Rathbone Unit Trust Management Limited (RUTM)

# The Rathbone Multi Asset Portfolio

Key Features

RATHBONES
Established 1742

# The Rathbone Multi Asset Portfolio

**The nine sections below will give you a guide to the product:**

# 1. What is the product and which are the companies involved in its management?

### What is the product?

The Rathbone Multi Asset Portfolio ("portfolio") is an authorised UK open-ended investment company (OEIC) regulated by the Financial Services Authority (FSA).

The portfolio consists of two sub-funds with differing investment objectives:

- A multi-asset strategic growth portfolio; and
- A multi-asset total return portfolio.

### Who is the typical investor?

The portfolio offers an effective way of introducing broad diversification or spread of risk, into all or part of a client's overall portfolio across multiple asset classes with a primary focus on the management of risk and targeted returns. The minimum investment is £1,000.

### What are the benefits of investing in the portfolio?

The portfolio is structured as a Non-UCITS Retail Scheme which gives us the flexibility to invest in a wide range of assets, including alternative investments, and will also enable us to easily add to the range of sub-funds and share classes to meet the future needs of a wide range of investors.

### Which companies are involved?

The Authorised Corporate Director (ACD) is a corporate body and an authorised person given powers and duties under FSA regulations to operate an Open Ended Investment Company (OEIC). The ACD of the company is Rathbone Unit Trust Management Limited which is a private company limited by shares incorporated in England and Wales under the Companies Act 1985. The ACD was incorporated on 26 April 1989. The ultimate holding company of the ACD is Rathbone Brothers Plc which is incorporated in England.

The Royal Bank of Scotland plc is the depositary of the company. The depositary is responsible for the safekeeping of the property of the company entrusted to it and has a duty to take reasonable care to ensure that the company is managed in accordance with the provisions of the FSA regulations relating to the pricing of, and dealing in, shares of the company and the income of the company.

The ACD has appointed International Financial Data Services (UK) Limited to act as registrars to the company, and HSBC Securities Services (UK) Limited to act as administrator to the company.

For more information please call 020 7399 0399.

### What is the minimum investment?

The minimum initial investment, and minimum holding, for each sub-fund is £1,000. The minimum subsequent investment is £500. The minimum regular investment is £100 per month. The ACD may at its discretion accept subscriptions lower than the minimum amount.

If a holding is below the minimum holding the ACD has discretion to require the redemption or sale of the entire holding.

There is no minimum withdrawal as long as the minimum holding remains.

For details of Individual Savings Account (ISA) limits and availability, please see our Addition Information for RUTM ISA document.

# 2. What are the risks and liabilities?

### What are the risk factors relating to the portfolio?

Potential investors should consider the following risk factors before investing in the company.

### What are the general risk factors?

An investment in one or more of the sub-funds will involve exposure to those risks normally associated with investment in stocks and shares. As such, the price of shares and the income from them can go down as well as up and an investor may not get back the amount invested. There is no assurance that investment objectives of any sub-fund will actually be achieved.

In addition, the values in terms of the base currency of each sub-fund of investments that are not denominated in the base currency may rise and fall purely on account of exchange rate fluctuations, which will have a related effect on the price of shares.

The use of derivatives for investment purposes may increase the volatility of a sub-fund's net asset value and may increase its risk profile.

Shares in all the sub-funds should generally be regarded as long term investments. Details of specific risks that apply to particular sub-funds are set out in the Prospectus which is available free of charge on request.

### What are the liabilities of the company?

Although each sub-fund so far as possible will be treated as bearing the liabilities, expenses, costs and charges attributable to it, if its assets are not sufficient the ACD may re-allocate assets, liabilities, expenses, costs and charges between the sub-funds in a manner which is fair to the investors of the company generally. If there is any such re-allocation the ACD will advise investors of it in the next succeeding annual or half-yearly report to investors (shareholders).

Investors are not, however, liable for the debts of the company. An investor is not liable to make any further payment to the company after paying the purchase price of shares.

# 3. What are the aims and objectives of the sub-funds in the portfolio?

### The total return portfolio

The sub-fund seeks to achieve an increasing income and capital return through investment in a mix of UK and overseas securities, which may include equities, convertibles, loan stock, money market instruments, deposits, warrants, collective investment schemes and other investments to the extent that each is permitted by the FSA regulations. The sub-fund targets a return equal to 2% above Sterling [six-month] London Interbank Offered Rate (LIBOR) over the long-term and a volatility rate equal to one third or below that of equity markets as measured by the MSCI World Equity index.

### The strategic growth portfolio

The sub-fund seeks to achieve long term capital growth through investment in a mix of UK and overseas securities, which may include equities, convertibles, loan stock, money market instruments, deposits, warrants, collective investment schemes and other investments to the extent that each is permitted by the FSA regulations. The sub-fund targets a return equal to 5% above UK CPI (Consumer Price Index) and a volatility rate equal to two-thirds that of global equities as measured by the MSCI World Equity index.

### What is the investment policy (both sub-funds)?

Subject to the FSA regulations, the relative weightings of each asset class will be determined by the Manager's view on worldwide securities markets, and their ability to provide both capital return and income over the long term.

The impact of potential currency movements on the Sterling value of capital and income will be taken into account when selecting investments.

The Manager's investment policy may mean that at times it is appropriate for the property of the sub-fund not to be fully invested and for cash or near cash to be held. This will only occur when the Manager reasonably regards it as necessary in order to enable redemption of shares, efficient management of the sub-fund or for a purpose ancillary to the objectives of the sub-fund.

Derivatives and forward transactions may be used by the sub-funds for the purposes of efficient portfolio management (including hedging) and investment purposes.

# 4. What are the charges and expenses on the portfolio?

### What is the initial charge?

The ACD may impose a charge on the sale of shares to investors. The maximum initial charge permitted is 5% of the amount invested by the prospective investor. The initial charge is payable to the ACD. The current initial charge for each sub-fund is 5%. An increase in the maximum initial charge can only be made in accordance with FSA regulations.

### What is the annual management charge?

The maximum annual management charge permitted is 2% of the amount invested by the prospective investor. The annual management charge is payable to the ACD. The current annual management charge for each sub-fund is 1.5%.

### Is there a redemption charge?

The ACD may make a charge on the redemption of shares. At present no redemption charge is levied.

The ACD may not introduce a redemption charge on shares unless, not less than 90 days before the introduction, it has given notice in writing to the then current investors of that introduction and has revised and made available the Prospectus to reflect the introduction and the date of its commencement.

In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the ACD.

### What is the effect of charges on your investment?

There is an initial charge based on the creation price of shares which is included in the buying price. The annual management charge is accrued on a daily basis along with other expenses such as the Auditor's fee, Registrar's fee and Trustee's fee. These expenses, and all other charges, are deducted from the capital of each sub-fund, with the exception of the annual management charge in the case of the sub-funds indicated in the charges table below.

The effect of charges on an investment of £1,000, assuming growth of 6% per year over 10 years, is set out below.

Please note that:

1. These figures are only examples and are not guaranteed – they are not minimum or maximum amounts. Your return depends on how your investments grow, meaning that you could get back more or less than the amount stated.
2. All investment managers use the same rates of growth for illustrations, but their charges vary.
3. Inflation would reduce what you could buy in the future with the amounts shown.
4. The investment return could be affected by fluctuations in exchange rates.
5. The tables do not take account of any discounts you may receive when purchasing units.

The actual income paid may be more or less than the amount shown in the tables.

### Total Return Portfolio

Spread 6%, Annual and Administrative Charge 2.28%, Net Income Yield 2.02%

| | | If income distributed | | |
|---|---|---|---|---|
| At end of year | Investment to date £ | Effect of deductions to date £ | Income to date £ | What you might get back £ |
| 1 | 1,000 | 68 | 8 | 954 |
| 3 | | 94 | 25 | 971 |
| 5 | | 123 | 42 | 989 |
| 10 | | 205 | 85 | 1,036 |

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £205. Putting it another way, this would have the same effect as bringing investment growth from 6.00% a year to 2.40%. The investment objective of a sub-fund is to treat the generation of income as a higher priority than capital growth. At present, therefore, the ACD's annual management charge, and all other charges, are taken from capital, unless otherwise indicated in relation to a particular sub-fund. This will enhance income but will restrict capital growth.

## Strategic Growth Portfolio

Spread 6%, Annual and Administrative Charge 2.46%, Net Income Yield 0.88%

| | | If income distributed | | |
|---|---|---|---|---|
| At end of year | Investment to date £ | Effect of deductions to date £ | Income to date £ | What you might get back £ |
| 1 | 1,000 | 69 | 4 | 957 |
| 3 | | 97 | 11 | 983 |
| 5 | | 128 | 18 | 1,009 |
| 10 | | 218 | 38 | 1,077 |

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £218. Putting it another way, this would have the same effect as bringing investment growth from 6.00% a year to 2.24%. The investment objective of a sub-fund is to treat the generation of income as a higher priority than capital growth. At present, therefore, the ACD's annual management charge, and all other charges, are taken from capital, unless otherwise indicated in relation to a particular sub-fund. This will enhance income but will restrict capital growth.

## Could there be any penalties for selling shares other than the prescribed charges?

The actual cost of purchasing or selling a sub-fund's investments may be higher or lower than the mid market value used in calculating the share price – for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the investors' interest in a sub-fund. In order to prevent this effect, called "dilution", the ACD has the power to charge a "dilution levy" on the sale and/or redemption of shares. A dilution levy is not currently charged but could be charged:

1. where over a dealing period a sub-fund has experienced a large level of net sales or redemptions relative to its size;
2. on large deals;
3. where a sub-fund is in continual decline or increase; or
4. in any other case where the ACD is of the opinion that the interests of investors require the imposition of a dilution levy.

It is therefore not possible to predict accurately whether dilution would occur at any point in time. If a dilution levy is required then, based on future projections the estimated rate or amount of such levy will be 0.5%.

# 5. How can you carry out buying, selling or switching of your investment?

### How can shares be bought?

Shares can be bought either by sending a completed application form to the ACD, by telephoning the ACD's order desk on 0845 300 2101 between 9.00am and 5.00pm on any business day. Application forms may be obtained from the ACD.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

The ACD has the right, in relation to large deals, to defer issuing shares until all subscription monies in relation to such deals are received.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

The ACD has the right, at its sole discretion and with the consent of the depository, to accept in-specie payment by applicants for shares.

### How can shares be sold?

Every investor has the right to require that the company redeem shares on any dealing day unless the value of shares which an investor wishes to redeem will mean that the investor will hold shares with a value less than the required minimum holding for the sub-fund concerned, in which case the investor may be required to redeem his entire holding.

Requests to redeem shares may be made by telephoning the ACD's order desk on 0845 300 2101 between 9.00am and 5.00pm on any business day, or in writing to the ACD at 159 New Bond Street, London, W1S 2UD.

### When are portfolios valued, what prices are available and when can buying/selling take place?

The dealing office of the ACD is open from 9.00am until 5.00pm on each business day to receive requests for the issue, redemption and switching of shares, which will be effected at prices determined at the next valuation point on the dealing day following receipt of such request.

The company deals on normal business days at 12 midday on a forward pricing basis. A forward price is the price calculated at the next valuation point (noon) after the sale or redemption is agreed.

### How can shares be switched?

A holder of shares in a fund may at any time switch all or some of the shares of one share class or sub-fund (old shares) for shares of another share class or sub-fund (new shares). The number of new shares issued will be determined by reference to the respective prices of new shares and old shares at the valuation point applicable at the time the old shares are repurchased and the new shares are issued.

Switching may be effected either by telephone on 0845 300 2101 or in writing to the ACD and the investor may be required to complete a switching form (which, in the case of joint investors must be signed by all the joint holders). Switching forms may be obtained from the ACD.

The switching fee will not exceed an amount equal to the then prevailing initial charge for the class into which shares are being switched. The switching fee is payable to the ACD. Where applicable, there is no fee on a switch between share classes of the same sub-fund.

If the switch takes a holding value, old or new below the current minimum holding, the ACD may convert the whole of the applicant's holding of old shares to new shares or refuse to affect any switch of the old shares. A duly completed switching form must be received by the ACD before the valuation point on the dealing day. Switching requests received after a valuation point will be held over until the next dealing day.

# 6. How do we treat income from your investments?

Allocations of income are made by cheque or direct to your bank account in respect of the income available for allocation in each accounting period.

Distributions of income in respect of income shares for each sub-fund are paid on or before the annual income allocation date of 30 November (commencing 2009) and on or before the interim allocation dates of 28 February (commencing 2010); 31 May (commencing 2010); and 31 August (commencing 2009).

Accumulation shares are currently not available.

# 7. What information is available to you and what documents will you receive?

### What information will you receive on buying?

A contract note giving details of the shares purchased and the price used will be issued by the end of the business day following the valuation point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Settlement is due on receipt by the investor of the contract note.

Share certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the company's register of investors. Statements in respect of periodic distributions of income in each sub-fund will show the number of shares held by the recipient in the sub-fund in respect of which the distribution is made. Individual statements of an investor's (or, when shares are jointly held, the first named holder's) shares will also be issued at any time on request by the registered holder.

### What information will you receive on selling?

A contract note giving details of the number and price of shares sold will be sent to the selling investor (the first named, in the case of joint investors) together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the investor (and, in the case of a joint holding, by all the joint holders) not later than the end of the business day following the valuation point by reference to which the redemption price is determined. Cheques in satisfaction of the redemption monies will be issued within four business days of the later of:

1. receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant investors and completed as to the appropriate number of shares, together with any other appropriate evidence of title; and
2. the valuation point following receipt by the ACD of the request to redeem.

### What are the accounting periods and when are annual reports available?

The annual accounting period of the company ends each year on 30 September (with the first annual accounting period ending on 30 September 2009). Interim accounting periods end each year on 31 December (quarter 1; first date 31 December 2009), 31 March (interim; first date 31 March 2010); and 30 June (quarter 3; first date 30 June 2009).

Annual reports of the company will be published within four months of the end of each annual accounting period and half-yearly reports will be published within two months of the end of the interim accounting period ending on 31 March; however no half-yearly report will be published in the company's first accounting period.

The most recent annual and half-yearly reports of the company may be inspected free of charge between 9.00am and 5.00pm every business day at the offices of the ACD at 159 New Bond Street, London W1S 2UD. Alternatively they can be sent on request, free of charge.

### Where are prices published?

The most recent price of shares will be published online at www.Bloomberg.com. To view the prices, in the 'Enter Symbol' box, please enter the following symbols and select the 'Quote' option:

a. Strategic Growth Fund: **RTHBSTR:LN**
b. Total Return Fund: **RTHBTRE:LN**

You can also find prices at the Investment Management Association website www.investmentuk.org under 'Rathbone Unit Trust Management', in The Financial Times, in The Telegraph, or at www.fundlistings.com

# 8. What can we tell you about the taxation of the product?

The following summary is only intended as a general summary of United Kingdom tax law and HM Revenue & Customs (HMRC) practice, as at the date of this Key Features. The applicability of the summary will depend upon the particular circumstances of each investor. It should not be treated as legal or tax advice. Accordingly, if investors are in any doubt as to their taxation position, they should consult their investment adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

### What are the taxation implications on income distributions for an investor in an equity product?

Distributions comprise income for UK tax purposes. Except for investors within the charge to corporation tax, dividend distributions to UK resident investors carry a tax credit equivalent to 10% of the aggregate of the distribution and the tax credit (i.e. one-ninth of the amount distributed).

UK resident individuals and (the trustees of) certain trusts liable to UK income tax will be taxable on the sum of their distributions and associated tax credits but will be entitled to set the tax credits against their UK income tax liability. Associated tax credits will satisfy the liability to income tax of basic rate taxpayers. Higher rate taxpayers who are individuals will have additional tax to pay, the distributions and associated tax credits being taxed at the higher rate of 32.5% but will still benefit from a 10% tax credit (leaving 22.5% of the aggregate amount of the distribution and the tax credit to pay). If the total income of an investor who is an individual is less than his/her personal allowances, the associated tax credits applicable to dividend distributions cannot be repaid.

Distributions to investors within the charge to corporation tax are deemed to comprise two elements; these are set out in the Prospectus, which is available, free of charge from the manager.

### What are the taxation implications on income distributions for an investor in a bond product?

Distributions by a bond fund comprise income for UK tax purposes. Investors will be taxable on the gross amount distributed. The amount actually received will be net of tax at the basic rate, currently 20%, and so the amount subject to tax is, at present, equal to the amount received plus the tax element already withheld. The exception to this is in the case of an exemption from the obligation to deduct income tax (for instance, where a valid non resident investors' declaration has been made or the distribution is paid to certain categories of qualifying intermediary).

Investors will be treated as already having paid 20% income tax on the gross amount of the distribution. Individuals liable to basic rate tax will have no further tax to pay. Higher rate taxpayers will have an additional liability (equal to a further 20% of the gross income distribution), but those with no liability at all may be able to claim a refund for the amount of the tax withheld. Corporate investors will be able to set the income tax deducted against tax payments due to HMRC or claim repayment where there are none. Non UK resident investors, who have successfully completed the appropriate declarations, may be entitled to receive distributions gross (that is, without any withholding of tax at source).

Exempt investors, which include UK charities, UK approved pension funds ISAs, should be able to recover the tax deducted from the Inland Revenue.

### What about capital gains and inheritance taxes?

#### Capital gains tax

Investors who are resident or ordinarily resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including redemption, of shares. Individuals and certain trusts generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of units. Exempt investors, which include UK charities, UK approved pension funds ISAs (and their individual investors), would not normally be expected to be liable to capital gains tax on their disposal of shares.

#### Inheritance tax

A gift by an investor of his shareholding in an equity fund or the death of an investor may give rise to a liability to inheritance tax, except where the investor is neither domiciled in the UK, nor deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK. For these purposes, a transfer of a shareholding at less than the full market value may be treated as a gift.

### What are the implications for switching between share types?

Please note that, under current tax law, a switch of shares in one sub-fund for shares in any other sub-fund is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation although a switch of shares between different share-classes in the same sub-fund will not be deemed to be a realisation for the purposes of capital gains taxation.

# 9. What are your rights and our obligations?

### What information is there about investor meetings and voting rights?

The ACD may requisition a general meeting at any time. Investors may also requisition a general meeting of the company. A requisition by investors must state the objects of the meeting, be dated, be signed by investors who, at the date of the requisition, are registered as holding not less than one-tenth in value of all shares then in issue and the requisition must be deposited at the head office of the company.

Investors will receive at least 14 days' notice of an investors' meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. Notices of meetings and adjourned meetings will be sent to investors at their registered addresses.

Except where the FSA regulations or the Instrument of Incorporation of the company require an extraordinary resolution (which requires 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the FSA regulations will be passed by a simple majority of the votes validly cast for and against the resolution.

### What is the governing law?

All deals in shares are governed by English law.

### What are your cancellation rights?

Cancellation rights may be available to investors who purchase units as a result of specific advice or recommendation received from an authorised intermediary. You may cancel such a contract by returning the cancellation notice within 14 days of receipt. You would receive back money subscribed, less a deduction of the amount (if any) by which the buying price of your investment has fallen at the relevant valuation point. No more than the money subscribed will be returned on cancellation.

### What is required to comply with money laundering rules?

As a result of legislation in force in the United Kingdom to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying shares. The ACD reserves the right to reverse the transaction or to refuse to sell shares if it is not satisfied as to the identity of the applicant.

### What are the rules on data protection?

Any personal information obtained by us will be processed in accordance with the Data Protection Act 1998. If you do not wish to receive information on other products and services offered by Rathbone Brothers Plc (including Rathbone Unit Trust Management Limited), please write to the Data Protection Officer, Rathbone Unit Trust Management Limited, 159 New Bond Street, London W1S 2UD.

In order to administer your investments we may share your information with our agents and service providers, including those having access to your personal data from countries outside the UK which do not provide the same level of data protection as in the UK. We will take appropriate steps to protect your data.

### What can you do if you have a complaint?

Complaints concerning the operation or marketing of the company may be referred to the compliance officer of the ACD at 159 New Bond Street, London, W1S 2UD or, if preferred, direct to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

### What compensation schemes are available?

We are a participant in the UK Financial Services Compensation Scheme which provides a measure of protection when an investment firm is unable to meet its obligations to its clients. Further information on the scheme and your eligibility is available on request from the ACD or from the UK Financial Services Compensation Scheme (details can be found at www.fscs.org.uk).

## Rathbone Unit Trust Management Limited

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Copies of the Prospectus, the latest Manager's report and the Instrument of Incorporation in respect of each sub-fund are available on request, free of charge, from the Manager.

RATHBONES
Established 1742

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