



F&C Managed Portfolio Trust plc

Interim Report
for the six months ended
20 August 2008

Company Summary

Investment Objective

The Company's investments are managed in two separate portfolios; the Income Portfolio and the Growth Portfolio, to which the Income shares and the Growth shares are respectively entitled.

The investment objective for each portfolio is:

Income Portfolio

To provide Income shareholders with an attractive level of income with the potential for income and capital growth from a diversified portfolio of investment companies.

Growth Portfolio

To provide Growth shareholders with capital growth from a diversified portfolio of investment companies.

The Company invests in investment companies that have underlying investment exposures across a range of geographic regions and sectors which assists in spreading investment risk.

The benchmark index for both the Income Portfolio and the Growth Portfolio is the FTSE All-Share Index.

The Company

The Company is an investment trust and was incorporated on 20 February 2008. It was launched and commenced business on 16 April 2008 following the rollover of assets held in F&C's investment trust managed portfolio service ('MPS').

Investment Manager

F&C Investment Business Limited – Peter Hewitt

Equity Shareholders' Funds

£35.7 million at 20 August 2008

Capital Structure

The Company has two classes of shares, Income shares and Growth shares. There is no fixed ratio between them and the relative sizes of the Income and Growth portfolios will vary over time. Subject to certain minimum thresholds, shareholders have the right to convert their Income shares into Growth shares and vice versa, upon certain dates, the first of which will be in October 2009 and then annually thereafter.

Dividends

Income shares are entitled to all dividends of the Company. It is expected that the Company will pay four quarterly dividends per financial year. The Growth shares do not carry an entitlement to receive dividends. Any net income arising in the Growth Portfolio is transferred to the Income Portfolio, and a corresponding transfer of an identical amount made from the capital attributable to the Income Portfolio to the Growth Portfolio. It is expected that this will both benefit the income prospects of the Income shares and the capital growth prospects of the Growth shares.

Custodian

JPMorgan Chase Bank, N.A. is the principal custodian of the assets of the Company.

ISA Status

The Company's shares are eligible for Individual Savings Accounts ('ISAs')

Website

The Company's internet address is www.fcmanagedportfolio.co.uk



Performance Summary

Total Return (note 1)
Net asset value per share
FTSE All-Share Index

Income Shares			
		Period from launch to 20 August 2008	
	20 August 2008	16 April 2008 (at launch)	% change
Net asset value per share	88.87p	98.00p	-9.3
Share price	85.5p	100.0p	-14.5
(Discount)/premium	-3.8%	2.0%	
Dividend Yield (note 2)	5.1%	4.4%	
Gearing (note 3)	nil	nil	

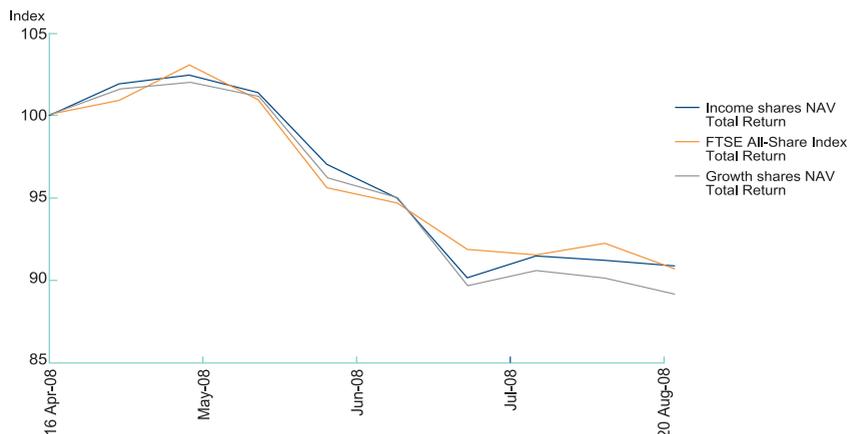
Growth Shares			
		Period from launch to 20 August 2008	
	20 August 2008	16 April 2008 (at launch)	% change
Net asset value per share	87.20p	98.00p	-11.0
Share price	83.5p	100.0p	-16.5
(Discount)/premium	-4.2%	2.0%	
Dividend Yield (note 2)	nil	nil	
Gearing (note 3)	nil	nil	

Notes

- All total returns are based on net dividends reinvested. Sources: F&C Investment Business Limited and Datastream.
- Annualised dividend yields are based on expected dividends, as set out in the launch prospectus, totalling 4.9 pence per Income Share in the period from 16 April 2008 to 31 May 2009 and a share price of 85.50p at 20 August 2008 and 100.0p at 16 April 2008. Growth Shares are not entitled to receive dividends.
- The Company has no borrowings.

F&C Managed Portfolio Trust plc

Net Asset Value Total Return against FTSE All-Share Total Return Index since launch (rebased to 100 from 16 April 2008, date of launch)



Source: F&C Investment Business Limited

Chairman's Statement

Introduction

This is my first report to shareholders since the launch of the Company, following the rollover of assets held in F&C's investment trust managed portfolio service ('MPS'). I would like to thank investors for their support which resulted in the successful rollover and launch of the Company. Approximately 95% of investors' assets in MPS were exchanged for shares in the new Company, providing the Company with gross assets of £42.8 million at launch. The Company's shares are now listed and traded on the main market of the London Stock Exchange.

The Company enables shareholders to invest in a tax-efficient way in diversified managed portfolios of listed investment companies, with a choice of either income or capital growth. The investment objective and capital structure are set out clearly in the Company Summary at the start of this Report so I will forbear from repeating it.

Investment portfolios

Following the launch of the Company in April, the Income and Growth portfolios each started with a concentrated list of approximately twelve holdings in investment companies which had been transferred from MPS. The initial task of our Manager, Peter Hewitt, was then to reduce the size of, or sell, certain of these holdings and redeploy the proceeds in order to broaden and diversify the underlying exposure of each portfolio.

This rebalancing is largely complete and each portfolio adheres to the investment policy restrictions as set out in the launch Prospectus. The two portfolios are set out on the following pages. Ultimately the aim is to have approximately 25 to 30 holdings in each portfolio, with no restriction on underlying geographic regions or sectors. However, in current uncertain markets the Manager has sensibly retained cash balances of around 15%.

A key feature of the Company is its flexible investment strategy within a framework which emphasises a long term approach. The main driver to performance over the long term is

asset appreciation and, whilst mindful of discounts, the Manager believes discounts are less important when returns are viewed over the long run. The prime thrust of the investment research effort is therefore to identify fund managers who can achieve consistent outperformance over time in their various fields. We intend to take advantage of the wide opportunities that now exist within the investment company universe. For example, the Income Portfolio has holdings which have attractive dividend yields, yet are exposed to European small company, Pacific basin and mining and natural resources sectors, none of which are usually included within income portfolios. Similarly, the Growth Portfolio will, where appropriate, invest in new and existing sectors that possess strong growth prospects over the long term, such as private equity, environmental and alternative energy and emerging markets.

The transition to a better spread of risk with more holdings across additional sectors has been achieved. However, with around 25 to 30 holdings each, the portfolios possess a focus which, looking ahead, should serve them well in terms of returns. In the Annual Report to be published next July there will be a separate Manager's Report in which Peter Hewitt will report more fully on his strategy and portfolios. As most of our shareholders are individuals we aim to make our reports as clear and jargon-free as possible, to the extent permitted by the ever-rising structure of corporate governance

Investment performance

From launch on 16 April 2008 to 20 August 2008, the UK stock market, as measured by the FTSE All-Share Total Return Index, fell by 9.8% as the global credit crisis continued to affect both financial markets and the underlying economies. Over the same period, the net asset value per share (NAV) of the Income Portfolio fell by 9.3% to 88.87p and the Growth Portfolio fell by 11.0% to 87.20p. We believe this is a reasonable start bearing in mind the transaction costs of restructuring the portfolios and market turbulence during the period.

Revenue and dividends

The Company's net revenue earnings for the period from launch on 16 April 2008 to 20 August 2008 totalled £433,000. This is equivalent to 2.0p per Income share of which 1.3p arose from the Income Portfolio and 0.7p arose from the Growth Portfolio. As provided under the Company's innovative capital structure, any net revenue arising on the Growth Portfolio is transferred to the Income Portfolio in exchange for a capital contribution of an identical amount, from the Income Portfolio.

Income shares are entitled to all the dividends paid by the Company; dividends are to be paid quarterly in July, October, January and April each year. The Directors have declared, in line with expectations, a first interim dividend in respect of the period from launch to 31 August 2008 of 1.5p per Income share. This dividend was paid to Income shareholders on 9 October 2008.

The launch Prospectus stated that, in the absence of unforeseen circumstances, the Company expects to pay four quarterly interim dividends in respect of the period from launch to 31 May 2009 totalling 4.9p per Income share. This would represent an annualised dividend yield of 5.1% based on the Income share price of 85.5p at 20 August 2008 and compares favourably with the yield on the FTSE All-Share Index of 4.2% at that date.

As a reminder the Growth shares are not entitled to dividends but instead benefit from a capital transfer from the Income Portfolio equivalent to any net income arising in the Growth Portfolio. This being a cost effective way to reinvest income in the Growth Portfolio.

Discount to NAV and share buy-backs

The share prices of the Company's Income and Growth shares will not always reflect their underlying NAV. The Company has a stated policy for buying back its own shares when it is in the interests of shareholders to do so. At 20 August 2008, the Income shares were at a discount of 3.8% to NAV and the Growth shares at a discount of 4.2%. These discounts compare

favourably with the average discount of 7.1% for the AIC Global Growth & Income sector and 8.3% for the AIC Global Growth sector at the end of August.

During the period to 20 August 2008, the Company bought back 975,000 Income shares and 1,350,000 Growth shares to be held in treasury. Subsequent to the period end, a further 290,000 Income shares and 135,000 Growth shares have been bought back for treasury. These buy-backs were at an average discount of 5% (Income shares) and 4% (Growth shares), thereby adding value for the remaining shareholders.

F&C have recently included the Company's shares in a number of investment savings plans which they operate and it is anticipated that this will be one of a number of means by which new investors are introduced to the Company.

Outlook

At the time of writing, uncertainty and volatility have reached unprecedented levels in financial markets causing substantial declines in equity and debt markets across the globe. The UK and US authorities are taking urgent action to restore the financial sector and in particular the banks to a stronger and more stable condition, which is vital for the world economy. The extent of their success will only become apparent over time. Either way, markets are likely to remain volatile and nervous for some time yet.

On a longer term view there is little doubt that equity valuations are depressed, indicating that there is scope for a significant recovery and positive returns at some stage. Over the last 140 years the investment trust movement has weathered wars, depressions and many financial crises. We believe it will continue to protect and grow the assets of its investors.

Richard Martin

Chairman

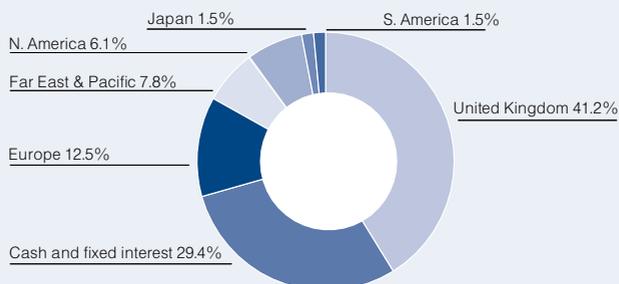
10 October 2008

Income Shares

Investment Portfolio at 20 August 2008

Company	Sector	Valuation £'000	% of Net assets of Income Portfolio
British Assets Trust	Global Growth & Income	1,583	8.5
European Assets Trust	European Smaller Companies	1,107	5.9
Murray International Investment Trust	Global Growth & Income	895	4.8
Law Debenture Corporation	Global Growth	822	4.4
Investors Capital Trust A Shares	UK High Income	795	4.3
Merchants Trust	UK Growth & Income	748	4.0
BlackRock Commodities Income	Commodities & Natural Resources	730	3.9
City of London Investment Trust	UK Growth & Income	717	3.9
Perpetual Income & Growth	UK Growth & Income	655	3.5
Shires Smaller Companies	UK High Income	637	3.5
Ten largest investments		8,689	46.7
Aberdeen Asian Income	Asia Pacific – excluding Japan	627	3.4
Invesco Leveraged High Yield	Global High Income	608	3.3
Temple Bar Investment Trust	UK Growth & Income	581	3.1
Bankers Investment Trust	Global Growth	576	3.1
Keystone Investment Trust	UK Growth	551	3.0
JPMorgan Fleming Mercantile Investment Trust	UK Growth	550	3.0
Candover Investments	Private Equity	525	2.8
Ecofin Water & Power Opportunities	Utilities	513	2.7
Schroder Oriental Income Fund	Asia Pacific – including Japan	490	2.6
JPMorgan Income & Growth Units	UK Growth & Income	465	2.5
Twenty largest investments		14,175	76.2
Edinburgh Investment Trust	UK Growth & Income	460	2.5
Henderson High Income	UK High Income	375	2.0
JZ Capital Partners	Private Equity	287	1.6
New Star Financial Opportunities Fund	Growth & Income	250	1.3
Investors Capital Trust Units	UK High Income	36	0.2
Standard Life Equity Income Trust	UK Growth & Income	2	0.0
Twenty six largest investments		15,585	83.8
Net current assets		3,018	16.2
Net assets of Income Portfolio		18,603	100.0

Geographical Analysis of the Net Assets of the Income Portfolio on a 'look-through' basis



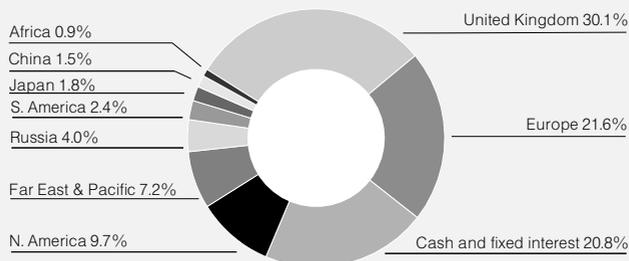
Note: This analysis is gross of any gearing in the underlying investee companies. Source: AIC (underlying data at 31 August 2008)

Growth Shares

Investment Portfolio at 20 August 2008

Company	Sector	Valuation £'000	% of Net assets of Growth Portfolio
British Assets Trust	Global Growth & Income	1,414	8.3
British Empire Securities & General Trust	Global Growth	987	5.8
Scottish Mortgage Investment Trust	Global Growth	972	5.7
BlackRock World Mining	Commodities & Natural Resources	813	4.7
Perpetual Income & Growth Trust	UK Growth & Income	776	4.5
Candover Investments	Private Equity	735	4.3
TR Property Investment Trust	Property Securities	676	4.0
Monks Investment Trust	Global Growth	647	3.8
JP Morgan Fleming Mercantile Investment Trust	UK Growth	635	3.7
SVG Capital	Private Equity	599	3.5
Ten largest investments		8,254	48.3
Aberforth Smaller Companies Trust	UK Smaller Companies	526	3.1
Graphite Enterprise Trust	Private Equity	492	2.9
Pacific Assets Trust	Asia Pacific - excluding Japan	489	2.9
SVM Global Fund	Global Growth	479	2.8
Standard Life European Private Equity Trust	Private Equity	478	2.8
RCM Technology Trust	Technology Media & Telecomm	454	2.7
Baring Emerging Europe	European Emerging Markets	401	2.3
TR European Growth Trust	European Smaller Companies	394	2.3
Templeton Emerging Markets Investment Trust	Global Emerging Markets	382	2.2
Schroder UK Mid & Small Cap	UK Growth	360	2.1
Twenty largest investments		12,709	74.4
Jupiter European Opportunities Trust	Europe	356	2.1
European Assets Trust	European Smaller Companies	351	2.1
Artemis Alpha Trust	UK Growth	348	2.0
JP Morgan Russian Securities	Europe	306	1.8
Impax Environmental Markets Investment Trust	Environmental	262	1.5
EP Global Opportunities Trust	Global Growth	228	1.3
F&C UK Select Trust	UK Growth	199	1.2
Twenty seven largest investments		14,759	86.4
Net current assets		2,319	13.6
Net assets of Growth Portfolio		17,078	100.0

Geographical Analysis of the Net Assets of the Growth Portfolio on a 'look-through' basis



Note: This analysis is gross of any gearing in the underlying investee companies. Source: AIC (underlying data at 31 August 2008)

Income Shares

Unaudited Income Statement

Six month period from 20 February 2008 (date of incorporation) to 20 August 2008

	Income Shares		
	Revenue	Capital	Total
	£'000	£'000	£'000
Losses on investments	–	(2,426)	(2,426)
Income	362	–	362
Investment management fee	(16)	(24)	(40)
Other expenses	(48)	–	(48)
Return on ordinary activities before tax	298	(2,450)	(2,152)
Tax on ordinary activities	(12)	5	(7)
Return attributable to income shareholders	286	(2,445)	(2,159)
Return per Income share (pence)	1.32p	(11.28)p	(9.96)p

Growth Shares

Unaudited Income Statement

Six month period from 20 February 2008 (date of incorporation) to 20 August 2008

	Growth Shares		
	Revenue	Capital	Total
	£'000	£'000	£'000
Losses on investments	–	(2,531)	(2,531)
Income	205	–	205
Investment management fee	(8)	(30)	(38)
Other expenses	(46)	–	(46)
Return on ordinary activities before tax	151	(2,561)	(2,410)
Tax on ordinary activities	(4)	6	2
Return attributable to growth shareholders†	147	(2,555)	(2,408)
Return per Growth share (pence)†	0.71p	(12.36)p	(11.65)p

†Any net revenue return attributable to the Growth Portfolio is transferred to the Income Portfolio and a corresponding transfer of an identical amount of capital is made from the Income Portfolio to the Growth Portfolio. Refer to the Reconciliation of Movements in Shareholders' Funds.

Total – The Company

Unaudited Income Statement

Six month period from 20 February 2008 (date of incorporation) to 20 August 2008

	Total		
	Revenue	Capital	Total
	£'000	£'000	£'000
Losses on investments	–	(4,957)	(4,957)
Income	567	–	567
Investment management fee	(24)	(54)	(78)
Other expenses	(94)	–	(94)
Return on ordinary activities before tax	449	(5,011)	(4,562)
Tax on ordinary activities	(16)	11	(5)
Return attributable to shareholders	433	(5,000)	(4,567)

The total column of this statement is the Profit and Loss Account of the Company.

The supplementary revenue and capital columns are prepared under guidance published by The Association of Investment Companies.

The Company was incorporated on 20 February 2008 and commenced operations on 16 April 2008.

Unaudited Balance Sheet

As at 20 August 2008

	Income Shares £'000	Growth Shares £'000	Total £'000
Non-current assets			
Investments at fair value	15,585	14,759	30,344
Current assets			
Debtors	152	35	187
Cash at bank and on deposit	3,357	2,756	6,113
	3,509	2,791	6,300
Creditors			
Amounts falling due within one year	(491)	(472)	(963)
Net current assets	3,018	2,319	5,337
Net assets	18,603	17,078	35,681
Capital and reserves			
Called-up share capital	2,191	2,094	4,285
Special reserve	18,571	17,392	35,963
Capital reserve	(2,592)	(2,408)	(5,000)
Revenue reserve	433	–	433
Shareholders' Funds	18,603	17,078	35,681
Net asset value per share (pence)	88.87p	87.20p	–

Approved by the Board and authorised for issue on 10 October 2008 and signed on its behalf by:

Richard M Martin, Director

Unaudited Reconciliation of Movements in Shareholders' Funds

Six month period from 20 February 2008 (date of incorporation) to 20 August 2008

	Income Shares £'000	Growth Shares £'000	Total £'000
Opening shareholders' funds at 20 February 2008	–	–	–
Increase in share capital in issue	21,907	20,936	42,843
Launch costs	(328)	(314)	(642)
Share buy-backs	(817)	(1,136)	(1,953)
Transfer of net income from Growth shares to Income shares	147	(147)	–
Transfer of capital from Income shares to Growth shares	(147)	147	–
Return attributable to shareholders	(2,159)	(2,408)	(4,567)
Closing shareholders' funds at 20 August 2008	18,603	17,078	35,681

Related Parties

Management Fee

The Company's investment manager is F&C Investment Business Limited. F&C Investment Business Limited receives an investment management fee comprising a base fee and, if certain conditions are met, a performance fee. The base fee is a management fee at the rate of 0.65% per annum of the total assets of each Portfolio payable quarterly in arrears, subject to being reduced to 0.325% per annum on any assets which are invested in other investment vehicles managed by the Manager. During the period, the Company has incurred management fees of £78,000, of which £47,000 is payable to F&C Investment Business Limited at the period end. At the period end, there was no performance fee payable.

Secretarial and Administrative Fee

The Manager, F&C Investment Business Limited receives a secretarial and administrative fee of £65,000 per annum, subject to annual increases in line with the Consumer Price Index. During the period the Company has incurred secretarial and administrative fees of £24,000, of which £14,000 is payable to F&C Investment Business Limited at the period end.

Costs Agreement

Under a costs agreement, the Manager agreed to fix the costs of the Company's launch at 1.5% of the gross proceeds from the issue of shares under the Placing and Offer for subscription. Total launch costs of £642,000 were incurred by the Company as shown above in the Reconciliation of Movements in Shareholders' Funds.

Summarised Unaudited Statement of Cash Flows

Six month period from 20 February 2008 (date of incorporation) to 20 August 2008

	Income Shares £'000	Growth Shares £'000	Total £'000
Net cash inflow from operating activities	233	134	367
Capital expenditure and financial investment	3,395	3,476	6,871
Net cash inflow before financing	3,628	3,610	7,238
Net cash outflow from financing	(947)	(995)	(1,942)
Increase in cash	2,681	2,615	5,296
Reconciliation of net cash flow to movement in net debt			
Increase in cash as above	2,681	2,615	5,296
Cash inflow from transfer of cash at launch [†]	676	141	817
Opening net cash	–	–	–
Closing net cash	3,357	2,756	6,113
Reconciliation of net return before taxation to net cash inflow from operating activities			
Net return before finance costs and taxation	(2,152)	(2,410)	(4,562)
Losses on investments	2,426	2,531	4,957
Changes in working capital and other non-cash items	(41)	13	(28)
Net cash inflow from operating activities	233	134	367

[†] On 16 April 2008, investments with a market value of £21,201,000 (Income) and £20,764,000 (Growth) together with cash of £676,000 (Income) and £141,000 (Growth) (all of which were held in F&C's investment trust managed portfolio service) were received by the Company in exchange for the issue of Income and Growth Shares.

Principal Risks and Uncertainties

The Company's assets consist principally of listed securities and its main risks are therefore market related. The Company is also exposed to currency risk in respect of overseas markets in which it invests. Other risks faced by the Company include the following:

- External – events such as terrorism, protectionism, inflation or deflation, economic recessions and movements in interest rates could affect share prices in particular markets.
- Investment and strategic – incorrect strategy, country and sector allocation, stock selection, and the use of gearing could all lead to poor returns for shareholders.
- Credit risk – is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company. All the assets of the Company which are traded on a recognised exchange are held by JPMorgan Chase Bank, the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed or limited.
- Regulatory – breach of regulatory rules could lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report. Breach of Section 842 of the Income and Corporation Taxes Act 1988 could lead to the Company being subject to tax on capital gains.
- Operational – failure of the Manager's accounting systems or disruption to the Manager's business, or that of third party service providers, could lead to an inability to provide accurate reporting and monitoring, leading to a loss of shareholders' confidence.
- Financial – inadequate controls by the Manager or third party service providers could lead to misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations.
- Competitive – retention of key personnel is vital to the success of the Company.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Company's investment portfolio, and applies the principles detailed in the internal control guidance issued by the Financial Reporting Council.

The Company's launch Prospectus contained a section on Risk Factors. The Company's principal risks and uncertainties have not changed materially since the date of that prospectus and are not expected to change materially for the remainder of the Company's first financial period. Further information on these risks, together with the Company's approach to controlling them, will be included in the Company's report and accounts to 31 May 2009.

Responsibility Statement of the Directors in Respect of the Interim Report

We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with the Statement 'Half-Yearly Financial Reports' issued by the UK Accounting Standards Board and give a true and fair view of the assets, liabilities, financial position and return of the Company;
- the Chairman's Statement includes a fair review of the information required by the Disclosure and Transparency Rules ('DTR') 4.2.7R(1), being an indication of important events that have occurred during the first six months of the financial period and their impact on the financial statements;
- the Statement of Principal Risks and Uncertainties shown above is a fair review of the information required by DTR 4.2.7R(2); and
- the condensed set of financial statements include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial period and that have materially affected the financial position or performance of the Company during the period.

On behalf of the Board

R M Martin
Director
10 October 2008

Notes to the Accounts (unaudited)

1. Accounting Policies

Basis of preparation

The unaudited interim results, which cover the period from incorporation on 20 February 2008 to 20 August 2008 have been prepared in accordance with the Statement 'Half-Yearly Financial Reports' issued by the UK Accounting Standards Board and adopting the accounting policies which will be set out in the statutory accounts of the Company for the period ending 31 May 2009. A summary of the main accounting policies is set out below.

The interim financial statements of the Company have been prepared under UK Generally Accepted Accounting Practice ('UK GAAP') and where applicable, in accordance with the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies (AIC) in December 2005.

The notes and financial statements are presented in pounds sterling and are rounded to the nearest thousand except where otherwise indicated.

Investments

The Company's investments have been categorised as 'financial assets at fair value through profit or loss' and are recognised on a trade date basis. At the time of acquisition the investments are initially recorded at cost.

Listed investments are valued at their fair value which is represented by their bid price.

As investments have been categorised as 'financial assets at fair value through profit or loss', gains and losses arising from changes in fair value are included in the Income Statement as a capital item.

Capital and Reserves

(a) Capital reserve

- gains and losses on realisation of investments are dealt with in this reserve.
- increases and decreases in the valuation of investments held are dealt with in this reserve.

(b) Special reserve

- created from the Court cancellation of the share premium account. Available as distributable profits to be used for the buy back of shares.

Income

(a) Dividends are recognised as income on the date that the related investments are marked ex-dividend.

(b) Other investment income and deposit interest are included on an accruals basis.

Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except where incurred in connection with the maintenance or enhancement of the value of the Company's investment portfolio and taking account of the expected long term returns as follows:

- Management fees have been allocated 40 per cent to revenue and 60 per cent to capital in the Income Portfolio and 20 per cent to revenue and 80 per cent to capital in the Growth Portfolio;
- Performance fees will be charged wholly to capital.

1. Accounting Policies (continued)

Expenses charged to the Company common to both pools are allocated to the pools in the same proportion as their net assets at the quarter end immediately preceding the date on which the cost is to be accounted for.

Expenses charged to the Company in relation to a specific pool are charged directly to that pool, with the other pool remaining unaffected.

Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in either the capital or revenue column of the income statement depending on whether the gain or loss is of a capital or revenue nature respectively.

Taxation

Tax is computed for each portfolio separately. A portfolio which generates taxable revenues in excess of tax deductible expenses may benefit from the excess of tax deductible expenses in the other portfolio. In return, by way of compensation, there would be a transfer from the portfolio with taxable profits to the portfolio with taxable losses.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which future reversal of the underlying timing differences can be deducted.

Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

Transfer of capital and revenue

All net revenue of the Company attributable to the Growth Portfolio is, immediately following recognition in accordance with the Company's accounting policies, reallocated, applied and transferred to, and treated as revenue attributable to, the Income Portfolio. Contemporaneously with any such reallocation, application and transfer of any revenue to the Income Portfolio, such assets comprising part of the Income Portfolio as have a value equal to the net revenue so reallocated, applied and transferred shall be reallocated, applied, transferred and treated as capital attributable to the Growth Portfolio.

Issue costs

Issue costs were deducted from the share premium account, prior to its cancellation and the creation of a special reserve (refer note 8).

Notes to the Accounts (unaudited)

2. Income for the period to 20 August 2008 is derived from:

	Income Shares £'000	Growth Shares £'000	Total £'000
Equity investments	311	155	466
Deposit interest	51	50	101
	362	205	567

3. The returns per Income share are based on 21,671,129 Income shares, being the weighted average number of Income shares in issue during the period. The returns per Growth share are based on 20,670,803 Growth shares, being the weighted average number of Growth shares in issue in the period.
4. Earnings for the period to 20 August 2008 should not be taken as a guide to the results of the full period to 31 May 2009.
5. A first interim dividend in respect of the period from Admission on 16 April 2008 to 31 August 2008 of 1.5p per Income share was paid on 9 October 2008 to shareholders on the register on 26 September 2008.
6. At incorporation, four subscriber shares (2 Income shares and 2 Growth shares) were subscribed for, fully paid, at a subscription price of £1 each (nominal value 10p each). On 15 April 2008, the Company issued 21,907,190 Income shares and 20,935,565 Growth shares each at an Issue price of £1 each. The value of the assets acquired in relation to the allotment of these Income shares were investments with a market value of £21,201,034 and cash of £706,158. The value of the assets acquired in relation to the allotment of these Growth shares were investments with a market value of £20,764,440 and cash of £171,127.
- During the period to 20 August 2008 the Company bought back 975,000 Income shares at a cost of £817,000 and 1,350,000 Growth shares at a cost of £1,136,000 to be held in treasury. At 20 August 2008 the Company held 975,000 Income shares and 1,350,000 Growth shares in treasury.
7. The net asset value per share is based on 20,932,192 Income shares and 19,585,567 Growth shares being the number of shares in issue at the period end.
8. On 23 June 2008, the Court of Session confirmed the cancellation of the entire amount standing to the credit of the share premium account and the creation of a special reserve. The special reserve is available to be used for the buy back of both Income shares and Growth shares.

9. The effective revenue tax rate for the period to 20 August 2008 is 3.6 per cent. This is lower than the rate of corporation tax for small companies due to the level of non-taxable UK dividend income.
10. The Company's auditors, Ernst & Young LLP have not audited or reviewed the Interim Report to 20 August 2008 pursuant to the Auditing Practices Board guidance on 'Review of Interim Financial Information'.
11. These are not full statutory accounts in terms of Section 240 of the Companies Act 1985. The first full audited accounts for the period ending 31 May 2009, will be lodged with the Registrar of Companies following the Annual General Meeting in 2009.

How to Invest

As well as investing in F&C Managed Portfolio Trust plc by buying shares through a stockbroker, you can enjoy some additional benefits by investing through one of the savings plans run by F&C Asset Management plc ('F&C').

You can enjoy the convenience of making regular savings by Direct Debit, take advantage of our tax-efficient ISA wrapper, receive a simple statement every six months and let us automatically reinvest your dividends for you.

- **F&C Private Investor Plan**
A flexible, low cost way to invest with a lump sum from £500 or regular savings from £50 a month.
- **F&C Investment Trust ISA**
Invest up to £7,200 tax efficiently each year with a lump sum from £500 or regular savings from £50 a month. You can also transfer any existing ISAs.
- **F&C Child Trust Fund ('CTF')**
F&C is a leading provider of children's investment plans and is one of the few providers to offer an investment trust based CTF. Suitable for children born after 1 September 2002.
- **F&C Children's Investment Plan**
Suitable for older children ineligible for a CTF, or if you need access to the funds before the child is 18. This flexible plan can easily be written under trust to help reduce inheritance tax liability. Investments can be made from a £250 lump sum or £25 a month.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the original investor. Freedom from tax in an ISA applies directly to the investor.

Low charges

All the plans are low cost and flexible. When you buy or sell shares in these plans the dealing fee is only 0.2%. Government stamp duty of 0.5% also applies on purchases. There are no initial or exit charges. The only annual management fee is on the ISA, which is £60+VAT (no matter how many tax years' ISAs you take out with F&C, or how many ISAs you transfer).

The F&C Child Trust Fund has no initial charges, dealing charges or annual management fee.

How to invest

For more information on any of these products, please contact F&C's Investor Services Team:

Call us on **0800 136 420**

email at **info@fandc.com**

invest online at **www.fandc.com**

Existing plan holders' enquiry line
0845 600 3030

Existing plan holders email us at:
investors.enquiries@fandc.com

Or write to:

F&C
Freeport RLRV-LYSR-KYBU
Clandeboyne Business Park
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Bangor BT19 1AR

Calls may be recorded.



The information on this page has been approved by F&C Management Limited which is a member of the F&C Asset Management Group and is authorised and regulated by the Financial Services Authority ('FSA').

Corporate Information

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Colin S McGill †

Alistair G Stewart ¶

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F&C's Investor Services Team

For further information contact F&C's Investor Services Team

Tel: 0800 136 420 (new enquiries)

Tel: 0845 600 3030 (F&C customers)

* Chairman of the Nomination Committee

‡ Senior Independent Director

† Chairman of the Audit Committee

¶ Chairman of the Management Engagement and Remuneration Committee

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*Calls to this number are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary.