

F&C Managed Portfolio Trust Plc

Income Portfolio



June 2018

Manager Commentary
Peter Hewitt



Volatility was again a feature for markets to contend with during May, largely owing to heightened political risk. The imposition of tariffs on steel and aluminium products by the US raised the spectre of trade wars, while Italy's new populist government added to investor concerns. This was reflected in a rise in the value of the US dollar against most currencies, including sterling, which was down 3.3% relative to the US currency. Despite the noise, the macroeconomic backdrop remains supportive. The ongoing strength of global growth has been evident in corporate earnings reports, while inflation remains benign and the likelihood of interest rate increases gradual. In the US, the positive effect of global growth combined with tax cuts led to very strong first quarter earnings, with the S&P 500 Index earnings per share ahead by 24% year on year, helped by revenue growth of 8%. Not surprisingly US markets led the way, with the S&P 500 gaining 6% and the technology-

heavy NASDAQ Index up by 9% (sterling adjusted) for the month. Against this background, the FTSE All Share Index rose by 2.8%, while the FTSE Equity Investment Instruments Index was ahead by 2.4% (all figures are total return).

The net asset value of the portfolio rose by 0.6% (also in total return terms). The lack of exposure to certain growth-orientated sectors such as technology, which typically do not pay dividends, create a performance headwind for income funds. The leading contributor was BB Healthcare, which gained 8%.

Key facts as at 31.05.2018

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: £63.2 million

Total assets - company: £135.8 million

Share price: 138.00p

NAV: 135.26p

Discount/Premium(-/+): 2.0%

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%

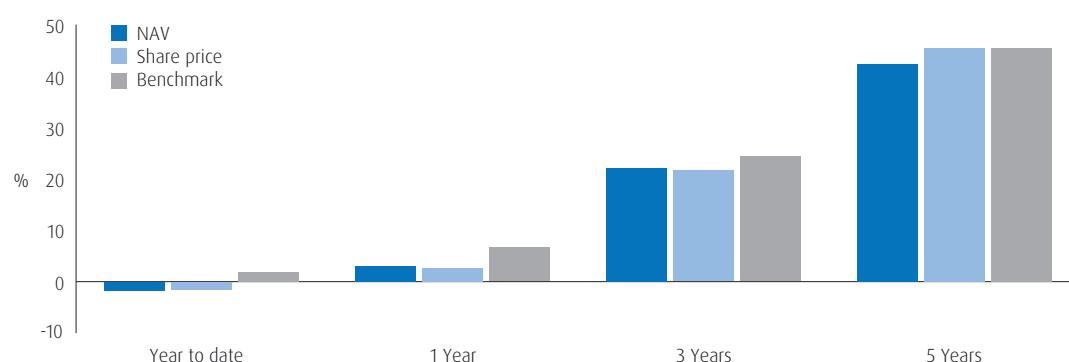
Ongoing charges:** 1.12%

Year end: 31 May

Sector: Flexible Investment

Currency: Sterling

Fund performance as at 31.05.2018



Cumulative performance (%) as at 31.05.2018

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	0.6	-1.7	3.0	22.0	42.3
Share price	2.22	-1.54	2.63	21.59	45.42
Benchmark	2.79	1.88	6.53	24.29	45.40

Discrete performance (%) as at 31.05.2018

	2018/2017	2017/2016	2016/2015	2015/2014	2014/2013
NAV	3.0	24.5	-4.8	10.0	6.0
Share price	2.63	28.84	-8.05	9.73	8.99
Benchmark	6.53	24.52	-6.31	7.47	8.86

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.

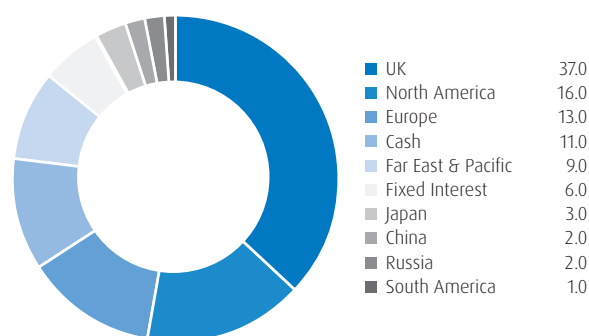
Source: Lipper and F&C. Basis: Percentage growth, total return, bid to bid price with net income reinvested in sterling. The discrete performance table refers to 12 month periods, ending at the date shown.

Lines may be recorded

Trust codes	
Stock exchange code	Sedol
FMPI	B2PP3J3

Top 10 holdings (%)		
	% of net assets	Sector
Murray International Trust	3.8	Global Equity Income
Law Debenture Corporation	3.6	Global
Secure Income REIT	3.3	Property Specialist
Invesco Perpetual UK Smaller Companies Investment Trust	3.3	UK Smaller Companies
CC Japan Income & Growth Trust	3.2	Japan
BB Biotech	3.2	Biotechnology & Healthcare
City of London Investment Trust	3.1	UK Equity Income
BB Healthcare	3.1	Biotechnology & Healthcare
Henderson International Income Trust	3.1	Global Equity Income
JPMorgan Global Growth & Income	3.1	Global 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)

	2013	2014	2015	2016	2017	2018
January	1.10	1.10	1.15	1.20	1.25	1.30
April	1.10	1.10	1.15	1.20	1.25	1.30
July	1.30	1.50	1.55	1.60	1.70	
October	1.10	1.15	1.20	1.25	1.30	
Total	4.60	4.85	5.05	5.25	5.50	2.60

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 31.05.2018 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 along with an explanation of the calculation. Please note ongoing charges of the Company's underlying investments have not been included. 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 Investor Document ("KID") 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. (06/18)