



Last Minute ISAs

As the current tax year draws to a close on 5 April 2010, we remind you that if you do not use your ISA allowance it is lost forever. This is especially so in a climate when we feel that whichever colour or blend the government will be after the forthcoming elections - **taxes will most likely rise**. What a better time than now to contribute to a **2009/10 or 2010/11 ISA which is free from income tax and capital gains tax!**

ISA contribution rules have changed and in summary these are noted below:

- ISA allowance is £10,200 for people over 50 during the current tax year, for those under 50 this is still £7,200
- From 6 April 2010 the ISA allowance for everyone will be £10,200
- Up to £5,100 of the allowance for over 50s can be saved in cash for all others it is still £3,600 until 6 April 2010.

If you do have some spare cash it is important to use your ISA allowance. Even if you are nervous about equity markets it is possible to invest in cash funds until you are comfortable to move into equity funds or a blend of asset types. Full details about ISAs can be found on our website at http://www.ebsfs.co.uk/downloads/Guide_to_ISAs.pdf

Next Steps

Fund Choice

Choosing the right investment is key to how your ISA will perform. Which fund is most suitable for you is dependent on your attitude to risk. Your attitude to risk is a measure of the level of risk that you are comfortable with and it is therefore critical that this is correctly established before any decision is made. It is important to understand the relationship between risk and reward, typically the greater the risk, the greater the potential losses or returns may be and vice versa.

Definitions of our risk categories can be found in the enclosed document. Please be aware that you are making the assessment of your attitude to risk and fund selection. If you have any doubts as to what level of investment risk you are prepared to take, or require advice, EBS will be happy to discuss this with you.

To help you select an appropriate fund we have noted below funds which we are happy for you to invest at the level of your attitude to risk.

<i>Cautious</i>	<i>M&G High Interest</i>
<i>Cautious to Balanced</i>	<i>Invesco Perpetual Corporate Bond</i>
<i>Balanced</i>	<i>Newton Balanced</i>
<i>Balanced to Adventurous</i>	<i>M&G Recovery</i>

Factsheets for each fund are available from this site.

A few things you should know before applying

- Past performance is no guarantee of future returns.
- The value of your investment and any income derived can fall as well as rise.
- The value of your investment is not guaranteed and on encashment you may not get back the full amount invested.
- The favourable tax treatment of ISA's may not be maintained in the future.
- The sterling value of overseas assets in these funds may also rise and fall as a result of exchange rate fluctuations.

Charges

For recommending and arranging the above investments EBS will receive an initial commission payment from FundsNetwork of £306 for each £10,200. In addition to this EBS will receive an annual renewal commission of 0.5% of the value of the investment. For example if the investment is worth £10,000 Employee Benefit Solutions Ltd will receive £50 per annum.

Full details of all charges can be found in the Key Features Document (available upon request) and Fund Factsheet (available from this site)

How to Invest

To invest, simply write the fund you would like to invest in and your subscription amount on the enclosed application form, sign it, and return it to EBS together with your cheque(s).

To invest in this tax year we must receive your completed ISA subscription and cheque by **Monday 19 March 2010**. If you are also contributing to a 2010/11 ISA please enclose a separate post-dated cheque for the next tax starting on 6 April 2010.

This summary guide should be read in conjunction with the Fund Factsheets and our Guide to ISAs which are available from this site or by contacting EBS.

March 2010



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