

August 2010



**Julie Dent**  
Fund Manager

## Trust aims

To achieve a total return in excess of a composite index, weighted as to 75% FTSE All-Share Index and 25% FTSE World (ex-UK) Index, by investing principally in a diversified international portfolio of equities and equity related securities. Within this overall objective, the Company aims to maintain a progressive dividend policy which will be dependent upon, inter alia, the rate of revenue growth within the investment portfolio and the level of dividend cover.

## Trust highlights

- Established in 1898 and managed by F&C ever since.
- Among the largest investment trusts in its sector.
- Pays dividends four times a year.

## Benchmark

75% FTSE All-Share Index / 25% FTSE All-World (ex-UK) Index

## Average annual return

Average annual return figure over 5 years 4.34%

## Key details

|                        |                          |
|------------------------|--------------------------|
| Fund Type              | Investment Trust         |
| Launch Date            | 1898                     |
| Total assets           | £435.2 million           |
| Share price            | 118.00p                  |
| NAV                    | 119.71p                  |
| Discount/Premium(-/+)  | -1.4%                    |
| Dividend Payment Dates | Jan, Apr, Jul, Oct       |
| Net dividend yield     | 5.2%                     |
| Actual gearing*        | 110.6                    |
| Management fee rate**  | 0.30%                    |
| Total expenses         | 0.89%                    |
| Year end               | 30 September             |
| Sector                 | Global Growth and Income |
| Currency               | Sterling                 |
| Website                | www.british-assets.co.uk |

## Standardised performance

|             | 2009/2010 | 2008/2009 | 2007/2008 | 2006/2007 | 2005/2006 |
|-------------|-----------|-----------|-----------|-----------|-----------|
| <b>Fund</b> | 25.3%     | -2.6%     | -16.8%    | 9.6%      | 11.1%     |

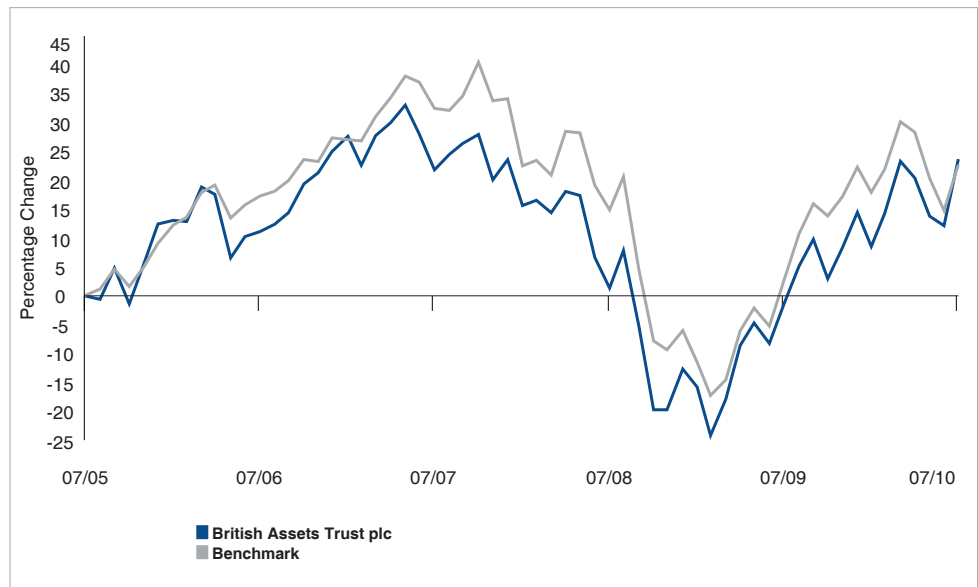
## Cumulative performance

|                  | 1 Month | Year to date | 1 Year | 3 Years | 5 Years |
|------------------|---------|--------------|--------|---------|---------|
| <b>Fund</b>      | 10.3%   | 8.1%         | 25.3%  | 1.5%    | 23.7%   |
| <b>Benchmark</b> | 6.0%    | 0.5%         | 18.9%  | -4.3%   | 23.8%   |

Source: Datastream & Lipper. Basis: share price, percentage growth, bid to bid, net income reinvested. Basis in accordance to the regulations of the FSA.

Past performance is not a guide to future performance. The standardised performance table refers to 12 month periods ending 31 July. The cumulative performance table refers to cumulative periods ending 31.07.2010

## Fund performance



## Top ten holdings

| Holdings                   | Sector/Country            | %            |
|----------------------------|---------------------------|--------------|
| HSBC                       | Banks                     | 5.0%         |
| Vodafone Group             | Mobile Telecommunications | 3.8%         |
| Rio Tinto                  | Mining                    | 3.7%         |
| GlaxoSmithKline            | Pharmaceuticals & Biotech | 3.6%         |
| Royal Dutch Shell B        | Oil & Gas Producers       | 3.6%         |
| BP                         | Oil & Gas Producers       | 3.4%         |
| British American Tobacco   | Tobacco                   | 2.7%         |
| AstraZeneca                | Pharmaceuticals & Biotech | 2.6%         |
| Tesco                      | Food & Drug Retailer      | 2.2%         |
| Scottish & Southern Energy | Electricity               | 2.1%         |
| <b>Total</b>               |                           | <b>32.7%</b> |

# British Assets Trust plc

Continued

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## Trust geographical breakdown

| Asset allocation        | %            |
|-------------------------|--------------|
| <b>Corporate Bonds</b>  | <b>11.0%</b> |
| <b>UK</b>               | <b>63.8%</b> |
| <b>Global Developed</b> | <b>14.4%</b> |
| North America           | 8.1%         |
| Europe                  | 3.1%         |
| Japan                   | 1.5%         |
| Pacific (ex Japan)      | 1.7%         |
| <b>Global Emerging</b>  | <b>10.3%</b> |
| Asia                    | 5.8%         |
| Latin America           | 2.9%         |
| Europe                  | 1.4%         |
| Other                   | 0.2%         |
| <b>Cash</b>             | <b>0.5%</b>  |

## Manager's commentary

British Assets Trust NAV Total Return was 5.8% higher, compared with a gain of 6.0% for the composite benchmark index. Global stockmarkets rallied in July fuelled by improving economic data and good profit announcements. As a result the FSTE All Share Index 6.9% and the FTSE World ex UK Index was 3.2% higher. Sterling rallied strongly

New investments this month included China Construction Bank, a Chinese bank providing a complete range of services to individual and corporate customers and Infosys Technology an Indian IT consulting and software services business.

The uneven nature of current macro-economic data is casting some doubt on the durability of the global recovery. However, we remain reasonably positive on equities in the medium-term supported by reasonable valuations, decent company profit growth and abundant liquidity.

The continued strong growth from the likes of Brazil, India and China suggests continued good performance from emerging markets. The news that China is prepared to let its currency appreciate is also good news for the big Asian exporters such as Korea and Taiwan.

Although the developed economies are currently attracting more 'macro-risk' than their emerging counterparts, the general improvement in world trade, high productivity growth, low wage growth, low absolute credit rates and recovering exports and capital expenditure augur well for company profits.

## Trust codes

| Sedol         |         |
|---------------|---------|
| F&C BAT - GBP | 0129756 |

All data as at 31.07.10 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.

All information is sourced from F&C, unless otherwise stated. All percentages are based on gross assets. \* (Total assets-cash and fixed interest)/shareholders' funds. \*\* Total expenses and management fee information as at the end of September 2009 and expressed as a percentage of average shareholder's funds. The share price may either be below (at a discount) or above (at a premium) to 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. Stock 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 fact sheet is issued and approved by F&C Management Limited. Authorised and regulated in the UK by the Financial Services Authority (FSA). Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895.