

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, please seek advice from your stockbroker, solicitor, accountant, bank manager or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in F&C Commercial Property Trust Limited, you should pass this document at once, together with the accompanying form of proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

F&C COMMERCIAL PROPERTY TRUST LIMITED

RECOMMENDED PROPOSALS

TO APPROVE THE CONTINUATION OF THE COMPANY

Dickson Minto W.S., which is regulated and authorised in the United Kingdom by the Financial Services Authority, is acting for F&C Commercial Property Trust Limited in relation to the matters referred to in this document and no-one else and will not be responsible to anyone other than F&C Commercial Property Trust Limited for providing the protections offered to clients of Dickson Minto W.S. nor for providing advice in relation to the matters referred to in this document. Dickson Minto W.S. has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are included.

Notice of an Extraordinary General Meeting of F&C Commercial Property Trust Limited to be held at 12.45 p.m. on 1 May 2009 at Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL is set out at the end of this document. To be valid, the form of proxy accompanying this document must be completed and returned, in accordance with the instructions thereon, so as to be received by the Company's registrars, Computershare Investor Services (Channel Islands) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, as soon as possible, but in any event not later than 12.45 p.m. on 29 April 2009.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise.

“Board” or “Directors”	the board of directors of the Company
“Bonds”	the £230 million fixed rate secured bonds due 2017 issued by a special purpose vehicle, F&C Commercial Property Finance Limited, which was established to issue the interest bearing bonds
“Company”	F&C Commercial Property Trust Limited
“Continuation EGM”	the extraordinary general meeting of the Company held on 28 September 2007
“Current Group” or “Group”	the Company and its subsidiaries as at the date of this document
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 12.45 p.m. on 1 May 2009 (or any adjournment thereof) notice of which is set out on page 8 of this document
“Enlarged Group”	the Company and its subsidiaries and the new holding company and any subsidiaries of the new holding company and/or the Company following implementation of the Proposals
“IFRS”	International Financial Reporting Standards
“IPD”	Investment Property Databank Limited
“Managers”	F&C Investment Business Limited
“NAV”	the net asset value of a Share calculated under IFRS
“Property Portfolio”	the direct and indirect property assets of the Company
“Proposals”	as defined on page 3
“Resolutions” or “Resolution 1” or “Resolution 2”	the resolutions (or the first or second of those resolutions as appropriate) to approve the continuation of the Company and to amend the continuation vote policy set out in the notice of the EGM on page 8 of this document
“Sector”	the sector comprising offshore incorporated, main market London listed property investment companies invested principally in mainstream UK commercial property, being the Company, ING UK Real Estate Income Trust Limited, Invista Foundation Property Trust Limited, IRP Property Investments Limited, ISIS Property Trust Limited, Standard Life Investments Property Income Trust Limited, The Advantage Property Income Trust Limited and UK Commercial Property Trust Limited
“Shareholders”	the holders of Shares
“Shares”	ordinary shares of 1p each in the capital of the Company

In this document, where the context requires, references to 27 March 2009 should be treated as being references to the latest practicable date prior to publication of this document.

F&C COMMERCIAL PROPERTY TRUST LIMITED

(Incorporated in Guernsey with registration number 42737)

Directors:

Peter Niven (Chairman)
Donald Adamson
John Stephen
Brian Sweetland
Nicholas Tostevin

Registered Office:

Trafalgar Court
Les Banques
St. Peter Port
Guernsey
GY1 3QL

31 March 2009

Dear Shareholder

RECOMMENDED PROPOSALS TO APPROVE THE CONTINUATION OF THE COMPANY

Introduction and background

F&C Commercial Property Trust Limited is an authorised closed-ended investment scheme domiciled in Guernsey which is listed on the Official List of the UK Listing Authority. It was launched on 18 March 2005.

The Company's investment objective is to provide Shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

At the Continuation EGM held in September 2007, an ordinary resolution was passed approving the continuation of the Company. The circular issued by the Directors in relation to that Continuation EGM stated that if the ordinary resolution was passed approving the continuation of the Company the Directors would not convene another extraordinary general meeting to consider the continuation of the Company unless the market price of a Share was more than five per cent. below the published NAV of a Share for a continuous period of 90 dealing days or more following the first anniversary of the Continuation EGM. On 5 February 2009 the Directors announced that the Shares had traded at more than a five per cent. discount to their NAV for 90 dealing days following the first anniversary of the Continuation EGM and accordingly that the Directors would convene an extraordinary general meeting to consider a further continuation resolution.

The purpose of this document is to convene the Extraordinary General Meeting to consider an ordinary resolution to approve the continuation of the Company. This document also explains why the Directors believe that the continuation of the Company is in the best interests of Shareholders as a whole and why they recommend that Shareholders vote in favour of Resolution 1 set out in the notice of the EGM at the end of this document.

In the event that Resolution 1 is passed the Directors intend to bring forward proposals (the "Proposals") for the introduction of a new holding company to provide additional flexibility to the Enlarged Group, including a wider investment policy. Accordingly this document also sets out the details of these Proposals.

The Directors also believe it is in the best interests of Shareholders that, if Resolution 1 is passed, the Company should not be required to hold another continuation vote unless the market price of a Share is more than five per cent. below the published NAV of a Share for a continuous period of 90 dealing days or more following the second anniversary (rather than the first anniversary) of the passing of Resolution 1. Therefore Resolution 2 is being proposed to ask Shareholders to approve the extension of the period between continuation votes. Details of why the Directors recommend that Shareholders vote in favour of Resolution 2 are set out below.

Performance of the Company

Over the period from the launch of the Company to 31 December 2008 (being the most recent quarter end) the NAV total return per Share (with dividends re-invested) was 5.0 per cent. compared with the total return on the FTSE All-Share Index over this period of 1.4 per cent.

For this same period the Property Portfolio generated a total return of 5.6 per cent. (source: IPD) compared with a total return from the IPD UK Quarterly Index of 2.0 per cent.

The Share price total return (with dividends re-invested) over the period from launch to 27 March 2009 was -24.1 per cent. compared with a total return of -8.4 per cent. on the FTSE All-Share Index. The weighted average share price total return (with dividends re-invested) for the Sector over this period was -28.3 per cent.

For the period from launch to 27 March 2009 the Shares have traded at an average discount of 8.7 per cent. to their NAV (adjusted for any dividends for which the share price has gone ex-dividend over this period). At the close of business on 27 March 2009 the Shares were trading at a discount of 27.8 per cent. compared with the Sector average of 48.4 per cent.

As at 31 December 2008 the Company had total assets (less current liabilities) of £813.9 million.

Investment outlook and recent asset management activity

Full details of the investment outlook for the Company and asset management activity over the past financial year are set out in the Chairman's Statement and Managers' Review in the accompanying Annual Report and Accounts for the year ended 31 December 2008.

Gearing

The Company's borrowings solely comprise the Bonds which have been assigned an 'Aaa' rating by Moody's Investors Service. The Bonds carry interest at a fixed rate of 5.23 per cent. per annum.

Under the terms of the Bonds the Company would be required to pay an amount in excess of their principal amount of £230 million on their early repayment based on a "Spens" formula. It is estimated that, as at 27 March 2009, the current cost for full prepayment of the Bonds on this basis would amount to £260 million (i.e. an excess of £30 million).

As at 31 December 2008 the principal amount of the Bonds represented 28.2 per cent. of the Group's total assets (less current liabilities). Net of the Group's cash reserves of £162.3 million this equated to net gearing of 10.3 per cent. The Group has no borrowings other than the Bonds.

The Directors intend to keep the level of the Company's borrowings under review. The Directors are currently of the view that retaining the current borrowings of the Company will enhance the returns for Shareholders over the long term.

Discount and share buy backs

For the period from launch to 27 March 2009, the Shares have traded at an average discount of 8.7 per cent. to their NAV (adjusted for any dividends for which the share price has gone ex-dividend over this period). As a reflection of the recent challenging environment for property as an asset class, and in common with the Sector and the wider quoted property sector over recent months, the Company's shares have traded at a significant discount to NAV. At close of business on 27 March 2009, the discount was 27.8 per cent.

Since the renewal of the authority for the Company to buy back its Shares at the annual general meeting in May 2008, the Company has bought back 31.9 million Shares for an aggregate cash consideration of £20.9 million, equivalent to 4.5 per cent. of the issued share capital prior to the share buy backs. The Shares were bought back at an average discount of 36.3 per cent. to the published NAV (adjusted for any dividends which had gone ex-dividend) and provided an enhancement of 1.8p per Share to the NAV at the time of purchase. In addition, these buy backs have resulted in a reduction to the dividends payable by the Company of approximately £1.9 million per annum at the current dividend level compared with the interest that would be generated on such cash amounts of approximately £100,000 at an interest rate of 0.5 per cent. per annum.

In carrying out these share buy backs the Board gave careful consideration to the Company's future cashflows and the ongoing Bond covenant constraints in respect of the Current Group as well as amounts that the Board resolves to commit to future investment opportunities.

It is the Board's intention that it will continue to consider share buy backs while the discount is in excess of five per cent. In addition to taking into account the income and cash flow requirements of the Company, the Directors will seek to ensure that any share buy backs are undertaken at prices which are in the best interests of all Shareholders.

The Company holds just below its prescribed limit of 10 per cent. of its current issued share capital in treasury to enable subsequent re-issue at a premium to NAV.

Proposals

In the event that Resolution 1 is passed, the Directors intend to bring forward Proposals as follows.

New holding company

The Board proposes to introduce a new listed holding company above the Company. This company will be a mirror image of the existing Company, save as described under “*Investment policy*” below. Shareholders will receive exactly the same number of shares in the new company which will also be incorporated in Guernsey and listed on the UK Listing Authority’s Official List and traded on the London Stock Exchange.

The introduction of a new holding company will have a number of benefits.

- The new holding company and its subsidiaries, other than the Current Group, will not form part of the security structure for the Bonds and will therefore not be subject to the same restrictions. Initially all of the Enlarged Group’s assets will remain part of the secured structure.
- In the event that the new holding company raises any new equity, it will have considerable flexibility over whether that cash is used within or outside the current secured structure.
- The new holding company will have more flexibility to incur borrowings in a manner which may be more cost effective than through the Bond structure when the market for securitised bonds remains very weak. However, it should be noted that the Board does not have any intention at the current time to increase the Group’s borrowings.
- The new holding company will have the ability in the future to acquire or merge with other companies or funds which may themselves have existing debt. This would be restricted under the current secured structure.
- The new holding company will not be subject to the same restrictions as are imposed on the Company on the use of its surplus cash to pay dividends, buy back shares or otherwise return capital to Shareholders.

The Board anticipates that the new holding company could be in place by the end of July 2009. The Board estimates that the costs of introducing the new holding company will be approximately £800,000, being less than 0.14 per cent. of the net assets of the Group as at 31 December 2008.

Direct property acquisitions

The Board has already instructed the Managers to explore opportunities to utilise the Group’s considerable cash resources in making acquisitions of direct property. The Board expects there to be a number of potential direct acquisitions in the near future of well-let prime properties of a similar quality to the Group’s existing properties at attractive yields. Any such acquisitions should significantly enhance the income returns on the Group’s portfolio, compared with the returns currently generated on cash investments.

Investment policy

The Board is not proposing any change to the investment policy of the Current Group. However, the Board would propose that the investment policy of the new holding company and its subsidiaries, other than the Current Group, be extended to allow up to 15 per cent., at the time of acquisition, of the new holding company’s gross assets to be invested in listed companies which invest principally in UK property, as well as in indirect property funds. The investment policy of the Current Group currently excludes listed investment companies.

The Board believes that the principal investment objective of the Group should be to invest substantially all of its assets in direct UK commercial property. However, the Board also believes that the ability to invest tactically up to 15 per cent. of its gross assets in indirect investments gives the Group the opportunity to acquire investment exposure quickly and cost effectively in a wider range of sectors of the property market. The Board believes that there will continue to be a number of opportunities to invest in such vehicles on very attractive terms.

The Board also believes that listed companies which invest principally in UK property should be included in the Group’s investment universe as they can offer a more liquid form of investment than the unlisted property funds currently owned by the Group. In addition, the Company’s cash reserves are earning very low returns at current interest rates. Listed property companies can provide opportunities to invest in relatively liquid investments that offer an attractive dividend yield from UK commercial property, until such time as direct property acquisitions are made.

It is currently expected that the Managers would be appointed to manage any investments in listed property companies.

Dividends

As noted in the accompanying Annual Report and Accounts, the Group's net rental income remained healthy during the year ended 31 December 2008. However, Shareholders will appreciate that the current economic position, and the Group's significant cash reserves which are earning very little income, are highly likely to impact adversely the Group's income position for the current financial year.

The rebasing of the investment management fee in 2008 combined with the asset management initiatives taken since the Group's launch in 2005 have strengthened the Group's income position. The reduction in the base management fee equates to an annualised saving of approximately £1.2 million based on the total assets of the Company as at 31 December 2008. The payment of any future performance fee would reduce the Company's net income. The quality of the Group's tenants remains high with over 70 per cent. of the Group's rental income being paid by tenants rated low or negligible risk by IPD.

The Board is very conscious of the importance Shareholders place on a sustainable and transparent dividend and that the monthly dividend paid on the Shares is a valuable income stream for Shareholders. The Directors intend to keep under review what level of dividend is transparent and sustainable, in particular in the light of ongoing economic conditions, the level of rental income received by the Group and progress in investing the Group's cash reserves.

Amendment of the Company's policy on continuation votes

If the continuation of the Company is approved at the Extraordinary General Meeting then, in accordance with the Company's original prospectus, the Directors would next be required to convene an extraordinary general meeting to consider the continuation of the Company if the market price of a Share was more than five per cent. below the published NAV of a Share for a continuous period of 90 dealing days or more following the first anniversary of the Extraordinary General Meeting.

The Directors believe that it would be more appropriate for the 90 dealing days to run from the second anniversary of the Extraordinary General Meeting rather than the first anniversary. Resolution 2 to be proposed at the EGM approves this extension of this period to the next potential continuation vote.

The Directors believe that this extension would permit the Managers to manage the Company's assets for the medium term rather than managing the assets with the prospect of having to realise the portfolio on a shorter timescale. It should be noted that the passing of Resolution 2 would not prevent the Directors from putting a continuation vote to Shareholders earlier in the event that they believed it to be in Shareholders' best interests.

Amendment to management agreement

The Board has recently agreed an amendment to the management agreement with the Managers so that each party shall be entitled to terminate the agreement on not less than six months' notice. Previously 12 months' notice had been required.

Extraordinary General Meeting

The Extraordinary General Meeting has been convened for 12.45 p.m. on Friday, 1 May 2009, to be held at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL. All Shareholders are entitled to attend and vote on the Resolutions to be proposed at the EGM, which will be proposed as ordinary resolutions.

If Resolution 1 is not passed, the Directors will convene a further extraordinary general meeting of the Company to be held within six months of the date of the EGM to consider the winding up of the Company or a reconstruction of the Company, which will offer all Shareholders the opportunity to realise their investment.

If Resolution 1 is passed, the Directors would not intend to convene another extraordinary general meeting to consider the continuation of the Company unless the Shares trade at a discount of over 5 per cent., calculated as described above, for 90 dealing days or more following the second anniversary of the EGM, provided Resolution 2 is also passed. If Resolution 1 is passed but Resolution 2 is not passed, the Directors will convene an extraordinary general meeting to consider the continuation of the Company if the Shares trade at a discount of over 5 per cent., calculated as described above, for 90 dealing days or more following the first anniversary of the EGM.

Action to be taken

Shareholders will find enclosed a form of proxy (marked blue) for use at the Extraordinary General Meeting. Whether or not you propose to attend the Extraordinary General Meeting, you should complete the form of proxy and return it to the Company's registrars, Computershare Investor Services (Channel Islands) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, as soon as possible, but in any event not later than 12.45 p.m. on 29 April 2009. Completion and return of a form of proxy will not prevent Shareholders from attending and voting in person at the EGM, should they so wish.

Majority Shareholder voting intention

Friends Provident plc's life insurance subsidiaries are entitled to exercise the votes attached to 342,300,000 Shares (currently being 50.3 per cent. of the Company's issued share capital) and have indicated that they currently intend to vote in favour of the Resolutions.

These life insurance companies have also confirmed that it is their current intention to support the Proposals when they are published.

Friends Provident Life & Pensions Limited, directly and through certain of its subsidiaries, holds approximately 39.4 per cent. of the Company's issued share capital and has confirmed to the Board that its holding forms a core part of its commercial property exposure and that its current intention is to maintain that holding for the foreseeable future. Friends Provident Life Assurance Limited holds approximately 10.9 per cent. of the Company's issued share capital and has informed the Board that it intends to reduce its holding in the Company over the short term. The Board intends to work with Friends Provident Life Assurance Limited to ensure that such investment can be realised in an orderly and responsible manner.

Recommendation

The Board, which has been so advised by Dickson Minto W.S., considers that the continuation of the Company is in the best interests of the Shareholders as a whole. Accordingly, the Board unanimously recommends all Shareholders to vote in favour of Resolution 1 to be proposed at the Extraordinary General Meeting. The Board also believes that Resolution 2 is in the best interests of the Shareholders as a whole and recommends all Shareholders to vote in favour of Resolution 2.

The Board also believes that the Proposals are in the best interests of the Shareholders as a whole and recommends all Shareholders to support the detailed Proposals when they are published.

The Directors, who in aggregate have an interest in 250,039 Shares (being 0.04 per cent. of the issued share capital), intend to vote their entire beneficial holdings in favour of the Resolutions.

Yours faithfully,

Peter Niven

Chairman

F&C COMMERCIAL PROPERTY TRUST LIMITED

(Incorporated in Guernsey with registration number 42737)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of F&C Commercial Property Trust Limited (the "Company") will be held at 12.45 p.m. (or as soon thereafter as the annual general meeting of the Company convened for 12.30 p.m. shall have concluded or been adjourned) on 1 May 2009 at Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL to consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions.

ORDINARY RESOLUTIONS

1. THAT the continuation of the Company be approved.
2. THAT the proposal to amend the Company's policy on continuation votes be approved on the terms set out in the circular to shareholders dated 31 March 2009.

Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL

By Order of the Board
Northern Trust International Fund
Administration Services (Guernsey) Limited
Secretary

31 March 2009

Notes:

1. A member who is entitled to attend, speak and vote at the Meeting is entitled to appoint one or more proxies to attend, speak and to vote instead of him or her. More than one proxy may be appointed provided each proxy is appointed to exercise the right attached to different shares. A proxy need not be a member of the Company.
2. A form of proxy (marked blue) is enclosed for use at the Meeting. The form of proxy should be completed and sent, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, so as to reach the Company's registrars, Computershare Investor Services (Channel Islands) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW not later than 12.45 p.m. on 29 April 2009.
3. Completing and returning a form of proxy will not prevent a member from attending in person at the Meeting and voting should he or she so wish.
4. To have the right to attend and vote at the Meeting (and also for the purposes of calculating how many votes a member may cast on a poll) a member must first have his or her name entered on the register of members not later than close of business on 29 April 2009. Changes to entries in the register after that time shall be disregarded in determining the rights of any member to attend and vote at such Meeting.
5. As at 27 March 2009, the latest practicable date prior to publication of this document, the Company had 753,082,016 Shares in issue, including 72,545,013 Shares in treasury. The number of Shares with voting rights was 680,537,003, each carrying one voting right.
6. Any person holding 3 per cent. or more of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party comply with their respective disclosure obligations under the Disclosure and Transparency Rules.