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**Foreign & Colonial
Investment Trust PLC**

Report and accounts

for the half-year ended **30 June 2010**

About your Company

Objective

To secure long-term growth in capital and income through a policy of investing primarily in an internationally diversified portfolio of publicly listed equities, as well as unlisted securities and private equity, with the use of gearing.

Heritage

Founded in 1868 as the first ever investment trust. Pioneered the concept of collective investment, by giving the small investor the same advantage as the large institution by reducing risk through a spread of investments.

Today

One of the largest global growth trusts, with total assets of over £2 billion investing in over 540 listed companies in over 30 countries.

Some 110,000 shareholders, with over 88,000 investors through the F&C savings plans.

Reputation

Well-known and respected brand, with a reputation for delivering its long-term objectives in a responsible, prudent and effective way.

Management

Independent Board of Directors responsible for overall strategy and monitoring performance.

Management of the investments is carried out by F&C Management Limited (“the Manager” or “F&C”) under contract.

The Manager is incentivised to produce superior performance.

External third party sub-managers are used to enhance investment performance where appropriate.

Visit our website at www.foreignandcolonial.com

Registered in England with Company Registration Number: 12901

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Summary of Unaudited Results

Net asset value per share down **3.4%** to **294.4 pence**

Net asset value per share total return of minus **2.2%**

Share price down **4.8%** to **259 pence**

Share price total return minus **3.6%**

Interim dividend per share maintained at **3.00 pence**

(Net asset values based on debt at market value)

Chairman's Statement

Dear Shareholder

We expected and got more volatile and difficult market conditions in the first half of 2010. Our listed portfolio suffered from this, but higher private equity valuations meant we outperformed our benchmark. The interim dividend of 3.00 pence per share will be paid on 9 September 2010.

Performance

After a strong start to the year equity markets fell sharply from April to June. The problems in Greece attracted most attention but there were also concerns about slowing growth in China and the US, and the oil spill in the Gulf of Mexico. In the UK the FTSE-All Share fell by 6.2% but in sterling terms the US, Japan and emerging markets produced positive returns. Unsurprisingly Europe was the worst performing area.

Contributors to total return in first half of 2010

	%
Benchmark total return	-3.6
Asset allocation	2.4
Stock selection	0.1
Effect of buybacks	0.3
Effect of management fees and other costs	-0.3
Effect of interest	-0.4
Effect of gearing*	-0.7
Net asset value total return	-2.2
Effect of increase in discount	-1.4
Share price total return	-3.6

* Debt at market value.
Source: F&C Management Limited

Weighting and stock selection in each market vs Index in period to 30 June 2010

Market	Our investment portfolio weighting	Benchmark weighting	Our portfolio performance in sterling	Local index performance in sterling
	%	%	%	%
UK	33.1	40.0	-5.5	-6.2
North America	20.9	33.5	-0.3	0.8
Europe ex UK	9.7	13.1	-6.6	-11.0
Japan	4.9	6.1	3.6	5.4
Emerging Markets	10.0	6.3	-0.7	1.4
Developed Asia	4.3	1.0	-4.8	-4.5
Private Equity	17.1	-	11.3	-

Source: F&C Management Limited

The biggest single positive contributor to our results was our private equity portfolio. As we expected, valuations rose following the gains in listed markets since March 2009 and there was a pick-up in cash realisations after two quiet years. Following the reduction in our emerging markets exposure at the end of 2009 there were only minor changes in the portfolio. Our UK and European portfolios performed well relatively though our emerging markets portfolio had a tougher time. We bought back 17,264,048 shares at a cost of £48.5m, adding 1.1 pence to net asset value per share. We took out new short term loans in sterling and yen which were worth the equivalent of £81m at 30 June 2010. Effective gearing (taking debt at market value) rose from 7.6% to 12.4% over the half year as we bought into weaker markets in May and June.

Income and dividend

BP's suspension of dividends will reduce our income by about £2.3m in 2010. The rest of the portfolio is showing encouraging growth in income but not enough to make up the difference, although we will have some additional income from resuming stock lending in the second half of the year.

The interim dividend of 3.00 pence per share is the same as last year and will be paid on 9 September.

We have already forecast that we expect to pay at least the same total dividend for 2010 as we paid for 2009. This will require another transfer

from the revenue reserve which was built up over the last decade and amounts to £116m at 30 June 2010.

Outlook

We were right to expect 2010 to be a volatile and difficult year but being right is no consolation for falling share prices. We expect European equity, bond and currency markets to remain turbulent and we are worried by signs of slowing growth in China and the tepid recovery in the US. Governments are starting to reverse the huge fiscal measures adopted in response to the global financial crisis but it is not clear how this process will affect individual countries and markets.

On the positive side, many companies are in a strong financial position, and exporting companies can benefit from weak currencies. Dividends are rising again and market valuations are not high. Merger and acquisition activity may pick up and the prospects for private equity are clearer than they were a year ago. On balance we think the opportunities are greater than the threats and our increased gearing reflects this view. Our highly diversified portfolio gives us great flexibility to cope with whatever markets might do in the rest of 2010.

Simon Fraser

Simon Fraser
Chairman
29 July 2010

Forward-looking statements

This interim report may contain forward-looking statements with respect to the financial condition, results of operations and business of the company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward looking statements are based on the Directors' current view and on information known to them at the date of this report. Nothing should be construed as a profit forecast.

Twenty Largest Holdings

30 Jun 2010	31 Dec 2009		Value £'000s	% of total investments
1	(2)	Pantheon Europe Fund III*	58,605	2.9%
2	(1)	HSBC	50,709	2.5%
3	(4)	Royal Dutch Shell	45,328	2.2%
4	(7)	Vodafone	41,730	2.1%
5	(8)	Harbourvest V Direct Fund*	41,617	2.1%
6	(5)	GlaxoSmithKline	39,319	1.9%
7	(11)	Harbourvest Partners VII Buyout Fund*	37,385	1.8%
8	(9)	Caithness Petroleum**	34,261	1.7%
9	(10)	Dover Street Fund VI*	34,059	1.7%
10	(6)	Rio Tinto	33,774	1.7%

30 Jun 2010	31 Dec 2009		Value £'000s	% of total investments
11	(12)	Pantheon Europe Fund V*	33,634	1.7%
12	(3)	BP	29,621	1.5%
13	(13)	British American Tobacco	27,768	1.4%
14	(17)	Astrazeneca	26,461	1.3%
15	(15)	Utilico Emerging Markets	26,134	1.3%
16	(16)	Scottish & Southern Energy	23,478	1.2%
17	(14)	Tesco	23,297	1.2%
18	(20)	Pantheon Asia Fund IV*	21,969	1.1%
19	(18)	Pantheon Global Secondary Fund III*	20,867	1.0%
20	(-)	National Grid	16,635	0.8%

The value of the twenty largest holdings represents 33.1% (31 December 2009: 34.0%) of the Company's total investments.

The figures in brackets denote the position in the twenty largest holdings at the previous year end.

* Private Equity Fund.

** Unlisted investment.

Unaudited Condensed Income Statement

Notes	6 months to 30 June 2010			6 months to 30 June 2009			Year ended 31 December 2009			
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	
	(Losses)/gains on investments	–	(54,061)	(54,061)	–	(89,838)	(89,838)	–	317,695	317,695
	Exchange losses	(19)	(2,834)	(2,853)	(35)	(2,118)	(2,153)	(43)	(913)	(956)
3	Income	29,820	–	29,820	31,004	–	31,004	52,694	–	52,694
4	Fees and other expenses	(3,854)	(2,454)	(6,308)	(3,829)	(2,382)	(6,211)	(8,299)	(4,694)	(12,993)
	Net return before finance costs and taxation	25,947	(59,349)	(33,402)	27,140	(94,338)	(67,198)	44,352	312,088	356,440
	Interest payable and similar charges	(3,397)	(3,397)	(6,794)	(3,420)	(3,420)	(6,840)	(6,573)	(6,573)	(13,146)
	Net return on ordinary activities before taxation	22,550	(62,746)	(40,196)	23,720	(97,758)	(74,038)	37,779	305,515	343,294
5	Taxation on ordinary activities	(1,293)	–	(1,293)	(2,541)	1,181	(1,360)	(2,170)	–	(2,170)
6	Net return attributable to shareholders	21,257	(62,746)	(41,489)	21,179	(96,577)	(75,398)	35,609	305,515	341,124
6	Return per share – basic (pence)	3.42	(10.08)	(6.66)	3.12	(14.23)	(11.11)	5.31	45.54	50.85

The total column is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

Unaudited Condensed Reconciliation of Movements in Shareholders' Funds

	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
Half-year ended 30 June 2010					
Balance brought forward at 31 December 2009	158,022	104,740	1,578,300	117,407	1,958,469
Shares repurchased by the Company	(4,316)	4,316	(48,461)	–	(48,461)
Dividends paid	–	–	–	(22,771)	(22,771)
Return attributable to shareholders	–	–	(62,746)	21,257	(41,489)
Balance carried forward 30 June 2010	153,706	109,056	1,467,093	115,893	1,845,748
Half-year ended 30 June 2009					
Balance brought forward at 31 December 2008	169,755	93,007	1,394,106	125,581	1,782,449
Shares repurchased by the Company	(25)	25	(219)	–	(219)
Dividends paid	–	–	–	(23,423)	(23,423)
Return attributable to shareholders	–	–	(96,577)	21,179	(75,398)
Balance carried forward 30 June 2009	169,730	93,032	1,297,310	123,337	1,683,409
Year ended 31 December 2009					
Balance brought forward 31 December 2008	169,755	93,007	1,394,106	125,581	1,782,449
Shares repurchased by the Company	(11,733)	11,733	(121,321)	–	(121,321)
Dividends paid	–	–	–	(43,783)	(43,783)
Return attributable to shareholders	–	–	305,515	35,609	341,124
Balance carried forward 31 December 2009	158,022	104,740	1,578,300	117,407	1,958,469

Unaudited Condensed Balance Sheet

Notes	30 June 2010 £'000s	30 June 2009 £'000s	31 Dec 2009 £'000s
Fixed Assets			
Investments	2,029,099	1,728,558	2,074,117
Current assets			
Debtors	11,914	8,838	3,765
Cash at bank and short term deposits	3,244	58,581	-
	15,158	67,419	3,765
Creditors: amounts falling due within one year			
7 Loans	(80,986)	-	-
Other	(6,948)	(1,993)	(8,838)
	(87,934)	(1,993)	(8,838)
Net current (liabilities)/assets	(72,776)	65,426	(5,073)
Total assets less current liabilities	1,956,323	1,793,984	2,069,044
Creditors: amounts falling due after more than one year			
Debentures	(110,575)	(110,575)	(110,575)
Net assets	1,845,748	1,683,409	1,958,469
Capital and reserves			
8 Share capital	153,706	169,730	158,022
Capital redemption reserve	109,056	93,032	104,740
Capital reserves	1,467,093	1,297,310	1,578,300
Revenue reserve	115,893	123,337	117,407
Total shareholders' funds	1,845,748	1,683,409	1,958,469
Net asset value per share			
10 – prior charges at nominal value (pence)	300.21	247.95	309.84

Unaudited Condensed Cash Flow Statement

Notes	6 months to 30 June 2010 £'000s	6 months to 30 June 2009 £'000s	Year ended 31 Dec 2009 £'000s
11 Net cash inflow from operating activities	18,194	19,853	38,262
Interest paid	(6,768)	(7,740)	(14,048)
Net cash (outflow)/inflow from financial investment	(11,544)	178,202	243,608
Equity dividends paid	(22,771)	(23,423)	(43,783)
Net cash (outflow)/inflow before use of liquid resources and financing	(22,889)	166,892	224,039
Net cash inflow/(outflow) from financing	28,666	(110,219)	(231,094)
Increase/(decrease) in cash	5,777	56,673	(7,055)
Reconciliation of net cash movement to movement in net debt			
Net cash movement	5,777	56,673	(7,055)
(Increase)/decrease in short term loans	(76,743)	110,000	110,000
Exchange movements	(2,834)	(2,118)	(913)
Movement in net debt in the period	(73,800)	164,555	102,032
Net debt brought forward	(114,517)	(216,549)	(216,549)
Net debt carried forward	(188,317)	(51,994)	(114,517)
Represented by:			
Cash at bank/(overdrafts)	1,827	18,575	(3,942)
Short term deposits	1,417	40,006	-
Loans	(80,986)	-	-
Debentures	(110,575)	(110,575)	(110,575)
Net debt carried forward	(188,317)	(51,994)	(114,517)

Notes on the Condensed Accounts

1 Results

The results for the six months to 30 June 2010, which have been reviewed by the Auditors, and 30 June 2009, which are neither audited nor reviewed by the Auditors, constitute non-statutory accounts within the meaning of Section 434 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 December 2009; the report of the Auditors thereon was unqualified and did not contain a statement under section 498 of the Companies Act 2006. The abridged financial statements shown above for the year end 31 December 2009 are an extract from those accounts.

2 Accounting policies

The condensed set of financial statements for the six months to 30 June 2010 has been prepared on the basis of the accounting policies set out in the Company's financial statements at 31 December 2009. These accounting policies are expected to be followed throughout the year ending 31 December 2010.

3 Income

	6 months to 30 June 2010 £'000s	6 months to 30 June 2009 £'000s	Year ended 31 Dec 2009 £'000s
Income comprises:			
UK dividends	14,985	14,391	25,852
Overseas dividends	14,587	16,077	25,713
Scrip dividends	148	116	187
Interest on cash and short-term deposits	4	57	78
Underwriting Commission	96	363	781
Sundry	–	–	83
	29,820	31,004	52,694

4 Fees and other expenses

	6 months to 30 June 2010 £'000s	6 months to 30 June 2009 £'000s	Year ended 31 Dec 2009 £'000s
Fees and other expenses	(6,308)	(6,211)	(12,993)
Comprise:			
Allocated to Revenue Account			
– Management fees payable directly to F&C	(1,949)	(1,992)	(3,859)
– Other expenses	(1,905)	(1,837)	(4,440)
	(3,854)	(3,829)	(8,299)
Allocated to Capital Account			
– Management fees payable directly to F&C	(1,949)	(1,992)	(3,859)
– Management fees payable directly to Private Equity Managers	(330)	(353)	(678)
– Other expenses	(175)	(37)	(157)
	(2,454)	(2,382)	(4,694)

The basic fixed management fee per annum payable to F&C Management was increased with effect from 1 January 2010 from £6.71m to £6.79m. The services provided by F&C remain unchanged from those disclosed within the accounts for the year ended 31 December 2009. There has been no change to fee arrangements with private equity managers since the year end.

5 Taxation

The taxation charge of £1,293,000 (30 June 2009 – £1,360,000 and 31 December 2009 – £2,170,000) relates to irrecoverable overseas taxation.

Unaudited Notes on the Accounts (continued)

6 Total return

Return per ordinary share attributable to ordinary shareholders reflects the overall performance of the Company in the period. Net revenue recognised in the first six months is not indicative of the total likely to be received in the full accounting year.

	6 months to 30 June 2010 £'000s	6 months to 30 June 2009 £'000s	Year ended 31 Dec 2009 £'000s
Total Return	(41,489)	(75,398)	341,124
Revenue Return	21,257	21,179	35,609
Capital Return	(62,746)	(96,577)	305,515
Weighted average ordinary shares in issue	622,340,948	678,931,316	670,883,424

	6 months to 30 June 10 pence	6 months to 30 June 09 pence	Year ended 31 Dec 09 pence
Total Return	(6.66)	(11.11)	50.85
Revenue Return	3.42	3.12	5.31
Capital Return	(10.08)	(14.23)	45.54

7 Loans

	30 June 2010 £'000s	30 June 2009 £'000s	31 Dec 2009 £'000s
Loans	(80,986)	Nil	Nil
Comprise:			
– Sterling denominated	£30m	–	–
– Yen denominated	¥6.75bn	–	–

8 Share capital

	Number	Authorised Nominal £'000s	Issued and fully paid Number	Nominal £'000s
Ordinary shares of 25p each				
Balance at 31 December 2009	1,103,600,000	275,900	632,089,064	158,022
Shares repurchased by the Company	–	–	(17,264,048)	(4,316)
Balance at 30 June 2010	1,103,600,000	275,900	614,825,016	153,706

17,264,048 ordinary shares were repurchased and cancelled during the period at a total cost of £48,461,000. Since 30 June 2010 537,000 ordinary shares have been repurchased at a cost of £1,403,000.

9 Dividend

The second interim dividend of 3.65 pence in respect of the year ended 31 December 2009 was paid on 31 March 2010 to all shareholders on the register at close of business on 19 March 2010. The interim dividend of 3.00 pence per ordinary share will be paid on 9 September 2010 to shareholders on the register on 13 August 2010.

The total cost of the interim dividend, which has not been accrued, based on 614,825,016 shares in issue, is £18,445,000 (30 June 2009 interim dividend – £20,360,000 and 31 December 2009 second interim dividend – £22,771,000).

10 Net asset value per ordinary share

	30 June 2010	30 June 2009	31 Dec 2009
Net asset value per share (with debenture stocks at nominal value)	300.21p	247.95p	309.84p
Net assets attributable at end of period – £'000s	1,845,748	1,683,409	1,958,469
Ordinary shares of 25p each in issue at end of period – number	614,825,016	678,919,714	632,089,064

Net asset value per share (with debenture stocks at market value) at 30 June 2010 was 294.36p (30 June 2009 242.59p and 31 December 2009 304.72p). The market value of debenture stocks at 30 June 2010 was £146,539,000 (30 June 2009 – £146,989,000 and 31 December 2009 – £142,943,000).

Unaudited Notes on the Accounts (continued)

11 Reconciliation of total return before finance costs and taxation to net cash inflow from operating activities

	6 months to 30 June 2010 £'000s	6 months to 30 June 2009 £'000s	Year ended 31 Dec 2009 £'000s
Total return before finance costs and taxation	(33,402)	(67,198)	356,440
Adjust for returns from non-operating activities:			
– Losses/(gains) on investments	54,061	89,838	(317,695)
– Exchange losses of a capital nature	2,834	2,118	913
– Non-operating expenses of a capital nature	175	37	157
Return from operating activities	23,668	24,795	39,815
Adjusted for non-cash flow items:			
– Exchange losses of a revenue nature	19	35	43
– (Increase)/decrease in accrued income	(3,413)	(2,385)	1,374
– Decrease/(increase) in prepayments	221	70	(157)
– Decrease in creditors	(796)	(1,095)	(242)
– Scrip dividends	(148)	(116)	(187)
– Overseas taxation	(1,357)	(1,451)	(2,384)
Net cash inflow from operating activities	18,194	19,853	38,262

By order of the Board
F&C Management Limited, Secretary
Exchange House
Primrose Street
London EC2A 2NY

29 July 2010

Directors' Statement of Principal Risks and Uncertainties

The Company's assets consist mainly of listed securities and its principal risks are therefore market related. The Company invests in leading overseas companies and so is exposed to currency risk in respect of these investments. Other key risks faced by the Company include investment strategy, management resources, regulatory, operational and financial risks. These

risks, and the way in which they are managed, are described in more detail under the heading "Principal risks and their control" within the business review in the Company's annual report for the year ended 31 December 2009. The Company's principal risks and uncertainties have not changed materially since the date of that report.

Directors' Statement of Responsibilities in Respect of the Half-Yearly Financial Report

In accordance with Chapter 4 of the Disclosure and Transparency Rules, the Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with applicable UK Accounting Standards and gives a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the half-yearly report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements;

- the Directors' Statement of Principal Risks and Uncertainties shown above is a fair review of the principal risks and uncertainties for the remainder of the financial year; and
- the half-yearly report includes a fair review of the related party transactions that have taken place in the first six months of the financial year.

On behalf of the Board
Simon Fraser
Chairman
29 July 2010

Independent Review Report to Foreign & Colonial Investment Trust PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010, which comprises the income statement, the balance sheet, the cash flow statement, the reconciliation of movements in shareholders' funds and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the Statement "Half-yearly financial reports" issued by the UK Accounting Standards Board.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with the Statement "Half-yearly financial reports" issued by the UK Accounting Standards Board and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP

Chartered Accountants

29 July 2010

London

Note: The maintenance and integrity of the Foreign & Colonial Investment Trust PLC's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

How to invest

Our Manager, F&C, runs a number of savings products which have been set up to provide cost effective and flexible ways to invest. Details of these products are listed below. You can buy Foreign & Colonial Investment Trust shares using a bank or stockbroker or through a telephone dealing service. The shares can also be bought online: the F&C website at www.fandc.com has a link to Selftrade, one of Europe's biggest online stockbrokers.

Gains arising from assets held in an Individual Savings Account and Child Trust Fund are exempt from tax. Interest and dividends received on assets in these savings products are free of income tax, and there are income tax savings for higher rate taxpayers.

Private Investor Plan ("PIP")

It only costs 0.2% (plus 0.5% Government Stamp Duty) to invest in Foreign & Colonial Investment Trust via this simple savings scheme and there are no ongoing charges. You can invest from £50 each month via a Direct Debit (£25 on behalf of a child) or from £500 as a lump sum. The minimum for top-up investments is £250. Investments in the PIP can now be made online.

Pension Savings Plan ("PSP")

You can maximise your tax benefits and save for your retirement using this low cost Personal Pension Plan. There is only a 0.5% management fee and this is capped at £500. Contributions can be made via a minimum £1,000 lump sum or by a monthly minimum Direct Debit of £50. The minimum top-up is £500. Now that personal pensions are no longer restricted to those with earnings of their own, almost

everyone under the age of 75 is eligible. This means that you can invest on behalf of non-working spouses or partners and children.

Child Trust Fund ("CTF")

F&C provides a CTF so that parents can invest the Government voucher issued to all children born since 1 September 2002. There are no initial or annual plan charges, only 0.5% Government Stamp Duty on any purchases. Parents and grandparents (or other relatives) can add contributions totalling £1,200 a year. You can invest from £25 each month via Direct Debit or from £300 for lump sums once you have invested your voucher. Government payments into CTFs will stop on 1 January 2011 and children born after 31 December 2010 will not qualify for a CTF.

Individual Savings Account ("ISA")

Individuals can invest up to £10,200 in the year ending 5 April 2011 in F&C's stocks and shares ISA. From 6 April 2011 the annual ISA limit will be increased in line with the Retail Prices Index.

The minimum monthly Direct Debit is £50, minimum lump sum investment is £500 and the minimum top-up is £250. Investments in the ISA can be made online.

ISA investments can also be phased over three or six months. This is especially useful near the end of the tax year when the option for monthly investment is no longer viable.

In addition to the 0.2% dealing charge, F&C charges £60 + VAT a year to cover any ISAs held, no matter how many tax years' ISAs have been taken out with them, or how many ISAs have been transferred to them.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

For further details on the savings schemes and application forms, please contact:

Investor Services on
0800 136 420
info@fandc.com

or Broker Support on
08457 992 299
adviser.enquiries@fandc.com
(UK calls charged at the local rate)

Fax **0131 243 1315**

You can also find more information on the website:

www.fandc.com

If you wish to write to us, the address is:

Investor Services Team,
F&C Management Limited,
80 George Street,
Edinburgh
EH2 3BU

Availability of report and accounts

The Company's report and accounts are available on the Internet at www.foreignandcolonial.com. Printed copies may be obtained from the Company's registered office, Exchange House, Primrose Street, London EC2A 2NY

The information on pages 19 and 20 has been issued and approved by F&C Management Limited, authorised and regulated in the UK by the Financial Services Authority (FSA).

If you have trouble reading small print, please let us know. We can provide literature in alternative formats, for example, large print or on audiotape. Please call 0845 600 3030 for more details.