



PROSPECTUS  
**UNIT TRUSTS**

**FOR INVESTMENTS IN THE FOLLOWING FUNDS**

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

# PROSPECTUS

This document is the Prospectus of certain authorised unit trust schemes (the 'funds') managed by Rathbones Asset Management Limited.

It has been prepared in accordance with the Collective Investment Schemes Sourcebook (the 'Regulations') as part of the Financial Conduct Authority's ('FCA') Handbook of Rules made under the Financial Services Markets Act 2000 (the 'Act'). This Prospectus is valid as at 16 February 2024

It contains all material information which investors and their professional advisers might reasonably require and reasonably expect to find for the purpose of making an informed judgement about the merits of participating in a scheme and the extent of the risks accepted by so participating. Target investors for the funds may be retail or professional investors.

Unless otherwise indicated, information in this document applies **to each scheme and references to 'the fund' or 'the scheme' apply** to each scheme individually.

The Trust Deed, this Prospectus and the most recent half yearly report of each fund may be inspected at the registered offices of the Manager. Copies of this Prospectus and the most recent half yearly report of each funds may be obtained free of charge on application to the Manager.

# GENERAL INFORMATION

## The Manager of the fund

### Rathbones Asset Management Limited

Rathbones Asset Management Limited is the Manager of the fund.

Rathbones Asset Management is authorised and regulated by the Financial Conduct Authority (FCA) and a member of the Investment Association (IA). The Manager has issued share capital of £202,223, all fully paid. Rathbones Asset Management is a private limited company and was incorporated on 26 April 1989 and is the unit trust management arm of Rathbones Group Plc, the listed investment management and private banking group. Rathbones Asset Management is entered on the FCA register under registration number 144266.

The Rathbones Group is engaged in a range of private banking and financial services within which the principal activity is discretionary investment management. The group had £105.3 billion assets under discretionary management, including Investec Wealth & Investment (IW&I), on behalf of private investors, charities, pension funds and unit trusts as at 31 December 2023.

Registered Office:  
8 Finsbury Circus  
London EC2M 7AZ  
Information line: 020 7399 0399  
Tel: 020 7399 0000  
Fax: 020 7399 0057  
rathbonesam.com

## Directors of the Manager

Name	Activity
J Rogers	Chair of Rathbones Asset Management Ltd
T Carroll	Director of Rathbones Asset Management Ltd
E K Renals	Director of Rathbones Asset Management Ltd
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 the Authorised Corporate Director, its ultimate parent company or other affiliated companies
J Lowe (Non-Executive Director)	

## Auditor

Deloitte LLP  
Statutory Auditor  
110 Queen Street  
Glasgow  
G1 3BX

## Trustee

The Trustee of the Trust is NatWest Trustee and Depository Services Limited (Registered No. 1119460).

The Trustee is a private company limited by shares incorporated in England and Wales on 8 February 2018. Its ultimate holding company is Natwest Group Plc which is incorporated in Scotland. The Trustees registered office is at 250 Bishopsgate, London EC2M 4AA.

The principal business activity of the Trustee is the provision of trustee and depository services. It is authorised and regulated by the Financial Conduct Authority under the registration number 794152.

## Registrar and Dealing Office

Registrar: SS&C Financial Services International Limited

SS&C House  
Saint Nicholas Lane  
Basildon  
Essex  
SS15 5FS

Dealing: SS&C Financial Services Europe Limited

Rathbones Asset Management Limited  
PO Box 9948  
Chelmsford  
CM99 2AG

Dealing and Valuation Line: 0330 123 3810

Dealing facsimile: 0330 123 3812

Authorised and Regulated by the Financial Conduct Authority (FCA). The FCA Register number is 161227.

The register of holders may be inspected by unitholders at the above offices during usual business hours.

## Custodian

HSBC Bank Plc  
8 Canada Square  
London  
E14 5HQ

## Administrator

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

## CONSTITUTION AND INVESTMENT POLICY

### **Rathbone Ethical Bond Fund**

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

### **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.

### **Investment policy**

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

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

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

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

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

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

The 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	Credit worthiness	
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	An obligor has STRONG capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories	
A3	A-	A-		
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, DDD, DD, D	Non-investment grade An obligor ranges from LESS VULNERABLE to HIGHLY VULNERABLE	Non-investment grade AKA high-yield bonds AKA junk bonds

### Ethical investment policy

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

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

## **RATHBONE GLOBAL OPPORTUNITIES FUND**

Rathbone Global Opportunities Fund is an authorised unit trust scheme, authorised by the FCA on 22 March 2001, and launched in May 2001.

### **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.

### **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. Product reference number: 194924.

## **RATHBONE INCOME FUND**

Rathbone Income Fund is an authorised unit trust scheme, authorised by the FCA on 12 February 1971, and launched in February 1971.

### **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 also aims to increase income payments in line with the CPI measure of inflation over any rolling five-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. Increasing your income payments at least in line with the CPI measure of inflation protects your future spending power.

### **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.

### **Other information**

We also compare our fund against the IA UK Equity Income sector because the funds in it are similar to ours. Product reference number: 106706.

## **RATHBONE UK OPPORTUNITIES FUND**

Rathbone UK Opportunities Fund is an authorised unit trust scheme, authorised by the FCA on 25 August 1993 and launched in September 1993.

### **Investment objective**

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

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

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

### **Investment 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.

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.

### **Other information**

We compare our fund against the IA UK All Companies sector to give you an indication of how we perform against other funds in our peer group. Apart from investing exclusively in the UK, the funds in this sector aren't always similar to ours. Product reference number: 163143.

### **Fund authorisation**

Each fund is authorised under Section 243 of the Act, belongs to category 'UCITS scheme' and has a base currency of pounds sterling.

### **ISA status**

The funds will at all times be invested in such a way that the units will constitute 'Qualifying Investments' for the purposes of the ISA Regulations 1998, as amended from time to time.

### **Best Execution**

The Manager has controls in place to provide unitholders with the best possible result in accordance with its best execution policy which is available on the Manager's website at [rathbonesam.com](http://rathbonesam.com)



## DUTIES AND LIABILITIES OF THE TRUSTEE

The Trustee Agreement sets out the duties and responsibilities of the Trustee. The main duties of the Trustee are to provide safekeeping, oversight and asset verification services in respect of the assets of the Funds in accordance with the FCA regulations.

The Trustee will also provide cash monitoring services in respect of the Fund's cash flows and subscriptions.

### Delegation to Sub-custodian

The Trustee is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property.

The Trustee has delegated safekeeping of the Scheme Property 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-custodian is updated only at each Prospectus review. An updated list of Sub-custodians is maintained by Rathbones Asset Management at [rathbonesam.com](http://rathbonesam.com). The Custodian is authorised by the PRA and regulated by the FCA and the PRA in the conduct of its investment business in the United Kingdom.

### Terms of Appointment

The Trustee was appointed as the trustee of the UCITS by virtue of the Trust Deed and is authorised by the Regulator to act as depositary of a UCITS.

The Trustee was appointed as depositary under a Depositary Agreement between the AFM and the Trustee (the "Depositary Agreement"). Under the Depositary Agreement, the Trustee is free to render similar services to others and the Trustee, the Trust and the AFM are subject to a duty not to disclose confidential information.

The powers, duties, rights and obligations of the Trustee, the Trust and the AFM under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

Under the Depositary Agreement the Trustee will be liable to the Trust for any loss of Financial Instruments held in Custody or for any liabilities incurred by the Trust as a result of the Trustee's negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Trustee 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 Trustee will be entitled to an indemnity from the Scheme Property 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 the AFM or the Trustee or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Trustee retire voluntarily, until the appointment of a new depositary.

Details of the fees payable to the Trustee are given in this document under the Expenses of the Fund section.

### Conflicts of interest

The Trustee 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 Trustee 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 the UCITS or a particular Sub-fund and/or other funds managed by the AFM or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA 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 Trustee operates independently from the Company, Unitholders, the AFM and its associated suppliers and the Custodian, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

### Updated information

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

## INVESTMENT RISK

### Investment risk and liquidity policies

The Manager considers that growth in both capital and income over the long term is best achieved by investment in equity securities. However, equities are subject to short-term fluctuations and there is a risk that their value can decrease as well as increase. Bonds are also subject to fluctuations in value, albeit to a lesser extent, although the potential for capital growth is not so great over the long term when compared with equities. There is a similar risk with currencies. The Manager may therefore attempt to minimise risk by pursuing a policy of diversification, by investing, if it thinks fit, in foreign securities or British Government securities consistent with regulatory limitations and efficient management of the fund, and may also use other hedging mechanisms (see Investment limits page 13 and Use of derivatives page 17).

Normally, the funds will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of units) and efficient management of the fund both generally and in relation to its strategic objective. This amount 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.

It is not intended that the funds will invest in any immovable property or tangible moveable property.

Unitholders are not liable for the debts of a fund.

Upon request from a unitholder, the Manager will provide information supplementary to this Prospectus relating to:

- (a) the quantitative limits applying to the risk management of the fund in which they are invested;
- (b) the methods used in relation to (a); and

any recent development of the risk and yields of the main categories of investment.

### Risk factors

Please remember that past performance is not necessarily a guide to the future and that the value of units and the income from them can go down as well as up and you may not get back the amount invested. Tax levels and reliefs depend on individual circumstances and may be subject to future changes.

Changes in exchange rates will affect the value of your investments. For example, if sterling strengthens against the currency in which your investments are made, the value of your investments will reduce and vice versa.

Interest rate fluctuations are likely to affect the capital value of investments within bond funds. When long-term interest rates rise the capital value of units is likely to fall and vice versa. The effect will be more apparent on funds that invest significantly in long dated securities. The value of capital and income will fluctuate as interest rates and credit ratings of the issuing companies change. Emerging markets are volatile and may suffer from liquidity problems.

Where the periodic charge is wholly or partly taken out of the fund's capital, distributable income will be increased at the expense of capital which will either be eroded or future growth constrained. If you are unsure about the suitability of this investment, or your tax position, you should seek professional advice.

A 'typical investor' in one-or-more of the Rathbones Asset Management Limited range of unit trusts is an investor looking for medium-to-long-term opportunities for growing income, potential capital growth or a balance of the two. Investment diversification in a pooled fund managed by a professional firm would be an attraction, rather than investing in a personal portfolio of individual stocks and shares. Investors have differing levels of investment risk with which they feel comfortable and the relative risks of each of the funds in our unit trust range are set out overleaf.

## Risk and reward profile

Following implementation by the UK of the UCITS IV Directive, there are specific regulations which lay down detailed rules on the presentation of the risk and reward profile of an investment. The rules require the use of a synthetic indicator to illustrate the risk and reward profile of each individual UCITS scheme. The regulations introduced a range of indicators from 1 (Lower potential risk/reward) to 7 (Higher potential risk/reward). The calculation methodology is common to all UCITS schemes. Potential investors should refer to the “Key Investor Information Document” (“KIID”) for the relevant fund, and unit class, for details of the risk and reward indicator applicable to the fund in question.

The risk and reward indicators currently applicable to each of the funds featured in this Prospectus are as follows:

	KIID Synthetic Risk and Reward Indicator (SRRI)
Rathbone Ethical Bond Fund	4
Rathbone Global Opportunities Fund	6
Rathbone Income Fund	6
Rathbone UK Opportunities Fund	6

The indicators for each of the respective funds retail and institutional unit classes are identical.

## Remuneration Policy

The Manager’s 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 the UCITS V Directive’s Remuneration Code as found in 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 UCITS, or the prospectus or trust deed of each UCITS. The Remuneration Policy does not impair the Manager’s compliance with its duty to act in the best interests of each UCITS.

The Remuneration Policy will apply to those staff working for the Manager whose professional activities have a material impact on the risk profiles of the Manager or the UCITS under its management.

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

- (i) The Manager
- (ii) Each UCITS managed; and
- (iii) The investors in each UCITS; 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 UCITS, to ensure that the:

- (1) Assessment process is based on the long-term performance of each UCITS and its investment risks; and
- (2) actual payment of performance-related components of remuneration is spread over the same period, and where deferred is held in share linked instruments managed by the Manager.

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 via the company’s website at [rathbonesam.com](http://rathbonesam.com), and a paper copy of the website information will be made available free of charge upon request.

## HISTORICAL PERFORMANCE

Performance	6m	1y	3y	5y
Rathbone Ethical Bond Fund	9.34%	10.08%	-9.24%	11.01%
Quartile	3	1	2	1
Rank	69/99	24/98	34/94	7/88
Target: IA Sterling Corporate Bond Sector	10.06%	9.42%	-9.95%	6.26%
Rathbone Global Opportunities Fund	7.18%	17.99%	12.60%	86.40%
Quartile	2	1	3	1
Rank	205/553	113/541	316/469	54/391
Target: IA Global Sector	5.80%	12.68%	17.93%	65.74%
Rathbone Income Fund	6.59%	7.57%	29.77%	37.41%
Quartile	3	3	2	2
Rank	41/75	40/75	21/73	26/72
Target: FTSE All Share	5.17%	7.92%	28.12%	37.68%
Comparator: IA UK Equity Income Sector	6.83%	7.02%	24.56%	33.51%
Rathbone UK Opportunities Fund	6.58%	9.64%	-6.06%	25.46%
Quartile	2	1	4	4
Rank	70/236	56/235	207/226	167/218
Target: FTSE All Share	5.17%	7.92%	28.12%	37.68%
Comparator: IA UK All Companies Sector	5.40%	7.38%	14.50%	31.55%

Discrete calendar year performance	2016	2017	2018	2019	2020	2021	2022	2023
Rathbone Ethical Bond Fund	7.07%	10.54%	-3.08%	12.27%	8.94%	-0.41%	-17.21%	10.08%
Target: IA Sterling Corporate Bond Sector	9.08%	5.06%	-2.22%	9.49%	7.77%	-1.92%	-16.09%	9.42%
Rathbone Global Opportunities Fund	16.79%	20.07%	-0.52%	26.12%	31.27%	20.15%	-20.57%	17.99%
Target: IA Global Sector	23.33%	14.02%	-5.72%	21.92%	15.27%	17.68%	-11.06%	12.68%
Rathbone Income Fund	8.38%	8.22%	-8.55%	18.59%	-10.58%	20.58%	0.07%	7.57%
Target: FTSE All Share	16.75%	13.10%	-9.47%	19.17%	-9.82%	18.32%	0.34%	7.92%
Comparator: IA UK Equity Income Sector	8.84%	11.32%	-10.54%	20.07%	-10.73%	18.39%	-1.69%	7.02%
Rathbone UK Opportunities Fund	7.83%	17.51%	-19.43%	25.13%	6.82%	21.42%	-29.43%	9.64%
Target: FTSE All Share	16.75%	13.10%	-9.47%	19.17%	-9.82%	18.32%	0.34%	7.92%
Comparator: IA UK All Companies Sector	10.82%	13.99%	-11.19%	22.24%	-6.01%	17.25%	-9.06%	7.38%

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 31.12.2023 .

Discrete calendar year performance – data source – FE fundinfo to 31.12.2023.

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.

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.

\*Known as the Rathbone Recovery Fund until 23.10.2017

## INVESTMENT LIMITS

Each fund is regulated for the purposes of its investments by Part 5 of the Regulations, which provide as follows:

- (i) All the property of the funds must be invested in, or a combination of, transferable securities, collective investment schemes, warrants, deposits and money market instruments, except that cash or near cash may be held for liquidity purposes or the efficient management of the fund. From time to time the fund may have a higher than usual level of liquidity if the Manager considers that to be in the interests of unitholders. A unit in a closed end fund is a transferable security if, in addition to satisfying the general criteria for transferable securities, either (where the closed end fund is constituted as an investment company or a unit trust) it is subject to corporate governance mechanisms applied to companies and 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 (where the closed end fund is constituted under the law of contract) it is subject to corporate governance mechanisms equivalent to those applied to companies and it is managed by a person who is subject to national regulation for the purpose of investor protection. For the purpose of investment of the property of the fund, a transferable security is an 'approved security' if it is admitted for listing in an EEA member state or traded on or under the rules of an eligible securities market. The eligible securities markets in which the property of each fund may be invested are set out in the section Eligible Securities Markets.
- (ii) Not more than 10% of the fund can be invested in transferable securities which are not either officially listed in an EEA state or traded on or under the rules of an eligible securities market or recently issued on terms that an application for such listings will be made.
- (iii) The fund shall not hold shares in a body corporate carrying more than 20% of voting rights in all circumstances, nor more than 10% of any other class of share of a body corporate or of the amount in issue of each type of convertible or non-convertible instrument and debenture (other than Government and public securities) nor more than 25% of the units in any collective investment scheme, nor more than 10% of the debt securities issued by any single issuing body or more than 10% of the money-market instruments issued by any single body.
- (iv) Up to 10% in value of the scheme property of the fund may be invested in units in other collective investment schemes. This may include collective investment schemes managed by the Manager, or an associate of the Manager, subject to the rules contained in COLL Rule 5.2.15. Investment may only be made in other collective investment schemes whose maximum annual management charge does not exceed 5%. Any schemes in which a fund invests need to comply with the conditions necessary for them to enjoy the rights conferred by the UCITS Directive; or be recognised under the provision of section 270 of the Financial Services and Market Act 2000; or be authorised as a non-UCITS retail scheme; or be authorised in another EEA state (provided that for the last two the requirements of article 19(1)(e) of the UCITS Directive are met). Investee schemes must also comply with the rules relating to investment in other group schemes contained in the Regulations and themselves be schemes which have terms which prohibit more than 10% of their assets consisting of units in other collective investment schemes.
- (v) With the exception of Government and public securities not more than 5% of the fund may normally be invested in any class of securities issued by one issuer, although up to 10% of the fund can be invested in a particular issuer provided that the total value of all those investments exceeding the 5% limit does not exceed 40% of the value of the fund; up to 35% of the fund can be invested in Government and public securities issued by the same issuer.
- (vi) Warrants giving the right to subscribe for securities can be acquired provided the exercise of such rights would not infringe an investment limit and the value of all such instruments does not exceed 5% of the value of the fund. Provided also that provided that warrants may only be held if it is reasonably foreseeable there will be no change to the scheme property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the scheme property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the Regulations.

- (vii) Up to 100% in value of the scheme property of the fund can consist of money market instruments, which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time provided the money market instrument is admitted to or normally dealt on an eligible market; or is issued or guaranteed by one of the following the government of the United Kingdom and the United States of America; or issued by a body, any securities of which are dealt in on an eligible market; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by community law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by community law. Notwithstanding the above up to 10% of the scheme property of the fund may be invested in money market instruments which do not meet these criteria.
- (viii) Up to 20% in value of the scheme property of the fund can consist of deposits with a single body. The fund may only invest in deposits with an approved bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.
- (ix) Except for hedging instruments, the fund may not acquire any investment which has an actual or contingent liability attached unless the maximum amount of such liability is ascertainable at the time of acquisition. Transferable securities on which any sum is unpaid can be acquired only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the fund at the time when payment is required.

## ELIGIBLE SECURITIES MARKETS

The eligible securities markets in which the property of the fund may be invested are:

		Rathbone Ethical Bond Fund	Rathbone Global Opportunities Fund
	Any market established in an EU or EEA country on which transferable securities admitted to the official list in that country are dealt in or traded.	✓	✓
<b>Australia</b>	Australian Securities Exchange	✓	✓
<b>Brazil</b>	B3	✓	✓
<b>Canada</b>	The TSX Venture Exchange	✓	✓
	The Montreal Exchange	✓	✓
<b>Hong Kong</b>	The Hong Kong Exchanges	✓	✓
<b>Japan</b>	The Nagoya Stock Exchange	✓	✓
	Osaka Exchange	✓	✓
	The Tokyo Stock Exchange	✓	✓
<b>Malaysia</b>	The Bursa Malaysia		✓
<b>Mexico</b>	The Mexican Stock Exchange	✓	✓
<b>New Zealand</b>	The New Zealand Stock Exchange	✓	✓
<b>Singapore</b>	The Singapore Exchange	✓	✓
<b>South Africa</b>	The Johannesburg Stock Exchange	✓	✓
<b>South Korea</b>	The Korea Stock Exchange Incorporated	✓	✓
<b>Switzerland</b>	SIX Swiss Exchange	✓	✓
<b>United Kingdom</b>	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		✓

The eligible securities markets in which the property of the fund may be invested are:

		Rathbone Income Fund	Rathbone UK Opportunities Fund
	Any market established in an EU or EEA country on which transferable securities admitted to the official list in that country are dealt in or traded.	✓	✓
<b>Australia</b>	Australian Securities Exchange		
<b>Brazil</b>	B3		
<b>Canada</b>	The TSX Venture Exchange The Montreal Exchange		
<b>Hong Kong</b>	The Hong Kong Exchanges		
<b>Japan</b>	The Nagoya Stock Exchange Osaka Exchange The Tokyo Stock Exchange		
<b>Malaysia</b>	The Bursa Malaysia		
<b>Mexico</b>	The Mexican Stock Exchange		
<b>New Zealand</b>	The New Zealand Stock Exchange		
<b>Singapore</b>	The Singapore Exchange		
<b>South Africa</b>	The Johannesburg Stock Exchange		
<b>South Korea</b>	The Korea Stock Exchange Incorporated		
<b>Switzerland</b>	SIX Swiss Exchange		
<b>United Kingdom</b>	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	✓	



## GOVERNMENT AND PUBLIC SECURITIES

More than 35 per cent of each fund may be invested in government and public securities issued by or on behalf of a single named issuer which may be the Government of any of the following countries:

Australia  
Canada  
Japan  
New Zealand  
Norway  
Switzerland  
United States of America

The Government of the United Kingdom and any of the following current EU Member States:

Austria  
Belgium  
Bulgaria  
Croatia  
Cyprus  
Czech Republic  
Denmark  
Estonia  
Finland  
France  
Germany  
Greece  
Hungary  
Ireland  
Italy  
Latvia  
Lithuania  
Luxembourg  
Malta  
Poland  
Portugal  
Romania  
Slovakia  
Slovenia  
Spain  
Sweden  
The Netherlands

## USE OF DERIVATIVES

The Manager may use derivatives for the purposes of "Efficient Portfolio Management" including hedging.

The Manager may use derivatives where they may reasonably be regarded as economically appropriate for the purposes of the fund, and where one of the aims is to reduce risk or cost arising in the management of the fund, or to generate additional income or capital for the fund at a level of risk which is consistent with the risk profile of the fund and the risk diversification rules laid down in the Regulations.

The first aim allows the use of derivatives with a view to switching currency exposure away from a currency considered to be unduly prone to risk. The second aim allows for tactical asset allocation. The third aim allows for advantage to be taken from arbitrage or writing covered options.

Transactions that might be contemplated are approved derivatives entered into on or under the rules of an eligible derivatives market, certain off exchange derivatives and currency forwards. The eligible derivatives market referred to for the purpose of the fund is the London International Financial Futures & Options Exchange (LIFFE).

The maximum potential exposure arising as a result of all such transactions must at all times be covered individually and globally by cash or other property as appropriate and sufficient to match the exposure.

### **Securities Financing Transactions (SFTs) and Total Return Swaps.**

**The manager does not enter into any SFTs or Total Return Swaps and currently has no intention to do so.**

## CHARACTERISTICS OF UNITS IN THE FUNDS

The nature of the right represented by the units is that of a beneficial interest under a trust.

Holders of units are entitled to participate in the property of the fund and the net income arising from it in proportion to their share of ownership of the property of the fund represented by their units.

The fund can issue income units where the income is distributed to unitholders and accumulation units in respect of which the relevant proportion of the income is accumulated within the property of the fund for the benefit of those holders of such units. All units are priced in sterling and neither type of unit has a nominal value.

At present, with the exception of the Rathbone Global Opportunities Fund which issues accumulation units only, each fund issues income units and the net income of the fund attributable to income units is distributed twice yearly to holders of such units with the exception of the Rathbone Ethical Bond Fund which pays distributions four times a year if available.

All Rathbone funds to which this document relates issue accumulation units and the net income of the fund attributable to accumulation units is retained in the fund for the benefit of holders of such units who will receive notice of allocation twice yearly. The names and addresses of unitholders will be entered in the Register. The unit register is the sole evidence of title.

### Conversion of unit holdings

Where the Manager considers it is in the best interests of unitholders, the Manager may convert/transfer a unitholder's holding in one class of units to another class of units in the same fund. The Manager shall 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.

### Dematerialisation

With the agreement of the Trustees and in common with many other fund managers, we do not issue unit certificates. When units are sold back to the Manager, certificates are no longer accepted as the renunciation document. A Form of Renunciation will be sent to you with your repurchase contract note. Unless clear written instructions signed by all registered holders have been received by us, the Form of Renunciation will need to be signed by all registered holders and returned to our Administration Office.

### Unclaimed distributions

Any distributions unclaimed after a period of six years will be transferred into the fund property by the Trustees for the benefit of all unitholders in the fund.

## BORROWING

The fund may borrow foreign currency for the purpose of hedging against fluctuations in the price of investments comprising the property of the fund, or in interest or currency exchange rates, provided that a sum in pounds sterling at least equivalent to the amount of currency borrowed is placed and kept on deposit by the fund with the lender or its agents, or any other person designated by the lender for that purpose.

In addition to borrowing for hedging purposes, the fund may for periods not exceeding three months borrow sums of money repayable out of the property of the fund, provided that, if these borrowings were to be immediately repayable, they do not exceed 10% in value of the property of the fund.

Borrowings may be made from, and deposits made with, the Trustee or any of its associates, provided they are bankers and any such borrowings and deposits are on normal commercial terms. There is no liability on such bankers to account to the Manager or to unitholders for any profit they may derive therefrom.

## TERMINATION

The fund may be terminated if an order declaring the fund to be an authorised unit trust scheme is revoked, or the Financial Conduct Authority (FCA) determines to revoke the order at the request of the Trustee or the Manager.

In the case of a reconstruction or an amalgamation of the fund with another body or trust, on the passing of an extraordinary resolution of holders of units approving the amalgamation, the Trustee shall wind up the fund in accordance with that resolution.

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

On completion of the winding-up the Trustee must notify the FCA to revoke the relevant authorisation order.

## ACCOUNTING DATES, DISTRIBUTIONS AND REPORTS

The interim Accounting and Record Date for the interim income distribution or allocation and the annual Accounting and Record Date for the final distribution or allocation are set out below.

The first income distribution with respect to units purchased between Record Dates (group 2 units) will be paid together with an amount of equalisation. Such units contain in their purchase price an amount called equalisation which represents a proportion of the net income of the fund already accrued to the date of the purchase. Except in the case of accumulation units this is returned to holders of group 2 units with their first income distribution but for tax purposes is treated as a return of capital.

Grouping for equalisation is permitted by the Trust Deed, which means that the amount returned may be ascertained per unit as the aggregate of all equalisation amounts divided by the number of group 2 units in issue at the Record Date for the distribution or allocation. The Interim distribution may be restricted by the Manager to regulate the payment of income during the accounting year. All available income will be distributed at the Final distribution date. Distributions are made by bank transfer (BACS) direct to the unitholders designated account.

Half yearly and annual reports (both long and short) will be published on the distribution/allocation dates shown below. Unitholders will be sent the Short Report for their fund, although the Long Report will be available free of charge upon request.

	Accounting and record dates		Income distribution/allocation	
	Interim	Annual	Interim	Annual
Rathbone Ethical Bond Fund	30 June <sup>2</sup>	30 September	31 August	30 November
	31 March		31 May	
	31 December <sup>2</sup>		28 February <sup>1</sup>	
Rathbone Global Opportunities Fund	31 July	31 January	30 September	31 March
Rathbone Income Fund	31 March	30 September	31 May	30 November
Rathbone UK Opportunities Fund*	31 March	30 September	31 May	30 November

<sup>1</sup> 29 February when applicable

<sup>2</sup> No interim report

\* Formerly Rathbone Recovery Fund

## MEETINGS AND VOTING RIGHTS

A meeting of unitholders duly convened and held shall be competent by extraordinary resolution to require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the Regulations and in particular to approve any modification, alteration or addition to the provisions of the Trust Deed which has been agreed by the Trustee and the Manager, or to remove the Manager or to approve any arrangement for the reconstruction or amalgamation of the fund, or to approve a departure by the Manager from a policy or set of investment objectives a statement of which has been included in these or any revised Prospectus. Apart from the foregoing, unitholders have no other powers exercisable at a meeting of unitholders.

Unitholders will receive at least 14 days' notice of a unitholders' meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two unitholders, present in person or by proxy. The quorum for an adjourned meeting is also two unitholders present in person or by proxy, however if a quorum is not present from a reasonable time from the time appointed for the meeting then one person entitled to be counted in a quorum shall be a quorum. Notices of meetings and adjourned meetings will be sent to unitholders at their registered addresses. Votes are given by a show of hands unless a poll is demanded by the Chairman, by the Trustee or by at least two unitholders present in person or by proxy.

On a show of hands every unitholder who (being an individual) is present in person or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every unitholder who is present in person or by proxy shall have one vote for every complete undivided share in the property of the fund and a further part of one vote proportionate to any fraction of such undivided share of which he is the holder and a unitholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint unitholders, the vote of the senior unitholder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint unitholders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Unitholders. The Manager is not entitled to vote on units registered in his name unless they are held on behalf of beneficial owners and in respect of which he has received voting instructions.

## VALUATION OF THE FUNDS AND UNIT PRICING

The property of the funds will be valued as set out in the Appendix on each normal business day at midday. Additional valuations may be made on other days or at other times with the Trustee's approval (see Appendix).

The funds are single priced.

The price at which units are issued or redeemed is based on the value of the scheme property of the relevant fund (adjusted to reflect any dilution adjustment).

## CHANGES TO THE FUNDS UNDER THE REGULATIONS

Changes to the funds' operation would fall within one of the following three categories. The categories are:

- (i) Fundamental events which change the nature of the fund or the basis on which the investor invested. For example changes to an investment objective, its risk profile or something that would cause material prejudice to the investors would require investor approval.
- (ii) Significant events which would materially affect an investor's investment, result in increased payments out of the fund, or could reasonably be expected to cause investors to reconsider their participation in the fund. Those should be notified pre-event to investors and in sufficient time to enable them to leave the fund, if they wish, before the change takes effect. 60 days minimum notice is required for these changes.
- (iii) Notifiable events for which the Manager would decide when and how the investor should be notified, depending on the type of event. In these cases notification could be after the event.

## BUYING AND SELLING OF UNITS IN THE FUNDS

At present units are dealt in on a forward price basis which means that transactions will be effected at prices determined by the next following valuation. The Manager has discretion to vary the pricing basis of units subject to the Regulations. The Manager is available to receive requests at the Order Desk for the buying and selling of units on normal business days between 9.00am and 5.00pm. In respect of telephoned orders, remittances should be sent on receipt of the contract note.

Completed application forms for units (obtainable from the Manager, website or the Administrator) should be sent to the Administrator. Contract notes confirming transactions will be issued by the close of business on the next business day after the dealing date. The purchase price of units may include a preliminary charge as set out below being a percentage of the unit price. This is a charge paid by the purchasers of units and is not payable by the scheme property. Out of this preliminary charge the Manager may pay commission to qualifying intermediaries.

There is currently no preliminary charge for the I-class, or the S-class units.

The minimum initial investment (which may be varied by the Manager with the approval of the Trustee), the minimum additional investment and the minimum holding in the fund is set out in the following tables for S-class, Institutional and Retail investors. In the case of the reinvestment of distributions, however, there is no minimum. Any number of units may be subscribed, sold or transferred so long as the transaction complies with applicable minimums.

<b>S-class units</b>	<b>Minimum initial lump sum investment</b>	<b>Minimum additional lump sum investment</b>	<b>Minimum holding</b>
Rathbone Ethical Bond Fund	At manager's discretion	At manager's discretion	At manager's discretion
Rathbone Income Fund	£100,000,000	£500	£10,000,000
Rathbone Global Opportunities Fund	At manager's discretion	£500	At manager's discretion

<b>I-class units</b>	<b>Minimum initial lump sum investment</b>	<b>Minimum additional lump sum investment</b>	<b>Minimum holding</b>
Rathbone Ethical Bond Fund	£1,000	£500	£1,000
Rathbone Global Opportunities Fund	£1,000	£500	£1,000
Rathbone Income Fund	£1,000	£500	£1,000
Rathbone UK Opportunities Fund***	£1,000	£500	£1,000

The minimum additional investment does not apply to monthly savers.

<sup>1</sup> In the case of the Rathbone Income Fund, the minimum investment of £1,000 or more does not apply to a unitholding registered before 1 November 1999, where the requirement was £500.

\*\*\* Formerly Rathbone Recovery Fund

Purchasers of units are required to enter their registration details on the form supplied with their contract note. Once units are paid for these details will be entered on the unit register, which is the sole evidence of title. Unit certificates are not issued.

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

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

Unitholders may sell units on submitting the purchase contract note and a duly executed Deed of Transfer. The Manager's policy is to pay the proceeds of settlement for redemption or cancellation of units, regardless of size, by cash only and not by *in specie* transfer. In respect of re-registration, Stock Transfer forms are accepted for unit trust transfers. For re-registration of ISAs involving a change of nominee, a charge is currently applied. Rathbones Asset Management Limited reserves the right to vary this charge without prior notice. The issue and redemption of units will not take place if dealing in the units is suspended by operation of law or any statute for the time being in place.

If it comes to the notice of the Manager that any units ('affected units') are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or by virtue of which the unitholder or unitholders in question is/are not qualified and entitled to hold such units or if it reasonably believes this to be the case, the Manager

may give notice to the holder(s) of the affected units requiring either transfer of such units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such units in accordance with the Regulations. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer his affected units to a person qualified to hold them or establish to the satisfaction of the manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected shares, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected shares pursuant to the Regulations.

The Manager may with the prior agreement of the Trustee, or shall, if the Trustee so requires, suspend the redemption of units at any time if the Manager or Trustee consider that there is good and sufficient reason to do so having regard to the interests of unitholders. Any suspension may only continue for as long as it is justified and must be reviewed every 28 days. Notice of the suspension of redemption must be given to the Financial Conduct Authority stating the reasons for the suspension. The re-calculation of the unit price will commence at 12 midday on the day on which the property of the relevant fund is next valued. These funds are marketable to all retail investors.

The most recent prices of units are available on [markets.ft.com](http://markets.ft.com), [trustnet.com](http://trustnet.com) and can be also be viewed on the Manager's website [rathbonesam.com](http://rathbonesam.com). Investors can obtain prices by calling the Registrar, SS&C Financial Services International Limited, on 0330 123 3810. The prices shown will be those calculated at the previous valuation point.

The units in the fund are not listed or dealt in on any investment exchange.

The Manager will not arrange the cancellation of units in *specie* except at its sole discretion.

## Client money

1 In accordance with the Client Asset Sourcebook ("CASS") of the Financial Conduct Authority's ("FCA") Handbook, Rathbones Asset Management Limited has chosen to operate the Delivery versus Payment Exemption with regard to investors' subscriptions and redemptions. This exemption, under the FCA's rules, allows Rathbones Asset Management to not treat investor monies as client money in the following two Delivery versus Payment scenarios:

- (i) Where money is received from an investor in relation to Rathbones Asset Management's obligation to issue units in accordance with FCA rules.
- (ii) Where money is held by Rathbones Asset Management in the course of units being redeemed where the proceeds of that redemption are paid to a client within the time specified in the FCA rules.

By agreeing to subscribe to any Rathbones Asset Management funds, unitholders agree to Rathbones Asset Management using such arrangements. Should Rathbones Asset Management cease at any time to use the Delivery versus Payment Exemption, you will be pre-notified in writing ahead of the relevant cessation date.

- 2 Where in the scenario described in 1 above Rathbones Asset Management has not, by the close of business on the business day following the receipt of money, paid that money to the authorised depository or to the client as the case may be, then Rathbones Asset Management must stop using the DVP exemption, for that specific transaction.
- 3 Any redemption proceeds to be paid by cheque will be paid from a relevant client money account.
- 4 Where Rathbones Asset Management makes use of the DVP Exemption, it will always obtain the client's consent, and will retain this for the whole period it operates the Exemption.
- 5 In the scenarios under 1 above where money is not treated as client money, such money is not protected and in the event that Rathbones Asset Management should fail, then the money would be at risk.
- 6 Further, in accordance with the CASS regulations Rathbones Asset Management is obliged to obtain unitholder agreement to use the Delivery versus Payment Exemption within the use of any Commercial Settlement systems we utilise. By subscribing to Rathbones Asset Management funds, unitholders confirm agreement to the use of such systems.

- 7 In relation to the CASS regulations, by agreeing to purchase units in any Rathbones Asset Management fund, unitholders agree for Rathbones Asset Management and any applicable third party to establish a contractual agreement to cover the holding of client money by the third party in a client transaction account showing that it is holding the monies on behalf of Rathbones Asset Management's client.

## Dilution Adjustment

The basis on which the funds' investments are valued for the purpose of calculating the issue and redemption price of units as stipulated in the FCA regulations is summarised later in the Appendix. The actual cost of purchasing or selling a fund's investments may be higher or lower than the mid-market value used in calculating the unit price – for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on unitholders' interest in a fund, this is known as "dilution".

Therefore, once the single price of a unit has been determined (in accordance with the Appendix) a dilution adjustment will be applied to the price in accordance with the policy outlined below. This is known as "swinging single pricing" i.e. the price swings in response to particular circumstances to mitigate the effects of dilution.

When there are net inflows to a fund, a dilution adjustment increases the price (price swings up) and when there are net outflows from a fund, the dilution adjustment reduces the price (price swings down). This is to reflect the true cost of purchasing or selling units in a fund. These costs are estimated and can vary over time dependent on prevailing dealing spreads and market transaction costs and as a result the dilution adjustment will also vary over time.

Any dilution adjustment is imposed for the protection of existing unitholders to prevent inflows and outflows adversely affecting their interests through the costs referred to above. Neither the Manager nor any introducing agent in any way benefits from the imposition of a dilution adjustment.

The Manager's policy is to make a dilution adjustment when it believes that it is in the interests of unitholders to do so. For example:

- when a fund is typically expanding the Manager may operate a dilution adjustment on a semi-permanent basis to reflect the trend of net inflows to that fund. The effect is that the price will swing up. However, in the event of a large outflow on a particular day, the price will swing down;



- when a fund is typically contracting the Manager may operate a dilution adjustment on a semi-permanent basis to reflect the trend of net outflows from the Sub-Fund. The effect is that the price will swing down. However, in the event of a large inflow on a particular day, the price will swing up; and
- due to the nature of investments held within a fund the Manager reserves the right to impose a higher dilution adjustment on any day on which net flows are larger than [3%] of the Net Asset Value. The higher dilution adjustment is imposed to reflect the higher trading costs which may be suffered if there are significant cash flows into or out of the fund.

Notwithstanding the above, the Manager reserves the right to impose or amend a dilution adjustment where the Manager is of the opinion that it is in the interests of the unitholders to do so. Where the Manager elects not to apply a Dilution Adjustment this may have an adverse affect on the total assets of the fund as a result of net subscriptions or redemptions.

The Manager would typically expect to make a dilution adjustment whenever there are inflows to or outflows from the funds. It is not possible to predict accurately how frequently the Manager will need to make such a dilution adjustment in respect of a particular fund, as this is dependent on inflows to or outflows from that fund.

The Manager will review previous dilution adjustments made on at least a quarterly basis or dependent on prevailing market conditions.

The Manager may alter its dilution policy either by unitholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of unitholders and by amending this Prospectus or by giving unitholder's notice and amending the Prospectus 60 days before the change to the dilution policy is to take effect.

The rates of the dilution adjustment at the time of this Prospectus are:

Fund	For purchases	For redemptions
Rathbone Ethical Bond Fund	0.395%	0.395%
Rathbone Global Opportunities Fund	0.155%	0.054%
Rathbone Income Fund	0.493%	0.085%
Rathbone UK Opportunities Fund	0.688%	0.299%

## EXPENSES OF THE FUNDS

The Manager currently receives an annual remuneration for managing the property of the fund at the rate set out below and payable monthly out of the income property of the fund. Subject to at least 60 days notice, the Manager may increase this charge.

The charge, is based upon the Net Asset Value of the previous dealing date and is payable in arrears. Accrual is based on the daily Net Asset Value.

In the case of the Rathbone Ethical Bond Fund, the Rathbone Income Fund, Rathbone UK Opportunities Fund, and the Rathbone Strategic Bond Fund the Manager's total annual fee is taken from capital.

	I-class annual remuneration (subject to any applicable VAT)
Rathbone Ethical Bond Fund	0.625%
Rathbone Global Opportunities Fund	0.75%
Rathbone Income Fund	0.75%
Rathbone UK Opportunities Fund	0.45%

	S-class annual remuneration (subject to any applicable VAT)
Rathbone Ethical Bond Fund	0.49%
Rathbone Income Fund	0.49%
Rathbone Global Opportunities Fund	0.49%



The Trustee will receive remuneration (plus VAT thereon) out of the property of the fund for its services as a Trustee. This remuneration is calculated on the basis of an annual percentage of the value of the property of the fund and is calculated and paid in the same manner as stated for the Manager's annual charge subject to a maximum rate of 0.25%.

The current remuneration is based on the Tariff below for the previous dealing date of the fund and is payable in arrears. The accrual is based on the daily Net Asset Value.

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

In addition, service charges may be paid to the Trustee. These charges consist of safe custody charges of 0.01% minimum to 0.50% maximum of the value of the securities held and transaction fees of between £10 and £250 depending on the geographical location of the fund securities.

Due to the nature of the markets currently invested in, the safe custody charges do not exceed 0.25%, and the transaction fees £80.

The Manager is not entitled to receive a periodic charge during a winding-up of the fund, but the Trustee is so entitled and during a winding-up, its charge will be calculated as if the Regulations for valuation of the fund still applied.

The following other expenses may be paid out of the property of the fund:

- 1 brokers' commission, (where such payment may be made in accordance with the FCA Rules), fiscal charges 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;
- 2 any costs incurred in modifying the 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 the Manager and the Trustee agree is in the interest of unitholders, or to remove obsolete provisions from the Trust Deed;

- 3 any costs incurred in respect of meetings of unitholders convened on a requisition by unitholders not including the Manager or an associate of the Manager;
- 4 liabilities on unitisation, amalgamation or reconstruction;
- 5 interest on permitted borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 6 taxation and duties payable in respect of the property of the fund, the Trust Deed or the issue of units;
- 7 the audit fees of the Auditor (including VAT) and any relevant expenses of the Auditor;
- 8 the periodic fees of the Financial Conduct Authority (zero rated for VAT) under Schedule 1 part III of the Financial Services Markets Act 2000, 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;
- 9 the Trustee will also be reimbursed out of the property of the fund for expenses incurred in performing the following duties:
  - Delivery of stock to the Trustee or Custodian;
  - Custody of assets;
  - Registration;
  - Collection of income and capital;
  - Submission of tax returns;
  - Handling tax claims;
  - Preparation of the Trustee's annual report; and
  - Such other duties as the Trustee is required by law to perform.

The Manager's annual charge, the Trustee's remuneration, audit fees and registrar's fees accrue daily and are reflected in the unit price calculation.

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

In accordance with the FCA Rules, the Manager, when executing orders or placing orders with other entities in relation to financial instruments for execution on behalf of the funds, must not accept and retain any fees, commission or monetary benefits from a third party ('Third Party Payments'). If the Manager receives any Third Party Payments, the Manager will return the Third Party Payments to the relevant fund as soon as reasonable possible and will inform unit holders of the amount received which will be set out in the annual reports.

The Manager must not accept any non-monetary benefits when executing orders or placing orders with other entities for execution in relation to financial instruments on behalf of the funds, except those which are capable of enhancing the quality of the service provided to the funds, and which are of a scale and nature such that they could not be judged to impair the Manager's compliance with its duty to act honestly, fairly and professionally in the best interests of the funds.

The Manager conducts its own research and/or uses third party providers of research. The Manager will pay for this research out of its own resources.

## TAXATION OF THE FUND

### (i) Income

The fund is liable to Corporation Tax on its income, other than dividends from UK companies, less its expenses of management. Where overseas tax (withholding tax) has been deducted from overseas income that tax can, in some instances, be set off against corporation tax paid by the fund, by way of double tax relief. Liability to withholding tax is accrued daily in the income in the unit price. Refunds of withholding tax are included on a received basis. Dividend distributions made, or treated as made, by the Trust to unitholders are not subject to UK withholding tax.

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

### (ii) Capital gains

The fund is exempt from taxation on capital gains.

### (iii) Stamp Duty Reserve Tax (SDRT)

With effect from 30 March 2014 SDRT is not chargeable on the surrender of units to the fund.

Unitholders are generally liable to SDRT at 0.5% on acquiring Units from a third party (that is, where the transaction is not handled by the fund) and in cases where they redeem units in consideration of a transfer of assets of the fund other than cash (an in specie redemption) and that consideration is non-pro rata (not in proportion to the total assets of the fund).

## TAXATION OF THE UNITHOLDERS

The following notes are provided primarily for guidance only and unitholders should always consult their own advisers as the bases and rates of taxation may vary.

You may get a dividend payment if you own shares in a company.

You don't pay tax on the first £5,000 of dividends you get in the tax year (from 6 April to 5 April the following year).

Above this allowance the tax you pay depends on which Income Tax band you are in. Add your income from dividends to your other taxable income when working this out. You may pay tax at more than one rate. The rules are different for dividends from tax years before April 2016.

Tax band	Tax rate on dividends over £5,000
Basic rate	7.5%
Higher rate	32.5%
Additional rate	38.1%

HM Revenue and Customs (HMRC) has examples of how your tax is worked out if you're over the dividend allowance. You don't pay tax on dividends from shares in an ISA.

Dividends that fall within your Personal Allowance do not count towards the £5,000 dividend allowance.

### How you pay tax on dividends

How you pay depends on the amount of dividend income you received in the tax year.

#### Less than £5,000

You don't need to do anything or pay any tax.

#### Between £5,000 and £10,000

It is your obligation to inform HMRC.

**(i) Capital gains**

Gains made by unitholders from the proceeds of the sale of all investments will be tax free if they fall within an individual's annual exemption (£10,900 in the tax year 2013/2014 and £11,000 for tax year 2014/15) after deduction of allowable losses and any tax relief. Gains made during the period 5 April 2013 to 4 April 2014 and 7 April 2014 to 6 April 2015, are taxed at either 18% or 28%, depending on investor's total taxable income.

**(ii) Other payments**

Equalisation is allocated without deduction of tax and is not subject to income tax but must be deducted from the cost of units for Capital Gains Tax purposes.

Proceeds on the redemption of units are paid without deduction of tax.

## OTHER INFORMATION

Except for Rathbone Global Opportunities Fund, which only issues Accumulation units, facilities are available to existing unitholders for the automatic reinvestment of their net distributions. Unitholders wishing to make such arrangements, or, in the case of the Rathbone Ethical Bond Fund, the Rathbone Income Fund, or the Rathbone UK Opportunities Fund to convert to accumulation units, should write confirming their instructions to the Administrator.

Unitholders wishing to have their net distribution re-invested should purchase Accumulation units.

Unitholders who have any queries or complaints about the operation of the fund should address them in the first instance to the Compliance Officer, Rathbones Asset Management Limited, 8 Finsbury Circus, London EC2M 7AZ. Any complaint we receive will be handled in accordance with our internal complaint procedures. A copy of these are available from the Compliance Officer. If you have occasion to complain, and in the unlikely event that you do not receive a satisfactory response, you may direct your complaint to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR.

The Trust Deeds for the funds can be inspected at Rathbones Asset Management, 8 Finsbury Circus, London EC2M 7AZ.

The most recent half yearly managers reports may be inspected, and copies obtained, free of charge, from Rathbones Asset Management, 8 Finsbury Circus, London EC2M 7AZ.

Unit trusts should be regarded as longer-term investments and investors should be aware that the value of their units and the income from them can go down as well as up and investors may not receive back the full amount invested.

Units in the fund are not marketed outside the United Kingdom.

All administrative functions but with the exception of registration, investment management, dealing and sales and marketing has been outsourced to HSBC.

Registration and dealing in the units of the funds has been delegated to SS&C Financial Services International Limited.

Asset dealing for the funds has been delegated to Northern Trust Securities LLP.

The Manager, in accordance with the FCA Rules, must take all reasonable steps to record telephone conversations and keep a copy of the electronic communications where such conversations and communications relate to activities in financial instruments as required by the FCA Rules. The Manager may keep records of all business transactions for at least five years.

### Risk management

Upon request to the Manager, a unitholder can receive information relating to the quantitative limits applying in the risk management of the fund, the methods used in relation to these limits, and any recent developments of the risk and yields of the main categories of investment.

Unitholders' names will be added to a mailing list which may be used by the Manager, its associates or third parties to inform investors of other products by sending details of such products. Unitholders who do not wish to receive such details should write to the Administrator requesting their removal from any mailing list.

If you do not wish to receive information on other products and services offered by the Rathbones Group, please write to us at the following address:

Data Protection Officer  
Rathbones Asset Management  
8 Finsbury Circus  
London EC2M 7AZ

The Company is also Manager of the following funds which have individual Prospectuses:

Rathbone Active Income and Growth Fund  
Rathbone Core Investment Fund for Charities  
Rathbone Strategic Bond Fund

and Authorised Corporate Director of:

Rathbone Multi-Asset Portfolios:

Rathbone Enhanced Growth Portfolio  
Rathbone Defensive Growth Portfolio  
Rathbone Dynamic Growth Portfolio  
Rathbone Strategic Growth Portfolio  
Rathbone Strategic Income Portfolio  
Rathbone Total Return Portfolio

Rathbone Greenbank Multi-Asset Portfolios:

Rathbone Greenbank Defensive Growth Portfolio  
Rathbone Greenbank Dynamic Growth Portfolio  
Rathbone Greenbank Strategic Growth Portfolio  
Rathbone Greenbank Total Return Portfolio

Rathbone Greenbank Global Sustainable Portfolios:

Rathbone Greenbank Global Sustainability Fund  
Rathbone Greenbank Global Sustainable Bond Fund

Rathbone High Quality Bond Fund

# APPENDIX

## Calculation of the Net Asset Value

The value of the scheme property of each fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

All the scheme property (including receivables) of the fund is to be included, subject to the following provisions.

- 1 Scheme property which is not cash (or other assets dealt with below) or a contingent liability transaction shall be valued as follows:
  - (a) Units or shares in a collective investment scheme:
    - (i) if a single price for buying and selling units is quoted, at the most recent such price; or
    - (ii) if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - (iii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
  - (b) Any other transferable security:
    - (i) if a single price for buying and selling the security is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, the average of those two prices; or
    - (iii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the Manager reflects a fair and reasonable price for that investment;
  - (c) Property other than that described in paragraphs 1(a) and 1(b) above:
    - (i) at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.
- 2 Cash and amounts held in current, margin and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 3 Currencies or values in currencies other than sterling shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of unitholders or potential unitholders.
- 4 Property which is a contingent liability transaction shall be treated as follows:
  - (a) if it is a written option (and the premium for writing the option has become part of the scheme property), the amount of the net valuation of premium receivable shall be deducted;
  - (b) if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the Manager and the Trustee;
  - (c) if the property is an off-exchange derivative, it will be included at a valuation method agreed between the Manager and Trustee;
  - (d) if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).
- 5 In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 6 Agreements for the unconditional sale or purchase of property which are in existence but uncompleted will generally 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 the opinion of the Manager, their omission will not materially affect the final net asset amount.
- 7 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under the preceding paragraph.
- 8 All agreements will be included in the calculation of Net Asset Value which are, or ought reasonably to have been, known to the person valuing the property.
- 9 An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) Capital Gains Tax, Income Tax, Corporation Tax, Stamp Duty, Stamp Duty Reserve Tax, Advance Corporation Tax and Value Added Tax will be deducted.
- 10 An amount for any liabilities and expenses payable out of the scheme property, including the annual management charges applicable to each share class, depositary fees, custodian fees, registrar fees, audit fees and FCA fees will be deducted. Other expenses which represent properly incurred costs may also be treated as a type of payment for this purpose.
- 11 The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.
- 12 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
- 13 Any other credits or amounts due to be paid into the scheme property will be added.
- 14 A sum representing any interest or any income accrued due or deemed to have accrued but not received and any Stamp Duty Reserve Tax provision anticipated to be received will be added.

## SUB-CUSTODIAN RELATIONSHIPS

Australia  
HSBC Bank Australia Limited

Austria  
HSBC Continental Europe S.A., Germany

Belgium  
BNP Paribas SA

Brazil  
Banco BNP Paribas Brasil S/A

Canada  
Royal Bank of Canada

Czech Republic  
Ceskoslovenska Obchodni Banka, A.S.

Denmark  
Skandinaviska Enskilda Banken AB (publ)

Estonia  
As SEB Pank

Finland  
Skandinaviska Enskilda Banken AB (publ)

France  
CACEIS Bank France

Germany  
HSBC Continental Europe S.A., Germany

Greece  
BNP Paribas SA, Athens Branch

Hong Kong  
Special Administrative Region The Hong Kong  
& Shanghai Banking Corporation Limited

Hungary  
Unicredit Bank Hungary ZRT

Iceland  
Landsbankinn HF

Italy  
BNP Paribas SA

Japan  
The Hong Kong & Shanghai Banking Corporation Limited

Latvia  
AS SEB banka

Lithuania  
AB SEB Bankas

Malaysia  
HSBC Bank Malaysia Berhad

Mexico  
Banco B3 Caceis Mexico, S.A., Institucion de Banca Multiple

Netherlands  
BNP Paribas SA

New Zealand  
The Hong Kong & Shanghai Banking Corporation Limited

Norway  
Skandinaviska Enskilda Banken AB (publ)

Philippines  
The Hong Kong & Shanghai Banking Corporation Limited

Poland  
Bank Polska Kasa Opieki SA

Portugal  
BNP Paribas SA

Singapore  
The Hong Kong & Shanghai Banking Corporation Limited

Slovak Republic  
Ceskoslovenska Obchodna Banka AS

Slovenia  
Unicredit Banka Slovenija DD

South Africa  
Standard Bank of South Africa

South Korea  
The Hong Kong & Shanghai Banking Corporation Limited

Spain  
BNP Paribas SA

Sweden  
Skandinaviska Enskilda Banken AB (publ)

Switzerland  
Credit Suisse (Switzerland) Ltd

Taiwan  
HSBC Bank (Taiwan) Limited

Thailand  
The Hong Kong & Shanghai Banking Corporation Limited

United States of America  
HSBC Bank USA, N.A.



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