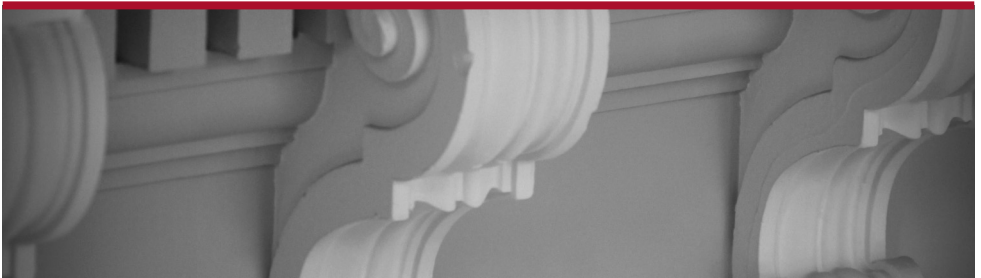




RATHBONE UNIT TRUST MANAGEMENT
FUND MANAGEMENT FOR YOUR INVESTMENT NEEDS

RATHBONE BLUE CHIP INCOME AND GROWTH FUND

SHORT REPORT FOR THE YEAR ENDED 30 JUNE 2013



Manager's report for the year ended 30 June 2013

Over the 12-month period to the end of June 2013, the Rathbone Blue Chip Income and Growth Fund ('the Fund') rose by 22.3%, slightly ahead of the IMA UK Equity Income sector's gain of 21.3%. Both the fund and IMA sector performance were ahead of the FTSE All-Share index return of 17.9%. A confluence of improving economic recovery in the US, signs of stabilisation in the Eurozone and continuing central bank support, all combined to push equities higher. After rising for 11 consecutive months, markets retreated in June, as concerns grew that stronger economic data may encourage the US Federal Reserve ('Fed') to 'taper' its bond-buying programme – perhaps the first step in the normalisation of central bank monetary policy.

Over the year, we made several new purchases in the Fund. Two of the largest were Rio Tinto and BHP Billiton, purchased in the latter half of the period. Years of under-investment and the rise of the Chinese growth engine led to a prolonged supply/demand imbalance, higher commodity prices, and a tremendous bull market for mining stocks. As capital cycle analysis would suggest, rising prices attract new capital, leading to excess capacity, and falling prices and returns. We believe that this process may have yet fully to run its course for the sector, but the share prices of Rio Tinto and BHP Billiton incorporate a gloomier outlook than is perhaps warranted by their low cost producer status. We also started a holding in Tesco. As with the mining sector, a long period of strong cashflows and bullish markets encouraged the reinvestment of excess capital at ever-decreasing incremental returns. The results of these misallocations of capital have only become apparent recently and have resulted in the company exiting markets and writing-down assets. We believe the management team acknowledge these strategic mis-steps and are implementing a more sensible strategy, balancing cash returns and growth. The turnaround will not be a rapid one but, at current share prices, we believe that an investment in Tesco should be an attractive opportunity for patient investors.

Other new purchases included GlaxoSmithKline, and French oil major; Total SA. In both cases, we felt that the market was underestimating future cashflows from new development projects. We believe both stocks are attractively valued, with high and sustainable dividend yields. Over the period, we trimmed positions in Diageo and AB Foods, and exited Telit Communications, as strong share price performance reduced valuation appeal. We also sold our holdings in Vodafone and Man Group. Whilst acknowledging the potential upside from corporate activity at both companies, we felt that the risks posed by the challenges facing their core businesses outweighed any upside.

During June, the US Federal Reserve tested the market's appetite for the removal of the 'emergency' stimulus measures, which was greeted with falling equity markets and rising bond yields. Although we do not view the removal of this stimulus as imminent, if economic improvement continues, the market will also continue to readjust. Given this challenging investing environment we have positioned the fund in a mix of both cyclical and more defensive businesses, believing that, in long term, the safest investment opportunities lie in attractively-valued businesses with strong balance sheets.

Julian Chillingworth

Alan Dobbie

12 July 2013

Net asset value per unit and comparative tables

Fund size

Date	Net Asset Value £	Attributable to	Units in issue	Net Asset Value (pence per unit)
30 June 2011	37,249,803	R-Class Income	30,543,414	121.96
30 June 2011	24,845,520	R-Class Accumulation	16,081,267	154.50
30 June 2012	31,043,960	R-Class Income	26,864,138	115.56
30 June 2012	17,030,422	R-Class Accumulation	11,121,601	153.13
30 June 2012	108,039	I-Class Income*	93,041	116.12
30 June 2012	165,722	I-Class Accumulation*	108,554	152.66
30 June 2013	14,267,491	R-Class Income	10,565,763	135.04
30 June 2013	13,952,211	R-Class Accumulation	7,487,787	186.33
30 June 2013	18,780,469	I-Class Income	13,753,378	136.55
30 June 2013	1,336,411	I-Class Accumulation	715,415	186.80

Income record

Year	R-Class Income Units Net income per unit (p)	R-Class Accumulation Units Net income per unit (p)	I-Class Income Units* Net income per unit (p)	I-Class Accumulation Units* Net income per unit (p)
2008	4.94	5.13	n/a	n/a
2009 [†]	4.67	5.31	n/a	n/a
2010	4.85	5.69	n/a	n/a
2011	4.96	6.08	n/a	n/a
2012	5.12	6.55	2.72	3.52
2013**	5.48	7.39	5.67	7.06

* I-Class was launched on 1 March 2012

** To 31 August 2013

† Rathbone High Income Fund merged into the Rathbone Blue Chip Income and Growth Fund on 10 July 2009

The annual management fee is taken from the capital of the fund. This will enhance income but will restrict capital growth.

Distributions

A distribution of 3.72p and 3.85p will be paid to R-Class Income unitholders and I-Class Income unitholders respectively on 31 August 2013.

The total distribution for the period under review amounts to 5.48p per R-Class Income unit and 5.67p per I-Class Income unit with 5.12p per R-Class Income unit and 2.72p per I-Class Income unit for the same period last year.

Risk factors

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

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

Ongoing Charges Figure

R-Class Income Units		
Expense type	30.06.13	30.06.12
Manager's periodic charge	1.50%	1.50%
Other expenses	0.20%	0.11%
Ongoing Charges Figure (OCF)	1.70%	1.61%
R-Class Accumulation Units		
Expense type	30.06.13	30.06.12
Manager's periodic charge	1.50%	1.50%
Other expenses	0.16%	0.12%
Ongoing Charges Figure (OCF)	1.66%	1.62%
I-Class Income Units*		
Expense type	30.06.13	30.06.12
Manager's periodic charge	0.75%	0.75%
Other expenses	0.10%	0.15%
Ongoing Charges Figure (OCF)	0.85%	0.90%
I-Class Accumulation Units*		
Expense type	30.06.13	30.06.12
Manager's periodic charge	0.75%	0.75%
Other expenses	0.21%	0.16%
Ongoing Charges Figure (OCF)	0.96%	0.91%

* I-Class was launched on 1 March 2012

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

Risk and reward profile as published in the fund's most recent Key Investor Information Document



Lower potential risk/reward Higher potential risk/reward
(Not risk-free)

This indicator is a measure of the fund's past volatility (the extent and rapidity of up-and-down movements of the value of an investment). It may not be a reliable indication of the fund's future risk. The risk category shown is not a target or a guarantee and may change over time.

Risk profile

There is little exposure to credit and cash flow risk. There are no net borrowings and usually little exposure to liquidity risk because assets can be readily realised to meet redemptions. The main risks arising from the financial instruments are foreign currency, interest rate, market price and counterparty. The fund may invest up to 10% of its net asset in securities for which there is no ready market.

The investment portfolio is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objective and policy set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed and the Prospectus and the rules of the Financial Conduct Authority's Collective Investment Scheme Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

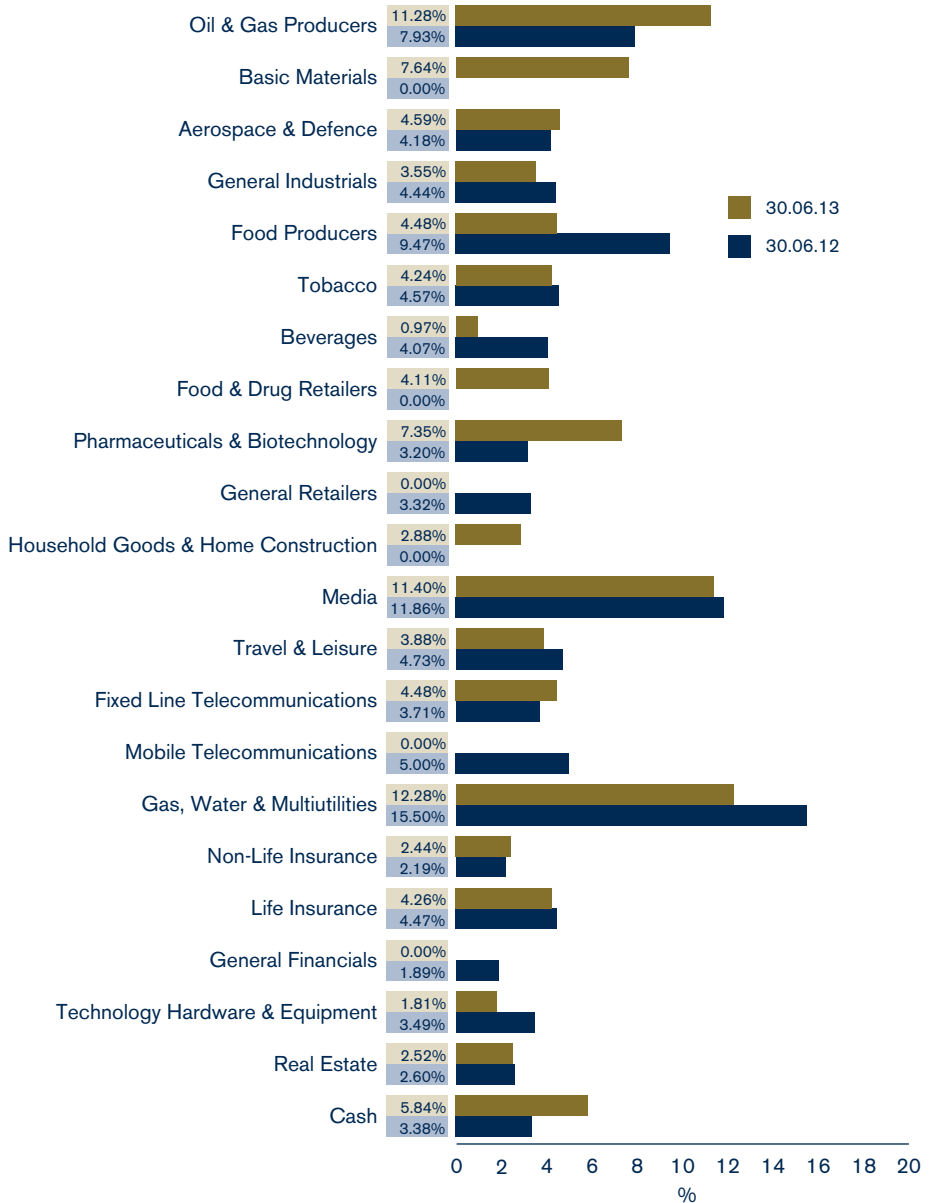
Top 10 largest holdings

The top 10 holdings at the end of the current year and at the end of the previous year are shown below.

	30.06.13		30.06.12
Centrica	4.77%	Unilever	5.10%
GlaxoSmithKline	4.67%	Royal Dutch Shell 'B'	5.06%
Reed Elsevier	4.64%	Vodafone	5.00%
BAE Systems	4.59%	Reed Elsevier	4.60%
Royal Dutch Shell 'B'	4.59%	Centrica	4.60%
BT	4.48%	Imperial Tobacco	4.57%
Legal & General	4.26%	WPP	4.48%
Imperial Tobacco	4.24%	Legal & General	4.47%
WPP	4.18%	Rexam	4.44%
Rio Tinto	4.16%	Associated British Foods	4.37%

Portfolio information

Sector breakdown



General information

Authorised status

The Rathbone Blue Chip Income and Growth Fund is an authorised unit trust scheme, established by a Trust Deed dated 17 October 1989 and launched in October 1989.

It is a 'UCITS Scheme' authorised under Section 243 of the Financial Conduct and Markets Act 2000, and the currency of the fund is Pounds Sterling.

Investment objective, policy and strategy

The objective of the fund is to achieve an above average and steadily increasing income return coupled with capital growth from a portfolio of transferable securities. The Manager's present intention is that not less than 75% will be invested in transferable securities issued by UK companies. There will be no specialisation in any other geographic area or in any industrial or economic sector.

To meet the objective the fund may also invest at the Manager's discretion in 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 FCA Rules.

Valuation of the fund

The fund is valued on each business day at 12 noon for the purpose of determining prices at which units in the fund may be bought or sold. Valuations may be made at other times on business days with the Trustee's approval.

No maximum buying/selling price spread is stipulated in the Trust Deed and the Manager's discretion to set buying and selling prices is subject to relevant regulations made under the Financial Services and Markets Act 2000.

Stewardship code

Rathbone Unit Trust Management Limited fully supports the UK Stewardship Code sponsored by the Financial Reporting Council. Our statement on complying with the Code can be found on our website www.rutm.com

ISA eligibility

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

Long report

The full report and accounts are available free of charge upon written request from:

Client Services Department
Rathbone Unit Trust Management Limited
1 Curzon Street
London W1J 5FB

Further details

Should you require further details of this fund or any of the other funds managed by Rathbone Unit Trust Management Limited, a Prospectus, Key Investor Information Document and Supplementary Information Document or an application form for the purchase of shares or units, please write to:

Client Services Department
Rathbone Unit Trust Management Limited
1 Curzon Street
London W1J 5FB

All literature is available free of charge. Information is also available on our website: www.rutm.com

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

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