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Press Release

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With taxes set to rise, F&C urges over-50s to take advantage of extra ISA allowance

** “Shelter all you can in advance of likely tax rises” **

F&C Investments is urging the over-50s with disposable income or savings outside of tax-efficient accounts to take advantage of the extra Individual Savings Account allowance that comes into effect on 5 October.

In April's Budget, the Government announced an increase in the annual ISA allowance from £7,200 to £10,200. The change will initially only be available to investors aged 50 or over but will be extended to all investors eligible to take out an ISA from 6 April 2010. The maximum that can be put into a cash ISA will rise from £3,600 to £5,100 (in each case half the annual subscription limit).

According to latest Government statistics (which cover ISA subscriptions in the tax year 2006/7), older investors are more likely to take advantage of their ISA allowance. The figures, released in June 2009, show that of the 12.76 million people who subscribed to an ISA that tax year, 7.45 million (58.4% of the total) were aged over 45. For those subscribing to the stocks and shares component of an ISA only, the age divide is even more marked: 1.5 million of the 2.4 million investors, or 63.3%, were aged 45 or over.¹

Jason Hollands, Director, F&C Investments, said: “Whoever wins the next General Election, the pressure is on to reduce Britain's deficit, and that means spending cuts and tax rises are firmly on the agenda. The

¹ Figures from National Statistics

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current Government has already announced a 50% tax rate for the highest earners, which an incoming Conservative government would be unlikely to reverse as an immediate priority. Many of those affected will likely be in the last decade or so of their full-time working lives. This extension to the ISA allowance should be grabbed with both hands, as it allows investors to shelter more of their hard-earned cash from both income and capital gains tax. It's just a shame that the extra allowance has taken six months to kick in, as the stock market rally we have seen since March would have provided another welcome boost to investors' assets."

F&C has written to customers aged 50 or over in both its investment trust ISA and OEIC ISA to make them aware of the increased allowance, and has upgraded its back-office systems to ensure the administration of extra subscriptions goes smoothly.

Hollands added: "In an environment of both economic uncertainty and with the prospect of political change, it is impossible to say for how long investors will have the benefit of this extra ISA allowance or indeed other tax-efficient allowances such as the Child Trust Fund. Our message to investors is that, provided they have the cash to spare and are comfortable with the risks, they should consider utilising the various tax-efficient allowances that are currently available while they have the chance."

- Ends -

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Notes to Editors

F&C Investments

- F&C Asset Management (F&C) is an independent London Stock Exchange listed asset management group with around 100,000 shareholders.
- F&C traces its origins to 1868 with the launch of the Foreign & Colonial Investment Trust, the first ever publicly listed investment fund. Foreign & Colonial Investment Trust remains a client of F&C.
- F&C is an active fund manager with a multi-specialist investment model where individual teams have strong accountability for their products and processes. The group is also an active shareholder with a leading franchise in governance and sustainable investment.

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- F&C manages £88.3 billion (€103.7 billion) of assets* for a diverse range of institutional, insurance and retail clients across all major asset classes – equities, bonds, cash and property – as well as alternative and specialist product classes such as Socially Responsible Investment funds, hedge funds, private equity funds and Liability Driven Investments. F&C invests globally and has been a longstanding investor in emerging markets.
- F&C REIT Asset Management is the group's global property asset management business. It was formed in 2008 from the merger of F&C's property division and REIT Asset Management. F&C REIT operates from offices in London, Dublin, Munich, Mumbai and Stockholm.
- F&C manages assets principally from three investment centres: London, Amsterdam and Edinburgh. The group has a global office network spanning a dozen countries: China (Hong Kong), France (Paris), Germany (Frankfurt & Munich), India (Mumbai), Ireland (Dublin), The Netherlands (Amsterdam), Portugal (Lisbon), Sweden (Stockholm), Switzerland (Geneva), UK (London, Edinburgh, Dorking) and the United States (Boston).
- In March 2009 F&C signed a Memorandum of Agreement with Hua Xia Bank, one of China's twelve nationwide joint stock commercial banks, to establish a joint venture fund management company in China in which F&C will have a 19.5% interest.

* As at 30 June 2009.