



RATHBONE STRATEGIC BOND FUND

Fund facts

Manager:	Rathbone Unit Trust Management Limited
Trustee:	National Westminster Bank Plc
Date launched/Launch price:	October 2011/100p
Size of fund:	Mid-market value: £14.52m
Retail unit selling prices:	Inc: 100.16p/Acc: 97.40p
Retail unit buying prices:	Inc: 104.33p/Acc: 101.45p (There were no Retail Income units in issue as at 30 December 2011)
Institutional unit selling prices:	Inc: 101.78p/Acc: 101.77p
Institutional unit buying prices:	Inc: 102.63p/Acc: 102.62p
Historical distribution yield (est)†:	3.07% (gross 3.84%)
Total no. of holdings:	72
Initial charge:	Retail units: 4.00% (included in the offer price) Institutional units: 0.00%
Annual management charge:	Retail units: 1.25% Institutional units: 0.50%
Total expense ratio as at 31.10.11 (est):	Retail: 2.40% Institutional: 1.19%

Distributions (per unit)

Year paid:	2011
Retail Inc Interim	(no units in issue)
Retail Acc Interim	0.16 (est)
Institutional Inc Interim	0.69 (est)
Institutional Acc Interim	0.71 (est)

	Ex div	Payment
Interim	01 April	31 May
Final	01 July	31 August
Interim	01 October	30 November
Interim	01 January	28 February
Year end 30 June		

Dealing

Forward daily: 9.00am-5.00pm Valuation/dealing: 0845 300 2101
Valuation point: 12.00 midday Information line: 020 7399 0399

Retail Investment:

Minimum initial investment: £1,000 Sedol (Inc): B6ZRZZ7
Minimum additional investments: £500 ISIN (Inc): GB00B6ZRZZ75
Sedol (Acc): B6ZS022
ISIN (Acc): GB00B6ZS0225

Institutional Investment:

Minimum initial investment: £1,000,000 Sedol (Inc): B6ZS1L8
Minimum additional investments: £500 ISIN (Inc): GB00B6ZS1L87
Sedol (Acc): B6ZS248
ISIN (Acc): GB00B6ZS2486

Product availability

Unit trust, lump sum, (ISA and savings plan, retail only).

For Investment Advisers, third party availability – all major, including Cofunds, Skandia, FundsNetwork.

For more information, please see our 'Strategic Partners' page on the 'How to Invest' section of our website www.rutm.com

Top 5 direct holdings

(UK Government) at 30.12.11:	% of whole fund
UK Treasury 2.5% Index-linked Gilt 16/08/2013	4.30
UK Treasury Bill 0% 09/01/2012	3.44
UK Treasury 1.25% Index-linked Gilt 22/11/2017	1.96
UK Treasury 6% 07/12/2028	1.27
UK Treasury 2.5% Index-linked Gilt 16/04/2020	1.26

Top 5 direct holdings

(non-UK Government) at 30.12.11:	% of whole fund
Clydesdale Bank 5.75% 30/03/2017	1.55
Petrobras International 6.25% 14/12/2026	1.41
ABP Finance 6.25% 14/12/2026	1.41
Australia and New Zealand Banking Group 6.54% 15/06/2012	1.37
Lloyds TSB Bank 29/04/2016	1.32

Top 5 funds holdings

at 30.12.11:	% of whole fund
Natixis Loomis Sayles Multisector Bond Fund	7.29
Capital International Global High Income Opps Fund	6.74
Old Mutual Global Strategic Bond Fund	6.36
Kames Capital High Yield Income Bond Fund	6.31
Franklin Templeton Global Income Bond Fund	5.67

Credit quality distribution

(direct bonds portion) at 30.12.11*:	%
AAAs	39.07
AAAs	0.79
As	16.94
BBBs	33.54
BBs	1.56
NR	8.10

*Ratings: various sources

For further information on these statistics, please call our Information line on 020 7399 0399.

†The Distribution Yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the mid-market unit price of the fund as at the date shown. It is based on a snapshot of the model portfolio on that day. It does not include any initial charge and investors may be subject to tax on their distributions. **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.

Investment objective

The objective of the fund is to focus on achieving a total return comprised of a regular above average income, coupled with medium to longer term capital growth from a diversified portfolio of predominantly Sterling denominated (or hedged back to Sterling) fixed interest and other bond instruments, including gilt edged and other sovereign stocks, corporate bonds, convertibles, preference shares, permanent interest bearing shares. Typically, approximately 50% of the value of the fund will be exposed to such securities through investment in other collective investment schemes (funds). During extreme market conditions the Manager may decide to safeguard the interests of investors by moving the entire portfolio into gilt edged stocks.

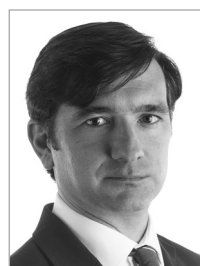
To meet the objective, the fund may also invest, at the Manager's discretion, in other transferable securities, money market instruments, warrants, cash and near cash and deposits. Use may be made of stocklending, borrowing, hedging and other investment techniques permitted by the FSA rules and by the investment limits set out in the prospectus.

Market commentary

The ten-year Gilt yield started December on 2.31%, ending the month – and a volatile year for credit – at 1.98%, close to an all-time low. Indeed, at one point, the 10-year hit 1.96%, driven by continued concerns about the euro sovereign debt crisis. Despite the obvious lack of value, Gilts continue to be perceived as a safe haven. Furthermore, quantitative easing, realised or anticipated, is suppressing yields in the short term.

The US provided something of a bright spot, with lead economic indicators showing signs of improvement. Manufacturing data were particularly positive, as was the employment picture. We are also seeing a relaxation of monetary policy in many emerging market economies, as well as the likelihood of easing from China. We are, therefore, positive in our outlook for credit in Q1 and Q2, although the potential for Europe to lurch from one disaster to another remains a worry for most investors.

On a more positive note, the European LTRO (Long-Term Refinancing Operation) is offering unlimited three-year loans at 1% to European banks, which they can reinvest in credit, covered bonds or sovereign debt. This is QE by the back door, with a further auction in February likely to expand the ECB's balance sheet.



Bryn Jones – Fund Manager, Fixed Income Investment Director

Lead Manager, asset allocation and stock selection.
Bryn joined Rathbones in November 2004. He is also lead manager of the Rathbone Ethical Bond Fund.

He has over 14 years of investment industry experience in equity and fixed income markets and has a BA Honours in Geography. Bryn holds the Investment Management Certificate.



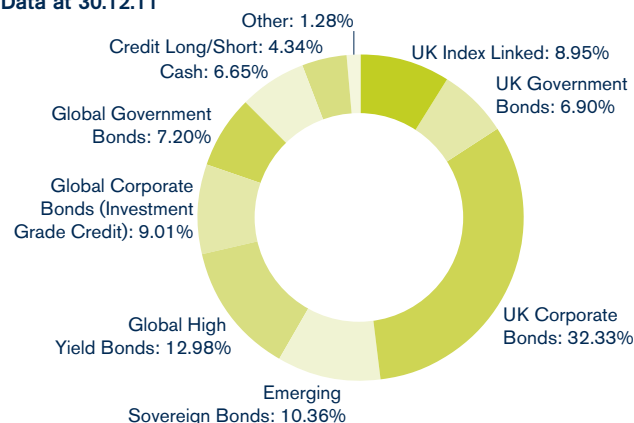
David Coombs – Head of Multi Asset Investments

Asset allocation and fund selection.
David joined Rathbones in April 2007. He is lead manager of the Rathbone Multi Asset Portfolios.

He has over 27 years of investment industry experience, particularly in fund selection and asset allocation disciplines and is a specialist in the management of multi asset portfolios. David is an Associate of the Chartered Institute of Bankers.

Asset allocation (overall)

Data at 30.12.11



Further information

Copies of the Prospectus, the Key Investor Information Document (KIID) 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.

Derivatives and forward transactions may be used by the fund for investment purposes as well as for the purposes of efficient portfolio management (including 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.

As the Manager's annual fee is taken out from capital, distributable income will be increased at the expense of capital which will either be eroded or future growth constrained. All charges are deducted from the fund's capital.

Important note

For more information on the fund please visit our website at www.rutm.com or call us on 020 7399 0399.

Rathbones will be relocating its London head office on 27 February 2012 to 1 Curzon Street, London W1J 5FB
Telephone and facsimile numbers will remain the same. Until then we will remain at our current premises (New Bond Street).

Rathbone Unit Trust Management Limited

159 New Bond Street, London W1S 2UD | Information line: 020 7399 0399
Telephone: 020 7399 0000 | Facsimile: 020 7399 0057 | rutm@rathbones.com | www.rutm.com

Authorised and regulated by the Financial Services Authority. A member of the Investment Management Association.
A member of the Rathbone Group. Registered No. 2376568

RATHBONES
Established 1742