





F&C UK Select Property Quarterly Fund Factsheet

Quarter 1, 2012

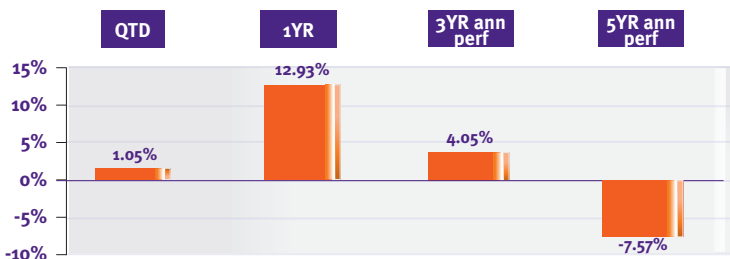
Fund Snapshot

Size	€34.5M
Asset	 (Property)
Properties	4
Regions Covered	 1
Diversification	
Overall Risk rating	low  5 high
Rental Yield	7.2%*

* At 31st March 2012

Fund Performance

Source: MoneyMate.



Properties held at 31st March 2012.

Property	Location
Dial House, Burston Road, Putney	London
Edinburgh Park, Edinburgh	Scotland
64 High Street, Bromley	London
66/70 High Street, Bromley	London

Asset Split

Direct Property	73.75%
IRP Property Investments Ltd (Unit Trust)	10.92%
Net Cash	15.33%

Information source: F&C Asset Management Ltd., unless otherwise stated. All figures quoted are as at 31st March 2012.

Market Commentary

UK Property Market: There has been some steadying in investor sentiment after the sharp deterioration seen in the latter part of 2011, partly reflecting the improved tone in the US economy and some signs of better health in the core Eurozone nations, but problems remain. The market has seen a moderation in transaction activity following a strong performance in late 2011, when several overseas investors bought large lot sizes. In the first three months of



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2012, investment activity was £5.8bn, down 30% from the previous quarter and almost half the level of a year earlier. Overseas investors continued to drive the market, with institutions making only a modest net contribution. The strength of overseas demand, often focused on Central London, is disguising a weaker investment market elsewhere in the UK. Q1 2012 was notable for the weaker tone of retail property, especially for shopping centres, which delivered a negative quarterly total return and for shops outside the south east where total returns were flat. The yield compression that drove recovery effectively ended at the all property level in this quarter with equivalent yields edging higher in all the three main sectors. CBRE data indicates that secondary yields moved out in the quarter for retail and office assets and were trending weaker for some prime stock, notably in retail and offices outside London and the South East.

Within the fund: During the first quarter legal negotiations with a prospective tenant for the last remaining office suite at 2 Burston Road, Putney were advanced. Once completed this will see this refurbished office property fully let. On the down side retail group GAME entered administration on the 26th March 2012 and hold a lease at 68 High St Bromley. Initial discussions have been had with the administrators who have indicated that they will be setting aside all lease contracts. Coupled with recent market evidence in the town this is expected to have a negative impact on the property's capital value in the near term. That said the property occupies a prominent retail position and when brought to the market will appeal to a wide audience of retail occupiers. The fund continues to monitor potential opportunities as the various banks begin to unwind their real estate positions and transaction activity crystallises real time asset pricing trends especially outside the core London market.

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Fund Summary

The Property Fund gives access to a portfolio of carefully selected UK commercial properties and property investments managed by a multi-award winning property investment manager.

About F&C

Established in 1868, F&C is a London Stock Exchange listed asset manager with €119 billion (as at 31st Mar 2012) in assets under management and offices in 11 countries. The organisation has significant and experienced resources at its disposal delivering professional and tailored solutions globally. F&C's multi-specialist model ensures that funds are run by small, focused teams of specialist investment professionals, supported by the resources of a large, successful firm. This approach embodies an entrepreneurial culture within a rigorous and disciplined approach to fund management.

Why UK Commercial Property?

Property has the potential to deliver a competitive investment return with lower volatility than other traditional asset classes. This is achieved through a stable income stream and the prospect of good capital growth. The returns from property also, normally, have a low correlation with those from equities and fixed income assets. As effective diversification lies at the heart of any successful investment philosophy, adding property can help reduce / manage risk and smooth returns as part of a diversified portfolio.

The UK Commercial property market has a number of particular attractions. It scores heavily relative to some other markets in terms of its size, diversity, transparency, maturity and leasing structure. This provides investors with a high degree of clarity when making property investments against a difficult economic back drop.

About F&C's Property Expertise

F&C REIT (F&C's property arm) is a leading specialist real estate manager with £7.9 billion GBP (as at 31st Mar 12) of property assets under management and international offices located in Dublin, London, Munich, Stockholm and Mumbai. The company came into being in September 2008, with the merger of the Property divisions of F&C Asset Management with REIT Asset Management. This merger provides the best of both worlds to clients with the sound institutional practices that were the backbone of F&C's approach now combined with the entrepreneurial spirit of REIT.

F&C REIT employ in excess of 120 staff across its five offices and each fund manager is supported by over 100 specialists in all sectors and aspects of property fund management.

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Funds may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all the money you invest.

Unlike many property managers, the team at F&C REIT undertakes day to day management of the properties in the fund where possible and continually strives to build close and strong relationships with its tenants. F&C REIT are relentless in the pursuit of attractive investment returns and its robust and sophisticated real estate investment model combines market analysis, stock selection, intelligent financing and intensive asset management, targeting above average returns within a risk controlled environment.

F&C's UK Investment Strategy

The F&C property team believe that property remains an imperfect market and due to this a difference between price and worth exists. This is true of the UK market, especially with its geographical spread, large number of players and lack of centralisation of transaction information. To exploit these imperfections the fund manager uses micro market research and knowledge to identify under priced assets or asset enhancement opportunities.

The fund adopts a concentrated approach focusing on a small number of quality assets. The fund can, however, utilise non-recourse debt finance in situations where the fund manager deems it suitable and thus further improving investor returns. However, it is not the intention of the fund to hold long term gearing positions.

Where the fund manager deems it appropriate, such as to achieve greater diversity within the portfolio, the fund can supplement its direct holdings with indirect property investments such as Property Trusts.

As underlying assets are held in Sterling there is a currency risk to investors. The fund manager will not be hedging this currency risk.



F1 Building, Edinburgh Park, Edinburgh.



Dial House, Putney, London.

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