

# Rathbone Strategic Growth Portfolio

**Manager:** Rathbone Unit Trust Management Limited **Depository:** Royal Bank of Scotland plc

<b>Size of fund</b>	<b>Mid-market:</b> £26.34m
<b>Share price (30.06.10):</b>	<b>Income class:</b> 114.24p

Source performance data Financial Express and Datastream, bid to bid, net income re-invested. Data using prices struck 30.06.10. **Past performance should not be seen as an indication of future performance.** The value of investments and the income from them may go down as well as up and you may not get back your original investment.

Time periods ending 30.06.10:	6 months	1 year
<b>Rathbone Strategic Growth Portfolio</b>	<b>1.45%</b>	<b>19.94%</b>
UK Consumer Price Index (CPI) + 5%	4.28%	8.39%
Volatility as % of MSCI World Equity Index (Targeting <66%)	58.60%	57.50%

## David Coombs – Investment Director, fund manager



David Coombs is head of multi-asset investments at Rathbone Unit Trust Management, and joined Rathbones in 2007. He is a member of the Strategic Asset Allocation Committee, Alternative Asset Committee and Managed Fund Selection Committee.

He previously worked at Barings for almost 20 years where he established their absolute return investment process in the mid-90s. More recently he managed Barings range of multi-asset funds. In addition he was responsible for a small number of segregated multi-asset portfolios for institutional pension funds, charitable trusts, captive insurance companies and private clients based internationally. He joined Barings in 1988 from Hambros, where he managed multi-asset portfolios for private clients. He is an Associate of the Chartered Institute of Financial Services.

## Investment philosophy and style

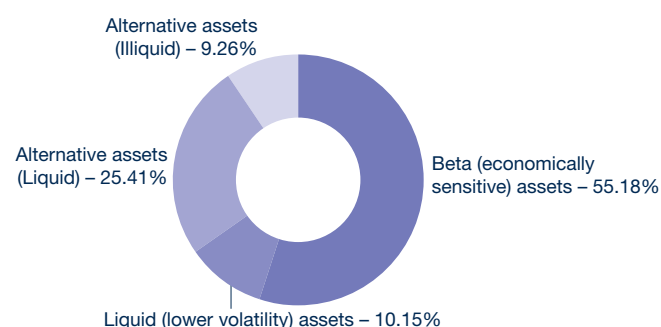
The investment philosophy is to maintain clients' real value of capital over time unconstrained by index benchmarks but not invested in every asset class at all times. The asset allocation is by risk and correlation rather than purely geography and it is on a 'best of breed' approach. The whole of the investment fund and bond market is open for choice but with no exposure to direct equities and we are not restricted to buying from platforms.

The fund can include qualifying Exchange Traded Funds (ETFs), Investment Trusts, UCITS, onshore and offshore funds, single manager hedge funds, structured products, derivatives, sophisticated offshore UCITS III absolute return funds, gilts, commodities, property and cash. The fund will not contain in-house products, which reduces the conflicts of interest that might otherwise arise.

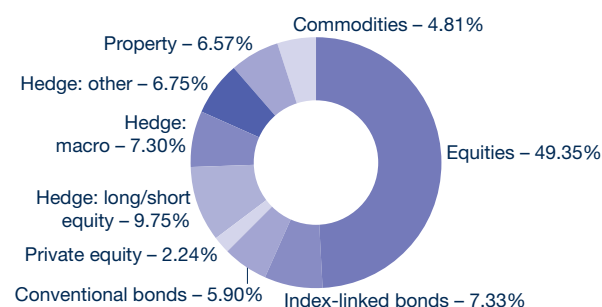
## Investment objective

The fund seeks to achieve long term capital growth through investment in a mix of assets to the extent that each is permitted by the FSA regulations. The 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.

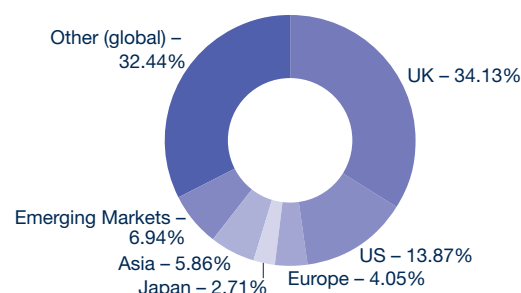
## Asset allocation split at 30.06.10:



## Asset class split at 30.06.10:



## Geographical split at 30.06.10:



Total no. of holdings at 30.06.10:

37

Currency allocation at 30.06.10:	%
UK Sterling	56.61
US Dollar	10.15
European	4.06
Japanese Yen	0.00
Asian	5.88
Emerging Markets	4.75
Gold	4.86
Other (global)	13.69
	<b>100.00</b>

10 largest holdings at 30.06.10:	%
Fidelity Special Situations Fund	7.79
Schroder UK Growth Fund	6.54
ETFs Metal Securities Ltd	4.86
Odey UK Absolute Return Fund	4.12
M&G Recovery Fund	4.03
Brown American Fund	4.02
Ignis HEXAM Global Emerging Markets Fund	3.88
SWIP Property Trust	3.82
CG Portfolio Fund	3.76
RWC US Absolute Alpha Fund	3.76

#### Liquidity, Alternative and Beta split at 30.06.10:

##### Liquid (lower volatility) assets

These are assets that do not contain much credit risk, will not suffer huge volatility and can be easily disposed of to meet redemptions.

<b>Cash</b>		0.00%	<b>0.00%</b>
<b>Government bonds</b>			<b>10.15%</b>
	<i>Conventional</i>	2.82%	
	<i>Index-linked</i>	7.33%	
<b>High quality credit</b>	<i>(AA- or better)</i>	0.00%	<b>0.00%</b>

##### Alternative assets

These are all those assets that in theory remain uncorrelated to the economic cycle, hence provide significant portfolio diversification. They can be divided into more liquid assets such as precious metals and illiquid assets, where the underlying asset remains illiquid even if the vehicle offers some liquidity such as distressed debt strategies.

<b>Highly liquid</b>			<b>25.41%</b>
Commodities	<i>Precious metals</i>	4.81%	
	<i>Agriculture/softs</i>	0.00%	
Hedge	<i>Macro</i>	7.30%	
	<i>Long/short equity</i>	9.75%	
	<i>Commodity trading advisers</i>	3.55%	
<b>Illiquid</b>			<b>9.26%</b>
Property	<i>UK</i>	3.82%	
	<i>Overseas</i>	0.00%	
Hedge strategies	<i>Credit/distressed debt</i>	0.99%	
	<i>Event driven</i>	0.00%	
	<i>Relative value</i>	0.00%	
	<i>Multi-strategy</i>	2.21%	
Private equity	<i>Open-ended</i>	0.00%	
	<i>Investment trusts</i>	2.24%	

##### Beta (economically sensitive) assets

These are assets highly correlated to the economic/credit cycle and consequently of higher volatility than liquid assets.

<b>Corporate bonds</b>			<b>3.08%</b>
	<i>UK</i>	0.00%	
	<i>Overseas</i>	3.08%	
	<i>High yield</i>	0.00%	
	<i>Convertible bonds</i>	0.00%	
<b>Equities</b>			<b>49.35%</b>
	<i>UK</i>	21.90%	
	<i>Overseas developed</i>	16.82%	
	<i>Asia/emerging markets</i>	10.63%	
<b>Commodities</b>			<b>0.00%</b>
	<i>Energy</i>	0.00%	
	<i>Industrial metals</i>	0.00%	
	<i>Equities</i>	0.00%	
<b>Property</b>			<b>2.75%</b>
	<i>Real estate investment trusts (REITs)</i>	2.75%	
	<i>Equities</i>	0.00%	
		100.00%	<b>100.00%</b>

Distribution dates:	Ex div	Payment	Latest distributions (year paid)
Interim	01 Jul. 09	31 Aug. 09	0.00p
Final	01 Oct. 09	30 Nov. 09	0.38p
Interim	01 Jan. 10	28 Feb. 10	0.45p
Interim	01 Apr. 10	31 May 10	0.23p

#### Dealing

Forward daily:	9.00am-5.00pm	Valuation:	0845 300 2101
Valuation point:	12:00 midday	Dealing:	0845 300 2101
Information line:	020 7399 0399		
Sedol No. (Inc):	B543S72	ISIN (Inc):	GB00B543S725

The minimum initial investment is units to the value of £1000. Thereafter, additional investments are subject to a minimum of £500.

Availability – Unwrapped and ISA, lump sum and savings plan.

#### Charges

An initial charge of up to 5.0% is made at time of purchase. An Annual Management Charge (AMC) of 1.5% of the value of the fund is also charged. All annual charges are deducted monthly from the fund's capital.

#### Further information

Copies of the Prospectus, Key Features and application forms may be obtained, free of charge, from Rathbone Unit Trust Management Limited.

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.

Emerging markets are volatile and may suffer from liquidity problems. Changes in rates of exchange between currencies may cause the value of investments to decrease or increase. Details of tax levels and reliefs may change in the future. The value of any tax relief depends on individual circumstances. If you have doubts about your tax position, or the suitability of this investment, you should seek professional advice.

As the Manager's annual fee is taken from capital, that capital may be eroded or growth restricted to the extent of the charge and that, while there may as a result be a reduction in liability for Capital Gains Tax, there will be some increase in Income Tax liability for tax paying unitholders.

#### Rathbone Unit Trust Management Limited

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Authorised and regulated by the Financial Services Authority

A member of the Investment Management Association

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