

January 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 5.60%

Key details

Fund Type	Investment Trust
Launch Date	1898
Total assets	£446.7 million
Share price	112.00p
NAV	123.56p
Discount/Premium(-/+)	-9.4%
Dividend Payment Dates	Jan, Apr, Jul, Oct
Net dividend yield	5.5%
Actual gearing**	110.3
Management fee rate***	0.30%
Total expenses	0.63%
Year End	30 September
Sector	Global Growth and Income
Currency	Sterling
Website	www.british-assets.co.uk

Standardised performance

	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005
Fund	31.1%	-29.3%	-1.1%	11.2%	28.8%

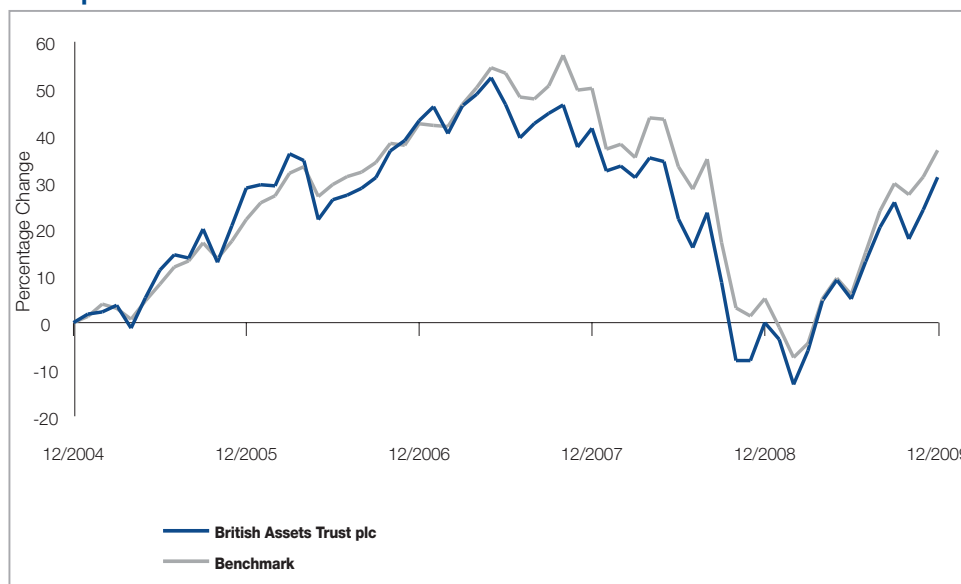
Cumulative performance

	1 Month	Year to date	1 Year	3 Years	5 Years
Fund	5.6%	31.1%	31.1%	-8.4%	31.1%
Benchmark	4.2%	27.8%	27.8%	-0.6%	39.1%

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 December. The cumulative performance table refers to cumulative periods ending 31.12.2009.

Fund performance



Top ten holdings

Holdings	Sector/Country	%
HSBC	Banks	5.2%
BP	Oil & Gas Producers	5.2%
Rio Tinto	Mining	4.0%
GlaxoSmithKline	Pharmaceutical & Biotech	4.0%
Royal Dutch Shell	Oil & Gas Producers	3.6%
Vodafone Group	Mobile Telecommunications	3.4%
British American Tobacco	Tobacco	2.5%
AstraZeneca	Pharmaceutical & Biotech	2.2%
Tesco	Food & Drug Retailer	2.2%
Scottish & Southern Energy	Electricity	2.0%
TOTAL		34.3%

British Assets Trust plc

Continued

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Trust geographical breakdown

Asset allocation	%
Corporate Bonds	10.7%
UK	62.8%
Global Developed	15.7%
North America	8.7%
Europe	4.1%
Japan	1.4%
Pacific (ex Japan)	1.5%
Global Emerging	10.3%
Asia	6.0%
Latin America	2.2%
Europe	1.6%
Other	0.5%
Cash	0.5%

Trust codes

Sedol	
F&C BAT - GBP	0129756

Manager's commentary

British Assets Trust NAV Total Return was 4.2% higher, compared with a gain of 4.2% for the composite benchmark index. Global stockmarkets delivered strong returns in December, reaching yearly highs during the month. US dollar strength and sovereign debt risks were the main themes in December. Generally favourable economic data in the US coupled with concerns elsewhere, particularly weak economic in Japan and budget concerns in Greece, all served to strengthen the dollar. The FTSE All Share Index gained 4.3% and the FTSE World ex UK Index was 3.6% higher.

New investments this month included BAE Systems and Barclays in the UK and Walgreen, a leading drugstore retailer in the US.

As we enter 2010, the prospects for economic growth and profit growth continue to improve and credit conditions are rapidly improving. The exceptional stimulus measures have had the desired effect. The key question now is how and when this stimulus will be withdrawn and can this be done in a way which is not problematic for financial markets. For now a slump back into recession is unlikely, inflation is likely to remain subdued and liquidity conditions remain favourable. Emerging markets should continue to outperform as the investment case based on superior long term growth prospects remains compelling.

All data as at 31.12.09, 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 / shareholders' funds. ** (Total assets-cash)/shareholders' funds. ***Management fee and total expenses information as at the end of September 2007 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.