

F&C Managed Portfolio Trust Plc

Income Portfolio



October 2017

Manager Commentary
Peter Hewitt



The dominant influence on market returns over the past month has been the sharp rise in the value of sterling. The currency appreciated 4.1% against the dollar, 4.7% against the Euro and had a significant 6.5% rise relative to the Japanese Yen. The reason for this were comments made by various members of the Bank of England Monetary Policy Committee following their September meeting all of which pointed to a rise in UK interest rates in November.

If it were to happen this would be the first rise for over a decade. Reasons cited were the tolerance for inflation running close to 3% had lessened particularly with the economy running closer to full capacity. Also the risk of a less than favourable departure from the EU remains so taken together all these factors meant the chances of a rate rise had "definitely increased" and was behind sterling's appreciation against other major currencies. Against this background the FTSE All Share Index fell by 0.4% whilst that of the FTSE Equity Investment Instruments Index declined by 1.3% (all figures are total return).

The Net Asset Value of the Income Portfolio was down by 1.0%.

Leading contributors were Princess Private Equity which gained 5% following strong results and announced that the shares would now have a sterling quote and also BB Biotech which rose 4% helped by strong share price performance across the board from the biotech sector in the US.

Key facts as at 30.09.2017

Trust aims: The objective for the Income Portfolio is to provide income shareholders with an attractive level of income, with the potential for income and capital growth from a diversified portfolio of investment companies. The Income Portfolio invests in a diversified portfolio of at least 25 investment companies that have underlying investment exposures across a range of geographic regions and sectors and that focus on offering an income yield above that of the FTSE All - Share Index.

Benchmark: FTSE All-Share Index

Fund type: Investment Trust

Launch date: April 2008

Total assets - portfolio: £62.2 million

Total assets - company: £128.2 million

Share price: 138.50p

NAV: 135.17p

Discount/Premium(-/+): 2.5%

Dividend payment dates: Jan, Apr, Jul, Oct

Net dividend yield †: 3.9%

Net gearing/Net cash*: -5.3%/0.0%

Management fee rate:** 0.65%

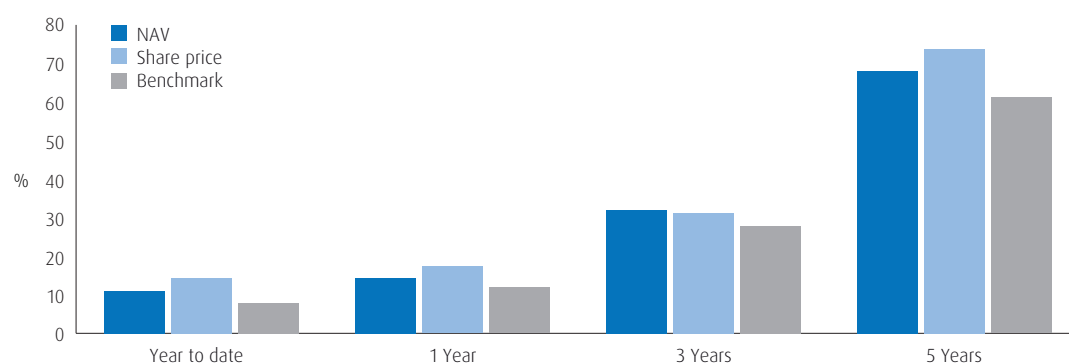
Total expenses ratio:** 1.12%

Year end: 31 May

Sector: Global Equity Income

Currency: Sterling

Fund performance as at 30.09.2017



Cumulative performance (%) as at 30.09.2017

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	-1.0	11.0	14.4	32.0	68.1
Share price	1.3	14.3	17.3	31.2	73.8
Benchmark	-0.4	7.8	11.9	27.8	61.2

Discrete performance (%) as at 30.09.2017

	2017/2016	2016/2015	2015/2014	2014/2013	2013/2012
NAV	14.4	14.5	0.8	5.9	20.3
Share price	17.3	11.7	0.2	9.9	20.5
Benchmark	11.9	16.8	-2.3	6.1	18.9

Key risks

Stock market movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. If markets fall, gearing can magnify the negative impact on performance.

Past performance is not a guide to future performance.

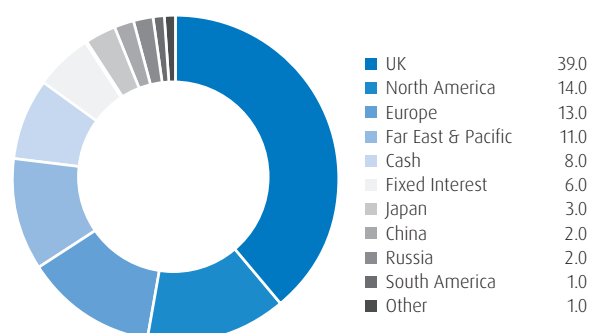
Source: Lipper and F&C. Basis: Percentage growth, total return, bid to bid price with net income reinvested in sterling. The discrete performance table refers to 12 month periods, ending at the date shown.

Lines may be recorded

Trust codes	
Stock exchange code	Sedol
FMPI	B2PP3J3

Top 10 holdings (%)		
	% of net assets	Sector
Murray International Trust	4.2	Global Equity Income
Law Debenture Corporation	3.6	Global
European Assets Trust	3.3	European Smaller Com-
BB Biotech	3.3	Biotechnology & Healthcare
Secure Income REIT	3.3	Property Specialist
Invesco Perpetual UK Smaller Companies Investment Trust	3.3	UK Smaller Companies
Princess Private Equity Holding	3.2	Private Equity
City of London Investment Trust	3.2	UK Equity Income
Henderson International Income Trust	3.1	Global Equity Income
Temple Bar Investment Trust	3.1	UK Equity Income

Geographical breakdown (%)



The geographical breakdown of the Portfolio's investments is on a 'look-through' basis. Source F&C and AIC.

Net dividend distributions pence per share (paid to date)

	2012	2013	2014	2015	2016	2017
January	1.00	1.10	1.10	1.15	1.20	1.25
April	1.00	1.10	1.10	1.15	1.20	1.25
July	1.50	1.30	1.50	1.55	1.60	1.70
October	1.10	1.10	1.15	1.20	1.25	
Total	4.60	4.60	4.85	5.05	5.25	4.20

Glossary

Bid price Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.

Dividend Income paid to shareholders by the company they invest in.

Net asset value A key measure of the value of a company or trust – the total value of assets less liabilities, divided by the number of shares.

All data as at 30.09.2017 unless otherwise stated.

All information is sourced from F&C, unless otherwise stated. Except where noted, all percentages are based on gross assets. *Net gearing is total assets less cash and cash equivalents divided by shareholders' funds and expressed as a percentage. Net cash is net exposure to cash and cash equivalents expressed as a percentage of shareholders funds after any offset against gearing. **Please refer to the latest annual report as to how the management fee and performance fee is structured. The share price may either be below (at a discount) or above (at a premium) the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the Key Features document for the relevant product. The fact sheet is issued and approved by F&C Management Limited. Authorised and regulated in the UK by the Financial Conduct Authority. Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895. CM14486 (10/17)