



Foreign & Colonial Investment Trust PLC

INVESTOR DISCLOSURE DOCUMENT

IMPORTANT INFORMATION

Regulatory and legal status of the Company

Foreign & Colonial Investment Trust PLC (the “Company”) is an 'alternative investment fund' ("AIF") for the purposes of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (as implemented in the United Kingdom, the "AIFM Directive") which has appointed F&C Investment Business Limited (“FCIB”) as its Alternative Investment Fund Manager (“AIFM”). FCIB is a member of the F&C Group which, in turn, is wholly owned by BMO Global Asset Management (Europe) Limited which is itself a wholly owned subsidiary of the Bank of Montreal. FCIB is authorised and regulated by the United Kingdom Financial Conduct Authority (the “FCA”) as an AIFM for the Company.

The Company is an investment trust and is incorporated as a public limited company in England and Wales. The Company's shares are listed on the premium segment of the Official List of the UK Listing Authority and are admitted to trading on the main market of the London Stock Exchange. The operation of the Company is subject to its Articles of Association, the FCA Listing Rules, the FCA Disclosure and Transparency Rules, the UK Corporate Governance Code issued by the Financial Reporting Council (April 2016) and the UK Companies Act 2006.

The provisions of the Company's Articles of Association, which are binding on the Company and all of its shareholders, set out the respective rights and restrictions attaching to the Company's shares. All shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Company's Articles of Association.

Limited purpose of this document

This document, which is made available to investors in the Company by being made available at www.foreignandcolonial.com, is not a prospectus. It is issued for the sole purpose of making certain regulatory disclosures to investors in accordance with the requirements of the AIFM Directive. The Company, its Directors and FCIB as its AIFM will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document other than to inform a decision to invest in shares in the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's shares.

This Investor Disclosure Document is based on information, law and practice at the date hereof. The Company, its Directors and FCIB as its AIFM cannot be bound by an out of date Investor Disclosure Document when it has issued a new Investor Disclosure Document and investors should check with FCIB that this is the most recently published Investor Disclosure Document.



This document is not intended to be an invitation or inducement to any person to engage in any investment activity. It does not include all the information which investors or their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and its shares.

No advice

The Company, its Directors and FCIB as its AIFM are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, FCIB or any of their respective affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment and any other related matters concerning the Company and an investment in the Company's shares.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Overseas investors

The distribution of this document in certain jurisdictions will be restricted and accordingly any persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. In particular, the shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer and other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares.

This Investor Disclosure Document is dated, and is valid, as at 20 July 2017.



THE COMPANY

Investment Objective

The Company's Investment Objective is "to secure long-term growth in capital and income through a policy of investing primarily in an internationally diversified portfolio of publicly listed equities, as well as unlisted securities and private equity, with the use of gearing."

Investment restrictions and guidelines

The Board of Directors sets guidelines for the AIFM under which the Company is managed and these can be varied from time to time. The Company typically remains fully invested in equities. Within the general policy of maintaining a diversified portfolio there are no specific geographic or industry sector exposure limits for the publicly listed equities. The Company has placed a limit of 5% of the total value of its investment portfolio that can be invested in unlisted securities at the time of acquisition (excluding private equity investments). Any unlisted investment requires specific prior Company approval.

Under the Company's Articles of Association, with limited exceptions, no single investment may be made by the Company which exceeds 10% of the total value of the investment portfolio at the time of acquisition. Under the FCA Listing Rules, no more than 10% of the total value of the investment portfolio may be invested in other listed closed-ended investment companies, unless such investment companies have themselves published investment policies to invest no more than 15% of their total assets in other closed-ended investment companies, in which case the limit is 15% of the total value of the investment portfolio.

The Company has placed a limit of 5% of the total value of the investment portfolio on investment funds managed by the F&C Group, at the time of acquisition. Any such investment requires specific prior Company approval.

Derivatives may be used for the purpose of income enhancement and efficient portfolio management including, if appropriate, protection against currency risks. With regard to income enhancement, options may only be written on quoted securities and the total nominal exposure is limited to a maximum of 5% of the UK investment portfolio forming part of the total investment portfolio at the time of investment for both put and call options.

Leverage

Borrowings, whether short or long-term in nature, can be taken out either in Sterling or a foreign currency from approved financial institutions. The Board of Directors' guidelines on borrowings is that they should normally fall within a range of 0 – 20% of shareholders' funds.

The Board's guidelines are within the borrowing limits set by the Company's Articles of Association, being 100% of shareholders' funds. Maximum gross and commitment leverage, calculated in accordance with the requirements under the AIFM Directive as inclusive of borrowings and exposure to derivatives (see above), shall similarly not exceed 200%, being equivalent to 100% of shareholders' funds.

Material changes to leverage policies must be agreed by the Board and will be notified to shareholders via the Company's website and its Annual Report and Accounts.

The total level of leverage employed by the Company is updated regularly on the "Monthly Factsheet" published on the Company's website.



Investment Policy and Strategy

The Company's Investment Strategy and Policy are set out in the Strategic Report section of the Annual Report and Accounts, which can be found on the Company's website.

The Company is required to obtain the prior approval of shareholders, by ordinary resolution, to any material change to its published Investment Policy. The Company will announce any such change through a Regulatory Information Service.

Dividend policy

The Company pays dividend distributions quarterly to shareholders. The fourth and final dividend in respect of each financial year is subject to a vote by shareholders at the Company's Annual General Meeting. Dividend payments are announced through a Regulatory Information Service. The Annual Report and Accounts on the Company's website contains details of dividends paid and proposed in respect of the relevant financial year.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The Alternative Investment Fund Manager (AIFM)

FCIB, a wholly-owned subsidiary of F&C Asset Management plc (FCAM), is the Company's AIFM. FCIB is a Scottish incorporated company. The directors of the AIFM are David Sloper, David Logan, Richard Watts, Benjamin Apfel, Nigel Parry, Tina Watts, Marrack Tonkin, Mandy Mannix and FCAM.

FCAM, the parent company of the AIFM, is incorporated in the United Kingdom. The directors of FCAM are Gilles Ouellette, Barry Cooper, William (Bill) Smith, Richard Wilson, Charlie Porter, David Logan, Ruth Sack, Kieran Poynter and Joan Mohammed. FCAM has its offices at 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG, Scotland.

FCAM is owned 100% by Bank of Montreal through its wholly owned subsidiary, BMO Global Asset Management (Europe) Limited. BMO Global Asset Management is part of BMO Financial Group, a highly diversified financial services provider based in North America.

The Company has a management agreement with FCIB whereby it acts as AIFM to the Company in accordance with the requirements of the AIFM Directive, which includes the provision of discretionary investment management services and risk oversight and management services in relation to the Company's investment portfolio.

In addition to its duties as AIFM, FCIB also provides company secretarial, accounting, marketing and administrative services to the Company, as set out in detail in the Annual Report and Accounts at www.foreignandcolonial.com.

FCIB's remuneration is based on a fee of 0.365% per annum of the market capitalisation of the Company, calculated at each month end on a pro-rata basis; the fee is adjusted for fees earned by FCIB in respect of investment holdings managed or advised by FCIB. Variable fees payable in respect of third party sub-managers are also reimbursed.

The management agreement continues unless or until terminated by either party giving to the other not less than six months' notice in writing so as to expire at the end of any calendar month or unless otherwise terminated with cause upon immediate written notice from the Company to FCIB.



Remuneration policy of the AIFM

The AIFM Remuneration Code of the UK Financial Conduct Authority requires F&C Investment Business Limited as the designated Alternative Investment Fund Manager (“AIFM”) for Foreign & Colonial Investment Trust PLC to maintain a remuneration policy for AIFM Remuneration Code Staff (“AIFM Code Staff”). The policy’s purpose is to promote sound and effective risk management. The policy must be consistent with Foreign & Colonial Investment Trust PLC’s risk profile, governing terms and investment strategy. AIFM Code Staff are those persons whose professional activities have a material impact on the risk profiles of the AIFM or the investment funds that it manages.

The Board of the AIFM delegates responsibility to the BMO Global Asset Management (EMEA) Group Risk and Remuneration Committee (the “Committee”) for maintaining a compliant remuneration policy. The Committee approves annually the BMO Global Asset Management (EMEA) Group Remuneration Policy (the “Policy”).

The Policy defines how the AIFM will achieve the objective of providing total compensation to AIFM Code Staff, taking into account:

- business unit/function, individual performance and market rates
- promoting sound and effective risk management and achieving fair outcomes for all customers

The Policy deals with how the “Pay-Out Process Rules” in the AIFM Remuneration Code apply to variable remuneration (which may be cash bonus and/or long-term award pools). The Pay-Out Process Rules require certain levels of variable remuneration to be paid in the shares of the relevant investment fund, where practicable, and for certain amounts to be deferred. The Committee determines annually how the Pay-Out Process Rules apply at a firm and at an AIFM Code Staff level.

The Policy also includes the ability for the Committee to recommend that an employee’s unvested variable remuneration is reduced where certain circumstances arise, for example, reasonable evidence of employee misconduct, or material failure in risk management.

Employee remuneration disclosure

The total remuneration paid by F&C Investment Business Limited to its staff is zero, as all AIFM staff are employed by other companies in the same group of companies as the AIFM.

The table below provides an overview of aggregate total remuneration paid to AIFM Code Staff.

	Headcount	Total Remuneration (£m)
F&C Investment Business Limited Remuneration Code Staff	23	2.432
of which:		
Senior Management	11	0.501
Other Code Staff	12	1.931

Notes:

Total remuneration reported is the sum of salary, cash bonus, any deferred annual bonus, the face value of any long term incentive awards, plus the value (actual or estimated) of any pension or benefits in kind, awarded in respect of performance in the reportable financial year.

The table excludes individuals who are providing delegated services to the AIFM.



It is not possible to apportion remuneration based on time spent by individual Code Staff working on a specific investment fund. Total Remuneration is therefore provided in aggregate on an AIFM basis, rather than being specific to Foreign & Colonial Investment Trust PLC.

Delegation

The table below sets out those other entities to which F&C Investment Business Limited has delegated portfolio and/or risk management activities and F&C Investment Business Limited's assessment of the extent to which the delegate is subject to equivalent regulatory requirements for remuneration.

Delegated Entity	Location	Assessment of extent to which regulatory requirements are equivalent.
Barrow, Hanley, Mewhinney & Strauss	USA	Not equivalent; contractual arrangements have been entered into to ensure the delegate's staff are subject to equivalent remuneration requirements.
T Rowe Price Global Investment Services Limited	UK	Equivalent under Capital Requirements Directive.

AIFM activities

The following table provides an overview of the size and composition of the funds managed by the AIFM, including Foreign & Colonial Investment Trust PLC. This shows the total number of funds managed, the split between, and proportions of AIF and UCITS.

	Number of funds	AUM as at 31 October 2016 (GBP)	% of AUM as at 31 October 2016
Alternative Investment Funds	16	8,450,843,491	100%
UCITS	0	0	0%
Total	16	8,450,843,491	100%

The Depositary

The Company has appointed J.P. Morgan Europe Limited (JPMEL) to provide depositary services, under the AIFM Directive, under the terms of a depositary agreement dated 22 July 2014 to which both the Company and the AIFM are parties. The services provided by JPMEL as depositary for the Company include:

- general oversight responsibilities over the issue and cancellation of the Company's share capital, the carrying out of net asset value calculations, the application of income, and the ex-post review of investment transactions;
- monitoring the Company's cash flows and ensuring that all cash is booked in appropriate accounts in the name of the Company or FCIB or JPMEL acting on behalf of the Company; and
- ensuring that J.P. Morgan Chase Bank Limited (JPMCB) (to whom JPMEL has delegated the safekeeping of all assets held within the Company's investment portfolio, including those classed as financial instruments for the purpose of the AIFM Directive, in accordance with the terms of a Global Custody Agreement to which both the Company and the AIFM are also a party) retains custody of the Company's financial instruments in segregated accounts so that they can be clearly identified as belonging to the Company and maintains records sufficient for verification of the Company's ownership rights in relation to assets other than financial instruments. No specific



conflicts have been identified as arising as a result of the delegation of the provision of custody and safekeeping services by JPMEL to JPMCB.

The terms of the Depositary agreement provide that the Depositary shall ensure that the Custodian or any other custodial delegate cannot make use of the Company's assets.

Although the Depositary has delegated the safekeeping of all assets held within the Company's investment portfolio to JPMEL, in the event of loss of those assets that constitute financial instruments under the AIFM Directive, the Depositary will be obliged to return to the Company financial instruments of an identical type, or the corresponding amount of money, unless it can demonstrate that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary receives an annual fee for its services of 1 basis point on the first £1,000 million of the Company's net assets and 0.25 basis points on net assets in excess of that amount, payable monthly in arrears.

The depositary agreement in place with JPMEL and the related custody agreement in place with JPMCB continues unless and until terminated: without cause upon the Company giving not less than 90 days' notice and upon JPMEL giving not less than 120 days' notice, in each case such notice to be effective no earlier than the first anniversary of the effective date.

The Depositary's duties are owed to the Company and not directly to investors in the Company, whether individually or in groups. Accordingly, investors may not bring any action or make a claim against the Depositary under the depositary agreement.

The Auditor

Ernst & Young LLP ("EY") provide audit, audit-related assurance services and taxation compliance services to the Company. Their Audit Report in respect of the Financial Statements of the Company, and the fees for its services, are set out in the Annual Report and Accounts on the Company's website.

The Auditor has a statutory responsibility to report to the members of the Company as a whole in relation to the truth and fairness of the Company's state of affairs and profit or loss as well as confirming that the Company accounts have been prepared in accordance with the Company's Articles of Association. The Auditor is also required to report by exception if there are certain matters on which they are not satisfied, including if adequate accounting records have not been kept by the Company or it has not received all the information and explanations required in order to carry out the audit.

The Share Registrar

Computershare Investor Services Limited is responsible for maintaining the Company's share register, including keeping up to date the names and addresses of shareholders, receiving and recording proxies at the Company's Annual General meeting, and paying dividends on the due date to shareholders on the register in accordance with instructions from the Company. The fees paid to the Registrar are variable and are set out in the Annual Report and Accounts on the Company's website.

Outsourcing and delegation of functions by the AIFM

The AIFM has outsourced responsibility for management of that part of the Company's investment portfolio which is invested in the United States to T. Rowe Price International Ltd and Barrow, Hanley, Mewhinney and Strauss LLC. T. Rowe Price International Ltd has in turn sub-delegated to T. Rowe Price Associates, Inc. Fees in respect of these services are paid to



these companies by the AIFM and reimbursed by the Company to the AIFM, as described in the Annual Report and Accounts; and

The AIFM has outsourced settlement, corporate action, reconciliation and certain other administrative and record-keeping functions to State Street Bank and Trust Company. Fees for these services are paid by the AIFM and are not reimbursed by the Company.

The Company has not identified any conflicts of interest in these relationships.

F&C Management Limited, an associate of the AIFM, trades securities and financial derivatives with brokers and other market counterparties as agent on behalf of the Company on a delegated basis.

The duties of the delegates are owed to the Company and not directly to investors in the Company, whether individually or in groups. Accordingly, investors may not bring any action or make a claim against the services agreements with those delegates.

SHAREHOLDER INFORMATION

Reports and Accounts

Copies of the Company's latest Annual and Interim Reports may be accessed at www.foreignandcolonial.com or by writing to the Company Secretary at its Registered Office address, Exchange House, Primrose Street, London EC2A 2NY.

Publication of net asset values and share prices

The previous business day's cum- and ex-income net asset values of the Company are published each business day through a Regulatory Information Service and may also be accessed at www.foreignandcolonial.com under "Regulatory News". The current share price is also published on the website.

Valuation Policy

The Company's valuation policy in respect of its listed and unlisted investments and derivatives is contained within the Accounting Policies note in the Annual Report and Accounts published on the Company's website which can be accessed at www.foreignandcolonial.com.

Historical performance of the Company

Details of the Company's historical financial performance are provided in the Company's Annual Reports and Accounts and monthly factsheets, which are available at www.foreignandcolonial.com.

Investors should note that past performance of the Company is not necessarily indicative of future performance. Investors may not get back the amount invested.

Purchases and sales of shares by investors

The Company's shares are admitted to the Official List of the UKLA and to trading on the main market of the London Stock Exchange. Accordingly, the Company's shares may be purchased and sold on the main market of the London Stock Exchange. The value at which shares trade on the London Stock Exchange may be below (at a "discount" to) or above (at a "premium" to) the net asset value per share of the Company.

The Company's shares are not redeemable. While the Company intends at each Annual General Meeting to request shareholder authority to issue and to buy back shares, shareholders



do not have the right to have their shares re-purchased by the Company or to have new shares issued to them.

The AIFM with the approval of the Company maintains a series of savings plans operated by F&C Management Limited as plan manager through which investors located in the United Kingdom can make regular or lump sum payments to purchase and subsequently hold or sell shares in the Company in a savings plan account. The savings plans are administered on behalf of the AIFM by International Financial Data Services (“IFDS”) and details are contained in the Annual Report and Accounts and at www.foreignandcolonial.com

Legal implications of contractual relationship

The rights, obligations and relationships of the members of the Company shall be governed by the law of England and Wales and subject to exclusive jurisdiction of the courts of England and Wales.

The English courts generally recognise judgements obtained in the courts of another jurisdiction (subject to, inter alia, the legislation on the recognition of judgements referred to below, the rules of the English courts in relation to the recognition and/or enforcement of foreign judgements and such judgements not being contrary to public policy in England). The exact rules, on the recognition and enforcement of foreign judgements, depend on the jurisdiction in which such judgements are obtained. Legislation providing for the reciprocal recognition of foreign judgements in England includes: Civil Jurisdiction and Judgements Act 1982/EU Council Regulation EC no. 44/2001 (“CJJA”) in respect of all EU countries other than Denmark (with equivalent provisions applying to Denmark, Iceland, Norway and Switzerland as signatories to the Brussels and Lugano Conventions, both of which Conventions are covered by the CJJA reciprocal enforcement provisions); Foreign Judgements (Reciprocal Enforcement) Act 1933 in respect of those jurisdictions covered by the CJJA, Israel, Suriname and Tonga and to judgements of the recognised courts of the Commonwealth countries of Australia, the Federal Court of Canada and any courts in most of the provinces of Canada as well as Guernsey, the Isle of Man, the Bailiwick of Jersey, certain territories of the Republic of India and Pakistan; and the Administration of Justice Act 1920 in respect of the superior courts of Commonwealth countries and British Overseas Territories within 12 months from the date of the relevant judgement.

In respect of all other jurisdictions (including the United States), judgements are not automatically enforceable in England and would be required to be enforced in England under common law.

Fees and expenses

The fees and expenses which will be borne by the Company and investors are limited as set out above, but there is no formal cap on their level. Fees and expenses are analysed within the financial statements in the Company’s Annual Report and Accounts published on the Company’s website which can be accessed at www.foreignandcolonial.com.

Fair treatment of investors

The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The FCA Listing Rules require that the Company treats all shareholders of the same class of shares equally.

In particular, each Director has statutory duties under the Companies Act 2006 with which they must comply, including a duty to act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors. Furthermore, the AIFM does not give preferential treatment to any investors who open savings plan accounts



for the purpose of investing in the shares of the Company and it is obliged under the rules of the FCA to ensure that all investors in the savings plans are treated fairly. Oversight of its compliance with the aforementioned rules and the achievement of fair outcomes for investors is undertaken by the F&C Group Treating Customers Fairly Committee and through the operation of an embedded complaints handling procedure.

RISK FACTORS AND RISK MANAGEMENT

Risk profile

The Company's key risks and the procedures in place for the management of those risks are set out in the Annual Report and Accounts on the website under "Principal Risks" and under the Report of the Audit and Management Engagement Committee.

The Company reports in its Interim Report and Accounts, which can be found at www.foreignandcolonial.com, whether the key risks have changed since the year end.

Liquidity risk management

The AIFM and the Directors have in place a liquidity management policy in relation to the Company which is intended to ensure that the Company's investment portfolio maintains a level of liquidity which is appropriate to the Company's obligations in respect of investment settlements, private equity commitments, share buybacks, loan repayments, dividend payments and other operating costs.

The majority of the Company's portfolio of investments is liquid. Illiquid assets of the Company are likely to include investments in private equity funds managed by Pantheon Ventures Limited and HarbourVest Partners LLC. The Company's website contains a full list of investments and the Annual Report and Accounts carry further details of the private equity portfolio.

A list of pre-approved counterparties, selected on strict criteria, is maintained by the AIFM. Cash and deposits must be held with approved banks with a minimum rating as set by the Company from time to time.

Investors will be notified by way of a disclosure on the website in the event of any material changes being made to the liquidity management systems and procedures, or where any new arrangements for managing the Company's liquidity are introduced.

Professional negligence liability risks

The AIFM is covered under professional indemnity insurance.