



RATHBONE UNIT TRUST MANAGEMENT
FUND MANAGEMENT FOR YOUR INVESTMENT NEEDS

RATHBONE GLOBAL OPPORTUNITIES FUND

SHORT REPORT FOR THE HALF YEAR ENDED 31 JULY 2011



Manager's report for the half year ended 31 July 2011

During the six months to 31 July 2011, the Rathbone Global Opportunities Fund returned +3.4% versus -1.1% from the FTSE World index (£). Against the IMA Global Growth sector, we achieved top quartile performance over the period; second quartile over three years, and top quartile performance over five years, returning 43.8%.

Global equity markets struggled to progress in the first half as stimulus measures wound down, and rising inflation tore into household spending.

During the period, we made several significant sales and purchases. We initiated a position in German engineering and manufacturing company *Siemens*, as order book strength in its late cycle energy and industrial businesses should drive margin expansion and earnings surprise. We re-entered *Visa*, having sold it last year on concerns that new legislation would severely limit fee payments on credit and debit card transactions. The terms of the new regulation have been set, and the company should benefit from the continued switch from cash to card-based transactions. We bought *McCormick*, a manufacturer and distributor of herbs and spices to over 100 countries. Category-leading sales growth, double-digit annual profit growth over the past 10 years, and the ability to pass on price increases provide shareholders with a reliable growth investment. We started a holding in *Kansas City Southern*, a US railroad operator that has a significant presence in US-Mexico rail cargo. Supply chain resilience has become a key operational risk for companies that demand multiple suppliers in different countries, and a faster time to market. 'Near sourcing' manufacturing and production in Mexico is a growing trend, and rail is taking over from trucking due to greater fuel efficiency and keener pricing. Finally, we bought *ARM Holdings*, the UK-listed semiconductor company which licenses processor chips that are used in over 95% of the world's mobile handsets, and over one

quarter of all electronic devices. ARM's low power consumption processors, flexible design and an ecosystem of 'apps' all create an attractive growth opportunity, as smart phones and tablets lead the next wave of growth for the consumer electronics industry.

We sold *Dolby Laboratories*, a very successful investment for the fund, but we were concerned about muted demand for traditional PCs and laptops, where Dolby Labs receives higher royalties for its surround-sound technology. We exited German machine tool maker *Gildemeister* as order intake could slow while manufacturing customers gauge demand for additional capacity amid a sluggish economy. We sold *Williams-Sonoma*, a US-based retailer for kitchen and homewares, due to concerns over its internet growth strategy, which we believe will struggle to gain traction internationally. Conversely, we believe that online fashion website *ASOS* will be globally successful, but looks currently overpriced, so we have exited. Finally, we sold *gategroup*, the airline catering company, for a modest loss due to an internal fraud and subsequent scandal involving the CEO.

Recent political brinkmanship has obscured the fact that the global economy is stalling once again, and central bankers are running out of options to support growth. Commentators are increasingly calling for further stimulus, but are wary of implementing another round of Quantitative Easing (QE2). QE2 may have done more harm than good in the long run, by pushing up prices of imported goods and further squeezing consumers. We believe that the rest of the year will be difficult for global markets, as investors assess the length and depth of the slowdown.

James Thomson
19 August 2011

Net asset value per unit and comparative tables

Fund size

Date	Net Asset Value £	Attributable to	Units in issue	Net Asset Value (pence per unit)
31 January 2009	50,061,019	Accumulation	100,518,105	49.80
31 January 2010	72,295,381	Accumulation	106,788,978	67.70
31 January 2011	100,054,825	Accumulation	116,964,121	85.54
31 July 2011	132,089,007	Accumulation	149,372,377	88.43

Income record

Year	Accumulation Units Net income per unit (p)
2006	–
2007	–
2008	–
2009	0.29
2010	–
2011*	–

* To 30 September 2011

Distributions

Due to the net deficit of income for the half year to 31 July 2011, no distributions have been made.

Risk factors

An investment in a unit trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance should not be seen as an indication of future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Total expense ratios

Expense type	31.07.11	31.01.11
Manager's periodic charge	1.50%	1.50%
Other expenses	0.06%	0.07%
Total Expense Ratio (TER)	1.56%	1.57%

Net asset value per unit and comparative tables *(continued)*

Risk profile

There is little exposure to credit or cash flow risk. There are no net borrowings and little exposure to liquidity risk because assets can be readily realised to meet redemptions. The main risks arising from the financial instruments are foreign currency, interest rate, market price and counterparty. The fund may invest up to 10% of its net assets in securities for which there is no ready market.

The investment portfolio is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objective and policy set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed and the Prospectus and the rules of the Financial Services Authority's Collective Investment Scheme Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

Top 10 largest holdings

The top 10 holdings at the end of the previous year and at the end of the current period are shown below.

	31.07.11		31.01.11
Rightmove	3.42%	Petrofac	3.44%
Swedish Match	3.26%	Sky Deutschland	3.28%
Sky Deutschland	3.06%	Swedish Match	3.06%
Olam	2.86%	Olam	2.96%
Petrofac	2.70%	Rightmove	2.75%
Associated British Foods	2.43%	Cognizant Technology Solutions	2.73%
Virbac	2.41%	Virbac	2.62%
Rational	2.38%	Dolby Laboratories	2.61%
LVMH	2.29%	SeLogger.com	2.52%
Crown	2.27%	Noble	2.43%

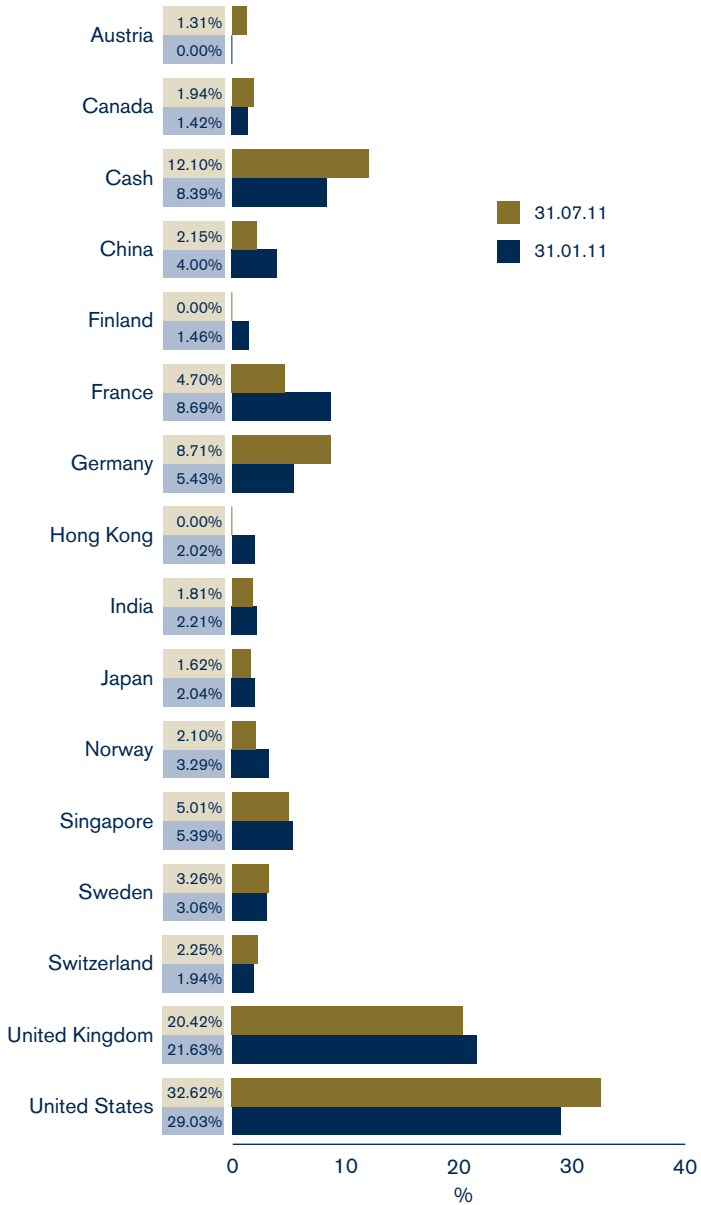
Discrete year performance ending 30 June

	2007	2008	2009	2010	2011
Rathbone Global					
Opportunities Fund	30.85%	-3.35%	-26.38%	22.67%	27.49%
IMA Global sector	15.68%	-8.84%	-16.32%	20.42%	19.08%

Source performance data Financial Express, bid to bid, net income re-invested.

Portfolio information

Geographical breakdown



General information

Authorised status

The Rathbone Global Opportunities Fund is an authorised unit trust scheme, established by a Trust Deed dated 20 March 2001 and launched in May 2001.

It is a 'UCITS Scheme' authorised under Section 243 of the Financial Services and Markets Act 2000, and the currency of the fund is pounds Sterling.

Investment objective, policy and strategy

The objective of the fund is to provide above average long term capital growth from a global portfolio. The fund will be able to invest in any transferable security in all recognised world financial markets. The income yield will be at best minimal.

To meet the objective the fund may also invest at the Manager's discretion in money market instruments, warrants, cash and near cash, deposits and units in collective investment schemes. Use may be made of stocklending, borrowing, cash holdings, hedging and other investment techniques permitted by the FSA Rules.

Valuation of the fund

The fund is valued on each business day at 12 noon for the purpose of determining prices at which units in the fund may be bought or sold. Valuations may be made at other times on business days with the Trustee's approval.

Stewardship code

Rathbone Unit Trust Management Limited fully supports the UK Stewardship Code sponsored by the Financial Reporting Council. Our statement on complying with the Code can be found on our website www.rutm.com

Long report

The full report and accounts are available free of charge upon written request from:

Client Services Department
Rathbone Unit Trust Management Limited
159 New Bond Street
London W1S 2UD

ISA eligibility

The fund has been managed throughout the period to ensure that it is eligible to qualify and be included in an Individual Savings account (ISA). The fund will at all times be invested in such a way that the units will constitute "Qualifying Investments" for the purposes of the Individual Savings Account (ISA) Regulations 1998, as amended from time to time.

Further details

Should you require further details of this fund or any of the other funds managed by Rathbone Unit Trust Management Limited, a Prospectus, a Simplified Prospectus (incorporating Key Features). Please write to:

Client Services Department
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159 New Bond Street
London W1S 2UD

All literature is available free of charge.

Information is also available on our website: www.rutm.com

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RATHBONES
Established 1742