

September 2009



Richard Kirby
Fund Manager

Trust objective

To provide ordinary shareholders with an attractive level of income with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

Key statistics

Fund Type	Investment trust
Launch Date	18 March 2005
Total assets	£753.4m
Share price	83.50p
NAV**	77.0 p
Premium	8.4%
Dividend payment dates	monthly
Dividend yield	7.2 %
Net gearing***	15.0 %
Vacant property	2.5 %
Weighted average lease length	7.5 years
Management Fee*	0.60 %
Total expenses****	1.0 %
Sedol no.	B4ZPCJ0
Stock code	FCPT
Year end	31 December
Website	www.fcpt.co.uk

Standardised Performance

	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005
Fund	15.2%	-30.3%	-2.3%	23.2%	N/a

Cumulative Performance

	1 Month	YTD	1 Year	3 Years	5 Years
Fund	13.1%	43.5%	15.2%	-21.5%	N/a

Past performance is not a guide to future performance.

Source: Datastream, share price basis, percentage growth, mid to mid, net income reinvested. The Standardised Performance table refers to 12 month periods ending 30 September. The Cumulative performance table refers to cumulative periods ending 30 September 2009. Basis in accordance with the regulations of the FSA.

Top ten property investments

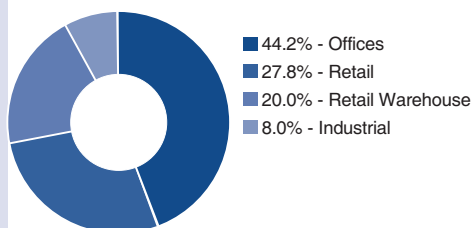
Property Holdings	% of property portfolio
London W1, St. Christopher's Place Estate	16.1%
Newbury, Newbury Retail Park	8.4%
Solihull, Sears Retail Park	7.0%
London SW1, Cassini House, St James's Street	6.9%
London SW19, Wimbledon Broadway	6.7%
London SW1, 84 Eccleston Square	5.9%
Uxbridge, 3 The Square, Stockley Park	5.0%
Rochdale, Dane Street	4.7%
London SW1, Charles House, 5-11 Regent Street	4.1%
Glasgow, Alhambra House, Wellington Street	3.9%
Total	68.7%

Structure

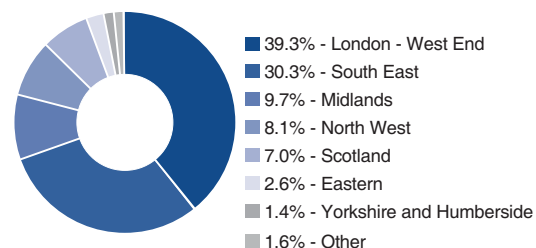
At launch, on 18 March 2005, the Company had a capital structure comprising approximately 75 per cent Ordinary Shares and 25 per cent Secured Bonds.

Ordinary shareholders are entitled to all dividends declared by the Company and to all the Company's assets after repayment of its borrowings. Borrowings consist of £230 million Secured Bonds due 2017. The bonds carry interest at a fixed rate of 5.23 per cent and have an expected maturity date of 30 June 2015. If the bonds are not redeemed at this date they will carry interest at 0.60 per cent over LIBOR until the final maturity date of 30 June 2017.

Sector breakdown



Geographical breakdown



September 2009

Fund manager's commentary

The property market has seen a sharp turnaround with the IPD Monthly Index measuring total returns of 3.3 per cent over the quarter to 30 September 2009, of which 1.8 per cent was recorded in September alone.

Investors' sentiment towards property is far more positive: "open ended" funds are now under pressure to increase direct property allocations due to renewed fund inflows from retail investors and institutions have re-entered the market. Investors are favouring well-located assets with long secure income streams but the definition of prime is broadening due to a lack of stock, and some investors are now becoming more open to risk, looking to purchase properties on shorter leases, but only where the fundamentals of location and building quality are supportive. Capitalisation rates for all sectors have moved in at the prime end, with retail warehouses having seen the largest correction, whilst across most sub-sectors secondary yields are now stabilising. Towards the end of the period, the market started to experience competitive, aggressive bidding for the available good quality stock, with a notable increase in the strength and depth of under-bidders. Numerous properties have also been withdrawn from the market by vendors, as any pressure to sell has reversed. There have been a number of capital-raising to take advantage of market conditions, however, investment activity remains subdued with £6.3 billion transacted in the third quarter of 2009, primarily due to lack of available stock, but transaction levels are increasing and are up from the £4 billion quarterly lows of early 2009. In the indirect sector (unlisted securities) there is now evidence of secondary trading in certain funds and of the discounts to net asset values beginning to tighten in pricing.

There are, however, reasons to be cautious. The secondary market is still relatively weak and the economic recession has hit occupier demand, rents and income streams across all sub-sectors. The lack of bank finance in the market will continue to affect activity levels from debt-backed purchasers as new bank lending to property is expected to remain constrained, whilst indebted investors may find banks less tolerant to income covenant breaches. Any tightening of monetary policy would have negative consequences for property.

The IPD UK Monthly Index recorded a capital increase of 1.2 per cent over the quarter. In comparison the Company's direct property portfolio increased in value by an ungeared 1.8 per cent (accounting for capital expenditure and purchase costs). The direct portfolio produced a total return of 3.6 per cent compared with the 3.3 per cent total return from the IPD Monthly Index.

The focus of activity for the Company over the quarter has been the acquisition of direct property. As previously announced, in July the Company completed its first purchase since its launch in March 2005: Site E4, Daventry International Rail Freight Terminal ('DIRFT') Logistics Park for £17.25 million representing a net initial yield of 9.05 per cent. Since 30 September 2009 the Company has completed acquisitions in the industrial/logistics sector with the purchase of three separate distribution warehouses at Hams Hall National Distribution Centre, Birmingham at, in the aggregate, a total purchase price of £34.85 million and a net initial yield of 9.0 per cent.

These acquisitions are in accordance with the Company's strategy to increase its weighting to the industrial and logistics sector which, as a result, has increased to approximately 13 per cent.

During the quarter the Company continued to let vacant accommodation. In Central London the second floor (1,909 sq ft) of 6/8 James Street, London W1 was let to Target Corporation at a rent of £75,405 per annum (£39.00 psf) for a term of 10 years with a break at year five. The refurbished second floor of Charles House, 5-11 Regent Street, London SW1 (4,692 sq ft) was let to Lunson Mitchenall at a commencing rent of £185,334 per annum (£39.50 psf) for a term of 10 years with a break at year six. In both lettings rent-frees and incentives commensurate with the market were granted to the tenants. At St. Christopher's Place Estate, London W1 the letting of two shops to Kookai and Adili (trading as Ascension) contracted at a combined rent of £130,000 per annum on flexible leases for terms of five years. Unit 8 at Newbury Retail Park has been the subject of asset management initiatives to split the 10,000 sq ft unit and to secure a change of use. Planning consent was granted for these initiatives and a letting contracted to Peacocks (7,825 sq ft) at a rent of £195,625 per annum (£25 psf) for a 10 year term. Heads of terms are agreed with the remaining unit (1,800 sq ft) with a well-known multiple retailer and it is expected that this letting will contract shortly.

At 30 September 2009 the void rate (excluding properties held or in the process of development) in the portfolio was 2.5 per cent, having improved from 4.0 per cent as at 30 June 2009 as a result of the key initiatives detailed above. At the end of the quarter the Company's largest void exposure was at 82 King Street, Manchester where there are currently three vacant floors. This property is currently the subject of a refurbishment of the entrance hall and common areas and, as a result of these enhancements, the property will be re-launched to the market. The Company's void rate remains significantly below the IPD average of 12 per cent (source IPD Monthly Index September 2009). The portfolio saw no significant tenant defaults over the period.

All data as at 30.09.09.

All information is sourced from F&C, unless otherwise stated. With effect from 19 March 2008, the Company will pay a base * management fee of 0.60% per annum on its invested assets and 0.25% per annum on net current assets. If the performance of the direct property portfolio outperforms its benchmark there is also a performance fee element payable, with the total management fee per annum capped at a maximum of 1.0% of gross assets. ** The NAV is calculated under International Financial Reporting Standards. *** Net gearing: (Secured Bonds - cash)/total assets (less current liabilities and cash). ****As a percentage of total assets less current liabilities. 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. Stock market, property market and currency 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. Where investments are made in emerging markets, unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and the income from the investment. If markets fall, gearing can magnify the negative impact on performance. The factsheet is issued and approved by F&C Management Limited. Authorised and regulated in the UK by the Financial Services Authority (FSA).