



Press Release

For immediate release
7th December 2011

Property Fund reaches £50m AUM target

The F&C UK Property Fund, managed by award-winning direct property managers F&C REIT, has reached its £50m fundraising target this week.

The Fund, which is available to both retail and institutional investors, is the first open-ended UK property vehicle offered by F&C REIT and managed by Julian Smith and Guy Glover. This was launched in June 2010 as an opportunity to buy into a 'clean' portfolio of direct UK commercial properties. F&C REIT intentionally opted to start with cash, with a view to growing the assets steadily over time in a sustainable manner, rather than launch with legacy property seeding. This has allowed the co-managers to take advantage of opportunities in the prevailing property market conditions.

Julian Smith, Fund Director, commented: "By virtue of our position as cash investors, and leveraging off F&C REIT's size, contacts and ability to source attractively priced stock, we have been able to create a portfolio that we believe is ideally positioned to provide resilient income returns to investors. We have always maintained the importance of diversification and have gradually acquired assets in the retail, office, leisure and industrial sectors. Geographic diversification is equally important, with properties held across a range of UK locations from Chichester in the south to Edinburgh in the north."

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

F&C Management Limited is a member of the F&C Group and a subsidiary of F&C Asset Management plc.

F&C REIT's industry contacts give it the ability to source stock both on and off market and across the investment cycle, taking advantage of the opportunities available to cash investors. The managers have used fresh inflows to add to the portfolio, having recently completed on acquisitions totaling £15m across the office, retail and industrial sectors buying in Bristol, Chelmsford and Coventry.

Two offices, located on Bristol Business Park, were purchased for £7m comprising 27,700 sq ft (2 573.4 sq m). The offices are let to Motability Operations Limited for a term of 15 years at low rents and represent an initial yield of 7%. The property in Coventry – a distribution unit which comprises 57,000 sq ft (5 295.5 sq m) and is leased to Palm Recycling Limited - is located close to junction 3 of the M6 and was purchased for £3.525m, providing an initial yield of 8%. Finally, the retail unit at 20 High Street, Chelmsford, was purchased for £4.23m, comprises 4,859 sq ft (451.4 sq m), and is let to Santander UK plc for a further 11 years. The rent represents an initial yield of 5.5%.

Guy Glover, fund manager of the F&C UK Property Fund, said: "These deals compliment the fund by enhancing the length of income to in excess of 10 years whilst improving the fund yield, but most importantly are good quality buildings in locations attractive to tenants and are let at sensible rents, providing scope to enhance the income in the future."

Properties will continue to be incrementally added to the Fund as the AUM grows, with Smith and Glover maintaining their focus on quality assets which they believe offer both secure rental growth and asset management opportunities, ranging from high-street retail and Industrial properties, to regional and Central London office space.

- ENDS -

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Notes to Editors

About the F&C group

F&C Asset Management (F&C) is a diversified investment management group which traces its origins to the launch of Foreign & Colonial Investment Trust in 1868. While many asset managers are owned by financial services conglomerates, such as banks or insurance companies, F&C is an independent group, listed on the London Stock Exchange, and is focused exclusively on managing money. Today the group operates from offices in eleven countries and manages almost £106 billion* of assets for a combination of insurance clients, institutional investors, wealth managers and private individuals which collectively represent in excess of 3 million underlying savers. The group includes F&C REIT, a real estate asset manager, and Thames River Capital, a boutique asset manager with strong expertise in absolute return and multi-manager funds.

About F&C REIT Asset Management

- F&C REIT is an entrepreneurial, institutionally-partnered force in commercial property and manages a global portfolio worth £7.9billion* on behalf of a wide range of individuals, professional investors, property trusts and institutional clients.
- F&C REIT's investment team uses both detailed proprietary and external research, sophisticated forecasting and strategic analysis to find market inefficiencies and opportunities – across property sectors, countries, types and tenants.
- F&C REIT offers a comprehensive, integrated range of real estate fund management services with a network of offices spanned across five countries: Germany (Munich), India (Mumbai), Ireland (Dublin), Sweden (Stockholm) and the UK (London).



* All as at 30.09.2011. 51.6% of the assets under management are recorded at their acquisition cost, reflecting the basis on which income is generated for F&C REIT by these assets.

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