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**Foreign & Colonial
Investment Trust PLC**

Report and accounts

for the half-year ended **30 June 2013**

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 and continually evolves; keeping pace with new investment opportunities and maintaining its relevance in today's world.

Core investment

Conservatively managed and offering investors a globally diversified portfolio. Foreign & Colonial aims to be the centre of an investor's portfolio alongside other assets creating a wider investment solution.

Consistent outperformance

In the ten years to 31 December 2012 Foreign & Colonial has outperformed its benchmark by around 1% per annum; that turned a £1,000 investment, with dividends reinvested, into £2,470 compared with £2,290 from the market benchmark and with lower volatility. A £1,000 investment over 20 years would have grown to £4,417.

Income

Well-positioned for income flows and with significant income reserves for future increases in dividends. The dividend has increased every year for the past 42 years and over the ten years to 31 December 2012 is up 142.9% or 9.3% compound compared with inflation of 37.7% or 3.3% compound.

Cost effective

With an Ongoing Charge ratio of 0.85% Foreign & Colonial compares favourably with open-ended investment companies and many other investment trusts. The cumulative benefits of low costs are very significant for long-term investors.

Stability and liquidity

A discount control mechanism operates to achieve a low volatile discount with a ceiling of 10%, in normal market conditions, as well as enhancing net asset value per share.

Suitable for all investors

Foreign & Colonial is suitable for retail investors in the UK, professionally advised private clients and institutional investors who seek growth in capital and income from investment in global markets and who understand and are willing to accept the risks of exposure to equities.

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 for the half-year ended 30 June 2013

Net asset value per share up **12.2%** to
401.09 pence

Share price up **10.9%** to **355.30 pence**

Net asset value per share total return **13.5%**

Share price total return **12.3%**

Net revenue return per share rose
10.6% to **4.71 pence** compared with
the first half of 2012

Interim dividends of 2.10 pence per
share will be paid in August and
November 2013, equivalent to a 5.0%
increase on the interim dividend of 4.00
pence paid in September 2012.

(Net asset value based on debt at market value)

Chairman's Statement

Dear Shareholder

Performance

Most markets rose strongly until the end of May and then fell back on concerns about interest rates in the US and weaker growth in China and many other emerging markets. Sterling fell 7.2% against the US Dollar and 5.7% against the Euro but strengthened 6.7% against the Japanese Yen. For sterling based investors the best equity markets were the US and Japan and the worst were in the emerging economies.

The net asset value total return per share was 13.5% and the share price total return 12.3%. Our new benchmark, the FTSE All World Index, had a total return of 14.0%. We made the right decision to switch £150m from the UK to overseas markets in January. However, we still have more in the UK and less in the US than the benchmark and this hurt our relative performance. Our private equity portfolio rose in value by 7% and produced a strong positive cash flow of over £30m compared with £9m last year. Stock selection in the listed portfolio made a small positive contribution with the best relative performance coming from Europe. Gearing was a significant contributor. Our borrowings were invested in rising markets, over 80% of our debt was in sterling and yen and we benefited from the reduction in the market value of our debenture as it approaches maturity in 2014.

Dividend

Our total income increased by 7.1% benefiting from the portfolio changes we made in January

and good dividend growth. Management expenses have increased in line with market capitalisation and other expenses have reduced. The net revenue return per share rose 10.6% to 4.71 pence compared with the first half of 2012.

We now pay dividends quarterly at the beginning of February, May, August and November. You received an interim dividend of 2.00 pence per share in February 2013 and a final dividend of 2.50 pence in May in respect of 2012. The first interim dividend for 2013 is 2.10 pence and will be paid on

Contributors to total return in first half of 2013

	%
Benchmark total return	14.0
Asset allocation	(3.0)
Stock selection	0.1
Effect of directly incurred management fees	(0.2)
Other expenses	(0.1)
Interest expense	(0.4)
Buybacks	0.1
Change in debenture valuation	0.2
Gearing	2.8
Net asset value total return*	13.5
Effect of discount	(1.2)
Share price total return	12.3

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

Chairman's Statement (continued)

1 August. Second and third interim dividends of 2.10 pence each will be paid in November 2013 and February 2014 respectively. Subject to shareholder approval at the AGM a final dividend of 2.70 pence will be paid in May 2014. The total dividend for 2013 is therefore expected to be 9.00 pence. This would be 5.9% higher than last year's dividend and the forty-third consecutive annual increase.

Board

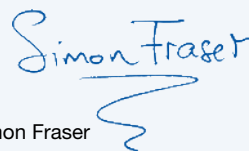
I am pleased to report that Francesca Ecsery will join the Board on 1 August 2013. Ms Ecsery has worked across a broad range of consumer industries and brings her extensive experience in marketing to your company at a time when RDR and Direct to Consumer marketing are becoming increasingly important.

Outlook

There are encouraging signs of improvement in the US economy and from Japan but the problems in Europe remain unresolved and many emerging markets are slowing down. The US central bank is preparing the ground

for an increase in interest rates but the UK, Japanese and European central banks are signalling that interest rates will remain low for a long time. Bond markets have had their worst performance since 1994 and the gold price has also been weak.

Our strategy to deal with this uncertainty has been to become more global, to focus on increasing your dividend and to remain highly diversified. We expect the positive cash flow from our private equity portfolio to continue for several years to come and the repayment of our expensive debenture in December 2014 will strengthen our dividend paying capacity. We remain confident of our ability to produce long-term capital and income growth.



Simon Fraser
Chairman
31 July 2013

Weightings, stock selection and performance in each market versus Index in the period to 30 June 2013

Portfolio	Our portfolio weighting %	Benchmark weighting %	Our portfolio performance in sterling %	Local index performance in sterling %
UK	22.1	7.8	7.8	7.8
North America	27.4	51.5	20.6	20.3
Europe ex UK	9.6	15.3	15.1	11.5
Japan	4.8	8.8	24.1	24.7
Emerging Markets	8.9	16.6	(4.2)	(3.0)
Private Equity	16.9	–	7.0	–
Global Income*	6.0	–	2.9	6.2
Global Funds*	4.3	–	(1.1)	6.2

Source: F&C Management Limited
*Established 22 January 2013

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 2013	31 Dec 2012		Value £'000s	% of total investments
1	(1)	Pantheon Europe Fund V*	62,725	2.4
2	(2)	HarbourVest V Direct Fund*	53,174	2.1
3	(3)	Pantheon Europe Fund III*	47,913	1.9
4	(4)	Dover Street VII*	39,375	1.5
5	(6)	HSBC	37,914	1.5
6	(7)	GlaxoSmithKline	36,256	1.4
7	(13)	Dover Street VI*	34,773	1.4
8	(11)	HarbourVest Partners VII Buyout Fund*	34,487	1.3
9	(9)	BP	33,676	1.3
10	(5)	Royal Dutch Shell	31,436	1.2

30 Jun 2013	31 Dec 2012		Value £'000s	% of total investments
11	(14)	HarbourVest Partners VIII Buyout Fund*	28,863	1.1
12	(12)	Utilico Emerging Markets	26,044	1.0
13	(15)	Pantheon Asia Fund IV*	25,389	1.0
14	(10)	Vodafone	24,928	1.0
15	(16)	Pantheon Asia Fund V*	24,733	1.0
16	(-)	HarbourVest Partners VIII Venture Fund*	22,692	0.9
17	(8)	British American Tobacco	19,363	0.8
18	(-)	Pantheon Global Secondary Fund III*	17,731	0.7
19	(-)	F&C US Smaller Companies	17,206	0.7
20	(-)	Google	17,109	0.7

The value of the twenty largest holdings represents 24.9% (31 December 2012: 29.9%) of the Company's total investments.

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

* Unlisted Private Equity Limited Partnership investment held at estimated fair value, with no fixed capital and no distributable income in the ordinary course of business.

Unaudited Condensed Income Statement

Notes	6 months to 30 June 2013			6 months to 30 June 2012			Year ended 31 December 2012		
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
	–	250,381	250,381	–	95,498	95,498	–	202,612	202,612
	60	125	185	18	1,062	1,080	(146)	8,523	8,377
3	36,695	–	36,695	34,256	–	34,256	59,403	–	59,403
4	(3,313)	(2,547)	(5,860)	(3,389)	(2,235)	(5,624)	(6,802)	(4,512)	(11,314)
	33,442	247,959	281,401	30,885	94,325	125,210	52,455	206,623	259,078
	(4,340)	(4,340)	(8,680)	(4,283)	(4,283)	(8,566)	(8,818)	(8,818)	(17,636)
	29,102	243,619	272,721	26,602	90,042	116,644	43,637	197,805	241,442
5	(2,062)	–	(2,062)	(1,648)	–	(1,648)	(2,796)	–	(2,796)
6	27,040	243,619	270,659	24,954	90,042	114,996	40,841	197,805	238,646
6	4.71	42.42	47.13	4.26	15.37	19.63	7.02	33.98	41.00

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

Notes	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
Half-year ended 30 June 2013					
Balance brought forward 31 December 2012	144,298	118,464	1,711,696	104,538	2,078,996
Shares repurchased by the Company	(1,467)	1,467	(20,999)	–	(20,999)
11 Dividends paid	–	–	–	(25,884)	(25,884)
Return attributable to shareholders	–	–	243,619	27,040	270,659
Balance carried forward 30 June 2013	142,831	119,931	1,934,316	105,694	2,302,772
Half-year ended 30 June 2012					
Balance brought forward 31 December 2011	147,584	115,178	1,554,305	110,825	1,927,892
Shares repurchased by the Company	(2,438)	2,438	(29,877)	–	(29,877)
11 Dividends paid	–	–	–	(23,947)	(23,947)
Return attributable to shareholders	–	–	90,042	24,954	114,996
Balance carried forward 30 June 2012	145,146	117,616	1,614,470	111,832	1,989,064
Year ended 31 December 2012					
Balance brought forward 31 December 2011	147,584	115,178	1,554,305	110,825	1,927,892
Shares repurchased by the Company	(3,286)	3,286	(40,414)	–	(40,414)
11 Dividends paid	–	–	–	(47,128)	(47,128)
Return attributable to shareholders	–	–	197,805	40,841	238,646
Balance carried forward 31 December 2012	144,298	118,464	1,711,696	104,538	2,078,996

Unaudited Condensed Balance Sheet

Notes	30 June 2013 £'000s	30 June 2012 £'000s	31 Dec 2012 £'000s
Fixed Assets			
7 Investments	2,581,266	2,297,140	2,374,431
Current assets			
Debtors	12,493	16,682	3,831
Cash at bank and short term deposits	22,091	19,914	25,999
	34,584	36,596	29,830
Creditors: amounts falling due within one year			
7 Derivative financial instruments	(158)	–	(34)
8 Loans	(95,000)	(125,000)	(115,000)
9 Other	(10,792)	(5,353)	(3,481)
	(105,950)	(130,353)	(118,515)
Net current liabilities	(71,366)	(93,757)	(88,685)
Total assets less current liabilities	2,509,900	2,203,383	2,285,746
Creditors: amounts falling due after more than one year			
8 Loans	(96,553)	(103,744)	(96,175)
Debentures	(110,575)	(110,575)	(110,575)
Net assets	2,302,772	1,989,064	2,078,996
Capital and reserves			
10 Share capital	142,831	145,146	144,298
Capital redemption reserve	119,931	117,616	118,464
Capital reserves	1,934,316	1,614,470	1,711,696
Revenue reserve	105,694	111,832	104,538
12 Total shareholders' funds	2,302,772	1,989,064	2,078,996
Net asset value per share – prior charges at nominal value (pence)			
	403.06	342.60	360.19

Unaudited Condensed Cash Flow Statement

Notes	6 months to 30 June 2013 £'000s	6 months to 30 June 2012 £'000s	Year ended 31 Dec 2012 £'000s
13 Net cash inflow from operating activities	25,482	25,318	47,937
Interest paid and similar charges	(8,679)	(8,774)	(17,780)
Net cash inflow from financial investment	45,127	19,468	56,519
Equity dividends paid	(25,884)	(23,947)	(47,128)
Net cash inflow before use of liquid resources and financing	36,046	12,065	39,548
Decrease/(increase) in short-term deposits	6,136	(12,660)	(16,416)
Net cash (outflow)/inflow from financing	(40,457)	24,399	3,109
Increase in cash	1,725	23,804	26,241
Reconciliation of net cash movement to movement in net debt			
Net cash movement	1,725	23,804	26,241
(Decrease)/increase in short-term deposits	(6,136)	12,660	16,416
Decrease/(increase) in loans	20,000	(52,939)	(42,939)
Exchange movements	125	1,062	8,523
Movement in net debt in the period	15,714	(15,413)	8,241
Net debt brought forward	(295,751)	(303,992)	(303,992)
Net debt carried forward	(280,037)	(319,405)	(295,751)
Represented by:			
Cash at bank	11,704	7,254	9,660
Short term deposits	10,387	12,660	16,339
Loans	(191,553)	(228,744)	(211,175)
Debentures	(110,575)	(110,575)	(110,575)
Net debt carried forward	(280,037)	(319,405)	(295,751)

Unaudited Notes on the Condensed Accounts

1 Results

The results for the six months to 30 June 2013 and 30 June 2012, which have been reviewed by our independent accountants PricewaterhouseCoopers LLP, 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 2012; the report of the Auditors thereon was unqualified and did not contain a statement under section 498 of the Companies Act 2006. The condensed financial statements shown above for the year end 31 December 2012 are an extract from those accounts.

2 Accounting policies

These condensed half-year financial statements for the six months ended 30 June 2013 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with the UK Accounting Standard Board's Half-yearly Financial Reports Statement. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

3 Income

	6 months to 30 June 2013 £'000s	6 months to 30 June 2012 £'000s	Year ended 31 Dec 2012 £'000s
Income comprises:			
UK dividends	13,389	16,514	28,492
Overseas dividends	22,916	16,652	29,141
Derivative income	298	732	995
Interest on cash and short-term deposits	22	81	97
Underwriting Commission	70	94	216
Scrip dividends	-	-	72
Stock lending fees	-	183	237
Sundry income	-	-	153
Total income	36,695	34,256	59,403

4 Fees and other expenses

	6 months to 30 June 2013 £'000s	6 months to 30 June 2012 £'000s	Year ended 31 Dec 2012 £'000s
Fees and other expenses	5,860	5,624	11,314
Comprise:			
Allocated to Revenue Account			
- Management fees payable directly to F&C*	2,203	1,900	3,858
- Other expenses	1,110	1,489	2,944
	3,313	3,389	6,802
Allocated to Capital Account			
- Management fees payable directly to F&C*	2,203	1,900	3,858
- Management fees payable directly to Private Equity Managers	304	308	603
- Other expenses	40	27	51
	2,547	2,235	4,512

*including reimbursement in respect of services provided by sub-managers.

The Manager's remuneration fee is 0.365% per annum of the market capitalisation of the Company, calculated at each month end date on a pro-rata basis. The fee is adjusted for fees earned by the Manager in respect of investment holdings managed or advised by the Manager. The services provided by F&C remain unchanged from those disclosed within the accounts for the year ended 31 December 2012. Variable fees payable in respect of third party sub-managers and private equity managers remain unchanged since the year end.

5 Taxation

The taxation charge of £2,062,000 (30 June 2012 – £1,648,000 and 31 December 2012 – £2,796,000) relates to irrecoverable overseas taxation.

Unaudited Notes on the Condensed Accounts (continued)

6 Net return

Net 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 2013 £'000s	6 months to 30 June 2012 £'000s	Year ended 31 Dec 2012 £'000s
Total Return	270,659	114,996	238,646
Revenue Return	27,040	24,954	40,841
Capital Return	243,619	90,042	197,805
Weighted average ordinary shares in issue	574,336,281	585,669,574	582,126,715

	6 months to 30 June 2013 pence	6 months to 30 June 2012 pence	Year ended 31 Dec 2012 pence
Total Return	47.13	19.63	41.00
Revenue Return	4.71	4.26	7.02
Capital Return	42.42	15.37	33.98

7 Investment and derivative financial instruments

	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
Cost at 1 January 2013	1,493,454	–	386,686	1,880,140
Unrealised gains at 1 January 2013	450,504	–	43,753	494,257
Valuation at 1 January 2013 of investments and derivatives	1,943,958	–	430,439	2,374,397
Purchases at cost	537,447	–	11,299	548,746
Sales proceeds	(550,625)	–	(41,791)	(592,416)
Gains/(losses) on derivatives sold	(7)	–	–	(7)
Gains/(losses) on investments sold	147,921	–	15,067	162,988
Gains/(losses) on derivatives held	(158)	–	–	(158)
Gains/(losses) on investments held	59,837	–	27,721	87,558
Valuation at 30 June 2013 of investments and derivatives	2,138,373	–	442,735	2,581,108
Analysed at 30 June 2013				
Cost at 30 June 2013	1,628,315	–	371,262	1,999,577
Unrealised gains at 30 June 2013	510,058	–	71,473	581,531
Valuation at 30 June 2013 of investments and derivatives	2,138,373	–	442,735	2,581,108

	30 Jun 2013 £'000s	30 Jun 2012 £'000s	31 Dec 2012 £'000s
Valuation of investments and derivatives	2,581,266	2,297,140	2,374,431
Valuation of investments	2,581,266	2,297,140	2,374,431
Valuation of derivatives	(158)	–	(34)
	2,581,108	2,297,140	2,374,397

Level 1 includes investments and derivatives listed on any recognised stock exchange or quoted on the AIM market in the UK.

Level 2 includes investments for which the quoted price has been suspended, forward exchange contracts and other derivative instruments.

Level 3 includes investments in private companies or securities, whether invested in directly or through pooled Private Equity vehicles.

Unaudited Notes on the Condensed Accounts (continued)

8 Loans

	30 June 2013 £'000s	30 June 2012 £'000s	31 Dec 2012 £'000s
Loans falling due within one year	95,000	125,000	115,000
Loans falling due after more than one year	96,553	103,744	96,175
	191,553	228,744	211,175
Comprise:			
– Sterling denominated falling due within one year	£95m	£125m	£115m
– US dollar denominated falling due after one year	\$80m	\$80m	\$80m
– Yen denominated falling due after one year	¥6.60bn	¥6.60bn	¥6.60bn

9 Other creditors falling due within one year

	30 June 2013 £'000s	30 June 2012 £'000s	31 Dec 2012 £'000s
Cost of ordinary shares repurchased	1,134	1,345	591
Investment creditors	7,323	1,455	356
Management fees payable to F&C	973	758	817
Other accrued expenses	1,362	1,795	1,717
	10,792	5,353	3,481

10 Share capital

Equity Share Capital	Authorised		Issued and fully paid	
	Number	Nominal £'000s	Number	Nominal £'000s
Ordinary shares of 25p each				
Balance at 31 December 2012	1,103,600,000	275,900	577,191,016	144,298
Shares repurchased by the Company	–	–	(5,867,000)	(1,467)
Balance at 30 June 2013	1,103,600,000	275,900	571,324,016	142,831

5,867,000 ordinary shares were repurchased and cancelled during the period at a total cost of £20,999,000. Since 30 June 2013 a further 545,000 ordinary shares have been repurchased at a cost of £2,028,000.

11 Dividends

Dividends paid on ordinary shares	Register date	Payment date	6 months to 30 Jun 2013 £'000s	6 months to 30 Jun 2012 £'000s	Year ended 31 Dec 2012 £'000s
2011 Final of 4.10p	13/04/2012	11/05/2012	–	23,947	23,947
2012 First interim of 4.00p	10/08/2012	07/09/2012	–	–	23,181
2012 Second interim of 2.00p	11/01/2013	01/02/2013	11,544	–	–
2012 Final of 2.50p	05/04/2013	01/05/2013	14,340	–	–
			25,884	23,947	47,128

The first interim dividend for 2013 of 2.10p will be paid on 1 August 2013 to shareholders on the register on 12th July 2013.

The total cost of the first interim dividend of 2013, which has not been accrued, based on 571,054,016 shares in issue on 12 July 2013 is £11,992,000

12 Net asset value per ordinary share

	30 June 2013	30 June 2012	31 Dec 2012
Net asset value per share (with debenture stocks at nominal value)	403.06p	342.60p	360.19p
Net assets attributable at end of period – £'000s	2,302,772	1,989,064	2,078,996
Ordinary shares of 25p each in issue at end of period – number	571,324,016	580,584,016	577,191,016

Net asset value per share (with debenture stocks at market value) at 30 June 2013 was 401.09p (30 June 2012 – 339.37p and 31 December 2012 – 357.60p). The market value of debenture stocks at 30 June 2013 was £121,814,000 (30 June 2012 – £129,304,000 and 31 December 2012 – £125,548,000).

Unaudited Notes on the Condensed Accounts (continued)

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

	6 months to 30 June 2013 £'000s	6 months to 30 June 2012 £'000s	Year ended 31 Dec 2012 £'000s
Total return before finance costs and taxation	281,401	125,210	259,078
Adjust for returns from non-operating activities:			
– Gains on investments and derivatives	(250,381)	(95,498)	(202,612)
– Exchange gains of a capital nature	(125)	(1,062)	(8,523)
– Non-operating expenses of a capital nature	40	27	51
Return from operating activities	30,935	28,677	47,994
Adjusted for non-cash flow items:			
– Exchange gains/(losses) of a revenue nature	(60)	(18)	146
– (Increase)/decrease in accrued income	(2,851)	(1,823)	2,594
– Decrease/(increase) in prepayments	38	43	(33)
– (Decrease)/increase in creditors	(206)	172	115
– Scrip dividends	–	–	(72)
– Overseas taxation	(2,374)	(1,733)	(2,807)
Net cash inflow from operating activities	25,482	25,318	47,937

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

31 July 2013

Directors' Statement of Principal Risks and Uncertainties

Most of the Company's principal risks and uncertainties are market related and no different from those of other investment trusts investing primarily in listed equities. They are described in more detail under the heading "Principal risks and their management" within the business review in the Company's annual report for the year ended 31 December 2012 and have not changed materially since the date of that report.

The risks include: having an inappropriate objective and strategy in relation to investor demands in a rapidly changing financial services and savings market; any failure on the part of

the Manager to continue operating effectively putting in jeopardy the business of the Company; inappropriate asset allocation, sector and stock selection, currency exposure and use of gearing and derivatives leading to investment underperformance; those relating to private equity investments, which can prove difficult or impossible to realise; and administrative errors or control failures by or between service providers, most notably the change of administrator of the F&C savings plans. Arrangements are in place to mitigate other more general risks including those relating to safe custody of assets and counterparty failure.

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 on a going concern basis, 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;
- 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; and
- in light of the controls and monitoring processes that are in place, the Company has adequate resources and arrangements to continue operating within its stated objective and policy for the foreseeable future. Accordingly, the accounts continue to be drawn up on the basis that the Company is a going concern.

On behalf of the Board
Simon Fraser
Chairman
31 July 2013

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 2013, which comprises the Unaudited Condensed Income Statement, Unaudited Condensed Reconciliation of Movements in Shareholders' Funds, Unaudited Condensed Balance Sheet, Unaudited Condensed Cash Flow Statement and related Unaudited Notes on the Condensed Accounts. 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 Conduct Authority.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with applicable law and United Kingdom Accounting Standards (UK 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 Conduct 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 2013 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 Conduct Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
31 July 2013
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

You can invest directly in Foreign & Colonial Investment Trust PLC or through one of the convenient savings plans run by F&C Management Limited ("F&C").

F&C Private Investor Plan ("PIP")

A flexible way to invest with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250.

F&C Investment Trust ISA

Use your ISA allowance to make an annual tax-efficient investment of up to £11,520 for the 2013/14 tax year with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250 and transfer any existing ISAs to us whilst maintaining all the tax benefits.

F&C Child Trust Fund ("CTF")

CTFs are closed to new investors; however, if your child has a CTF with another provider, it is easy to transfer it to F&C. Additional contributions can be made from as little as £25 per month or £100 lump sum – up to a maximum of £3,720 for the 2013/14 tax year.

F&C Children's Investment Plan ("CIP")

A flexible way to save for a child. With no maximum contributions, the plan can easily be written under trust to help reduce inheritance tax liability or kept in your name if you may need access to the funds before the child is 18. Investments can be made from a £250 lump sum or £25 a month. You can also make additional lump sum top-ups at any time from £100.

Junior ISA ("JISA")

This is a tax-efficient savings plan for children who did not qualify for a CTF. It allows you to invest up to £3,720 for the 2013/14 tax year with all the tax benefits of the CTF. You can invest from £30 a month, or £500 lump sum, or a combination of both.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the individual. The CTF and JISA accounts are opened in the child's name. Money cannot be withdrawn until the child turns 18.

Annual management charges and certain transaction costs apply according to the type of plan.

Annual account charge

ISA: £60+VAT

JISA: £25+VAT

PIP: £40+VAT

CIP/CTF: £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits)

Dealing charge per holding

ISA: 0.2%

PIP/CIP/JISA: postal instructions £12, online instruction £8

The dealing charge applies when shares are bought or sold but the fixed rate charge does not apply to the reinvestment of dividends or the investment of regular monthly savings.

There is no dealing charge on a CTF but a switching charge of £25 applies if more than 2 switches are carried out in one year.

Government stamp duty of 0.5% also applies on purchases (where applicable).

There may be additional charges made if you transfer a plan to another provider or transfer the shares from your plan. For full details of charges, please read the Key Features and Terms and Conditions of the plan before investing.

The above has been approved by F&C Management Limited which is a member of the F&C Asset Management Group and is authorised and regulated by the Financial Conduct Authority.

How to Invest

You can invest in all our savings plans online.

New Customers:

Contact our Investor Services Team

Call: **0800 136 420***

Email: **info@fandc.com**

Investing online: **www.fandc.com**

*8:30 am – 5:30 pm, weekdays

Calls may be recorded.

Existing Plan Holders:

Contact our Investor Services Team

Call: **0845 600 3030****

Email: **investor.enquiries@fandc.com**

By post: **F&C Plan Administration Centre**

PO Box 11114

Chelmsford

CM99 2DG

**9:00 am – 5:00 pm, weekdays.

Calls may be recorded.

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

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**.