RATHBONES
Established 1742

Welcome to Rathbones

How can you manage your assets for the benefit of the next generation?

Chris Day
Mark Winchester

November 2009

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Rathbones: *about us*

- One of the UK's largest and longest-established providers of high quality, personalised discretionary investment management services for individuals and trustees
- Over £11 billion in funds under management*
- Around 150 investment professionals in ten UK locations
- Low staff turnover amongst investment management staff
- Part of Rathbone Brothers Plc - an independent, FTSE 250 company
- The majority of staff are shareholders in the firm

**As at 30 September 2009*

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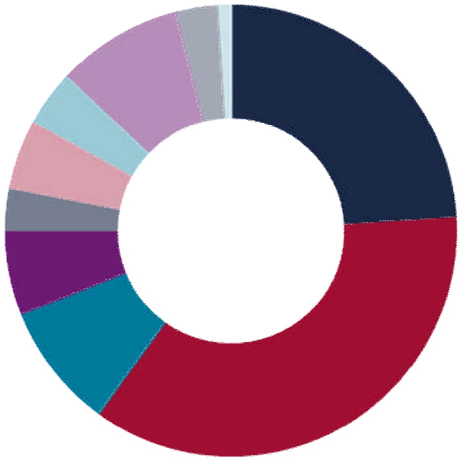
Rathbones: *what we believe*

- **We offer an investment service** rather than a product
- **A direct relationship with our investment managers** ensures investors' individual, long-term investment objectives are understood
- **Independence is important** - being free to make objective investment decisions for clients reduces potential conflicts of interest
- Our **well-researched, performance-driven Investment Process** should support, not control, the decision-making of experienced investment managers
- **Being a specialist in services for private clients and trustees** allows us to offer a quality service cost effectively
- **High-quality administration** underpins a successful long-term relationship

Diversification is the key: asset allocation



Model allocation and changes

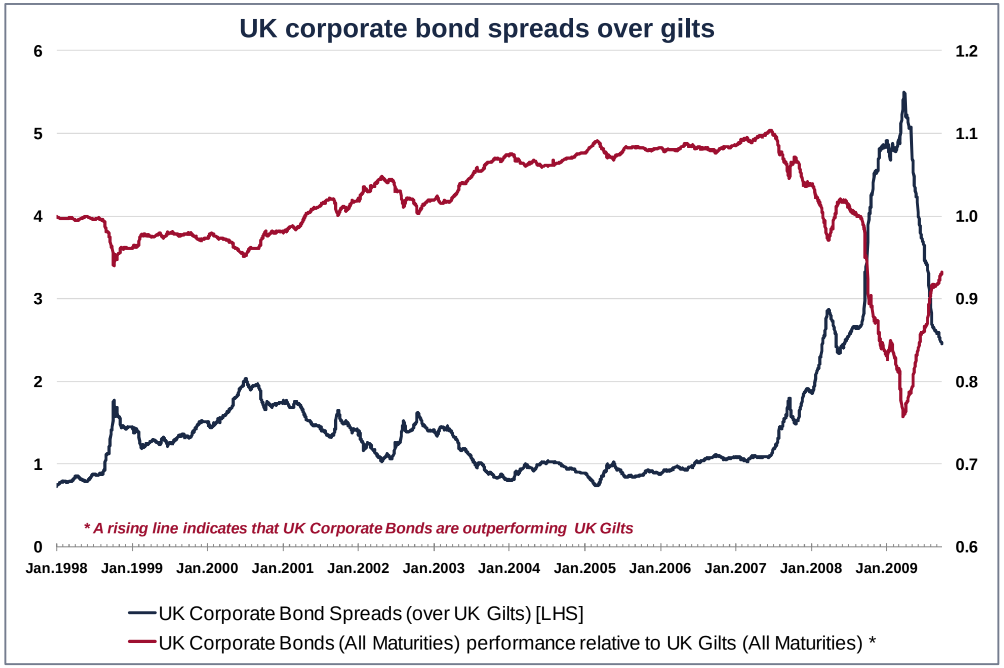
	Rathbones	APCIMS	Change
Fixed income	**24**	**20**	**-**
• UK gilts	8	20	
• UK index linked	8	-	
• Corporate	5	-	
• Global govt. bonds	3	-	
Equity	**63**	**65**	
UK	**36**	**42.5**	
• Large cap	33	-	
• Mid/small cap	3	-	
International	**27**	**22.5**	
• US	9	9	
• Europe	6	6	
•Japan	3	2	
• Pacific (inc. China)	5	2.5	
• Emerging	4	3	
Property	**3**	**2.5**	**+3.0%**
Hedge	**9**	**7.5**	
Cash	**1**	**5**	**-3.0%**
TOTAL	**100**	**100**	**0**

Figures as at September 2009

Current market outlook – valuations

Fixed interest valuations

Corporate credit – still recovering



Source: Rathbones, Datastream

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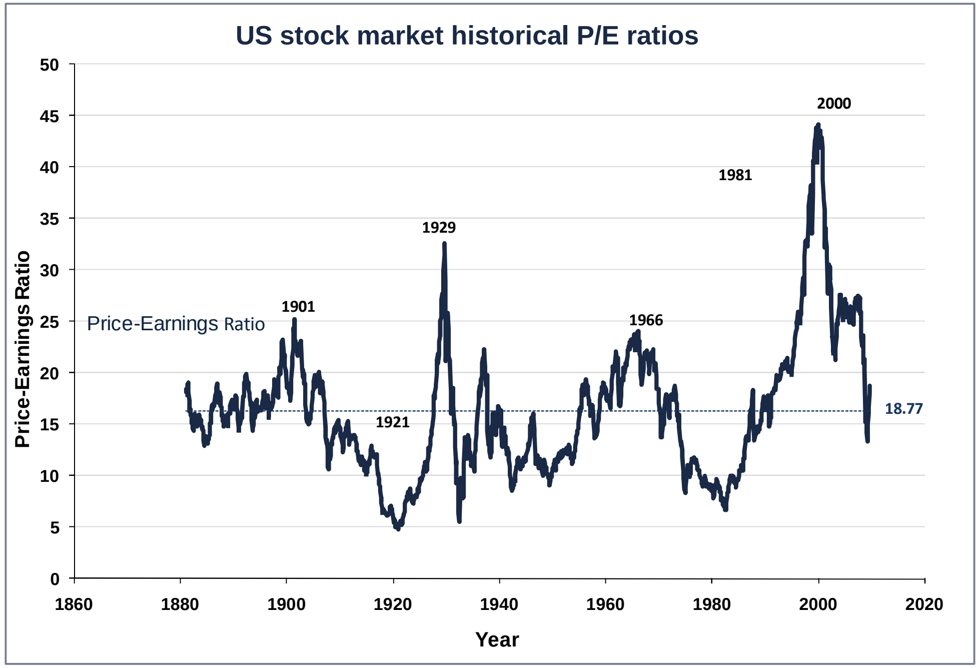
Current market outlook – valuations

Equity valuations

Valuations on the US market are fairly valued on the basis of historical standards



Source: Rathbones, Robert Shiller

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Outlook for asset classes – Q4 2009

Equity markets		
UK	*Underweight*	Favouring larger companies
US	*Neutral*	Valuations reasonable. Weak US$ favouring exporters
Europe	*Neutral*	Euro strength affecting exporters. Central bank taking robust stance on inflation
Japan	*Underweight*	Economic growth sluggish. Considerable value available
Asia	*Overweight*	Volatility likely but growth story intact
Emerging markets	*Overweight*	Volatility likely as slowing western growth affects markets. Growth prospects still attractive
Fixed interest		Rates may need to rise to head off inflation. Corporate bonds discounting excessive defaults. Index-linked attractive to higher tax payers
Property		Downward adjustment still taking place
Fund of hedge funds		Volatility presents many opportunities. Funds less correlated with equity markets
Private equity		Fewer deals and less leverage likely. Buyouts take longer to mature
Commodities		Still tight supply pipeline as well as speculative activity

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Our philosophy

"We do not sell products - we offer a service. For us, that is an important distinction. We aim to build long-term relationships with individuals, their families and advisers. This approach is becoming unusual but we strongly believe it is important for our clients who value having direct access to the person who is managing their investments."

Mark Powell
Chairman

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Important information

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. Past performance should not be seen as an indication of future performance. Changes in rates of exchange between currencies may cause the value of investments to decrease or increase.

Information valid at date of presentation.

Tax regimes, bases and reliefs may change in the future.

“Independent” – shall be construed to refer to the basis of Rathbones’ ownership as a corporate entity, and not to our use of Non-Life Packaged Products for our Advisory or Non-Discretionary Investment Management clients (and “Independence” shall have an appropriate meaning accordingly).

Issued and approved by Rathbone Investment Management Limited which is authorised and regulated by the Financial Services Authority. Registered office: Port of Liverpool Building, Pier Head, Liverpool, L3 1NW, Registered in England No. 1448919.

Rathbone Unit Trust Management is authorised and regulated by the Financial Services Authority.