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**Foreign & Colonial
Investment Trust PLC**

Report and accounts
for the half-year to **30 June 2006**

About your Company

Objective

To secure long-term growth in capital and income through a policy of investing primarily in a diversified international portfolio of equities with 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 £2.5 billion investing in over 625 companies in 35 countries.

Over 110,000 shareholders, including over 70,000 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 (except Private Equity) is carried out by F&C Management Limited ("F&C") under contract.

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

Manager incentivised to produce superior 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 – we are now investing in private equity.

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 – we have introduced a buy-back policy to keep the discount below 10% in normal market conditions, enhancing net asset value per share for continuing shareholders.

Low charges to investors, typically well below those for comparable unit trusts – our total expense ratio for 2005 was 0.45% (excluding performance fee accrual). The cumulative benefits of such low costs over many years are very significant for long-term investors.

Summary of Unaudited Results

Attributable to equity shareholders

	30 June 2006	31 Dec 2005	% Change
Net assets (prior charges at nominal value)	£2,285m	£2,414m	-5.34
Net asset value per share (prior charges at market value)	290.75p	285.69p	+1.77
Net asset value per share (prior charges at nominal value)	296.27p	291.81p	+1.53
Share price	255.50p	258.50p	-1.16
	6 months to 30 June 2006	6 months to 30 June 2005	% Change
Revenue earnings per share	3.88p	3.36p	+15.48
Dividend per share	2.45p*	2.20p	+11.36

* payable on 11 September 2006 to shareholders registered on 4 August 2006

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

Dean Shavello

The first half of 2006 was a mixed period for markets. After a strong start, there was a sharp sell off in May and then a small recovery at the end of June. Our net asset value per share rose by 1.8% to 290.8 pence (with debt at market value) and the interim dividend will rise 11.4% to 2.45 pence per share. The share price fell by 1.2% to 255.5 pence.

The rise in stockmarkets was driven by continued strong corporate profits and dividend growth, a surge in merger and acquisition activity across the world and abundant liquidity. This benign climate came to an abrupt halt in May on concerns that rising inflationary pressure would lead to greater than expected rises in interest rates which would, in turn, choke off economic growth. Generally the markets, sectors and stocks that had risen the fastest fell the furthest but there were very few areas that escaped unscathed. By the end of June some markets had recovered their poise and were up over the six months, but Japan and the US were still down in sterling terms as the pound strengthened against the Yen and the US dollar.

Within markets we had a strong result in the UK, where we benefited from our large holding in BAA which was taken over at a price 50% above the level at the start of the year. The Japanese and Developed Asian portfolios also outperformed but Europe and Emerging Markets were slightly behind their benchmarks. The biggest disappointment was in North America. Early in the year the portfolio was moved more towards large company growth

Attribution analysis

Net asset value per share	+1.71% to 290.58p
Net asset value total	
return per share	2.60%
Share price	+255.50p
Share price total return	-0.17%
Interim dividend per share	2.45p
Share capital repurchased	6.77%
Discount	from 9.5% to 12.07%

stocks but this strategy did not work in the first half. [Insert wording on individual manager performance when available]. The Private Equity portfolio made a positive contribution and we made new investments of £22m and received returns of cash of £6m.

Turning to the impact of asset allocation, this was again positive due mainly to the overweighting in the UK and underweighting in North America. There were no significant changes in allocation between markets in the first half of the year.

We increased effective gearing from 6.7% to 10.2% through taking on short-term borrowings spread between US dollars, yen and Euros. This had a negative effect in the period. The performance of the portfolio excluding private equity and the impact of buybacks was behind the benchmark so there has been a write back of the performance fee that had been accrued at 31 December 2005. Buybacks made a positive contribution, as explained in more detail below.

Table of size of portfolio and sterling adjusted performance in each region versus benchmark

	£m	% of our portfolio	Our portfolio performance %	Local index performance %
UK	1,075	43.61	+7.56	+6.11
Europe	372	15.10	+5.10	+6.35
Japan	154	6.25	-1.83	-5.31
North America	454	18.43	-9.39	-4.28
Emerging Markets	266	10.80	-1.64	-0.37
Developed Asia	89	3.61	+6.94	+2.52
Private Equity	55	2.19	+17.12	n/a

Source: F&C Management, gross of management fees

Dividend

Dividend growth from the portfolio has remained strong this year, as we expected. The Board has already forecast an increase in the total annual dividend of not less than 10%. The interim dividend will be 2.45 pence per share, an increase of 11.4% over last year's interim payment and the final dividend will be not less than 2.775 pence per share, an increase of 8.8% over last year's final payment.

Private Equity

In the annual report I commented that the Board would be developing our Private Equity strategy further and I am pleased to say we have now begun the implementation of a step change in our commitment to Private Equity investment. In 2002 we committed US\$120m and Euro115m respectively to funds managed by HarbourVest and Pantheon and at the end of 2005 committed

a further \$69m to Dover Street VI, a specialist secondary fund also managed by HarbourVest. We originally expected our initial commitment would account for about 5% of the Company's assets when fully invested in 2008. We have been pleased with the progress made so far by the two managers but it has become clear that unless further commitments to Private Equity are made now the proportion invested in this area will fall after 2008 as cash is returned from successful investments. After careful consideration and detailed analysis of the market and the investment opportunities, the Private Equity Committee has recommended and the Board has endorsed a significant expansion over time of our commitment to private equity.

We are now targeting an annual commitment of £75m per annum into Private Equity with the aim of reaching a minimum exposure of 10% between 2009 and 2013. As a first step in this

Chairman's Statement continued

direction, we have committed \$50m and \$25m (£27m and £13.5m at 30 June 2006 exchange rates) respectively to funds from Pantheon and HarbourVest investing principally in Asia.

Share buybacks

In the first six months of the year we repurchased and cancelled 55,992,464 shares, representing 6.8% of the starting share capital at a cost of £148m. This added 2.20 pence per share to net asset value. During the period of falling markets in May and early June we were particularly active in buying back shares in accordance with the policy adopted in November 2005 of maintaining a discount ceiling, in normal market conditions, of 10% (with debt at market value). The Board is pleased that the new policy has passed its first major test in difficult market conditions with such success. The Board remains committed to limiting the divergence between the share price and the net asset value per share.

Marketing

Gross purchases into the various F&C savings plans were £26m compared with £20m in the first half of 2005. Gross sales were £40m compared with £32m, resulting in a net outflow of £14m compared with £12m in the first half of 2005. The Board continues to examine ways to promote the Company to investors more effectively.

Outlook

Until there is more certainty about inflationary prospects, investors will remain nervous about the path of interest rates. As a result markets are expected to remain volatile over the rest of 2006 with each new piece of economic data causing changes to expectations about inflation, growth and interest rates. The recent increase in political tension in the Middle East and further rise in the oil price has also unsettled investors. However, the corporate sector remains in good health around the world. Profits and dividends are still rising and merger and acquisition activity continues at a rapid pace.

We are hopeful most markets will show a positive return for 2006 as a whole. We are maintaining our current investment policy with its emphasis on the faster growing areas of emerging markets and private equity. In the long-term strong stock selection in all markets will continue to be the key to success.



Mark Loveday

July 2006

Table of size of portfolio and sterling adjusted performance in each region versus benchmark

Managers performance records

US	2005	2004	2003	2002	2001
Barrow Hanley \$281m					
– Deep value	+6.8%	+21.5%	+32.3%	-12.0%	+10.1%
Gartmore \$119m					
– Pragmatic growth with a bias towards mid-cap	-0.8%	+7.3%	+41.2%	-20.9%	-10.5%
GMO \$161m					
– Value tilted but with momentum factors	+0.7%	+9.8%	+26.7%	-19.3%	-7.4%
Loomis Sayles \$243m					
– Large/mid cap growth	+0.7%	+16.9%	+33.6%	-22.2%	-23.9%
IMS Blended US Portfolio	+3.2%	+12.3%	+26.3%	-22.7%	-9.8%
S&P 500 Index \$ performance	-0.8%	+10.9%	+28.7%	-22.1%	-11.9%
Source: IMS, US\$ net of fees as at 30 June 2005					
F&C US Smaller Companies Plc	+8.2%	+19.5%	+45.2%	-17.8%	+2.0%
Russell 2000 Index	-1.8%	+17.0%	+45.4%	-21.6%	+1.0%
Source: F&C, US\$ gross of fees as at 30 June 2005					
Japan	2005	2004	2003	2002	2001
Goldman Sachs	+6.9%	+15.2%	+30.9%	-12.9%	-14.2%
Topix Index	+3.2%	+11.3%	+25.2%	-17.5%	-18.9%

Source: Goldman Sachs, Japanese ¥ gross of fees as at 30 June 2005

Investment Changes

Investment Changes during the half year ended 30 June 2006					
	Valuation at 31 December 2005 £m	Purchases £m	Sales £m	Gains/ (losses) £m	Valuation at 30 June 2006 £m
UK	1,049	124	(157)	59	1,075
North America	518	441	(453)	(52)	454
Continental Europe	374	53	(61)	6	372
Japan	157	54	(53)	(4)	154
Emerging Markets & Developed Asia	381	184	(213)	3	355
Private Equity	41	22	(8)	-	55
Total	2,520	878	(945)	12	2,465

Twenty Largest Holdings

30 June 2006	31 Dec 2005	Company/Country	% of total investments	Value £'000s
1	(2)	BP Plc UK	3.7	91,980
2	(3)	Royal Dutch Shell UK/Netherlands	3.2	79,941
3	(4)	Glaxo SmithKline UK	2.6	64,779
4	(5)	Vodafone UK	2.1	52,447
5	(8)	HSBC UK	2.0	49,119
6	(6)	Rio Tinto Australia/UK	1.9	47,450
7	(10)	AstraZeneca UK	1.5	35,893
8	(9)	Royal Bank of Scotland UK	1.4	33,763
9	(7)	Resolution UK	1.3	32,136
10	(14)	Pantheon Europe Fund III LP Europe	1.2	29,469
11	(12)	Scottish & Southern Energy UK	1.2	28,750
12	(11)	Legal & General UK	1.1	28,153
13	(13)	British American Tobacco UK	1.0	25,859
14	(-)	Utilico Investment Trust UK	0.9	22,838
15	(-)	Utilico Emerging Markets UK	0.9	21,340
16	(17)	Lloyds TSB UK	0.8	20,597
17	(-)	Tesco UK	0.8	18,690
18	(20)	UBS Switzerland	0.8	18,585
19	(16)	Merril Lynch Latin American Investment Trust UK	0.7	18,483
20	(-)	Barclays UK	0.7	18,420

The value of the twenty largest equity holdings represents 29.8% (2005: 31.5%) of the Company's total investments. The country shown is the country of incorporation.

Unaudited Income Statement

Notes	6 months to 30 June 2006			6 months to 30 June 2005			Year to 31 December 2005		
	Revenue £'000s	Capital £'000s	Total* £'000s	Revenue £'000s	Capital £'000s	Total £'000s	£'000s	Capital £'000s	Total £'000s
	–	12,338	12,338	–	157,607	157,607	–	481,090	481,090
	28	(1,561)	(1,533)	(12)	(2,166)	(2,178)	(31)	(2,112)	(2,143)
2	41,359	–	41,359	39,886	–	39,886	66,582	–	66,582
	(1,958)	(2,232)	(4,190)	(1,687)	(1,855)	(3,542)	(3,522)	(3,910)	(7,432)
	–	2,106	2,106	–	–	–	–	(2,106)	(2,106)
	(1,354)	(58)	(1,412)	(2,158)	(58)	(2,216)	(3,513)	(103)	(3,616)
	38,075	10,593	48,668	36,029	153,528	189,557	59,516	472,859	532,375
	(3,621)	(3,621)	(7,242)	(3,612)	(3,612)	(7,224)	(6,801)	(6,801)	(13,602)
	34,454	6,972	41,426	32,417	149,916	182,333	52,715	466,058	518,773
3	(3,375)	1,350	(2,025)	(2,245)	–	(2,245)	(3,593)	(13)	(3,606)
4	31,079	8,322	39,401	30,172	149,916	180,088	49,122	466,045	515,167
4	3.88	1.04	4.92	3.36	16.68	20.04	5.57	52.87	58.44

* The total column of this statement 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.

Reconciliation of Movements in Shareholders' Funds

Notes

	Called up Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserves £'000s	Revenue Reserve £'000s	Total Shareholders' Funds £'000s
Balance brought forward 1 January 2005	228,253	34,509	1,771,652	96,883	2,131,297
Shares repurchased during the period ended 30 June 2005	(7,245)	7,245	(58,231)	–	(58,231)
Dividends paid during the period ended 30 June 2005	–	–	–	(20,818)	(20,818)
Return attributable to equity shareholders for the period ended 30 June 2005	–	–	149,916	30,172	180,088
Balance carried forward 30 June 2005	221,008	41,754	1,863,337	106,237	2,232,336
	Called up Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserves £'000s	Revenue Reserve £'000s	Total Shareholders' Funds £'000s
Balance brought forward 1 January 2005	228,253	34,509	1,771,652	96,883	2,131,297
Shares repurchased during the year ended 31 December 2005	(21,439)	21,439	(192,254)	–	(192,254)
Dividends paid during the year ended 31 December 2005	–	–	–	(40,209)	(40,209)
Return attributable to equity shareholders for the year ended 31 December 2005	–	–	466,045	49,122	515,167
Balance carried forward 31 December 2005	206,814	55,948	2,045,443	105,796	2,414,001
	Called up Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserves £'000s	Revenue Reserve £'000s	Total Shareholders' Funds £'000s
Balance brought forward 1 January 2006	206,814	55,948	2,045,443	105,796	2,414,001
Shares repurchased during the period ended 30 June 2006	(13,998)	13,998	(148,016)	–	(148,016)
7 Dividends paid during the period ended 30 June 2006	–	–	–	(20,382)	(20,382)
Return attributable to equity shareholders for the period ended 30 June 2006	–	–	8,322	31,079	39,401
Balance carried forward 30 June 2006	192,816	69,946	1,905,749	116,493	2,285,004

Unaudited Balance Sheet

Notes	30 June 2006 £'000s	30 June 2005 £'000s	31 Dec 2005 £'000s
Fixed assets			
Investments held at fair value	2,464,533	2,408,746	2,520,364
Current assets			
Debtors	60,854	14,324	8,446
Cash at Bank	24,491	18,501	7,390
	85,345	32,825	15,836
Creditors: amounts falling due within one year			
5 Foreign currency loans	(128,854)	(91,313)	–
Other	(25,445)	(7,347)	(9,518)
	(154,299)	(98,660)	(9,518)
Net current (liabilities)/assets	(68,954)	(65,835)	6,318
Total assets less current liabilities	2,395,579	2,342,911	2,526,682
Creditors: amounts falling due after more than one year			
Debentures	(110,575)	(110,575)	(110,575)
Performance fee	–	–	(2,106)
Net assets	2,285,004	2,232,336	2,414,001
Capital and reserves			
6 Called up share capital	192,816	221,008	206,814
Capital redemption reserve	69,946	41,754	55,948
Capital reserves	1,905,749	1,863,337	2,045,443
Revenue reserve	116,493	106,237	105,796
Total shareholders' funds - equity	2,285,004	2,232,336	2,414,001
Net asset value per share - prior charges at nominal value (pence)	296.27	252.52	291.81

Unaudited Cash Flow Statement

Notes	6 months to 30 June 2006 £'000s	6 months to 30 June 2005 £'000s	Year ended 31 Dec 2005 £'000s
9 Net cash inflow from operating activities	30,472	30,481	57,050
Interest paid	(7,199)	(7,476)	(13,882)
Total tax paid	(2,108)	(1,775)	(3,528)
Net cash inflow from purchases and sales of investments	37,487	49,441	266,364
Equity dividends paid	(20,382)	(20,818)	(40,209)
Net cash inflow before use of liquid resources and financing	38,270	49,853	265,795
(Increase)/decrease in short-term deposits	(8,844)	20,000	35,000
Net cash outflow from financing	(19,225)	(71,108)	(299,358)
Increase/(decrease) in cash	10,201	(1,255)	1,437
Reconciliation of net cash flow to movement in net debt			
Net cash movement	10,201	(1,255)	1,437
Increase/(decrease) in short-term deposits	8,844	(20,000)	(35,000)
(Increase)/decrease in short-term loans	(129,237)	15,520	107,976
Exchange movements	(1,561)	(2,166)	(2,112)
Movement in net debt in the period	(111,753)	(7,901)	72,301
Net debt at the beginning of the period	(103,185)	(175,486)	(175,486)
Net debt at the end of the period	(214,938)	(183,387)	(103,185)
Represented by:			
Cash at bank	15,573	3,501	7,390
Short term deposits	8,918	15,000	–
Foreign currency loans	(128,854)	(91,313)	–
Debentures	(110,575)	(110,575)	(110,575)
Net debt at the end of the period	(214,938)	(183,387)	(103,185)

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 2005.

2 Income

	6 months to 30 June 2006	6 months to 30 June 2005	Year ended 31 Dec 2005
	£'000s	£'000s	£'000s
UK franked dividends	21,438	18,912	33,518
UK unfranked interest	90	521	311
Overseas dividends	19,252	19,394	30,341
Scrip dividends	83	41	615
Interest on cash and short-term deposits	352	806	1,465
Stock lending fees and other revenue *	144	212	332
	41,359	39,886	66,582

* F&C Management Limited received £48,000 (30 June 2005 - £71,000 and 31 December 2005 £105,000) for managing the Company's stock lending activities.

3 Taxation

The taxation charge of £2,025,000 (30 June 2005 - £2,245,000 and 31 December 2005 £3,606,000) relates to overseas taxation.

4 Total Return

	6 months to 30 June 2006	6 months to 30 June 2005	Year ended 31 Dec 2005
	£'000s	£'000s	£'000s
Total return	39,401	180,088	515,167
Revenue return	31,079	30,172	49,122
Capital return	8,322	149,916	466,045
Weighted Average ordinary shares in issue	801,762,598	898,767,618	881,509,778

5 Loans

	30 June 2006	30 June 2005	31 Dec 2005
Loans	£128m	£91m	–
Comprise:			
Euro denominated	Eur 60m	Eur 45m	–
Japanese yen denominated	Yen 9,900m	Yen 12,100m	–
US dollar denominated	US 75m	–	–

6 Share capital

	Authorised		Issued and fully paid	
	Number	Nominal £'000s	Number	Nominal £'000s
Equity share capital:				
Ordinary shares of 25p each				
Balance at 31 December 2005	1,103,600,000	275,900	827,254,150	206,814
Shares repurchased by the Company			(55,992,464)	(13,998)
Balance at 30 June 2006	1,103,600,000	275,900	771,261,686	192,816

55,992,464 ordinary shares were repurchased and cancelled during the period at a total cost of £148 m. Since 30 June 2006 XXXXX ordinary shares have been repurchased and cancelled at a total cost of £XXXXXXXXXX

Notes on the Accounts (continued)

7 Dividend

The final dividend of 2.55 pence in respect of the year ended 31 December 2005 was paid on 24 May 2006 to shareholders on the register at 7 April 2006. The interim dividend of 2.45 pence per ordinary share in respect of the period ended 30 June 2006 will be paid on 11 September 2006 to shareholders on the register at 4 August 2006.

The total cost of the dividend which has not been accrued in the results for the period ended 30 June 2006, is £XXX,XXX based on XXXX shares in issue.

8 Net asset value per ordinary share

	30 June 2006	30 June 2005	31 Dec 2005
Net asset value per share			
(with debenture stocks at nominal value)	296.27p	252.52p	291.81p
Net asset attributable at end of period	£2,285,004,000	£2,232,336,000	£2,414,001,000
Ordinary shares of 25p in issue at end of period	771,261,686	884,033,279	827,254,150

Net asset value per share (with debenture stocks at market value) at 30 June 2006 was 290.75 pence (30 June 2005 – 246.68 pence and 31 December 2005 - 291.81 pence). The market value of debenture stocks at 30 June 2006 was £153,147,000 (30 June 2005 - £162,183,000 and 31 December 2005 - £161,224,000).

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

	6 months to 30 June 2006 £'000s	6 months to 30 June 2005 £'000s	Year ended 31 Dec 2005 £'000s
Total return before finance costs and taxation	48,668	189,557	532,375
Adjusted for returns from non-operating activities			
– Gains on investments held at fair value	(12,338)	(157,607)	(481,090)
– Exchange losses of a capital nature	1,561	2,166	2,112
– non-operating expenses of a capital nature	58	58	103
Return from operating activities	37,949	34,174	53,500
Adjusted for non cash-flow items			
– Exchange gains and losses of a revenue nature	(28)	12	31
– Increase/(decrease) in accrued income	(3,559)	(2,889)	206
– Decrease in prepayments	57	62	46
– (Decrease)/increase in creditors	(3,759)	(837)	3,959
– Scrip dividends	(83)	(41)	(616)
– Effective yield adjustment	(105)	–	(76)
Net cash inflow from operating activities	30,472	30,481	57,050

10 Results

The results for the six months to 30 June 2006 and 30 June 2005, which are unaudited, constitute non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 December 2005; the report of the auditors thereon was unqualified and did not contain a statement under section 237 of the Companies Act 1985. The abridged financial statements shown above for the year end 31 December 2005 are an extract from those accounts.

By order of the Board

F&C Management Limited, Secretary

Exchange House,

Primrose Street

London EC2A 2NY

26 July 2006.

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 also 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. 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. Parents and grandparents (or other relatives and friends) 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")

You can invest up to £7,000 each year in F&C's Maxi ISA, or £4,000 in the Mini ISA – 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.

Personal Equity Plan ("PEP")

Although PEPs are no longer available for new subscriptions you can transfer investments from one manager to another, subject to Inland Revenue requirements.

F&C's fixed rate charging structure provides excellent value for money as you pay one fixed annual management fee no matter how many Investment Trust PEPs or ISAs you hold with F&C.

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 1330**

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

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.

The information on pages 18 and 19 have been issued and approved by F&C Asset Management plc, authorised and regulated in the UK by the Financial Services Authority (FSA).