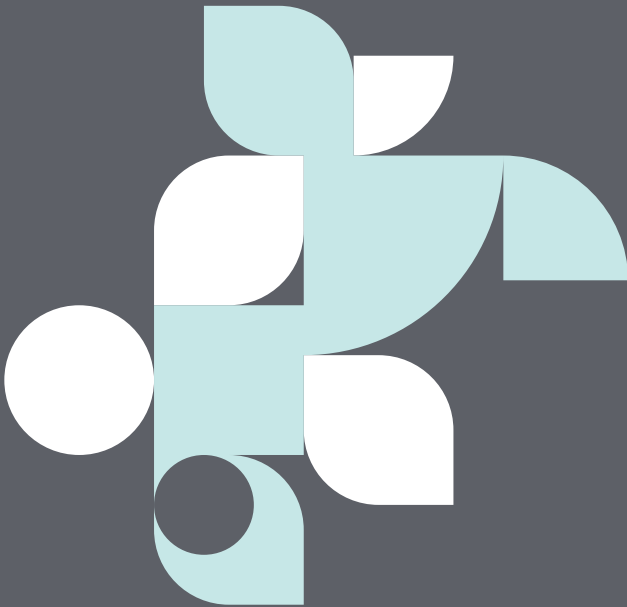


Rathbones
Look forward

Rathbone UK Opportunities Fund
Annual report for the year ended 30 September 2023



Contents

Directory	2
Investment objective and policy	3
Investment report	4
Net asset value per unit and comparative tables	6
Risk and reward profile	10
Discrete annual performance	10
Portfolio and net other assets	11
Statement of total return	14
Statement of change in net assets attributable to unitholders	14
Balance sheet	15
Notes to the financial statements	16
Distribution tables	26
Directors' statement	28
Statement of the Manager's responsibilities	29
Statement of the Trustee's responsibilities	30
Independent Auditor's Report	31
General information	34

Rathbone UK Opportunities Fund

Authorised Fund Manager (the Manager)

Rathbones Asset Management Limited
8 Finsbury Circus
London EC2M 7AZ
Telephone 020 7399 0399

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

Effective 30 November 2023, Rathbone Unit Trust Management Limited changed its name to Rathbones Asset Management Limited.

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
(resigned 1 December 2023)
MM Webb – Chief Executive Officer
(resigned 1 December 2023)
T Carroll – Chief Investment Officer
E Renals – Chief Operating Officer
(appointed 3 July 2023)
JA Rogers – Chief Distribution Officer
(appointed 1 December 2023)
JM Ardouin – Finance Director
(resigned 14 March 2023)
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**

Investment objective and policy

Investment objective

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

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

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

Investment strategy

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

Derivatives may be used by the fund for the purposes of efficient portfolio management and hedging.

The manager may use all investment powers as permitted by the prospectus, outside the ranges described above, to ensure the fund is managed in the best interest of investors in times of market irregularities or stress.

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

Investment policy

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

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

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

Investment report for the year ended 30 September 2023

Performance

The Rathbone UK Opportunities Fund (I-class units) gained 13.5% in the year ended 30 September, while its FTSE All-Share Index benchmark returned 13.8%. Meanwhile, the IA UK All Companies sector averaged 12.8%.

Portfolio activity

We've been dripping cash into top-quality holdings over the year, such as IT distributor Softcat. For companies and public sector bodies needing help with their IT provision, Softcat can provide hardware, software and, crucially, advice. An exceptionally well-run business, Softcat has the mentality to challenge the status quo when processes could be improved. As a result, its numbers look superb. We think it offers lots of quality and sales growth, at a very attractive valuation.

Another was independent publishing house Bloomsbury Publishing, perhaps best known for being the British-English publisher of the Harry Potter series. We believe the market values the business as just a book publisher, when it actually offers a 'secret weapon' in the form of a proprietary software-as-a-service (SaaS) platform known as Bloomsbury Digital Resources (BDR), selling academic content. For example, BDR licenses hundreds of hours of Shakespeare performances recorded from the Globe and National Theatre, so its customers can watch multiple interpretations of Macbeth over generations. In a nutshell, we think this platform offers significant upside potential on top of Bloomsbury's existing publishing portfolio. And, Bloomsbury has a big cash pile to take advantage of further opportunities, so we believe Bloomsbury has a positive outlook for the next few years.

We initiated a position in Ashtead Technology last month (not to be confused with US-based construction site rental business Ashtead Group, which we also own). Ashtead Technology provides rental equipment and services to the global offshore energy sector. We see Ashtead Technology as a beautifully hedged play on the green energy transition story. About 80% of the 19,000 items it

rents out can be put to use by both the oil & gas and the offshore wind industries. We think this gives our investment case a nice margin of safety. We're confident that there will be a global shift towards offshore wind, but we're unsure about the *speed* of this transition: Ashtead Technology should grow regardless. What's more, it benefits from a fragmented competitive backdrop. Its customers don't want to hold the rental equipment it provides on their own balance sheets and bear the costs of transporting it across the world when it needs to be deployed. With its first-mover advantage in its particular niche and scale, alongside its financial strength (it doesn't have a lot of debt on its balance sheet and generates strong free cash flow from its profits), we see Ashtead Technology as a good medium-to-long term 'picks and shovels' play in the offshore energy space.

We trimmed our holding in construction equipment rental company Ashtead Group over the period as the share price rose. We wanted to ensure that the position didn't become an out-sized proportion of our portfolio.

We purchased Boku, this is a global mobile payment tools developer. Operating at the intersection of the rapidly growing digital economy and the ever-expanding mobile user base. Historically Boku focused on providing direct carrier billing to the world's largest digital companies, enabling the likes of Netflix to charge people without bank accounts – more than 1 billion worldwide – through their mobile phone bill or prepaid balance. Looking ahead, Boku's growth should come from helping large businesses sell to customers using the countless new mobile-based, digital payment services that have popped up all over the world as alternatives to credit and debit cards. These payment methods, like PayPal and AliPay, are hyper-local to nations and regions. These payment services go beyond digital entertainment and are used for all types of goods and services. Counterintuitively, these new payment methods, such as mobile wallets, are even bigger than cards. This has been unnoticed in North America and Europe, where most electronic payments are made using credit cards like Visa and Mastercard. Therefore, we see Boku as a compelling and widely misunderstood investment opportunity, with the potential for strong growth over the medium term.

We bought Ergomed, a provider of clinical trials for drug development companies. It was then bid for in the third quarter of 2023, leading to a significant jump in the share price. We were hoping a rival bidder might emerge to push the price a little higher, but the way management has structured the deal makes this a bit tricky. We're left feeling a little short-changed by swift acceptance of average bid prices for trophy assets trading on UK exchanges.

Another example of this is veterinary medicine provider Dechra Pharmaceuticals. In April Swedish buy-out group EQT made an offer for the company at a significant premium. We sold our shares to take the profit and reinvest elsewhere while the acquisition winds its way toward completion.

In early 2023 we used some temporary strength in patio, landscaping and pavement company Marshalls to exit our position. An unluckily timed acquisition hadn't worked out at the time, and we expected further weakness in landscaping as households rein in their spending.

We completely sold Alliance Pharmaceutical because of concerns over the strength of recent acquisitions and a leadership vacuum that had arisen. We own shares in low-growth healthcare businesses for their defensive attributes and the reliability of their delivery, so if these are at risk we move on.

We trimmed speciality insurer Beazley as it approached its earnings update in July. The company issued a very decent set of numbers, revealing nice growth in its cyber-insurance business and particularly so in US property insurance. However, having performed so well during 2022, perhaps the update wasn't quite positive enough for some.

Market overview

It was a very stressful year for everyone – investors, businesses, households and fund managers included. The wave of inflation peaked at highs not seen for decades and started to recede, albeit slower in the UK than elsewhere. Because of runaway inflation, central banks continued their

tough regimen of rapid interest rate increases. Borrowing has got a whole lot more expensive and cash in the bank is actually paying interest again. It has upended the way people think about cashflow, investing and the risks they take.

And yet, significantly higher interest rates haven't really seemed to bite yet, either here in the UK or abroad. Households and businesses keep spending and economies are still growing, despite continuous debate about if and when recession will arrive.

The rise in interest rates has had one effect though: it has led to large drops in the prices of bonds. And the consequently higher yields on safe-haven government bonds have flowed through to a general reduction in the value of stocks relative to their profits (a fall in PEs, in the lingo). Regardless of this headwind, UK stocks have managed to deliver decent gains over the year. This is partly because last September we were dealing with the fallout from the infamous 'mini-budget', so the index started at a depressed point. However, it's also because UK companies have delivered decent results and – in our view – are so undervalued that the effect of this devaluation was relatively muted here.

While we believe there are a lot of exciting long-term opportunities here in the UK, we are trying to balance that with prudence about where we are in the business cycle. Entering the seasonally weak trading period heading into Christmas, we're holding more cash than usual. The terrible situation in the Middle East could add to volatility. Our portfolio of high-quality UK companies is well placed to weather difficult times. We welcome the myriad suggestions put forward by policymakers so far aimed at reinvigorating the culture of equity investing in our country via simplified regulation and clearer tax treatment. There are plenty of gems to invest in here. The main problem is the lack of appetite, not the lack of opportunity.

Alexandra Jackson
Fund Manager
25 October 2023

Net asset value per unit and comparative tables

R-class income units

	30.09.23 pence per unit	30.09.22 pence per unit	30.09.21 pence per unit
Change in net assets per unit			
Opening net asset value per unit	366.55p	575.78p	432.05p
Return before operating charges*	46.22p	(192.62p)	158.93p
Operating charges	(6.79p)	(8.04p)	(8.56p)
Return after operating charges*	39.43p	(200.66p)	150.37p
Distributions on income units	(9.57p)	(8.57p)	(6.64p)
Closing net asset value per unit	396.41p	366.55p	575.78p
*after direct transaction costs ¹ of:	0.07p	0.20p	0.81p

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

Performance

Return after charges	10.76%	(34.85%)	34.80%
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Other information

Closing net asset value	£859,192	£1,140,978	£2,156,198
Closing number of units	216,743	311,277	374,484
Operating charges**	1.63%	1.61%	1.63%
Direct transaction costs	0.02%	0.04%	0.15%

Prices***

Highest unit price	450.19p	601.33p	613.48p
Lowest unit price	354.85p	366.74p	434.61p

** The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

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

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

R-class accumulation units

	30.09.23 pence per unit	30.09.22 pence per unit	30.09.21 pence per unit
Change in net assets per unit			
Opening net asset value per unit	511.39p	786.67p	583.50p
Return before operating charges*	64.29p	(264.27p)	214.76p
Operating charges	(9.50p)	(11.01p)	(11.59p)
Return after operating charges*	54.79p	(275.28p)	203.17p
Distributions on accumulation units	(13.43p)	(11.76p)	(8.68p)
Retained distributions on accumulation units	13.43p	11.76p	8.68p
Closing net asset value per unit	566.18p	511.39p	786.67p

*after direct transaction costs¹ of: 0.10p 0.28p 1.09p

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

Performance

Return after charges 10.71% (34.99%) 34.82%

Other information

Closing net asset value	£2,878,745	£4,155,107	£7,407,873
Closing number of units	508,454	812,505	941,678
Operating charges**	1.63%	1.61%	1.63%
Direct transaction costs	0.02%	0.04%	0.15%

Prices***

Highest unit price	628.08p	821.58p	831.99p
Lowest unit price	495.06p	504.39p	586.95p

** The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

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

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

I-class income units

	30.09.23 pence per unit	30.09.22 pence per unit	30.09.21 pence per unit
Change in net assets per unit			
Opening net asset value per unit	404.18p	628.20p	466.45p
Return before operating charges*	50.87p	(211.55p)	171.85p
Operating charges	(2.68p)	(3.06p)	(3.32p)
Return after operating charges*	48.19p	(214.61p)	168.53p
Distributions on income units	(10.62p)	(9.41p)	(6.78p)
Closing net asset value per unit	441.75p	404.18p	628.20p

*after direct transaction costs¹ of: 0.08p 0.22p 0.88p

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

Performance

Return after charges 11.92% (34.16%) 36.13%

Other information

Closing net asset value	£8,357,184	£8,898,723	£16,598,556
Closing number of units	1,891,832	2,201,661	2,642,224
Operating charges**	0.58%	0.56%	0.58%
Direct transaction costs	0.02%	0.04%	0.15%

Prices***

Highest unit price	498.21p	657.90p	668.87p
Lowest unit price	391.43p	404.37p	469.24p

** The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

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

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

I-class accumulation units

	30.09.23 pence per unit	30.09.22 pence per unit	30.09.21 pence per unit
Change in net assets per unit			
Opening net asset value per unit	558.20p	849.67p	623.87p
Return before operating charges*	70.06p	(287.35p)	230.28p
Operating charges	(3.72p)	(4.12p)	(4.48p)
Return after operating charges*	66.34p	(291.47p)	225.80p
Distributions on accumulation units	(14.75p)	(12.78p)	(9.09p)
Retained distributions on accumulation units	14.75p	12.78p	9.09p
Closing net asset value per unit	624.54p	558.20p	849.67p

*after direct transaction costs¹ of: 0.11p 0.30p 1.19p

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

Performance

Return after charges 11.88% (34.30%) 36.19%

Other information

Closing net asset value	£35,992,039	£30,274,265	£46,679,563
Closing number of units	5,763,000	5,423,506	5,493,821
Operating charge**	0.58%	0.56%	0.58%
Direct transaction costs	0.02%	0.04%	0.15%

Prices***

Highest unit price	688.06p	889.84p	898.03p
Lowest unit price	540.58p	550.56p	627.59p

** The Operating charges are represented by the Ongoing Charges Figure (OCF) which is calculated in line with the IA SORP.

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

Risk and reward profile

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 2023

	2019	2020	2021	2022	2023
R-class units	-11.65%	2.76%	35.84%	-36.33%	12.36%
I-class units	-10.89%	3.73%	37.19%	-35.66%	13.54%
FTSE All Share Index	2.68%	-16.59%	27.90%	-4.00%	13.84%

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 2023

Holding (Ordinary shares unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
Oil and Gas Producers (30.09.22: 1.64%)		
188,000 Ashtead Technology*	821,560	1.71
250,000 Volution	904,500	1.88
	1,726,060	3.59
Chemicals (30.09.22: 3.80%)		
18,000 Croda International	884,700	1.84
110,000 Treatt	557,700	1.16
	1,442,400	3.00
Construction and Materials (30.09.22: 4.59%)		
180,000 Breedon	591,300	1.23
31,000 CRH	1,408,020	2.93
	1,999,320	4.16
Aerospace and Defence (30.09.22: 2.11%)		
280,000 Chemring	777,000	1.62
Electronic and Electrical Equipment (30.09.22: 8.36%)		
150,000 discoverIE	1,015,500	2.11
50,000 Halma	969,000	2.01
40,000 Oxford Instruments	872,000	1.81
300,000 Rotork	937,200	1.95
	3,793,700	7.88
Industrial Engineering (30.09.22: 4.95%)		
36,000 AB Dynamics	615,600	1.28
90,000 Ceres Power	282,600	0.59
60,000 Hill & Smith	1,033,200	2.15
	1,931,400	4.02
Healthcare Equipment and Services (30.09.22: 1.48%)		
270,000 Advanced Medical Solutions*	539,460	1.12
Pharmaceuticals and Biotechnology (30.09.22: 3.14%)		
40,000 Ergomed	536,800	1.12
Automobiles & Parts (30.09.22: 0.00%)		
233,333 Dowlais	250,599	0.52

Portfolio and net other assets as at 30 September 2023 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
Food and Drug Retailers (30.09.22: 7.17%)		
32,000 Diageo	970,880	2.02
55,000 Fevertree Drinks	660,000	1.37
30,000 Greggs	734,400	1.53
400,000 Tesco	1,056,800	2.20
	3,422,080	7.12
Food Producers (30.09.22: 2.11%)		
35,000 Cranswick	1,243,200	2.59
General Retailers (30.09.22: 4.82%)		
800,000 JD Sports Fashion	1,197,600	2.49
115,000 Keystone Law	563,500	1.17
70,000 WH Smith	940,800	1.96
	2,701,900	5.62
Leisure Goods (30.09.22: 1.43%)		
11,000 Games Workshop	1,161,600	2.42
Travel and Leisure (30.09.22: 1.92%)		
900,000 Patisserie	–	–
450,000 SSP	911,700	1.90
	911,700	1.90
Life Insurance (30.09.22: 1.89%)		
160,000 Phoenix	771,360	1.60
Non-Life Insurance (30.09.22: 3.04%)		
130,000 Beazley	718,900	1.49
Real Estate (30.09.22: 10.94%)		
400,000 Grainger	934,400	1.94
100,000 Safestore	735,500	1.53
100,000 Segro REIT	719,400	1.50
900,000 Sirius Real Estate	775,350	1.61
100,000 Unite	897,500	1.87
800,000 Warehouse REIT	656,000	1.36
	4,718,150	9.81

Portfolio and net other assets as at 30 September 2023 *(continued)*

Holding (Ordinary shares unless otherwise stated)	Value (note 1e) £	Percentage of total net assets
General Financial (30.09.22: 5.99%)		
200,000 AJ Bell	548,800	1.14
60,000 Intermediate Capital	829,800	1.72
145,000 JTC	1,058,500	2.20
170,000 Molten Ventures	387,600	0.81
9,892 Thomas Murray Network*	17,806	0.04
942 Thomas Murray Network Bonus shares*	—	—
	2,842,506	5.91
Support Services (30.09.22: 8.65%)		
18,000 Ashtead	900,360	1.87
250,000 Boku	360,000	0.75
42,000 Diploma	1,261,680	2.62
160,000 Howdens Joinery	1,178,240	2.45
55,000 Keywords Studios	850,850	1.77
200,000 Melrose Industries	938,200	1.95
	5,489,330	11.41
Software and Computer Services (30.09.22: 17.92%)		
240,000 Bytes Technology	1,197,120	2.49
110,000 FDM	570,900	1.19
70,000 Gamma Communications	764,400	1.59
180,000 GB*	387,720	0.81
100,000 Kainos	1,149,000	2.39
180,000 Rightmove	1,011,960	2.10
80,000 Softcat	1,167,200	2.43
210,000 Team17*	577,500	1.20
	6,825,800	14.20
Media (30.09.22: 1.48%)		
150,000 Bloomsbury Publishing	600,750	1.25
50,000 Future	444,500	0.92
	1,045,250	2.17
Total value of investments (30.09.22: 97.43%)	44,848,515	93.27
Net other assets (30.09.22: 2.57%)	3,238,645	6.73
Total value of the fund as at 30 September 2023	48,087,160	100.00

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

* Unquoted security

+ Quoted on the Alternative Investment Market

Statement of total return for the year ended 30 September 2023

	Note	30.09.23 £	30.09.23 £	30.09.22 £	30.09.22 £
Income					
Net capital gains/(losses)	3		4,478,166		(25,772,952)
Revenue	4	1,210,886		1,161,375	
Expenses	5	(344,533)		(434,093)	
Net revenue before taxation		866,353		727,282	
Taxation	6	—		—	
Net revenue after taxation			866,353		727,282
Total return before distributions			5,344,519		(25,045,670)
Distributions	7		(1,145,821)		(1,093,858)
Change in net assets attributable to unitholders from investment activities			4,198,698		(26,139,528)

Statement of change in net assets attributable to unitholders for the year ended 30 September 2023

	30.09.23 £	30.09.23 £	30.09.22 £	30.09.22 £
Opening net assets attributable to unitholders		44,469,073		72,842,190
Amounts receivable on issue of units	8,432,847		8,323,059	
Amounts payable on cancellation of units	(9,939,661)		(11,381,670)	
		(1,506,814)		(3,058,611)
Change in net assets attributable to unitholders from investment activities (see Statement of total return above)		4,198,698		(26,139,528)
Retained distributions on accumulation units		915,065		814,291
Unclaimed distributions		11,138		10,731
Closing net assets attributable to unitholders		48,087,160		44,469,073

Balance sheet as at 30 September 2023

	Note	30.09.23 £	30.09.23 £	30.09.22 £	30.09.22 £
Assets					
Fixed assets:					
Investments			44,848,515		43,326,338
Current assets:					
Debtors	8	217,950		140,931	
Cash and bank balances		3,389,860		1,281,208	
Total current assets			3,607,810		1,422,139
Total assets			48,456,325		44,748,477
Liabilities					
Creditors:					
Other creditors	9	(236,025)		(135,272)	
Distribution payable on income units		(133,140)		(144,132)	
Total liabilities			(369,165)		(279,404)
Net assets attributable to unitholders			48,087,160		44,469,073

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 29, 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

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

c) Treatment of scrip and special dividends

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

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

d) Treatment of expenses

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

e) Basis of valuation of investments

The quoted investments of the fund have been valued at the closing bid-market prices excluding any accrued interest in the case of debt securities ruling on the principal markets on which the stocks are quoted on the last business day of the accounting year. If no market price is available we use two different vendors (at least one being independent) to obtain a price and verify it against.

If the Stock Exchange quotation of an investment has been suspended, and in the opinion of the Manager, it is unlikely to be reinstated, this has been indicated in the portfolio of investments. Suspended investments are value based on the latest financial statements of the respective company and agreed with the Trustee.

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

f) Exchange rates

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

g) Taxation/Deferred Tax

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

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

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.

1 Accounting policies *(continued)*

h) 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.

2 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 (net of any tax relief) is deducted from capital, offsetting expenses against capital may constrain future growth in revenue and capital.

A reconciliation of the net distribution to the net revenue of the fund as reported total return is shown in note 7.

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.

Distributions remaining unclaimed after 6 years are paid into the fund as part of the capital property.

Notes to the financial statements *(continued)*

3 Net capital gains/(losses)

	30.09.23	30.09.22
	£	£
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	4,478,606	(25,772,371)
Currency gains	—	1
Transaction charges	(440)	(582)
Net capital gains/(losses)	4,478,166	(25,772,952)

4 Revenue

	30.09.23	30.09.22
	£	£
Dividends — UK Ordinary	916,491	899,970
— Overseas	98,466	135,997
— Property income distributions	116,275	115,050
Bank interest	79,654	10,358
Total revenue	1,210,886	1,161,375

5 Expenses

	30.09.23	30.09.23	30.09.22	30.09.22
	£	£	£	£
Payable to the Manager, associates of the Manager and agents of either of them:				
Manager's periodic charge		279,183		366,589
Payable to the Trustee, associates of the Trustee and agents of either of them:				
Trustee's fees	10,369		13,070	
Safe custody and other bank charges	2,689		5,420	
		13,058		18,490
Other expenses:				
Administration fees	6,996		7,223	
Audit fee*	11,640		10,200	
Printing and publication costs	2,485		(4,563)	
Registration fees	31,171		36,154	
		52,292		49,014
Total expenses		344,533		434,093

* Audit fees for 2023 are £9,750 excluding VAT (30.09.22: £9,100 excluding VAT).

6 Taxation

	30.09.23	30.09.22
	£	£
a) Analysis of charge in the year		
Total tax charge for the year (note 5b)	—	—
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%) (30.09.22: 20%). The differences are explained below.		
	30.09.23	30.09.22
	£	£
Net revenue before taxation	866,353	727,282
Corporation tax at 20%	173,271	145,456
Effects of:		
Revenue not subject to taxation	(202,992)	(207,193)
Current year expenses not utilised	29,721	61,737
Corporate tax charge	—	—
Total tax charge for the year (note 5a)	—	—

c) Deferred tax

At the year end the fund had surplus management expenses of £15,396,901 (30.09.22 : £15,248,298). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £3,079,380 (30.09.22 : £3,049,659) has not been recognised in the financial statements.

7 Distributions

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

	30.09.23	30.09.22
	£	£
Interim	455,838	431,621
Final	687,181	631,577
	1,143,019	1,063,198
Add: Amounts deducted on cancellation of units	63,273	53,803
Deduct: Amounts received on issue of units	(60,471)	(23,143)
Net distribution for the year	1,145,821	1,093,858

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

Net distribution for the year	1,145,821	1,093,858
Expenses charged to capital:		
Manager's periodic charge	(279,183)	(366,589)
Equalisation on conversions	25	—
Balance brought forward	(456)	(443)
Balance carried forward	146	456
Net revenue after taxation	866,353	727,282

8 Debtors

	30.09.23	30.09.22
	£	£
Amounts receivable for issue of units	14,794	44,165
Accrued revenue	203,156	96,766
Total debtors	217,950	140,931

9 Other creditors

	30.09.23	30.09.22
	£	£
Amounts payable for cancellation of units	19,024	82,388
Purchases awaiting settlement	150,228	—
Accrued expenses	45,553	29,661
Accrued manager's periodic charge	21,220	23,223
Total other creditors	236,025	135,272

10 Reconciliation of units

	R-class income	R-class accumulation	I-class income	I-class accumulation
Opening units issued at 01.10.22	311,277	812,505	2,201,661	5,423,506
Unit movements 01.10.22 to 30.09.23				
Units issued	1,782	4,057	37,927	1,307,127
Units cancelled	(26,302)	(115,481)	(410,711)	(1,142,628)
Units converted	(70,014)	(192,627)	62,955	174,995
Closing units issued at 30.09.23	216,743	508,454	1,891,832	5,763,000

11 Related party transactions

Management fees paid to Rathbones Asset Management Limited (the Manager) are disclosed in note 5 and amounts outstanding at the year end in note 9.

Details of units created and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and note 7.

There were no commissions paid to stockbroking of the Manager in respect of dealings in the investments of Rathbone UK Opportunities Fund during the year (30.09.22: nil).

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

At the year end there were no significant unitholders (30.09.22: nil).

12 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30.09.22: nil).

13 Risk disclosures on financial instruments

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

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

The fund does not make use of derivatives.

13 Risk disclosures on financial instruments *(continued)*

The main risks arising from the financial instruments are:

(i) **Foreign currency risk**, being the risk that the value of assets and liabilities 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:

	30.09.23	30.09.22
	£	£
Currency:		
Euro	6	—
US dollar	—	6,880
Pound sterling	48,087,154	44,462,193
	48,087,160	44,469,073
Net assets	48,087,160	44,469,073

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 £1 (30.09.22: £688). 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 £1 (30.09.22: £688). These calculations assume all other variables remain constant.

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

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

	30.09.23	30.09.22
	£	£
Fixed rate assets:		
Pound sterling	—	1,281,208
Assets on which no interest is paid:		
Euro	6	—
US dollar	—	6,880
Pound sterling	48,456,319	43,460,389
	48,456,325	43,467,269
Liabilities on which no interest is paid:		
Pound sterling	(369,165)	(279,404)
	(369,165)	(279,404)
Net assets	48,087,160	44,469,073

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

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

13 Risk disclosures on financial instruments *(continued)*

(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 £4,484,852 (30.09.22: £4,332,634). If market prices had decreased by 10% as at the balance sheet date the net asset value of the fund would have decreased by £4,484,852 (30.09.22: £4,332,634). These calculations assume all other variables remain constant.

(iv) **Counterparty risk**, is where the counterparty will not fulfil its obligations or commitments to deliver the investments for a purchase or the cash for a sale after the fund has fulfilled its responsibilities. In order to manage the risk, the fund will only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty. Brokers are monitored on an on-going basis for suitability and creditworthiness.

(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**. There is no significant leverage in the fund which would increase its exposure.

14 Portfolio transaction cost

For the year ended 30 September 2023

Analysis of total purchase costs

	Value £	Commissions £	%	Taxes £	%
Equity transactions	2,931,622	1,173	0.04	5,055	0.17
Total purchases before transaction costs	2,931,622	1,173		5,055	
Total purchases including commission and taxes	2,937,850				

14 Portfolio transaction cost *(continued)*

Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	5,058,054	2,263	0.04	20	—
Corporate actions	838,500	—	—	—	—
Total sales including transaction costs	5,896,554	2,263		20	
Total sales net of commission and taxes	5,894,271				

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.01%

For the year ended 30 September 2022

Analysis of total purchase costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	4,760,027	2,835	0.06	19,461	0.41
Corporate actions	65,000	—	—	—	—
Total purchases before transaction costs	4,825,027	2,835		19,461	
Total purchases including commission and taxes	4,847,323				

Analysis of total sales costs

	Value	Commissions		Taxes	
	£	£	%	£	%
Equity transactions	5,040,814	3,438	0.07	37	—
Total sales including transaction costs	5,040,814	3,438		37	
Total sales net of commission and taxes	5,037,339				

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.04%

14 Portfolio transaction cost *(continued)*

In the case of shares, commissions and taxes are paid by the fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.30% (30.09.22: 0.21%).

15 Fair value of investments

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

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

For the year ended 30 September 2023

Category	1	2	3	Total
	£	£	£	£
Investment assets				
Equities	44,830,709	–	17,806	44,848,515
	44,830,709	–	17,806	44,848,515

For the year ended 30 September 2022

Category	1	2	3	Total
	£	£	£	£
Investment assets				
Equities	43,308,532	–	17,806	43,326,338
	43,308,532	–	17,806	43,326,338

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

16 Post balance sheet event

Following a review of the R-class units in the fund, these classes will be closed and holdings will be converted into other unit classes within the fund which have a lower annual management charge. These conversions will take place on 25 January 2024. There will be no tax implications for investors from this conversion and although investors will receive a different number of units in the new class, the value of their holding will remain the same following the conversion.

Distribution tables for the year ended 30 September 2023

Distribution tables (pence per unit)

Interim

Group 1 – Units purchased prior to 1 October 2022

Group 2 – Units purchased on or after 1 October 2022 and on or before 31 March 2023

R-class income units	Income	Equalisation	Paid 31.05.23	Paid 31.05.22
Group 1	3.83	–	3.83	3.29
Group 2	2.86	0.97	3.83	3.29

R-class accumulation units	Income	Equalisation	Accumulated 31.05.23	Accumulated 31.05.22
Group 1	5.34	–	5.34	4.50
Group 2	2.47	2.87	5.34	4.50

I-class income units	Income	Equalisation	Paid 31.05.23	Paid 31.05.22
Group 1	4.24	–	4.24	3.61
Group 2	2.44	1.80	4.24	3.61

I-class accumulation units	Income	Equalisation	Accumulated 31.05.23	Accumulated 31.05.22
Group 1	5.85	–	5.85	4.88
Group 2	3.20	2.65	5.85	4.88

Final

Group 1 – Units purchased prior to 1 April 2023

Group 2 – Units purchased on or after 1 April 2023 and on or before 30 September 2023

R-class income units	Income	Equalisation	Payable 30.11.23	Paid 30.11.22
Group 1	5.74	–	5.74	5.28
Group 2	4.11	1.63	5.74	5.28

R-class accumulation units	Income	Equalisation	Allocated 30.11.23	Accumulated 30.11.22
Group 1	8.09	–	8.09	7.26
Group 2	5.32	2.77	8.09	7.26

I-class income units	Income	Equalisation	Payable 30.11.23	Paid 30.11.22
Group 1	6.38	–	6.38	5.80
Group 2	4.13	2.25	6.38	5.80

Distribution tables for the year ended 30 September 2023 *(continued)*

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

Final *(continued)*

I-class accumulation units	Income	Equalisation	Allocated 30.11.23	Accumulated 30.11.22
Group 1	8.90	—	8.90	7.90
Group 2	3.42	5.48	8.90	7.90

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.

JA Rodgers **T Carroll**
for Rathbones Asset Management Limited
Manager of Rathbone UK Opportunities Fund
25 January 2024

Statement of the Manager's responsibilities in relation to the annual report and accounts of the Rathbone UK Opportunities 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.

Additionally, the Manager monitors developments in Ukraine, making adjustments to investments where deemed appropriate and they also monitor sanctions and their implications on individual holdings. Also, the investment processes and risk and compliance procedures continue to operate as normal.

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 25 January 2024.

Statement of the Trustee's responsibilities and report of the Trustee to the Unitholders of Rathbone UK Opportunities Fund ("the Scheme") for the Period Ended 30 September 2023

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 Depositary Services Limited
Trustee and Depositary Services
Trustee of Rathbone UK Opportunities Fund
25 January 2024

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the financial position of the fund as at 30 September 2023 and of the net revenue and the net capital gains on the property of the fund for the year ended 30 September 2023; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Trust Deed.

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

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the distribution table; and
- the notes 1 to 16

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, as amended in June 2017, 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 UK Opportunities 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 and the Authorised Fund Manager about their own identification and assessment of the risks of irregularities, including those that are specific to funds.

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 UK Opportunities 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 and those charged with governance concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 30 September 2023 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
25 January 2024

General information

Manager name

Effective 30 November 2023, Rathbone Unit Trust Management Limited changed its name to Rathbones Asset Management Limited.

Authorised status

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

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

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

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

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

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

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

Statements

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

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

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

Prices

Prices are available on our website rathbonesam.com

Other information

Copies of the Prospectus, Key Investor Information Document, Supplementary Information Document and the most recent Annual and Interim Reports may be obtained free of charge on application to the Manager or seen by visiting their registered office.

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, Rathbones Asset 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, Rathbones Asset Management Limited, 8 Finsbury Circus, London EC2M 7AZ. Any complaint we receive will be handled in accordance with our internal complaint procedures. A copy of these are available from the Compliance Officer.

If you have occasion to complain, and in the unlikely event that you do not receive a satisfactory response, you may direct your complaint to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. Further details about the Financial Ombudsman Service are available on their website at financial-ombudsman.org.uk.

ISA eligibility

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

Risk factors

An investment in a unit trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance should not be seen as an indication of future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Value assessment

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

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

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

You can view the value assessments for the Funds four months after their period end on our website rathbonesam.com

Other funds

Rathbones Asset Management Limited is also the Manager of the following funds:

Rathbone Active Income and Growth Fund
Rathbone Core Investment Fund for Charities
Rathbone Ethical Bond Fund
Rathbone Global Opportunities Fund
Rathbone Income Fund
Rathbone Strategic Bond 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 Strategic Growth Portfolio
Rathbone Strategic Income Portfolio
Rathbone Total Return Portfolio

Further details

Should you need further details of this fund or any of the other funds managed by Rathbones Asset 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
Rathbones Asset Management Limited
8 Finsbury Circus
London EC2M 7AZ

All literature is available free of charge. Information is also available on our website: rathbonesam.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 Rathbones Asset 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
Rathbones Asset Management Limited
8 Finsbury Circus
London EC2M 7AZ

UCITS Remuneration

In line with the requirements of the UCITS Directive, Rathbones Asset 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	2,198	4,428	6,626	9
Risk takers	2,301	2,386	4,687	16
Control functions	93	31	124	3
Other	153	121	274	1
Total remuneration code staff	4,745	6,966	11,711	29
Non-remuneration code staff	1,360	240	1,601	22
Total for the Manager	6,105	7,206	13,312	51

The variable remuneration disclosed in the table above is for the financial year ended 31 December 2022, 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.

Rathbones

Look forward

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Information line

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Authorised and regulated by the
Financial Conduct Authority

A member of The
Investment Association

A member of the Rathbones Group.
Registered No. 02376568