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Press Release

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F&C's Question of the Month: two-thirds of investors back Asia and emerging markets in 2010

The latest in F&C Investments' monthly online polls has shown investors overwhelmingly backing Asia (41.7% of respondents) and emerging markets (25%) as the stockmarkets they believe will perform best in 2010.

F&C's Question of the Month for November asked "Which market do you believe has the best investment potential over the next 12 months?". Users of F&C's investment trust website, www.fandc.co.uk, were less keen on developed markets, with 5% backing Britain and only 1.7% favouring the US. Japan did slightly better, with 6.7% of votes, while 11.7% thought Europe had the best prospects.

The question was live on site for the whole of November, so included the few days after Dubai's debt repayment freeze ruffled the feathers of markets around the world.

In spite of big inflows reported by the Investment Management Association into property funds in recent months¹, property was favoured by just 5% of respondents, with only 3.3% backing private equity as the market with the best prospects.

¹ Property was the best-selling UK domiciled investment fund sector in October 2009, based on net retail sales. Source: IMA
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Mike Woodward, head of investment trusts at F&C Investments, commented: "With the West having suffered so badly in economic terms over the past year and then recovered so well in stockmarket terms, it seems quite natural for our investors to favour markets where the economic growth prospects seem stronger. It will be interesting to see over the coming year whether our respondents' convictions are correct."

The manager of F&C's largest and oldest investment trust, Foreign & Colonial Investment Trust, is also cautiously optimistic on the prospects for emerging markets over the coming year. "Notwithstanding the risks of a market correction, the fundamental growth prospects for emerging markets remain stronger than the developed economies, where growth could be anaemic for some time," said Jeremy Tigue.

However, on a valuation basis, Tigue points out that emerging markets command a premium to developed economies and that it may be harder for investors in 2010 and subsequent years to repeat the extremely high level returns seen in recent years.

The full survey results are below. December's question of the month is: What effect will the Copenhagen Climate Conference have on the environment and global stockmarkets?

- Ends -

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November question of the month

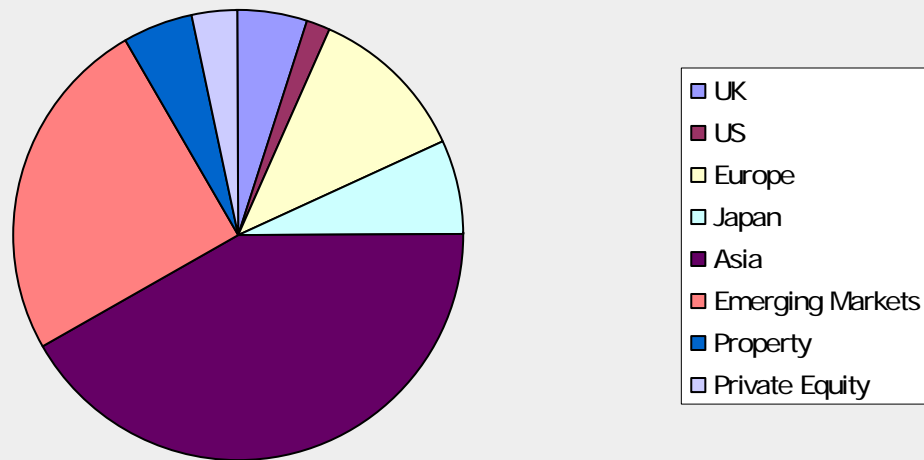
Which market do you believe has the most investment potential over the next 12 months?	
Answer Options	Response Percent
UK	5.0%
US	1.7%
Europe	11.7%
Japan	6.7%
Asia	41.7%
Emerging Markets	25.0%
Property	5.0%
Private Equity	3.3%

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Which market do you believe has the most investment potential over the next 12 months?



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 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 £99.2 billion (€108.5 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;

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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 30 September 2009.