F&C Managed Portfolio Trust Plc

F&C Investments

January 2012

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Fund Manager

Trust aims

Income Portfolio

The objective for the Income Portfolio is to provide income shares shareholders with an attractive level of income, with the potential for growth of both income and capital from a diversified portfolio of investment companies. It is intended that the Income Portfolio will hold a portfolio of investments which focus on offering a dividend yield above that of the FTSE All - Share Index and will be diversified through holding at least 25 investments. Each investment will provide further diversification through holding a significant number of underlying investments.

Growth Portfolio

The objective for the Growth Portfolio is to provide growth shares shareholders with capital growth from a diversified Portfolio of investment companies. The focus for the Portfolio is to maximise total returns principally through capital growth. Higher yielding investment companies can be acquired if it is believed such companies will offer superior total returns although it is not expected that such companies will form a significant part of the Growth Portfolio. The Growth Portfolio will be diversified through holding at least 25 investments. Each investment will provide further diversification through holding a significant number of underlying investments.

Benchmark (for both portfolios)

FTSE All-Share Index

Key details

Fund Type	Investment trust
Launch Date	April 2008
Total assets	£38.9 million
Management fee rate**	0.65%
Total expenses	1.50%
Year end	31 May
Sector	Income Portfolio: Global Growth & Income Growth Portfolio: Global Growth
Currency	Sterling
Income Portfolio	
Share price	89.00p
NAV	89.47p
Discount/Premium(-/+)	-0.5%
Dividend Payment Dates	Jan, Apr, Jul, Oct
Net dividend yield	4.9%
Actual gearing*	106.5
Growth Portfolio	
Share price	89.00p
NAV	90.27p
Discount/Premium(-/+)	-1.4%
Actual gearing*	98.4

Introduction

The Company invests principally in a diversified portfolio of closed ended listed investment companies which in turn will invest across a spread of geographic regions and sectors, giving shareholders a wide spread of risk.

The Company has two distinct portfolios; one focussed on income, the other on capital growth and correspondingly the Company has two share classes; Income Shares and Growth Shares. The two share classes allow investors to tailor their investment to suit their investment objectives.

Standardised Performance

	2010/2011	2009/2010	2008/2009	2007/2008	2006/2007
Shareprice - Income Shares	-6.9%	27.9%	26.9%	-	-
Shareprice - Growth Shares	-14.4%	31.6%	23.4%	-	-

Cumulative Performance

	1 Month	Since Launch	1 Year	3 Years	5 Years
Shareprice - Income Shares	0.0%	7.6%	-6.9%	51.1%	-
Shareprice - Growth Shares	-3.3%	-10.6%	-14.4%	39.1%	-
Benchmark	0.8%	6.1%	-3.5%	43.9%	-

Source: Lipper. Basis: share price, percentage growth, bid to bid, net income reinvested expressed in Sterling. Basis in accordance to the regulations of the FSA.
Past performance is not a guide to future performance. The cumulative performance table refers to cumulative periods ending 31.12.2011

Income Portfolio

Top Ten Holdings	% of net assets of Income Portfolio
Murray International Trust	**6.0%**
British Assets Trust	**5.7%**
Aberdeen Asian Income Fund	**5.0%**
Law Debenture Corporation	**5.0%**
Perpetual Income & Growth Investment Trust	**4.4%**
European Assets Trust	**4.2%**
City of London Investment Trust	**4.2%**
Invesco Leveraged High Yield Fund	**4.2%**
Schroder Oriental Income Fund	**4.2%**
Edinburgh Investment Trust	**4.1%**
Total	**47.0%**

Growth Portfolio

Top Ten Holdings	% of net assets of Growth Portfolio
Perpetual Income & Growth Investment Trust	**5.2%**
Templeton Emerging Markets Investment Trust	**4.7%**
The Mercantile Investment Trust	**3.7%**
Murray International Trust	**3.7%**
Lowland Investment Company	**3.6%**
RCM Technology Trust	**3.4%**
Polar Cap Technology Trust	**3.3%**
Edinburgh Dragon Trust	**3.1%**
British Empire Securities & General Trust	**3.1%**
Scottish Mortgage Investment Trust	**3.0%**
Total	**36.8%**

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Continued

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Structure

The Company has two classes of shares, Income Shares and Growth Shares. There is no fixed ratio between them and the relative sizes will vary over time depending on investment performance, shareholder elections under the Exchange Mechanism and share buybacks. Neither the Income Shares nor the Growth Shares will represent capital gearing for the other Share class.

No dividends will be paid on the Growth Shares. Any net income arising in the Growth Portfolio will be transferred to the Income Portfolio and a corresponding transfer of an identical amount made from the capital attributable to the Income Shares to the Growth Portfolio. It is expected that such income transfer will benefit the income prospects of the Income Shares and the capital growth prospects of the Growth Shares.

Manager's commentary

Having had to digest a great deal of steadily worsening macroeconomic data in recent months, the best that can said regarding the past month is that at least there did not seem to be further negative surprises. Indeed, inflation appears to have peaked in the UK, whilst overall debt reduction is broadly on track and interest rates remain low. Whether the economy has dipped into recession or not, prospects for growth next year remain meagre. For equity markets all of the above permitted a less volatile month with the FTSE All-Share Index recording a small gain of 0.8% for the month. Interestingly, the trend so evident during the second half of the year of the largest companies outperforming the rest of the market remained firmly in place (the FTSE 100 Index rose 1.3%, whilst the FTSE 250 index of medium sized companies fell by 1.8%). This highlights investors' preference for large defensive, internationally diversified, financially strong companies. In these circumstances the FTSE Equity Investment Instruments sector finds relative performance difficult and posted a 1.0% decline. All figures are total return. This trend was also reflected in the performance of the Income Portfolio which declined by 0.6% and also that of the Growth, which was 2.2% lower for the month. Again both figures are total return.

Trust codes

Sedol	
F&C MPI - GBP	B2PP3J3
F&C MPG - GBP	B2PP252

All data as at 31.12.11 unless otherwise stated.
The yield is calculated on an historic basis using the actual dividends paid during the company's last financial year and the closing share price as at the end of the relevant month.