



## Rathbone Recovery Fund

---

### Update, December 2011

As suspected, the great December Summit for the European leaders did not unveil any ‘bazooka’ necessary for the resolution of the European debt crisis. It provided more sticking plasters but not the cure. Despite this, the US economy has clearly regained some momentum, with economic data continuing to improve; however, we can not turn a blind eye to the unresolved debt problem in Europe, the consequences of which are likely to have an impact way beyond European borders.

Notwithstanding this backdrop, our meetings with companies, and their financial results, continue to be reasonably positive. *Domino Printing* reassured markets, highlighting how following the summer slowdown in printer volumes, demand had flattened rather than worsened. Margins have improved, new products have been launched, and their balance sheet remains strong. It is these sorts of companies that remain core to this fund – although they maybe exposed to global growth, they have strong market positions, management teams and balance sheets, which will enable them to come out of any downturn in a stronger position and benefit when conditions improve.

As we approached the end of 2011, market volumes dwindled, and we saw no need to alter any positions in the fund. Our relatively high cash position (12.10%) provides us with some ammunition for exploiting opportunities ahead.

**Julian Chillingworth**  
Chief Investment Officer

**Marina Bond**  
Investment Director

**Alan Dobbie**  
Fund Manager

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

---

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](mailto:rutm@rathbones.com) | [www.rutm.com](http://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