

January 2010



**Jeremy Tighe**  
Fund Manager

## Trust aims

The objective of the trust 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. The trust is benchmarked against a composite index of 40% FTSE All-Share Index/ 60% FTSE All World ex-UK.

## Trust highlights

- The first ever investment trust, launched in 1868.
- A diversified portfolio gives exposure to most of the world markets.
- Invests in more than 600 companies in 35 countries.
- Among the largest investment trust in its sector.

## Benchmark

40% FTSE All-Share Index / 60% FTSE All World ex-UK

## Average annual return

Average annual return figure over 5 years 9.32%

## Key details

Fund Type	Investment Trust
Launch Date	1868
Total assets	£2.1 billion
Share price	272.10p
NAV	304.74p
Discount/Premium(-/+)	-10.6%
Dividend Payment Dates	May, Sep
Net dividend yield	2.4%
Actual gearing**	108.0
Management fee rate***	Fixed Fee of £6.71m p.a.
Total expenses	0.53%
Year End	31 December
Sector	Global Growth
Currency	Sterling
Website	www.foreignandcolonial.com

## Standardised performance

	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005
Fund	22.5%	-26.7%	14.2%	12.1%	35.8%

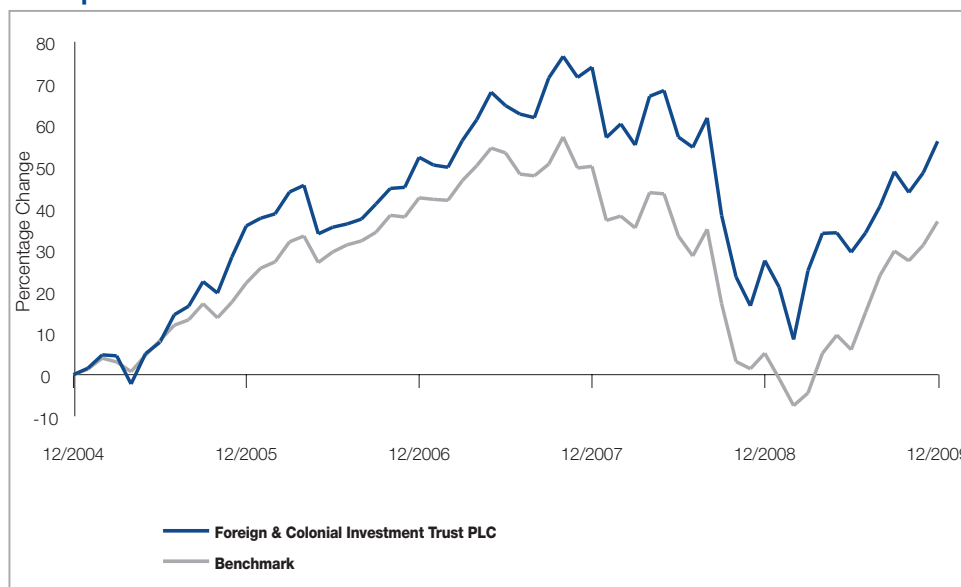
## Cumulative performance

	1 Month	Year to date	1 Year	3 Years	5 Years
Fund	5.1%	22.5%	22.5%	2.5%	56.1%
Benchmark	3.9%	24.4%	24.4%	4.0%	42.3%

Source: Datastream & Lipper. Basis: share price, percentage growth, bid to bid, net income reinvested. Basis in accordance to the regulations of the FSA.

Past performance is not a guide to future performance. The standardised performance table refers to 12 month periods ending 31 December. The cumulative performance table refers to cumulative periods ending 31.12.2009.

## Fund performance



## Top ten holdings

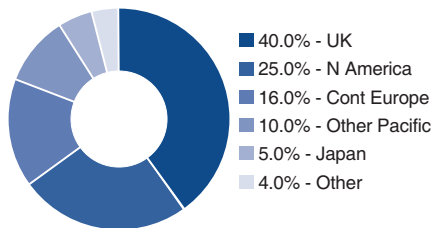
Holdings	Sector/Country	%
HSBC	UK	2.8%
Pantheon Europe III	Europe	2.7%
BP	UK	2.7%
Royal Dutch Shell	UK	2.6%
GlaxoSmithKline	UK	2.2%
Rio Tinto	UK	2.1%
Vodafone Group	UK	2.1%
HarbourVest Direct	USA	1.7%
Caithness Petroleum	UK	1.7%
Dover Street VI	USA	1.6%
<b>TOTAL</b>		<b>22.2%</b>

# Foreign & Colonial Investment Trust PLC

Continued

January 2010

## Trust geographical breakdown



## Manager's commentary

2009 ended with another strong market performance and a huge contrast to the gloom and doom at the end of 2008. Emerging markets were the best performers and we benefited again from our positions in these markets. However, we think 2010 will be a more volatile year for many of these markets so we took advantage of strong share prices to make some sales in December in anticipation of some buying opportunities in 2010. We remain very optimistic about the long term trends favouring these companies but are nervous when everyone in the world seems to share our view. Our private equity portfolio lagged the listed markets in 2009 but we expect its performance to improve and make a positive contribution to our results in 2010. The UK equity and bond markets and sterling are likely to be very unsettled in the run up to the general election in May and this may present us with some interesting investment opportunities.

## Trust codes

Sedol	
F&C FCI - GBP	0346607

All data as at 31.12.09. unless otherwise stated.

The yield is calculated on an historic basis using the actual dividends paid during the company's last financial year and the closing share price as at the end of the relevant month.

All information is sourced from F&C, unless otherwise stated. All percentages are based on gross assets. \* Total assets / shareholders' funds (debt measured at par value). \*\* (total assets - cash) / shareholders' funds (debt measured at par value). \*\*\* Management fee and expenses information as at the end of 30 April 2009. Please refer to the latest annual report as to how the fee is structured. The share price may either be below (at a discount) or above (at a premium) the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the 'Key Features' document for the relevant product. Stock market and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Where investments are made in emerging markets, unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and the income from the investment. If markets fall, gearing can magnify the negative impact on performance. The fact sheet is issued and approved by F&C Management Limited. Authorised and regulated in the UK by the Financial Services Authority (FSA). Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895.