For release 12 September 2018

F&C Commercial Property Trust ('the Company')
Results for the six months to 30 June 2018

Long-term outperformance remains on track

F&C Commercial Property Trust ('the Company'), which is managed by BMO Global Asset Management's specialist real estate investment manager, BMO Real Estate Partners, today announces its interim results for the six months ended 30 June 2018.

Financial Highlights

- Share price total return of 13.2 per cent for the six months*
- 3.6 per cent net asset value (NAV) total return*
- Maintained annualised dividend at 6.0 pence per share giving a yield of 4.0% on the period end share price*
- Portfolio total return of 3.6 per cent, in line with the MSCI Investment Property Databank (IPD) Quarterly Universe, the Benchmark, which returned 3.7 per cent*
- The Company maintains outperformance against the IPD Benchmark over a five and 10-year time horizon
- The longer-term performance of the portfolio remains strong with IPD rating it top quartile over 10 years

Operational Highlights

- The overall total return from the Company's retail properties during the period was 1.5* per cent, outperforming the Benchmark return of 1.1 per cent
- St. Christopher's Place Estate performed steadily over the period producing a total return of 2.3* per cent
- Following completion of the sub-division works of Unit 14 at Newbury retail park, Starbucks and Mountain Warehouse have opened their new stores, taking 15 and 10-year leases respectively
- Total return from the office portfolio of 5.0* per cent, compared to the Benchmark total return of 3.2 per cent
- A vacant building on Edinburgh Park has been let to Diageo, as its new Scottish headquarters, on a new 16-year lease; the property is being refurbished at a capex spend of £6.5 million with works due to complete in February 2019
- The Company completed the purchase of Hurricane 47, Estuary Business Park, Liverpool for £3.995 million and an adjoining site of 3.6 acres with planning consent for the construction of a 52,000 sq. ft. unit for £1.080 million
- The portfolio benefits from a highly secure income stream; current void rate excluding developments and refurbishments is 6.9* per cent

* See Alternative Performance Measures

Commenting, Chris Russell, Chairman, said: "The property market has delivered a solid performance in the first six months of 2018. Future performance could be affected by the economic and political uncertainties surrounding Brexit as the March 2019 deadline approaches. Forecast modest economic growth and a gradual move to a regime of higher interest rates will also play a role.

"The priority continues to be to invest in and complete asset management initiatives within the portfolio and to capitalise on external opportunities to provide sustainable long-term rental income."

Commenting, Richard Kirby, fund manager at BMO Real Estate Partners, said: "The outlook for retail property has deteriorated as it faces major structural issues. Retailers are having to adjust their occupational strategies in face of changing consumer habits, which will continue to provide challenges to Landlords in the short-term. Leasing strategies have moved from opportunistic to a more defensive income preservation focus but this will settle over time as we reach a more stable equilibrium between physical and online retail. As holders of core assets in prime locations the portfolio is well positioned in this regard.

"There are growing concerns about the level of pricing in some parts of the market such as industrial, where yields have reached historically low levels, and City offices, where the occupational market may be weaker in the medium term. These sub-sectors may see some readjustment in pricing if there is some cooling in real estate capital markets.

"Despite some uncertainty, the economy is forecast to remain resilient in the near term and we expect real estate to deliver stable and positive total returns, driven by a strong income return. The Company has a prime, well balanced portfolio and the focus remains on asset management initiatives apparent in the portfolio and reducing exposure to voids."

REIT Conversion

The Group is now paying a rising level of taxation and this will increase substantially following the UK Government's decision to bring non-resident landlords into the corporation tax regime, effective April 2020. In the light of the current and continuing increase in corporate tax, and following a review of the current structure of the group, it has been determined that change is necessary. Accordingly, it is proposed that the Company takes the necessary steps to achieve UK Real Estate Investment Trust ("REIT") status. Subject to the passing of certain resolutions to update its Articles of Incorporation at a General Meeting, and satisfying the necessary HMRC conditions, the intention is to serve notice to HMRC for entry to the REIT regime with effect from 1 April 2019.

Board Changes
John Wythe is announced as a new member of the Board, bringing considerable experience of the property market, most recently as director, then chairman, of the Trustees of The Portman Estate Ltd, following a long career with Prudential Property Investment Managers Ltd, now M&G Real Estate.

Further proposed Board changes will be announced early in the new year together with detailed proposals for conversion to REIT status.

-Ends-

Notes to Editors:

The full results statement is below.

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 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 BMO Real Estate Partners in London, who has an award-winning track record as lead fund manager

The Company is benchmarked against the Investment Property Databank ('IPD') Quarterly and Monthly Valued Funds Universe

About BMO Real Estate Partners
BMO Real Estate Partners is a specialist real estate investment manager firm with €6.3 billion of AUM[1] across core European markets, employing more than 140 staff, including more than 20 investment managers and over 25 asset managers overseen by a highly experienced and well-regarded management team.

It offers investors a broad suite of products specialising in core / core+ strategies with a focus on delivering superior income returns and a track record of performance against key benchmarks throughout market cycles. BMO Real Estate Partners has a strong localised presence with offices in London, Paris and Munich, as well as on-the-ground reach in core European markets including Spain and Italy.

[1] as at 31.12.2017 and includes both discretionary and non-discretionary assets

While it retains an independent, agile and entrepreneurial approach to its investment activity, BMO Real Estate Partners is able to call on the support structure and expertise of BMO Financial Group's €216.8 billion[2] Global Asset Management business, which provides deep seated insight into institutional investment landscape and facilitates the adoption of best in class corporate governance and sustainability

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.
Our four major investment centres in Toronto, Chicago, London and Hong Kong are complemented by a network of world-class specialist managers strategically located across the globe: BMO Real Estate Partners, LGM Investments, Pyrford International Ltd. BMO Global Asset Management is a signatory of the United Nations-supported Principles for Responsible Investment initiative (UNPRI).

BMO Global Asset Management is a part of BMO Financial Group, a highly diversified financial services provider based in North America with total assets of CDN $728 billion as of 31 January 2018, and over 45,000 employees. BMO Wealth Management has worldwide assets under management of CDN $436 billion, as of 31 January 2018.

[2] as at 31.12.2017 and includes both discretionary and non-discretionary assets

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(Classified Regulated Information, under DTR 6 Annex 1 Section 1.2)

Interim Report for the Period ended 30 June 2018

Highlights

- Share price total return of 13.2 per cent for the six months*
- 3.6 per cent net asset value total return*
- Maintained annualised dividend at 6.0 pence per share giving a yield of 4.0 per cent on the period end share price*

* See Alternative Performance Measures

Chairman's Statement

Performance for the period

The share price total return to shareholders over the six-months to 30 June 2018 was 13.2* per cent. The share price at the period-end was150.6p, representing a premium of 5.2* per cent to the NAV per share of 143.2p.

The net asset value total return over the six months was 3.6 per cent. The following table provides an analysis of the movement in the NAV per share for the period:

	Pence
NAV per share as at 31 December 2017	141.2
Unrealised increase in valuation of direct property portfolio	2.6
Other net revenue	2.4
Dividends paid	(3.0)
NAV per share as at 30 June 2018	**143.2**

The total return from the underlying portfolio, including rents net of direct property costs, was 3.6* per cent, compared with the total return of 3.7* per cent from the MSCI Investment Property Databank ('IPD') Quarterly Universe ('the Benchmark'). 1.5 percentage points of this return was attributable to capital growth which was in line with the capital return recorded by IPD. The strongest absolute returns during the period were experienced in the alternative and office sectors, the latter primarily due to successful new lettings and ongoing capital initiatives. The longer-term performance of the portfolio remains above average over five and ten years.

In the retail sector, St. Christopher's Place Estate continues to benefit from the high number of completed and ongoing initiatives undertaken during the period. The Company benefits from having little exposure to traditional high street retail and no shopping centres. However, on the negative side, the Company has experienced a number of Company Voluntary Arrangements ('CVAs') and administrations over the period, which has had some impact on our retail parks in Newbury and Solihull. These are popular retailer destinations and the Manager is taking positive steps towards mitigating any impact that CVAs may have had.

While the focus has continued to be on asset management initiatives within the existing portfolio, the Company purchased an industrial unit and adjoining land in Liverpool for £5.1 million. The Company has entered into a forward commitment to acquire a warehouse to be constructed on completion of the works at an additional sum of £3.4 million. There is significant demand for quality buildings in the logistics sector in this region and this investment provides the Company with an opportunity to generate sustainable, quality, long-term income.

Borrowings

The Group's available borrowings comprise a £260 million term loan with Legal & General Pensions Limited, maturing on 31 December 2024, and both a £50 million term loan facility and an undrawn £50 million revolving credit facility with Barclays, available until June 2021. The Group's net gearing, was 20.2* per cent at the end of the period. The weighted average interest rate on the Group's total current borrowings is 3.3 per cent.

Dividends and Dividend Cover

Monthly interim dividends of 0.5p per share continued to be paid during the period, maintaining the annual dividend of 6.0p per share since 2006 and providing a dividend yield of 4.0* per cent based on the period-end share price. Barring unforeseen circumstances, your Board intends that dividends will continue to be paid monthly at the same rate.

The Company's level of dividend cover for the period (excluding capital gains on properties) was 79.2* per cent which was broadly in line with the equivalent period last year (80.6* per cent). In comparing these, rental income levels have increased, helped significantly by the purchase of One Cathedral Square, Bristol in December 2017. However, this was offset by an increased level of expenses, with the majority of that increase attributable to a one-off payment to a tenant as an incentive for them to vacate a property early. The level of tax payable in the current period increased further as taxable losses were fully utilised in three subsidiaries of the Group.

REIT Conversion

As highlighted in the 2017 Annual Report, the Board has been in consultation with its tax advisors regarding the tax affairs of the Group. The Group is now paying a rising level of taxation and this will increase substantially following the UK Government's decision to bring non-resident landlords into the corporation tax regime, effective April 2020.

In the light of the current and continuing increase in corporate tax, and following a review of the current structure of the group, it has been determined that change is necessary. Accordingly, it is proposed that the Company takes the necessary steps to achieve UK Real Estate Investment Trust ('REIT') status. Subject to the passing of certain resolutions to update its Articles of Incorporation at a General Meeting, and satisfying the necessary HMRC conditions, the intention is to serve notice to HMRC for entry to the REIT regime with effect from 1 April 2019.

Board Composition

Over the years we have implemented a carefully orchestrated evolution of the Board, combining a degree of continuity with gradual change. This has ensured an appropriate balance of skills, experience, and of personalities who have provided constructive challenge to the management of your Company.

In continuing this programme of refreshment, I am delighted to welcome John Wythe as a new member of the Board. John brings considerable experience of the property market, most recently, among other positions, as director then chairman of the Trustees of The Portman Estate Ltd following a long career with Prudential Property Investment Managers Ltd, now M&G Real Estate.

Further proposed Board changes will be announced early in the new year together with detailed proposals for conversion to REIT status.

Outlook

The property market has delivered a solid performance in the first six months of 2018. Future performance could be affected by the economic and political uncertainties surrounding Brexit as the March 2019 deadline approaches. Forecast modest economic growth and a gradual move to a regime of higher interest rates will also play a role.

With the scope for further yield compression being limited, total returns are now expected to be driven by income. Well-specified and well-let assets in established and emerging locations are likely to out-perform against this backdrop.

Notwithstanding the short-term pressures in the retail sector, the Company has a well-positioned and resilient portfolio. The priority continues to be to invest in and complete asset management initiatives within the portfolio and to capitalise on external opportunities to provide sustainable long-term rental income.

Chris Russell
Chairman

* See Alternative Performance Measures

Performance Summary

	Half year ended 30 June 2018
Total Returns for the period *	
Net asset value per share	**3.6%**
Ordinary Share price	**13.2%**
Portfolio	**3.6%**
MSCI Investment Property Databank ('IPD') Quarterly Universe ('the Benchmark')	**3.7%**
FTSE All-Share Index	**1.7%**

	Half year ended 30 June 2018	Year ended 31 December 2017	% change
Capital Values			
Total assets less current liabilities (£'000)	**1,454,734**	1,438,397	1.1
Net asset value per share	**143.2p**	141.2p	1.4
Ordinary Share price	**150.6p**	135.9p	10.8
FTSE All-Share Index	**4,202.25**	4,221.82	(0.5)
Premium/(Discount) to net asset value per share*	**5.2%**	(3.8)%	
Net Gearing *	**20.2%**	19.6%	

	Half year ended 30 June 2018	Half year ended 30 June 2017
Earnings and Dividends		
Earnings per Ordinary Share	**5.0p**	6.9p
Dividends per Ordinary Share	**3.0p**	3.0p
Annualised Dividend yield *	**4.0%**	4.1%

Sources: F&C Investment Business, MSCI Investment Property Databank ('IPD') and Thomson Reuters Eikom.

* See Alternative Performance Measures

Managers' Review

Property highlights over the period

• 6-month total return of 3.6* per cent. The Company maintains outperformance against the IPD Benchmark over a five and ten-year time horizon.

• Acquired industrial property known as Hurricane 47 at Estuary Business Park in Liverpool, as well as the adjoining land for the forward purchase of another newly constructed industrial warehouse.

• Agreed a new 16-year lease with Diageo to occupy the entire former HSBC office building on Edinburgh Park.

Property Market Review

The market total return for the six months to 30 June 2018, as measured by the MSCI Investment Property Databank ('IPD') Quarterly Universe ('the Benchmark') was 3.7 per cent, continuing the positive performance seen since late-2016. Capital values increased by 1.5 per cent in the six months to June 2018. The income return was 2.2 per cent and rental growth was 0.5 per cent.

Key Benchmark Metrics – All Property		
	Jan-June 2018 %	Jan-June 2017 %
Total Returns	3.7	4.6
Income Return	2.2	2.3
Capital Return	1.5	2.3
Open Market Rental Value Growth	0.5	1.0
Initial Yield	4.5	4.8
Equivalent Yield	5.5	5.7

Source: MSCI Inc

The economy has delivered positive but muted growth. Inflation remained above target during the period. Monetary policy and interest rates were unchanged in the reporting period, following the increase in official rates in November 2017, although the base rate was increased to 0.75 per cent in August 2018. Gilt yields have remained low, finishing the period at 1.4 per cent, although have shown some growth following the historic lows in Q3 2016. The Brexit negotiations and the disunity within the government continued to dominate the political agenda, and concerns regarding a weakening in global growth prospects and the advance of protectionism globally are increasing.

Some caution has entered the market with investment activity lower than in the same period of 2017, however, pricing has remained competitive leading to strong capital growth over the period save for the retail sector. Activity was supported by some large purchases by overseas investors, although this group has also been selectively selling stock. Institutional net investment in property has improved largely due to a reduced level of sales. The property yield gap against ten-year gilts has remained attractive by historic standards and the challenge for many investors has been the lack of suitable supply. In particular, prime assets and long income remained in favour but their lack of availability has encouraged investors to increasingly look to the alternative sectors, such as hotels and student housing, which are characterised by longer leases.

CBRE market data showed yields broadly stable but hardening for standard industrials and weakening for shopping centres and some retail warehousing. Rental growth has remained muted across the Benchmark but has been strong in the industrial sector. Rental growth was negative for high street retail, shopping centres, retail warehousing, and also for West End offices. We see this trend continuing in the retail sector in the short-term.

The period was notable for the increased number of business failures, administrations and rationalisations in the retail sector. As a result, total returns were a modest 1.1 per cent in the six-month period, intensifying a prolonged period of under-performance against the all-property average. Central London retail was relatively resilient but regional shops and shopping centres struggled. As retailers rationalise, many high streets and shopping centres are now too large for the thinning occupier markets, resulting in a downward pressure on rents. The offices sector delivered 3.2 per cent helped by investment demand for City offices and a search for yield in some regional office markets. We have also started to see some rental growth coming through in strong regional centres as occupiers increasingly move to urban centres characterised by a broad cultural offering, good transport infrastructure and amenities. Performance at the all-property level continued to be driven by strength in the industrials market which recorded total returns of 9.0 per cent, with standard industrials out-performing distribution warehousing. Alternatives are growing in popularity with investors, and registered a 3.9 per cent total return.

The UK commercial property market continued to deliver a solid performance compared to long-term trends, underpinned by its income return with some capital growth. There is however, considerable polarisation between sectors with industrials pulling further ahead and retail generally struggling. Despite economic and political uncertainties forecasts remain stable. However, the prospect of higher interest rates and some economic headwinds mean that real estate markets may have reached a plateau and returns are likely to be subdued compared to the highs of recent years.

Valuation and Portfolio

Total Portfolio Performance		
	30 June 2018	**Year ended 31 December 2017**
No of properties	38	37
Valuation (£'000)	1,450,035	1,418,612
Average Lot Size (£'m)	38.2	38.3
Six months to 30 June 2018	**Portfolio (%)**	**Benchmark (%)**
Capital Return*	1.5	1.5
Income Return*	2.1	2.2
Total Return*	3.6	3.7

Source: BMO REP Asset Management plc, MSCI Inc

The total return from the portfolio over the period was 3.6* per cent (64th percentile) compared with the Benchmark return of 3.7 per cent. The portfolio has delivered a strong track record of longer-term performance: upper quartile over five and top quartile over ten years.

Geographical Analysis (% of total property portfolio)	
	30 June 2018 (%)
South East	24.8
London – West End	34.4
Eastern	2.0
Midlands	12.3
Scotland	11.9
North West	11.0
Rest of London	1.4
South West	2.2

Source: BMO REP Asset Management plc

Sector Analysis (% of total property portfolio)	
	30 June 2018 (%)
Offices	36.7
Retail	30.6
Retail Warehouses	12.5
Industrial	17.2
Other	3.0

Source: BMO REP Asset Management plc

Income Analysis

The portfolio benefits from a highly secure income stream. The current void rate excluding developments and refurbishments is 6.9* per cent. The vacancies present an opportunity and progress is currently being made in attracting new secure tenants to the portfolio.

Lease Expiry Profile		
At 30 June 2018 the weighted average lease length for the portfolio, assuming all break options are exercised, was 7.0 years		
% of leases expiring (weighted by rental value)	**30 June 2018 (%)**	**31 December 2017 (%)**
0 – 5 years	45.3	46.9
5 – 10 years	28.5	27.3
10 – 15 years	20.2	15.6
15 – 25 years	6.0	10.2

Source: BMO REP Asset Management plc

Covenant Strength (% of income by risk bands)	
	30 June 2018 (%)
Unscored and ineligible	6.0
Maximum	11.7
High	1.7
Medium to High	2.4
Low to Medium	4.2
Low	22.6
Negligible and Government	51.4

Source: IRIS Report, MSCI Inc

Retail

Retail Portfolio Performance		
	30 June 2018	**Year ended 31 December 2017**
No of properties **	8	8
Valuation (£'000)	624,550	626,400
Six months to 30 June 2018	**Portfolio (%)**	**Benchmark (%)**
Retail Capital Return*	(0.6)	(1.4)
Retail Income Return*	2.1	2.5
Retail Total Return*	1.5	1.1

Source: BMO REP Asset Management plc, MSCI Inc
** St Christopher's Place is regarded as 1 investment which comprises 44 individual properties.

The overall total return from the Company's retail properties during the period was 1.5* per cent, outperforming the Benchmark return of 1.1 per cent. The sector is the weakest performer in the Benchmark and the Company's relative outperformance is largely due to its' lack of exposure to shopping centres.

St Christopher's Place
St. Christopher's Place Estate performed steadily over the period producing a total return of 2.3* per cent. The asset continues to benefit from the high number of completed and ongoing initiatives undertaken during the period. At 30-34 James Street the new letting to Caprice Holdings has now completed for a term of 20 years and above anticipated rental value. The tenant will trade as 'Harry's Bar' and is due to open in the autumn following the fit-out program.

We have seen tenants Carluccios and Aldo enter Company Voluntary Arrangements ('CVAs'), although in both cases their units at St. Christopher's Place were classified as 'category 1' assets and therefore the headline rents were unaffected.

Other Retail
The sector has experienced a concentrated period of CVAs and administrations over the period as a number of retailers have felt the effect of the structural change in shopping habits and operational challenges. Our retail parks in Newbury and Solihull have felt some of the impact of this with New Look and Mothercare entering CVAs, Poundworld entering administration and Homebase also undertaking a CVA post period-end. Although it is a challenging environment, the assets remain popular retailer destinations and the Manager is already in a number of well advanced negotiations to refurbish, reconfigure and re-let the units where appropriate. A priority for the Company will be to manage these risks in the immediate term.

Following completion of the sub-division works of Unit 14 at Newbury we welcome Starbucks and Mountain Warehouse to the park having now opened their new stores. Starbucks (operating under franchisee 23.5 Degrees Ltd) have taken a 15-year lease, with tenant break option at year 10, whilst Mountain Warehouse have taken a 10-year lease with a break at year 6. Both lettings demonstrate the ongoing retailer demand at this property.

Offices

Offices Portfolio Performance		
	30 June 2018	**Year ended 31 December 2017**

No of properties	17	17
Valuation (£'000)	532,210	513,562
Six months to 30 June 2018	**Portfolio (%)**	**Benchmark (%)**
Offices Capital Return*	3.1	1.2
Offices Income Return*	1.8	1.9
Offices Total Return*	5.0	3.2

Source: BMO REP Asset Management plc, MSCI Inc

The total return from the office portfolio was 5.0* per cent compared to the Benchmark total return of 3.2 per cent.

The Rest of UK Offices have benefitted from yield compression in the major markets and the portfolio has witnessed some significant asset management progress in letting the vacant building on Edinburgh Park to Diageo as their new Scottish headquarters. Diageo have entered into a new 16-year lease with tenant break at year 10, off the headline rent of £21 per square foot. The property is currently being comprehensively refurbished at a capex spend of £6.5 million and the works are due to complete in February 2019.

In Central London the refurbishment of the remaining floors in Cassini House, St James' Street, SW1 has completed and we expect to have these let shortly. Nearby, 2-4 King Street, SW1 is now fully let. The leasing success as a result of these refurbishment programs has contributed to West End Offices significantly outperforming the Benchmark over the quarter.

Industrial & Logistics

Industrial & Logistics Portfolio Performance		
	30 June 2018	**Year ended 31 December 2017**
No of properties	12	11
Valuation (£'000)	249,775	239,350
Six months to 30 June 2018	**Portfolio (%)**	**Benchmark (%)**
Industrial & Logistics Capital Return*	2.0	6.6
Industrial & Logistics Income Return*	2.6	2.2
Industrial & Logistics Total Return*	4.6	9.0

Source: BMO REP Asset Management plc, MSCI Inc

The industrial and logistics portfolio delivered a total return of 4.6* per cent compared with the Benchmark total return of 9.0 per cent. The strong performance of the sector was once again driven by capital growth as valuation yields continue to reach unprecedented lows. This is primarily seen in South East industrial where capital growth during the period was 8.3 per cent. The industrial and logistics portfolio has underperformed the Benchmark as it is underweight South East industrials and its main exposure to the sector is maintained through mid to large size logistics and not to multi-let industrial estates which experienced the most marked re-rating of pricing. However, we see the recent levels capital growth slowing in the short-term and a return to income returns with the strength of occupational markets driving long-term sustainable returns.

There were no significant lease events or asset management activities over the period. The Company owns a logistics unit at DIRFT, Daventry which is let to Mothercare having renewed their lease last year at a rent of £1.8 million per annum. As already reported, Mothercare undertook the CVA during the period but this property was not included in the CVA and the rent and lease terms remain unchanged.

Industrial Purchase
The Company completed the purchase of Hurricane 47, Estuary Business Park, Liverpool for £3.995 million as well as an adjoining site of 3.6 acres with planning consent for the construction of a 52,000 sq.ft. unit for £1.080 million. Hurricane 47 comprises a 47,462 sq.ft. speculatively developed building, which achieved practical completion in April 2018 and is constructed to a high specification. Hurricane 47 is now being formally marketed to secure an occupier. The Company has entered into a forward commitment to acquire the warehouse to be constructed on completion of the works at an additional sum of £3.382 million. The Company already has an existing property on Estuary Business Park having acquired a warehouse let to Adient Seating in April 2014. The investment provides the Company with an opportunity to generate sustainable income and to benefit from the lack of supply for new modern buildings and strong occupier demand, both of which are driving up rents in the logistics sector.

Industrial Sale

It has previously been reported that the Company has conditionally exchanged contracts to sell the former Ozalid Works in Colchester to Persimmon Homes. Progress is being made on negotiating and securing a revised planning consent and it is hoped this will be secured by Persimmon Homes in the autumn which will discharge the conditionality of the sale.

The Alternative Property Sector

The student accommodation block in Winchester produced a total return of 12.6* per cent. This strong performance is attributable to the annual RPI linked rental increase being agreed at 3.4 per cent and a further yield compression for long let, inflationary hedged assets in the alternative sector.

Outlook

The market is expected to deliver positive total returns but with some deceleration from the pace of the recent past. The outlook for property continues to be strongly influenced by the Brexit negotiations and we would expect investors to remain cautious, especially as the October 2018 negotiations and March 2019 Brexit deadline approach. The market is anticipating further interest rate rises, and although they are expected to be slow and gradual and the yield gap is currently favourable, this could affect property pricing over the longer-term.

The outlook for retail property has deteriorated as it faces major structural issues. Retailers are having to adjust their occupational strategies in face of changing consumer habits, which will continue to provide challenges to Landlords in the short-term. Leasing strategies have moved from opportunistic to a more defensive income preservation focus but this will settle over time as we reach a more stable equilibrium between physical and online retail. As holders of core assets in prime locations the portfolio is well positioned in this regard.

There are growing concerns about the level of pricing in some parts of the market such as industrial, where yields have reached historically low levels, and City offices, where the occupational market may be weaker in the medium-term. These sub-sectors may see some readjustment in pricing if there is some cooling in real estate capital markets. Despite some uncertainty, the economy is forecast to remain resilient in the near term and we expect real estate to deliver stable and positive total returns, driven by a strong income return.

As highlighted in the 2017 annual report, the Company has a prime, well balanced portfolio and the focus remains on asset management initiatives apparent in the portfolio and reducing exposure to voids.

Richard Kirby and Matthew Howard
Fund Managers
BMO REP Asset Management plc

*See Alternative Performance Measures

Responsible Property Investment

Highlights for the period to 30 June 2018

- Long-term target adopted to reduce energy consumption by 20% per m2 by 2031 against a 2016 baseline.
- Asset-specific energy reduction targets established for 2017-18 ranging from 2.7% to 4.0%.
- 17% reduction in greenhouse gas emissions between 2016 and 2017 on a like-for-like basis.
- 0% of rental income attributed to organisations associated with the production, storage, distribution or use of Controversial Weapons.
- GRESB 2018 Survey and CDP General Climate module questionnaire submitted.

The Company has further advanced the implementation of its Responsible Property Investment ('RPI') Strategy over the period, with material progress made in a number of key areas.

A separate RPI Report is being prepared for the Company for the first time and will be available on the Company website soon. The RPI Report will include disclosure of environmental, social and governance ('ESG') performance data in accordance with the sustainability Best Practice Recommendations published by EPRA[1]. The Report will show a number of variable performance trends, including an increase in like-for-like electricity consumption, a reduction in fuel consumption for heating and, notably, a 17% reduction in greenhouse gas emissions between 2016 and 2017.

Verco Advisory Services Limited was engaged to advise on the establishment of a long-term target for reducing energy consumption across the portfolio, using a methodology consistent with the goal of the Paris Agreement on Climate Change to limit global warming to less than 2°C above pre-industrial levels. The Manager has agreed to adopt a target of reducing the energy intensity of the portfolio by 20% per square meter by 2031, against a 2016 baseline.

This target exceeds the science-based Sectoral Decarbonisation Approach pathway and has been used to frame the establishment of asset-specific energy reduction targets for 2017-18, which range from 2.7% to 4.0%.

In addition, a portfolio-wide water use reduction target has been set for the year of 1% for directly managed assets, whilst efforts continue to be made to improve the collection of waste data.
The Company monitors its tenant mix as part of its commitment to minimising its leasing exposure to organisations connected to the production, storage, distribution or use of Controversial Weapons[2]. At the period ending 30 June 2018, 0% (zero percent) of rental income was attributed to organisations that appear on the exclusions list managed by BMO Global Asset Management.

The Company has submitted its response to the 2018 Survey of the Global Real Estate Sustainability Benchmark (GRESB), for which the results of all participants will be released in September 2018. The CDP General Climate module questionnaire has also been completed, ahead of the target date set by the Board in the 2017 Annual Report & Accounts.

[1]. European Public Real Estate Association.
[2.] Including cluster munitions, anti-personnel mines and biochemical weapons as covered by the 1972 Biological and Toxic Weapons Convention, the 1997 Chemical Weapons Convention, the 1999 Anti-Personnel Mine Ban Convention, and the 2008 Convention on Cluster Munitions.

Condensed Consolidated Statement of Comprehensive Income (unaudited)
for the six months to 30 June 2018

	Notes	Six months to 30 June 2018 £'000	Six months to 30 June 2017 £'000	Year to 31 December 2017* £'000
Revenue				
Rental income		**32,638**	31,697	64,775
Gains / (losses) on investments properties				
Unrealised gains on revaluation of investment properties	**5**	**20,971**	35,502	52,854
Loss on sale of investment properties realised	**5**	**-**	(5)	(5)
Total income		**53,609**	67,194	117,624
Expenditure				
Investment management fee		**(3,876)**	(3,750)	(7,692)
Other expenses	**3**	**(3,461)**	(2,699)	(5,659)
Total expenditure		**(7,337)**	(6,449)	(13,351)
Operating profit before finance costs and taxation		**46,272**	60,745	104,273
Net finance costs				
Interest receivable		**6**	-	72
Finance costs		**(5,450)**	(5,445)	(10,932)
		(5,444)	(5,445)	(10,860)
Profit before taxation		**40,828**	55,300	93,413
Taxation		**(871)**	(465)	(703)
Profit for the period		**39,957**	54,835	92,710
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Movement in fair value of effective interest rate swaps		**315**	285	457
Total comprehensive income for the period		**40,272**	55,120	93,167
Basic and diluted earnings per share	**4**	**5.0p**	6.9p	11.6p

All of the profit and total comprehensive income for the period is attributable to the owners of the Group.

All items in the above statement derive from continuing operations.

* These figures are audited.

F&C Commercial Property Trust Limited

Condensed Consolidated Balance Sheet (unaudited)
as at 30 June 2018

	Notes	30 June 2018 £'000	30 June 2017 £'000	31 Dec 2017* £'000
Non-current assets				
Investment properties	**5**	**1,429,277**	1,344,519	1,398,894
Trade and other receivables		**19,394**	18,716	20,734
Interest rate swap		**55**	-	-
		1,448,726	1,363,235	1,419,628
Current assets				
Trade and other receivables		**5,067**	3,466	3,288
Cash and cash equivalents		**19,933**	74,995	35,156
		25,000	78,461	38,444
Total assets		**1,473,726**	1,441,696	1,458,072
Current liabilities				
Trade and other payables		**(17,608)**	(16,959)	(18,936)
Taxation payable		**(1,384)**	(587)	(739)
		(18,992)	(17,546)	(19,675)
Non-current liabilities				
Trade and other payables		**(1,947)**	(1,624)	(1,812)
Interest-bearing loans		**(307,846)**	(307,510)	(307,675)
Interest rate swaps		**-**	(432)	(260)
		(309,793)	(309,566)	(309,747)
Total liabilities		**(328,785)**	(327,112)	(329,422)
Net assets		**1,144,941**	1,114,584	1,128,650
Represented by:				
Share capital	**6**	**7,994**	7,994	7,994
Share premium		**-**	127,612	-
Special reserves		**589,593**	465,039	589,593
Capital reserves		**436,474**	398,151	415,503
Hedging reserve		**55**	(432)	(260)
Revenue reserve		**110,825**	116,220	115,820
Equity shareholders' funds		**1,144,941**	1,114,584	1,128,650
Net asset value per share	**7**	**143.2p**	139.4p	141.2p

* These figures are audited.

F&C Commercial Property Trust Limited

Condensed Consolidated Statement of Changes in Equity (unaudited)
for the six months to 30 June 2018

	Notes	Share Capital £'000	Share Premium £'000	Other Reserves £'000	Capital Reserves £'000	Hedging Reserve £'000	Revenue Reserve £'000	Total £'000
At 1 January 2018		7,994	-	589,593	415,503	(260)	115,820	1,128,650
Total comprehensive income for the period								
Profit for the period		-	-	-	-	-	39,957	39,957
Movement in fair value of interest rate swap		-	-	-	-	315	-	315
Transfer in respect of unrealised gains on investment properties	**5**	-	-	-	20,971	-	(20,971)	-
Total comprehensive income for the period		**-**	**-**	**-**	**20,971**	**315**	**18,986**	**40,272**
Transactions with owners of the Company recognised directly in equity								
Dividends paid	**2**	-	-	-	-	-	(23,981)	(23,981)
At 30 June 2018		**7,994**	**-**	**589,593**	**436,474**	**55**	**110,825**	**1,144,941**

F&C Commercial Property Trust Limited

Condensed Consolidated Statement of Changes in Equity (unaudited)
for the six months to 30 June 2017

	Notes	Share Capital £'000	Share Premium £'000	Special Reserves £'000	Capital Reserves £'000	Hedging Reserve £'000	Revenue Reserve £'000	Total £'000
At 1 January 2017		7,994	127,612	461,981	362,654	(717)	123,921	1,083,445
Total comprehensive income for the period								
Profit for the period		-	-	-	-	-	54,835	54,835
Movement in fair value of interest rate swaps		-	-	-	-	285	-	285
Transfer in respect of unrealised gains on investment properties	**5**	-	-	-	35,502	-	(35,502)	-
Losses on sale of investment properties realised	**5**	-	-	-	(5)	-	5	-
Transfer from special reserve		-	-	3,058	-	-	(3,058)	-
Total comprehensive income for the period		**-**	**-**	**3,058**	**35,497**	**285**	**16,280**	**55,120**
Transactions with owners of the Company recognised directly in equity								
Dividends paid	**2**	-	-	-	-	-	(23,981)	(23,981)
At 30 June 2017		**7,994**	**127,612**	**465,039**	**398,151**	**(432)**	**116,220**	**1,114,584**

F&C Commercial Property Trust Limited

Condensed Consolidated Statement of Changes in Equity
for the year to 31 December 2017*

	Notes	Share Capital £'000	Share Premium £'000	Special Reserves £'000	Capital Reserves £'000	Hedging Reserve £'000	Revenue Reserve £'000	Total £'000
At 1 January 2017		7,994	127,612	461,981	362,654	(717)	123,921	1,083,445
Total comprehensive income for the year								
Transfer to Special Reserve		-	(127,612)	127,612	-	-	-	-
Profit for the year		-	-	-	-	-	92,710	92,710
Movement in fair value of interest rate swaps		-	-	-	-	457	-	457
Transfer in respect of unrealised gains on investment properties	**5**	-	-	-	52,854	-	(52,854)	-
Losses on sale of investment properties realised	**5**	-	-	-	(5)	-	5	-
Total comprehensive income for the year		-	(127,612)	127,612	52,849	457	39,861	93,167
Transactions with owners of the Company recognised directly in equity								
Dividends paid	**2**	-	-	-	-	-	(47,962)	(47,962)
At 31 December 2017		**7,994**	**-**	**589,593**	**415,503**	**(260)**	**115,820**	**1,128,650**

* These figures are audited.

F&C Commercial Property Trust Limited

Condensed Consolidated Statement of Cash Flows (unaudited)
for the six months to 30 June 2018

	Notes	Six months to 30 June 2018 £'000	Six months to 30 June 2017 £'000	Year to 31 December 2017* £'000
Cash flows from operating activities				
Profit for the period before taxation		**40,828**	55,300	93,413
Adjustments for:				
Finance costs		**5,450**	5,445	10,932
Interest receivable		**(6)**	-	(72)
Unrealised gains on revaluation of investment properties	**5**	**(20,971)**	(35,502)	(52,854)
Losses on sale of investment properties realised		**-**	5	5
Increase in operating trade and other receivables		**(490)**	(1,313)	(3,204)
(Decrease)/increase in operating trade and other payables		**(872)**	(1,613)	200
		23,939	22,322	48,420
Interest received		**6**	-	72
Interest and bank fees paid		**(5,303)**	(5,229)	(10,559)
Taxation paid		**(227)**	(118)	(203)
		(5,524)	(5,347)	(10,690)
Net cash inflow from operating activities		**18,415**	16,975	37,730
Cash flows from investing activities				
Purchase of investment properties	**5**	**(5,777)**	(1,640)	(32,802)
Capital expenditure of investment properties	**5**	**(3,880)**	(1,380)	(6,831)
Net cash outflow from investing activities		**(9,657)**	(3,020)	(39,633)
Cash flows from financing activities				
Dividends paid	**2**	**(23,981)**	(23,981)	(47,962)
Drawdown of Barclays Loan revolving credit facility		**-**	-	35,000
Repayment of Barclays Loan revolving credit facility		**-**	-	(35,000)
Net cash outflow from financing activities		**(23,981)**	(23,981)	(47,962)
Net decrease in cash and cash equivalents		**(15,223)**	(10,026)	(49,865)
Opening cash and cash equivalents		**35,156**	85,021	85,021
Closing cash and cash equivalents		**19,933**	74,995	35,156

* These figures are audited

1. General information and basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority and IAS 34 'Interim Financial Reporting'. The condensed consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2017, which were prepared under full IFRS as adopted by the European Union requirements. The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those of the consolidated financial statements of the Group for the year ended 31 December 2017. These condensed interim financial statements have been reviewed, not audited.

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the next twelve months. In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have considered the current cash position of the Group, forecast rental income and other forecast cash flows. The Group has agreements relating to its borrowing facilities with which it has complied during the period. Based on the information the Directors believe that the Group has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements. For this reason they continue to adopt the going concern basis in preparing the accounts.

These condensed interim financial statements were approved for issue on 11 September 2018.

2. Dividends

	Six months to 30 June 2018	Six months to 30 June 2017	Year to 31 December 2017
	£'000	**£'000**	**£'000**
In respect of the previous period:			
Ninth interim (0.5p per share)	**3,997**	3,997	3,997
Tenth interim (0.5p per share)	**3,997**	3,997	3,997
Eleventh interim (0.5p per share)	**3,996**	3,996	3,996
Twelfth interim (0.5p per share)	**3,997**	3,997	3,997
In respect of the period under review:			
First interim (0.5p per share)	**3,997**	3,997	3,997
Second interim (0.5p per share)	**3,997**	3,997	3,997
Third interim (0.5p per share)	**-**	-	3,996
Fourth interim (0.5p per share)	**-**	-	3,997
Fifth interim (0.5p per share)	**-**	-	3,997
Sixth interim (0.5p per share)	**-**	-	3,997
Seventh interim (0.5p per share)	**-**	-	3,997
Eighth interim (0.5p per share)	**-**	-	3,997
	23,981	23,981	47,962

A third interim dividend for the year to 31 December 2018, of 0.5 pence per share totalling £3,997,000 was paid on 31 July 2018. A fourth interim dividend of 0.5 pence per share will be paid on 31 August 2018 to shareholders on the register on 10 August 2018. A fifth interim dividend of 0.5 pence per share will be paid on 28 September 2018 to shareholders on the register on 14 September 2018. Although these payments relate to the period ended 30 June 2018, under IFRS they will be accounted for in the period during which they are declared.

It is the Directors' intention that the Company will continue to pay dividends monthly.

3. Other expenses

	Six months to 30 June 2018	Six months to 30 June 2017	Year to 31 December 2017
	£'000	**£'000**	**£'000**
Direct operating expenses of rental property	**2,069**	1,973	4,208
Surrender premium	**613**	-	-
Valuation and other professional fees	**207**	213	417
Directors' fees	**145**	157	296
Administration fee	**74**	73	148
Depositary fee	**86**	82	166
Other	**267**	201	424
	3,461	2,699	5,659

The basis of payment for the Directors' and investment management fees are detailed within the consolidated financial statements of the Group for the year ended 31 December 2017.

4. Earnings per share

The Group's basic and diluted earnings per Ordinary Share are based on the profit for the period of £39,957,000 (period to 30 June 2017: £54,835,000; 31 December 2017: £92,710,000) and on 799,366,108 (period to 30 June 2017: 799,366,108; 31 December 2017: 799,366,108) Ordinary Shares, being the weighted average number of shares in issue during the period. Earnings for the six months to 30 June 2018 should not be taken as guide to the results for the year to 31 December 2018.

5. Investment properties

	Six months to 30 June 2018 £'000	Six months to 30 June 2017 £'000	Year to 31 December 2017 £'000
Freehold and leasehold properties			
Opening book cost	**990,454**	950,416	950,416
Opening unrealised appreciation	**408,440**	355,586	355,586
Opening fair value	**1,398,894**	1,306,002	1,306,002
Purchase of investment properties	**5,532**	1,640	33,212
Loss on sale	**-**	(5)	(5)
Capital expenditure	**3,880**	1,380	6,831
Unrealised gains on investment properties	**31,353**	45,667	68,267
Unrealised losses on investment properties	**(10,382)**	(10,165)	(15,413)
	1,429,277	1,344,519	1,398,894
Closing book cost	**999,866**	953,431	990,454
Closing unrealised appreciation	**429,411**	391,088	408,440
Closing fair value	**1,429,277**	1,344,519	1,398,894

The fair value of investment properties reconciled to the appraised value as follows:

	Six months to 30 June 2018 £'000	Six months to 30 June 2017 £'000	Year to 31 December 2017 £'000
Appraised value of CBRE	**1,450,035**	1,363,335	1,418,612
Lease incentives held as debtors	**(20,758)**	(18,816)	(19,718)
Closing fair value	**1,429,277**	1,344,519	1,398,894

There were no properties held for sale at 30 June 2018 (2017: none).

All the Group's investment properties were valued as at 30 June 2018 by RICS Registered Valuers working for the company of CBRE Limited ('CBRE'), commercial real estate advisors, acting in the capacity of a valuation adviser to the AIFM. All such valuers are Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors ('RICS').

CBRE completed the valuation of the Group's investment properties at 30 June 2018 on a fair value basis and in accordance with The RICS Valuation – Professional Standards UK January 2017.

There were no significant changes to the valuation process, assumptions and techniques used during the period, further details on which were included in note 8 of the consolidated financial statements of the Group for the year ended 31 December 2017.

As at 30 June 2018, all of the Group's properties are Level 3 in the fair value hierarchy as it involves the use of significant unobservable inputs and there were no transfers between levels during the period. Level 3 inputs used in valuing the properties are those which are unobservable, as opposed to Level 1 (inputs from quoted prices) and Level 2 (observable inputs either directly i.e. as priced, or indirectly, i.e. derived from prices).

6. Share capital

	£'000
Allocated, called-up and fully paid	
799,366,108 Ordinary Shares of 1p each in issue at 30 June 2018	7,994

Under the Company's Articles of Incorporation, the Company may issue an unlimited number of Ordinary Shares. The Company issued nil Ordinary Shares during the period (2017: nil) raising net proceeds of £nil (2017: £nil).

The Company did not repurchase any Ordinary Shares during the period.

7. Net asset value per share

The Group's net asset value per Ordinary Share of 143.2p (30 June 2017: 139.4p; 31 December 2017: 141.2p) is based on equity shareholders' funds of £1,144,941,000 (30 June 2017: £1,114,584,000; 31 December 2017: £1,128,650,000) and on 799,366,108 (30 June 2017: 799,366,108; 31 December 2017: 799,366,108) Ordinary Shares, being the number of shares in issue at the period end.

8. Capital commitments

The Group had capital commitments totalling £10,300,000 as at 30 June 2018 (30 June 2017: £1,625,000; 31 December 2017: £6,800,000). These commitments related mainly to contracted development works at the Group's properties at Cassini House, London SW1 and Nevis/Ness Houses, Edinburgh.

9. List of Subsidiaries

The Group results consolidate the results of the following companies:

- FCPT Holdings Limited (the parent company of F&C Commercial Property Holdings Limited and Winchester Burma Limited)
- F&C Commercial Property Holdings Limited (a company which invests in properties)
- SCP Estate Holdings Limited (the parent company of SCP Estate Limited and Prime Four Limited)
- SCP Estate Limited (a company which invests in properties)
- Prime Four Limited (a company which invests in properties)
- Winchester Burma Limited (a company which invests in properties)
- Leonardo Crawley Limited (a company which invests in properties)

All of the above named companies are registered in Guernsey.

The Group's ultimate parent company is F&C Commercial Property Trust Limited.

10. Subsequent events

There are no material subsequent events that need to be disclosed.

11. Forward looking statements

Certain statements in this report are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

Statement of Principal Risks and Uncertainties

The Company's assets comprise mainly of direct investments in UK commercial property. Its principal risks are therefore related to the commercial property market in general. Other risks faced by the Company include market, geopolitical, investment and strategic, regulatory, environmental, taxation, management and control, operational, and financial risks. The Company is also exposed to risks in relation to its financial instruments. These risks, and the way in which they are managed, are described in more detail under the heading 'Principal Risks and Risk Management' within the Business Model and Strategy in the Company's Annual Report for the year ended 31 December 2017. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remainder of the Company's financial year.

Statement of Directors' Responsibilities in Respect of the Interim Report

We confirm that to the best of our knowledge:

- the condensed set of consolidated financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union;

- the Chairman's Statement and Managers' Review (together constituting the Interim Management Report) together with the Statement of Principal Risks and Uncertainties above include a fair review of the information required by the Disclosure and Transparency Rules ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of consolidated financial statements; and

- the Chairman's Statement together with the condensed set of consolidated 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 year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board
Chris Russell
Director

Independent Review Report to the Directors of F&C Commercial Property Trust Limited

Our conclusion

We have reviewed the accompanying condensed consolidated interim financial information of F&C Commercial Property Trust Limited (the “Company”) and its subsidiaries (together the “Group”) as of 30 June 2018. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

What we have reviewed

The accompanying condensed consolidated interim financial information comprise:

- the condensed consolidated balance sheet as of 30 June 2018;
- the condensed consolidated statement of comprehensive income for the six-month period then ended;
- the condensed consolidated statement of changes in equity for the six-month period then ended;
- the condensed consolidated statement of cash flows for the six-month period then ended; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

Our responsibilities and those of the Directors

The Directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands

Alternative Performance Measures

The Company uses the following Alternative Performance Measures (‘APMs’). APMs do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities.

Discount or Premium – the share price of an Investment Company is derived from buyers and sellers trading their shares on the stock market. If the share price is lower than the NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers than buyers. Shares trading at a price above the NAV per share, are said to be at a premium.

Dividend Cover – The percentage by which Profits for the year (less gains/losses on investment properties) cover the dividend paid.
A reconciliation of dividend cover is shown below:

		30 June 2018 £’000	30 June 2017 £’000
Profit for the period		39,957	54,835
Add back:	Unrealised gains on revaluation of investment properties	(20,971)	(35,502)
	Losses on sales of investment properties realised	-	5
Profit before investment gains and losses		18,986	19,338
Dividends		23,981	23,981
Dividend Cover percentage		79.2	80.6

Dividend Yield – The annualised dividend divided by the share price at the period-end. An analysis of dividends is contained in note 2 to the accounts.

Net Gearing – Borrowings less cash dividend by total assets (less current liabilities and cash)

Portfolio (Property) Capital Return – The change in property value during the period after taking account of property purchase and sales and capital expenditure, calculated on a quarterly time-weighted basis.

Portfolio (Property) Income Return – The income derived from a property during the period as a percentage of the property value, taking account of direct property expenditure, calculated on a quarterly time-weighted basis.

Portfolio (Property) Total Return – Combining the Portfolio Capital Return and Portfolio Income Return over the period, calculated on a quarterly time-weighted basis.

Total Return – The theoretical return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets, respectively, on the date on which they were quoted ex-dividend.

The full interim report for the period to 30 June 2018 will be sent to shareholders and will be available for inspection at Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, the registered office of the Company, and from the Company's website: www.fccpt.co.uk