

The Rathbone Income Fund story

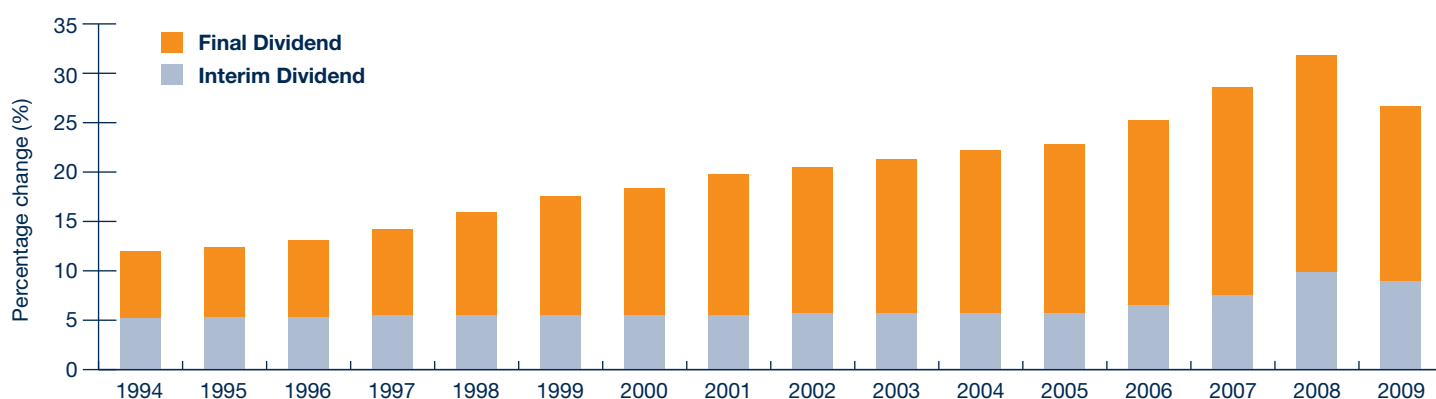
A top quality equity income fund

“Income distributed has increased year-on-year for 14 of the last 15 calendar years”

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.



Source: Rathbone Unit Trust Management Limited.

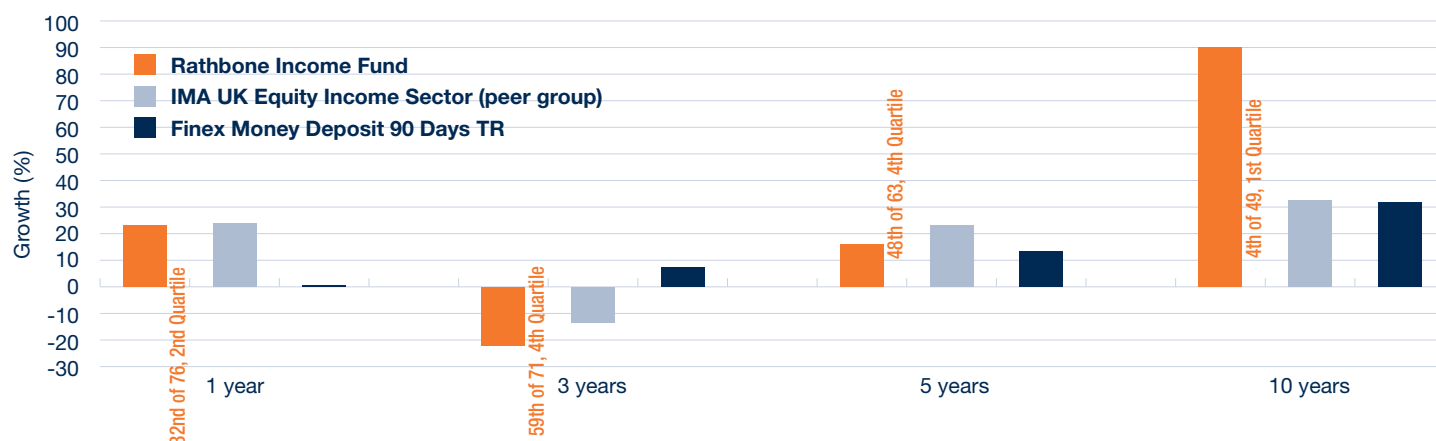
What does this mean in practice for estimated returns and income paid out from a £10,000 lump sum invested since 01.01.1994 in the Rathbone Income Fund when compared to a typical higher rate building society account? See the table below. However, you should be aware that the investment does not include the security of capital which is characteristic of a deposit with a building society.

£10,000 Investment	Income Taken				Income Reinvested	
	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
@01.01.94	–	–	9,400	10,000		
1995	389	445	8,070	10,000	8,453	10,445
1996	402	481	9,157	10,000	10,008	10,948
1997	423	383	10,223	10,000	11,631	11,367
1998	461	437	12,201	10,000	14,393	11,864
1999	515	510	13,227	10,000	16,184	12,469
2000	568	336	14,247	10,000	18,100	12,888
2001	595	368	16,040	10,000	21,124	13,363
2002	640	341	16,412	10,000	22,409	13,819
2003	664	273	14,244	10,000	20,265	14,196
2004	691	245	16,906	10,000	25,016	14,544
2005	720	295	19,287	10,000	29,585	14,973
2006	740	297	22,945	10,000	36,328	15,418
2007	823	276	26,950	10,000	43,943	15,844
2008	929	360	25,330	10,000	42,720	16,414
2009	1,003	305	15,647	10,000	27,871	16,916
2010	866	38				
Totals @ 01.01.10	£10,431	£5,390	£18,341	10,000	£34,244	£16,980
Sum of income and capital value @ 01.01.10	£28,772	£15,390			£34,244	£16,980

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 3243.59 units at 01.01.94, at an offer price of £3.083. Prices and dividends, source Rathbone Unit Trust Management Limited.

Total return performance

Cumulative performance (bid to bid, net income reinvested to 01.01.10) of the chart below shows the total return of the fund over 1, 3, 5 and 10 years against a deposit-based investment and its peers.



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



“Carl has managed the fund for 10 years (since January 2000). He is supported by Alan Dobbie, Elizabeth Davis, George Viney and Julian Chillingworth.”

Carl Stick
Investment
Manager



Alan Dobbie
is an Assistant
Fund Manager



Elizabeth Davis
is a Quantitative
Analyst



George Viney
is a Trainee
Fund Manager



Julian Chillingworth
is Chief Investment
Officer

Further details are available at www.rutm.com

How should the fund be used and why?

“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.”

- Since 1994 (and including 2009), the annual total distribution paid has increased by 123% compared to a 53% 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.

Rathbone Unit Trust Management Limited

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A member of the Rathbone Group
Registered No. 2376568

Performance data and Finex Money Deposit 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.

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RATHBONES
Established 1742