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Press Release

For immediate release
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F&C Private Equity Trust proposes issue of zeros

The Board of F&C Private Equity Trust (FCPET) has today announced it is to undertake an institutional placing to raise gross proceeds of up to £30m through the issue of new zero dividend preference (ZDP) shares by a new wholly owned subsidiary of the Company. It is expected that the ZDP shares will have a life of five years.

Detailed terms of the proposal have not yet been released, but the announcement follows a statement by the Company's chairman, David Simpson, who said in FCPET's interim report (released in August) that the Board was "continuing to explore a number of options to provide longer-term finance to the Company in light of changing market conditions".

F&C Private Equity Trust's manager Hamish Mair commented on the announcement: "This is designed to give us an enhanced ability to meet our outstanding commitments to private equity funds and also to make fresh investments, taking advantage of the lower prices that we expect to persist for the next year or two. There is clearly a reasonable appetite for zeros at present and we feel this route better serves our investors than a highly dilutive rights issue.

"As a company, once we complete this placing any questions about our capacity to meet commitments as we go through the credit crunch should be eliminated. The zeros issue will provide us with fresh capital on reasonable terms."

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.

The Board has said it expects to publish a prospectus in connection with the proposed placing and make a further announcement in relation to the detailed terms of the proposed issue “in due course”.

- Ends -

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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 traces its origins 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 manages £88.3 billion (€103.7 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, 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.

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* As at 30 June 2009.

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