

January 2012



Rodger McNair
Fund Manager

Trust Aims

To provide an attractive return to shareholders each year in the form of dividends and/or capital returns, together with prospects for capital growth. The Company's portfolio is managed in two parts. The first part comprises investments in UK equities and equityrelated securities of large and mid-sized companies (the Equities portfolio) and the second part comprises investments in fixed interest and other higher yielding stocks and securities (the Higher Yielding Portfolio). At outset the Equities portfolio represented 80 per cent of the overall portfolio.

Benchmark

FTSE All-Share Capped 5% Index

Key details (based on A shares)

| | |
|------------------------|----------------------------|
| Fund Type | Investment Trust |
| Launch Date | 1 March 2007 |
| Total assets | £138.4 million |
| Share price | 75.50p |
| NAV | 82.17p |
| Discount/Premium(-/+) | -8.1% |
| Dividend Payment Dates | Feb, May, Aug, Nov |
| Net dividend yield | 5.7% |
| Actual gearing* | 100.4 |
| Management fee rate** | 1.10% |
| Total expenses | 0.90% |
| Year end | 31 March |
| Sector | UK High Income |
| Currency | Sterling |
| Website | www.investorscapital.co.uk |

Standardised performance

| | 2010/2011 | 2009/2010 | 2008/2009 | 2007/2008 | 2006/2007 |
|------------|-----------|-----------|-----------|-----------|-----------|
| Shareprice | -5.7% | 15.0% | 26.1% | -24.0% | N/a |

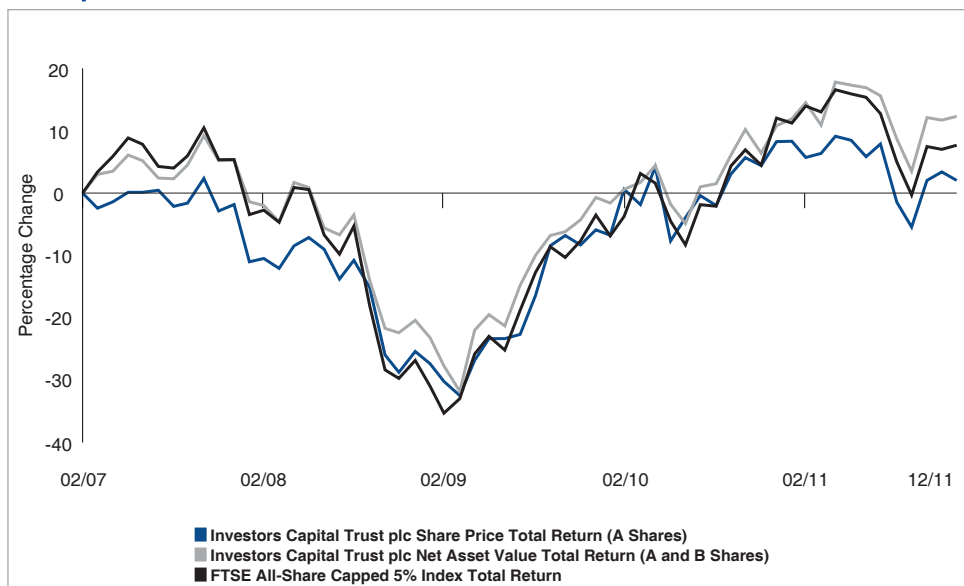
Cumulative Performance

| | 1 Month | Year to date | 1 Year | 3 Years | Since Launch |
|------------|---------|--------------|--------|---------|--------------|
| Shareprice | -1.3% | -5.7% | -5.7% | 36.8% | 4.6% |
| Benchmark | 0.6% | -3.9% | -3.9% | 48.2% | 8.7% |

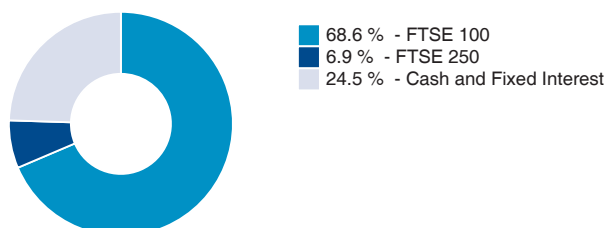
Source: Lipper. Basis: share price, percentage growth, bid to bid, net income reinvested. Basis in accordance to the regulations of the FSA.

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 31.12.2011

Fund performance



Trust sector breakdown



Structure

The Company's capital structure offers shareholders the opportunity to receive quarterly returns in the form of either dividends, capital returns, or both, to suit their own particular circumstances. The Company has two classes of shares: A shares and B shares. The rights of each class are identical, save in respect of the right to participate in distributions of dividends and capital. The net asset value attributable to each class of shares is the same.

Only A shares are entitled to dividends paid by the Company. B shares, instead of receiving dividends, receive a capital return at the same time as, and in an amount equal to, each dividend paid on the A shares. For certain shareholders, there may be tax or other advantages in receiving a capital return rather than a dividend. Capital returns received on B shares will fall to be taxed in accordance with the rules relating to the taxation of chargeable gains and, in normal circumstances, quarterly capital returns will be treated as 'small' for such rules. Shares may be held and traded within Units, each Unit comprises three A shares and one B share. Only A Shares carry a right to participate in dividends paid by the Company. B Shares are not entitled to dividends but each B Share instead carries the right to receive a capital distribution at the same time as, and in an amount equal to, each dividend paid in respect of A Shares.

Investors Capital Trust plc

Continued

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Top ten equity holdings

| Holdings | Sector/Country | % |
|--------------------------|---------------------------|-------|
| Vodafone Group | Mobile Telecoms | 4.5% |
| GlaxoSmithKline | Pharmaceuticals & Biotech | 4.5% |
| Royal Dutch Shell | Oil & Gas Producers | 4.2% |
| British American Tobacco | Tobacco | 4.1% |
| BP | Oil & Gas Producers | 4.0% |
| HSBC Holdings | Banks | 3.3% |
| Rio Tinto | Mining | 2.9% |
| BG Group | Oil & Gas Producers | 2.8% |
| AstraZeneca | Pharmaceuticals & Biotech | 2.3% |
| BHP Billiton | Mining | 2.3% |
| Total | | 34.9% |

Top ten bond holdings

| Holdings | % |
|---------------------------------|------|
| Paragon Group 7% 20/04/17 | 0.4% |
| Marstons FRN 15/07/20 | 0.3% |
| UBS 6.375% 20/07/16 | 0.3% |
| France Telecom 6% 29/03/12 | 0.3% |
| Permanent Master ABS 15/07/42 | 0.3% |
| Kraft Food 5.75% 20/03/12 | 0.3% |
| Altria Group 8.5% 10/11/13 | 0.3% |
| Sutton Bridge 8.625% 30/06/22 | 0.3% |
| GE Capital 6% 11/04/13 | 0.3% |
| Marks & Spencer 5.875% 29/05/12 | 0.3% |
| Total | 3.1% |

Manager's commentary

The Company's net asset value increased 1.3% on a total return basis during the month.

A new position was initiated in IML, the industrial engineering group. The company has established attractive market positions in its core business divisions; severe service, fluid power and indoor climate. The common thread to the three business divisions is expertise in fluid dynamics. The company has developed a broad range of products which includes valves critical to the oil and gas industry that can operate in extreme conditions to transmission and engine components for commercial trucks. At present the group derives almost 20% of revenue from faster growing emerging markets, although this fails to capture sales to German manufacturers ultimately destined for export to Asian markets. The company has a very strong balance sheet which will be utilised to make bolt-on acquisitions to further strengthen its market positions.

A tepid year-end rally in the last two weeks of the year resulted in a broadly flat UK equity market for the month. Robust corporate balance sheets, excluding the financial sector, and an encouraging trend in economic indicators in the US provide some off-set to the problems faced in Continental Europe. The European banking system faces a number of significant challenges in 2012 which only heightens the downside risk to economic activity in the region. Avoiding a reduction in the flow of credit to individuals and small and medium sized enterprises will be a challenge as European banks de-leverage. We continue to invest in geographically diversified businesses that can sustain real dividend growth through what we believe will be a prolonged period of sub-trend UK economic growth.

All data as at 31.12.11 unless otherwise stated.

The yield is calculated based on estimated dividends for the company's current 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 - cash and fixed interest) / shareholders' funds. **Total expenses and management fee as at the end of 31 March 2011 and expressed as a percentage of average shareholder's funds. 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 No 517895.

Trust codes

| Sedol | |
|--------------------------|---------|
| F&C ICT - GBP (Units) | B1N4H93 |
| F&C ICT - GBP (A Shares) | B1N4G29 |
| F&C ICT - GBP (B Shares) | B1N4H59 |