



**PROSPECTUS**

# **RATHBONE UNIT TRUSTS**

**17 FEBRUARY 2025**

**FOR INVESTMENTS IN THE FOLLOWING FUNDS**

**Rathbone Ethical Bond Fund**  
**Rathbone Global Opportunities Fund**  
**Rathbone Income Fund**  
**Rathbone Strategic Bond Fund**  
**Rathbone UK Opportunities Fund**

# ABOUT THIS DOCUMENT

## THIS SECTION EXPLAINS THE PURPOSE OF THIS DOCUMENT.

This is the prospectus for:

- Rathbone Ethical Bond Fund
- Rathbone Global Opportunities Fund
- Rathbone Income Fund
- Rathbone Strategic Bond Fund
- Rathbone UK Opportunities Fund

(the “funds” and each a “fund”).

It describes and governs many aspects of investing in the funds.

This document was published on 17 February 2025.

It may be updated when needed. You should check that you are reading the most recently published prospectus as you are not able to rely on an out-of-date version.

We are Rathbones Asset Management Limited (Rathbones) and we operate the funds.

We are responsible for this prospectus and take care to ensure that the information contained in it is accurate on the date of publication.

We have also taken care to make this document more accessible to investors who are not investment professionals. However, it is a legal document and we know that some of the concepts in it are complex and may be difficult for non-professional investors to understand.

We also prepare a key investor information document (also known as a KIID) for each fund and, in the case of Rathbone Ethical Bond Fund, the Sustainability Consumer Facing Disclosures (CFDs) which provide you with summarised information about each fund and may help you understand the nature and the risks of investing.

If you are considering investing but are uncertain about any aspect, you should consult a financial adviser. If you do not have a financial adviser but would like to find one, please visit [unbiased.co.uk](https://unbiased.co.uk) which is a directory of independent financial advisers.

For a full list of all of the funds in the Rathbones UK range, please see [Appendix 5](#).

### **A quick note about terms that we use**

To keep this document simple, we have tried to avoid using complicated terms.

We therefore generally refer to any company in the Rathbones group as ‘Rathbones’ and may use the phrases ‘we’, ‘us’ or ‘our’ when referring to these companies.

However, sometimes we need to be more precise.

We may refer to ourselves acting ‘as management company’ by which we mean Rathbones Asset Management Limited, the company which acts as the authorised fund manager (sometimes called an ‘AFM’) of the funds and is responsible for this prospectus.

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# 1 OVERVIEW OF RATHBONE UNIT TRUSTS

**THIS SECTION EXPLAINS HOW THE RATHBONE UNIT TRUSTS ARE STRUCTURED AND PROVIDES A SUMMARY OF SOME OF THEIR KEY ATTRIBUTES.**

## 1.1 ABOUT THE RATHBONE UNIT TRUSTS

Each of the funds is a unit trust structure which you can invest in. Funds are a way of combining your money with that of other investors to buy a wider range of investments to spread your risk. Funds are also a way to gain cost-effective access to the services of a professional fund manager.

The funds are managed by Rathbones Asset Management Limited.

Each fund has a specific aim and investment approach and may therefore hold a different mix of investments to achieve that aim. The funds invest in different investments, in different proportions, as reflected in each fund's investment objective and policy and relevant investment restrictions. A fund's investments may change over time due to investment opportunities and changes in market conditions.

## 1.2 REGULATORY STATUS OF THE UNIT TRUSTS

Each fund is an authorised unit trust. This means that it was authorised by the FCA and appears on the financial services register.

### The funds:

[Rathbone Ethical Bond Fund](#)

[Rathbone Global Opportunities Fund](#)

[Rathbone Income Fund](#)

[Rathbone Strategic Bond Fund](#)

[Rathbone UK Opportunities Fund](#)

<b>Fund</b>	<b>Authorisation date</b>	<b>FCA product reference number (PRN)</b>
Rathbone Ethical Bond Fund	29/10/2001	196624
Rathbone Global Opportunities Fund	22/03/2001	194924
Rathbone Income Fund	29/04/1988	106706
Rathbone Strategic Bond Fund	20/06/2007	467714
Rathbone UK Opportunities Fund	25/08/1993	163143

As UK UCITS schemes, each fund follows a specific set of rules designed to protect consumers. A number of these rules relate to the administration of the funds and the parties providing services to it, but they also establish the maximum investment powers that any fund can use.

This means that the Authorised Fund Manager and Independent Depositary (also known as the ‘trustee’) must adhere to certain operational and investment requirements prescribed by the FCA.

Each fund may be wound up, or a fund may be terminated, as described in paragraph 7.3.

### **1.3 THE DIFFERENT FUNDS**

The funds are each standalone unit trusts meaning that each vehicle consists of a single fund. This prospectus therefore provides details for more than one unit trust, and therefore more than one fund.

Each fund has its own portfolio of assets, its own investment objective and policy and other specific attributes. For detailed information about each fund, see [Appendix 1](#).

The eligible securities markets in which a fund may invest are set out in [Appendix 3](#). A statement of the general investment and borrowing restrictions in respect of each fund is set out in [Appendix 2](#).

### **1.4 SEGREGATION OF ASSETS AND LIABILITIES**

Each fund is a separate pool of assets, each invested for the exclusive benefit of the unitholders in the relevant fund.

The assets of each fund are separate from those of every other fund and will be invested in accordance with the investment objective and investment policy applicable to that fund. Investment of the assets of

each of the funds must comply with the regulatory rules and the investment objective and policy of the relevant fund.

Each fund will be charged with its liabilities, expenses, costs and charges, and within each fund charges will be allocated between classes in accordance with the terms of issue of Units of those classes. The assets of each fund must not be used to settle the actual / potential liabilities of any person other than the unitholders in that fund.

Any assets, liabilities, expenses, costs or charges not attributable to a particular fund may be allocated by Rathbones, as management company, to the funds in a manner which it believes is fair to the unitholders generally. This will normally be proportionate to the value of the relevant funds.

## **1.5 OPEN-ENDED FUNDS**

The value of each fund is directly related to the value of its investments. There is a specific method for valuing each type of investment that a fund holds. We provide details in Section 3.

The value of each fund's investments, and the value of your units, can go down as well as up. The amount you invest represents the maximum potential loss from your investment. You are not responsible for any liabilities of the fund in which you are invested.

## **1.6 WHO ARE THE FUNDS AIMED AT**

In Appendix 1 we describe the characteristics of a 'typical investor' for each fund — this includes, for example, the amount of time you should be prepared to invest for. If you do not fit the description of a typical investor, then the fund may not meet your needs.

## **1.7 ABOUT UNITS**

The funds are 'open-ended', meaning more units are created as people invest and units are cancelled as people take out their money.

The funds are established under trust law. Units relate to a specific fund, and the number of units that you hold in a fund will represent your ownership (beneficial interest) in the fund and its property.

Units come in different classes that have different characteristics, eligibility criteria, and fees. This is further explained below.

### **Types of units**

Investors can subscribe for Units in the funds which represent their share in the property of that fund. Units are provided in different classes, which have different attributes. The details of the classes of

units presently available for each fund, including details of their criteria for eligibility and fee structure, are set out in Appendix 1.

Classes of unit may be established from time to time by us with the agreement of the independent depositary. On the introduction of any

new class, a revised prospectus will be prepared setting out the details of each class.

The currency in which each class is priced is set out in this prospectus.

Holders of 'income' units are entitled to be paid the distributable income attributed to such units on any relevant interim and annual allocation dates.

Details of each fund's general investment restrictions are set out in Appendix 3

Holders of 'accumulation' units are not entitled to be paid the income attributed to such units, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation unit.

Unitholders are generally entitled (subject to certain restrictions, in particular meeting the eligibility criteria) to convert all or part of their units in a class in a fund for units of another class within the same fund, or to exchange their units in one fund for units in another fund managed by us. Details of these conversion, exchange and switching facilities and the restrictions are set out in paragraph 2.5.

### **Terminology**

*"Conversion"* is moving from one share class in a fund to another class in the same fund

*"Switching"* is moving between funds whether staying in the same class or not.

They are treated differently for tax purposes. See paragraph 2.5.

## 2 BUYING, SELLING AND EXCHANGING UNITS

**THIS SECTION EXPLAINS HOW YOU CAN BUY, SELL OR EXCHANGE UNITS IN THE FUNDS INCLUDING RESTRICTIONS THAT WILL SOMETIMES APPLY.**

### 2.1 WHEN AND HOW?

Our administration office deals with requests for purchase and sale of units, and exchanges, between 9:00 am and 5:00 pm each day the fund is open for dealing (generally, every business day).

You must fill in an application form and send it to us when you first buy shares. All subsequent requests can be made either by telephone (or, where we agree, through some online platforms).

### 2.2 BUYING UNITS

You can buy units directly from us (via the telephone number) or through an intermediary

Purchases of units are subject to some conditions explained below. If you meet the conditions, and we accept your application, we will process it as soon as possible. If we receive your application before 12:00 noon, we will invest in the funds on the same working day. If we receive your application after 12:00 noon, we will invest in the funds on the next day that the fund is open for dealing.

#### Conditions

We have a general right to object to applications without giving a reason. However, usually, applications are rejected when they fail to meet the following conditions:

**Applications must be complete:** We may not accept application forms that are incomplete, or which have been completed incorrectly.

**You must meet the eligibility criteria:** Each class of units has specific eligibility criteria set out in Appendix 1 — for example, a minimum level of investment. If you do not meet the criteria, we may reject your application.

**You must provide information we need to comply with our anti money laundering obligations:** Investments in the fund are subject to laws to prevent money laundering. We have implemented procedures to

#### **Our administration office**

We are open for calls and electronic instructions between 9:00 am and 5:00 pm on any business day

0330 123 3810

You can download an application form from our website:  
[rathbonesam.com](http://rathbonesam.com)



comply with our obligations and may not always be able to accept applications.

In certain circumstances investors may be asked to provide proof of identity when buying units. If you do not comply, or we are unable to verify the identity of an applicant to our satisfaction, we may reject your application.

If an application is rejected, we will return any money sent, or the balance of money sent at the applicant's risk.

We also have the right to defer (queue up) subscription requests, as explained in section 2.6.

### **Confirmation and documentation you will receive on subscription**

When you make a request to buy units, you will state the amount of money you wish to invest. The price of the units, and therefore how many units you will receive, is not known until the trade takes place.

We will send either you or your financial adviser (or both) a confirmation following the investment. This is known as a 'contract note'. You will receive the contract note by the end of the business day following the date that your units are purchased.

If there is money left over after a whole number of units has been allocated, you will receive the balance as a fraction of a unit. (For example, you could receive the balance as half a unit, although in practice the fractions are unlikely to be round numbers [\*].)

We do not issue unit certificates and instead your ownership is recorded on the register of unitholders. As well as a contract note for each trade, you will also receive a regular statement that shows the number of units you hold as well as the income received in relation to those units. You can also request a statement at other times if you need one.

### **When you need to pay**

Your payment for the units you have bought is usually due once you receive the contract note, but in any event should be made within four business days of the trade date.

However, where a deal is particularly significant (1% of the fund or greater), we may request that the purchase money is provided up front.

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[\*] *Please note that commonly these fractions are expressed as decimals (e.g. 4.500 units rather than 4 and a half)*

## **Paying for units with assets rather than cash**

Prospective investors wishing to buy units with assets rather than cash (which is known as 'in specie'), should contact us as this can only be facilitated at our discretion.

We will not issue units in any fund in exchange for assets if:

- those assets are not consistent with the investment objective or policy of that fund; or
- we, or the independent depositary, determine that the fund's acquisition of those assets in exchange for the units may be materially prejudicial to the interests of the unitholders.

## **2.3 WHAT HAPPENS IF YOU CHANGE YOUR MIND**

If you received advice from a financial adviser, and subsequently invested in a fund, you will receive a notice informing you of your right to change your mind and instructions on how to cancel. You will then have 14 days to cancel your investment. If you decide to proceed with your cancellation, we will return your investment money. Please note that if the value of the fund's assets changed from the time your money was originally invested in the funds, you may not receive your full money back.

## **2.4 SELLING BACK (REDEEMING) UNITS**

You can generally sell your units back by writing to us or contacting our administration office. This is also known as 'redeeming' units.

If we receive your application before 12:00 noon, we will process valid instructions to sell units on the same working day. If we receive your application after 12:00 noon, we will process your instructions on the next working day.

Instructions to sell units are legally binding on unitholders whether made in writing or through any other means of accepted communication.

We may be unable to process a sale request until it has received sufficient documentation, anti-money laundering information or outstanding amounts in relation to the unitholder's account.

If written instructions are not received, we may require the unitholder (or joint unitholders) to complete a form before the instructions to sell units can be processed.

### **Confirmation and documentation you will receive on redemption**

We will send a contract note (which details the number and price of units sold) to you (or, where you invest jointly, to the first named

unitholder on the account). We may also include a form to complete and sign (by all joint holders where relevant) dispatched to you no later than the end of the business day following the day that your trade was carried out.

We will send your proceeds within four business days of the following (whichever comes last):

- receipt by us of the form (or other acceptable written instructions) duly signed by all the relevant unitholders and completed as to the appropriate number of units, together with any other appropriate evidence of title; and
- the dealing point after we received your request to redeem.

### **Being paid for units with assets rather than cash on redemption**

If a unitholder wishes to sell back (redeem) their units and receive assets rather than cash (an 'in specie' redemption), they should contact us as this can only be facilitated at our discretion.

In the event of a request for such as sale, we and the independent depository must ensure that the selection of assets is made with a view to achieving no more advantage or disadvantage to the unitholder requesting the sale than to the continuing unitholders.

## **2.5 HOW TO EXCHANGE UNITS**

### **Switching**

A unitholder may switch all or some of its units in one fund ("original units") for units in another fund managed by us ("new units").

For a switching instruction to be valid, the unitholder must be eligible to hold the new units.

We will work out how many new units to issue based on the prices of the new and old units at the relevant trading point and the value of your holding. Requests received after 12:00 noon will not be processed until the following business day.

**Important:**

Under current tax law, a switch of units in one fund for units in any other fund is treated as selling old units and buying new ones. If you are subject to United Kingdom taxation, this will be a 'realisation' for the purposes of capital gains taxes.

Save as otherwise specifically set out, the general provisions on procedures relating to requests to sell units will apply equally to a switch.

There is no right by law to withdraw or cancel a switch transaction.

**Conversion**

A unitholder may convert their units in one unit class in a fund for another unit class (if any) in the same fund.

For a conversion instruction to be valid, the unitholder must be eligible to hold the new units.

Conversions will be effected by us recording a change of class on the unit register.

We will work out how many new units to issue based on the prices of the new and old units at the relevant trading point and the value of your holding. Requests received after 12:00 noon will not be processed until the following business day.

**Important:** Under current tax law, a conversion between different unit classes in the same fund is generally not treated as selling old units and buying new ones (unless the one of the unit classes is hedged and the other is not). Therefore, if you are subject to United Kingdom taxation, this will usually not be a 'realisation' for the purposes of capital gains taxes.

## **2.6 OUR POWERS TO RESTRICT BUYING, SELLING AND EXCHANGING UNITS**

**Deferred redemption**

We may defer a unitholder's request to sell their units at a dealing point to the next dealing point if the total requests for redemptions represent a value exceeding 10% of the fund's value.

Where the deferred sale policy is in effect, we will defer all or part of unitholder sales requests for a particular dealing point to the next dealing point, so that the accepted redemption requests for that day do not exceed 10% of the fund's value. Requests to sell units can continue to be deferred in this way over multiple dealing points. We will ensure

that all requests to sell units relating to an earlier dealing point are completed before those relating to a later dealing point.

### **Compulsory exchange to another unit class**

Where we consider it is in the best interests of unitholders, we may convert/transfer a unitholder's holding in one class of units to another class of units in the same fund. We will give prior written notice to the unitholders concerned of the proposed conversion/transfer, including details of the new class of units and reminding unitholders of their rights to redeem.

### **Compulsory redemption**

We may from time to time impose any restrictions we consider necessary for the purpose of ensuring that no units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. We can reject any application for the purchase, sale, transfer or switching of units for this reason.

We may compulsorily require a unitholder to convert, switch or sell units, or we may cancel units, where we think this is in the best interests of unitholders. We will give affected unitholders reasonable written notice before using this power unless we think it necessary to use it without notice.

Where a unitholder has a holding which is lower than the minimum holding described in Appendix 1 for a fund, we have discretion to require redemption of the entire holding.

### **Suspension of dealing**

We may, with the prior agreement of the independent depositary (or will, if the independent depositary so requires), temporarily suspend the issue, cancellation, purchase and redemption of units where due to exceptional circumstances it is in the interest of all of the unitholders.

If we choose to suspend a fund, we must immediately inform the FCA, stating why, and follow up in writing confirming this. If the independent depositary requires us to suspend dealings, it will do this instead.

We must ensure that a notification of the suspension is made to unitholders as soon as practicable after suspension commences. Our notification will:

- draw your attention to the exceptional circumstance which resulted in the suspension;
- be clear, fair and not misleading; and

- inform you how to obtain sufficient details (either through our website or by other general means) about the suspension including, if known, its likely duration.

We will review the suspension with the independent depositary at least every 28 days and inform the Financial Conduct Authority (FCA) of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased. Once the suspension ends, buying and selling of units will recommence at the next relevant dealing point.

## **2.7 OTHER INFORMATION ABOUT DEALING**

### **The status of your investment money when it is outside a fund**

We will hold money for you outside the funds:

- where you are making a request to buy units and send payment prior to fund settlement date; and
- where you are selling back (redeeming) units.

In accordance with the Client Asset Sourcebook regulations ("CASS regulations"), we are entitled to apply the "Delivery versus Payment ("DvP") exemption" for client money in relation to these amounts as long as, by the close of business on the business day following the receipt of money, we have paid the money into the fund (where you are buying units) or to you (where you are selling units). This exemption means that such money is not protected and, in the event that we became insolvent, the money would be at risk.

When you sign the application form to buy units, you agree to the DvP exemption summarised above.

Further, in accordance with the CASS regulations, Rathbones' management company is obliged to obtain unitholder agreement to use the DvP Exemption within the use of any Commercial Settlement systems we utilise. By subscribing to our funds, unitholders confirm agreement to the use of such systems.

### **Days when the funds are open for dealing**

The funds are generally open for dealing on each business day. However, the funds will not open for dealing on days when the London Stock Exchange is closed.

### **Entry fee**

We are allowed to impose a charge, payable to us, when you buy units. This is known as an entry fee or initial charge. The maximum entry fee

permitted is 5 percent of the amount invested. None of the funds currently charge an entry fee but we could introduce this on notice in the future (for example, to try to stop a fund from becoming too large by discouraging new investment).

### **Dilution**

The value of a fund's assets is based on a market value of those assets (this is explained further in Section 3 below). We use that value to calculate the price of a fund's units (the amount we would pay to an investor selling a unit or would expect from an investor buying a unit).

As a result of this relationship, the fund's growth could suffer if the amount the fund receives from selling its investments (or pays to buy new investments) is different from the market value.

This difference can arise due to costs (such as charges, foreign currency exchange costs, taxes, and any difference between market buying and selling prices (also known as the spread)) which a fund has to pay when buying or selling investments to meet client subscription or redemption requests.

#### **A simple example:**

An investor makes a redemption (sale) request. The fund pays the investor £1,000 for the units that the investor is selling, since the fund expects to raise £1,000 from selling corresponding investments. If the fund only receives £990 for the investments, it suffers a loss of £10.

These costs can have an unfavourable effect on the value of the fund, called 'dilution'. To avoid this effect, in certain circumstances we are allowed to counteract this by making a price adjustment (or dilution adjustment) to the fund when units are bought, sold back or exchanged to compensate for dilution. This is known as "partial swing pricing" and is further explained below.

When there are more investors buying units in a fund than selling them (net inflows) we increase the price (the price 'swings' up to an offer basis) and when there are more investors selling back units than buying them (net outflows), we reduce the price (price 'swings' down to a bid basis).

**Bid, mid and offer pricing:**

A fund's assets may be priced at either their "bid", "mid" or "offer" price.

- The "bid" price will be lower than the "offer" price. The "bid" price reflects the amount that could be raised if the fund's investments were sold, and the costs of selling them. These costs could include broker commissions and taxes.
- The "offer" price reflects the cost of buying investments in the fund, minus the costs of buying them. These costs could include broker commissions and taxes.
- The 'mid' price is the price in between the bid and offer price.

We apply *partial*/swing pricing, which means that the price will only be adjusted where the net inflows or outflows exceed a pre-set threshold (i.e., on any day which net inflows or outflows are typically larger than 2% [\*] of the fund's Net Asset Value, or which we determine in our discretion to be large net inflows or outflows). Otherwise, the price will be the mid price.

A dilution adjustment affects the price of units of each class identically (whether unitholders are buying, selling back, or holding units).

Where swing pricing is not applied, the fund will bear the effect of the dilution which will constrain that fund's growth. We use therefore use partial swing pricing to protect the fund (and, therefore, existing/remaining investors) from dilution. Neither Rathbones nor any intermediary who may introduce you to the fund in any way benefits from the imposition of a dilution adjustment.

The number of times partial swing pricing was applied in the previous 2 years:

<b>Fund</b>	<b>2023</b>	<b>2024</b>
Rathbone Ethical Bond Fund	0	0
Rathbone Global Opportunities Fund	0	0
Rathbone Income Fund	0	0
Rathbone Strategic Bond Fund	0	2
Rathbone UK Opportunities Fund	1	0

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[\*] Or 3% in respect of Rathbone Global Opportunities Fund



We will calculate the dilution adjustment needed based on the investors buying or selling units on any dealing day and the net estimated costs of buying or selling the necessary investments. This will typically be a percentage of the fund's Net Asset Value and will affect the price of units of each class identically. The rates of the dilution adjustment at the time of this Prospectus are:

<b>Fund</b>	<b>For purchases</b>	<b>For redemptions</b>
Rathbone Ethical Bond Fund	0.28%	0.28%
Rathbone Global Opportunities Fund	0.12%	0.06%
Rathbone Income Fund	0.50%	0.08%
Rathbone Strategic Bond Fund	0.23%	0.23%
Rathbone UK Opportunities Fund	0.67%	0.25%

# 3 VALUING THE FUNDS

**THIS SECTION EXPLAINS HOW WE VALUE THE INVESTMENTS OF EACH FUND AND WORK OUT THE UNIT PRICE (AND WHERE YOU CAN FIND THE UNIT PRICE).**

## 3.1 GENERAL

There is only a single price published for each unit class (i.e., the same price for buying and selling).

The price of a unit is based on the value (the 'net asset value') of the fund it relates to and that units' proportionate interest in the property of that fund.

Each fund is valued after its stated dealing cut off point every day that the fund is open for dealing. The basis of the valuation is described below.

All dealings in the units of a fund are on a forward pricing basis. This means that requests to buy or sell units are carried out at the next dealing point following the request.

## 3.2 BASIS OF VALUATION

The value of the property of the fund will be the value of its assets less the value of its liabilities determined in accordance with the provisions of the funds' constitution (meaning its trust deed). This is summarised in paragraph 3.3 below.

## 3.3 HOW PARTICULAR ASSETS ARE VALUED

Cash and amounts held in current accounts and deposit accounts (and in other time-related deposits) will be valued at their face value. Cash in currencies other than sterling will be converted at the relevant valuation point at a rate of exchange that is not likely to result in material prejudice to the interests of unitholders or potential unitholders.

### **Units (or units) in collective investment**

If a single price for buying and selling units is quoted, they will be valued at that price.

If separate buying and selling prices are quoted for units, they will be valued at the average of the two prices (any entry fee having been removed from the buying price and any exit fee having been removed from the selling price).

If, in our opinion, the price obtained is unreliable or no recent traded price is available or if no recent price exists, the units will be value at a value which, in our opinion, is fair and reasonable. **FVP**

**Fair Value Pricing (FVP) committee:**

We have a fair value pricing committee whose responsibilities include deciding the fair and reasonable value of hard-to-value investments. This committee would determine the value in the examples marked above. See also paragraph 3.5 (fair value pricing) below.

**Quoted securities**

If a single price for buying and selling the security is quoted, they will be valued at that price.

If separate buying and selling prices for the security are quoted, they will be valued at the average of the two prices.

If, in our opinion, the price obtained is unreliable or no recent traded price is available or if no price exists, the security will be valued at a value which, in our opinion, is fair and reasonable. **FVP**

**Other investments**

Other investments are valued at a value which, in our opinion, represents a fair and reasonable mid-market price. **FVP**

**Assumptions**

In determining the value of the property of a fund, all instructions given to issue or cancel units will be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

All known agreements (or agreements which ought to be known) for the unconditional sale or purchase of fund property which are in existence but uncompleted will be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in our opinion, their omission will not materially affect the final net asset amount.

Currencies or values in currencies other than the fund's base currency will be translated at the relevant dealing point at a rate of exchange we determine that is not likely to result in any material prejudice to the interests of unitholders or potential unitholders.

## **Deductions**

We will deduct an estimated amount for anticipated tax liabilities (whether of the United Kingdom or elsewhere) at that time including (as applicable) capital gains tax, income tax, corporation tax, value added tax, stamp taxes, any other transfer or transaction tax, withholding tax, transfer pricing and irrecoverable VAT.

We will deduct an estimated amount for any liabilities payable out of the property of the relevant fund (as described in section 6) and any tax arising, treating periodic items as accruing from day to day.

We will deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

## **Additions**

We will add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

We will add any other credits or amounts due to be paid into the property of the fund.

We will add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

## **Exceptions**

If it is impractical or obviously incorrect to carry out a valuation of any property or investment in accordance with the rules above, we may choose to use other generally recognised valuation principles in order to reach a proper valuation of the fund's net asset value if we consider that valuation in accordance with those principles better reflects the value of a security, interest or position.

### **3.4 SPECIAL VALUATIONS**

Rathbones' management company can instruct an additional valuation if it thinks that would be desirable and can, if it chooses, use the price at that additional valuation for dealing on that day.

Rathbones' management company can instruct additional valuations for the purposes of a merger with another fund, or a similar 'corporate action', and these will not create a dealing point for the purposes of dealing.

Subject to the rules and regulations applicable to the funds, Rathbones' management company may, in certain circumstances (for example where a significant event has occurred since the closure of a market)

substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

### **3.5 FAIR VALUE PRICING FVP**

Rathbones' management company can itself value investments (including hard-to-value investments) at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/unit in a collective investment scheme) at a dealing point; or
- the most recent price available does not reflect Rathbones' management company's best estimate of the value of the security (including a unit/unit in a collective investment scheme) at the dealing point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, Rathbones' management company will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing;
- the basis and reliability of the alternative price used; and/or
- Rathbones' management company's policy on the valuation of the property of the fund.

### **3.6 PUBLICATION OF PRICES**

The most recent prices of units are available on [markets.ft.com](http://markets.ft.com), [trustnet.com](http://trustnet.com) and on the Managers website [rathbonesam.com](http://rathbonesam.com). Investors

can obtain prices by calling the Registrar, SS&C Financial Services International Limited, on 0330 123 3810.

# 4 RISK FACTORS

**ALL INVESTMENTS INVOLVE RISK AND THIS SECTION EXPLAINS SOME OF THE RISKS THAT MAY BE RELEVANT TO AN INVESTMENT IN THE FUNDS.**

Potential investors should consider the following risk factors before investing in a fund.

The main risks associated with the investment activity of the funds are summarised below. The following statements are intended to summarise some of the risks, but are not exhaustive, nor do they offer advice on the suitability of investments.

## 4.1 UNIVERSAL RISKS

### **Investment risk**

The price of units and the income from them can go down as well as up and an investor may not get back the amount he has invested.

There is no assurance that investment objectives of any fund will actually be achieved.

Units in all the funds should generally be regarded as long-term investments.

### **Market risk**

The risk that the entire market of an asset class will decline, which would affect the prices and the values of the assets.

### **Inflation risk**

Unless the performance of your investment keeps up with or beats inflation, the real value of your investments will fall over time.

### **Tax risk**

Tax laws, currently in place, may change in the future which could affect the net asset value of the fund(s) and therefore the unitholder's investments.

The section headed “Taxation” in this prospectus is a general summary of the tax position of the funds and of investors who are UK resident and own their units as investments.

## **4.2 GENERAL RISKS**

### **Foreign currency risk**

The values in terms of the base currency of each fund of investments that are not denominated in the base currency may rise and fall purely on account of exchange rate fluctuations, which will have a related effect on the price of units.

### **Valuation and pricing risk**

For quoted investments a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid investments which are difficult to value may increase the risk of mispricing.

Furthermore, the funds will compute the net asset value of each fund when some markets are closed for holidays or other reasons.

In these and similar cases a verifiable source of market prices will not be available and Rathbones’ management company may invoke its fair value process which will determine a fair value price for the relevant investments.

### **Deposit risk**

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties (default).

### **Settlement risk**

All security investments are transacted through brokers (currently only with Northern Trust) who have been approved by us as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations, for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner.

If settlement never occurs the loss incurred by a particular fund will be the difference between the price of the original contract and the price of the replacement contract, or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided. Furthermore, in some markets ‘Delivery versus Payment’ may not be possible in which case the absolute value of the contract is at risk if the



funds meets its settlement obligations but the counterparty fails before meeting its obligations.

#### **Political and/or environmental risk**

The investee companies may operate in countries where the ownership rights may be uncertain and development of the resources themselves may be subject to disruption due to factors including civil disturbances, industrial action, interruption of power supplies, as well as adverse climatic conditions.

#### **Charges to capital**

Where the investment objective of a fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of our annual management charge may be charged against capital instead of against income. This may result in capital erosion and constrain capital growth.

Please see Appendix 1 for each fund for whether the annual management charge is taken from capital or income.

#### **Leverage risk**

While leverage presents opportunities for increasing the total return of a fund, it has the effect of potentially increasing losses as well.

Accordingly, any event that adversely affects the value of an investment, either directly or indirectly could be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage by a fund, directly or indirectly, in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss to the fund that would be greater than if leverage were not employed by the fund.

#### **Sustainability Risk**

A fund's approach to sustainability may limit its potential investments (for example, excluding exposure to oil or tobacco) so it will perform differently from other portfolios or benchmarks that can include assets which the fund cannot. Such other portfolios may perform better or be able to spread risk more easily than the fund.

### **4.3 SHARES (AND OTHER EQUITIES) RISKS**

Where a fund investment in the shares of companies (equities), the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events.

Currency exchange rate movements will also cause changes in value when the currency of the investment is other than sterling.

### **New issue risk**

A fund may be invested in initial public offerings, which frequently are smaller companies. Such securities have no trading history and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

### **Emerging countries and developing markets risk**

A fund may be invested in emerging markets which are undergoing rapid growth and regulatory change. Emerging markets present additional risks to those normally encountered in developed securities markets. These risks may be political, social and economic in nature and may be complicated by inflationary pressures and currency depreciation. The accounting and financial reporting standards, practices and disclosure requirements in some of the countries in which investments may be made may differ from those experienced in more developed markets. Similarly, reliability of the trading and settlement systems in such markets and the liquidity of these markets may not be equal to those available in more developed markets and this could lead to delays in settlement or affect the price at which investments could be realised. Government influence or control of private companies in some countries may be significant and investments may be exposed to the risks of political change, political uncertainty or governmental action. Such assets could be expropriated, nationalised, confiscated or subject to changes in legislation relating to foreign ownership. The value of investments in emerging markets may therefore be adversely affected by political and/or economic conditions, which would, in turn, adversely impact on the performance of a fund and its unit price.

### **Warrants risk**

Warrant prices can be volatile and therefore funds invested in warrants may see greater fluctuations in their own value (and the unit price) than if they held the underlying security directly.

### **Leveraged companies risk**

The funds may invest in companies which borrow money. Such companies may not be subject to any limitations on the amount of their borrowings, and the amount of borrowings that they may have outstanding at any time may be large in comparison to their capital.

## **Investment trusts (and other close-end funds)**

The fund you invest in is valued based on its investments. This will include a valuation of any investment trust holdings.

Investment trust holdings are valued based on the current market price of their shares rather than the value of their assets. This means that often the market valuation of an investment trust will be at a discount to the value of the underlying assets and that discount may persist for long periods and/or widen. If the investment trust is valued at a premium to its shares, that premium is less likely to persist and the shares may fall in value.

The net asset value of a fund, will reflect the current market value of the share of the investment trusts and closed-ended funds in which that fund is invested. The shares of certain investment trusts and closed-ended funds in which a fund is invested may be valued in a market at a premium to their own net asset value per unit. In such cases the unit price of such investment trusts and/or closed-ended funds may eventually decline to a discount of their net asset value per unit.

Investment trusts and closed-ended funds may borrow or otherwise leverage their exposure to their investments – see Leveraged funds risk below.

## **4.4 BONDS (AND OTHER DEBT SECURITIES) RISKS**

Where investments are in bonds or other debt instruments, the value of those investments will depend on market interest rates, the credit quality of the issuer and liquidity considerations.

### **Credit risk**

Credit risk arises from the uncertainty about an issuer's ultimate repayment of principal and interest for bond or other debt instrument investments. The entire deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default. The risk of default is usually greatest with bonds and debt instruments that are classed as 'sub-investment grade'.

### **Interest rate risk**

Most bonds pay us a fixed amount over an agreed period of time. If interest rates rise these bonds become less valuable and we may be locked into an unfavourable investment. If interest rates fall these bonds become more valuable.

### **Lower rated/unrated securities risk**

Debt instruments (like bonds) sometimes carry the risk that the issuer will not be able to fulfil its obligations. This risk can be assessed by rating agencies who provide a credit quality rating.

Medium and lower rated securities and unrated securities of comparable quality may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and accentuated market expectations, and consequently greater fluctuations in market values, than higher rated securities. Changes in such ratings, or expectation of changes, will be likely to cause changes in yield and market values, at times significantly so.

## **4.5 FUNDS (AND OTHER COLLECTIVE INVESTMENT SCHEMES) RISKS**

A fund may be invested in units or units in collective investment schemes. Such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are not fully consistent with those of the fund(s).

Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. There may be liquidity constraints and the extent to which an investee fund's securities are valued by independent sources are factors which could impact on a fund's valuation.

### **Leveraged funds risk**

Our funds are permitted to borrow up to 10% on a temporary basis. We do not use this ability to fund investments.

Our funds may also invest into other collective investment schemes which borrow money. Such collective investment schemes may have a greater ability to borrow than our funds, and the amount of borrowings that they may have outstanding at any time may be large in comparison to their net asset value.

Such collective investment schemes may be able to borrow to make investments. This may enable them to have commitments which exceed their assets, which may magnify their gains or losses which may lead their returns to be more volatile.

## **4.6 DERIVATIVES AND VOLATILITY**

Derivative instruments may be used in the funds for the purposes of efficient portfolio management.

The use of derivatives for efficient portfolio management should not lead to an increase in risk to the funds.

The investment policies of the funds do not currently permit the use of derivatives for investment purposes. In the event the fund intends to use derivatives for investment purposes, unitholders will be given 60 days' notice.

The value of these funds in such case could potentially be more volatile; however, it is Rathbones' management company's intention that these funds, owing to the portfolio composition of the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of the underlying investments.

### **Futures and options risk**

A fund may use, under certain conditions, options and futures on indices and interest rates, for the purposes of efficient portfolio management and investment purposes. The use of derivatives for efficient portfolio management is not intended to increase the risk profile of that fund. Also, a fund may hedge market and currency risks using futures, options and forward exchange contracts.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling (writing) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount.

The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future on another option, the risk may be reduced.

### **Collateral**

As permitted by the FCA regulations, Rathbones' management company may use collateral to reduce the overall exposure of a fund to over-the-counter (OTC) derivatives. For example, a fund may take collateral from counterparties with whom it has an OTC derivative position and use that collateral to net off against the exposure it has to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits.

Cash received as collateral from OTC derivatives transactions may be re-invested in units of units issued by qualifying money market funds, placed on deposit or invested in high quality government bonds.

# 5 MANAGEMENT, ADMINISTRATION AND OVERSIGHT

## THIS SECTION EXPLAINS THE PARTIES INVOLVED IN RUNNING THE FUND, INCLUDING INDEPENDENT OVERSEERS.

### 5.1 AUTHORISED FUND MANAGER

#### About Rathbones' management company, the authorised fund manager of the funds

Rathbones' management company, Rathbones Asset Management Limited, is the authorised fund manager of the unit trusts.

Rathbones' management company is a private company, limited by shares, incorporated in England and Wales under the Companies Act 1985 on 26 April 1989. Its ultimate holding company is Rathbones Group Plc which is incorporated in England.

The names of the directors of Rathbones' management company and significant activities of each director not connected with the business of Rathbones' management company are as follows:

Name	Activity
J Rogers (Chair)	
T Carroll (Director)	
MS Warren (Non-Executive Director)	The Non-Executive Directors hold positions as directors and non-executive directors of other financial services businesses not connected with Rathbones' management company, its ultimate parent company or other affiliated companies
J Lowe (Non-Executive Director)	

#### Registered Office and Head Office

The registered office and head office of Rathbones' management company is at 30 Gresham Street, London EC2V 7QN.

Unit capital:

#### Contact information

You can find additional contact information for the parties listed in this section in [Appendix 7](#) (Page 113).

Issued £202,233

Paid up £202,233

Rathbones' management company is responsible for managing and administering the funds' affairs in compliance with the FCA regulations.

### **Terms of appointment**

We are appointed under the trust deed of each fund.

The funds indemnify us for our losses, to the extent permitted in law and regulations, except where we are negligent, fail to meet an obligation, breach a duty or breach trust in the performance of our duties and obligations.

We are under no obligation to account to the independent depositary or the unitholders for any profit we make on the issue or re-issue of units or cancellation of units which it has redeemed.

Any fees to which Rathbones' management company is entitled are set out later in this prospectus.

### **Responsibilities and delegation**

We are responsible for the investment management function in respect of each fund which includes portfolio management and risk management. We will also provide, or organise for, administrative, accounting, consultancy, advisory, secretarial and general management services needed to manage each fund and to enable the funds to be operated in accordance with relevant laws and rules.

We have the ability to delegate certain functions.

All administrative functions, with the exception of registration are delegated to HSBC Bank Plc, trading as HSBC Securities Services.

We will act as or organise for the services of a person to act as, registrar of the funds — performing all such functions as are usually performed by registrars. We have appointed SS&C Financial Services International Limited as the registrar of the funds.

## **5.2 INDEPENDENT DEPOSITARY (OR TRUSTEE)**

NatWest Trustee and Depositary Services Limited is the independent depositary of the funds (and sometimes referred to as the trustee).

The independent depositary is a private limited company incorporated in England and Wales.



Subject to the FCA regulations and the Financial Services and Markets Act 2000, the independent depositary is responsible for the safekeeping of the property of the funds entrusted to it and has a duty to take reasonable care to ensure that the funds is managed in accordance with the provisions of the FCA regulations relating to the pricing of, and dealing in, units of the funds and the income of the funds.

The appointment of the independent depositary has been made under an agreement between the Rathbones' management company and the independent depositary.

The independent depositary will also provide cash monitoring services in respect of each fund's cash flows and subscriptions.

### **Registered and Head Office**

250 Bishopsgate, London EC2M 4AA.

### **Ultimate holding company**

NatWest Group Plc, incorporated in Scotland. Registered No. 90312.

### **Delegation to Sub-custodian**

The independent depositary is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of the property of the funds.

The independent depositary has delegated safekeeping of the property of the funds to HSBC Bank Plc ("the Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the funds may invest to various sub-delegates ("sub-custodians"). A list of sub-custodians is given in the Appendix contained later in this document. Investors should note that the list of Sub-custodians is updated only at each review of this prospectus. The Custodian is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the conduct of its investment business in the United Kingdom.

### **Terms of appointment**

The independent depositary was appointed under a depositary agreement and is authorised by the Financial Conduct Authority to act as independent depositary of a UK UCITS.

The powers, duties, rights and obligations of the independent depositary and Rathbones' management company under the depositary services agreement will, to the extent of any conflict, be overridden by the FCA's rules.

Under the depositary agreement, the independent depositary will be liable to the funds for any loss of 'Financial Instruments' held in Custody or for any liabilities incurred by a fund as a result of the independent depositary's negligent or intentional failure to fulfil its obligations.

However, the depositary agreement excludes the independent depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations.

It also provides that the independent depositary will be entitled to an indemnity from the property of the fund for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

The depositary agreement may be terminated on 90 days' notice by Rathbones' management company or the independent depositary or earlier on certain breaches or the insolvency of a party. However, termination of the depositary agreement will not take effect, nor may the independent depositary retire voluntarily, until the appointment of a new depositary.

Details of the fees payable to the independent depositary are given in this document under the independent depositary's fee section.

### **Conflicts of interest**

The independent depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

It is possible that the independent depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with a particular fund and/or other funds or portfolios managed by us or another company in the Rathbones group or other funds for which the independent depositary acts as the depositary, trustee or custodian. The independent depositary will, however, have regard in such event to its obligations under the independent depositary agreement and the FCA's rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of unitholders collectively so far as practicable, having regard to its obligations to other clients.

Nevertheless, as the independent depositary operates independently from the funds, unitholders, Rathbones' management company and its

associated suppliers and the Custodian, the independent depositary does not anticipate any conflicts of interest with these parties.

### **Updated information**

Up-to-date information regarding the independent depositary, its duties, its conflicts of interest and the delegation of its safekeeping functions will be made available to Investors on request.

### **Investment adviser**

As at the date of this prospectus, Rathbones Asset Management Limited undertakes management of the assets of the funds and has not appointed any third party adviser to assist it. Rathbones' management company nevertheless reserves the right to do so in the future in accordance with its obligations under the FCA regulations.

## **5.3 ADMINISTRATOR AND REGISTRAR**

We have appointed SS&C Financial Services International Limited to act as Registrar to the funds, and HSBC Securities Services (UK) Limited to act as Administrator to the funds to carry out fund accounting and pricing services.

The register of unitholders is maintained by the Registrar at its office at SS&C Financial Services International Limited, SS&C House, Saint Nicholas Lane, Basildon, Essex SS15 5FS and may be inspected at that address during normal business hours by any unitholder or any unitholder's duly authorised agent.

## **5.4 AUDITOR**

The auditor of the funds is Deloitte LLP.

The auditor will, with respect to the assets of the funds, carry out its duties in accordance with all applicable laws, rules and regulations, including the audit of the accounting information contained in the annual report of each of the funds.

## **5.5 UNITHOLDER RIGHTS AGAINST SERVICE PROVIDERS**

You should note that unitholders will only be able to exercise their rights directly against the relevant fund and will not have any direct contractual rights against the service providers of the relevant fund appointed from time to time.

## **5.6 CONFLICTS OF INTEREST**

Rathbones' management company, the independent depositary, the Administrator and the Registrar are or may be involved in other

financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the funds. In addition, the funds may enter into transactions at arm's length with companies in the same group as Rathbones' management company.

Please see section 5.2 in relation to conflicts of interest with the independent depositary. Each of the parties will use their reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement.

# 6 FEES AND EXPENSES

This section explains the recurring fees that will be taken from each fund (and expenses that may arise from time to time).

## 6.1 GENERAL

There are costs involved in running the funds. We take a fee for our services from the funds and pay the other suppliers from the funds too. These fees and expenses are explained in this section

Our fee for managing the funds	See 6.2
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The independent depositary's fees and expenses for acting as independent depositary and safekeeping the funds' property	See 6.3
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The fees of the administrator	See 6.4
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Expenses involved in the operation of the funds	See 6.5
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Please note that VAT is payable on all charges where appropriate.

Expenses are allocated between the capital and income property of the funds in accordance with the FCA regulations. Appendix 1 explains where there is a preference for allocation of fees and expenses to capital or income. Where fees and expenses are allocated to capital, this may constrain capital growth.

All of the fees, duties and charges (other than those borne by us) will be charged to the fund in respect of which they were incurred. Where an expense is not considered to be attributable to any one fund, we can allocate this between funds in a way we consider to be fair (including other funds in our range not named on the cover of this prospectus). Often the expense will be allocated to all funds in proportion to their value.

## 6.2 OUR FEE

In payment for carrying out its duties and responsibilities, Rathbones is entitled to be paid from each fund an annual management charge.

Any annual management charge accrues daily and is payable monthly in arrears on the first day the fund is open for dealing each month. The current management charges for the current unit classes available in the funds are set out in Appendix 1.

Rathbones is also entitled to all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including Stamp Duty and Stamp Duty Reserve Tax on transactions in units.

Where the investment objective of a fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of Rathbones' fee may be charged against capital instead of against income. This will only be done with the approval of the independent depositary. This treatment of Rathbones' fee will increase the amount of income available for distribution to unitholders in the fund concerned but may erode capital and constrain capital growth.

If a unit class' expenses in any period exceed its income, Rathbones may take that excess from the capital property attributable to that unit class.

Rathbones may not introduce a new category of remuneration for its services or increase the current rate or amount of its remuneration payable out of the scheme property or the preliminary charge within the relevant maximum unless, not less than 60 days before the introduction or increase, Rathbones gives notice in writing of the introduction or increase and the date of its commencement to all impacted unitholders and has revised and made available this prospectus to reflect the introduction of the new rate and the date of its commencement.

In order to increase its annual management charge above the relevant maximum Rathbones would require the approval of an extraordinary resolution of unitholders at a general meeting.

### **6.3 THE INDEPENDENT DEPOSITARY'S FEES**

The independent depositary receives for its own account a periodic fee which will accrue daily and is payable monthly in arrears on the first day each fund is open for dealing each month. The rate of the periodic fee is agreed between Rathbones' management company and the independent depositary from time to time subject to the rules contained in the FCA regulations.

At the date of this prospectus the independent depositary's fee is calculated as per the table below.

<b>Indicative Depository Tariff</b>	
<b>On the first £50 million value in each fund</b>	0.0175% p.a.
<b>On the next £450 million value in each fund</b>	0.0110% p.a.
<b>On the next £500 million value and above in each fund</b>	0.0075% p.a.

VAT is to be added to these fees at the standard rate (currently 20%).

These rates can be varied from time to time in accordance with the FCA regulations.

### **Custody fees**

The remuneration payable to the independent depository out of the property attributable to each fund for its services also includes transaction charges and custody charges. Transaction charges vary from country to country, dependent on the markets and the value of the stock involved and are currently subject to a range from £10 to £120 (or equivalent in another currency) per transaction and accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last business day of the month when such charges arose or as otherwise agreed between the independent depository and Rathbones' management company. The maximum transaction charge that may be charged by the independent depository is £250 per transaction. Custody charges again vary from country to country depending on the markets and the value of the stock involved and are currently subject to a range from 0.01 percent to 0.5 percent and accrue and are payable as agreed from time to time by Rathbones and the independent depository. The maximum custody charge that may be charged by the independent depository is 0.5 percent.

If a fund fails to settle its trades in a timely manner, the custodian may pass on settlement penalties to the fund.

### **Expenses**

In addition to the fees and charges payable to the independent depository referred to above, the amount payable to the independent depository out of the property attributable to any fund by way of remuneration for its services may include charges in connection with its duties (or the exercise of powers conferred on it by the Financial Services and Markets Act 2000 or the FCA regulations) referable to (but not limited to): (i) custody of assets (including overseas custody services); (ii) the acquisition holding and disposal of property; (iii) the collection and distribution to unitholders of dividends, interest and any other income; (iv) the maintenance of distribution accounts; (v) the

conversion of foreign currency; (vi) registration of assets in the name of the independent depositary or its nominee or agents; (vii) borrowings, stock-lending or other permitted transactions; (viii) communications with any parties (including telex, facsimile, SWIFT and electronic mail); (ix) taxation matters; (x) insurance matters; (xi) dealings in derivatives; (xii) costs and charges relating to banking and banking transactions; (xiii) preparation of the independent depositary's annual report; (xiv) taking professional advice; (xv) conducting legal proceedings; (xvi) the convening and/or attendance at meetings of unitholders; and (xvii) modification of the constitution of the funds (its trust deed), prospectus, and negotiation and/or modification of the independent depositary Agreement and any other agreement entered into between the independent depositary and its delegates.

The independent depositary will also be paid by the funds out of the property attributable to each fund, expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the independent depositary Agreement, the FCA regulations or by the general law.

The independent depositary will be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the independent depositary and the funds or Rathbones' management company, as applicable.

### **Other payment terms**

On a winding up of the funds, the termination of a fund or the redemption of a class of units, the independent depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the independent depositary.

Any Value Added Tax on any fees, charges or expenses payable to the independent depositary will be added to such fees, charges or expenses.

Expenses not directly attributable to a particular fund will be allocated between funds. In each such case such expenses and disbursements will also be payable if incurred by any person (including Rathbones' management company or any associate or nominee of the independent depositary or of Rathbones' management company) who has had the relevant duty delegated to it under the FCA regulations by the independent depositary.



#### **6.4 THE ADMINISTRATOR'S FEES**

The fees and expenses of the Administrator (plus any VAT) are paid by the funds.

#### **6.5 COSTS AND EXPENSES**

The funds may pay (or reimburse parties) for the following expenses involved in running the funds (and any VAT).

As above, costs and expenses are allocated to, and paid from, the fund(s) to which they relate.

- brokers' commission, (where such payment may be made in accordance with the FCA Rules), fees and other disbursements which are necessary to be incurred in effecting transactions for the fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- any costs incurred in modifying a fund's constitutional document (its trust deed) including: costs incurred in respect of meetings of unitholders convened for purposes which include modifying the trust deed, where the modification is necessary to implement changes in the law or as a direct consequence of any change in the law, or is expedient having regard to any change in the law made by or under any fiscal enactment and which we agree with the Independent Depositary is in the interest of unitholders, or to remove obsolete provisions from the constitutional document;
- any costs incurred in respect of meetings of unitholders convened by request of unitholders other than Rathbones or its associates;
- liabilities on unitisation, amalgamation or reconstruction;
- interest on permitted borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- taxation and duties payable in respect of the property of a fund, its trust deed, or the issue of units;
- the audit fees of the auditor (including VAT) and any relevant expenses of the auditor;
- the periodic fees of the Financial Conduct Authority together with any corresponding periodic fees of any regulatory authority, in a country or territory outside the United Kingdom in which units in the fund are or may be marketed;

- the Independent Depositary will also be reimbursed out of the property of the fund for expenses incurred in performing the following duties:
  - delivery of scheme property to the independent depositary or custodian;
  - custody of assets;
  - registration;
  - collection of income and capital;
  - submission of tax returns;
  - handling tax claims;
  - preparation of the Independent Depositary’s annual report; and
  - such other duties as the Independent Depositary is required by law to perform.

It is our policy not to enter into any soft commission arrangements with our brokers for the supply of goods and services, in return for an agreed volume of business.

# 7 FUTURE CHANGES, INVESTOR ENGAGEMENT AND FUND CLOSURE

**THIS SECTION EXPLAINS HOW WE DEAL WITH CHANGES TO THE FUNDS, HOW WE WILL INFORM YOU OR SEEK YOUR AGREEMENT, AND WHAT HAPPENS IF A FUND CLOSSES.**

## 7.1 CHANGES

We are subject to laws and regulations concerning the operation of the funds. However, we are allowed to make changes to the funds and may do so from time to time.

Sometimes we will do this just by updating this prospectus or the constitution of the fund (meaning its trust deed) and publishing a new version.

However, we are required under the Financial Conduct Authority's rules to tell you about certain changes to the funds. Sometimes we will do this in advance and set out what the changes mean for you and your options.

For the most important changes, may even need to call a meeting of investors for a vote (but note that we usually offer a distanced voting option).

Changes to a fund may include a change to its investment objective, investment policy or investment strategy of a fund. Usually we would be (at least) required to give you advanced notice.

## 7.2 UNITHOLDER MEETINGS

### Calling meetings

None of the funds hold a standing unitholder meeting each year (annual general meeting). Rathbones' management company may convene a general meeting at any time.

Unitholders may also request a general meeting of a fund.

To be valid, such a request by unitholders must be deposited at the registered office of the depositary and must:

- state the purpose (objects) of the meeting;
- be dated; and
- be signed by unitholders holding at least a tenth (by value) of all the fund's issued units.

If Rathbones agrees, it will generally call the general meeting no later than eight weeks after receiving the request.

### **Advanced notice of a unitholders' meeting and the minimum number of participants**

Unitholders will receive at least 14 days' notice of a unitholders' meeting (which may include the date we serve the notice and the date of the extraordinary general meeting (EGM)).

We can organise a unitholder meeting as: (a) a physical meeting, where unitholders, or someone on their behalf, may attend in person; (b) a virtual meeting, where unitholders, or someone on their behalf, may attend remotely; or (c) a 'hybrid meeting', where unitholders may attend in person or remotely.

Details of the format of the general meeting and any relevant instructions for attending will be provided in the meeting notice. Notices will be sent to unitholder's registered address or email address.

At least two eligible unitholders must participate in a meeting for it to be valid.

The unitholders can participate by attending personally (in the case of a corporate entity, this includes attendance by a properly authorised agent) or through a representative (known as a 'proxy' who will typically be the meeting's chairperson). Attending 'personally' includes intending remotely in the case of a virtual or hybrid meeting.

If a meeting is postponed ('adjourned'), only a single eligible unitholder is required for the postponed meeting to be considered valid.

Rathbones' management company is not counted for this purpose. If other Rathbones companies or associates hold units they may be counted.

### **Voting rights**

We allow unitholders to vote: (a) they held units seven days before the notice of the meeting was sent; and (b) they continue to hold the units until the cut-off point specified in the meeting notice.

There are two voting methods at a meeting of unitholders: a show of hands and a poll vote.

**Show of hands:** every unitholder (whether attending personally or through a proxy) has one vote.

**Poll vote:** a unitholder may vote either personally or by proxy.

A unitholder's rights to vote are determined by the value of their units in proportion to all of the units in issue at the cut-off date specified in the meeting notice. Unitholders do not have to use all of their voting rights or vote them all in the same way.

Except where the FCA regulations or constitution of a fund (meaning its trust deed) requires an extraordinary resolution (which requires 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the FCA regulations will be passed by a simple majority of the votes validly cast for and against the resolution.

Generally Rathbones' management company is not able to vote at unitholders meetings even if we hold units. We are only able to vote if we hold units for another person (who would themselves be entitled to vote if they held the units) who provides voting instructions. The same is true of our associates.

### **Class and fund meetings**

The above provisions, unless the context otherwise requires, apply to unit class meetings and meetings of funds as they apply to general meetings of unitholders.

## **7.3 WIND-UP OF THE FUNDS**

We must follow a specific procedure to close a fund.

We can apply to court to close a fund. However, it is more common to close a solvent fund using a procedure set out in the FCA's rules (referred to as a 'winding up') which is explained below.

### **When can we apply to the FCA to close the fund**

If we make the decision to close a fund, we would apply to the FCA. The circumstances in which a fund can be closed are:

- if an extraordinary resolution to that effect is passed by unitholders; or
- following a merger where the fund ceases to have any property or unitholders;
- where required by the constitution of the fund (its trust deed); or
- where we have applied to the FCA and obtained its agreement to close the fund.

## **What happens when a fund begins the closure process**

Once we begin to close a fund we will start to sell assets and take the steps as detailed below:

- the fund will stop any activities unrelated to the closure process;
- we no longer have to comply with certain rules (such as the rules on dealing in units, valuing scheme property, assessing unitholder value or investment diversification); and
- investors will no longer be able to buy, sell or transfer units and we will arrange for all units to be cancelled. The register of unitholders will be closed (unless we agree otherwise).

## **Returning your investment**

During the closure, we will sell all of the assets and meet all of the liabilities of any affected funds. We will then pay out, or make provision for, future liabilities and any fees and expenses. We will then arrange for one or more distributions of any proceeds to unitholders in proportion to their ownership rights in the funds in question.

## **Completion of the process**

Once we have completed the closure of the relevant fund, we will prepare a final account showing the closure and distribution of the property. Our auditors will be asked to give their opinion on whether accounts are properly prepared.

We will send the final report and account to the FCA and all unitholders who were in the fund immediately prior to the closure.

As soon as reasonably practicable after completion of the winding up of fund in question, Rathbones' management company will notify the FCA. The FCA will update the financial services register.

# 8 TAXATION

## THIS SECTION EXPLAINS OUR UNDERSTANDING OF THE UK TAX REGIME AROUND THE FUND.

### 8.1 GENERAL

The information below is a general guide based on current United Kingdom law and HM Revenue and Customs practice, both of which are subject to change.

It summarises the tax position of the funds and of investors who are UK resident individuals or companies (except where indicated) and own their shares as investments.

**Important:**

We always recommend that, if you are in doubt about your tax position, or if you might be subject to tax outside the United Kingdom, you take professional advice.

### 8.2 THE FUNDS

Each fund is treated as a separate investment fund for United Kingdom tax purposes.

The funds are exempt from United Kingdom tax on capital gains realised on the disposal of their investments (including interest-paying securities and derivatives).

Dividends from UK and non-UK companies and dividend distributions from UK authorised unit trusts and open-ended investment companies (except for any portion which is deemed to be unfranked) are generally exempt from tax when received by a fund.

The funds (except the Rathbone Ethical Bond Fund) will each be subject to corporation tax on other types of income but after deducting allowable expenses (including the agreed fees and expenses of Rathbones' management company and the independent depositary as well as interest distributions where these are paid).

The Rathbone Ethical Bond Fund is not liable to Corporation Tax on its income but receives interest from issuers on a gross basis.

If a fund suffers foreign tax on income received, this may normally either be deducted from any UK tax due on that income or else treated as an expense.

### 8.3 UNITHOLDERS

#### Income

The funds included in the prospectus are classified for tax purposes as:

Equity funds	Bond funds
Rathbone Global Opportunities Fund	Rathbone Ethical Bond Fund
Rathbone Income Fund	Rathbone Strategic Bond Fund
Rathbone UK Opportunities Fund	

#### Income – equity funds

Equity funds pay any distributable income as dividend distributions (which will be automatically reinvested in the fund in the case of accumulation units). No tax is deducted from dividend distributions.

We recommend that you consult your financial advisor for any personal tax assistance required.

Any corporate unitholders who receive dividend distributions may have to divide them into two (the division will be indicated on the tax voucher). Any part representing dividends received from a UK or non-UK company will be treated as dividend income and no further tax will generally be due on it.

The remainder will be deemed to be unfranked income received as an annual payment after deduction of income tax at the basic rate, and corporate unitholders may be liable to tax on the grossed-up amount. The income tax credit may be set against their corporation tax liability or part of it refunded, as appropriate. The proportion of the tax credit which can be repaid or offset will be provided on the tax voucher.

#### Income – bond funds

Bond funds pay interest distributions (which will be automatically reinvested in the fund in the case of accumulation units). No tax is deducted from interest distributions.

We recommend that you consult your financial advisor for any personal tax assistance required.



Unitholders chargeable to United Kingdom corporation tax must account for their holding in a fund in accordance with the loan relationships tax regime. This requires the unitholder's interest in the fund (including the amount of any distributions received) to be taken into account for corporation tax on a fair value basis.

#### Income equalisation

Part of the price on purchase of a unit reflects the relevant share of accrued income received or to be received by the fund. This capital sum is returned to unitholders (or where accumulation units are held, it will be accumulated) with the first allocation of income in respect of a unit issued during an accounting period.

The amount representing the income equalisation in the unit's price is a return of capital and is not itself taxable in the hands of unitholders, but must be deducted by them from the cost of the units for the purpose of calculating any liability to capital gains tax.

#### **Gains**

Unitholders who are resident in the United Kingdom for tax purposes will be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of units (but not on conversions between classes within a fund), if they fall outside the individual's annual exemption (after deduction of allowable losses and any tax relief).

Part of the increase in the price of accumulation units is due to the accumulation of income allocations (including where applicable income equalisation). These amounts should be added to the acquisition cost of the units when calculating the capital gain realised on their disposal.

Unitholders in the bond fund who are chargeable to United Kingdom corporation tax must treat their unitholdings as creditor relationships subject to a fair value basis of accounting.

#### **Reporting requirements**

Rathbones (or its agent) may be required to report information about unitholders and their investments to HM Revenue and Customs to comply with their obligations under United Kingdom legislation relating to the automatic exchange of information for international tax compliance (including the United States provisions commonly known as FATCA, the international common reporting standard, and any other intergovernmental information sharing agreements entered into from time to time).

HM Revenue and Customs will, in turn, pass information on to all relevant foreign tax authorities.

If a unitholder does not provide the necessary information, we will be required to report this to HM Revenue and Customs who will in turn pass the information on to all relevant tax authorities including the United States.

# 9 ACCOUNTING AND REPORTING

## THIS SECTION PROVIDES DETAILS OF THE FUNDS' ACCOUNTING PRACTICES.

### 9.1 BASE CURRENCY

The base currency of the Unit Trusts is pounds sterling.

### 9.2 ACCOUNTING PERIODS

The annual accounting period of the Unit Trusts ends each year on the following dates: (the accounting reference date).

- Rathbone Strategic Bond Fund – 30 June
- Rathbones Ethical Bond Fund – 30 September
- Rathbone Global Opportunities Fund – 31 January
- Rathbone Income Fund – 30 September
- Rathbone UK Opportunities Fund – 30 September

### 9.3 INCOME ALLOCATIONS

Allocations of income are made by cheque or direct to your bank account in respect of the income available for allocation in each accounting period.

For accumulation units, the income which would otherwise have been distributed will be retained as part of the capital property of the fund at the end of each accounting period and increase the value of such units. No additional units are issued for such accumulations of income.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant fund.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant fund in respect of that period, and deducting the charges and expenses of the relevant fund paid or payable out of income in respect of that accounting period. Rathbones' management company then makes such other adjustments as it

considers appropriate (and after consulting the auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments which Rathbones' management company considers appropriate after consulting the auditors.

#### **9.4 ANNUAL REPORTS AND INFORMATION MADE AVAILABLE TO UNITHOLDERS**

Annual reports of the Unit Trusts will be published within four months of the end of each annual accounting period and half- yearly reports will be published within two months of the end of the interim accounting period.

In addition, other policies and procedures are available from Rathbones' management company including, but not limited to, policies regarding conflicts of interest and order execution.

# 10 OUR POLICIES AND PROCESSES

**THIS SECTION SUMMARISES SOME OF OUR POLICIES AND PROCESSES AND LETS YOU KNOW WHERE YOU CAN FIND MORE INFORMATION.**

## **10.1 COMPLAINTS**

Complaints concerning the operation or marketing of the funds may be referred to the compliance officer of Rathbones' management company at 30 Gresham Street, London EC2V 7QN in the first instance, or subsequently, if your complaint has not been resolved, directly to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

## **10.2 RISK MANAGEMENT PROCESS**

Rathbones' management company employs a risk management process which enables it to identify, measure, manage and monitor at any time the relevant risks of the positions to which the Unit Trusts or any fund is or may be exposed and its contribution to the overall risk profile of the Unit Trusts and any fund and which includes the use of appropriate stress testing procedures.

## **10.3 REMUNERATION POLICY**

Rathbones' remuneration policy ("Remuneration Policy") is designed to establish and apply a remuneration code that is consistent with, and will promote sound and effective risk management in compliance with SYSC 19E of the FCA Handbook.

The Remuneration Policy does not, and must not, encourage excessive risk-taking which is inconsistent with the profile of each fund, or this prospectus or its constitution (meaning its trust deed). The Remuneration Policy does not impair our compliance with our duty to act in the best interests of each fund.

The Remuneration Policy will apply to those staff working for us whose professional activities have a material impact on our risk profile or the funds.

We must ensure that the Remuneration Policy remains in line with the business strategy, objectives, values and interests of:

- our company;
- the funds; and
- the investors the funds,

and includes measures to avoid conflicts of interest.

The assessment of performance is set in a multi-year framework appropriate to any holding period recommended to the investors of each fund, to ensure that the:

Assessment process is based on the long-term performance of each fund and its investment risks; and

Actual payment of performance-related components of remuneration is spread over the same period, and where deferred is held in unit linked instruments managed by Rathbones' management company.

Remuneration and benefits are agreed and awarded by the Rathbones Group Plc Remuneration Committee which operates at a group level and consists of five Non-Executive Directors.

Up to date details of the matters set out above are available on the company's website ([rathbonesam.com](http://rathbonesam.com)), and a paper copy of the website information will be made available free of charge on request.

#### **10.4 FAIR TREATMENT OF INVESTORS**

We have established policies and procedures and made arrangements to ensure the fair treatment of unitholders. Such arrangements include, but are not limited to, ensuring that no one or more unitholders are given preferential treatment over any rights and obligations in relation to their investment in the funds. All rights and obligations to unitholders, including those related to subscription and redemption requests, are set out in this prospectus.

We have established fair and transparent pricing models and valuation systems and procedures for the assets of the funds and endeavours to ensure that there are no undue costs being charged to the funds and the unitholders.

We have also established procedures to identify, manage and monitor conflicts of interest and, where applicable, disclose those conflicts of interest to prevent them from adversely affecting the interests of the unitholders. We have established a process for recognising and dealing with complaints fairly.

## 10.5 LIQUIDITY MANAGEMENT

We have established a liquidity management policy which enables us to identify, monitor and manage the liquidity risks of the Unit Trusts and each fund and to ensure the liquidity profile of the investments of the Unit Trusts and each fund will facilitate compliance with its underlying obligations. Rathbones' management company's liquidity policy takes into account the investment strategy, the liquidity profile, redemption policy and other underlying obligations of the Unit Trusts and its funds. The liquidity management systems and procedures include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the Unit Trusts and its funds. In summary, the liquidity management policy monitors the profile of investments held by each fund and ensures that such investments are appropriate to the redemption policy as set out in this prospectus. Further, the liquidity management policy includes details on periodic stress testing carried out by Rathbones' management company to manage the liquidity risk of each fund in exceptional and extraordinary circumstances.

The liquidity management systems and procedures allow Rathbones' management company to apply various tools and arrangements necessary to ensure that the Unit Trusts and each fund is sufficiently liquid to respond appropriately to redemption requests normally. In normal circumstances, redemption requests will be processed as set out in Section 2.

Other arrangements may also be used in response to redemption requests, including the deferral of such redemption requests in certain circumstances will restrict the redemption rights investors benefit from in normal circumstances as set out in Section 2.

Further information regarding the risk management process and liquidity management systems and procedures, including the measures used to assess the sensitivity of the funds' portfolio to the most relevant risks to which each fund is or could be exposed, can be found in the risk management process document which is available on request from Rathbones' management company.

On request we will provide information to unitholders relating to:

- the quantitative limits applying in the risk management of a fund; and
- any recent development of the risks and yields of the main categories of investment.

It is intended that unitholders will be notified of any material changes to the liquidity management systems and procedures employed by Rathbones' management company and will be notified immediately if

redemptions are suspended. It is intended that any changes to the maximum level of leverage that may be employed by any fund employing leverage will be provided to unitholders without undue delay.

#### **10.6 PROFESSIONAL LIABILITY RISKS**

Rathbones' management company covers its potential liability risks arising from professional liability by holding appropriate professional indemnity insurance.



# 11 GENERAL INFORMATION

## **THIS SECTION PROVIDES INFORMATION ON WHERE YOU CAN INSPECT COPIES OF DOCUMENTS AND THE LAWS GOVERNING YOUR INVESTMENT.**

### **11.1 DOCUMENTS OF THE UNIT TRUSTS**

The following documents may be inspected free of charge between 9:00 am and 5:00 pm every business day at the offices of Rathbones' management company at 30 Gresham Street, London EC2V 7QN, and are also available to be sent to unitholders on request:

- the most recent annual and half-yearly long reports of each fund; and
- the most recent version of this prospectus and the constitution of the fund (its trust deed).

Rathbones' management company may make a charge at its discretion for copies of documents (other than for the most recent copy of this prospectus).

Notices and other documents will be sent to the unitholder's registered address.

### **11.2 GOVERNING LAW**

By applying for units, the relevant unitholder (and its nominee, if relevant) agrees to be bound by this prospectus.

Each fund, its constitution (trust deed) and this prospectus are governed by the laws of England and Wales. Each fund, Rathbones' management company and unitholders will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with unitholder's investment in a fund or any related matter.

# APPENDIX 1

## DETAILS OF THE FUNDS

Investment of the assets of each of the funds must comply with the FCA regulations and its own investment objective and policy. Details of each fund's investment objective and policy are set out later in this section together with other information including available unit classes, charges, minimum investment levels and distribution dates.

A detailed statement of the general investment and borrowing restrictions applicable to the Unit Trusts is contained in [Appendix 3](#).

Normally, we fully invest the funds, holding back enough cash to enable us to settle liabilities (including when investors sell back (redeem) their units) and to manage the fund. The amount of cash will vary depending upon prevailing circumstances and although it would normally not exceed 10% of the total value of the fund, there may be times when the Manager considers stock markets around the world to be overpriced or that a period of instability exists which presents unusual risks. In such cases, or during such periods, a higher level of liquidity may be maintained, and, if considered prudent, the amount of cash or near cash instruments held would be increased. Unless market conditions were deemed unusually risky, the increased amount and period would not be expected to exceed 30% and six months respectively.

Securities Financing Transactions and Total Return Swaps: The funds are authorised to enter into securities financing transactions and total return swaps but the funds do not currently use these and we have no intention of permitting the funds to enter into them.

A list of the eligible securities and derivatives markets on which the funds may invest is contained in [Appendix 4](#).

### The funds:

Page 59  
[Rathbone Ethical Bond Fund](#)

Page 81  
[Rathbone Global Opportunities Fund](#)

Page 84  
[Rathbone Income Fund](#)

Page 87  
[Rathbone Strategic Bond Fund](#)

Page 92  
[Rathbone UK Opportunities Fund](#)

# RATHBONE ETHICAL BOND FUND

**PRODUCT REFERENCE NUMBER: 196624**

Sustainable investment labels help investors find products that have a specific sustainability objective. The fund does not have a UK sustainable investment label because the fund does not have a specific sustainability objective, however the fund does apply environmental and social criteria as set out in the investment and policy below, including the non-financial objective.

## INVESTMENT OBJECTIVE

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.

## Non-financial objective

The fund aims to promote positive environmental and/or social outcomes alongside its financial return objectives. The fund invests in and actively engages with a portfolio of assets that either contribute to, or have the potential to contribute to, at least one of the fund's non-financial goals set out below for a more sustainable world by meeting our sustainability approach below.

The fund's non-financial goals are set out below. To us, a more sustainable world is one with:



**Decent work:** a utilised and productive workforce with decent work, paid fairly, where workers of all backgrounds are represented, with safe and secure working environments.



**Energy and climate:** a reduced level of greenhouse gas emissions that is consistent with the goals of the Paris Agreement on climate change.



**Habitats and ecosystems:** conserved and sustainable natural systems, where ecosystems and biodiversity are promoted, and negative human impact is mitigated.



**Health and wellbeing:** improved physical and mental health outcomes, reducing avoidable deaths, injuries and illnesses.



**Inclusive economies:** an equitable economy in which there is expanded opportunity for shared prosperity.



**Innovation and infrastructure:** the delivery of physical and/or technological infrastructure that facilitates the delivery of other non-financial goals.



**Decent work:** a utilised and productive workforce with decent work, paid fairly, where workers of all backgrounds are represented, with safe and secure working environments.



**Energy and climate:** a reduced level of greenhouse gas emissions that is consistent with the goals of the Paris Agreement on climate change.



**Resilient institutions:** well-functioning institutions that protect the rule of law and fundamental rights.



**Resource efficiency:** a circular economy that supports sustainable levels of consumption, reduces strain on natural resources and reduces GHG emissions, water and energy use.

The portfolio consists of assets whose contribution, or potential contribution, towards the fund's non-financial goals is mixed:

- (a) 100% of the assets meet our exclusionary criteria (avoiding negative impacts) and positive criteria (seeking positive impacts).
- (b) 20-70% of the assets meet a higher threshold of positive alignment with at least one, or more, non-financial goals determined using an analytical framework that is based on the work of the Impact Frontiers.
- (c) 20-70% of the assets have the potential to meet a higher threshold of positive alignment with non-financial goals over time, with our engagement and stewardship activity supporting progress towards this.
- (d) While the proportions in (b) and (c) will differ from time to time, at least 70% of the assets meet a combination of these at all times.

## INVESTMENT POLICY

To meet the investment 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. Other than investments in collective investment schemes, we do not apply our wider sustainability approach to these investments but we will ensure that they do not conflict with the non-financial objective.

When we invest in collective investment schemes, the underlying long credit or equity exposure must meet the same criteria as any other holding in our funds. Therefore, we will only access collective investment schemes if we can view all of the underlying holdings to ensure that they meet our criteria. In practice this means we are unlikely to have significant exposure to collective investment schemes.

Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted by the FCA Rules.

We actively manage our fund which means we can choose what we invest in as long as it is in line with the investment objective and policy. Because of this, the fund's performance can diverge significantly from its benchmark.

The fund manager will assess credit ratings of Standard & Poor's, Moody's and Fitch. When credit ratings differ, fund managers will consider the average rating. If the average falls between two notches, the lower credit rating will be applied. Credit rating definitions are as follows

Moody's	S&P	Fitch	Creditworthiness
Aaa	AAA	AAA	Prime An obligor has EXTREMELY STRONG capacity to meet its financial commitments
Aa1	AA+	AA+	High grade
Aa2	AA	AA	An obligor has VERY STRONG capacity to meet its financial commitments
Aa3	AA-	AA-	It differs from the highest-rated obligors only to a small degree
A1	A+	A+	Upper medium grade
A2	A A	A A	An obligor has STRONG capacity to meet its financial
A3	A-	A-	commitments but is somewhat more susceptible to the adverse

Moody's	S&P	Fitch	Creditworthiness
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effects of changes in circumstances and economic conditions than obligors in higher-rated categories

<b>Baa1</b>	BBB+	BBB+	Lower medium grade
<b>Baa2</b>	BBB	BBB	An obligor has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments
<b>Baa3</b>	BBB-	BBB-	

<b>Ba1, Ba2, Ba3, B1, B2, B3, Caa1, Caa2, Caa3, Ca, C</b>	BB+, BB, BB- B+, B, B-, CCC+, CCC-, CC, C, D	BB+, BB, BB-, B+, B, B-, CCC, D, D	Non-investment grade An obligor ranges from LESS VULNERABLE to HIGHLY VULNERABLE	Non-investment grade AKA high-yield bonds AKA junk bonds
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## SUSTAINABILITY APPROACH

### The fund's non-financial goals

To contribute to a more sustainable world we select assets to meet the following goals. A description of how assets can contribute to each non-financial goal is provided below.

- **Decent work:** Assets that (directly or indirectly) support good quality employment that enables workers to meet their basic needs and pursue fulfilling lives.

Includes assets that are supporting the quantity and quality of jobs through the products and services they provide, for example training and education services, development finance and support for entrepreneurship and small businesses. Also includes assets that are operationally aligned with the theme and support positive impacts via their policies, business strategies and management of their own employment practices.

- **Energy and climate:** Assets that support reductions in greenhouse gas emissions and promote decarbonisation in line with the goals of the Paris Climate agreement to limit warming to 2°C above pre-industrial levels.

Includes assets that are supporting positive climate action and energy security through the products and services they provide, for example the manufacture, installation or operation of renewable or low-carbon energy infrastructure. Also includes assets that are operationally aligned with the theme and support positive impacts via their policies, business strategies and management of their own environmental impacts.

- **Habitats and ecosystems:** Assets that alleviate negative impacts on nature as far as possible through avoidance, reduction and restoration of habitats and ecosystems.

Includes assets that are helping to preserve land, water and marine habitats and biodiversity – either through reducing the drivers of biodiversity loss or delivering solutions that promote nature restoration.

- **Health and wellbeing:** Assets that encourage improved physical and mental health outcomes, reducing avoidable deaths, injuries and illnesses.

Includes assets that are supporting physical and mental wellbeing or helping to prevent injuries and deaths, through the products and services they provide, for example pharmaceuticals and medical technology, sports and leisure equipment, or equipment to identify and prevent hazards.

- **Inclusive economies:** Assets that help to alleviate inequalities in work, life and economies; which support disadvantaged or underserved populations in improving their standard of life; which serve an unmet need in an equitable way.

Includes assets that are promoting access to basic services and supporting a more inclusive society through the products and services they provide, for example basic needs, educational products and services, water and sanitation, sustainable and public transport, or affordable housing.

- **Innovation and infrastructure:** Assets that support the delivery of physical and/or technological infrastructure that supports sustainable development.

Includes assets that are supporting environmental sustainability or human wellbeing through the products and services they provide, for example smart buildings technology that reduces energy usage, remote monitoring of emissions to water and air, or semiconductors that improve the energy efficiency of digital processes. Assets in this category often play a facilitating role in creating the environment or infrastructure needed for other assets to deliver positive benefits.

- **Resilient institutions:** Assets that enhance fundamental human rights and/or promote the protection and enrichment of public goods,

Includes assets that promote peace, justice and the rule of law through the products and services they provide, for example support for a free

press, access to civic information, or combatting cyber threats and misinformation. It also includes assets that are operationally aligned with the theme and support positive impacts via their policies, business strategies and management of their own human rights impacts.

- **Resource efficiency:** Assets that promote a circular economy and/or reduce strain on natural resources.

Includes assets that are supporting the sustainable use of Earth's resources through the products and services they provide, for example sustainable waste recovery and recycling services, the manufacture of products with lower lifecycle impacts, equipment that enables cleaner or more efficient use of energy and resources. It also includes assets that are operationally aligned with the theme and support positive impacts via their policies, business strategies and management of their own resource use.

## **Our sustainability approach**

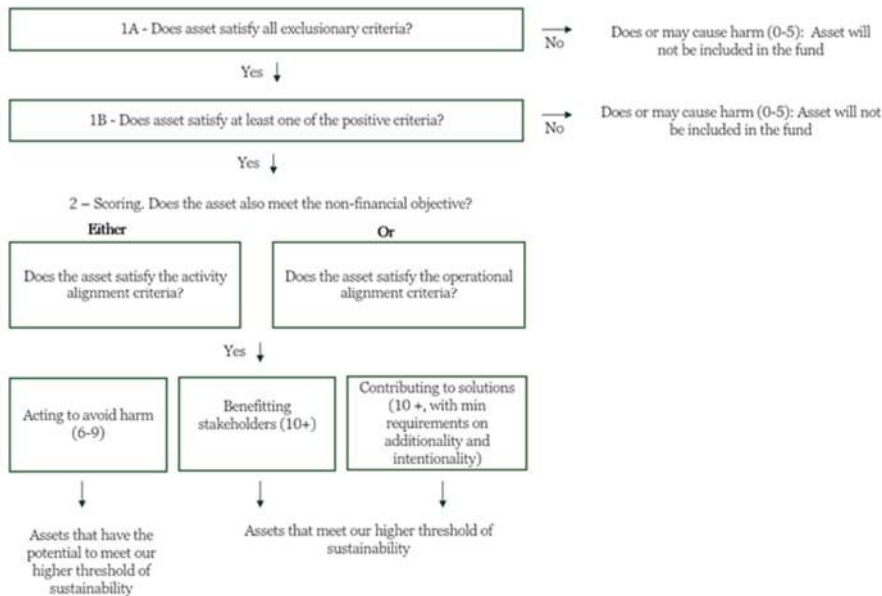
1. Screening
  - a. All assets must first pass the exclusionary criteria test described in 1A below. This excludes assets which we deem unsustainable, or which are contrary to global norms.
  - b. The remaining assets must then pass the positive criteria test described in 1B below. This is an initial qualitative assessment to exclude assets that are not aligned to the fund's non-financial goals. Please note that there is some overlap between this test and the scoring in step 2. However, step 2 is more detailed. Only



assets that pass this screening will be assessed under the scoring in step 2.

## 2. Scoring

Only once these tests have been passed will an asset then be subject to scoring (described in step 2).



### **Step 1A – Exclusionary Criteria**

All current and potential assets are first assessed against the exclusionary criteria. 100% of assets in the fund will have passed this test.

The exclusionary criteria, which comprise of a mix of revenue based and absolute exclusions, contain exclusions on animal welfare violations, armaments, climate change, employment, environment, gambling, human rights, nuclear power, pornography and tobacco. Assets are screened against third party data and desk-based research is carried out to determine if they are engaged in any economic activity related to any of these activities. Assets flagged in this screening process will not be included in the fund. Further details of the exclusionary criteria (and the revenue based and absolute criteria used to determine them) can be found on the fund manager’s website : <https://www.rathbonesam.com/rathbone-ethical-bond-fund-screening-criteria>

The outcome of this assessment is that the fund may not hold investments that breach one or more of the exclusionary criteria, providing a minimum standard that assets must meet in order to be included in the fund.

### **Step 1B – Positive criteria**

Our positive criteria looks for positive activity or behaviours (as outlined above in our non-financial goals) that either contribute to, or have the potential to contribute to, at least one of the fund's non-financial goals for a more sustainable world which are: Decent work, habitats and ecosystems, inclusive economies,

resilient institutions, energy and climate, health and wellbeing, innovation and infrastructure, resource efficiency. (More detail on how each of these are defined can be found in the section on 'The fund's non-financial goals'.)

The fund uses a qualitative positive screen to identify assets that are likely to contribute to, or are likely to have the potential to contribute to, at least one of the fund's non-financial goals. Any that pass this qualitative assessment are then subject to the scoring process described in Step 2. 100% of assets in the fund will have passed this test.

The positive criteria assess the positive sustainability attributes of an asset, either from an activity or operational perspective. Further details of the positive criteria can be found on the fund manager's website:

<https://www.rathbonesam.com/rathbone-ethical-bond-fund-screening-criteria>

The outcome of this assessment is that companies that pass both step 1A and 1B qualify for investment. The result of this is that only the assets which have passed these screens will be subject to the scoring process described in Step 2.

### ***Step 2 – Scoring***

Assets are then assessed to identify those which support the fund's non-financial objective, considering:

- **What** non-financial goal or goals is the asset aligned to? And whether it supports the associated non-financial goal via its products and services (i.e. activity alignment) or its behaviours and way of operating (i.e. operational alignment).
- **How much** does the asset contribute towards this non-financial goal? In other words, what is the intensity or strength of the asset's beneficial impact? This assessment forms the basis of our measurement and monitoring of an asset's contribution to the fund's non-financial objective.

### **Our analytical framework**

For each non-financial goal, Greenbank has identified a set of business activities and/or behaviours (the 'qualifying activities') that could deliver solutions to the challenge in question and have the potential to deliver positive outcomes.

Our database of potentially qualifying activities is maintained with reference to relevant external frameworks and standards, for example the EU taxonomy for sustainable activities, the UN Guiding Principles on Business and Human Rights and the Net Zero Investment Framework.

For example, to determine 'fair pay' for a given jurisdiction we would refer to available definitions of living wage defined by government agencies (e.g. UK Government's Real Living Wage) or reputable non-governmental organisations (such as the Global Living Wage Coalition). If such information is not available for a given country, we can define a living wage for a territory using the Anker methodology to estimate a living wage for a standard work week by a worker in a particular place sufficient to afford a decent standard of living include food, water, housing, education, healthcare, transport, clothing and other essential needs including provision for unexpected events.

Where external frameworks are used, we review these to ensure alignment and compatibility of definitions with the fund's non-financial objective and non-financial goals.

The strength of each asset's alignment to a non-financial goal is determined using an analytical framework derived from the work of the Impact Frontiers. This project brought together over 2,500 impact practitioners and impact investors to develop a common way for investors to measure and communicate the positive and negative impact of investments on society and the environment.

Our analytical framework is applied consistently across all assets, providing a measure of each asset's contribution to the fund's non-financial objective. It allows us to determine whether a given asset should be excluded because it is deemed unsustainable has the potential to improve and over time meets a higher threshold of positive alignment with non-financial goals currently, or is creating positive impact.

An overall score is generated from this analysis, with thresholds set according to back testing of data to calibrate results with the definitions set out by the Impact Frontiers Framework – see graphic below.

Impact Frontiers Category	Profile of an example asset	How we have mapped this to our non-financial objective	Score range on our assessment	
<p><b>D: Does or may cause harm</b></p> <p>Does or may cause harm to the wellbeing of a group of people or the condition of the natural environment and is not acting to reduce this harm</p>		<p><b>These are unsustainable assets.</b></p> <p>They may breach one or more of the fund's exclusionary criteria, conflict with the non-financial objective or not demonstrate sufficient positive alignment.</p>	<b>0-5</b>	<b><i>Not eligible</i></b>
<p><b>A: Acting to avoid harm</b></p> <p>Does or may cause harm to the wellbeing of a group of people or the condition of the natural environment but it is taking action to reduce or mitigate this harm</p>	<p>A clothing company that historically paid employees at or below minimum wage and had instances of human rights abuse in its supply chain. Its operations were inefficient and carbon intensive versus peers. Two years ago, the company made a commitment to clean up its act. Since then, the company has reported meaningful increases in workforce salary and it is on its way to becoming</p>	<p><b>These are assets that we believe have the potential to improve over time.</b></p> <p>They do not breach any of the fund's exclusionary criteria, but they do not yet demonstrate sufficient positive alignment to meet a higher threshold of positive</p>	<b>6-9</b>	<b><i>Assets that have the potential to meet a higher threshold of positive alignment with non-financial goals</i></b>

	a living wage employer. Management have taken responsibility for eradicating human rights abuses across all business relationships. This initiative is not yet complete but there has been a marked improvement year-on-year. The company has set targets to reduce its carbon emissions and has made substantial investments in new carbon efficient technologies across its manufacturing plants	alignment with non-financial goals.		
<b>B: Benefiting stakeholders</b> Maintaining the wellbeing of one or more groups of people and/or the condition of the natural environment within the sustainable range	A carpet manufacturer that produces carpet tiles through use of environmentally friendly materials and production methods. Through various initiatives, the company has achieved net-zero carbon emissions across its operations. It is celebrated as a leading employer in terms of workforce diversity and well-being. It is the buyer and seller of choice in its industry because of its fair practices.	<b>These are assets that meet a higher threshold of positive alignment with non-financial goals.</b> They do not breach any of the fund's exclusionary criteria or conflict with the non-financial objective. They meet a higher threshold of positive alignment with non-financial goals.	10+	<b>Assets that meet a higher threshold of positive alignment with non-financial goals.</b>
<b>C: Contributing to solutions</b> Addressing a social or environmental challenge, not caused by the asset, by improving the wellbeing of one or more groups of people and/or the condition of the natural environment within the sustainable range.	A soap company that manufactures a range of personal hygiene products from natural ingredients. All ingredients are naturally occurring and ethically sourced. Aside from the quality of its products and service, the company's focus is on providing quality employment and training to those who otherwise find it difficult to secure a job. Over 90% of the employees are either previously long-term unemployed or registered as disabled.	<b>These are assets that have the potential to create positive impact.</b> The fund's non-financial objective does not explicitly target the delivery of measurable, positive social or environmental impacts, but it may contain assets that meet the requirements of this level.	10+ With minimum requirements on additionality and intentionality	

Under the Impact Frontiers Framework, assets that **'benefit stakeholders'** operate within a sustainable range set with reference to social norms or planetary limits that have been identified through scientific research. This means that outcomes for people are sustainable if they are within the acceptable range determined by societal factors or thresholds, and outcomes for the natural environment are sustainable if they are within the acceptable range determined by ecological factors or thresholds.

Having adopted this approach, where applicable, our assessment frameworks and any quantitative thresholds draw on existing, widely accepted methodologies such as the UN Guiding Principles on Business and Human Rights. Where external methodologies do not exist (or only partially cover the relevant non-financial goal) our assessment frameworks are based on our own definitions of the non-financial goals and the standards that an asset needs to meet (based on proprietary analysis and research of available bodies of data or evidence).

Greenbank has determined that assets scoring 10 (or more) on its method will meet the 'benefitting stakeholders' standard under the Impact Frontiers Framework (or better), and are therefore classed as assets that meet a higher threshold of positive alignment with non-financial goals. Between 20-70% of the assets in the fund will meet this threshold.

Greenbank has assessed that assets that score between 6 and 9 are those that credibly have the potential improve over time. Between 20-70% of the assets in the fund will be within these scoring thresholds and such assets are expected to demonstrate progress toward a higher threshold of positive alignment with non-financial goals over time.

We have standardised the output of these assessments to enable comparison of KPIs across different non-financial goals and both activity and operational alignment.

The above metrics and thresholds are subject to review and change over time as external frameworks may evolve.

## Asset analysis

Individual elements contribute collectively to an overall score of the asset according to the thresholds explained in the 'Our sustainability approach and analytical framework' sections above. The framework uses evidence-based methodologies appropriate to the given area of assessment.

### *Determining alignment with the non-financial objective*

Our scorecard can take account either of the products and services provided by an asset (i.e. *activity alignment*) or the way that the asset itself operates (i.e. *operational alignment*), as explained below. We consider all assets for either activity alignment or for operational alignment.

### *Activity alignment*

For assets that are aligned to a non-financial goal because of the products and services they provide – '**activity alignment**' - our analysis takes account of both quantitative and qualitative data across the following factors.

<p><b>The level of involvement of the asset in delivering positive solutions.</b> Assets are only considered for activity alignment where they derive a minimum of 15% of their overall revenue and/or \$250m in total economic exposure from qualifying activities.</p>	<p>We consider both the % revenue exposure to qualifying activities in addition to the total economic exposure (recognising that in absolute monetary terms, 15% of a company with £50bn in revenues could create wider social or environmental benefits than 75% of a company with £100m in revenue).</p>
<p><b>How the asset contributes to the non-financial goal.</b> These factors are not individually subject to a 'pass' or 'fail' judgment. Instead, they collectively contribute to an overall score of the asset according to the thresholds explained in the 'Our sustainability approach and analytical framework' sections above.</p>	<p>How directly related are the investment's activities to the positive solutions being delivered. For example, does a company install and operate renewable energy infrastructure or does it provide components used in renewable energy equipment? Both are necessary to support a transition to a low carbon economy, but the former has a more direct link to progressing this non-financial goal.</p> <hr/> <p>The 'depth' of the positive solutions delivered.</p>

<p><b>The level of involvement of the asset in delivering positive solutions.</b></p> <p><b>Assets are only considered for activity alignment where they derive a minimum of 15% of their overall revenue and/or \$250m in total economic exposure from qualifying activities.</b></p>	<p>We consider both the % revenue exposure to qualifying activities in addition to the total economic exposure (recognising that in absolute monetary terms, 15% of a company with £50bn in revenues could create wider social or environmental benefits than 75% of a company with £100m in revenue).</p>
	<p>By this we mean whether the solutions provided by the investment create incremental or transformational change and whether this change is short or long-term in nature.</p>
	<p>The 'breadth' of the positive solutions delivered.</p> <p>For example, do the solutions provided by the investment deliver benefits for a small population or at a global scale.</p>
	<p>The 'intentionality' of alignment.</p> <p>Is the company delivering sustainability benefits as a by-product of its core business activities or is it specifically and intentionally targeting (within a profit-driven model) given social or environmental benefits?</p>
	<p>The 'additionality' of the benefits created.</p> <p>This is a measure of how likely it is that the benefits created are likely to have occurred anyway or if they are additional to the status quo.</p>
	<p>The presence of 'detracting' factors.</p> <p>Are there any contributing factors that could reduce the positive score? Noting the company has already passed the exclusionary criteria and therefore does not conflict with the non-financial objective.</p>

### ***Operational alignment***

For assets that are aligned to a non-financial goal because of the way in which they operate – **'operational alignment'** - our analysis assesses the degree to which an asset is aligning its own operations with sustainable development.

Not all our non-financial goals have an option for operational alignment. For those where we have defined an objective and absolute assessment framework for operational alignment, we provide below a non-exhaustive list of the factors considered for each:

- Within the Resilient Institutions category companies are assessed on their general approach (ambition, governance, performance and controversies), human rights policy, human rights due diligence and remedy.
- Within the Decent Work category companies are assessed on their general approach (ambition, governance, performance and controversies) and their policy, governance and disclosure and performance on a range of

Decent Work issues: health and safety, diversity and inclusion, training and development, work/life balance, employee representation, fair pay and human rights (as it pertains to Decent Work).

- Within the Energy & Climate category, companies are assessed on their general approach to environmental management (ambition, governance, performance and controversies) and their policy, governance and disclosure and performance including in key external benchmarks on a range of environmental management issues: environmental management system, water, pollutants, raw material input, supply chain and end of life. Furthermore, companies are assessed on their decarbonisation ambition, emissions reduction targets, emissions performance, emissions disclosure, decarbonisation strategy and capital allocation alignment.
- With the Resource Efficiency category, companies are assessed on their circular economy ambition, targets, performance, disclosure, strategy and capital allocation alignment.
- Within Habitats and Ecosystems, companies are assessed on their general approach (ambition, governance, performance and controversies) and their policy, governance and disclosure and performance including in key external benchmarks on a range of habitats and ecosystems issues: animal welfare, sustainable farming, sustainable forestry.

### **Independent assessment**

Greenbank has independently assessed our sustainability approach and in its expert view confirms it provides an appropriate framework through which to identify assets which contribute to positive environmental or social outcomes.

In particular:

- the approach relies where possible on common industry frameworks, standards, and best practice, developed independently by experts in their respective fields. It draws on the impact management norms developed by Impact Frontiers, in addition to issue-specific frameworks such as the Net Zero Investment Framework, UN Guiding Principles on Business and Human Rights, and the Taskforce on Nature-related Financial Disclosures;
- the approach blends quantitative and qualitative assessments within a clear framework (set out above), and therefore does not assess sustainability characteristics based on opinion, discretion, or committee overrides;
- the approach recognises different types of financial contribution towards an objective (revenue, total economic exposure and use of proceeds) but these are of a comparable rigour and there are requirements for each which are clearly explained above;
- while there are multiple ways in which an asset may meet the sustainable approach, the thresholds for each criteria and the overall scoring are credible

and we have standardised the output of these assessments to enable comparison of KPIs across different types of activity and operational alignment.

For example, an asset with >15% of its revenue linked to positive solutions, equivalent to at least \$1bn in linked revenues and where the solutions provided have a direct link to long-term benefits across a wide area would score 13 and meet our **higher threshold of positive alignment with non-financial goals**. An asset with >35% of its revenue linked to positive solutions, equivalent to at least \$500m in linked revenues and where the solutions provided have an indirect link to short-term benefits across a narrow area would score 7 and not meet our **higher threshold of positive alignment with non-financial goals**.

Greenbank also has the ability to prevent investments which do not meet the exclusionary criteria and positive criteria.

### **Trade offs**

*Financial trade offs:* The fund's potential pool of investments is limited to those that meet a specific sustainability approach or sustainability-related characteristics. This means that the fund cannot benefit from the investment performance of certain industries or sectors, which may cause it to underperform the market. The fund may need to sell investments that cease to meet its non-financial requirements even if those investments are performing well financially. Other funds with similar financial goals, but without a non-financial goal, may also be able to invest more widely which may result in a better financial return and/or spread financial risk.

*Sustainability trade offs:* The fund does not expect material negative environmental or social outcomes to arise from the pursuit of its investment objective and uses its exclusionary criteria as a control on this possibility.

It is possible that the fund may hold green, climate, social and sustainability (GSS) bonds where the proceeds are intended for a specific social or environmental purpose. There may be cases where the parent issuer conflicts with the fund's non-financial objective but the specific ringfenced asset does not (as GSS bonds are assessed in the context of the specific use of proceeds rather than the issuer's business activities more broadly).

To avoid conflicts with the fund's non-financial objective in such situations, we require the ringfenced use of proceeds to help address the material negative outcomes associated with the parent issuer. As an example, a green bond issued by an electricity company, which would ordinarily be rejected due to the company's involvement in coal-fired power generation, could be considered for inclusion if the proceeds of the bond are used to reduce or offset the company's exposure to coal-fired energy through funding a renewable energy project.



We recognise that there may be times when we do not have access to complete information on a company's activities or behaviour. If we identify concerns, or the sustainability profile of an investment meaningfully changes, we will refer to our escalation policy. In the event an investment no longer meets the fund's sustainability approach, the fund manager will have six months to dispose of the investment.

### **KPIs and performance monitoring**

The fund follows a multi-thematic approach to sustainability, considering both social and environmental drivers of sustainable development. Each asset that contributes towards the fund's non-financial objective will align to one or more of the fund's non-financial goals. While our approach to assessing and selecting assets means that assets which conflict with any element of the non-financial objective will not be invested in, it is possible that an individual asset may not support progress in non-financial goals other than those to which it is aligned.

We have standardised the results of our analytical framework to provide a score and key performance indicator (KPI) that is consistent across categories and can be used to assess the degree to which individual assets, or the fund as a whole, are supporting the non-financial objective.

#### ***Core KPIs***

Our core KPIs are:

- the weighted average scores derived from our analytical framework;
- the individual asset scores derived from our analytical framework;
- the non-financial goals that each individual asset is aligned with or may potentially align with (and therefore the overall proportion of the portfolio aligned with these);
- (for the assets with the potential to improve over time) the average score of assets over time, with progress monitored from the point in time that the fund invests.

These allow us to monitor and report on progress towards the non-financial objective in a common format across multiple non-financial goals.

Assets that show a declining trend are prioritised for engagement, and those which change their activities or behaviours to a sufficient degree that they subsequently conflict with the fund's non-financial objective will no longer be eligible to be held in the fund and will be divested. See the 'Stewardship strategy and resources' section for more information on our approach.

### ***Improvement targets for the assets with the potential a higher threshold of positive alignment with non-financial goals***

We set improvement targets on a three and five year basis, aiming to improve the weighted average score of the portion of the portfolio that has the potential to meet a higher threshold of positive alignment with non-financial goals by 10% and 25% respectively. Progress is monitored as part of our of stewardship and engagement processes (see 'Stewardship strategy and resources' section).

As an illustration, we expect the weighted average score of this portion of the portfolio to increase by 10% by 2028 and by 25% by 2030 compared to a baseline figure set on 2 December 2024.



The speed with which each asset can improve will vary according to the nature of the asset, the area of improvement targeted and the maturity of the asset's existing sustainability approach. Individual assets are expected to demonstrate continued capacity for improvement.

We anticipate that each asset with the potential to meet a higher threshold of positive alignment with non-financial goals will be able to do so within 15 years of investment.

### ***Additional metrics***

We will also monitor and report:

- the proportion of assets that align to each non-financial goal;
- the proportion of assets that conflict with the non-financial objective (expected to be zero);

The percentage of assets that meet a higher threshold of positive alignment with non-financial goals. Additional KPIs may be used to measure and report on specific aspects of sustainability. These may include qualitative as well as quantitative indicators, and may vary year on year based on the assets held in the portfolio.

News flow related to assets held in the fund is monitored daily. Material new reporting is considered, but broader news flows are also monitored. We also use third party data vendors to provide additional alerts on changes to the sustainability profile of issuers.

New information is reviewed by Greenbank's ESI research team to determine whether it is credible and, if so, whether it affects the suitability of the investment according to the exclusionary criteria and positive criteria and/or affects the investment's score on our sustainability scorecard. The maximum time to review new information and incorporate into Greenbank's assessment is two weeks.

Each quarter we also cross-check against third party data to as a further check for any deficiencies in our understanding.

Holdings may be reviewed or engaged with as part of wider thematic/sector reviews or in response to emerging issues. Our profile for each investment will be completely refreshed on a 12-18 month rolling cycle.

## **Stewardship strategy and resources**

### *Firm-wide approach*

Rathbones Group, inclusive of Rathbones Asset Management, are signatories to the Stewardship Code. In Rathbones Asset Management, we have a dedicated stewardship resource which works closely with all the fund managers as well as the engagement and stewardship teams of Rathbones Group and Greenbank. Our Stewardship teams are responsible for the stewardship process and engaging with businesses on decided engagement priorities.

The Rathbones Group engagement policy can be found here:

[9244\\_group\\_engagement\\_policy.pdf \(rathbones.com\)](#)

### *Fund approach*

Complementary to our group-wide stewardship approach is a tailored engagement strategy adopted by the fund to support and promote its non-financial objective.

We use our engagement activities on behalf of the fund to:

- encourage improved sustainability performance across the elements contained in our analytical framework (see 'Our sustainability approach and analytical framework' sections). Assets with the potential to improve over time are prioritised for engagement on this basis;
- highlight and address concerns about specific areas of asset performance and improve our understanding of their sustainability profile;
- signal to the market that sustainability performance is important to investors;
- overcome barriers to progress on sustainable development such as unreliable data, or a lack of consistent standards or frameworks;
- engage with governments, regulators and supranational bodies to highlight sustainability failures in the wider market and work towards correcting them.

Each of these factors supports the fund's non-financial objective either directly (e.g. by improving the sustainability profile of an individual asset) or indirectly (e.g. by creating a market and policy environment that is supportive of sustainable development).

An independent risk oversight function provides further accountability on stewardship and engagement on the fund. The risk team produce a regular ESG dashboard which takes data from various third party sources and monitors for changes in company and portfolio level ESG risk metrics.

We engage at both a company-specific and thematic level and our activity is set in the context of long-term dialogue and ownership. We also engage with policymakers and data providers. Public policy can play a powerful role in shaping and incentivising progress toward sustainable development. It also affects the sustainability and stability of financial markets and of social, environmental and economic systems.

We do not believe in engagement for its own sake. The projects we choose (whether short- or long-term) must present a clear strategy for achieving positive outcomes and are considered against factors such as:

- alignment to the fund's non-financial objective and the long-term changes we aim for in each of our non-financial goals;
- the relevance of a given issue to assets within the portfolio;
- the prospect for deeper engagement on a more focused range of issues where positive outcomes are identifiable;

Engagement activity is tailored to the nature of the issue being addressed and the asset, organisation or other body that we are engaging with.

Most engagements are long-term in nature given that they are concerned with addressing long-term sustainability risks and opportunities. This means that they often require our commitment over many years to achieve the desired objectives.

Objectives are set at the initiation of an engagement activity and reviewed on an annual basis. We also track progress using a dedicated software solution that allows for robust data reporting, and helps track success and failures in addition to identifying engagements where we may need to escalate activity to meet objectives. This also allows us to monitor interim milestones on the way to a longer-term engagement objective, for example, a public commitment from a company (milestone) ahead of its formal adoption of strengthened human rights due diligence processes (objective).

We report on our engagement activity, including examples of successes and failure, outcomes and escalation of activity.

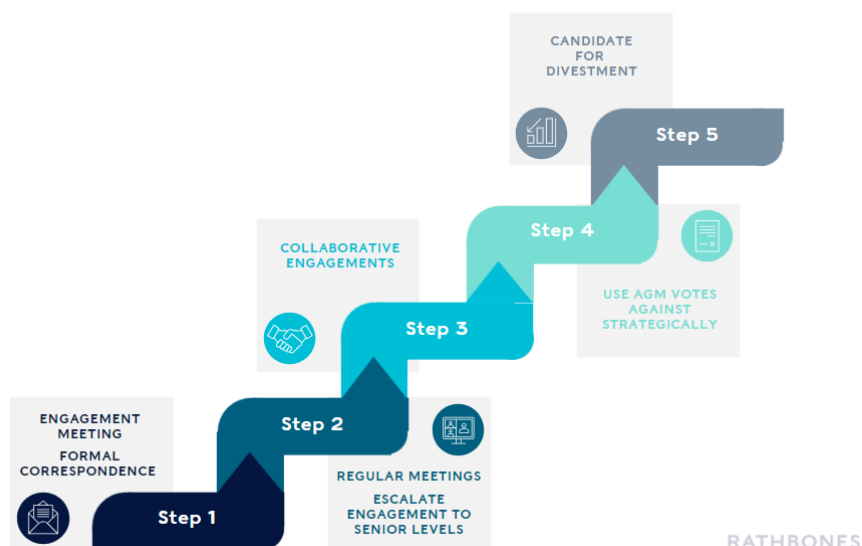
Any changes achieved through engagement are unlikely to be due to our actions alone and we do not claim sole credit for the results of our engagement activity.

But, to the degree possible, we monitor and report on engagement outcomes and how engagement activity has supported the fund's non-financial objective.

### Approaches and escalation

To create the conditions for lasting and meaningful change we choose the most effective engagement method from our escalation framework (see below).

#### ESCALATION FRAMEWORK



The most appropriate methods for each project will be determined alongside the objectives for the engagement. Progress is reviewed quarterly where we may opt to escalate our discussions and activities if necessary.

While we aim to stay invested and make effective use of our shareholder voice and voting rights, reducing our holdings or divesting are always options should we feel that legitimate stakeholder concerns are not being addressed or material ESG risks are not being appropriately managed.

We set out our expectations when meeting with companies and within those expectations we would discuss realistic timeframes. The time taken at each stage of the escalation framework and the engagement method chosen depends on several factors:

- Severity of breach
- Absence of relevant risk controls
- Effectiveness of company response
- Taking into account previous failings
- Financial materiality

Where we are engaging as part of a collaborative action, we recognise that timeframes may be led by the group, rather than determined by ourselves.

Engagement may be used to respond to emerging issues or a decline in an asset's sustainability performance. In such cases, our aim is to encourage the asset to address and mitigate the issue at an early stage and put in place safeguards to prevent further, related issues arising.

However, if an asset's performance or activities change to the extent that it now fails to meet our exclusionary criteria /positive criteria (which applies to 100% of assets held) at any stage, i.e. it is determined there is a conflict with the non-financial objective, it is sold within six months. This is determined independently by Greenbank. If the investment is a bond within two years of redemption, it can be held to maturity if the fund manager believes selling it earlier would be prejudicial to the overall performance of the fund.

The non-financial objective allows for up to 80% of the fund to be invested in assets that do not meet our higher threshold of positive alignment with non-financial goals. These assets will continue to be held along the escalation framework provided they do not fail our exclusionary/positive minimum criteria, i.e. as long as they do not conflict with the non-financial objective and at least 70% of the assets in the fund meet or have the potential our higher threshold of positive alignment with non-financial goals.

## **BENCHMARKING**

### **Target benchmark**

The investment objective refers to IA Sterling Corporate Bond sector which is a target benchmark that the fund seeks to outperform. 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.

### **Comparator benchmark**

We also use the iBoxx £ Corporates index as a comparator benchmark against which you can compare the fund's performance. This benchmark reflects the fund's 'asset allocation' – the types of investments the fund is made up of (Sterling-denominated corporate bonds). Therefore the benchmark provides a comparison between the performance of our asset selection compared with the broader market performance for the types of assets the fund invests into.

## **OTHER INFORMATION**

Rathbone Ethical Bond Fund was authorised by the FCA on 29 October 2001 and launched in May 2002.

## Unit classes

Classes of units available	• I-class income units • I-class accumulation units	• S-class income units • S-class accumulation units
Currency of denomination	Sterling	
Minimum initial investment*	£1,000	At manager's discretion
Minimum subsequent investment*	£500	At manager's discretion
Minimum withdrawal*	None	None
Minimum holding*	None	At manager's discretion
Entry charge	0%	0%
Annual management charge	0.625%	0.49%
Allocation of charges	AMC charged to capital	
Valuation points	Noon on each day the fund is open for dealing	
Distribution dates	28/29 February , 31 May , 31 August , 30 November (annual)	

\*Minimum initial and subsequent investment amounts, minimum holding and redemption requirements and the initial and redemption charges may be waived by Rathbones at its discretion.

### Typical investor profile

Whether an investment in the fund is appropriate will depend on the investor's own requirements and attitude to risk. The fund is designed for both retail and institutional investors who:

- are looking for and comfortable with exposure to global markets;
- are able to commit to a long-term investment (i.e., greater than five years);
- who understand and are willing to take risks involved in investing in the fund (as detailed under "Risk Factors" set out in section 4 of the prospectus); and
- seek a product with a non-financial objective as well as a financial objective.

**Past performance**

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.

Please see [Appendix 5](#) for more information.



# **RATHBONE GLOBAL OPPORTUNITIES FUND**

**PRODUCT REFERENCE NUMBER: 194924**

## **INVESTMENT OBJECTIVE**

The objective of the fund is to deliver a greater total return than the IA Global Sector, 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 IA Global sector as a target for our fund's return because we aim to achieve a better return than the average of funds that are similar to ours.

## **INVESTMENT POLICY**

To meet the objective, the fund manager will invest at least 80% of the fund in global shares, with the remainder in 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.

We actively manage our fund which means we can choose what we invest in as long as it is in line with the investment objective and policy. Because of this, the fund's performance can diverge significantly from its benchmark.

## **BENCHMARKING**

### **Target benchmark**

The investment objective refers to IA Global Sector which is a target benchmark that the fund seeks to outperform. We use the IA Global Sector as a target for our fund's return because we aim to consistently outperform the average return of our competitors.

## OTHER INFORMATION

We compare our asset allocation to the FTSE World Index to give you an indication of how our fund is positioned against the global stock market.

Rathbone Global Opportunities Fund was authorised by the FCA on 22 March 2001, and launched in May 2001.

### Unit classes

Classes of units available	• I-class accumulation units	• S-class accumulation units
<b>Currency of denomination</b>	Sterling	Sterling
<b>Minimum initial investment*</b>	£1,000	At manager's discretion
<b>Minimum subsequent investment*</b>	£500	£500
<b>Minimum withdrawal*</b>	None	None
<b>Minimum holding*</b>	None	At manager's discretion
<b>Entry charge</b>	0%	0%
<b>Annual management charge</b>	0.75%	0.49%
<b>Allocation of charges</b>	AMC charged to income	
<b>Valuation points</b>	Noon on each day the fund is open for dealing	
<b>Distribution dates</b>	31 March (annual), 30 September (interim)	

\*Minimum initial and subsequent investment amounts, minimum holding and redemption requirements and the initial and redemption charges may be waived by Rathbones at its discretion.

### Typical investor profile

Whether an investment in the fund is appropriate will depend on the investor's own requirements and attitude to risk. The fund is designed for both retail and institutional investors who:

- are looking for and comfortable with exposure to global stocks and shares;
- are able to commit to a long-term investment (i.e., greater than five years); and

- who understand and are willing to take risks involved in investing in the fund (as detailed under “Risk Factors” set out in section 4 of the prospectus).

**Past performance**

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.

Please see [Appendix 5](#) for more information.

# RATHBONE INCOME FUND

PRODUCT REFERENCE NUMBER: 106706

## INVESTMENT OBJECTIVE

The objective of the fund is to deliver an annual income that is in line with or better than that of the FTSE All-Share Index over any rolling three-year period.

The fund aims to generate 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 and the income we pay because we want to offer you a better income and higher returns than the UK stock market.

## INVESTMENT POLICY

To meet the objective, the fund manager will invest at least 80% of our fund in UK-listed shares, 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.

We actively manage our fund which means we can choose what we invest in as long as it is in line with the investment objective and policy. Because of this, the fund's performance can diverge significantly from its benchmark.

## BENCHMARKING

### Target benchmark

The investment objective refers to FTSE All-Share Index which is a target benchmark that the fund seeks to outperform. We use the FTSE All-Share Index as

a target for our fund's return and the income we pay because we want to offer you a better income and higher returns than the UK stock market.

## OTHER INFORMATION

We also compare our fund against the IA UK Equity Income sector because the funds in it are similar to ours.

Rathbone Income Fund was authorised by the FCA on 12 February 1971, and launched in February 1971.

### Unit classes

Classes of units available	• I-class income units • I-class accumulation units	• S-class income units • S-class accumulation units
<b>Currency of denomination</b>	Sterling	Sterling
<b>Minimum initial investment*</b>	£1,000	£100,000,000
<b>Minimum subsequent investment*</b>	£500	£500
<b>Minimum withdrawal*</b>	None	None
<b>Minimum holding*</b>	None	£10,000,000
<b>Entry charge</b>	0%	0%
<b>Annual management charge</b>	0.75%	0.49%
<b>Allocation of charges</b>	AMC charged to capital	
<b>Valuation points</b>	Noon on each day the fund is open for dealing	
<b>Distribution dates</b>	31 May, 30 November (annual),	

\*Minimum initial and subsequent investment amounts, minimum holding and redemption requirements and the initial and redemption charges may be waived by Rathbones at its discretion.

### Typical investor profile

Whether an investment in the fund is appropriate will depend on the investor's own requirements and attitude to risk. The fund is designed for both retail and institutional investors who:

- are looking for and comfortable with exposure to global stocks and shares;
- are able to commit to a long-term investment (i.e., greater than five years); and
- who understand and are willing to take risks involved in investing in the fund (as detailed under “Risk Factors” set out in section 4 of the prospectus).

### **Past performance**

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.

Please see [Appendix 5](#) for more information.

# RATHBONE STRATEGIC BOND FUND

**PRODUCT REFERENCE NUMBER: 467714**

## **INVESTMENT OBJECTIVE**

The objective of the fund is to deliver a greater total return than the IA Sterling Strategic Bond sector, after fees, over any rolling five-year period. We aim to deliver this return with a lower volatility than the IA Sterling Strategic Bond sector.

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

We use the IA Sterling Strategic Bond sector as a target for our fund's return because we aim to achieve a better return than the average of funds that are similar to ours. We aim to limit the amount of volatility risk our fund can take because we want our investors to understand the risk they are taking compared to funds similar to ours.

## **INVESTMENT POLICY**

To meet the objective, the fund manager will invest in government and corporate bonds, with no restriction on their credit quality. Up to 10% of the fund can be invested directly in contingent convertible bonds. The fund will also use a mixture of specialist funds and direct investment in bonds, with no limits on either.

The fund manager defines restrictions on how much of the fund can be invested in different types of bonds. The restrictions are set at the discretion of the fund manager and will change over time. The restrictions are reviewed annually and in response to market events. Further details in relation to the current restrictions may be obtained by contacting Rathbones Asset Management.

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.

We actively manage our fund which means we can choose what we invest in as long as it is in line with the investment objective and policy. Because of this, the fund's performance can diverge significantly from its benchmark.

The fund manager will assess credit ratings of Standard & Poor's, Moody's and Fitch. When credit ratings differ, fund managers will consider the average rating. If the average falls between two notches, the lower credit rating will be applied. Credit rating definitions are as follows:



Moody's	S&P	Fitch	Creditworthiness	
Aaa	AAA	AAA	Prime An obligor has EXTREMELY STRONG capacity to meet its financial commitments	Investment-grade
Aa1	AA+	AA+	High grade	
Aa2	AA	AA	An obligor has VERY STRONG capacity to meet its financial commitments	
Aa3	AA-	AA-	It differs from the highest-rated obligors only to a small degree	
A1	A+	A+	Upper medium grade	
A2	A A	A A	An obligor has STRONG capacity to meet its financial	
A3	A-	A-	commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories	
Baa1	BBB+	BBB+	Lower medium grade	
Baa2	BBB	BBB	An obligor has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments	
Baa3	BBB-	BBB-		
Ba1, Ba2, Ba3, B1, B2, B3, Caa1, Caa2, Caa3, Ca, C	BB+, BB, BB- B+, B, B-, CCC+, CCC, CCC-, CC,C, D	BB+, BB, BB-, B+, B, B-, CCC, DD, D	Non-investment grade An obligor ranges from LESS VULNERABLE to HIGHLY VULNERABLE	Non-investment grade AKA high-yield bonds AKA junk bonds

## BENCHMARKING

### Target benchmark

The investment objective refers to IA Sterling Strategic Bond sector which is a target benchmark that the fund seeks to outperform. We use the IA Sterling Strategic Bond sector as a target for our fund's return because we aim to achieve a better return than the average of funds that are similar to ours. We aim to limit the amount of volatility risk our fund can take because we want our investors to understand the risk they are taking compared to funds similar to ours.

### Comparator benchmark

We also use a composite benchmark set out below as a comparator benchmark against which you can compare the fund's performance. This benchmark reflects the fund's 'asset allocation' – the types of investments the fund is made up of. Therefore the composite benchmark provides a comparison between the performance of our asset selection compared with the broader market performance for the types of assets the fund invests into.

*Composite benchmark:*

25% *iBoxx £ Corporates*

15% *ICE BofA Global Government Index ex-UK (GBP Hedged)*

15% *ICE BofA All Maturity Global High Yield Index (GBP Hedged)*

12.5% *iBoxx £ Gilts*

12.5% *ICE BofA UK Inflation-Linked Gilt Index*

10% *ICE BofA Global Government Index ex-UK (GBP Hedged)*

10% *ICE BofA Global Corporate Index (GBP Hedged)*

## OTHER INFORMATION

Rathbone Strategic Bond Fund was authorised by the FCA on 20 June 2007 and launched in 3 October 2011.

### Unit classes

Classes of units available	<ul style="list-style-type: none"><li>• I-class income units</li><li>• I-class accumulation units</li></ul>
Currency of denomination	Sterling
Initial price of units	£1.00

Classes of units available	<ul style="list-style-type: none"> <li>• I-class income units</li> <li>• I-class accumulation units</li> </ul>
Minimum initial investment*	£1,000
Minimum subsequent investment*	£500
Minimum withdrawal*	None
Minimum holding*	None
Entry charge	0%
Annual management charge	0.50%
Allocation of charges	AMC charged to capital
Valuation points	Noon on each day the fund is open for dealing
Distribution dates	28/29 February , 31 August (annual), 31 May, 30 November,

\*Minimum initial and subsequent investment amounts, minimum holding and redemption requirements and the initial and redemption charges may be waived by Rathbones at its discretion.

### Typical investor profile

Whether an investment in the fund is appropriate will depend on the investor's own requirements and attitude to risk. The fund is designed for both retail and institutional investors who:

- are looking for and comfortable with exposure to global markets;
- are able to commit to a long-term investment (i.e., greater than five years); and
- who understand and are willing to take risks involved in investing in the fund (as detailed under "Risk Factors" set out in section 4 of the prospectus).

### Past performance

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.

Please see [Appendix 5](#) for more information.

# **RATHBONE UK OPPORTUNITIES FUND**

**PRODUCT REFERENCE NUMBER: 163143**

## **INVESTMENT OBJECTIVE**

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

There is no guarantee that this investment objective will be achieved over seven 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 POLICY**

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. While we invest in companies of all sizes, we gravitate towards small and medium size businesses. We define small and medium business as those outside the FTSE 100, however, this does not preclude the fund from investing in those businesses within the FTSE 100.

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.

We actively manage our fund which means we can choose what we invest in as long as it is in line with the investment objective and policy. Because of this, the fund's performance can diverge significantly from its benchmark.

## **BENCHMARKING**

## Target benchmark

The investment objective refers to FTSE All-Share Index which is a target benchmark that the fund seeks to outperform. 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.

## Comparator benchmark

We also use the FTSE All-Share ex Investment Trusts Equally Weighted Index as a comparator benchmark against which you can compare the fund's performance. This index shows performance of the largest companies on the London Stock Exchange (excluding investment trusts) and measures performance ignoring the relative market capitalisation of the constituents (so the largest companies do not dominate performance). This is more reflective of how a fund might be able to invest.

## OTHER INFORMATION

Rathbone UK Opportunities Fund was authorised by the FCA on 25 August 1993 and launched in September 1993.

### Unit classes

Classes of units available	<ul style="list-style-type: none"><li>• I-class income units</li><li>• I-class accumulation units</li></ul>
Currency of denomination	Sterling
Minimum initial investment*	£1,000
Minimum subsequent investment*	£500
Minimum withdrawal*	None
Minimum holding*	None
Entry charge	0%
Annual management charge	0.45%
Allocation of charges	AMC charged to capital
Valuation points	Noon on each day the fund is open for dealing
Distribution dates	31 May, 30 November (annual),

\*Minimum initial and subsequent investment amounts, minimum holding and redemption requirements and the initial and redemption charges may be waived by Rathbones at its discretion.

## **Typical investor profile**

Whether an investment in the fund is appropriate will depend on the investor's own requirements and attitude to risk. The fund is designed for both retail and institutional investors who:

- are looking for and comfortable with exposure to global stocks and shares;
- are able to commit to a long-term investment (i.e., greater than seven years); and
- who understand and are willing to take risks involved in investing in the fund (as detailed under "Risk Factors" set out in section 4 of the prospectus).

## **Past performance**

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.

Please see [Appendix 5](#) for more information.

# APPENDIX 2

## INVESTMENT POWERS AND RESTRICTIONS

### 1. ABOUT THIS APPENDIX

These funds are “UK UCITS”, a type of product that is authorised and regulated by the Financial Conduct Authority (FCA). The FCA has created rules (known as COLL) regarding the investment powers and restrictions for these products.

This Appendix (together with the funds’ investment objectives and trust deeds) are supplementary to the FCA rules. Sometimes the FCA rules are flexible and allow us to set the relevant limit or choose whether a power is available, and this Appendix will then determine the available powers. However, these funds cannot do anything that the FCA does not permit a UK UCITS to do. If this Appendix and the FCA rules differ regarding the maximum investment restrictions, the more restrictive version will always apply. Subject to this, these funds have the power to do anything that the FCA permits a UK UCITS to do.

### 2. SPREAD OF RISK

- 2.1. Rathbones (as management company) must ensure that, taking into account the investment objective and policy of the relevant fund, the property of the fund is maintained or invested with the aim of providing a prudent spread of risk.
- 2.2. In accordance with the COLL Sourcebook, the rules in this Appendix 2 relating to the spread of investments do not apply until 12 months after the date on which the initial offer period commenced, or the date of the authorisation of the Trust or fund in question.

### 3. TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS

- 3.1. Up to 100% of each fund’s property may be made up of transferable securities and money market instruments which are:
  - 3.1.1. admitted to or dealt in on an ‘eligible market’ (as set out in COLL and supplemented by [Appendix 3](#)); or
  - 3.1.2. recently issued transferable securities, provided the terms of issue include an undertaking that an application will be made to be admitted to an eligible market, and such admission is secured within a year of issue; or
  - 3.1.3. money market instruments not admitted to or dealt in on an eligible market, which comply with the requirements in COLL

(as explained below under "Approved money market instruments").

3.2. Not more than 10% in value of the property of any fund may be made up of transferable securities, or money market instruments, which fall outside the criteria above (but which are still liquid and have a value which can be accurately determined at any time).

3.3. Transferable securities held by each fund must also fulfil the following criteria:

3.3.1. the potential loss which the fund may incur with respect to holding the transferable security is limited to the amount paid for it;

3.3.2. its liquidity does not compromise the ability of Rathbones (as management company) to comply with its obligation to redeem Units at the request of any qualifying Unitholder;

3.3.3. reliable valuation is available for the transferable securities as follows:

(a) In the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

(b) In the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research, appropriate information is available for the transferable security as follows:

(i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

(ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to Rathbones (as management company) on the



transferable security or, where relevant, on the portfolio of the transferable security;

- (c) it is negotiable; and
- (d) its risks are adequately captured by the risk management process of Rathbones (as management company).

3.4. Unless there is information available to Rathbones (as management company) that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed not to compromise the ability of Rathbones (as management company) to comply with its obligation to redeem Units at the request of any qualifying Unitholder, and to be negotiable.

#### **4. TRANSFERABLE SECURITIES LINKED TO OTHER ASSETS**

4.1. Each fund may invest in any other investment which shall be taken to be a transferable security provided the investment fulfils the criteria for transferable securities set out in paragraphs 3.3.1 to 3.3.3(d) above, and is backed by or linked to the performance of other assets, which may differ from those in which the fund can invest.

4.2. However, this is subject to each fund's investment objective and policy and where such investments contain an embedded derivative component, the requirements of COLL with respect of derivatives and forwards will apply to that component.

#### **5. CLOSED END FUNDS CONSTITUTING TRANSFERABLE SECURITIES**

5.1.1. A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a fund, provided it fulfils the criteria for transferable securities set out in paragraphs 3.3.1 to 3.3.3(d) above, and either: where the closed end fund is constituted as an investment company or unit trust:

- (a) it is subject to corporate governance mechanisms applied to companies; and
- (b) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

5.1.2. where the closed end fund is constituted under the law of contract:

- (a) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
- (b) it is managed by a person who is subject to national regulation

for the purpose of investor protection.

## **6. APPROVED MONEY MARKET INSTRUMENTS**

- 6.1.1. Each fund may invest in an approved money issued or guaranteed by:
- (a) a central authority of the United Kingdom or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
  - (b) a regional or local authority of the United Kingdom or an EEA State;
  - (c) the Bank of England, the European Central Bank or a central bank of an EEA State;
  - (d) the European Union or the European Investment Bank;
  - (e) a non-EEA State or, in the case of a federal state, one of the members making up the federation;
  - (f) a public international body to the United Kingdom or one or more EEA States belong; or
- 6.1.2. issued by a body, any securities of which are dealt in on an eligible market
- 6.1.3. issued or guaranteed by an establishment which is:
- (a) subject to prudential supervision in accordance with criteria defined by UK or EU law; or
  - (b) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.
- 6.2. An establishment shall be considered to satisfy the requirement in paragraph 6.1.3(b) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- 6.2.1. it is located in the European Economic Area;
  - 6.2.2. it is located in an OECD country belonging to the Group of Ten;
  - 6.2.3. it has at least investment grade rating;
  - 6.2.4. on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that

issuer are at least as stringent as those laid down by UK or EU law.

6.3. market instrument if it is:

## **7. WARRANTS**

Up to 5% of any fund may be made up of warrants although it is not anticipated that investment in warrants by the funds will affect the level of volatility of any fund. Warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene the COLL Sourcebook.

## **8. CASH AND NEAR CASH**

8.1. The property of each fund may be made up of cash or near cash to enable:

8.1.1. the pursuit of the fund's investment objective;

8.1.2. the redemption of Units; or

8.1.3. the efficient management of the fund in accordance with its objectives or any other purposes which may reasonably be regarded as ancillary to the objectives of the fund.

8.2. Liquidity may be at the upper end of, or even exceed the limits set out in the Rathbones' policy for managing liquidity as management company under certain circumstances such as where there are large market movements and/or an exceptional number of redemptions are anticipated or a fund is in receipt of large cash sums upon the creation of units or realisation of investments.

8.3. Cash which forms part of the property of a fund may be placed in any current or deposit account with the Depositary, Rathbones (as management company) or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the fund as would be the case for any comparable arrangement affected on normal commercial terms negotiated at arm's length between two independent parties.

## **9. GOVERNMENT AND PUBLIC SECURITIES**

9.1. Where no more than 35 percent in value of the scheme property is invested in:

9.1.1. an EEA state;

9.1.2. a local authority of an EEA state;

9.1.3. a non-EEA state; or

9.1.4. a public international body to which one or more EEA states belong, issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

9.2. More than 35% of the scheme property in transferable securities and money market instruments issued by or on behalf of or guaranteed by a single named issuer which may be one of the following: Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom, and United States of America.

9.3. We have consulted with the independent depositary and consider that the issuers named in paragraph 9.2 above are ones which are appropriate in accordance with the investment objective(s) of the funds set out in Appendix 1. If more than 35 percent in value of the scheme property is invested in government and public securities issued by any one issuer, no more than 30 percent in value of the scheme property may consist of such securities of any one issue and the scheme property must include at least six different issues whether of that or another issuer.

## **10. COLLECTIVE INVESTMENT SCHEMES**

10.1. **In respect of Rathbone Ethical Bond Fund, Rathbone Global Opportunities Fund, Rathbone Income Fund, and Rathbone UK Opportunities Fund:** may invest up to 10% of the property in units in collective investment schemes.

10.2. **In respect of Rathbone Strategic Bond Fund:** may invest up to 100% in units in collective investment schemes. Not more than 20% in value of the property of the fund may be made up of units or shares in any one collective investment scheme.

10.3. No fund may invest in units or shares of a collective investment scheme (the "Second Scheme") unless the Second Scheme falls within one of the following categories:

10.3.1. is a UCITS scheme (as defined in the FCA Handbook) or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS directive as implemented in the EEA; or

10.3.2. a scheme which is a recognised scheme; or

10.3.3. a scheme which is authorised as a NURS.

10.4. The Second Scheme must also operate on the principle of a prudent spread of risk, it should be prohibited from having more than 10% in

value of the property of that scheme consisting of units in collective investment schemes.

- 10.5. Investment may only be made in other collective investment schemes whose maximum annual management charge does not exceed 5%.
- 10.6. Additionally, the participants in the Second Scheme must be entitled to have their units redeemed in accordance with the scheme at a price which relates to the net value of the property to which the units relate and which are determined in accordance with the scheme.
- 10.7. Each fund may invest in shares or units of collective investment schemes which are managed or operated by (or, in the case of companies incorporated under the Financial Services and Markets Act 2000, have as their authorised corporate director) Rathbones or an associate of Rathbones. However, if a fund invests in units in another collective investment scheme managed or operated by Rathbones or by an associate of Rathbones, Rathbones must pay into the property of that fund before the close of the business on the third business day after the agreement to invest or dispose of units:
- 10.7.1. on investment – if Rathbones pays more for the units issued to it than the then prevailing price, the full amount of the difference or, if this is not known, the maximum permitted amount of any charge which may be made by the issuer on the issue of the units; and
- 10.7.2. on a disposal – any amount charged by the issuer on the redemption of such units.

Each fund may invest in or dispose of shares of other funds (as may be launched from time to time) (a "Second fund") only if the following conditions are satisfied:

- 10.7.3. the Second fund does not hold shares in any other funds;
- 10.7.4. the conditions in COLL regarding investment in other group schemes and investment in associated collective investment schemes are complied with; and
- 10.7.5. not more than 10% in value of the fund is to be made up of shares of the Second fund (subject to the other limits above).

## **11. SCHEMES REPLICATING AN INDEX**

- 11.1. Each fund may invest up to 20% in shares and debentures which are issued by the same body where the aim of the investment policy of that fund as stated in its most recently published prospectus is to replicate the performance or composition of an index which complies with the following:

- 11.1.1. it has a sufficiently diversified composition;
  - 11.1.2. it must be a representative benchmark for the market to which it refers; and
  - 11.1.3. it must be published in an appropriate manner.
- 11.2. The limit may be raised to 35% for a particular scheme, but only in respect of one body and where justified by exceptional market conditions.

## **12. DEPOSITS**

- 12.1. The property of each fund may be made up of deposits (as defined in COLL) but only if it:
- 12.1.1. is with an approved bank;
  - 12.1.2. is repayable on demand or has the right to be withdrawn; and
  - 12.1.3. matures in no more than 12 months.

## **13. RISK MANAGEMENT**

- 13.1. Rathbones (as management company) uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of the funds' positions and their contribution to the overall risk profile of the funds.

## **14. SPREAD - GENERAL**

- 14.1. In applying any of the restrictions referred to above:
- 14.1.1. not more than 20% in value of any fund's property may be made up of deposits with any single body;
  - 14.1.2. not more than 10% in value of any fund's property is to be made up of transferable securities or money market instruments issued by any single body (subject to COLL 5.6.23R), however the limit of 10% is raised to 25% in respect of covered bonds;
  - 14.1.3. the exposure to any one counterparty in an over the counter derivative transaction must not exceed 10% in value of any fund's property subject to COLL 5.6.7R (7).
- 14.2. No fund may invest in warrants or nil and partly paid securities unless the investment complies with the conditions in COLL 5.2.17R.

## **15. BORROWING**

- 15.1. Subject to compliance with the 'loan creditor condition' as set out in section 3 and COLL (as it relates to NURs), each fund may temporarily

borrow money for the use of that fund on terms that such borrowings are to be repaid out of the property of that fund. We do not anticipate significant use of this borrowing power. Such borrowing may only be made from an eligible institution or approved bank (as defined in COLL). The borrowing of each fund must not, on any day, exceed 10% of the value of the property of that fund.

- 15.2. Borrowings may be made from the parties associated with the administration of the funds provided that such lender is an eligible institution or approved bank and the arrangements are at least as favourable to the fund as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

## **16. LEVERAGE**

- 16.1. This section explains in what circumstances and how Rathbones (as management company) may use leverage in respect of a fund where the investment policy of that fund permits its use of leverage, the different leverage calculation methods and maximum level of leverage permitted.

- 16.2. 'Leverage' when used in this prospectus means the following sources of leverage which can be used when managing a fund:

16.2.1. cash borrowing, subject to the restrictions set out above in the 'Borrowing' paragraph; and

16.2.2. financial derivative instruments and reinvestment of cash collateral in the context of securities lending, subject in each case to the paragraphs in this Appendix and the relevant provisions of the FCA Rules dealing with derivatives, permitted transactions and transactions for the purchase of property, Borrowing powers of this Appendix.

- 16.3. Rathbones (as management company) is required to calculate and monitor the level of leverage of a fund, expressed as a ratio between the exposure of the fund and its net asset value (exposure/net asset value), under both the gross method and the commitment method.

- 16.4. Under the gross method, the exposure of a fund is calculated as follows:

16.4.1. include the sum of all assets purchased, plus the absolute value of all liabilities;

16.4.2. exclude cash and cash equivalents which are highly liquid investments held in the base currency of the fund, that are readily convertible to a known amount of cash, are subject to

an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;

- 16.4.3. derivative instruments are converted into the equivalent position in their underlying assets;
- 16.4.4. exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- 16.4.5. include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and
- 16.4.6. include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

16.5. Under the commitment method, the exposure of a fund is calculated broadly in the same way as under the gross method. However, under the commitment method, netting and hedging arrangements (including derivative instruments used for currency hedging purposes) are taken into account to reduce the leverage calculation, and differences may arise in the treatment of borrowing of cash and cash equivalents.

16.6. The maximum level of leverage which each fund may employ, calculated in accordance with the gross approach is and in accordance with the commitment approach are set out in Appendix 1.

16.7. In addition, the total amount of leverage employed by each fund will be disclosed in the annual report.

## **17. STOCK LENDING**

17.1. The Depositary on behalf of the funds may enter into a repo contract, or stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 but only if:

- 17.1.1. all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the funds are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- 17.1.2. the counterparty is an authorised person, or a person authorised by a home state regulator or otherwise permitted under COLL; and
- 17.1.3. collateral is obtained to secure the obligation of the counterparty under the terms referred to in 17.1.1 above, and is acceptable to the Depositary and must be adequate and sufficiently immediate as set out in COLL. These requirements



do not apply to stock lending transactions made through Euroclear Bank SA/NV's Securities Lending and borrowing Programme.

## **18. RESTRICTIONS ON LENDING OF MONEY**

- 18.1. None of the money in the property of the funds may be lent and, for the purposes of this prohibition, money is lent by the funds if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.
- 18.2. Acquiring a debenture is not lending for these purposes, nor is the placing of money on deposit or in a current account.
- 18.3. This rule does not prevent the funds from providing an officer of the funds with funds to meet expenditure to be incurred by him for the purposes of the funds (or for the purposes of enabling him properly to perform his duties as an officer of the funds) or from doing anything to enable an officer to avoid incurring such expenditure.

## **19. RESTRICTIONS ON LENDING OF PROPERTY OTHER THAN MONEY**

- 19.1. The property of the funds other than money must not be lent by way of deposit or otherwise. Transactions permitted by the FCA rules on stock lending are not to be regarded as lending for these purposes.
- 19.2. Where transactions in derivatives or forward transactions are used for the account of the funds in accordance with the COLL Sourcebook, nothing in this rule prevents the funds or the Depositary at the request of the funds, from lending, depositing, pledging or charging property for margin requirements, or transferring property under the terms of an agreement in relation to margin requirements, provided that Rathbones (as management company) reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to shareholders.
- 19.3. An agreement providing appropriate protection to shareholders for these purposes includes one made in accordance with the 1995 International Swaps and Derivatives Association Credit Support Annex (English Law) to the International Swaps and Derivatives Association Master Agreement.

## **20. GENERAL POWER TO ACCEPT OR UNDERWRITE PLACINGS**

- 20.1. Any power in the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into transactions to which this rule applies, subject to compliance with any restriction in the Trust Deed.
- 20.2. This rule applies to any agreement or understanding which:

20.2.1. is an underwriting or sub-underwriting agreement; or

20.2.2. contemplates that securities will or may be issued or subscribed for or acquired for the account of the funds.

20.3. The above paragraph does not apply to an option or a purchase of a transferable security which confers a right to (i) subscribe for or acquire a transferable security; or (ii) convert one transferable security into another.

20.4. The exposure of the funds to agreements and understandings (a) and (b) above must, on any day, be:

20.4.1. covered in accordance with the FCA rules on cover for transactions in derivatives and forward transactions; and

20.4.2. such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any applicable limit in COLL.

## **21. GUARANTEES AND INDEMNITIES**

21.1. The Depositary for the account of the funds must not provide any guarantee or indemnity in respect of the obligation of any person.

21.2. None of the property of the funds may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

21.3. The above paragraphs do not apply to any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the COLL Sourcebook.

## **22. SIGNIFICANT INFLUENCE**

22.1. A fund must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

22.1.1. immediately before the acquisition, the aggregate of any such securities held by a fund gives that fund power significantly to influence the conduct of business of that body corporate; or

22.1.2. the acquisition gives the fund that power.

22.2. For the purpose of paragraph 22.1, each fund is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20 percent or more of the voting rights in that body corporate (disregarding for this purpose any

temporary suspension of voting rights in respect of the transferable securities of that body corporate).

### **23. CONCENTRATION LIMITS**

23.1. A fund:

23.1.1. must not acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and represent more than 10 percent of those securities issued by that body corporate;

23.1.2. must not acquire more than 10 percent of the debt securities issued by any single body;

23.1.3. must not acquire more than 25 percent of the units in a collective investment scheme; and

23.1.4. must not acquire more than 10 percent of the approved money market instruments issued by any single body.

23.2. However, each fund needs not comply with the limits in paragraphs 21.1.2, 21.1.3 and 21.1.4 above if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

# APPENDIX 3

## LIST OF ELIGIBLE SECURITIES AND DERIVATIVES MARKETS.

All funds may deal through securities markets established in the UK, member states of the European Union and the European Economic Area on which transferable securities admitted to official listing in the member state are dealt in or traded.

In addition, up to 10 percent in value of any fund may be invested in transferable securities which are not approved securities.

Each fund may also deal in the securities and derivatives markets listed below.

	Securities markets	Derivatives markets
<b>Australia</b>	The Australian Sec Exchange	The Australian Sec Exchange
<b>Brazil</b>	B3	B3
<b>Canada</b>	The TSX Venture Exchange The Montreal Exchange	The TSX Venture Exchange The Montreal Exchange
<b>Hong Kong</b>	The Hong Kong Exchange	The Hong Kong Exchange
<b>Iceland</b>	Nasdaq Iceland (ICE)	Nasdaq Iceland (ICE)
<b>Japan</b>	The Nagoya Stock Exchange The Osaka Stock Exchange The Tokyo Stock Exchange	The Nagoya Stock Exchange The Osaka Stock Exchange The Tokyo Stock Exchange
<b>Malaysia</b>	Malaysia Bursa Berhad	Malaysia Bursa Berhad
<b>Mexico</b>	Bolsa Mexican de Valores (BMV)	Bolsa Mexican de Valores (BMV)
<b>New Zealand</b>	The New Zealand Stock Exchange NZX	The New Zealand Stock Exchange NZX
<b>Singapore</b>	The Singapore Exchange (SGX)	The Singapore Exchange (SGX)
<b>South Africa</b>	The Johannesburg Stock Exchange	The Johannesburg Stock Exchange
<b>South Korea</b>	The Korea Exchange	The Korea Exchange
<b>Switzerland</b>	SIX Swiss Stock Exchange (SWX)	SIX Swiss Stock Exchange (SWX)
<b>United Kingdom</b>	The Alternative Investment Market AIM	The Alternative Investment Market AIM
<b>USA</b>	NYSE American The NASDAQ Stock Market The New York Stock Exchange NYSE Arca The Philadelphia Stock Exchange	NYSE American The NASDAQ Stock Market The New York Stock Exchange NYSE Arca The Philadelphia Stock Exchange

Securities markets

Derivatives markets

The Chicago Board of Trade  
NYSE LIFFE

# APPENDIX 4

## HISTORICAL PERFORMANCE

Discrete calendar year performance	2020	2021	2022	2023	2024
<b>Rathbone Ethical Bond Fund</b>	8.94%	-0.41%	-17.21%	10.08%	5.07%
Target: IA Sterling Corporate Bond Sector	7.77%	-1.92%	-16.09%	9.42%	2.57%
<b>Rathbone Global Opportunities Fund</b>	31.27%	20.15%	-20.57%	17.99%	17.16%
Target: IA Global Sector	15.27%	17.68%	-11.06%	12.68%	12.59%
<b>Rathbone Income Fund</b>	-10.61%	20.56%	0.08%	7.55%	2.75%
Target: FTSE All Share	-9.82%	18.32%	0.34%	7.92%	9.47%
Comparator: IA UK Equity Income Sector	-10.73%	18.39%	-1.69%	7.02%	8.73%
<b>Rathbone Strategic Bond Fund</b>	7.50%	0.84%	-14.09%	9.89%	5.12%
IA Sterling Strategic Bond sector	6.55%	0.77%	-11.01%	7.83%	4.58%
<b>Rathbone UK Opportunities Fund [*]</b>	6.81%	21.42%	-29.43%	9.64%	5.61%
Target: FTSE All Share	-9.82%	18.32%	0.34%	7.92%	9.47%
Comparator: IA UK All Companies Sector	-6.01%	17.25%	-9.06%	7.38%	7.87%

Data source — based on I-class main units; FE fundinfo, bid to bid net income re-invested, ranked within full sector (main units only) as at 31.12.2024.

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.

[§§] Known as the Rathbone Recovery Fund until 23.10.2017

The Key Investor Information Document (KIID), the Supplementary Information Document (SID) and Application Forms may be obtained from Rathbones Asset Management Limited.

Please note, performance on other share classes are available on request.

# APPENDIX 5

## LIST OF OTHER FUNDS MANAGED BY RATHBONES

All of the funds in the Rathbones UK range (including the funds on the cover of this prospectus) are listed below. Rathbones acts as the authorised fund manager of all of these.

Legal vehicle		Fund name	Prospectus
Rathbone Greenbank Multi-Asset Portfolios	OEIC	Rathbone Greenbank Defensive Growth Fund	Rathbone Portfolios
		Rathbone Greenbank Dynamic Growth Fund	
		Rathbone Greenbank Strategic Growth Fund	
		Rathbone Greenbank Total Return Fund	
Rathbone Greenbank Global Sustainable Portfolios	OEIC	Rathbone Greenbank Global Sustainability Fund	
		Rathbone Greenbank Global Sustainable Bond Fund	
Rathbone Unit Trusts	Unit Trust	Rathbone Ethical Bond Fund	This prospectus
		Rathbone Global Opportunities Fund	
		Rathbone Income Fund	
		Rathbone UK Opportunities Fund	
Rathbone Strategic Bond	Unit Trust	Rathbone Strategic Bond Fund	
Rathbone High Quality Bond	OEIC	Rathbone High Quality Bond Fund	Rathbone OEICs
Rathbone Multi Asset Portfolio	OEIC	Rathbone Multi-Asset Defensive Growth Portfolio	
		Rathbone Multi-Asset Dynamic Growth Portfolio	
		Rathbone Multi Asset Enhanced Growth Portfolio	
		Rathbone Multi Asset Strategic Growth Portfolio	
		Rathbone Multi Asset Strategic Income Portfolio	
Rathbone Multi Asset Total Return Portfolio			
Rathbone Active Income & Growth Fund	Unit Trust	Rathbone Active Income & Growth Fund	Rathbone Active Income & Growth Fund
Rathbone Core Investment Fund for Charities	Unit Trust	Rathbone Core Investment Fund for Charities	Rathbone Core Investment Fund for Charities



# APPENDIX 6

## SUB-CUSTODIAN RELATIONSHIPS

Australia HSBC Bank Australia Limited	Malaysia HSBC Bank Malaysia Berhad
Austria HSBC Continental Europe S.A., Germany	Mexico Banco S3 Caceis Mexico, S.A., Institución de Banca Múltiple
Belgium BNP Paribas SA	Netherlands BNP Paribas SA
Brazil Banco BNP Paribas Brasil S/A	New Zealand The Hong Kong & Shanghai Banking Corporation Limited
Canada Royal Bank of Canada	Norway Skandinaviska Enskilda Banken AB (publ)
Czech Republic Ceskoslovenska Obchodni Banka, A.S.	Philippines The Hong Kong & Shanghai Banking Corporation Limited
Denmark Skandinaviska Enskilda Banken AB (publ)	Poland Bank Polska Kasa Opieki SA
Estonia As SEB Pank	Portugal BNP Paribas SA
Finland Skandinaviska Enskilda Banken AB (publ)	Singapore The Hong Kong & Shanghai Banking Corporation Limited
France CACEIS Bank France	Slovak Republic Ceskoslovenska Obchodna Banka AS
Germany HSBC Continental Europe S.A., Germany	Slovenia Unicredit Banka Slovenija DD
Greece BNP Paribas SA, Athens Branch	South Africa Standard Bank of South Africa
Hong Kong Special Administrative Region The Hong Kong & Shanghai Banking Corporation	South Korea The Hong Kong & Shanghai Banking Corporation Limited
Hungary Unicredit Bank Hungary ZRT	Spain BNP Paribas SA
Iceland Landsbankinn HF	Sweden Skandinaviska Enskilda Banken AB (publ)
Italy BNP Paribas SA	Switzerland UBS Switzerland AG
Japan The Hong Kong & Shanghai Banking Corporation Limited	Taiwan HSBC Bank (Taiwan) Limited
Latvia AS SEB banka	Thailand The Hong Kong & Shanghai Banking Corporation Limited
Lithuania AB SEB Bankas	United States of America HSBC Bank USA, N.A

# APPENDIX 7

## DIRECTORY

### **Authorised Fund Manager**

Rathbones Asset Management Limited  
30 Gresham Street  
London  
EC2V 7QN

### **Administrator**

HSBC Securities Services (UK) Limited  
1-2 Lochside Way  
Edinburgh Park  
Edinburgh  
EH12 9DT

### **Registrar**

SS&C Financial Services International Limited  
SS&C House  
Saint Nicholas Lane  
Basildon  
Essex  
SS15 5FS

### **Independent Depositary (or Trustee)**

NatWest Trustee and Depositary Services Limited  
250 Bishopsgate  
London  
EC2M 4AA

### **Custodian**

HSBC Bank Plc  
8 Canada Square  
London  
E14 5HQ

### **Auditor**

Deloitte LLP Statutory Auditor  
110 Queen Street  
Glasgow  
G1 3BX



**Rathbones Asset  
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**Rathbones Asset Management Limited is  
authorised and regulated by the Financial  
Conduct Authority and a member of The  
Investment Association.  
A member of the Rathbones Group Plc.  
Registered office: 30 Gresham Street, London  
EC2V 7QN  
Registered in England No. 02376568.**