

THE RATHBONE INCOME FUND STORY

A TOP QUALITY EQUITY INCOME FUND



Rathbone Income Fund
1971-2011

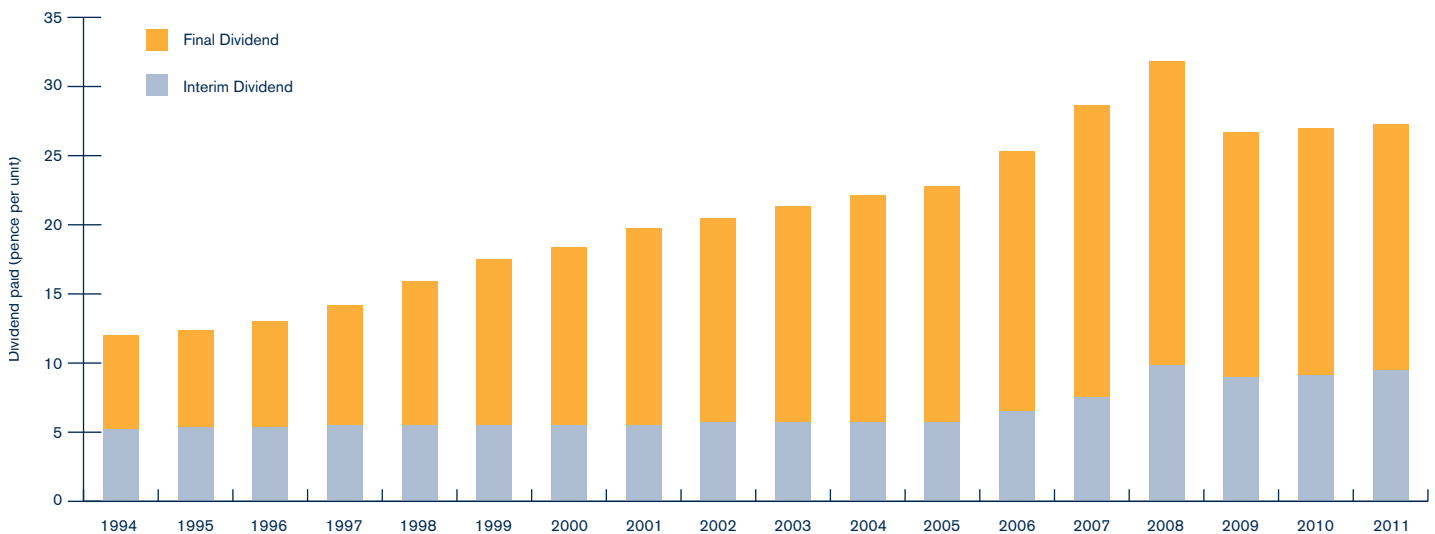
How should the fund be used and why?

- Since 2000 (and including 2011), the annual total distribution paid has increased by 48% compared to a 42% rise in our measure of inflation (RPI)
- The investment style is a mixture of both value and growth. ‘Growth’ because we want the dividend stream to grow year-on-year; ‘value’ because we want to buy stocks that provide a high level of yield
- We believe in the focus and discipline that we have adopted, relying on pure stock-picking, on simple ideas like earnings and dividend growth, a recognition of quality businesses, management teams and products and also paying the right price for that. Our performance demonstrates the success of this methodology.

Points to consider:

- We are living longer amidst increasingly challenging and volatile markets and economic conditions
- Real returns from building society and bank accounts are low
- We are experiencing persistently high inflation; low interest rates which look like will stay low for some time; and 10-year Gilts are at an all-time low.

“THE INTERMEDIARY SHOULD USE THIS FUND AS A CORE UK INVESTMENT FUND WITHIN THEIR CLIENTS’ EQUITY PORTFOLIOS. THIS IS FOR CLIENTS LOOKING FOR A PRODUCT THAT AIMS TO COMBAT INFLATION BY PROVIDING A RISING INCOME AND STRONG CAPITAL GROWTH.”



Source: Rathbone Unit Trust Management Limited.

The past income record should not be seen as an indication of the future income record, particularly during the current recession.

The search for income that will rise in future years, without of course neglecting growth requirements, is a strong consideration when selecting a portfolio of funds.

- We invest in UK equities, i.e. companies that are going to provide an above average level of income
- The bottom line is to provide a dividend this year and also to make sure that the dividend paid next year increases by a real amount.

“INCOME DISTRIBUTED HAS INCREASED YEAR-ON-YEAR FOR 16 OF THE LAST 17 CALENDAR YEARS”

The performance of Carl Stick, the Manager

Since Carl has managed the fund (01.01.2000), he has increased distributions year-on-year for 11 out of the 12 calendar years. What this means in practice for estimated returns and income paid out from a £10,000 lump sum invested over that time in the fund when compared to a typical higher rate building society account can be seen below. However, you should be aware that the investment does not include the security of capital which is characteristic of a deposit with a building society.

Year to 1st January	Income Taken				Income Reinvested	
	Net Income paid during year (£)		Capital Value 1st January (£)		Capital Value 1st January (£)	
	Fund Income	Moneyfacts 90 days notice £10k	Fund Bid Price Value	Moneyfacts 90 days notice £10k	Fund Bid Price Value	Moneyfacts 90 days notice £10k
@01.01.2000	–	–	9,399.92	10,000.00	9,399.92	10,000.00
2001	392.71	369.21	10,583.39	10,000.00	10,970.28	10,369.21
2002	422.24	373.76	10,828.43	10,000.00	11,637.33	10,756.77
2003	437.86	286.09	9,398.21	10,000.00	10,524.17	11,064.52
2004	456.05	261.63	11,154.36	10,000.00	12,991.27	11,353.99
2005	474.89	336.34	12,725.62	10,000.00	15,364.20	11,735.87
2006	488.15	349.41	15,139.00	10,000.00	18,866.20	12,145.94
2007	543.15	310.51	17,781.58	10,000.00	22,820.88	12,523.09
2008	613.35	418.57	16,712.61	10,000.00	22,185.45	13,047.26
2009	662.14	420.17	10,323.80	10,000.00	14,474.33	13,595.47
2010	571.62	132.10	12,101.57	10,000.00	17,783.98	13,775.07
2011	577.61	105.24	13,744.94	10,000.00	21,049.60	13,920.05
to 01.11.2011*	582.53	94.09	12,750.23	10,000.00	20,359.87	14,051.02
Totals @ 01.01.2011	6,222.30	3,457.12	12,750.23	10,000.00	20,359.87	14,051.02
Sum of income and capital value @ 01.01.2011	18,972.53	13,457.12			20,359.87	14,051.02

*Final distribution to be paid 16.12.11. Figures assume distribution is reinvested on 01.11.11.

The value of your investment and any income from it may fall as well as rise and you may not get back the original amount invested. Past performance should not be seen as an indication of future performance. Figures, offer to bid, income reinvested (where applicable) at basic rate. £10,000 would have bought 2140.09 units at 01.01.2000, at an offer price of £4.6727. Prices and dividends, source Rathbone Unit Trust Management Limited.

12 years of continuity, expertise and depth of the income team



Carl Stick
Fund Manager

“CARL HAS MANAGED THE FUND FOR 12 YEARS (SINCE JANUARY 2000). HE IS SUPPORTED BY ALAN DOBBIE, ELIZABETH DAVIS, GEORGE VINEY AND JULIAN CHILLINGWORTH.”



George Viney
is an Investment Analyst



Alan Dobbie
is an Assistant Fund Manager



Elizabeth Davis
is a Quantitative Analyst



Julian Chillingworth
is Chief Investment Officer

Moneyfacts data source Financial Express. 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 income on the investment may fall as well as rise and the investment does not include the security of capital which is characteristic of a deposit with a building society. Past performance should not be seen as an indication of future performance.

Rathbones will be relocating its London head office in early 2012 to 1 Curzon Street, London W1J 5FB | Tel 020 7399 0000
Until then we will remain at our current premises (New Bond Street).

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RATHBONES
Established 1742