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Press Release

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F&C announces fund rationalisation plan

F&C has this week written to investors in eight of its OEIC funds with proposals to merge these funds with other F&C portfolios. If approved by shareholders at meetings on 10 June, the mergers are expected to take effect by the end of June.

The proposed mergers are:

Merging Fund	Destination Fund
Emerging Markets ex Pacific Asia Equity Fund	Emerging Markets Fund
European Dynamic Fund	European Growth & Income Fund
FTSE 100 Tracker Fund	F&C FTSE All-Share Tracker Fund
F&C Japan Growth Fund	F&C Pacific Growth Fund
F&C Latin American Equity Fund	Emerging Markets Fund
F&C Managed Balanced Fund	F&C Managed Growth Fund
F&C Managed Distribution Fund	60% into F&C UK Equity Income Fund 40% into F&C Strategic Bond Fund
F&C UK Dynamic Fund	F&C UK Equity Fund

John Yule, F&C's Head of UK Retail, commented: "We have concluded that these funds are subscale in size and in each case we believe that the prospects of attracting new assets into the fund are very limited in the current climate. Small funds, which are unlikely to grow, can have disproportionately high costs compared to larger funds and it can be difficult to deal efficiently with the underlying investments. We therefore consider it to be in the best interests of shareholders to merge these funds into others with greater scale. Streamlining our fund range will also provide our fund managers with greater focus."

- Ends -

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F&C Asset Management plc is the listed holding company of the F&C Group.

F&C Management Limited is a member of the F&C Group and a subsidiary of F&C Asset Management plc.

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Notes to Editors

F&C Investments

- F&C Asset Management (F&C) is a London Stock Exchange listed asset management group which traces its origins back to 1868 with the launch of the Foreign & Colonial Investment Trust, the first ever publicly listed investment fund. Foreign & Colonial Investment Trust remains a client of F&C.
- F&C is an active fund manager with a multi-specialist investment model where individual teams have strong accountability for their products and processes. The group is also an active shareholder with a leading franchise in governance and sustainable investment.
- F&C now manages £92.7 billion (€100.1 billion) of assets* for a diverse range of institutional, insurance and retail clients across all major asset classes – equities, bonds, cash and property – as well as alternative and specialist product classes such as Socially Responsible Investment funds, hedge funds, private equity funds and Liability Driven Investments. F&C invests globally and has been a longstanding investor in emerging markets.
- F&C REIT Asset Management is the group's global property asset management business. It was formed in 2008 from the merger of F&C's property division and REIT Asset Management. F&C REIT operates from offices in London, Dublin, Istanbul, Munich, Mumbai and Stockholm.
- F&C manages assets principally from three investment centres: London, Amsterdam and Edinburgh. The group has a global office network spanning twelve countries: China (Hong Kong), France (Paris), Germany (Frankfurt & Munich), India (Mumbai), Ireland (Dublin), The Netherlands (Amsterdam), Portugal (Lisbon), Sweden (Stockholm), Switzerland (Geneva), Turkey (Istanbul), UK (London, Edinburgh, Dorking) and the United States (Boston).
- In March 2009 F&C signed a Memorandum of Agreement with Hua Xia Bank, one of China's twelve nationwide joint stock commercial banks, to establish a joint venture fund management company in China in which F&C will have a 19.5% interest.

* As at 31 March 2009.