

30 September 2008

Aim

The Trust's objective is to increase its total return above the benchmark index of 50% FTSE All-Share and 50% FT/S&P World Index (ex UK sterling adjusted) over the long term, by investing in UK and international securities. The strategy of the Trust is designed to meet the requirements of those seeking a single investment in a diversified and professionally managed portfolio.

Risks & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share price is determined by factors including demand, or lack of, which means that the shares may trade below (at a discount to) or above (at a premium to) the underlying net asset value.

The Trust seeks to enhance returns for its shareholders through gearing, in the form of bank borrowings. Gearing can boost the Trust's returns when investments perform well, though losses can be magnified when investments lose value. You should be aware that this Trust may be subject to sudden and large falls in value and you could suffer substantial capital loss.

History

The Trust was formed from the Brunner family's interest in the sale of Brunner, Mond & Co, the largest of the four companies which came to form ICI in 1926. The Trust has been managed by RCM (a subsidiary of Allianz Global Investors formerly Kleinwort Benson) since inception.

Fund Manager's Review



Mark Lovett



Lucy MacDonald

Global Equity markets performed strongly in August, as commodity prices continued their downward trend from July, further easing the pressure on Central Banks to take action to tackle inflation. August also saw better than expected results from some of the banks, and an increase in M&A activity, notably mining company Xstrata

launching a hostile takeover bid for Lonmin, the world's third largest platinum producer. The portfolio slightly lagged the market in August with Xstrata, the biggest negative contributor, hit by falling metals prices and financing fears over its Lonmin bid. Hansen Transmissions and Man Group also had difficult months. The portfolio's best performers were UK electronics company Laird group, rebounding from falls in July, and Cobham after reporting profits ahead of its growth targets and Telecity.

Key Information

Total Assets:	£260.1m
Gearing (net):	13.3%
No. of Shares (Ordinary 1p):	47,136,515
Share Price¹:	367.50p
Net Asset Value²:	430.30p (407.71p – debt at market value)
Premium/-Discount to NAV²:	-14.6% (-9.9% – debt at market value)
Yield	0.0%
No. of Holdings	0

All data source RCM (UK) Limited as at 30.09.08 unless otherwise stated.

Launch Date:	January 1927
AIC Sector:	Global Growth
Benchmark:	50% FTSE All-Share Index 50% FTSE All-World ex UK Index
Year end:	30 November
Reports & Accounts:	Final posted in February, Interim posted in July
AGM:	March
Dividends:	March, August
Price Information:	Financial Times, The Daily Telegraph, www.rcm.com/investmenttrusts
Board of Directors:	Keith Percy (Chairman), Vivian Bazalgette, Ben Siddons, William Worsley, Richard Wakeling
Investment Manager:	Mark Lovett, CIO, UK & European Equity Lucy MacDonald, CIO, Global Equity RCM A company of Allianz Global Investors
Investor Services:	020 7065 1407

¹Source: Lipper as at 30.09.08, market close mid price.

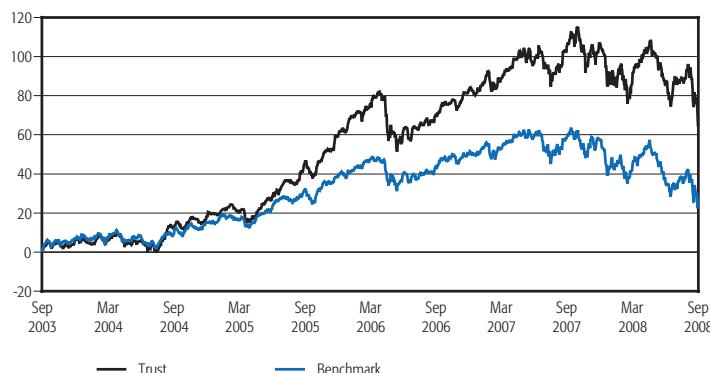
²A trust's net asset value (NAV) is calculated as available shareholders' funds divided by the number of shares in issue, with shareholders' funds taken to be the net value of all the company's assets after deducting liabilities. In line with current industry best practice NAVs are now shown that take into account the 'fair value' of debt. This means NAVs are calculated after allowing for the valuation of debt at fair value or current market price, rather than at final repayment value. NAVs with debt at market value provide a more realistic impact of the cost of debt, and thus a more realistic discount. It is the capital NAV that is shown, which excludes any income.

Top Ten Holdings (%)

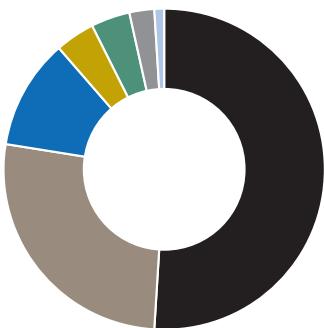
Name	%
4% Treasury Stock 2009	7.7
GlaxoSmithKline	2.6
Royal Dutch Shell "B" Shares	2.6
BP	2.6
Vodafone	2.2
HSBC	2.2
BG	1.7
Rio Tinto	1.7
BHP Billiton	1.4
BAE Systems	1.3
Total	26.0

Performance

Five Year Trust Performance (%)



Geographic Breakdown (%)



- UK 51.0
- North America 26.5
- Europe 11.1
- Pacific ex Japan 4.0
- Japan 3.9
- Cash 2.5
- Latin America 1.0

Changes in rates of exchange may cause the value of investments and the income from them to go down or up.

How to Invest?

The Trust is a UK public limited company traded openly on the stock market. You can purchase shares through a stock broker.

RIC: BUT SEDOL: 0149000 ISIN: GB0001490001

Shares in the Trust can be held within an ISA and/or savings scheme and a number of providers offer this facility. A list of suppliers is available from the AIC at www.theaic.co.uk

Please note: Our Investment Trust Savings Plan was closed and transferred to Alliance Trust Savings on 29 February 2008 and can be contacted on 01382 573 737 or contact@alliancetrust.co.uk

RCM Advantage

RCM and its predecessors have been managing investment trusts since 1889, providing investors with access to investment markets around the world through professionally managed portfolios. Each trust benefits from the expertise of the RCM fund managers yet, as a company listed on the London Stock Exchange, it is independent and is overseen by its own Board of Directors.

RCM is the global equity specialist within Allianz Global Investors. With offices strategically located in the US, Europe and Asia, RCM uses its global research platform to search out investment opportunities.

Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	-11.49	-11.70	-19.07	12.27	64.11
Benchmark	-9.39	-11.70	-20.68	-4.90	25.33

Standardised Past Performance (%)

From	28.09.07	29.09.06	30.09.05	30.09.04	30.09.03
To	30.09.08	28.09.07	29.09.06	30.09.05	30.09.04
Share Price	-19.07	19.19	16.39	30.31	12.17
Benchmark	-20.68	9.99	9.01	21.05	8.87

Source: Lipper, percentage growth, mid to mid, capital return, to 30.09.08

Standardised past performance figures comply with the Financial Services Authority's regulations to enable investors to compare different products from different providers.

Past performance is not a reliable indicator of future performance. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount originally invested.

This investment trust charges 70% of its annual management fee to the capital account and 30% to revenue. This could lead to a higher level of income but capital growth will be constrained as a result. Your capital could also decrease if income paid out of capital exceeds the growth rate of the trust.

All data source RCM (UK) Limited as as 30.09.08 unless otherwise stated.

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