



F&C Commercial Property Trust Limited

INVESTOR DISCLOSURE DOCUMENT

IMPORTANT INFORMATION

Regulatory and legal status of the Company

F&C Commercial Property Trust Limited (the "Company") is an 'alternative investment fund' ("AIF") for the purposes of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (as implemented in the United Kingdom, the "AIFM Directive") which has appointed F&C Investment Business Limited ("FCIB") as its Alternative Investment Fund Manager ("AIFM"). F&C is authorised and regulated by the United Kingdom Financial Conduct Authority (the "FCA") as an AIFM for the Company.

The Company is a closed ended investment company and is incorporated as a limited liability company in Guernsey. The Company's shares are listed on the premium segment of the Official List of the UK Listing Authority and are admitted to trading on the main market of the London Stock Exchange. The operation of the Company is subject to its Articles of Incorporation, the FCA Listing Rules, the FCA Disclosure and Transparency Rules, the UK Corporate Governance Code issued by the Financial Reporting Council (April 2016), the Authorised Closed- Ended Investment Schemes Rules 2008 and the Companies (Guernsey) Law, 2008 (as amended).

The provisions of the Company's Articles of Incorporation, which are binding on the Company and all of its shareholders, set out the respective rights and restrictions attaching to the Company's shares. All shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Company's Articles of Incorporation.

Limited purpose of this document

This document, which is made available to investors in the Company by being made available at www.fccpt.co.uk, is not a prospectus. It is issued for the sole purpose of making certain regulatory disclosures to investors in accordance with the requirements of the AIFM Directive. The Company, its Directors and FCIB as its AIFM will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document other than to inform a decision to invest in shares in the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's shares.

This Investor Disclosure Document is based on information, law and practice at the date hereof. The Company, its Directors and FCIB as its AIFM cannot be bound by an out of date Investor Disclosure Document when it has issued a new Investor Disclosure Document and investors should check with FCIB that this is the most recently published Investor Disclosure Document.

This document is not intended to be an invitation or inducement to any person to engage in any investment activity. It does not include all the information which investors or their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and its shares.



No advice

The Company, its Directors and FCIB as its AIFM are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, FCIB or any of their respective affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment and any other related matters concerning the Company and an investment in the Company's shares.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Overseas investors

The distribution of this document in certain jurisdictions will be restricted and accordingly any persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. In particular, the shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer and other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares.

This Investor Disclosure Document is dated, and is valid, as at 3 April 2017.



THE COMPANY

Investment Objective

The Company's Investment Objective is "to provide ordinary 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."

Investment restrictions and guidelines

The Company's holds a diversified portfolio of freehold and predominantly long leasehold (over 60 years remaining at the time of acquisition) UK commercial properties. It invests principally in three commercial property sectors: office, retail and industrial. The Company invests in properties which it believes will generate a combination of long-term growth in capital and income for shareholders

The Company has not set any maximum geographic exposures, but the maximum weightings in the principal property sectors at any time (stated as a percentage of total assets) are: office: 50 per cent; retail: 65 per cent; and industrial: 40 per cent. No single property may exceed 15 per cent of total assets and the five largest properties (excluding indirect property funds) may not exceed 40 per cent of total assets (in each case at the time of acquisition). Short leasehold properties (with less than 60 years remaining) may not exceed 10 per cent of total assets at the time of acquisition.

The Company is permitted to invest up to 15 per cent, at the time of acquisition, of its total assets in indirect property funds (including listed property companies) which invest principally in UK property, but these investments may not exceed 20 per cent of total assets at any subsequent date. The Company is permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits, gilts and money market funds.

Leverage

The Group uses gearing to enhance returns over the long term. The Company's Articles of Incorporation limit borrowings to 65 per cent of its total assets at the time of borrowing and the Company's Investment Policy limits borrowings to 50 per cent of total assets. However, it is the Board's present intention that borrowings of the Group will be limited to a maximum of 35 per cent of total assets at the time of borrowing. To reflect this intention and to allow for future fluctuations in property valuations, the maximum gross leverage, calculated in accordance with the requirements under the AIFM Directive as being inclusive of exposure to derivatives (such as interest rate swaps used to fix the interest rates on borrowings), is 300 per cent on both a gross and commitment basis.

Material changes to leverage policies must be agreed by the Company and will be notified to shareholders via the Company's website at www.fccpt.co.uk and its Annual Report and Consolidated Accounts.

The total level of leverage employed by the Company is updated regularly on the "Quarterly Factsheet" published on the Company's website at www.fccpt.co.uk.

Investment Policy and Strategy

The Company's Investment Strategy and Policy are set out in full in the Business Model and Strategy section of the Annual Report and Consolidated Accounts, which can be found on the Company's website.



The Company is required to obtain the prior approval of shareholders, by ordinary resolution, to any material change to its published Investment Policy. The Company will announce any such change through a Regulatory Information Service.

Dividend policy

The Company pays dividend distributions monthly to shareholders. All dividends are paid as interim dividends and are not therefore subject to a vote by shareholders at the Company's Annual General Meeting. Dividend payments are announced through a Regulatory Information Service. The Annual Report and Consolidated Accounts on the Company's website contains details of dividends paid in respect of the relevant financial year.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The Alternative Investment Fund Manager (AIFM)

FCIB, a wholly-owned subsidiary of F&C Asset Management PLC (FCAM), is the Company's AIFM. FCIB is a Scottish incorporated company. The directors of the AIFM are David Sloper, David Logan, Richard Watts, Benjamin Apfel, Nigel Parry, Tina Watts, Marrack Tonkin, Mandy Mannix and FCAM.

FCAM, the parent company of the AIFM, is incorporated in the United Kingdom. The directors of FCAM are Gilles Ouellette, Barry Cooper, Joan Mohammed, William (Bill) Smith, Richard Wilson, Charlie Porter, David Logan, Ruth Sack and Kieran Poynter. FCAM has its offices at 80 George Street, Edinburgh EH2 3BU, Scotland.

FCAM is owned 100% by Bank of Montreal through its wholly owned subsidiary, BMO Global Asset Management (Europe) Limited. BMO Global Asset Management is part of BMO Financial Group, a highly diversified financial services provider based in North America.

The Company has a management agreement with FCIB whereby it acts as AIFM to the Company in accordance with the requirements of the AIFM Directive, which includes the provision of discretionary investment management services and risk oversight and management services in relation to the Company's investment portfolio.

In addition to its duties as AIFM, FCIB also provides accounting, marketing and administrative services to the Company, as set out in detail in the Annual Report and Consolidated Accounts at www.fccpt.co.uk.

FCIB remuneration is entitled to a base management fee of 0.55 per cent per annum of the Group's gross assets (reduced to 0.525 per cent per annum on assets between £1.5 billion and £2 billion and 0.5 per cent per annum in excess of £2 billion) and reduced to 0.25 per cent per annum on cash net of gearing in excess of 5 per cent of net assets, payable quarterly in arrears. FCIB is not entitled to a performance fee.

FCIB is also entitled to an index linked administration fee, which was £148,000 in respect of the year to 31 December 2016.

The management agreement continues unless or until terminated by either party giving to the other not less than six months' notice in writing or unless otherwise terminated with cause upon immediate written notice from the Company to FCIB.

Remuneration policy of the AIFM

The AIFM Remuneration Code of the UK Financial Conduct Authority requires F&C Investment Business Limited as the designated Alternative Investment Fund Manager ("AIFM") for F&C Commercial Property Trust Ltd to maintain a remuneration policy for AIFM Remuneration Code Staff ("AIFM Code Staff").



The policy's purpose is to promote sound and effective risk management. The policy must be consistent with F&C Commercial Property Trust Ltd risk profile, governing terms and investment strategy. AIFM Code Staff are those persons whose professional activities have a material impact on the risk profiles of the AIFMs or the investment funds that it manages.

The Board of the AIFM delegates to the BMO Global Asset Management (EMEA) Group Risk and Remuneration Committee (the "Committee") for maintaining a compliant remuneration policy. The Committee approves annually the BMO Global Asset Management (EMEA) Group Remuneration Policy (the "Policy").

The Policy defines how the AIFM will achieve the objective of providing total compensation to AIFM Code Staff, taking into account:

- business unit/function, individual performance and market rates
- promoting sound and effective risk management and achieving fair outcomes for all customers.

The Policy deals with how the "Pay-Out Process Rules" in the AIFM Remuneration Code apply to variable remuneration (which may be cash bonus and/or long-term award pools). The Pay-Out Process Rules require certain levels of variable remuneration to be paid in the shares of the relevant investment fund, where practicable, and for certain amounts to be deferred. The Committee determines annually how the Pay-Out Process Rules apply at a firm and at an AIFM Code Staff level.

The Policy also includes the ability for the Committee to recommend that an employee's unvested variable remuneration is reduced where certain circumstances arise, for example, reasonable evidence of employee misconduct, or material failure in risk management.

Employee remuneration disclosure

The total remuneration paid by F&C Investment Business Limited to its staff is zero, as all AIFM staff are employed by other companies in the same group of companies as the AIFM.

The table below provides an overview of aggregate total remuneration paid to AIFM Code Staff in respect of the proportion of their pay aligned to their AIFM responsibilities.

	Headcount	Total Remuneration (£m)
F&C Investment Business Limited Remuneration Code Staff	23	2.432
Of which:		
Senior Management	11	0.501
Other Code Staff	12	1.931

Notes:

Total remuneration reported is the sum of salary, cash bonus, any deferred annual bonus, the face value of any long term incentive awards, plus the value (actual or estimated) of any pension or benefits in kind, awarded in respect of performance in the reportable financial year.

The table excludes individuals who are providing delegated services to the AIFM.

It is not possible to apportion remuneration based on time spent by individual Code Staff working on a specific investment fund. Total Remuneration is therefore provided in aggregate on an AIFM basis.

Delegation

The table below sets out those other entities to which F&C Investment Business Limited has



delegated portfolio and/or risk management activities and F&C Investment Business Limited's assessment of the extent to which the delegate is subject to equivalent regulatory requirements for remuneration.

Delegated Entity	Location	Assessment of extent to which regulatory requirement are equivalent.
BMO REP Asset Management plc	UK	Equivalent under Capital Requirements Directive.

AIFM activities

The following table provides an overview of the size and composition of the funds managed by the AIFM, including F&C Commercial Property Trust Ltd. This shows the total number of funds managed, the split between, and proportions of AIF and UCITS.

	Number of funds	AUM as at 31 October 2016 (GBP)	% of AUM as at 31 October 2015
Alternative investment Funds	16	8,450,843,491	100%
UCITS	0	0	0%
Total	16	8,450,843,491	100%

The Depositary

The Company has appointed J.P. Morgan Europe Limited (JPMEL) to provide oversight and cash monitoring services, under the AIFM Directive, and certain other associated services, under the terms of a services agreement effective 22 July 2014 to which both the Company and the AIFM are parties. The services provided by JPMEL y for the Company include:

- general oversight responsibilities over the sale, issue, repurchase, redemption and cancellation of the Company's share capital, the carrying out of net asset value calculations, the application of income, the ex-post review of investment transactions and overseeing transactional activity and safekeeping functions with respect to investments;
 - monitoring the Company's cash flows and ensuring that all cash is booked in appropriate accounts in the name of the Company or FCIB or JPMEL acting on behalf of the Company; and
 - verifying the Company's ownership rights in relation to assets other than financial instruments and maintaining a record of those assets of which it is satisfied are owned by the Company. .
- JPMEL receives an annual fee for its services of 1.5 basis point of the Company's net assets, payable monthly in arrears.

The services agreement in place with JPMEL continues unless and until terminated by the Company giving not less than 90 calendar days' written notice or by JPMEL giving not less than 120 calendar days' written notice, in each case such notice to be effective no earlier than the first anniversary of the effective date.

JPMEL's duties are owed to the Company and not directly to investors in the Company, whether individually or in groups. Accordingly, investors may not bring any action or make a claim against JPMEL under the depositary agreement.

The Custodian



The Company has appointed J.P. Morgan Chase Bank Limited (JPMCB) to provide custody services, under the AIFM Directive, and certain other associated services, under the terms of a global custody agreement effective 22 July 2014 to which both the Company and the AIFM are parties. The services provided by JPMCB to the Company include the safekeeping of any assets within the Company's investment portfolio that have been classified financial instruments for the purpose of the AIFM Directive. JPMCB is required to retain custody of the Company's financial instruments in segregated accounts so that they can be clearly identified as belonging to the Company.

The Auditor

PricewaterhouseCoopers CI LLP (PwC) provides audit and audit-related assurance services to the Company. Its Audit Report in respect of the Financial Statements of the Company, and the fees for its services, are set out in the Annual Report and Accounts on the Company's website.

The Auditor has a statutory responsibility to report to the members of the Company as a whole in relation to the truth and fairness of the Company's state of affairs and profit or loss as well as confirming that the Company accounts have been prepared in accordance with the Company's Articles of Incorporation. The Auditor is also required to report by exception if there are certain matters on which they are not satisfied, including if adequate accounting records have not been kept by the Company or it has not received all the information and explanations required in order to carry out the audit.

The Share Registrar

Computershare Investor Services (Guernsey) Limited is responsible for maintaining the Company's share register, including keeping up to date the names and addresses of shareholders, receiving and recording proxies at the Company's Annual General meeting, and paying dividends on the due date to shareholders on the register in accordance with instructions from the Company. The fees paid to the Registrar are variable.

Delegation of functions by the AIFM

F&C Management Limited, an associate of the AIFM, trades securities and financial derivatives with brokers and other market counterparties as agent on behalf of the Company on a delegated basis.

SHAREHOLDER INFORMATION

Reports and Accounts

Copies of the Company's latest Annual and Interim Reports may be accessed at www.fccpt.co.uk or by writing to the Company Secretary at its Registered Office address, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands GY1 3QL.

Publication of net asset values and share prices

The Company's quarterly net asset values are published through a Regulatory Information Service and may also be accessed at www.fccpt.co.uk under "Regulatory News". The current share price is also published on the website.

Valuation Policy

The Company's valuation policy in respect of its investments and derivatives is contained within the Accounting Policies note in the Annual Report and Accounts published on the Company's website which can be accessed at www.fccpt.co.uk.

Historical performance of the Company

Details of the Company's historical financial performance are provided in the Company's



Annual Reports and Accounts and quarterly factsheets, which are available at www.fccpt.co.uk.

Investors should note that past performance of the Company is not necessarily indicative of future performance. Investors may not get back the amount invested.

Purchases and sales of shares by investors

The Company's shares are admitted to the Official List of the UKLA and to trading on the main market of the London Stock Exchange. Accordingly, the Company's shares may be purchased and sold on the main market of the London Stock Exchange. The value at which shares trade on the London Stock Exchange may be below (at a "discount" to) or above (at a "premium" to) the net asset value per share of the Company.

The Company's shares are not redeemable. While the Company intends at each Annual General Meeting to obtain shareholder authority to issue and to buy back shares, shareholders do not have the right to have their shares re-purchased by the Company.

The AIFM with the approval of the Company maintains a series of savings plans operated by F&C Management Limited as plan manager through which investors located in the United Kingdom can make regular or lump sum payments to purchase and subsequently hold or sell shares in the Company in a savings plan account. The savings plans are administered on behalf of the AIFM by International Financial Data Services ("IFDS") and details are contained in the Annual Report and Accounts and at www.fccpt.co.uk.

Legal implications of contractual relationship

The rights, obligations and relationships of the members of the Company shall be governed by the law of Guernsey and subject to exclusive jurisdiction of the courts of Guernsey.

The Guernsey courts generally recognise judgements obtained in the courts of another jurisdiction (subject to, inter alia, the legislation on the recognition of judgements referred to below, the rules of the Guernsey courts in relation to the recognition and/or enforcement of foreign judgements and such judgements not being contrary to public policy in Guernsey). The exact rules, on the recognition and enforcement of foreign judgements, depend on the jurisdiction in which such judgements are obtained. Legislation providing for the reciprocal recognition of foreign judgements in Guernsey in respect of reciprocating countries (including England and Wales) is the Judgments (Reciprocal Enforcement) (Guernsey) Law 1957.

The reciprocating countries under the 1957 legislation are:

England and Wales (Superior Courts: *the Supreme Court and the Senior Courts of England and Wales excluding the Crown Court*);

Isle of Man (Superior Court: *the High Court of Justice of the Isle of Man*);

Israel (Superior Courts: *the Supreme Court, the District Courts, Rabbinical Courts, Moslem Religious Courts, Christian Religious Courts and Druze Religious Courts*);

Jersey (Superior Courts: *the Royal Court of Jersey and the Court of Appeal of Jersey*);

Kingdom of the Netherlands (Superior Courts: *the Hoge Raad der Nederlanden, the Gerechtshoven and the Arrondissementsrechtbanken*);

Netherland Antilles (Superior Courts: *the Hoge Raad der Nederlanden, the Hof van Justitie der Nederlandse Antillen and the Gerecht in Eerste Aanleg*);

Northern Ireland (Superior Court: *the Court of Judicature of Northern Ireland*);

Republic of Italy (Superior Courts: *the Corte d'Appello and the Tribunale*);

Scotland (Superior Courts: *the Court of Session and the Sheriff Court*); and

Surinam (Superior Courts: *the Hof van Justitie van Suriname, the Kantongerecht in het Eerste Kanton and the Kantongerecht in het Derde Kanton*).

In respect of all other jurisdictions (including the United States), judgements are not automatically enforceable in Guernsey and would be required to be enforced in Guernsey under common law.



Fees and expenses

The fees and expenses which will be borne by the Company and investors are limited but there is no formal cap on their level.

Accordingly, the maximum amount of fees and expenses which could theoretically be indirectly borne by the investors is equal to the value of their investment in the Company, including, in relation to indemnities, any distributions made to them by the Company.

Fair treatment of investors

The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The FCA Listing Rules require that the Company treats all shareholders of the same class of shares equally.

In particular, each Director has statutory duties under the Companies (Guernsey) Law, 2008 (as amended) with which he or she must comply, including a duty to act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors. Furthermore, the AIFM does not give preferential treatment to any investors who open savings plan accounts for the purpose of investing in the shares of the Company and it is obliged under the rules of the FCA to ensure that all investors in the savings plans are treated fairly. Oversight of its compliance with the aforementioned rules and the achievement of fair outcomes for investors is undertaken by the F&C Group Treating Customers Fairly Committee and through the operation of an embedded complaints handling procedure.

RISK FACTORS AND RISK MANAGEMENT

Risk profile

The Company's key risks and the procedures in place for the management of those risks are set out in the Annual Report and Consolidated Accounts on the website under the heading "Principal Risks and Risk Management" within the Business Model and Strategy and under the heading "Internal Controls" within the Report of the Audit Committee.

The Company reports in its Interim Report and Accounts, which can be found at www.fccpt.co.uk, whether the key risks have changed since the year end.

Liquidity risk management

The Company's investments comprise UK commercial property. Property and property-related assets in which the Company invests are not traded in an organised public market and may be illiquid. As a result, the Group may not be able to liquidate quickly its investments in these properties at an amount close to their fair value in order to meet its liquidity requirements.

The AIFM and the Directors have in place a liquidity management policy in relation to the Company which is intended to ensure that the Company's investment portfolio maintains a level of liquidity which is appropriate to the Company's obligations in respect of investment transaction, share buybacks, loan repayments, dividend payments and other operating costs.

Details of the Company's investment portfolio are contained within the Annual Report and Consolidated Accounts.

A list of pre-approved counterparties, selected on strict criteria, is maintained by the AIFM. Cash and deposits must be held with approved banks with a minimum rating as set by the Company from time to time.



Investors will be notified by way of a disclosure on the website in the event of any material changes being made to the liquidity management systems and procedures, or where any new arrangements for managing the Company's liquidity are introduced.

Professional negligence liability risks

The AIFM is covered under professional indemnity insurance.