

January 2010



Peter Jarvis
Fund Manager

Trust aims

To achieve long-term capital growth through a diversified portfolio of Continental European securities.

Trust highlights

- Formed in the year Britain joined the European Community.
- Responds swiftly to changes within the sector.

Benchmark

FTSE Europe ex-UK Index

Average annual return

Average annual return figure over 5 years 4.87%

Standardised performance

	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005
Fund	18.4%	-40.4%	12.9%	15.7%	37.6%

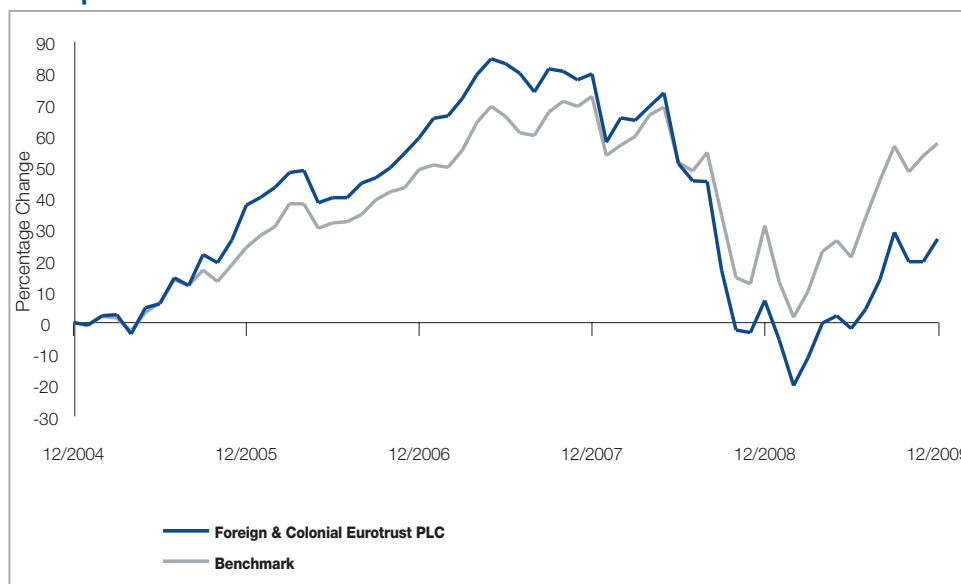
Cumulative performance

	1 Month	Year to date	1 Year	3 Years	5 Years
Fund	6.1%	18.4%	18.4%	-20.3%	26.8%
Benchmark	2.6%	20.1%	20.1%	5.6%	57.5%

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



Key details

Fund Type	Investment Trust
Launch Date	1972
Total assets	£284.8 million
Share price	531.00p
NAV	624.11p
Discount/Premium(-/+)	-14.9%
Dividend Payment Dates	Dec
Net dividend yield	2.6%
Actual gearing**	96.4
Management fee rate***	0.50%
Total expenses	0.70%
Year End	30 September
Sector	Europe
Currency	Sterling
Website	www.foreignandcolonialeurotrust.com

Top ten holdings

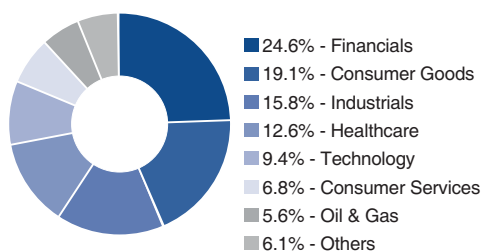
Holdings	Sector/Country	%
Novartis	Pharmaceuticals & biotechnology (Switzerland)	4.9%
BNP Paribas	Banks (France)	4.4%
Unilever	Food producers (Netherlands)	4.0%
Nokia	Technology hardware & equipment (Finland)	3.8%
Siemens	General Industrial (Germany)	3.7%
Credit Suisse	Banks (Switzerland)	3.5%
Roche	Pharmaceuticals & biotechnology (Switzerland)	3.4%
UBS	Banks (Switzerland)	3.3%
Svenska Handelsbanken	Banks (Sweden)	3.1%
G4S	Support services (Denmark)	3.0%
TOTAL		37.1%

Foreign & Colonial Eurotrust PLC

Continued

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Trust sector breakdown



Manager's commentary

European equities edged higher in December as investors looked forward to a more positive outlook for 2010. European economic data remains reasonably supportive, with business confidence and manufacturing surveys painting an encouraging picture. Importantly, the ongoing strength of the euro does not appear to be denting exports. New regulations proposed by Basle regulators, for banks, were more onerous than expected and this hurt some perceived weaker banks.

We believe that upward momentum will be maintained but are mindful that the recovery is likely to be a slow and gradual one. The European Commission has forecast growth of 0.7% in 2010 – less than half the pace of that expected in the US. Performance differentials between countries are likely to persist with the brighter prospects for Germany and France countered by the likes of Greece's public finance woes and Spain's soaring unemployment.

Trust codes

Sedol

F&C FCE - GBP

0329501

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. ** (total assets - cash) / shareholders' funds. *** Management fee and expenses information as at the end of 30.09.07 and expressed as a percentage of total assets. 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.

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