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Press Release

For immediate release

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F&C Commercial Property Trust outperforms benchmark and makes first purchase since 2005

F&C Commercial Property Trust (FCPT) has followed up a benchmark-beating first half of 2009 with its first property acquisition since launch in March 2005.

The Guernsey-domiciled, London-listed investment company, managed by Richard Kirby at F&C REIT Asset Management, has taken a cautiously optimistic stance after a torrid couple of years for the UK commercial property market, but has now bought a distribution warehouse in Daventry, Northants for £17.25m at an initial yield of 9.05%. The purchase was funded out of the company's available cash resources, and will enhance FCPT's revenue account and dividend cover.

In spite of recent press stories predicting further falls in rents, Kirby is happy to take opportunities as they arise. Speaking on the announcement of FCPT's half-yearly financial results for the six months ended 30 June 2009, he commented: "In the current market there remains a low volume of transactions, but we are continuing to seek appropriate opportunities for the Company to invest in prime properties, with a particular focus on the quality of rental income. However, we remain cautious about the outlook for property and sustained capital growth generally and believe that capital values could come under further pressure if rents and income streams are further affected by economic weakness. Prime property is likely to be more resilient in this market and income is expected to be the major driver of total returns both in the short and medium term."

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F&C Asset Management plc is the listed holding company of the F&C Group.

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The company's half-yearly results, released on 3 August, showed a net asset value total return (with dividends reinvested) of -8.1% over the six months, compared with an NAV total return of -9.6% from the benchmark Investment Property Databank (IPD) UK Monthly Index. However, a dramatic narrowing in the company's discount to net asset value (from 27.7% at 31 December 2008 to 0.8% at 30 June 2009) meant shareholders saw a share price total return of 21.5% over the period. The dividend yield at 30 June was 8.0%.

During the period the company underwent a restructuring, introducing a new holding company to allow it greater flexibility in its investment mandate and borrowing powers, although no changes are planned to either of these in the short term.

Commenting on the market in the first half of this year, Kirby said: "The six-month period ended 30 June 2009 witnessed a change in sentiment towards commercial property, with capital values for prime property stabilising and in some instances improving. The market is still experiencing a lack of quality property to buy and investors remain risk averse, but competitive bidding is now occurring for those properties that 'tick the boxes' in terms of location, specification, tenant quality, and level of rent. There is greater depth in the market with institutional demand re-emerging, supplementing interest from overseas buyers and high net worth individuals."

- Ends -

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Notes to Editors

F&C Investments

- F&C Asset Management (F&C) is an independent London Stock Exchange listed asset management group with around 100,000 shareholders.
- F&C traces its origins to 1868 with the launch of the Foreign & Colonial Investment Trust, the first ever publicly listed investment fund. Foreign & Colonial Investment Trust remains a client of F&C.

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- F&C manages £88.3 billion (€103.7 billion) of assets* for a diverse range of institutional, insurance and retail clients across all major asset classes – equities, bonds, cash and property – as well as alternative and specialist product classes such as Socially Responsible Investment funds, hedge funds, private equity funds and Liability Driven Investments. F&C invests globally and has been a longstanding investor in emerging markets.
- F&C REIT Asset Management is the group's global property asset management business. It was formed in 2008 from the merger of F&C's property division and REIT Asset Management. F&C REIT operates from offices in London, Dublin, Munich, Mumbai and Stockholm.

* As at 30 June 2009.

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