846,344,111				

The fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 30.09.2021.

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

13 Portfolio transaction cost *(continued)*

For the year ended 30 September 2020

Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Bond transactions	847,357,335	—	—	—	—
Corporate actions	120,889	—	—	—	—
Total purchases before transaction costs	847,478,224	—		—	
Total purchases including commission and taxes	847,478,224				

Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Bond transactions	390,434,477	—	—	—	—
Corporate actions	94,309,040	—	—	—	—
Total sales including transaction costs	484,743,517	—		—	
Total sales net of commission and taxes	484,743,517				

The fund had paid £nil as commission on purchases and sale derivative transactions for the year ended 30.09.2020.

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.63% (31.03.20: 0.91%).

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 2021

Category	1	2	3	Total
	£	£	£	£
Investment assets				
Equities	7,600,360	—	—	7,600,360
Bonds	37,293,105	2,484,858,359	16,589,644	2,538,741,108
	44,893,465	2,484,858,359	16,589,644	2,546,341,468

Category	1	2	3	Total
	£	£	£	£
Investment liabilities				
Derivatives	—	(8,812,203)	—	(8,812,203)
	—	(8,812,203)	—	(8,812,203)

For the year ended 30 September 2020

Category	1	2	3	Total
	£	£	£	£
Investment assets				
Equities	2,205,114	—	—	2,205,114
Bonds	—	1,694,420,862	14,693,015	1,709,113,877
Structured product	—	13,381,306	—	13,381,306
Derivatives	—	515,504	—	515,504
	2,205,114	1,708,317,672	14,693,015	1,725,215,801

Category	1	2	3	Total
	£	£	£	£
Investment liabilities				
Derivatives	—	(457,952)	—	(457,952)
	—	(457,952)	—	(457,952)

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 23 November 2021. 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	30.09.21 mid price	23.11.21 mid price
R-class income	97.90p	96.57p
R-class accumulation	232.96p	231.64p
I-class income	104.45p	103.13p
I-class accumulation	245.98p	244.83p
S-class income	107.27p	105.93p
S-class accumulation	121.27p	120.72p

Distribution tables for the year ended 30 September 2021

Distribution tables (pence per unit)

First 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 December 2020

R-class income units	Net income	Equalisation	Paid 26.02.21	Paid 28.02.20
Group 1	0.85	–	0.85	0.88
Group 2	0.29	0.56	0.85	0.88
R-class accumulation units	Net income	Equalisation	Accumulated 26.02.21	Accumulated 28.02.20
Group 1	1.98	–	1.98	1.97
Group 2	0.92	1.06	1.98	1.97
I-class income units	Net income	Equalisation	Paid 26.02.21	Paid 28.02.20
Group 1	0.90	–	0.90	0.93
Group 2	0.43	0.47	0.90	0.93
I-class accumulation units	Net income	Equalisation	Accumulated 26.02.21	Accumulated 28.02.20
Group 1	2.07	–	2.07	2.05
Group 2	1.06	1.01	2.07	2.05
S-class income units	Net income	Equalisation	Paid 26.02.21	Paid 28.02.20
Group 1	0.92	–	0.92	0.94
Group 2	0.52	0.40	0.92	0.94
S-class accumulation units	Net income	Equalisation	Accumulated 26.02.21	Accumulated 28.02.20
Group 1	1.02	–	1.02	1.01
Group 2	0.42	0.60	1.02	1.01

Distribution tables for the year ended 30 September 2021 *(continued)*

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

Second Interim

Group 1 – Units purchased prior to 1 January 2021

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

R-class income units	Net income	Equalisation	Paid 28.05.21	Paid 29.05.20
Group 1	0.79	–	0.79	0.83
Group 2	0.34	0.45	0.79	0.83
R-class accumulation units	Net income	Equalisation	Accumulated 28.05.21	Accumulated 29.05.20
Group 1	1.86	–	1.86	1.86
Group 2	0.82	1.04	1.86	1.86
I-class income units	Net income	Equalisation	Paid 28.05.21	Paid 29.05.20
Group 1	0.85	–	0.85	0.87
Group 2	0.36	0.49	0.85	0.87
I-class accumulation units	Net income	Equalisation	Accumulated 28.05.21	Accumulated 29.05.20
Group 1	1.96	–	1.96	1.95
Group 2	0.86	1.10	1.96	1.95
S-class income units	Net income	Equalisation	Paid 28.05.21	Paid 29.05.20
Group 1	0.87	–	0.87	0.90
Group 2	0.40	0.47	0.87	0.90
S-class accumulation units	Net income	Equalisation	Accumulated 28.05.21	Accumulated 29.05.20
Group 1	0.97	–	0.97	0.96
Group 2	0.39	0.58	0.97	0.96

Distribution tables for the year ended 30 September 2021 *(continued)*

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

Third Interim

Group 1 – Units purchased prior to 1 April 2021

Group 2 – Units purchased on or after 1 April 2021 and on or before 30 June 2021

R-class income units	Net income	Equalisation	Paid 31.08.21	Paid 28.08.20
Group 1	0.79	–	0.79	0.85
Group 2	0.31	0.48	0.79	0.85
R-class accumulation units	Net income	Equalisation	Accumulated 31.08.21	Accumulated 28.08.20
Group 1	1.86	–	1.86	1.94
Group 2	0.97	0.89	1.86	1.94
I-class income units	Net income	Equalisation	Paid 31.08.21	Paid 28.08.20
Group 1	0.84	–	0.84	0.90
Group 2	0.44	0.40	0.84	0.90
I-class accumulation units	Net income	Equalisation	Accumulated 31.08.21	Accumulated 28.08.20
Group 1	1.96	–	1.96	2.03
Group 2	0.96	1.00	1.96	2.03
S-class income units	Net income	Equalisation	Paid 31.08.21	Paid 28.08.20
Group 1	0.86	–	0.86	0.92
Group 2	0.45	0.41	0.86	0.92
S-class accumulation units	Net income	Equalisation	Accumulated 31.08.21	Accumulated 28.08.20
Group 1	0.96	–	0.96	1.00
Group 2	0.43	0.53	0.96	1.00

Distribution tables for the year ended 30 September 2021 *(continued)*

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

Final

Group 1 – Units purchased prior to 1 July 2021

Group 2 – Units purchased on or after 1 July 2021 and on or before 30 September 2021

R-class income units	Net income	Equalisation	Payable 30.11.21	Paid 30.11.20
Group 1	0.78	–	0.78	0.89
Group 2	0.29	0.49	0.78	0.89
R-class accumulation units	Net income	Equalisation	Allocated 30.11.21	Accumulated 30.11.20
Group 1	1.86	–	1.86	2.04
Group 2	1.04	0.82	1.86	2.04
I-class income units	Net income	Equalisation	Payable 30.11.21	Paid 30.11.20
Group 1	0.83	–	0.83	0.94
Group 2	0.38	0.45	0.83	0.94
I-class accumulation units	Net income	Equalisation	Allocated 30.11.21	Accumulated 30.11.20
Group 1	1.97	–	1.97	2.14
Group 2	0.82	1.15	1.97	2.14
S-class income units	Net income	Equalisation	Payable 30.11.21	Paid 30.11.20
Group 1	0.86	–	0.86	0.97
Group 2	0.44	0.42	0.86	0.97
S-class accumulation units	Net income	Equalisation	Allocated 30.11.21	Accumulated 30.11.20
Group 1	0.97	–	0.97	1.05
Group 2	0.51	0.46	0.97	1.05

Distribution tables for the year ended 30 September 2021 *(continued)*

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	0.00%
Unfranked investment income	100.00%
Depository net liability to corporation tax	nil

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 Ethical Bond Fund
20 January 2022

Statement of the Manager's responsibilities in relation to the annual report and accounts of the Rathbone Ethical Bond Fund

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 UK 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 the 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 fund together with the factors likely to affect its future development, including those related to the COVID-19 pandemic. The assets of the Ethical Bond 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 AFM 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 20 January 2022.

Statement of the Trustee's responsibilities and report of the Trustee to the unitholders of Rathbone Ethical Bond Fund (the Scheme) for the year ended 30 September 2021

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.

NatWest Trustee and Depository Services Limited
Trustee of Rathbone Ethical Bond Fund
20 January 2022

Independent Auditor's Report to the unitholders of Rathbone Ethical Bond Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Rathbone Ethical Bond Fund (the "fund"):

- give a true and fair view of the financial position of Rathbone Ethical Bond Fund as at 30 September 2021 and of the net revenue and the net capital gains on the property of the fund for the year ended 30 September 2021; 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 shareholders;
- the balance sheet;
- the distribution tables; and
- individual notes 1 to 15.

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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The manager is responsible for the other information contained within the annual report. 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.

Independent Auditor's Report to the unitholders of Rathbone Ethical Bond Fund *(continued)*

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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 has 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the fund's industry and its control environment, and reviewed the fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the fund's ability to operate or to avoid a material penalty.

Independent Auditor's Report to the unitholders of Rathbone Ethical Bond Fund *(continued)*

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reviewing correspondence with HMRC and the FCA.

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 and its sub-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 April 2021 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

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
20 January 2022

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	1,650	5,459	7,109	6
Risk takers	1,761	3,318	5,079	14
Control functions	336	33	369	3
Other	142	159	301	1
Total remuneration code staff	3,889	8,969	12,858	24
Non-remuneration code staff	1,077	315	1,392	21
Total for the Manager	4,966	9,284	14,250	45

The variable remuneration disclosed in the table above is for the financial year ended 31 December 2020, which is the most recent period for which data are available. Variable remuneration is determined annually based on, inter alia, the results of the Manager and the investment performance of the UCITS that it manages for discrete annual periods ending on 31 December each year. Consequently, it is not possible to apportion the variable award between calendar years.

Authorised status

The Rathbone Ethical Bond Fund is an authorised unit trust scheme, authorised by the Financial Conduct Authority on 29 October 2001 and launched in May 2002.

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 IA Sterling Corporate Bond sector, after fees, over any rolling 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 IA Sterling Corporate Bond sector as a target for our fund's return because we aim to consistently outperform the average return of our competitors.

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

Character: Whether a company's managers have integrity and competence

Capacity: Ensuring a company isn't over-borrowing and has the cash to pay its debts

Collateral: Are there assets backing the loan, which reduces the risk of a loan

Covenants: These loan agreements set out the terms of the bond and restrictions on the company

Conviction: The Plus: We think differently to the market; sometimes contrarian, sometimes sceptical of orthodox thinking, but always opinionated

Meanwhile, Rathbone Greenbank, an ethical research division of our company, assesses potential investments against positive and negative social and environmental criteria. Finally, we compare prices to determine the best value bonds to include in our fund.

To meet the objective, the fund manager will invest at least 80% of our fund in corporate bonds with an investment-grade rating (AAA to BBB-). The remaining 20% of the fund is invested in corporate bonds with a credit rating below BBB- or with no rating at all.

Up to 10% of the fund can be invested directly in contingent convertible bonds.

The fund may invest globally but at least 80% of the portfolio will be invested in sterling denominated assets or hedged back to sterling.

Derivatives may be used by the fund for investment purposes, efficient portfolio management and hedging. The use of derivatives for investment purposes may increase the volatility of the fund's Net Asset Value and may increase its risk profile.

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.

The manager will apply ethical criteria and screening in order to avoid investing in companies involved in specific activities or engaged in behaviour that is considered to be of concern to ethical investors. The fund will seek to invest in companies that are aware of their wider responsibilities to society and the environment.

Further details in relation to the current ethical and sustainability criteria may be obtained by contacting Rathbone Unit Trust Management. Investors should be aware that these criteria may change over time. Product reference number: 196624.

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.

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.

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 R-class units is £100,000,000. The minimum initial investment for I-class units is £1,000. The minimum initial investment for the S-class units is £100,000,000.

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 R-class, I-class or S-class units.

The Manager currently receives an annual remuneration for managing the R-class property of the fund at the rate of 1.25%.

The Manager currently receives an annual remuneration for managing the I-class property of the fund at the rate of 0.625%.

The Manager currently receives an annual remuneration for managing the S-class property of the fund at a rate of 0.49%.

For more information on our charges, please visit the fund-specific pages of our website: rathbonefunds.com

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 31 March and 30 September, 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 at the registered offices of the Manager. Copies of the Prospectus, 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 revenue 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

General information *(continued)*

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 Global Opportunities Fund
Rathbone Heritage Fund
Rathbone Income Fund
Rathbone Strategic Bond Fund
Rathbone UK Opportunities Fund

and the Authorised Corporate Director of:

Rathbone Defensive Growth Portfolio
Rathbone Dynamic Growth Portfolio
Rathbone Enhanced Growth Portfolio
Rathbone Greenbank Defensive Growth Portfolio
Rathbone Greenbank Dynamic Growth Portfolio
Rathbone Greenbank Global Sustainability Fund
Rathbone Greenbank Strategic Growth Portfolio
Rathbone Greenbank Total Return Portfolio
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 Rathbones 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

020 7399 0399
rutm@rathbones.com
rathbonefunds.com

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Investment Association

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