



F&C Management Limited
Exchange House
Primrose Street
London EC2A 2NY

Telephone +44 (0)20 7628 8000
Facsimile +44 (0)20 7628 8188
www.fandc.com

Press Release

**For immediate release
5th March 2010**

Foreign & Colonial Investment Trust bounces back in 2009

Foreign & Colonial Investment Trust ("FCIT") has published its annual results for the year ended 31 December 2009, showing a net asset value total return of 21.3%.

The trust – which became the world's first retail investment fund when it was founded in 1868 – also raised its dividend for the 39th consecutive year, by 3.1% to 6.65p per share.

The net asset value total return was slightly behind that of FCIT's benchmark (40% FTSE All Share and 60% FTSE All World ex UK), which produced a total return of 23.4%. However, the benchmark has no allocation to private equity, which – as predicted in the 2008 annual results statement – proved a drag on Foreign & Colonial's performance during 2009.

In contrast, stock selection contributed positively to performance, particularly in North America and Europe. At the start of 2009, fund manager Jeremy Tigue and the board of FCIT decided to take direct control over the trust's outsourced US large-cap managers, removing a third-party manager selection firm that had been in place since 2005. Tigue's long-term bullish view on emerging markets also paid off, with the 15% allocation to emerging markets and Developed Asia proving the biggest positive contributor to performance overall.

The inflation-beating dividend increase came against a backdrop of dividend cuts by many of FCIT's holdings, and was partly funded by dipping into the trust's considerable revenue reserve. However, the

F&C Management Limited is authorised and regulated by the Financial Services Authority (FSA) FRN: 119230. Limited by shares. Registered in England and Wales, No 517895. Registered address and Head Office: Exchange House, Primrose Street, London EC2A 2NY.

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.

amount taken from the reserve is less than was paid into it in 2007 and 2008 as the result of VAT refunds. The Board has signalled its intention to at least maintain the dividend in 2010.

Since the year-end Tigue has brought the trust's Japan portfolio back in-house to F&C. It was outsourced to Goldman Sachs Asset Management in 2005, but F&C's internal team is now performing well under the leadership of Jamie Jenkins.

Commenting on the outlook for the year ahead, Foreign & Colonial Investment Trust chairman Mark Loveday said: "We will continue to strive for good and consistent relative outperformance over the long-term, and look to add value for shareholders through a virtuous circle of net asset value and share price total return, discount control management, dividend growth, a low and competitive total expense ratio and effective marketing."

During 2009, inflows into FCIT through savings schemes run by F&C were 80% higher than in 2008. These were particularly strong in the first half of the year, where extreme risk aversion against a backdrop of market uncertainty saw investors flock to the relative safety of broadly diversified global vehicles like FCIT. Some 41% of the trust's shares are now owned through F&C's savings schemes, which include tax-efficient Individual Savings Accounts and Child Trust Funds.

Foreign & Colonial Investment Trust will hold its AGM on 6 May. At the meeting Mark Loveday will retire and hand the chairmanship to Simon Fraser, who joined the FCIT Board in September 2009. Fraser was chief investment officer at Fidelity International from 1999 to 2005 and became a non-executive director of Barclays plc in 2009.

- Ends -

For more information or to arrange an interview with Jeremy Tigue or Simon Fraser, please contact Sarah Godfrey in the F&C Press Office on sarah.godfrey@fandc.com or 020 7011 4215.

Press enquiries – 020 7011 4600

Sarah Godfrey

Communications Manager

+44 (0) 20 7011 4215

Notes to Editors

F&C Investments

- F&C Asset Management (F&C) is an independent London Stock Exchange listed asset management group with around 100,000 shareholders.

F&C Management Limited is authorised and regulated by the Financial Services Authority (FSA) FRN: 119230. Limited by shares. Registered in England and Wales, No 517895. Registered address and Head Office: Exchange House, Primrose Street, London EC2A 2NY.

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.

- F&C traces its origins to 1868 with the launch of 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 manages £97.8 billion (€110.2 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. F&C invests globally and has been a longstanding investor in emerging markets.
- F&C has three pillars to its strategy: *Advisory & Solutions* – the servicing of strategic partners and the provision of investment solutions and overlays such as shareholder engagement programmes, Liability Driven Investments, Asset & Liability Management, Multi-Manager and Fiduciary Management; *Alpha Investing* – active fund management across a diverse range of asset classes and markets but with a focus on UK and European equities and fixed income and Emerging Markets; *Environmental, Social & Governance Investing* – building on its market leading presence in ethical investment with new products.
- 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, 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 a dozen countries: China (Hong Kong), France (Paris), Germany (Frankfurt & Munich), India (Mumbai), Ireland (Dublin), The Netherlands (Amsterdam), Portugal (Lisbon), Sweden (Stockholm), Switzerland (Geneva), 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 December 2009.