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**Foreign & Colonial  
Investment Trust PLC**

Report and accounts

for the half-year ended **30 June 2009**

## About your Company

### Objective

To secure long-term growth in capital and income through a policy of investing primarily in an international diversified portfolio of publicly listed equities, as well as unlisted securities and private equity, with 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 £1.8 billion investing in over 620 companies in 35 countries.

Some 109,000 shareholders, with over 85,000 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 ("F&C") under contract.

Manager incentivised to produce superior performance.

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

No cross-directorships, no cross-holdings and no conflicts of interest between the Company and its Manager.

### Advantages of an investment trust

- The ability as a closed-end fund to take a long-term view and ride out difficult conditions – we have ridden through two world wars and many market crashes.
- The flexibility to invest in a wide range of assets.
- The freedom to borrow money to improve returns to shareholders in rising markets – we have borrowed prudently in foreign currencies at low rates for many years.
- The ability to buy back shares to enhance net asset value and reduce discount volatility – we have a buy-back policy to keep the discount below 10% in normal market conditions.
- Low charges to investors, typically well below those for comparable unit trusts – our total expense ratio for 2008 was 0.58%. The cumulative benefits of such low costs over many years are very significant for long-term investors.

## Summary of Unaudited Results

Net asset value per share (debt at market value) down **5.5%** to **242.59p**

Net asset value per share (debt at market value) total return **minus 4.1%**

Share price unchanged at **228.50p**

Share price total return **plus 1.5%**

Interim dividend per share unchanged at **3.00p**

Visit our website at [www.foreignandcolonial.com](http://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.

## Chairman's Statement

*Dear Shareholder*

Share prices fell sharply in the first two months of 2009 but then rallied strongly for the rest of the period. Our own performance broadly followed these market moves, but our private equity portfolio was the drag on overall performance that we had flagged in the 2008 Annual Report.

Our net asset value per share total return was minus 4.1% (taking debt at market value) and the share price total return was plus 1.5% as the discount narrowed to 5.8% (also taking debt at market value).

Our index benchmark return was minus 2.9% and the weighted average return of our close peer group was minus 1.2%.

The interim dividend of 3.00 pence per share will be paid on 9 September 2009 and we intend to recommend a final dividend of at least 3.45 pence per share.

### Markets

January and February continued the difficult and volatile conditions of 2008, but a strong rally began in early March and continued to the end of May before share prices fell back in June. Economic news remained very disappointing, but there was far greater confidence that huge government and central bank intervention in markets would ensure the survival of the banking system. Sectors and companies which had seen the sharpest falls in share prices in previous months rallied the most. Emerging markets performed particularly well as investors expected them to recover faster and more vigorously than developed economies. Many of the gains

in overseas markets were reduced by the strength of sterling.

### Contributors to total return in first half of 2009

	%
Benchmark return	(2.9)
Asset allocation	(1.2)
Stock selection	1.2
Effect of interest and other costs	(0.7)
Effect of gearing*	(0.5)
Net asset value total return*	(4.1)
Effect of decrease in discount	5.6
Share price total return	1.5

\*Debt at market value.

Source: F&C Management Limited

### Performance and portfolio activity

At the start of the year we raised some £140m from sales in our UK and US portfolios. In the second quarter we made additional net sales of £51m across the portfolio. These moves allowed us to repay all our short-term sterling borrowings before the pound strengthened and reduced our effective gearing from 12.2% at 31 December 2008 to 3.0% at 30 June 2009 (taking debt at par) and from 14.8% to 5.3% (taking debt at market).

Our listed portfolio benefited from its emerging markets holdings and relatively low exposure to the US. Stock selection was good in all areas except Emerging Markets and Developed Asia.

As we expected, our private equity portfolio fell in value. Our fund of fund managers made further downward adjustments to the 31 December 2008 valuations of their funds

### Weighting and stock selection in each market vs Index in period to 30 June 2009

Market	Our investment portfolio weighting %	Benchmark weighting %	Our portfolio performance in sterling %	Local index performance in sterling %
UK	33.9	40.0	1.8	0.8
North America	19.1	33.4	(4.5)	(8.2)
Europe ex UK	11.1	13.5	(4.1)	(7.7)
Japan	5.5	6.8	(9.1)	(10.2)
Emerging Markets	11.4	5.2	18.5	18.9
Developed Asia	5.2	1.1	10.6	13.7
Private Equity	13.8	–	(25.3)	–

Source: F&C Management Limited

totalling £20.4m. The strengthening of sterling reduced values by another £33.7m. Our “mark to market” process, which is explained fully in our annual report, led to a further reduction of £13.1m. We made further net investments of £18.1m, so at 30 June 2009 our private equity portfolio was valued at £239.3m or 13.3% of total assets and our outstanding commitments totalled £274.9m.

### Dividends

There have been many high profile dividend cuts. Some we expected and others, notably HSBC Holdings, we did not. The weakness of sterling compared with the first half of 2008 and lower interest costs offset some of the falls, but our net income still fell by 20.7%. We believe that most companies who are going to cut their dividends have now done so, but there will be a negative impact on our income in the rest of 2009 from the strengthening of sterling so far this year.

In March 2009 we forecast that the dividend for 2009 would be at least maintained at the 2008 level of 6.45 pence per share. The interim dividend will be 3.00 pence per share, the same as last year and payable on 9 September 2009.

The final dividend will be at least 3.45 pence per share and will be announced in March 2010 when we will have more confidence about our likely revenue in 2010. Over the last ten years we have more than doubled our revenue reserve and this puts us in a very strong position to cope with fluctuations in income.

## Chairman's Statement (continued)

### Shareholders

Net inflows into the savings plans were £16.3m compared with £2.7m in the first half of 2008. It is almost twenty-five years since the launch of the Private Investor Plan, the first ever investment trust savings scheme. Over 85,000 of our 109,000 shareholders now invest in this and other plans and own over 38% of the Company.

In January 2009 we bought back 100,000 shares, but since then there have been no buybacks, compared with 5,978,804 shares bought back in the first half of 2008 and 31,374,599 shares in the first half of 2007.

### Outlook

After the sharp rally in markets since March, which has continued after 30 June, we are cautious about the rest of 2009. There are very few signs of sustainable economic recovery and there is huge uncertainty about how and when governments and central banks will step back from the extraordinary measures they have had to take in the last two years. Moving too fast

by raising interest rates could choke off any recovery but moving too slowly will lead to rising inflation. On balance we think that inflation is more likely than deflation.

Rising inflation will itself create more uncertainty so we expect markets to remain volatile, which is why we have reduced our gearing. We intend to take advantage of weaker share prices to buy high quality equities with strong balance sheets and attractive dividend yields.

We expect private equity to continue to be a drag on short-term performance, but by the end of the year we hope that the downward adjustment in valuations should have run its course. We think private equity remains an attractive long-term investment area, although we do not intend to consider any new private equity funds until our outstanding commitments fall below 10% of our total assets.

Our strategy remains to be highly diversified and to maintain as much financial flexibility as possible to cope with whatever market conditions occur.



Mark Loveday  
29 July 2009

## 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 2008. 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.

On behalf of the Board  
Mark Loveday  
Chairman  
29 July 2009

### Availability of report and accounts

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

## Twenty Largest Holdings

30 Jun 2009	31 Dec 2008	Company	Value £'000s	% of total investments
1	(2)	<b>BP</b>	54,451	3.2%
2	(1)	<b>Pantheon Europe Fund III</b>	49,757	2.9%
3	(3)	<b>Royal Dutch Shell</b>	49,346	2.9%
4	(9)	<b>HSBC</b>	41,419	2.4%
5	(4)	<b>GlaxoSmithKline</b>	36,756	2.1%
6	(5)	<b>Vodafone</b>	35,160	2.0%
7	(6)	<b>Dover Street Fund VI</b>	28,882	1.7%
8	(7)	<b>Harbourvest Partners VII Buyout Fund</b>	28,194	1.6%
9	(8)	<b>Harbourvest V Direct Fund</b>	26,568	1.5%
10	(10)	<b>Scottish &amp; Southern Energy</b>	23,919	1.4%

30 Jun 2009	31 Dec 2008	Company	Value £'000s	% of total investments
11	(13)	<b>Pantheon Europe Fund V</b>	22,834	1.3%
12	(11)	<b>Astrazeneca</b>	22,299	1.3%
13	(17)	<b>Utilico Emerging Markets</b>	22,069	1.3%
14	(12)	<b>British American Tobacco</b>	21,749	1.3%
15	(14)	<b>Tesco</b>	21,657	1.3%
16	(18)	<b>Rio Tinto</b>	20,613	1.2%
17	(15)	<b>Pantheon Global Secondary Fund III</b>	16,723	1.0%
18	(-)	<b>BH Macro</b>	16,221	0.9%
19	(-)	<b>BG</b>	14,048	0.8%
20	(-)	<b>F&amp;C Portfolios Fund SICAV European High Yield Bond Fund</b>	13,237	0.8%

The value of the twenty largest holdings represents 32.9% (31 December 2008: 32.2%) of the Company's total investments.

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

## Unaudited Income Statement

Notes	6 months to 30 June 2009			6 months to 30 June 2008			Year ended 31 December 2008		
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
	–	(89,838)	(89,838)	–	(290,177)	(290,177)	–	(679,894)	(679,894)
	(35)	(2,118)	(2,153)	(20)	(3,227)	(3,247)	(36)	(4,374)	(4,410)
2	31,004	–	31,004	37,934	–	37,934	67,920	–	67,920
3	(3,829)	(2,382)	(6,211)	(3,633)	(2,508)	(6,141)	(6,235)	(5,336)	(11,571)
	<b>27,140</b>	<b>(94,338)</b>	<b>(67,198)</b>	<b>34,281</b>	<b>(295,912)</b>	<b>(261,631)</b>	<b>61,649</b>	<b>(689,604)</b>	<b>(627,955)</b>
	(3,420)	(3,420)	(6,840)	(4,100)	(4,100)	(8,200)	(8,541)	(8,541)	(17,082)
	<b>23,720</b>	<b>(97,758)</b>	<b>(74,038)</b>	<b>30,181</b>	<b>(300,012)</b>	<b>(269,831)</b>	<b>53,108</b>	<b>(698,145)</b>	<b>(645,037)</b>
4	(2,541)	1,181	(1,360)	(3,443)	1,511	(1,932)	(6,119)	2,978	(3,141)
	<b>21,179</b>	<b>(96,577)</b>	<b>(75,398)</b>	<b>26,738</b>	<b>(298,501)</b>	<b>(271,763)</b>	<b>46,989</b>	<b>(695,167)</b>	<b>(648,178)</b>
5	<b>3.12</b>	<b>(14.23)</b>	<b>(11.11)</b>	<b>3.92</b>	<b>(43.75)</b>	<b>(39.83)</b>	<b>6.90</b>	<b>(102.10)</b>	<b>(95.20)</b>

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 Reconciliation of Movements in Shareholders' Funds

	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
<b>Half-year ended 30 June 2009</b>					
<b>Balance brought forward at 31 December 2008</b>	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 equity shareholders	–	–	(96,577)	21,179	(75,398)
<b>Balance carried forward 30 June 2009</b>	<b>169,730</b>	<b>93,032</b>	<b>1,297,310</b>	<b>123,337</b>	<b>1,683,409</b>
<b>Half-year ended 30 June 2008</b>					
Balance brought forward 31 December 2007	171,330	91,432	2,107,691	120,497	2,490,950
Shares repurchased by the Company	(1,495)	1,495	(17,773)	–	(17,773)
Dividends paid	–	–	–	(21,525)	(21,525)
Return attributable to equity shareholders	–	–	(298,501)	26,738	(271,763)
<b>Balance carried forward 30 June 2008</b>	<b>169,835</b>	<b>92,927</b>	<b>1,791,417</b>	<b>125,710</b>	<b>2,179,889</b>
<b>Year ended 31 December 2008</b>					
Balance brought forward 31 December 2007	171,330	91,432	2,107,691	120,497	2,490,950
Shares repurchased by the Company	(1,575)	1,575	(18,418)	–	(18,418)
Dividends paid	–	–	–	(41,905)	(41,905)
Return attributable to equity shareholders	–	–	(695,167)	46,989	(648,178)
Balance carried forward 31 December 2008	169,755	93,007	1,394,106	125,581	1,782,449

## Unaudited Balance Sheet

Notes	30 June 09 £'000s	30 June 08 £'000s	31 Dec 08 £'000s
<b>Fixed Assets</b>			
Investments	1,728,558	2,360,109	1,998,277
<b>Current assets</b>			
Debtors	8,838	26,528	5,493
Cash at bank and short term deposits	58,581	20,034	4,026
	67,419	46,562	9,519
<b>Creditors: amounts falling due within one year</b>			
<sup>6</sup> Loans	–	(97,906)	(110,000)
Other	(1,993)	(18,301)	(4,772)
	(1,993)	(116,207)	(114,772)
<b>Net current assets/(liabilities)</b>	65,426	(69,645)	(105,253)
<b>Total assets less current liabilities</b>	1,793,984	2,290,464	1,893,024
<b>Creditors: amounts falling due after more than one year</b>			
Debentures	(110,575)	(110,575)	(110,575)
<b>Net assets</b>	1,683,409	2,179,889	1,782,449
<b>Capital and reserves</b>			
<sup>7</sup> Share capital	169,730	169,835	169,755
Capital redemption reserve	93,032	92,927	93,007
Capital reserves	1,297,310	1,791,417	1,394,106
Revenue reserve	123,337	125,710	125,581
<b>Total shareholders' funds –equity</b>	1,683,409	2,179,889	1,782,449
<sup>9</sup> <b>Net asset value per share – prior charges at nominal value (pence)</b>	247.95	320.88	262.50

## Unaudited Summary Cash Flow Statement

Notes	6 months to 30 June 09 £'000s	6 months to 30 June 08 £'000s	Year ended 31 Dec 08 £'000s
<sup>10</sup> Net cash inflow from operating activities	19,853	20,656	51,289
Interest paid	(7,740)	(8,351)	(16,473)
Net cash inflow/(outflow) from financial investment	178,202	16,587	(11,854)
Equity dividends paid	(23,423)	(21,525)	(41,905)
<b>Net cash inflow/(outflow) before use of liquid resources and financing</b>	166,892	7,367	(18,943)
Net cash outflow from financing	(110,219)	(20,579)	(13,804)
Increase/(decrease) in cash	56,673	(13,212)	(32,747)
<b>Reconciliation of net cash movement to movement in net debt</b>			
Net cash movement	56,673	(13,212)	(32,747)
Decrease/(increase) in short term loans	110,000	(2,123)	(9,543)
Exchange movements	(2,118)	(3,227)	(4,374)
Movement in net debt in the period	164,555	(18,562)	(46,664)
Net debt brought forward	(216,549)	(169,885)	(169,885)
<b>Net debt carried forward</b>	(51,994)	(188,447)	(216,549)
<b>Represented by:</b>			
Cash at bank	18,575	20,034	4,026
Short term deposits	40,006	–	–
Loans	–	(97,906)	(110,000)
Debentures	(110,575)	(110,575)	(110,575)
<b>Net debt carried forward</b>	(51,994)	(188,447)	(216,549)

## Unaudited Notes on the Accounts

### 1 Accounting policies

The interim financial statements have been prepared on the basis of the accounting policies set out in the Company's financial statements at 31 December 2008.

### 2 Income

	6 months to 30 June 09 £'000s	6 months to 30 June 08 £'000s	Year ended 31 Dec 08 £'000s
Income comprises			
UK dividends	14,391	18,932	31,774
Overseas dividends	16,077	18,316	31,512
Scrip dividends	116	13	1,065
Interest on cash and short-term deposits	57	314	553
Interest on VAT recoverable	–	–	2,523
Underwriting Commission	363	86	118
Stock lending fees and other revenue*	–	273	375
	<b>31,004</b>	37,934	67,920

\* F&C Management Limited received £nil (30 June 2008 – £86,000 and 31 December 2008 – £118,000) for managing the company's stock lending activities.

### 3 Fees and other expenses

	6 months to 30 June 09 £'000s	6 months to 30 June 08 £'000s	Year ended 31 Dec 08 £'000s
Fees and other expenses	<b>(6,211)</b>	(6,141)	(11,571)
Comprise:			
Allocated to Revenue Account			
– Management fees	<b>(1,992)</b>	(2,185)	(4,357)
– Other expenses	<b>(1,837)</b>	(1,448)	(2,983)
Recoverable VAT	–	–	1,105
	<b>(3,829)</b>	(3,633)	(6,235)
Allocated to Capital Account			
– Management fees	<b>(2,345)</b>	(2,468)	(4,933)
– Performance fee provision	–	–	(560)
Other expenses	<b>(37)</b>	(40)	(88)
Recoverable VAT	–	–	245
	<b>(2,382)</b>	(2,508)	(5,336)

### 4 Taxation

The taxation charge of £1,360,000 (30 June 2008 – £1,932,000 and 31 December 2008 – £3,141,000) relates to irrecoverable overseas taxation.

## Unaudited Notes on the Accounts (continued)

### 5 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.

	<b>6 months to 30 June 09 £'000s</b>	6 months to 30 June 08 £'000s	Year ended 31 Dec 08 £'000s
Total Return	<b>(75,398)</b>	(271,763)	(648,178)
Revenue Return	<b>21,179</b>	26,738	46,989
Capital Return	<b>(96,577)</b>	(298,501)	(695,167)
Weighted average ordinary shares in issue	<b>678,931,316</b>	682,218,709	680,864,950

  

	<b>6 months to 30 June 09 pence</b>	6 months to 30 June 08 pence	Year ended 31 Dec 08 pence
Total Return	<b>(11.11)</b>	(39.83)	(95.20)
Revenue Return	<b>3.12</b>	3.92	6.90
Capital Return	<b>(14.23)</b>	(43.75)	(102.10)

### 6 Loans

	<b>30 June 09</b>	30 June 08	31 Dec 08
Loans	<b>Nil</b>	£98m	£110m
Comprise:			
– Euro denominated	–	€35m	–
– Sterling denominated	–	£30m	£110m
– US dollar denominated	–	US\$80m	–

### 7 Share capital

	Number	Authorised Nominal £'000s	Issued and fully paid Number	Nominal £'000s
<b>Equity share capital</b>				
Equity share capital ordinary shares of 25p each				
Balance at 31 December 2008	1,103,600,000	275,900	679,019,714	169,755
Shares repurchased by the Company	–	–	(100,000)	(25)
<b>Balance at 30 June 2009</b>	<b>1,103,600,000</b>	<b>275,900</b>	<b>678,919,714</b>	<b>169,730</b>

100,000 ordinary shares were repurchased and cancelled during the period at a total cost of £219,000. Since 30 June 2009 no ordinary shares have been repurchased.

### 8 Dividend

The final dividend of 3.45 pence in respect of the year ended 31 December 2008 was paid on 8 May 2009 to all shareholders on the register at close of business on 20 March 2009. The interim dividend of 3.00 pence per ordinary share will be paid on 9 September 2009 to shareholders on the register on 7 August 2009.

The total cost of the interim dividend, which has not been accrued, based on 678,919,714 shares in issue, is £20,368,000 (30 June 2008 interim dividend – £20,380,000 and 31 December 2008 final dividend – £23,423,000).

### 9 Net asset value per ordinary share

	<b>30 June 09</b>	30 June 08	31 Dec 08
Net asset value per share (with debenture stocks at nominal value)	<b>247.95p</b>	320.88p	262.50p
Net assets attributable at end of period – £'000s	<b>1,683,409</b>	2,179,889	1,782,449
Ordinary shares of 25p each in issue at end of period – number	<b>678,919,714</b>	679,339,788	679,019,714

Net asset value per share (with debenture stocks at market value) at 30 June 2009 was 242.59p (30 June 2008 316.93p and 31 December 2008 256.59p). The market value of debenture stocks at 30 June 2009 was £146,989,000 (30 June 2008 – £137,404,000 and 31 December 2008 – £150,735,000).

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

	6 months to 30 June 09 £'000s	6 months to 30 June 08 £'000s	Year ended 31 Dec 08 £'000s
Total return before finance costs and taxation	<b>(67,198)</b>	(261,631)	(627,955)
Adjust for returns from non-operating activities:			
– Losses on investments	<b>89,838</b>	290,177	679,894
– Exchange losses of a capital nature	<b>2,118</b>	3,227	4,374
– Non-operating expenses of a capital nature	<b>37</b>	40	88
Return from operating activities	<b>24,795</b>	31,813	56,401
Adjusted for non-cash flow items:			
– Exchange losses of a revenue nature	<b>35</b>	20	36
– (Increase)/decrease in accrued income	<b>(2,385)</b>	(2,322)	214
– Decrease/(increase) in prepayments	<b>70</b>	(142)	4,948
– Decrease in creditors	<b>(1,095)</b>	(6,853)	(6,243)
– Scrip dividends	<b>(116)</b>	(13)	(1,065)
– Overseas taxation	<b>(1,451)</b>	(1,847)	(3,002)
Net cash inflow from operating activities	<b>19,853</b>	20,656	51,289

**11 Results**

The results for the six months to 30 June 2009 and 30 June 2008, which are unaudited, 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 2008; 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 2008 are an extract from those accounts.

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

29 July 2009

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](http://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 has launched 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.

**Individual Savings Account (“ISA”)**

Individuals can invest up to £7,200 each year in F&C's stocks and shares ISA. The limit is to be raised to £10,200 per annum, for individuals over 50 years old, with effect from 6 October 2009 and for all other individuals with effect from 6 April 2010. 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.

## How to invest (continued)

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

Investor Services on  
**0800 136 420**  
[info@fandc.com](mailto:info@fandc.com)

or Broker Support on  
**08457 992 299**  
[adviser.enquiries@fandc.com](mailto: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](http://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

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.