

The Rathbone Income Fund story

A top quality equity income fund

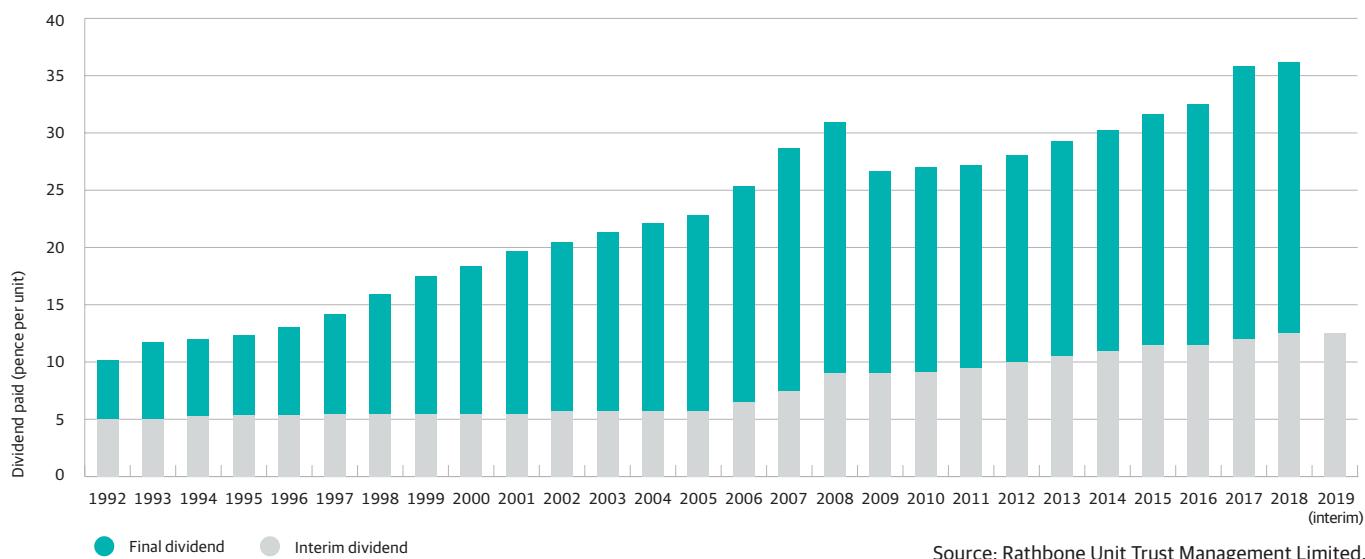
How should the fund be used and why?

1. Since 2000 (and including 2017), the annual total distribution paid has increased by 96% compared to a 49% rise in our measure of inflation (CPI).
2. 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 earnings yield (greatest value).
3. 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.

Points to consider:

1. We are living longer amidst increasingly challenging and volatile markets and economic conditions.
2. Real returns from building society and bank accounts are low.
3. We have at times, in the not too distant past, experienced persistently high inflation; low interest rates which look like they will stay low for some time.

"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."



Source: Rathbone Unit Trust Management Limited.

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.

1. We invest in UK equities, i.e. companies that are going to provide an above average level of income.
2. The bottom line is to provide a solid dividend this year and also to make sure that the dividend paid next year increases by a real amount.

"Income distributed has increased year-on-year for 25 of the last 26 calendar years"

The past income record should not be seen as an indication of the future income record, particularly during periods of recession.

The performance of Carl Stick, the fund manager

Since Carl has managed the fund (01.01.2000), he has increased distributions year-on-year for 17 out of the 18 calendar years. What this means in practice for estimated returns and income paid out from a £10,000 lump sum invested over that time in the fund when compared to a typical higher rate building society account can be seen 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 1 January (£)		Capital value 1 January (£)	
	Year to 1 January	Fund income	Moneyfacts 90 days notice £10k	Fund bid price value	Moneyfacts 90 days notice £10k	Moneyfacts 90 days notice £10k
@01.01.2000	—	—	9,399.92	10,000.00	9,399.92	10,000.00
2001	392.71	401.75	10,583.39	10,000.00	10,970.28	10,401.75
2002	422.24	373.76	10,828.43	10,000.00	11,637.33	10,790.53
2003	437.86	286.09	9,398.21	10,000.00	10,524.17	11,099.24
2004	456.05	261.63	11,154.36	10,000.00	12,991.27	11,389.63
2005	474.89	305.67	12,725.62	10,000.00	15,364.20	11,737.78
2006	488.15	351.36	15,139.00	10,000.00	18,866.20	12,150.20
2007	543.15	339.25	17,781.58	10,000.00	22,820.88	12,562.39
2008	613.35	418.57	16,712.61	10,000.00	22,185.45	13,088.21
2009	662.14	420.16	10,323.80	10,000.00	14,474.33	13,638.13
2010	571.62	130.79	12,101.57	10,000.00	17,783.98	13,816.50
2011	577.61	101.16	13,744.94	10,000.00	21,049.60	13,956.27
2012	582.53	114.76	13,136.09	10,000.00	20,971.91	14,116.43
2013	600.94	129.03	14,468.29	10,000.00	20,042.01	14,298.58
2014	625.76	86.09	17,260.90	10,000.00	29,738.57	14,421.68
2015	647.59	72.39	17,622.57	10,000.00	31,484.99	14,526.07
2016	677.12	74.95	18,442.23	10,000.00	34,150.59	14,634.94
2017	695.74	76.97	19,119.78	10,000.00	36,753.89	14,747.58
2018	766.15	47.90	19,765.02	10,000.00	39,420.68	14,818.22
2019	769.15	76.47	17,178.72	10,000.00	39,852.31	14,937.53
to 31.07.2019	267.51	57.96	19,209.02	10,000.00	40,427.64	15,018.07
Totals @ 31.07.2019	11,272.27	4,126.71	19,209.02	10,000.00	40,427.64	15,018.07
Sum of income and capital value @ 31.07.2019	30,481.29	Deposit Fund account	14,126.71		Deposit Fund account	15,018.07

Figures source Rathbones and Financial Express, net income reinvestment.

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, income reinvested (where applicable) at basic rate. £10,000 would have bought 2140.09 units at 01.01.2000, at an offer price of £4.6727. Prices and dividends, source Rathbone Unit Trust Management Limited.

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



Carl Stick
Fund Manager



Alan Dobbie
Fund Manager



Elizabeth Davis
Fund Manager
Quantitative Analyst



Kate Pettem
Investment Analyst

"Carl has managed the fund for 19 years (since January 2000). He is supported by Kate Pettem, Alan Dobbie and Elizabeth Davis."

The value of income on the investment may fall as well as rise and the investment does not include the security of capital which is characteristic of a deposit with a building society. Past performance should not be seen as an indication of future performance.