

# Rathbone Heritage Fund

## Investment objective

The objective of the fund is to provide long-term total returns with a strong focus on capital preservation by mitigating downside risk through a robust investment process (capital preservation is not however guaranteed). The Manager intends to achieve the objective primarily through the purchase of ordinary shares. There are no restrictions on the economic sectors or geographic areas in which the fund may invest. It is likely that the fund will provide a variable income yield.

## Fund snapshot

The fund seeks out long-term investments in under-valued businesses that consistently generate cash profits, earn strong returns on capital expenditure and acquisitions, and finance themselves conservatively. The fund is therefore biased towards stock selection, rather than particular industries, regions or investment styles, such as 'growth', 'income' or 'value'. Our discovery process leads us to investments with differing growth ambitions in a variety of industries and across a number of countries. In order not to be distracted by overall market timing, we have created a cash management system where cash levels in the fund are high when the cyclically adjusted price earnings ratio (CAPE) is expensive. That cash can then be deployed when P/E ratios fall.

## Fund facts

<b>Manager</b>	Rathbone Unit Trust Management Limited
<b>Trustee</b>	NatWest Trustee and Depositary Services
<b>Date launched/launch price</b>	25 March 2013/100p
<b>Size of fund</b>	Mid-market: £33.72m
<b>Unit price</b>	Income (Inc): 155.43p Accumulation (Acc): 172.41p
<b>Historical distribution yield</b>	Inc: 1.36%/Acc: 1.35%
<b>Total no. of holdings</b>	35 32 (equity) 3 (UK Treasury)
<b>Initial charge</b>	None
<b>MiFID II charges</b>	Ongoing Charges Figure (OCF) as at 30.04.2019 0.90%
<b>Transaction costs</b>	0.13%
<b>Total MiFID II charges</b>	1.03%
The MiFID II charges include the Ongoing Charges Figure (OCF) and transaction costs. PRIIPs compliant*	
<b>Minimum initial investment</b>	£1,000,000
<b>Minimum additional investments</b>	£500

## 20 largest holdings

Data as at 31.07.19	%
ASML	3.61
AIA	3.54
Discover Financial Services	2.88
Lockheed Martin	2.81
Aptiv	2.78
Ulta Beauty	2.76
Sampo	2.76
MasterCard	2.71
JPMorgan Chase	2.68
Tencent	2.64
Novartis	2.59
Spotify	2.55
Unilever	2.50
Mondelez	2.49
Reckitt Benckiser	2.48
CTS Eventim	2.47
Anheuser-Busch InBev	2.47
Big Yellow Group	2.44
Adobe Systems	2.44
RELX	2.43

## Distributions per unit

Year paid	2014	2017
Final	1.16p	1.08p
Interim	1.21p	0.88p
Year paid	2015	2018
Final	1.02p	1.00p
Interim	0.95p	0.96p
Year paid	2016	2019
Final	1.13p	1.15p
Interim	0.68p	
	Ex div	Payment
Interim	01 Nov	31 Dec
Final	01 May	30 Jun
Year end 30 April		

## Dealing/valuation

Forward daily: 9.00am-5.00pm  
Valuation point: 12.00 midday  
Dealing/valuation: 0330 123 3810  
Information line: 020 7399 0399

## Fund codes

Sedol (Inc): B6SCP82  
Sedol (Acc): B8CJW04  
ISIN (Inc): GB00B6SCP824  
ISIN (Acc): GB00B8CJW049

## Product availability

Third party availability – all major platforms.

## Management



**Elizabeth Davis**  
Fund Manager

Liz manages the fund and supports the income mandates through quantitative stock screening. Liz joined Rathbones in January 2005.



**David Harrison**  
Fund Manager

David supports Liz in managing the fund and also works as a global equity analyst. He joined Rathbones in June 2014 and has 17 years industry experience.

## Fund ratings



## Manager ratings



## Geographical split

Data as at 31.07.19



- US: 26.78%
- Europe ex UK: 21.36%
- UK: 19.55%
- Asia Pacific: 7.67%
- Cash: 24.64%

## I-Class fund performance

Data as at 31.07.19

Rathbone Heritage Fund  
UK Consumer Price Index +5%  
FTSE World Index

Data as at 31.07.19

	%
Oil and gas	0.00
Basic materials	0.00
Industrials	8.29
Consumer goods	14.93
Health care	7.71
Consumer services	12.15
Telecommunications	0.00
Utilities	0.00
Financials	18.98
Technology	13.30
Cash and cash equivalents	24.64

## You should know

### Important information

Copies of the Prospectus, the Key Investor Information Document (KIID), the Supplementary Information Document (SID), and application forms may be obtained, free of charge, from Rathbone Unit Trust Management Limited.

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.

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

As the Manager's annual fee is taken from capital, this will mean 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. All other income expenses are paid out of the fund's income.

Derivatives and forward transactions may be used by the fund for investment purposes as well as for the purposes of efficient portfolio management (including hedging). The use of derivatives for investment purposes may increase the volatility of the fund's Net Asset Value and may increase its risk profile.

### Discrete annual performance, quarter ending 30 June

	2015	2016	2017	2018	2019
Rathbone Heritage Fund	11.40%	9.09%	15.39%	3.92%	2.04%
UK Consumer Price Index +5%	5.10%	5.30%	8.05%	7.54%	7.08%
FTSE World Index	9.86%	14.62%	22.88%	9.35%	10.44%

Data using prices as at 31.07.2019. Price performance based upon bid to bid prior to 21.01.19 and single price (mid) thereafter. UK Consumer Price Inflation figures quoted with a one month lag.

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.

## Investment team



**Carl Stick**  
Fund Manager

Carl is a Board Director of Rathbone Unit Trust Management and plays a key role in the development of Rathbones' investment process and business strategy.



**Alan Dobbie**  
Fund Manager

Alan works within the team as a fund manager. He joined Rathbones in 2005 and is Co-Manager of the Rathbone Income Fund.



**Kate Pettem**  
Research Analyst

Kate works within the team as an investment analyst. Kate has over 30 years of investment experience, both as a fund manager and an analyst, focussing for much of that time on North American equities.



**Siyuan Lin**  
Global Equity Analyst

Siyuan works within the investment team as a global equity analyst with specific reference to Asian markets. She joined Rathbones in April 2013.

### Information notes

<sup>^</sup>The OCF includes an Annual Management Charge. From April 2018, the Ongoing Charges Figure has been calculated according to PRIIPs regulations, which came into effect on 1 January 2018. Holdings are based on six monthly audited accounts. Changes to fund holdings within this period may result in higher or lower ongoing charges.

Source performance data Financial Express, price performance based upon bid to bid prior to 21.01.19 and single price (mid) thereafter. I-Class Data using prices as at 31.07.2019. Launch date 25 March 13. UK Consumer Price Inflation figures quoted with a one month lag.

### Rathbone Unit Trust Management Limited

8 Finsbury Circus, London EC2M 7AZ  
Tel 020 7399 0000  
Fax 020 7399 0057

### Information line

020 7399 0399  
rutm@rathbones.com  
rathbonefunds.com

Authorised and regulated by the Financial Conduct Authority

A member of the Investment Association (IA)

A member of the Rathbone Group. Registered No. 02376568