

August 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 6.64%

Key details

| | |
|------------------------|----------------------------|
| Fund Type | Investment Trust |
| Launch Date | 1868 |
| Total assets | £2.1 billion |
| Share price | 271.40p |
| NAV | 303.74p |
| Discount/Premium(-/+) | -10.7% |
| Dividend Payment Dates | May, Sep |
| Net dividend yield | 2.5% |
| Actual gearing* | 110.0 |
| Management fee rate** | Fixed Fee of £6.79m p.a. |
| Total expenses | 0.58% |
| Year end | 31 December |
| Sector | Global Growth |
| Currency | Sterling |
| Website | www.foreignandcolonial.com |

Standardised performance

| | 2009/2010 | 2008/2009 | 2007/2008 | 2006/2007 | 2005/2006 |
|-------------|-----------|-----------|-----------|-----------|-----------|
| Fund | 17.6% | -13.3% | -4.9% | 19.4% | 19.1% |

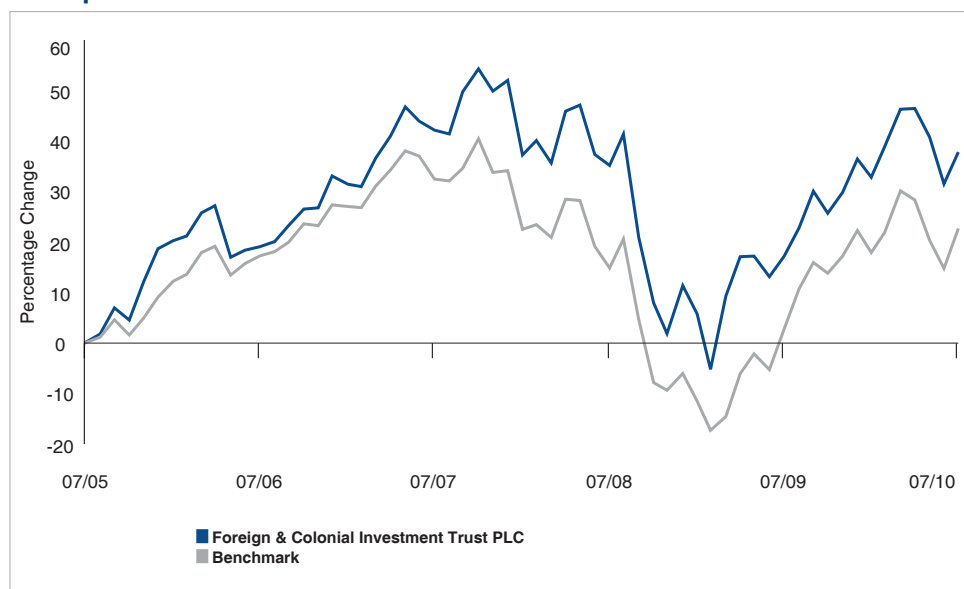
Cumulative performance

| | 1 Month | Year to date | 1 Year | 3 Years | 5 Years |
|------------------|---------|--------------|--------|---------|---------|
| Fund | 4.8% | 1.0% | 17.6% | -3.0% | 37.8% |
| Benchmark | 4.7% | 0.8% | 18.3% | 0.0% | 25.3% |

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 July. The cumulative performance table refers to cumulative periods ending 31.07.2010

Fund performance



Top ten holdings

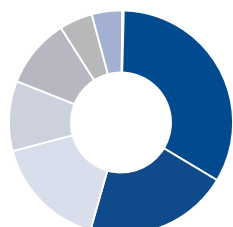
| Holdings | Sector/Country | % |
|-----------------------------|----------------|--------------|
| Pantheon Europe Fund III | Europe | 2.8% |
| HSBC | UK | 2.5% |
| Vodafone Group | UK | 2.1% |
| HarbourVest V Direct Fund | Europe | 2.0% |
| Royal Dutch Shell | UK | 1.9% |
| GlaxoSmithKline | UK | 1.8% |
| BP | UK | 1.8% |
| Rio Tinto | UK | 1.8% |
| Pantheon Europe Fund V | USA | 1.8% |
| HarbourVest Buyout Fund VII | USA | 1.7% |
| Total | | 20.2% |

Foreign & Colonial Investment Trust PLC

Continued

August 2010

Asset Allocation



| | |
|--------|--------------------|
| 33.6 % | - UK |
| 20.8 % | - USA |
| 16.5 % | - Private Equity |
| 10.1 % | - Emerging Markets |
| 10.0 % | - Europe ex UK |
| 4.8 % | - Japan |
| 4.4 % | - Developed Asia |
| -0.2 % | - Cash |

Manager's commentary

July saw a strong bounce in markets as investors became more optimistic about Europe ahead of the bank stress tests. Indeed Greece was the best performing market in the world in the month, followed by Spain. The other feature of the month was a rally in sterling, particularly against the US dollar, probably caused by greater confidence in the UK government's determination to cut the budget deficit. Having increased gearing and bought into markets in May and June, we were well positioned for this rally although the strength of sterling suppressed the returns from overseas markets. There is still great uncertainty about economic trends but companies are generally reporting good results, increased dividends and robust finances.

Trust codes

| Sedol | |
|---------------|---------|
| F&C FCI - GBP | 0346607 |

All data as at 31.07.10 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 30.09.09. 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.