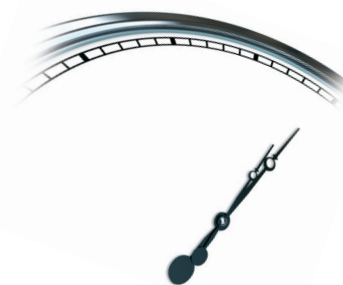


The future is now for equity income

Think differently about your ISA on a 20-year view



The times, they are achanging...

- Unlikely that we will have one job for life – prospect of extended working life, and a second career at a lower income.
- Increasing life expectancy means more funding is needed for longer.
- Can no longer rely on other 'traditional' forms of income alone.

“The issue now is not what happens when you die but what happens whilst you live!”

Something else is required to supplement your income, but what?

- Long-term regular investment in equity income ISAs may provide a flexible addition to other sources of income.
- Investor uses that savings pot, and income from it, when necessary – not based on a retirement date or forecasts of life expectancy.
- New increased ISA allowance of £10,200 will be available to all over 18's. (Over-50's, 2009/2010 season).
- Tax-advantageous investment into income products and the roll-over (compounding) of returns.

“The most powerful force in the universe is compound interest.” Albert Einstein.

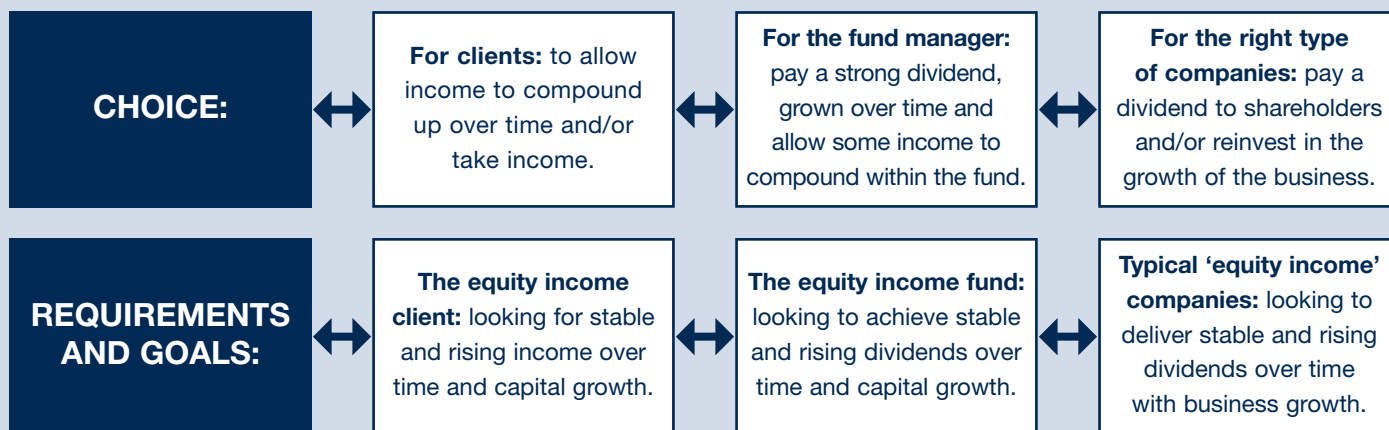
How can Rathbones help you to take advantage?

- We identify companies with a record of compound earnings growth and deliver this through growing dividends.
- There is a direct line between what good companies should do; what our investment process highlights; what income products provide, and why equity income ISAs can fulfill the need for income through the compounding of returns.
- Choose the Rathbone Income Fund and the Rathbone Blue Chip Income and Growth Fund.

“Compound interest is the eighth wonder of the world. He who understands it, earns it...he who doesn't... pays it.” Albert Einstein.

A perfect alignment of an investment process to client needs

Focus on the compounding of income and capital returns (and making use of income when appropriate) over the long term is key.



Past performance should not be seen as an indication of future performance.

Dramatic results – two fine examples of such a process:

If the new £10,200 ISA limit had been invested 20 years ago, the effect on total return if income is compounded within the fund (or withdrawn) would be:

Rathbone Income Fund

Income Taken					Income Reinvested	
£10,200 Investment	Net Income paid during year (£)		Capital Value 1st January (£)		Capital Value 1st January (£)	
Year to 1st January	Fund Income	Finex Money Deposit 90 days TR	Fund Bid Price Value	Finex Money Deposit 90 days TR	Fund Bid Price Value	Finex Money Deposit 90 days TR
Starting value at 01.01.90			9,623	10,200	9,623	10,200
1991	512	1,395	8,243	10,200	8,724	11,596
1992	528	1,107	8,434	10,200	9,450	12,854
1993	439	813	9,574	10,200	11,217	13,878
1994	508	510	12,574	10,200	15,364	14,571
1995	521	454	10,795	10,200	13,815	15,220
1996	537	491	12,248	10,200	16,356	15,953
1997	566	391	13,675	10,200	19,010	16,564
1998	617	446	16,320	10,200	23,522	17,287
1999	689	520	17,692	10,200	26,450	18,169
2000	760	343	19,056	10,200	29,582	18,780
2001	796	375	21,456	10,200	34,524	19,471
2002	856	348	21,952	10,200	36,623	20,135
2003	888	278	19,053	10,200	33,120	20,685
2004	925	250	22,613	10,200	40,884	21,192
2005	963	301	25,798	10,200	48,351	21,817
2006	990	303	30,691	10,200	59,372	22,465
2007	1,101	281	36,048	10,200	71,818	23,086
2008	1,243	367	33,881	10,200	69,818	23,918
2009	1,342	311	20,929	10,200	45,551	24,648
2010	1,159	39	24,533	10,200	55,966	24,741
Totals at 01.01.10	£15,940	£9,323	£24,533	£10,200	£55,966	£24,741
Sum of income and capital value at 01.01.10	£40,473	£19,523				

Rathbone Blue Chip Income and Growth Fund

Income Taken					Income Reinvested	
£10,200 Investment	Net Income paid during year (£)		Capital Value 1st January (£)		Capital Value 1st January (£)	
Year to 1st January	Fund Income	Finex Money Deposit 90 days TR	Fund Bid Price Value	Finex Money Deposit 90 days TR	Fund Bid Price Value	Finex Money Deposit 90 days TR
Starting value at 01.01.90			9,588	10,200	9,588	10,200
1991	334	1,395	7,794	10,200	8,093	11,596
1992	262	1,107	8,655	10,200	9,237	12,854
1993	383	813	9,875	10,200	11,000	13,878
1994	410	510	11,728	10,200	13,545	14,571
1995	418	454	10,575	10,200	12,640	15,220
1996	420	491	11,702	10,200	14,504	15,953
1997	433	391	14,042	10,200	17,976	16,564
1998	464	446	16,935	10,200	22,305	17,287
1999	496	520	19,523	10,200	26,387	18,169
2000	558	343	22,565	10,200	31,287	18,780
2001	593	375	22,396	10,200	31,844	19,471
2002	674	348	18,756	10,200	27,531	20,135
2003	698	278	15,483	10,200	23,597	20,685
2004	725	250	17,831	10,200	28,351	21,192
2005	752	301	20,520	10,200	33,886	21,817
2006	787	303	23,910	10,200	40,838	22,465
2007	810	281	27,271	10,200	47,999	23,086
2008	863	367	26,495	10,200	48,067	23,918
2009	931	311	17,963	10,200	33,811	24,648
2010	908	39	21,273	10,200	41,941	24,741
Totals at 01.01.10	£11,919	£9,323	£21,273	£10,200	£41,941	£24,741
Sum of income and capital value at 01.01.10	£33,192	£19,523				

Time for action, no time for inaction... the future is now!

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.

For more information, please contact us at 020 7399 0399 or visit www.rutm.com

Data source: Rathbones and Financial Express.

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