

Rathbone Blue Chip Income and Growth Fund*

The fund, the manager, the result... rising dividend payout year-on-year in 18 of the last 19 years.

What is the aim of the fund?

- To achieve above average and steadily increasing income, subject to the current recession, coupled with long-term capital growth.

What are the attributes of the fund?

- Rising income (aiming to rise in line with inflation but subject to the current recession) above that of the FTSE All-Share index, plus a steady increase in capital appreciation
- Emphasis on value and a growing earnings stream, positive net cash flow – can deliver dividends that rise above inflation over time
- We do not replicate FTSE All-Share index weightings, but we are mindful of these when constructing the portfolio – not a closet tracker fund
- Discipline – aiming to have no holding greater than 4%, with an average holding period of 2 years+ to gain long-term capital appreciation – very low turnover of stocks
- A focused list of stocks, around 30 to 40 with the emphasis on liquidity, especially in difficult markets.

What is the structure of the fund?

- Core of FTSE 100 index stocks (70% to 80% of the fund) – all of these must be income yielding
- Satellite of ‘interesting ideas’ lower down the market capitalisation scale (20% to 30% of the fund – these do not have to be income yielding)
- No less than 75% invested in transferable securities issued by UK companies.

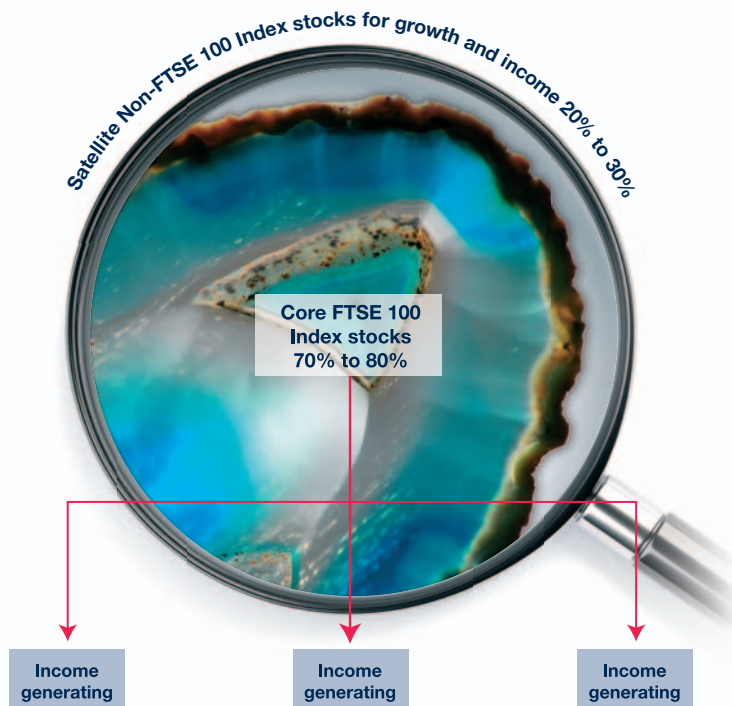
What are the credentials of the fund manager?

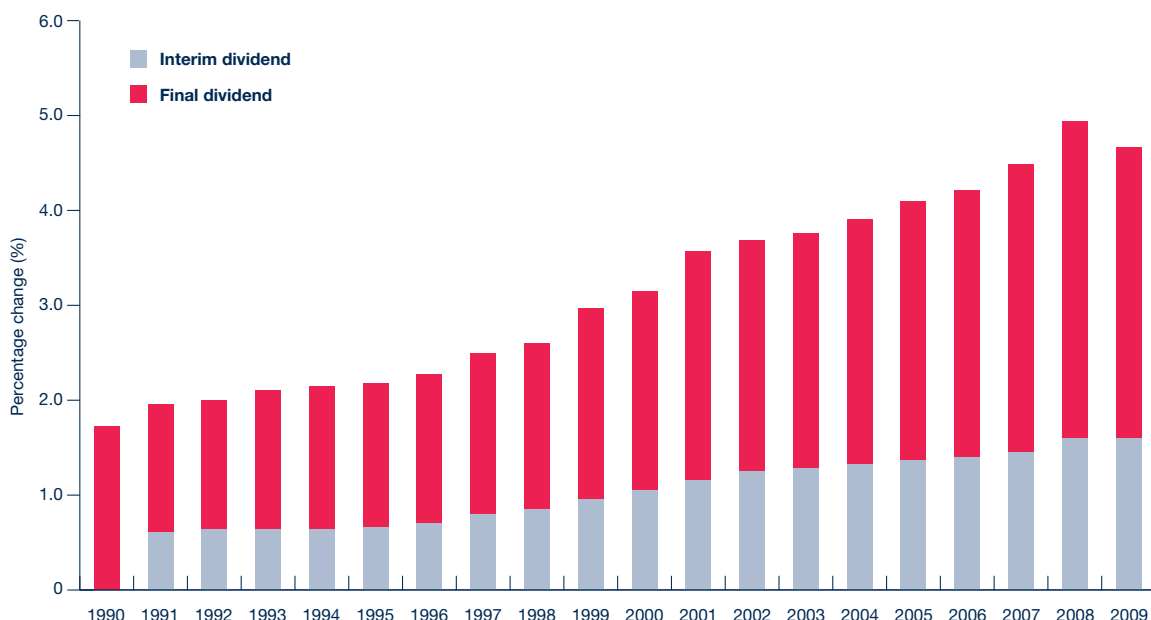
- Julian joined Rathbones in July 2001 as Deputy Chief Investment Director. He was appointed as a Board Director of Rathbone Unit Trust Management Limited in October 2001 and as Head of Stock Selection for Rathbone Investment Management in October 2004. He plays a key role in the ongoing development of Rathbone’s investment process



Julian Chillingworth
Chief Investment Officer

- At Bankers Trust (from 1991), he was head of the European equities team, successfully managing Employee Retirement Income Security Act (ERISA) monies and a pan European Canadian mutual fund
- At Investec Asset Management (from 1994), immediately prior to joining Rathbones, he was Head of UK Balanced Funds and Head of UK Equities
- Julian has nearly 30 years experience.





What does this mean for compounding returns since 1990?

If the new £10,200 ISA limit had been invested 20 years ago, the effect on total return if income is compounded within the fund (or withdrawn) would be:

£10,200 Investment	Net Income paid during year (£)		Capital Value 1st January (£)		Capital Value 1st January (£)	
	Fund Income	Finex Money Deposit 90 days TR	Fund Bid Price Value	Finex Money Deposit 90 days TR	Fund Bid Price Value	Finex Money Deposit 90 days TR
Year to 1st January						
Starting value at 01.01.90			9,588	10,200	9,588	10,200
1991	334	1,395	7,794	10,200	8,093	11,596
1992	262	1,107	8,655	10,200	9,237	12,854
1993	383	813	9,875	10,200	11,000	13,878
1994	410	510	11,728	10,200	13,545	14,571
1995	418	454	10,575	10,200	12,640	15,220
1996	420	491	11,702	10,200	14,504	15,953
1997	433	391	14,042	10,200	17,976	16,564
1998	464	446	16,935	10,200	22,305	17,287
1999	496	520	19,523	10,200	26,387	18,169
2000	558	343	22,565	10,200	31,287	18,780
2001	593	375	22,396	10,200	31,844	19,471
2002	674	348	18,756	10,200	27,531	20,135
2003	698	278	15,483	10,200	23,597	20,685
2004	725	250	17,831	10,200	28,351	21,192
2005	752	301	20,520	10,200	33,886	21,817
2006	787	303	23,910	10,200	40,838	22,465
2007	810	281	27,271	10,200	47,999	23,086
2008	863	367	26,495	10,200	48,067	23,918
2009	931	311	17,963	10,200	33,811	24,648
2010	908	39	21,273	10,200	41,941	24,741
Totals at 01.01.10	£11,919	£9,323	£21,273	£10,200	£41,941	£24,741
Sum of income and capital value at 01.01.10	£33,192	£19,523				

What has the fund achieved in terms of income record?

Rising dividend payout year-on-year in 18 of the last 19 years. For capital performance information, please consult our monthly factsheets.

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
 Email: rutm@rathbones.com
 Website: 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

***Prior to 1 March 2009 this fund was called Rathbone Income and Growth Fund.**

The information contained in this note is for use by investment advisers and journalists only and must not be circulated to private clients or to the general public.

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. Past performance should not be seen as an indication of future performance.

Rathbone Unit Trust Management Limited is authorised and regulated by the Financial Services Authority and a member of the IMA. A member of the Rathbone Group. Registered office: 159 New Bond Street, London W1S 2UD. Registered in England No. 2376568.