



PRESS RELEASE

F&C Commercial Property Trust delivers positive returns in volatile markets

LONDON, 3 April 2017 – F&C Commercial Property Trust ('the Company') has announced a year of outperformance in its annual results, amid heightened market volatility following the EU referendum vote.

The Company delivered a net asset value (NAV) total return of 4.8% per cent for the year to 31 December 2016. The portfolio delivered a total return of 5.3 per cent, which compares with a total return of 3.6 per cent from its benchmark, the MSCI Investment Property Databank ('IPD') Quarterly Index. The share price total return for the year was 6.4 per cent.

Twelve monthly interim dividends, each of 0.5p per share, were paid during the year, maintaining the annual dividend of 6.0p per share and providing a dividend yield of 4.4 per cent based on the year-end share price. Barring unforeseen circumstances, the Board intends that dividends in 2017 will continue to be paid monthly at the same rate.

The Company's level of dividend cover for the year (excluding capital gains on properties and loss on redemption of the interest rate swap) was 87.0 per cent, ahead of the 80.6 per cent cover achieved last year. The improved cover is primarily attributable to an enhanced level of rental income which increased by £2.0 million in the current year and a reduced performance fee of £1.9 million.

During the year, the Company completed the sale of its freehold interest in 25 Great Pulteney Street, London W1 for £54.3m, reflecting a net initial yield of 3.95 per cent. The property produced an annualised total return of 16.5 per cent since being redeveloped in 2011. The disposal crystallised substantial value for the Company, reduced its exposure to Central London and will allow for capital to be employed into other opportunities.

Commenting on the outlook for the UK Commercial Property sector, fund manager, Richard Kirby said: "Despite some recovery in property performance towards year-end and upward revisions to GDP growth forecasts, market sentiment remains cautious. There is a focus on political issues, with Brexit negotiations at the fore, but the impact of the US election and developments in Europe are also potential areas of concern. Within property, the introduction of new business rates will affect tenants' occupational costs, while margins could be hit by higher prices for imported goods. With interest rates expected to remain low by historic standards and property benefiting from a relatively high and stable income return, the asset class is likely to retain its appeal to income seeking investors.

"We expect a period of positive single digit total return performance, driven by income in an uncertain environment. We continue to favour quality industrial and distribution, Central London retail and alternative assets on a selective basis. The outlook for Central London offices is still unclear. In the short and medium term, the path of Brexit negotiations is expected to be a major

determinant of performance but over the longer-term, the impact of any move towards the normalisation of interest rates also needs to be borne in mind”.

Highlights of F&C Commercial Property Trust annual results, to 31 December 2016, include:

- Net asset value total return of 4.8 per cent
- Share price total return of 6.4 per cent
- Portfolio total return of 5.3 per cent, compared with a total return of 3.6 per cent from the MSCI IPD benchmark index
- Dividend yield of 4.4% based on the year end share price

About F&C Commercial Property Trust:

- F&C Commercial Property Trust aims to provide Ordinary shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio
- F&C Commercial Property Trust is managed by Richard Kirby at F&C REIT in London, who has an award winning track record as lead fund manager
- The Company is benchmarked against the Investment Property Databank ('IPD') Quarterly Universe

Ends

Notes to Editors:

The full results statement is attached.

Past performance should not be seen as an indication of future performance. The value of investments and income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

Views and opinions have been arrived at by BMO Global Asset Management and should not be considered to be a recommendation or solicitation to buy or sell any products that may be mentioned.

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About BMO Global Asset Management

BMO Global Asset Management is a global investment manager with offices in more than 25 cities in 14 countries, delivering service excellence to clients across five continents. It is the second largest provider of ETFs in Canada and has a strong and growing presence in Europe, having purchased F&C Asset Management in July 2014.

BMO Global Asset management's four major investment centers in Toronto, Chicago, London and Hong Kong are complemented by a network of world-class boutique managers strategically located across the globe: BMO Real Estate Partners, LGM Investments, Money, Inc., Pyrford



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