



Discover a world of investment opportunities.



F&C Investment Trusts

## Contents.

Award winning expertise.	2
Why invest in the stock market?	3
An introduction to investment trusts.	3
The advantages of investment trusts.	4
Establish objectives.	5
Choose a plan.	6
Select your trusts.	7-8
Risk factors.	9
Creating an attractive investment.	10
Core Trusts.	11-14
Specialist Trusts.	15-18
Alternative Trusts.	19-23

## Award winning expertise.

Every decision we take at F&C reflects our commitment to increasing the real value of our customers' wealth – a commitment we've been delivering since 1868 with the launch of Foreign & Colonial Investment Trust, the world's first ever investment trust.

Now over 140 years later, with over three million customers and £103.2 billion (as at 30.09.11) of assets under management, we are one of the UK's largest investment trust managers. As you might expect from a company that's weathered world wars, recessions, depressions, the oil crisis and the credit crisis, our investment decisions are geared towards long-term growth, based on careful research, market analysis and experience.

We believe that high standards should still represent value for money, so you'll enjoy one of the lowest set of investment trust charges in the industry – leaving more of your money to work for you. This also helps make investment trusts one of the cheapest ways to invest in the stock market.



Best Children's Investment Provider 2007, 2008 & 2010



Best Global Trust 2011



Best Investment Trust Children's Savings Plan, 2011

 Call **0845 600 3030**  
8.30am-5.30pm, weekdays

 Email **info@fandc.com**

 Visit **www.fandc.co.uk**

# Why invest in the stock market?

---

## **It's about time. Not timing**

Saving some money as cash is always a good idea, as you'll have instant access to it for those plumbing emergencies or car repairs. Bank or building society accounts can provide a relatively safe home for your money and any interest you earn – the problem is that over the long term inflation leaves little prospect of real growth. If you're investing over the longer term, perhaps between ten and fifteen years, the greater potential returns offered by investments in stocks and shares may be more attractive.

If you want an opportunity to turn your money into something more substantial – a sizeable lump sum, a regular income, or both, you are going to have to take some risks with your capital. Historically, investments that carry some level of capital risk – whether the risk of default in corporate bonds, or the risk of

declining share prices – have rewarded their investors better as a result. Of course there is no guarantee of this. But Barclays Capital has been studying the performance of shares and cash for over 100 years, and their results show that by holding shares for a period of 10 years, there is a 90% probability of outperforming cash over the same period. The probability increases further the longer the investment is held (Source: Barclays Equity Gilt Study, February 2011).

## **Regular investing can make a real difference**

One dilemma investors face is timing. Jumping in and out of markets on a regular basis requires constant monitoring of daily events. Even expert investors find it's impossible to time markets perfectly.

One way of improving your chances of entering the market at the right time, is to spread or drip-feed your investments using a monthly Direct Debit, instead of investing it all in one go. In fact, during volatile times, this strategy allows you to benefit from what is known as 'pound cost averaging'. This reduces exposure to falling markets, because by investing at regular intervals more shares are purchased when share prices are low and fewer shares are purchased when prices are high.

Investments made in stocks and shares should be viewed as long-term investments, perhaps between ten and fifteen years. Although the timing of buying and selling investments can be important, over a longer period, short-term price movements should have less affect on your investment and it will have more time to grow.

# An introduction to investment trusts.

---

## **Harnessing the potential of the stock market**

Investment trusts are an excellent way of gaining access to the potential rewards the stock market can offer, without having to be an experienced investor, constantly monitoring and managing your portfolio.

Investment trusts are public limited companies which invest in other company shares, with the

aim of producing returns for you and the other shareholders. Like any other public limited company, investment trust shares are bought and sold on the open market. This means the price you pay for a share in an investment trust depends on the supply and demand for the shares. We offer a choice of 13 investment trusts, each one offering the investor something different (see pages 7-8).

## **Independent Board of Directors**

Being a company in its own right, each investment trust has a Board of Directors that oversees the running of that Trust. The Directors are completely independent of the investment managers and are there to ensure that the interests of the shareholder (you) are looked after. Shareholders enjoy the right to attend and vote at Annual General Meetings and receive copies of interim and annual Report and Accounts.

# The advantages of investment trusts.

Investment trusts are known as collective investments. This means your money is pooled with lots of other investors' money and spread across a wide range of investments. There are a number of advantages to this approach:

■ **Less hassle** – Leaving the investment decisions to professional fund managers saves you the hassle of managing the investment yourself. The costs of maintaining a diversified portfolio are also spread between all the investors in the trust.

■ **Spreading your investments and risk** – Depending on the aims of the individual trust, your money will be invested across different industries, countries and regions. This diversification means you can enjoy the growth potential and income yield from a wide range of investments, whilst significantly reducing the risk to which your money is exposed.

■ **Flexibility** – You can invest in a combination of trusts with differing objectives and switch your money between trusts at any time, with no penalties or tie-ins. You can also invest with lump sums or regular payments.

■ **Low cost** – Underlying management fees on investment trusts vary from about 0.3% to 1.25%. This is usually lower than the average OEIC or unit trust, which typically have an annual fee of between 0.5% and 1.5%, plus an initial charge.

■ **Closed-ended structures** – Unlike OEICs and unit trusts which create new units or cancel existing ones depending on demand, investment trusts have a fixed number of shares. This means that underlying assets do not have to be sold to meet redemption demands from investors who want to sell. So you benefit from both the freedom the

investment trust manager has to focus on making long-term investment decisions, and their ability to pick up bargain stocks from a competitor forced to sell.

■ **Ability to borrow** – Investment trusts can borrow money or 'gear' their portfolios, to make additional investments on top of shareholders' funds. This enhances performance if returns exceed the cost of borrowing, and is one reason investment trusts have historically outperformed other collective investments over the long term. However, in a falling market, gearing will magnify the negative impact on performance.

■ **Share classes** – Some trusts offer a choice of different share classes to match your specific investment needs e.g. growth or income.

## The differences between OEIC's and Investment Trusts

### Open Ended Investment Company (OEIC)

A company which can create or cancel shares to meet demand from investors (open ended)

Share price reflects the value of investments in the fund and is not affected by supply and demand

Shares are bought and sold at the same price, referred to as a 'single price'

Annual management fees vary from about 0.5% to 1.5%, plus an initial charge

Some have a limited ability to borrow in certain circumstances

### Investment Trust

A company with a fixed number of shares (closed-ended)

Share price varies according to supply and demand and can trade at a price higher than (at a premium to) or lower than (at a discount to) the value of the underlying assets

Shares are bought and sold at different prices, referred to as the 'bid offer spread'

Annual management fees vary from about 0.3% to 1.25%

Can borrow extensively to make additional investments

# Establish objectives.

## Why are you investing?

With F&C you can invest in a choice of 13 investment trusts via our range of savings Plans. You'll find it much easier to decide which Plan and trusts to choose if you are clear about your investment objectives from the outset.

The first thing to establish is who the investment is for, as this will influence the Plan you chose. You might be looking to invest for yourself, your child or grandchild, or even a family friend. Secondly, can the investment be made tax-efficiently. This could reduce your own tax liability or protect your beneficiaries from inheritance tax and mitigate their liability.

## What do you want the investment to provide?

Our 13 trusts are designed to help you invest for income, capital growth or both.

**Regular income** – do you want your investment to provide regular returns to help boost your income? This might be desirable if you're retired or are coming up to retirement as it can supplement your existing pension provisions.

**Capital growth** – do you want to concentrate on building up a sizeable lump sum for something specific like paying off your mortgage early or to help your child with the deposit on their first home?

**A combination of the two** – you can also invest so that you build up your capital while receiving a regular income.

If you don't want to take the income from your investments, you can choose to reinvest any dividends to boost the capital growth potential. When you do want to take the income, you can have the dividends paid directly to your bank or building society. You can also change between these options whenever you wish, with no penalties or tie-ins.

## How ambitious do you want to be?

One of the most important considerations you must think about before investing, is how much risk you are prepared to accept. Are you happy to go in search of greater returns and accept the increased risk to your money? Or do you want to take a more conservative approach, investing in trusts that have historically provided consistent, solid performance?

Your appetite for risk and reward is often determined by what you are trying to achieve with your portfolio. If you're looking to build a solid foundation, then a cautious approach may be more appropriate, with investments chosen from our **Core** trusts. Whereas the more experienced investor, looking to diversify an existing portfolio, will be excited by our **Specialist** and **Alternative** trusts, in the search for greater returns with acceptable risk profiles.

Tax rates and reliefs depend on individual circumstances. If you are unsure of your tax position, you should contact your tax adviser. Tax rules may change in the future. If you are in any doubt about the suitability of investing in our plans, please contact your financial adviser.



# Choose a plan.

At F&C we give you a choice of four different investment Plans. Whatever you're investing for, all our Plans offer you a straightforward, value-for-money opportunity to invest in the world's stock markets – each one providing choice, flexibility and affordability. This brochure concentrates on investing in our **Private Investor Plan** and **Investment Trust ISA**. A brief introduction to our **Children's Investment Plan** and **Child Trust Fund** can be found overleaf.

## F&C Private Investor Plan

Our Private Investor Plan combines flexibility with very low costs. Whether you want to use your Plan to save for your retirement, your children's education or perhaps something specific like helping to pay off your mortgage early, you'll find that it provides a simple, flexible and cost-effective way to harness the performance potential of investment trusts.

<b>Lump sum</b>	Min £500 per trust
<b>Top-ups</b>	Min £250 per trust
<b>Monthly savings</b>	Min £50 per trust
<b>Max investment</b>	None
<b>Choice of trusts</b>	13
<b>Dealing fee</b>	0.2%

## F&C Investment Trust ISA

An Individual Savings Account is a tax efficient savings wrapper into which you can put a range of investments, including investment trusts, because none of us want to pay more in tax than we have to. Any returns earned on your ISA are free from UK capital gains tax and there is no further income tax to pay.

<b>Lump sum</b>	Min £500 per trust
<b>Top-ups</b>	Min £250 per trust
<b>Monthly savings</b>	Min £50 per trust
<b>Transfers</b>	Min £500 per trust
<b>Max investment (2011-2012)</b>	£10,680 per annum
<b>Choice of trusts</b>	13
<b>Annual fee</b>	£60 + VAT
<b>Dealing fee</b>	0.2%

### What are your options?

You can open a Private Investor Plan with a lump sum from £500 per trust, or start monthly savings from just £50 per trust. You also have the flexibility to adjust your Plan whenever your need to. For example, as you approach retirement you may want to switch from trusts which aim for capital growth to income, or change the risk profile of your portfolio to a more cautious one (choosing trusts is fully explained later in this brochure). Our 13 trusts mean you can choose from a wide range of sectors, geographic locations and trust objectives.

### What are the key benefits?

- Generate capital growth, income or a combination of both over the medium to long-term.
- Invest a lump sum and/or regular savings and top-up your investments at any time.
- Choose a combination of trusts to match your objectives and risk profile.
- Structure your investments to provide monthly income from dividends or aim for other specific investment goals like paying off your mortgage early.

### What are your options?

The F&C ISA is a stocks and shares ISA. You can invest up to £10,680 in the 2011-2012 tax year in our ISA (this limit is reduced £1 for £1 up to £5,340 for any investment into a cash ISA in the same year) and up to £11,280 for 2012-2013. You also have the option of transferring the value of any of your existing stocks and shares and cash ISAs to us without losing their tax-efficient status. However, your existing ISA manager may charge you for the transfer.

### What are the key benefits?

- Generate income or tax-free capital growth over the medium to long-term.
- You can invest up to £10,680 for the 2011-2012 tax year and up to £11,280 for 2012-2013 in a stocks and shares ISA.
- Change your monthly savings or add lump sum top-ups at any time, up to the maximum allowed.
- Choose a combination of trusts to match your investment objectives and risk profile.
- Switch between trusts to take advantage of market movements and cash in your investment at any time, without having to give notice or pay a penalty.
- No need to declare ISAs on your tax return.
- One annual administration charge – no matter how many ISAs you hold with us.

The value of any tax benefits depends on your individual circumstances and all tax rules may be change in the future. If you have any doubts about the suitability of this investment, please consult your financial adviser. The value of your investments may go up as well as down and you may not get back the full amount invested.

# Select your trusts.

Our 13 investment trusts are divided into three categories – **Core**, **Specialist** and **Alternative**. This will help you decide which individual trusts and combinations of trusts, are most suitable for your own investment objectives and your appetite for risk and reward.

To view daily updated performance information, please visit our website: [www.fandc.co.uk](http://www.fandc.co.uk). There are also monthly fact sheets to download, copies of the latest set of Report and Accounts, fund prices and additional historical performance information. Each trust has specific risk factors which you should read more about in the 'Key Features' document.

## Building a balanced portfolio

One way to manage risk is to build a balanced portfolio by investing in a combination of trusts. For example, you could choose to base your portfolio on conservative **Core Trusts**, with a smaller number of more adventurous **Specialist** and **Alternative Trusts**. That way you gain exposure to a wide range of companies and market sectors.

Our **Specialist** and **Alternative Trusts** tend to invest in a particular sector or geographic region. If you're prepared to accept more risk in return for potential higher rewards, you might allocate a percentage of your portfolio to these more ambitious trust selections.

Each of our 13 investment trusts has a different aim and invests in different sectors or regions of the world. With this many investments to choose from, you can build a diversified portfolio tailored to your exact needs.

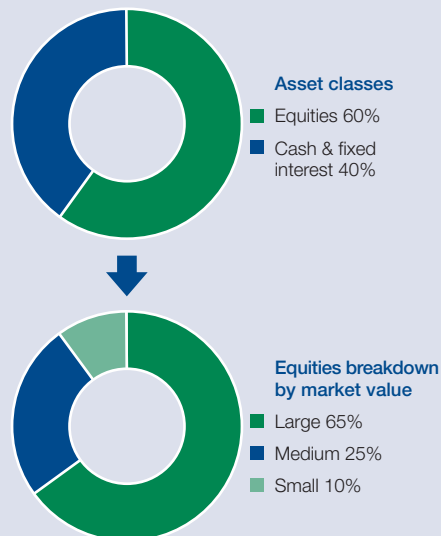
We look at each investment trust in detail on pages 11-23.

## What does a typical portfolio look like?

The pie charts give you an idea of what a balanced portfolio for a medium risk investor might look like.

Your own portfolio will reflect your personal needs and preferences, but features to consider are:

- Aims for long-term capital growth and steady income.
- The portfolio concentrates on large and medium sized companies.
- Bias towards UK and European equities.
- Investment risk is spread across a range of investment trusts.
- Low exposure to more volatile UK stocks such as high tech or telecoms companies.



# Select your trusts.

## Core Trust

Our range of core investment trusts allow you to build a solid foundation for your investment portfolio, so you can plan for the future with more confidence. These trusts are intended to provide consistent, solid performance, with investments made in large diversified UK and global portfolios.

	Growth or income	Investment risk (see p9)	Invests in	Geographic region
<b>Foreign &amp; Colonial Investment Trust</b>	Growth	b, c, g*	An international investment portfolio	International
<b>British Assets Trust</b>	Both	c, g	An international portfolio of equities and equity-related securities	International (with a core UK holding)
<b>F&amp;C Capital and Income Investment Trust</b>	Both	c	Predominantly UK blue-chip companies plus some European blue-chips and smaller UK companies	Predominantly UK, some European holdings
<b>Investors Capital Trust</b>	Income	General risks	UK equities and predominantly UK fixed interest securities	UK

## Specialist Trust

Investors who want to diversify an existing equity portfolio and are prepared to accept more risk in exchange for greater potential returns will be interested in our specialist trusts. These still provide diversification but to narrower asset groups. You will be able to adjust the focus of your portfolio where you identify potentially more rewarding investments with an acceptable risk profile.

<b>European Assets Trust</b>	Growth	a, c, f, g	Medium sized quoted companies in Europe excluding the UK	Europe (excluding UK)
<b>F&amp;C US Smaller Companies</b>	Growth	a, c, g	US quoted smaller and medium-sized companies	US
<b>F&amp;C Global Smaller Companies</b>	Growth	a, c, g	Smaller companies worldwide	International
<b>F&amp;C Managed Portfolio Trust</b>	Both	a, c	A diversified portfolio of closed ended listed investment companies	International

## Alternative Trust

If you're looking to invest in opportunities outside of the main equity indices, our range of alternative investment trusts offer you access to the greater potential rewards of undiscovered stocks and non-equity investment. You will need to carefully consider the particular investment risks associated with each trust's investment strategy.

<b>F&amp;C Private Equity Trust</b>	Growth	a, c, d, g	Unquoted companies worldwide	International
<b>Graphite Enterprise Trust</b>	Growth	a, c, d, g	Unquoted and quoted companies both direct and through specialist funds	UK and Continental Europe
<b>IRP Property Investments Limited</b>	Income	a, e	A diversified UK property portfolio	UK
<b>F&amp;C Commercial Property Trust</b>	Income	a, e	A diversified UK property portfolio	UK
<b>Thames River Hedge+</b>	Growth	a, c, d	Fund of hedge funds	International

\*The stated risks only apply to part of the portfolio.

# Risk factors.

All of our range of investment trusts invest in the stock market. As well as looking at the potential rewards that this can bring, it's important that you are aware of the potential risks involved so that you can make an informed decision.

Please refer to the tables on the previous page to check which risks apply to each investment trust.

## General risks

**Gearing** – Investment trusts can borrow money, which can then be used to make further investments (gearing). They can also invest in instruments such as warrants or derivatives, where a small movement in the value or price of the underlying right or asset results in a larger movement in the value or price of the instrument. In a rising market, this 'gearing' can enhance returns to shareholders. Correspondingly, if the market falls, losses may be greater.

**Insufficient income** – Where the income earned by an investment trust is insufficient to cover its charges and expenses, the balance may be charged to capital, which will to that extent, constrain capital growth.

**Liquidity** – Shares in smaller companies are generally traded less frequently than those in larger companies. This means that there may be difficulty in both buying and selling shares and individual share prices may be subject to short-term price swings.

**Premiums and discounts** – As investment trust shares are publicly traded on the London Stock Exchange, their price is determined by market factors, such as demand and supply between buyers and sellers. That price will not necessarily accurately reflect the underlying value of the trust's portfolio of investments (its 'net asset value' or 'NAV'). The share price may be either higher than the NAV; at a 'premium', or more commonly, lower than the NAV; at a 'discount'. Discounts and premiums vary constantly. Although buying shares at a discount could be seen as value for money, there is no guarantee that the discount will narrow and there is a risk that it may widen further. Many factors influence the discount or premium and a large discount does not necessarily indicate a bargain.

**Price volatility** – The value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. Past performance is not a guide to future performance. When you sell your shares, you may get back less than you originally invested.

## Specific investment trust risks

The following may apply depending on the composition of the investment portfolio:

- a) **Concentrated portfolio** – Due to the concentrated nature of the portfolio, short-term volatility in the price could be relatively high which means that the amount by which the Fund diverges from or under/over performs the benchmark may be higher than for other funds.
- b) **Emerging markets** – Where investments are made in emerging markets, dealing, settlement and custody practices are less developed and riskier than in more developed markets. In addition, the stock markets and currencies of emerging markets can be volatile and may be less liquid.
- c) **Foreign currency** – For investment trusts which make investments outside the UK, you should be aware that your investment could be affected by changes in the rates of exchange between sterling and the currencies in which those investments are denominated.
- d) **Investment in unlisted funds** – Investment trusts investing in hedge funds or private equity funds will obtain exposure to funds not normally available to individual investors and will include exposure to the performance, liquidity and valuation issues of the underlying funds. Such funds are typically not marketable generally, have high minimum investment levels and may restrict or suspend repayment to investors. The information available on their investment strategies, underlying assets and performance may be limited.

Investors considering an investment exposed to hedge fund strategies or private equity funds should be prepared to accept that it may be more difficult to assess the scope or scale

of the opportunities available to such funds and the likelihood of their generating the expected returns.

The asset value of shares in such an investment trust and its prospects may also be more difficult to assess.

- e) **Property** – For investment trusts which invest in property and property related securities, the values of such properties and securities are likely to reflect valuations of properties as determined by professional valuers. Such valuations are the opinion of valuers at a particular time, may not be supported by recent transactions and are liable to revision.  
  
Property assets are significantly less liquid than listed securities (take longer to buy or sell) and this may adversely impact the value and performance of related securities.
- f) **Payments from capital** – European Assets Trust largely pays its dividends from capital. Dependent on performance, this may reduce the capital value over time.
- g) **Smaller companies** – Where investments are made in smaller companies and businesses at an early stage of their development, there may be a higher degree of risk. The value of such investments is usually more sensitive to market movements and may be less liquid (take longer to buy or sell).

## Investors should also remember the following:

**Investment needs** – If you start an investment plan in order to fund a specific need, for example to pay school fees, if you then do not maintain your contributions or your investment does not grow sufficiently, you may not achieve your target.

# Creating an attractive investment.

## Flexibility and choice

You can invest a large or small lump sum, or if you prefer, invest regularly each month. You can also top-up your investments, or stop, start or change your monthly savings at any time. This gives you the freedom to take advantage of long-term market movements and cope with changes to your personal circumstances.

You can also withdraw money from your Plans if you need to, by writing to us, provided you still meet the minimum investment amounts. You don't need to give any notice or pay any penalties.

## Choose how you want to invest

### Lump sum

If you have cash available, you can invest a lump sum straight away. After all, the earlier you invest, the longer your investment has to grow. And if you plan to invest in an ISA, you should invest as early as possible in the tax year to make the most for your tax-free returns. Many investors waste an entire year's tax-efficient growth potential by waiting to the end of the tax year before investing.

## Monthly investing

If you prefer to spread the cost of investing, saving regularly each month can be an attractive alternative to a lump sum. It's also a highly effective way of ironing out fluctuations in stock market performance. If the market rises, you benefit because the shares you already own increase in value. If the market falls, you still benefit because your monthly savings buys more shares at a lower price. This is known as 'pound cost averaging' and is particularly beneficial with a volatile market. If you save regularly you can avoid the worry about when to invest and eliminate the risk of investing all your money when a market peaks.

## Switching your investments

Flexibility is the key to successful investment and you should be ready to move your money around according to market developments and your changing investment objectives. That's why you can switch between any of our trusts whenever you want, just by writing to us. You can also redirect regular savings into different trusts at any time. These options are subject to the minimum investment amounts.

## Value for money

- When you buy or sell shares in any of our Plans, we only charge a 0.2% dealing fee.
- Government stamp duty of 0.5% also applies on purchases (which cannot be avoided whenever you buy shares).
- In addition, we charge £60+VAT a year which covers all the ISAs you hold with us – no matter how many ISAs you have taken out with us or transferred to us.
- There is no annual charge for the Private Investor Plan. So if you invest £50 regularly in our Private Investor Plan, we would charge just 10p each month. On a lump sum investment of £500, the charge would only be £1.

## Manage your account online

You can take advantage of the flexibility of investing with F&C online too. Find out how easy it is to manage your investments with us, by visiting [www.fandc.co.uk](http://www.fandc.co.uk).



Please ensure you have read the 'Key Features and Terms & Conditions' before investing by visiting [www.fandc.co.uk](http://www.fandc.co.uk).

## Investment objective

To secure long-term growth in capital and income from an international investment portfolio.

## Key attractions:

With its aim to seek the best possible returns for shareholders, the trust has appointed specialist fund management companies to look after its US private equity portfolio. This means you benefit from the expert market knowledge and experience of more than one management company.

- The portfolio is invested in more than 600 companies in 35 countries.
- A wide spread of assets helps to reduce risk.
- Solid long-term performance.
- One of the largest investment trusts in the world.
- Investment pedigree: the first ever investment trust, launched in 1868.

## Discrete annual performance

	Share price
Year to 31.10.11	<b>0.9%</b>
Year to 31.10.10	<b>19.4%</b>
Year to 31.10.09	<b>16.4%</b>
Year to 31.10.08	<b>-30.0%</b>
Year to 31.10.07	<b>21.9%</b>

Basis: Percentage growth, bid to bid, net income reinvested. Basis in accordance with the regulations of the FSA. Source: Datastream.

## Performance chart



Performance from 31.10.06 to 31.10.11. Percentage growth, bid to bid, net income reinvested Source: Datastream and Lipper.

## Cumulative performance

	1 month	1 year	3 years	5 years
Share price	<b>6.1%</b>	<b>0.9%</b>	<b>40.2%</b>	<b>19.7%</b>
Benchmark	7.2%	0.5%	43.4%	15.7%

Basis: Percentage growth, bid to bid, net income reinvested to 31.10.11. Source: Datastream and Lipper.

## Top ten equity holdings

Pantheon Europe Fund III	2.8%
Vodafone	2.6%
Pantheon Europe Fund V	2.5%
HarbourVest V Direct Fund	2.2%
GlaxoSmithKline	2.2%
BP	1.9%
Dover Street VII	1.9%
HSBC	1.8%
British American Tobacco	1.7%
HarbourVest VII Buyout	1.7%
<b>TOTAL</b>	<b>21.3%</b>

## Key statistics

Fund manager:	Jeremy Tighe
Launched:	1868
Total assets:	£2.2 billion
Share price:	288.20p
NAV:	323.68p
Discount/Premium (-/+):	-11.0%
Dividend date(s):	May, Sept
Net dividend yield:	2.3%
Actual gearing:	113.0
Year end:	31 December
Management fee rate:	0.365% p.a.*
Total expenses:	0.54%
Benchmark:	FTSE All-Share Index / FTSE All World ex-UK Index (40:60)

\*Based on Market Capitalisation.

## Geographical breakdown

UK	35.6%
USA	22.6%
Private Equity	19.4%
Emerging Markets	10.9%
Europe ex UK	9.6%
Japan	4.3%
Cash	-2.4%

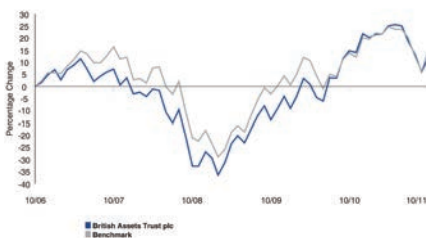
Past performance is not a guide to future performance.

(as at 30 November 2011)

### Investment objective

To achieve a total return in excess of a composite index, weighted as to 75% FTSE All-Share Index and 25% FTSE World (ex-UK) Index, by investing principally in a diversified international portfolio of equities and equity related securities. Within this overall objective, the Company aims to maintain a progressive dividend policy which will be dependent upon, inter alia, the rate of revenue growth within the investment portfolio and the level of dividend cover.

### Performance chart



Performance from 31.10.06 to 31.10.11. Percentage growth, bid to bid, net income reinvested Source: Datastream and Lipper.

### Geographical breakdown

<b>Corporate bonds</b>	<b>11.1%</b>
<b>UK</b>	<b>68.3%</b>
<b>Global Developed</b>	<b>14.5%</b>
North America	4.7%
Europe	4.4%
Japan	1.8%
Pacific (ex Japan)	3.3%
<b>Other</b>	<b>0.3%</b>
Global Emerging	5.2%
Asia	3.2%
Latin America	1.1%
Europe	0.6%
<b>Cash</b>	<b>0.9%</b>

### Key attractions:

With over 100 years of solid performance, the trust offers attractive growth potential and pays a regular quarterly dividend which you can choose to receive or re-invest for greater capital growth potential. Dominated by UK blue-chip holdings, the trust also offers exposure to global developed and global emerging countries, including Europe, North America, Japan and Pacific ex-Japan, as well as corporate bonds.

- Global diversification with a core UK portfolio.
- One of the highest yielding trusts in its sector.
- An attractive regular income with quarterly dividends paid directly to your bank account.
- Plus the prospect of solid long-term capital growth.

### Discrete annual performance

	Share price
Year to 31.10.11	<b>-2.6%</b>
Year to 31.10.10	<b>33.1%</b>
Year to 31.10.09	<b>28.3%</b>
Year to 31.10.08	<b>-37.3%</b>
Year to 31.10.07	<b>7.2%</b>

Basis: Percentage growth, bid to bid, net income reinvested. Basis in accordance with the regulations of the FSA. Source: Datastream.

### Cumulative performance

	1 month	1 year	3 years	5 years
<b>Share price</b>	<b>5.3%</b>	<b>-2.6%</b>	<b>66.2%</b>	<b>11.8%</b>
Benchmark	7.6%	0.7%	45.3%	11.7%

Basis: Percentage growth, bid to bid, net income reinvested to 31.10.11. Source: Datastream and Lipper.

### Top ten equity holdings

Vodafone	5.0%
GlaxoSmithKline	4.4%
BP	3.9%
Royal Dutch Shell	3.1%
Rio Tinto	3.0%
British American Tobacco	2.7%
HSBC	2.6%
Tesco	2.5%
Standard Chartered	2.3%
Scottish & Southern	2.1%
<b>TOTAL</b>	<b>31.6%</b>

### Key statistics

Fund manager:	Phil Doel
Launched:	1898
Total assets:	£439.4 million
Share price:	120.10p
NAV:	122.67p
Discount/Premium (-/+):	-2.1%
Dividend date(s):	Jan, Apr, Jul, Oct
Net dividend yield:	5.1%
Actual gearing:	107.2
Year end:	30 September
Management fee rate:	0.40%
Total expenses:	0.59%
Benchmark:	FTSE All-Share Index / FTSE All World ex-UK Index (80:20)

Past performance is not a guide to future performance.

## Investment objective

To generate long-term capital and income growth from a portfolio consisting mainly of FTSE All-Share Index companies.

## Key attractions:

This trust has built up an excellent track-record of providing long-term capital growth with a healthy income stream.

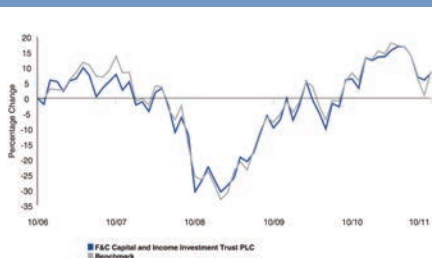
- Invests mainly in large, UK blue-chip companies.
- Some additional holdings in European blue-chip companies and some smaller UK companies.
- Dividend yield tends to be higher than that of the UK stock market as a whole.
- Pays an attractive income with the option to have quarterly dividends paid directly to your bank account.

## Discrete annual performance

	Share price
Year to 31.10.11	<b>1.7%</b>
Year to 31.10.10	<b>17.8%</b>
Year to 31.10.09	<b>30.0%</b>
Year to 31.10.08	<b>-35.5%</b>
Year to 31.10.07	<b>7.7%</b>

Basis: Percentage growth, bid to bid, net income reinvested. Basis in accordance with the regulations of the FSA. Source: Datastream.

## Performance chart



Performance from 31.10.06 to 31.10.11. Percentage growth, bid to bid, net income reinvested Source: Datastream and Lipper.

## Sector breakdown

Financials	19.5%
Oil & Gas	15.6%
Industrials	9.8%
Telecommunications	9.7%
Consumer Services	9.5%
Consumer Goods	9.2%
Basic Materials	9.1%
Healthcare	8.4%
Utilities	7.0%
Technology	2.2%

## Cumulative performance

	1 month	1 year	3 years	5 years
<b>Share price</b>	<b>2.1%</b>	<b>1.7%</b>	<b>55.6%</b>	<b>8.1%</b>
Benchmark	7.9%	0.6%	46.0%	8.9%

Basis: Percentage growth, bid to bid, net income reinvested to 31.10.11. Source: Datastream and Lipper.

## Top ten equity holdings

Vodafone	7.1%
Royal Dutch Shell B	6.7%
BP	6.7%
GlaxoSmithKline	5.7%
Rio Tinto (REGD)	4.6%
British Amer Tobacco	4.0%
HSBC	3.9%
SSE PLC	3.6%
Tesco	2.9%
AstraZeneca	2.6%
<b>TOTAL</b>	<b>47.8%</b>

## Key statistics

Fund manager:	Julian Cane
Launched:	1992
Total assets:	£195.8 million
Share price:	210.25p
NAV:	209.49p
Discount/Premium (-/+):	0.4%
Dividend date(s):	Jan, Mar, Jun, Sep
Net dividend yield:	4.8%
Actual gearing:	110.5
Year end:	30 September
Management fee rate:	1.00%
Total expenses:	0.81%
Benchmark:	FTSE All-Share Index

Past performance is not a guide to future performance.

## 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 equity-related 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.

## Performance chart



Percentage growth, bid to bid, net income reinvested 28.02.07 to 31.10.11. Source: Datastream and Lipper.

## Sector breakdown

FTSE 100	68.1%
FTSE 250	7.1%
Cash and Fixed Interest	24.8%

## Key attractions:

Investors Capital Trust employs an inventive structure allowing three investment options, satisfying investors with a priority of higher income, capital growth or both.

- Innovative structure allowing investors to take an income from dividends and/or capital returns.
- Designed specifically to deliver capital growth as well as regular income.
- Fund split into two distinct parts: an equities portfolio (80%) comprising large and medium sized companies, and a higher yield portfolio (20%), comprising mailing of bonds.

## Discrete annual performance

	Share price
Year to 31.10.11	<b>-3.5%</b>
Year to 31.10.10	<b>13.4%</b>
Year to 31.10.09	<b>25.9%</b>
Year to 31.10.08	<b>-27.7%</b>
Year to 31.10.07	<b>n/a</b>

Basis: Percentage growth, bid to bid, net income reinvested. Basis in accordance with the regulations of the FSA. Source: Datastream.

## Cumulative performance

	1 month	1 year	3 years	Since Launch
Share price	<b>7.9%</b>	<b>-3.5%</b>	<b>37.8%</b>	<b>4.6%</b>
Benchmark	7.8%	0.5%	50.0%	8.4%

Basis: Percentage growth, bid to bid, net income reinvested to 31.10.11. Source: Datastream and Lipper.

## Top ten equity holdings

GlaxoSmithKline	4.8%
Vodafone Group	4.4%
Royal Dutch Shell	4.3%
British American Tobacco	4.0%
BP	3.6%
HSBC Holdings	3.3%
Rio Tinto	3.0%
BG Group	2.5%
BHP Billiton	2.5%
AstraZeneca	2.4%
<b>TOTAL</b>	<b>34.8%</b>

## Key statistics (based on A shares)

Fund manager:	Rodger McNair
Launched:	2007
Total assets:	£137.0 million
Share price:	75.50p
NAV:	81.12p
Discount/Premium (-/+):	-6.9%
Dividend date(s):	Feb, May, Aug, Nov
Net dividend yield:	5.7%
Actual gearing:	100.6
Year end	31 March
Management fee rate:	1.10%
Total expenses:	0.90%
Benchmark:	FTSE All-Share Capped 5% Index

Past performance is not a guide to future performance.

## Investment objective

To achieve growth of capital through investment in quoted medium-sized companies in Europe, excluding the UK. A high distribution policy has been adopted and dividends have been paid mainly out of capital reserves.

## Key attractions:

Strong track-record of investing in small and medium-sized quoted companies throughout mainland Europe.

- Attractive, high dividend.
- Can capitalise on growth in EU membership.
- Under-researched market gives rise to value opportunities.
- Focus on small to mid cap companies with good growth prospects.

## Discrete annual performance

	<b>Share price</b>
Year to 31.10.11	<b>3.9%</b>
Year to 31.10.10	<b>14.1%</b>
Year to 31.10.09	<b>32.1%</b>
Year to 31.10.08	<b>-51.3%</b>
Year to 31.10.07	<b>18.6%</b>

Basis: Percentage growth, bid to bid, net income reinvested. Basis in accordance with the regulations of the FSA. Source: Datastream.

## Performance chart



Performance from 31.10.06 to 31.10.11. Percentage growth, bid to bid, net income reinvested Source: Datastream and Lipper.

## Cumulative performance

	1 month	1 year	3 years	5 years
<b>Share price</b>	<b>6.0%</b>	<b>3.9%</b>	<b>56.5%</b>	<b>-9.5%</b>
Benchmark	6.5%	-12.1%	58.0%	6.8%

Basis: Percentage growth, bid to bid, net income reinvested to 31.10.11. Source: Datastream and Lipper.

## Top ten equity holdings

Glanbia	5.8%
Exact	4.6%
C&C Group	4.3%
Topdanmark	3.6%
Ansaldo STS	3.3%
Rational	3.2%
Lindt & Spruengli	3.2%
Viscofan	3.2%
Paddy Power	3.2%
Gerresheimer	3.1%
<b>TOTAL</b>	<b>37.5%</b>

## Key statistics

Fund manager:	Sam Cosh
Launched:	1972
Total assets:	£108.2 million
Share price:	578.50p
NAV:	658.65p
Discount/Premium (-/+):	-12.2%
Dividend date(s):	Jan, May, Aug
Net dividend yield:	7.6%
Actual gearing:	110.0
Year end:	31 December
Management fee rate:	0.80%
Total expenses:	1.70
Benchmark:	HSBC Europe (ex-UK) Smaller Companies Index

## Geographical breakdown

Ireland	19.4%
Germany	19.3%
Netherlands	11.2%
Spain	10.8%
Italy	10.0%
Denmark	7.0%
Switzerland	6.3%
France	5.7%
Others	10.3%

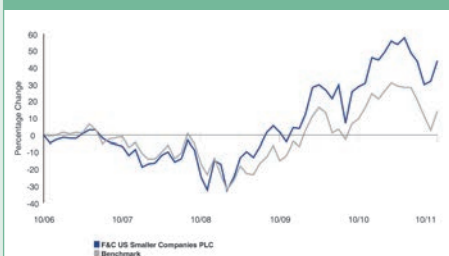
Past performance is not a guide to future performance.

## Investment objective

Focuses on achieving long-term capital growth by investing in a diversified portfolio of quoted US smaller and medium-sized companies.

It concentrates on absolute as well as relative performance with the emphasis being firmly on capital growth. There's a conservative approach to stock selection, and it targets companies which have a strong franchise, free cash flow, and management who hold a stake in the business.

## Performance chart



Performance from 31.10.06 to 31.10.11. Percentage growth, bid to bid, net income reinvested Source: Datastream and Lipper.

## Sector breakdown

Producer Durables	30.5%
Consumer Discretionary	16.2%
Financial Services	12.5%
Materials And Processing	7.5%
Health Care	6.3%
Energy	3.9%
Cash	2.5%
Other	20.6%

## Key attractions:

- Strong focus on absolute and relative performance.
- Targets smaller US companies with market capitalisations of between \$100 million and \$3 billion.
- Well-diversified portfolio.

## Discrete annual performance

	Share price
Year to 31.10.11	<b>12.0%</b>
Year to 31.10.10	<b>26.5%</b>
Year to 31.10.09	<b>35.4%</b>
Year to 31.10.08	<b>-19.7%</b>
Year to 31.10.07	<b>-6.5%</b>

Basis: Percentage growth, bid to bid, net income reinvested. Basis in accordance with the regulations of the FSA. Source: Datastream.

## Cumulative performance

	1 month	1 year	3 years	5 years
<b>Share price</b>	<b>9.2%</b>	<b>12.0%</b>	<b>91.8%</b>	<b>44.0%</b>
Benchmark	11.0%	4.4%	38.0%	14.2%

Basis: Percentage growth, bid to bid, net income reinvested to 31.10.11. Source: Datastream and Lipper.

## Top ten equity holdings

Rex Energy	2.5%
Airgas	2.5%
America's Car-Mart	2.4%
Sanderson Farms	2.4%
Atlantic Tele-Network	2.3%
Simpson Manufacturing	2.2%
Pool	2.2%
SBA Communications	2.2%
WR Berkley	2.2%
Conn's	2.1%
<b>TOTAL</b>	<b>23.0%</b>

Past performance is not a guide to future performance.

## Key statistics

Fund manager:	Robert Siddles
Launched:	1993
Total assets:	£89.2 million
Share price:	420.00p
NAV:	430.78p
Discount/Premium (-/+):	-2.5%
Dividend date(s):	N/a
Net dividend yield:	0.0%
Actual gearing:	98.0
Year end:	30 June
Management fee rate:	0.80%
Total expenses:	1.12%
Benchmark:	Russell 2000 Index

## Investment objective

To secure a high total return by investing in smaller companies worldwide.

## Key attractions:

An excellent track-record, this trust continues to uncover exciting and interesting new opportunities in many countries and across a wide range of industries.

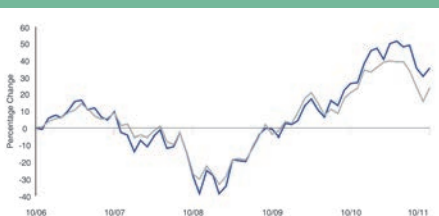
- Focus on identifying under-valued companies with strong growth potential, regardless of geographical location.
- Dividend has risen in each of the last 37 years.
- Risk reduced by spreading investment over a wide range of smaller company stocks.
- Disciplined approach to stock picking and maintains a global perspective.
- Ability to switch geographic regions.

## Discrete annual performance

	<b>Share price</b>
Year to 31.10.11	<b>7.3%</b>
Year to 31.10.10	<b>27.2%</b>
Year to 31.10.09	<b>39.9%</b>
Year to 31.10.08	<b>-35.2%</b>
Year to 31.10.07	<b>9.7%</b>

Basis: Percentage growth, bid to bid, net income reinvested. Basis in accordance with the regulations of the FSA. Source: Datastream.

## Performance chart



Performance from 31.10.06 to 31.10.11. Percentage growth, bid to bid, net income reinvested Source: Datastream and Lipper.

## Cumulative performance

	1 month	1 year	3 years	5 years
<b>Share price</b>	<b>3.8%</b>	<b>7.3%</b>	<b>90.8%</b>	<b>35.5%</b>
Benchmark	7.0%	2.4%	71.2%	23.9%

Basis: Percentage growth, bid to bid, net income reinvested to 31.10.11. Source: Datastream and Lipper.

## Top ten equity holdings

iShare MSCI Japan Smaller Companies	3.5%
Allianz Little Dragons	2.4%
Aberdeen Global Asian Small Cap	2.3%
Utilico Emerging Markets	2.2%
Scottish Oriental Smaller Cos Inv Trust	2.2%
M&G Japan Smaller Companies Fund	1.6%
AXA Framlington Japan Smaller Companies Fund	1.6%
Australian New Horizons	1.3%
Rex Energy	1.1%
Airgas	1.0%
<b>TOTAL</b>	<b>19.2%</b>

## Key statistics

Fund manager:	Peter Ewins
Launched:	1889
Total assets:	£232.3 million
Share price:	524.00p
NAV:	543.83p
Discount/Premium (-/+):	-3.6%
Dividend date(s):	Aug, Jan
Net dividend yield:	1.0%
Actual gearing:	102.2
Year end:	30 April
Management fee rate:	0.40%
Total expenses:	0.74%
Benchmark:	Hoare Govett Smaller Companies Index / MSCI World ex-UK Small Cap Index (30:70)

## Geographical breakdown

USA	40.5%
UK	28.8%
Rest of World	11.6%
Continental Europe	10.6%
Japan	6.7%
Cash & Fixed Interest	1.8%

Past performance is not a guide to future performance.

**Trust aims**

**Income Portfolio:** The objective for the Income Portfolio is to provide shareholders with an attractive level of income, with the potential for growth of both income and capital from a diversified portfolio of investment companies. It is intended that the Income Portfolio will hold a portfolio of investments which focus on offering a dividend yield above that of the FTSE All-Share Index and will be diversified through holding at least 25 investments. Each investment will provide further diversification through holding a significant number of underlying investments.

**Growth Portfolio:** The objective for the Growth Portfolio is to provide shareholders with capital growth from a diversified portfolio of investment companies. The focus for the portfolio is to maximise total returns principally through capital growth. Higher yielding investment companies can be acquired if it is believed such companies will offer superior total returns although it is not expected that such companies will form a significant part of the Growth Portfolio. The Growth Portfolio will be diversified through holding at least 25 investments. Each investment will provide further diversification through holding a significant number of underlying investments.

Past performance is not a guide to future performance.

**Portfolio performance**

	1 month	Since Launch	1 year	3 years	5 years
<b>Income shares</b>	<b>2.2%</b>	<b>9.9%</b>	<b>-2.9%</b>	<b>64.0%</b>	<b>n/a</b>
<b>Growth shares</b>	<b>0.0%</b>	<b>-3.5%</b>	<b>-3.0%</b>	<b>51.2%</b>	<b>n/a</b>
Benchmark	7.9%	5.6%	0.6%	46.0%	n/a

Percentage growth, bid to bid, net income reinvested to 31.10.11. Source: Standard & Poor's.

**Income Portfolio**

Top Ten Holdings	% of net assets of Income Portfolio
British Assets Trust	5.8%
Murray International Trust	5.6%
Law Debenture Corporation	5.2%
Aberdeen Asian Income Fund	4.9%
European Assets Trust	4.4%
Invesco Leveraged High Yield Fund	4.4%
Perpetual Income & Growth Investment Trust	4.2%
City of London Investment Trust	4.1%
Schroder Oriental Income Fund	4.0%
Lowland Investment Company	3.9%
<b>TOTAL</b>	<b>46.5%</b>

**Growth Portfolio**

Top Ten Holdings	% of net assets of Growth Portfolio
British Empire Securities & General Trust	4.9%
Perpetual Income & Growth Investment Trust	4.9%
Templeton Emerging Markets Investment Trust	4.6%
TR Property Investment Trust - Ordinary shares	4.2%
The Mercantile Investment Trust	3.8%
Lowland Investment Company	3.6%
BlackRock World Mining	3.6%
RCM Technology Trust	3.5%
Polar Cap Technology Trust	3.4%
Murray International Trust	3.4%
<b>TOTAL</b>	<b>39.9%</b>

**Key statistics**

Fund manager:	Peter Hewitt
Launched:	2008
Total assets:	£40.6 million
Management fee rate:	0.65%
Total expenses:	1.40%
Benchmark (for both portfolios):	FTSE All-Share Index

**Income portfolio**

Share price:	92.00p
NAV:	92.30p
Discount/Premium (-/+):	-0.3%
Dividend date(s):	Jan, Apr, Jul, Oct
Net dividend yield:	4.8%
Actual gearing:	107.2

**Growth portfolio**

Share price:	96.00p
NAV:	95.19p
Discount/Premium (+/-):	0.9%
Actual gearing:	96.5

(as at 30 Sep 2011)

**Investment objective**

To provide ordinary shareholders with an attractive level of income with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

**Structure**

At launch, on 18 March 2005, the Company had a capital structure comprising approximately 75 per cent Ordinary Shares and 25 per cent Secured Bonds.

Ordinary shareholders are entitled to all dividends declared by the Company and to all the Company's assets after repayment of its borrowings. Borrowings consist of £230 million Secured Bonds due 2017. The bonds carry interest at a fixed rate of 5.23 per cent and have an expected maturity date of 30 June 2015. If the bonds are not redeemed at this date they will carry interest at 0.60 per cent over LIBOR until the final maturity date of 30 June 2017.

**Discrete annual performance**

	<b>Share price</b>
Year to 30.09.11	<b>10.1%</b>
Year to 30.09.10	<b>18.1%</b>
Year to 30.09.09	<b>15.2%</b>
Year to 30.09.08	<b>-30.3%</b>
Year to 30.09.07	<b>-2.3%</b>

Basis: Percentage growth, bid to bid, net income reinvested. Basis in accordance with the regulations of the FSA. Source: Datastream.

**Sector breakdown**

Offices	40.4%
Retail	26.8%
Retail Warehouse	19.4%
Industrial	13.0%
Other	0.4%

**Cumulative performance**

	1 month	1 year	3 years	5 years
<b>Share price</b>	<b>-6.3%</b>	<b>10.1%</b>	<b>49.8%</b>	<b>2.1%</b>
Benchmark	n/a	n/a	n/a	n/a

Basis: Percentage growth, bid to bid, net income reinvested to 30.09.11. Source: Datastream and Lipper.

**Geographical breakdown**

London – West End	42.5%
South East	26.2%
Midlands	12.9%
North West	9.8%
Scotland	5.6%
Eastern	2.0%
Rest of London	1.0%

**Top ten property holdings**

Properties valued in excess of £100 million
London W1, St Christopher's Place Estate
Properties valued between £75m and £100m
Newbury, Newbury Retail Park
Properties valued between £50m and £75m
London SW1, Cassini House, St James's Street
Solihull, Sears Retail Park
London SW19, Wimbledon Broadway
Properties valued between £40m and £50m
London SW1, 84 Eccleston Square
Properties valued between £30m and £40m
Rochdale, Dane Street
Uxbridge, 3 The Square, Stockley Park
London SW1, Charles House, 5-11 Regent Street
London W1, 24/27 Great Pulteney Street

**Key statistics**

Fund manager:	Richard Kirby
Launched:	2005
Total assets:	£963.0 million
Share price:	95.8p
NAV:	100.0p
Discount/Premium (-/+):	-4.3%
Dividend date(s):	Monthly
Dividend yield:	6.3%
Net gearing:	21.5%
Vacant property:	6.6%
Year end:	31 December
Management fee rate:	0.50%
Total expenses:	1.0%

Past performance is not a guide to future performance.

### Investment objective

Our F&C Private Equity Trust aims to exploit the growth of private equity globally to generate superior returns to the quoted markets. In recent years the Trust's portfolio has broadened considerably, most notably into Continental Europe where the Manager has benefited from the expansion of the use of private equity to finance the growth of smaller and medium-sized companies. Managers seek to unlock value from unquoted companies and the venture capital sector.

### Key attractions:

- Anticipated superior returns relative to the quoted markets.
- Has benefited from the expansion of private equity in Europe and the US.
- Designed to exploit the Manager's expertise in accessing private equity funds which have promising potential.
- Well-diversified portfolio of small to mid-cap growth businesses across Continental Europe.

### Discrete annual performance

	Share price
Year to 30.09.11	<b>29.9%</b>
Year to 30.09.10	<b>7.1%</b>
Year to 30.09.09	<b>-32.6%</b>
Year to 30.09.08	<b>-2.6%</b>
Year to 30.09.07	<b>14.4%</b>

Basis: Percentage growth, bid to bid, net income reinvested to 30.09.10.  
Source: Datastream and Lipper.

### Performance chart



Performance from 30.09.06 to 30.09.11. Percentage growth, bid to bid, net income reinvested Source: Datastream and Lipper.

### Cumulative performance

	1 month	1 year	3 years	5 years
<b>Share price</b>	<b>-1.5%</b>	<b>29.9%</b>	<b>93.8%</b>	<b>4.6%</b>

Basis: Percentage growth, bid to bid, net income reinvested to 30.09.11. Source: Datastream and Lipper.

### Top ten equity holdings

August Equity Partners II	4.5%
Argan Capital	4.4%
August Equity Partners I	4.1%
Candover 2005 Fund	3.7%
Chequers Capital XV	3.6%
Warburg Pincus IX	3.5%
RJD Partners II	3.5%
Lifeways	3.3%
SEP III	3.2%
The Aurora Fund	3.1%
<b>TOTAL</b>	<b>34.8%</b>

### Key statistics

Fund manager:	Hamish Mair
Launched:	2001
Total assets:	£223.0 million
Share price:	159.50p
NAV:	241.08p
Discount/Premium (-/+):	-27.0%
Dividend date(s):	June
Net dividend yield:	0.6%
Actual gearing:	126%
Year end:	31 December
Management fee rate:	0.9%
Total expenses:	1.5%
Sedol no.	3073827

### Geographical breakdown

Europe	55.0%
UK	32.1%
US	6.5%
Global	5.5%
Emerging	1.0%

Past performance is not a guide to future performance.

**Investment objective**

The Trust aims to achieve long-term capital growth through a diversified portfolio of Continental European securities against the benchmark FTSE Europe ex-UK Index. The Trust is designed to target direct investment in unquoted companies as well as through selected management of its portfolio of funds.

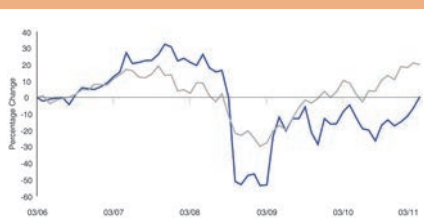
**Key attractions:**

- Exposure to a diversified portfolio of unquoted companies primarily in Europe, which is a sector of the economy often inaccessible to private investors.
- Diversified by sector and by the size of the company, the majority of which are mature, profitable companies.
- Offers the potential for long-term capital growth.
- Over two thirds of the investments are in the UK with most of the remainder in continental Europe.
- Investments in UK-based companies with a value of between £20 million and £130 million are primarily made through Graphite Capital's own funds. Investments in other sectors of the UK market and in overseas markets are made through third party funds selected by Graphite Capital.

**Discrete annual performance**

	<b>Share price</b>
Year to 31.12.10	<b>9.99%</b>
Year to 31.12.09	<b>95.36%</b>
Year to 31.12.08	<b>-61.44%</b>
Year to 31.12.07	<b>7.93%</b>
Year to 31.12.06	<b>12.44%</b>

Basis: Percentage growth, bid to bid, net income reinvested to 31.12.10.  
Source: Datastream and Lipper.

**Performance chart**

Performance from 01.01.06 to 31.03.11. Percentage growth, bid to bid, net income reinvested Source: Datastream and Lipper.

**Sector breakdown**

Business services	24.6%
Manufacturing and engineering	16.5%
Consumer goods and services	16.0%
Healthcare and education	10.1%
Leisure	8.4%
Retailing	6.5%
Financial services	6.3%
Infrastructure	2.7%
Construction and building supplies	2.6%
Media	2.3%
Other	4.0%

**Cumulative performance**

	1 month	1 year	3 years	5 years
<b>Share price</b>	<b>7.54%</b>	<b>9.99%</b>	<b>-17.14%</b>	<b>0.56%</b>
Benchmark	-0.81%	8.72%	17.02%	19.99%

Basis: Percentage growth, bid to bid, net income reinvested to 31.12.10. Source: Datastream and Lipper.

**Top ten portfolio holdings**

Micheldever Tyre Services	4.4%
Kurt Geiger	3.5%
Preh	2.4%
Kwik-Fit	2.4%
Park Holidays UK	2.0%
U-POL	2.0%
Hellermann Tyton	1.5%
Norit	1.5%
Evonik Industries	1.4%
Standard Brands	1.4%
<b>TOTAL</b>	<b>22.5%</b>

Past performance is not a guide to future performance.

**Key statistics**

Fund manager:	Graphite Capital Management
Launched:	1981
Total assets (30.04.11):	£417.1 million
Share price (30.04.11):	370.5p
NAV (30.04.11):	556.9p
Discount/Premium (-/+)(30.04.11):	-33.5%
Dividend date(s):	June
Net dividend yield:	0.75%
Year end:	31 January
Management fee rate:	1.50%/0.50%
Total expenses:	1.4%
Sedol no.	0329200

(as at 30 Sep 2011)

**Investment objective**

To provide ordinary shareholders with an attractive level of income together with the potential for income and capital growth from investing in a diversified UK commercial property portfolio.

**Geographical breakdown**

South East	49.2%
West Midlands	12.8%
Scotland	12.6%
Yorkshire and Humberside	9.5%
Others	4.1%
North West	3.8%
East Midlands	2.9%
Eastern	2.6%
London – West End	2.5%

**Top ten property holdings**

Banbury, 3663 Unit, Echo Park	11.1%
Colnbrook, Units 1-8 Lakeside Road	7.5%
Eastleigh, Southampton International Park	6.8%
Leamington Spa, 30-40 The Parade & 47/59a Warwick Street	6.5%
Bellshill, Mercury House, Strathclyde Business Park	5.8%
York, Clifton Moor Gate	5.4%
Edinburgh, 1-2 Lochside Way, Edinburgh Park	5.0%
Hemel Hempstead, Hemel Gateway	4.9%
Northallerton, Willowbeck Road	4.1%
Rugby, Swift House, Cosford Lane	3.5%
<b>TOTAL</b>	<b>60.6%</b>

**Structure:**

At launch on 1 June 2004, the Company had a capital structure comprising approximately 60% Ordinary Shares and 40% bank debt. Ordinary shareholders are entitled to all dividends declared by the Company and to all the Company's assets after repayment of its borrowings. As at 30 September 2007 borrowings consisted of a loan of £60 million drawn down for a period of 10 years to 10 January 2017. The loan carries interest at 0.50% over LIBOR for the first three years and 0.45% thereafter; this variable rate has been fixed through an interest rate swap, which matures on 10 January 2017. This swap fixes interest payable on the initial drawdown at 5.655% per annum for the first 3 years and 5.605% per annum thereafter.

**Discrete annual performance**

	Share price
Year to 31.09.11	<b>6.3%</b>
Year to 31.09.10	<b>15.8%</b>
Year to 31.09.09	<b>16.4%</b>
Year to 31.09.08	<b>-37.1%</b>
Year to 31.09.07	<b>-5.2%</b>

Basis: Percentage growth, bid to bid, net income reinvested. Basis in accordance with the regulations of the FSA. Source: Datastream.

**Cumulative performance**

	3 months	1 year	3 years	5 Years
<b>Share price</b>	<b>-13.6%</b>	<b>6.3%</b>	<b>43.2%</b>	<b>-14.7%</b>
Benchmark	n/a	n/a	n/a	n/a

Basis: Percentage growth, bid to bid, net income reinvested to 31.03.11. Source: Datastream and Lipper.

**Key statistics**

Fund manager:	Ian McBryde
Launched:	2004
Total assets:	£164.7 million
Share price:	76.0p
NAV:	79.0p
Discount/Premium (-/+):	-4.6%
Dividend date(s):	Mar, Jun, Sept, Dec
Dividend yield:	9.5%
Net gearing:	37.4%
Vacant property:	3.2%
Year end:	30 June
Management fee rate:	0.7%
Total expenses:	1.3%

Past performance is not a guide to future performance.

**Investment objective**

The Fund aims to achieve consistent absolute returns by investing opportunistically in a portfolio of both directional and non-directional hedge managers.

**Strategic asset allocation**

Other (12)	26.9%
Equity L/S (12)	23.7%
Multi-Strategy (4)	21.7%
Macro (5)	17.1%
Credit (2)	12.7%
Distressed (1)	4.7%
Event Driven (1)	2.1%
Cash, receivables and other	-8.9%

**Cumulative performance**

	1 month	Year to Date	1 year	3 years	5 years
<b>Share price</b>	<b>-3.44%</b>	<b>-10.71%</b>	<b>-8.01%</b>	<b>-10.82%</b>	<b>11.63%</b>
Benchmark	n/a	n/a	n/a	n/a	n/a

Source: Northern Trust International Fund Administration Services (Ireland) Ltd. Basis: share price, percentage growth, bid to bid, net income reinvested. Basis in accordance with 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 31.01.11.

**Top five property holdings**

	Strategy	Month	YTD
CQS Directional Opps*	Multi-Strategy	-11.8%	-19.7%
Benelong Tempest	Other	13.2%	4.6%
Claren Road Credit Opps*	Credit	2.0%	12.8%
Zebedee Focus	Equity L/S	3.3%	8.4%
Bluebay Macro	Macro	1.8%	12.9%

\*Estimate. YTD figures relate to current underlying managers which may not have been held in the portfolio for the whole of this period.

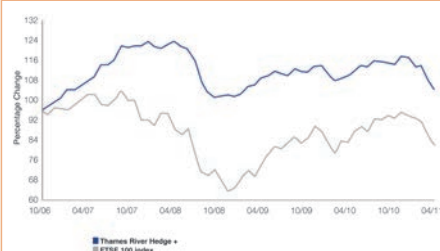
**Highlights:**

The investment objective of the Company is to produce attractive absolute returns relative to the level of risk assumed through a dynamic multi manager approach. The Investment Manager seeks to accomplish this objective by investing the assets of the Company predominantly in absolute return orientated funds worldwide whose managers employ a variety of investment strategies across all asset classes. A fundamental part of the investment philosophy is to be innovative in terms of portfolio construction techniques as well as in strategy allocation.

**Discrete annual performance**

	Share price
Year to 31.12.10	<b>3.33%</b>
Year to 31.12.09	<b>12.34%</b>
Year to 31.12.08	<b>-18.57%</b>
Year to 31.12.07	<b>25.28%</b>
Year to 31.12.06	<b>10.47%</b>

Basis: Percentage growth, bid to bid, net income reinvested. Basis in accordance with the regulations of the FSA. Source: Northern Trust International Fund Administration Services (Ireland)

**Performance chart**

Source: Northern Trust International Fund Administration Services (Ireland) Ltd, Bloomberg

**Key facts**

Fund Managers	Ken Kinsey-Quick and Alex Kimpen
Fund size:	£144.8m
Dealing commenced:	Sterling Class: 23.02.2004
Opening price:	£1.00
Launch NAV:	£0.980
NAV frequency:	Monthly (weekly estimates - £ share class, fund US\$)
Dealing:	Daily (stock market)
Domicile:	Guernsey
Listing:	LSE/CISX
Year end:	31 March
Initial charge:	Nil
Management fee:	1.5% p.a.
Performance fee:	10% HWM (5% hurdle)

All performance and share price information refers to Ordinary £ share class shares only. 'Ordinary' £ class shares only are available in F&C plans.

# Contact us.

---



Call us on **0845 600 3030** (8.30am - 5.30pm, weekdays)



Email us at **info@fandc.com**



Visit **www.fandc.co.uk**

Please note that we cannot give you any advice on the suitability of investing in our plans.

If you have difficulty reading this pack and need a copy in large print, please contact us.

If you are deaf or hard of hearing, remember you can use the Typetalk facility.



Best Children's Investment  
Provider 2007, 2008 & 2010



Best Global Trust 2011



Best Investment Trust  
Children's Savings Plan, 2011

## F&C Management Limited

F&C Investments and the F&C Investments logo are trademarks of F&C Management Limited. © F&C Management Limited 2012. Issued and approved by F&C Management Limited which is a member of the F&C Asset Management Group and is authorised and regulated by the Financial Services Authority (FSA). Registered Office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895.

F&C1727 01/12

