



<b>Manager:</b>	<b>Rathbone Unit Trust Management Limited</b>		
<b>Trustee:</b>	Royal Bank of Scotland plc		
<b>Unit Prices and Net Yield<sup>†</sup>:</b>	Selling	Buying	Yield
(28.02.07)	Income: 89.07p	94.76p	0.19%
	Accumulation: 92.82p	98.75p	0.18%
<b>Size of Fund</b>	Offer value: £4.22m	(£4.18m mid-market value)	

Time Periods ending 28.02.07:	6 months	1 year	3 years	5 years
<b>Rathbone Capital Growth Fund</b>	<b>1.56%</b>	<b>-4.32%</b>	<b>30.17%</b>	<b>28.15%</b>
Standard & Poor's UT UK	10.05%	11.52%	54.33%	54.64%
All Companies Sector				
<b>Quartile Rank</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

From Quarter/Year:	01.01.02	01.01.03	01.01.04	03.01.05	02.01.06
To Quarter/Year:	01.01.03	01.01.04	03.01.05	02.01.06	01.01.07
<b>Rathbone Capital Growth Fund</b>	<b>-27.96%</b>	<b>26.10%</b>	<b>12.14%</b>	<b>20.52%</b>	<b>2.38%</b>
Standard & Poor's UT UK	-23.34%	22.06%	12.82%	20.93%	17.44%
All Companies Sector					

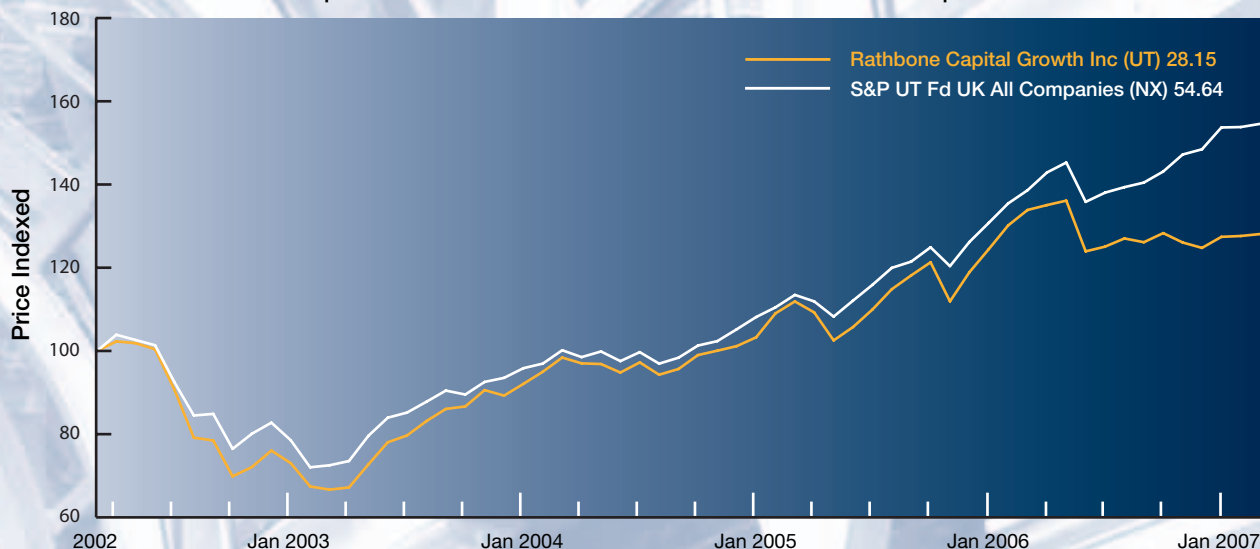
	Alpha:	Beta:	Sharpe Ratio:	Volatility*:	Turnover:
<b>Rathbone Capital Growth Fund</b>	<b>-0.28</b>	<b>1.01</b>	<b>-0.01</b>	<b>15.17%</b>	<b>17.81%</b>
Standard & Poor's UT UK	0.08	0.93	0.31	12.63%	n/a
All Companies Sector					

Source: Standard & Poor's, bid to bid, net income re-invested. Data using prices struck 28.02.07. Alpha, Beta, Volatility and Sharpe Ratio statistics given on a 5 year rolling basis. Alpha and Beta are calculated using the FTSE All-Share Index as the benchmark. Sharpe Ratio calculated using Risk Free Rate of 5.25. 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](http://www.rutm.com).

<sup>†</sup> Income and Accumulation yields may differ for this fund as the figure is expressed as a percentage of the buying price

\* Volatility is now shown on an annualised basis

1st March 02 To 1st March 07, Bid-Bid, UK Basic Rate, Based In UK Sterling, Calculation Indexed.  
Past performance should not be seen as an indication of future performance.



## Investment Review

The month was dominated by the last two days trading which saw markets come under considerable pressure, falling around 4.1% in 48 hours. The sell-off was sparked by the Chinese authorities' attempting to rein in some of the speculative excesses which had seen the market rise 74% in the last six months. Stories abound of Chinese day-traders taking on more and more leveraged positions - one apocryphal story is of housewives borrowing against the family car in the morning to maximise market exposure and redeeming it in the evening before their husbands returned home. China may have been the catalyst, but the real reason investors acted

so quickly to de-risk portfolios was concern about a US slowdown caused by a weak housing market, and buy-to-let and high risk borrowers whom having been reneging on their loans. At this juncture, the overall impact on the economy is difficult to quantify, but it now looks highly likely US growth this year will be approximately half that of 2006. This will obviously have a knock on effect around the world. Investors since the last correction in the spring of 2006, investors have been assuming more risk in all asset classes in order to harness greater returns; the events of the last week have made them reassess this strategy.

Sector Breakdown	%	Capitalisation Split	%
Oil & Gas	23.10	FTSE 100	51.66
Basic Materials	4.63	FTSE 250	10.22
Industrials	11.72	AIM, and other UK	28.98
Consumer Goods	3.91	Cash	9.14
Health Care	3.27		
Consumer Services	15.02	<b>Total no. of holdings:</b>	<b>28</b>
Telecommunications	0.97		
Utilities	4.44		
Financials	23.80		
Cash	9.14		

## Stop Press



### 2006 Lipper Citywire All Star Awards:

- Best Fund Group over 3 Years – Equity Group – Small.
- Best Fund Group over 3 Years – UK Equity Group – Small.

We have introduced a new website address, [www.rutm.com](http://www.rutm.com), in order to make access easier for our clients. The previous website address will continue to work for the foreseeable future.

## Managers' Forecast and Prospects

The question on investor's lips is 'what happens now?' It would be foolhardy of us to make short-term market predictions. However the volatility we have witnessed over the last week is unlikely to dissipate quickly as a number of investors hold assets which, in the current environment, are now deemed to be too higher risk. This situation needs to be unwound which will take some time. We therefore remain defensively positioned. We expect economic growth to slow in 2007 but will use market weakness to selectively add to our positions in the belief that equities offer good value in the medium term.

## Investment Policy

The objective of the fund is to provide capital growth through investment in companies with above average growth potential, in all geographic and economic sectors worldwide. It is anticipated that investment will be predominantly in UK companies, which may include those dealt in on the Alternative Investment Market and larger established groups with a full listing on the London Stock Exchange. The income yield is likely to be low.

To meet these objectives, the funds 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.

## Latest Distributions

	2002	2003	2004	2005	2006
Interim	0.15p	0.15p	0.15p	0.15p	0.14p
Final	0.28p	0.46p	0.25p	0.36p	0.04p

## Distribution Dates

	Ex Div	Payment
Interim	1 April	31 May
Final	1 October	30 November



### Julian Chillingworth – Chief Investment Officer

Julian joined Rathbones in July 2001. He has since been appointed Chief Investment Officer of Rathbone Unit Trust Management Limited, and now manages the Rathbone Capital Growth Fund, Rathbone High Income Fund, and the Rathbone Income and Growth Fund.

## Dealing

Forward daily:	9.00am–5.00pm	Administration:	0845 300 2110
Valuation point:	12:00 midday	Dealing:	0845 300 2101
Sedol No. (Inc):	0679916	Information line:	020 7399 0399
Sedol No. (Acc):	3042441	Information line:	0845 922 0044

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

## Unit trust and ISA – lump sum and savings plan PEP status – transfers available

## Charges

An initial charge of 5.5% is included in the offer price. An Annual Management Charge (AMC) of 1.5% of the mid-market value (between bid and offer price values) of the fund is also charged. All charges are deducted monthly from the fund's income.

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

Emerging markets are volatile and may suffer from liquidity problems. 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 doubts about your tax position, or the suitability of this investment, you should seek professional advice.

## 10 Largest Holdings: 28.02.07

	%
Standard Chartered	5.09
Develica Deutschland	5.06
Smiths Group	4.89
Anglo American	4.63
Centrica	4.44
Halfords Group	4.36
HSBC Holdings	4.23
Serco Group	4.03
Royal Dutch Shell	4.00
Associated British Foods	3.91

## Rathbone Unit Trust Management Limited

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[www.rutm.com](http://www.rutm.com)

Registered No. 2376568

Authorised and regulated by the Financial Services Authority

A member of the IMA

A member of the Rathbone Group