

March 2010



Phil Doel
Fund Manager

Trust aims

To achieve capital growth for ordinary shareholders by investing in a portfolio of UK equities with potential for above average capital growth.

Structure

Since 1 November 2007 the Company has had a simple capital structure with only Ordinary Shares in issue. The Company's net asset value total return will be measured against the total return of the FTSE All Share Index ("All Share") over the two calendar years 2008 and 2009. In the event that the Company outperforms the All Share it will continue as an investment trust at that point. Shareholders will then be invited to approve the continuation of the Company in 2013 and triennially thereafter. If the Company does not outperform the All Share between 1 January 2008 and 31 December 2009 the Board will propose a reconstruction of the Company involving an entitlement for Shareholders to elect for a full cash exit at close to net asset value.

Trust highlights

- UK equity exposure with the aim of capital growth.
- Concentrated portfolio containing 25 of the Manager's high conviction ideas, each being broadly equally weighted.

Benchmark

FTSE All-Share Index

Average annual return

Average annual return figure over 5 years 5.78%

Key details

| Fund Type | Investment Trust |
|------------------------|-----------------------|
| Launch Date | 1993 |
| Total assets | £45.2 million |
| Share price | 80.00p |
| NAV | 87.48p |
| Discount/Premium(-/+) | -8.6% |
| Dividend Payment Dates | May |
| Net dividend yield | 4.6% |
| Actual gearing* | 100.3 |
| Management fee rate** | 0.80% |
| Total expenses | 1.50% |
| Year end | 31 December |
| Sector | UK Growth |
| Currency | Sterling |
| Website | www.ukselecttrust.com |

Standardised performance

| | 2009/2010 | 2008/2009 | 2007/2008 | 2006/2007 | 2005/2006 |
|-------------|-----------|-----------|-----------|-----------|-----------|
| Fund | 64.7% | -43.6% | -5.6% | 15.9% | 30.3% |

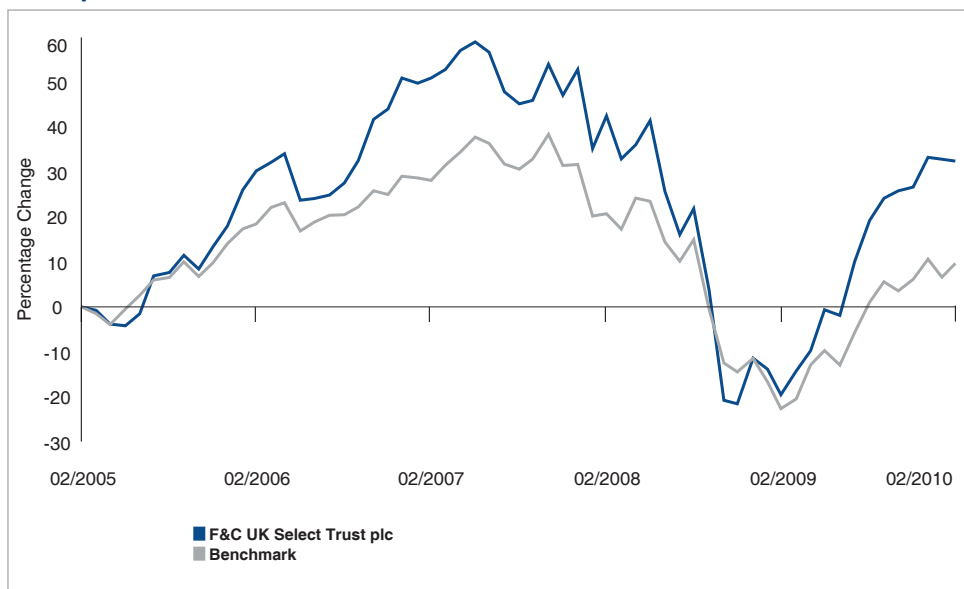
Cumulative performance

| | 1 Month | Year to date | 1 Year | 3 Years | 5 Years |
|------------------|---------|--------------|--------|---------|---------|
| Fund | -0.3% | -0.6% | 64.7% | -12.3% | 32.5% |
| Benchmark | 3.4% | -0.3% | 47.3% | -3.9% | 31.2% |

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 28 February. The cumulative performance table refers to cumulative periods ending 28.02.2010

Fund performance



Top ten holdings

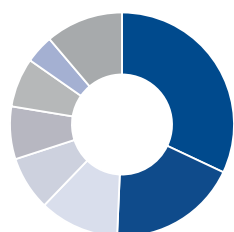
| Holdings | Sector/Country | % |
|---------------------------------|-------------------------------------|--------------|
| Caithness Petroleum | Oil & Gas Producers | 6.6% |
| Indus Gas Ltd | Oil & Gas Producers | 4.3% |
| Bowleven | Oil & Gas Producers | 4.0% |
| Shire | Pharmaceutical & Biotech | 3.9% |
| Dolphin Capital | Real Estate | 3.9% |
| Berkeley Group | Household Goods & Home Construction | 3.8% |
| GlaxoSmithKline | Pharmaceutical & Biotech | 3.8% |
| Associated British Foods | Food Producers & Processors | 3.8% |
| Barclays | Banks | 3.8% |
| Aegis Group | Media | 3.8% |
| Total | | 41.7% |

F&C UK Select Trust plc

Continued

March 2010

Trust sector breakdown



| | |
|--------|---------------------|
| 32.0 % | - Financials |
| 18.7 % | - Oil & Gas |
| 11.5 % | - Consumer Goods |
| 7.8 % | - Health Care |
| 7.6 % | - Consumer Services |
| 7.1 % | - Basic Materials |
| 4.1 % | - Cash |
| 11.2 % | - Others |

Manager's commentary

We completed the sale of our long-term holding in personal goods supplier SSL and replaced it with Connaught, the integrated support services group. SSL has delivered consistently good returns and remains a company we still like and hold elsewhere.

Connaught's principal activity is providing integrated asset management and compliance services to the public and private sectors focusing on social housing maintenance, estate management, electrical and mechanical maintenance and specialist maintenance. The social housing business focuses on fixing, maintaining and cleaning homes and neighbourhoods for local authorities and social landlords. Compliance specialises in gas installation, servicing and maintenance, fire and electrical compliance, and provides full health and safety and business risk assessments.

The shares have been de-rated as investors focused on economically sensitive recovery situations rather than steady growth companies. Looking forward we believe investors will increasingly value genuine growth more highly again and believe Connaught will exhibit this as it continues to consolidate its leadership in UK social housing.

Trust codes

| Sedol | |
|---------------|---------|
| F&C IUS - GBP | 0156828 |

All data as at 28.02.10 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 - cash and fixed interest) / shareholders' funds. **Total expenses and management fee information as at the end of December 2008 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 & Wales No 517895.