

Rathbone Ethical Bond Fund

Manager: Rathbone Unit Trust Management Limited **Trustee:** Royal Bank of Scotland Plc

Size of fund	Offer value:	£48.35m	(£46.98m mid-market value)		
Unit prices and net yield (30.06.10)†:		<i>Selling</i>	<i>Buying</i>		
	<i>Income:</i>	80.07p	83.40p		
	<i>Accumulation:</i>	118.10p	123.02p		
	<i>Historical/Distribution Yield:</i>	7.40%			
<i>Time periods ending 30.06.10:</i>	<i>6 months</i>	<i>1 year</i>	<i>3 years</i>	<i>5 years</i>	
Rathbone Ethical Bond Fund	7.26%	23.20%	7.39%	5.62%	
IMA Sterling Corporate Bond Sector	5.39%	17.47%	11.65%	10.93%	
Quartile rank	1	1	3	4	
<i>Discrete year performance ending 30 June</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Rathbone Ethical Bond Fund	-0.27%	-1.38%	-4.64%	-8.58%	23.20%
IMA Sterling Corporate Bond Sector	0.13%	-0.77%	-2.71%	-2.31%	17.47%
	<i>Alpha:</i>	<i>Beta:</i>	<i>Sharpe Ratio:</i>	<i>Volatility:</i>	<i>Turnover:</i>
Rathbone Ethical Bond Fund	0.22	-0.18	0.06	9.33%	223.04%
IMA Sterling Corporate Bond Sector	0.02	0.33	0.25	6.26%	n/a

Source performance data Financial Express, bid to bid, net income re-invested. Data using prices struck 30.06.10. Alpha, Beta, Volatility and Sharpe Ratio statistics given on a 5 year rolling basis. Alpha and Beta are calculated using the FTSE Gilts 5-15 Years Index as the benchmark. Sharpe Ratio calculated using Risk Free Rate of 0.50. Volatility shown is annualised standard deviation of monthly returns. Turnover is calculated on a 1 year rolling basis. For further information on these statistics, please call our Information line on 020 7399 0399, or visit www.rutm.com

†Income and accumulation yields may differ for this fund as the figure is expressed as a percentage of the buying price.

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. 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.

Bryn Jones – Investment Manager



Bryn joined Rathbones in November 2004. He is lead manager of the Rathbone Ethical Bond Fund.

He has over 12 years' investment industry experience in equity and fixed income markets and has a BA Honours in Geography. Bryn holds the Investment Management Certificate.

Investment objective

The objective of the fund is to provide a regular, above average income through investing in a range of bonds and bond market instruments that meet strict criteria ethically and financially.

To meet these objectives, the fund may also invest, at the Manager's discretion, in other transferable securities, money market instruments, warrants, cash and near cash, deposits and units in collective investment schemes. Use may be made of stocklending, borrowing, cash holdings, hedging and other investment techniques permitted by the FSA rules. 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.

For more information on the ethical criteria please contact our Information line on 020 7399 0399.

Important note

The next investment review for the Rathbone Ethical Bond Fund will be produced in August. Subsequent updates will be available in November, February and May. The reports will be available on request by e-mailing rutm@rathbones.com and in future can be found online at www.rutm.com. Please advise us if you would like to receive it by email on a regular basis by calling 020 7399 0399.

We shall continue to develop and deliver timely fund information, including more informative reviews of our funds and various other reports, which will be available on our website.

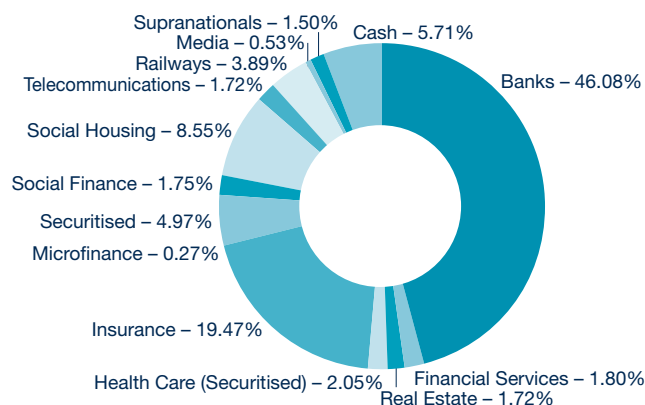
Total no. of holdings at 30.06.10:	82
10 largest holdings at 30.06.10:	%
Resona Bank 5.986% 10/08/2011	2.53
Society of Lloyd's 7.421% 21/06/2017	2.52
Rabobank Capital Funding Trust 5.556% 31/12/2019	2.50
Clydesdale Bank 5.75% 30/03/2012	2.32
SL MACS 6.546% 01/06/2020	2.30
BUPA Finance 6.125% 29/09/2049	2.29
Fresh Finance FOR Residential Social Housing 11.126% 10/05/2058	2.16
Nationwide 6.024% VRN Perp	2.12
Scottish Widows 5.125% 31/12/2049 VRN Perp	2.04
ANZ Bank 6.54% 29/06/49-12	2.03

Credit quality distribution at 30.06.10*:	%
AAA	5.21
AA+	0.00
AA	3.05
AA-	7.94
A+	7.60
A	6.17
A-	23.80
BBB+	13.72
BBB	9.91
BBB-	14.31
BB+	0.00
BB	2.13
BB-	0.00
C	0.44
Cash	5.71

*Ratings: various sources

Maturity distribution at 30.06.10:	% in fund
0-5 Years	30.13
5-10 Years	40.37
10-15 Years	11.82
15+ Years	11.97
Cash	5.71

Sector asset allocation (iBoxx sector classifications)



Data at 30.06.10

Distribution dates:	Ex div	Payment	Latest distributions (year paid)
Interim	1 Feb. 10	31 Mar. 10	1.09p (net), 1.36p (gross)
Final	1 May 10	30 June 10	1.40p (net), 1.75p (gross)
Interim	1 Aug. 09	30 Sep. 09	1.05p (net), 1.31p (gross)
Interim	1 Nov. 09	31 Dec. 09	1.09p (net), 1.36p (gross)

Dealing

Forward daily:	9.00am-5.00pm	Valuation:	0845 300 2101
Valuation point:	12:00 midday	Dealing:	0845 300 2101
Information line:	020 7399 0399		
Sedol No. (Inc):	3095702	ISIN (Inc):	GB0030957020
Sedol No. (Acc):	3095713	ISIN (Acc):	GB0030957137

The minimum initial investment is units to the value of £1000. Thereafter, additional investments are subject to a minimum of £500.

Availability – Unit trust and ISA, lump sum and savings plan.

Charges

An initial charge of 4% is included in the offer price. An Annual Management Charge (AMC) of 1.25% of the mid-market value (between bid and offer price values) of the fund, is also charged. The AMC is deducted monthly from the fund's capital. All other annual charges are deducted from the fund's income.

Further information

Copies of the Prospectus, Simplified Prospectus (incorporating Key Features) and application forms may be obtained, free of charge, from Rathbone Unit Trust Management Limited.

Changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Details of tax levels and reliefs may change in the future. The value of any tax relief depends on individual circumstances. If you have any doubts about your tax position, or the suitability of this investment, you should seek professional advice.

The Annual Management Charge of the Rathbone Ethical Bond Fund is taken out of the funds capital; as a result distributable income will be increased at the expense of capital which will either be eroded or future growth constrained.

Rathbone Unit Trust Management Limited

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★★ Overall Morningstar Rating™

Authorised and regulated by the Financial Services Authority

A member of the Investment Management Association

A member of the Rathbone Group

Registered No. 2376568