

F&C Managed Portfolio Trust

Unique fund structure offering income and growth

F&C Managed Portfolio Trust (FMPT) is an investment trust with a differentiated structure. It consists of two listed investment portfolios: an income portfolio (FMPI) and a growth portfolio (FMPG). A unique feature of FMPT is that income generated by FMPG is transferred to FMPI in exchange for capital, boosting the income prospects of FMPI and the potential capital growth prospects for FMPG. Although both listed portfolios are benchmarked against the FTSE All-Share index, the manager follows an unconstrained investment approach, with each portfolio generally holding c 40 investment companies. Both FMPI and FMPG have outperformed the benchmark over one, three and five years (to 30 September) and since they were launched in April 2008. FMPI's annual dividend has increased every year since 2012; its current yield is 3.9%.

12 months ending	FMPI share price (%)	FMPI NAV (%)	FMPG share price (%)	FMPG NAV (%)	FTSE All-Share (%)
30/09/13	20.5	20.3	23.5	24.0	18.9
30/09/14	9.9	5.8	10.7	6.8	6.1
30/09/15	0.5	0.9	4.7	4.1	(2.3)
30/09/16	11.7	14.5	9.6	12.7	16.8
30/09/17	15.9	12.6	20.0	18.3	11.9

Note: Twelve-month rolling discrete total return performance.

Investment strategy: Income and growth options

Manager Peter Hewitt has more than 30 years' investment experience. For FMPT he constructs two portfolios, each invested in c 40 closed-end funds, aiming to generate an attractive level of income with some capital growth (FMPI) or capital growth (FMPG). Funds are selected on a bottom-up basis and the manager is keen to preserve capital in periods of tougher stock market performance. Gearing of up to 20% of total assets is permitted. At end-September 2017, FMPI had net gearing of 5.3% and FMPG had a net cash position of 2.8%.

Market outlook: Strong corporate earnings

Global equities have experienced a meaningful re-rating since early 2016, so future share price appreciation is likely to be driven by corporate earnings growth rather than by a further expansion in valuation multiples. So far in 2017, earnings estimate revisions in aggregate have been positive, reversing the declines experienced in recent years. Investors looking to gain diversified exposure to global equities may be rewarded by considering actively managed portfolios, with good investment track records, offering the potential of income or capital growth.

Valuation: Active discount management

Renewed annually, FMPI and FMPG have the authority to repurchase up to 14.99% and issue up to 10% of shares outstanding, aiming to ensure that their shares trade close to NAV. FMPT's unique structure means that FMPG does not pay a dividend, while FMPI has a current dividend yield of 3.9%, which compares favourably to the current 3.7% yield of the FTSE All-Share index. The manager notes a good level of income at FMPI, and is hoping for another dividend increase in FY18.

Investment trusts

27 October 2017

FMPI; FMPG

Price 141.0p; 196.0p

Market cap £60m; £68m

AUM £61m; £68m

NAV* 136.2p; 195.3p

Premium(+)/discount(-) to NAV +3.5%; +0.4%

NAV** 137.4p; 195.3p

Premium(+)/discount(-) to NAV +2.6%; +0.4%

*Excluding income. **Including income. As at 25 October 2017.

Yield 3.9%; 0.0%

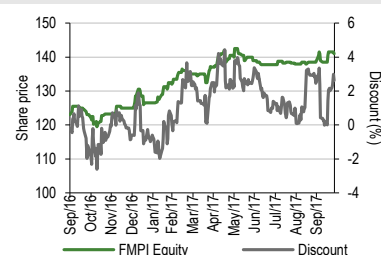
Ordinary shares in issue 42.3m; 34.6m

Code FMPI; FMPG

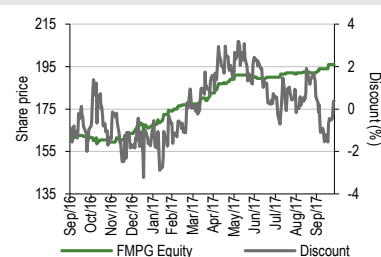
Primary exchange LSE

AIC sector Global Equity Income; Global

FMPI one-year performance



FMPG one-year performance



FMPI gearing

Net gearing* 5.3%

FMPG gearing

Net cash* 2.8%

*As at 30 September 2017.

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F&C Managed Portfolio Trust is a research client of Edison Investment Research Limited

Exhibit 1: FMPI at a glance
Investment objective and fund background

F&C Managed Portfolio Trust Income Portfolio (FMPI) aims to provide an attractive level of income, with the potential for income and capital growth from a diversified portfolio of investment companies. Underlying investment exposure is across a range of regions and sectors – the focus is on offering an income yield above the benchmark FTSE All-Share index.

Recent developments

- 6 September 2017: Announcement of first interim dividend of 1.30p per share versus 1.25p in the prior year.
- 31 July 2017: Final results for 12 months ending 31 May 2017. NAV TR +24.5% versus benchmark TR +24.5%.
- 8 June 2017: Announcement of fourth interim dividend of 1.70p per share versus 1.60p in the prior year.
- 8 March 2017: Announcement of third interim dividend of 1.25p per share versus 1.20p in the prior year.

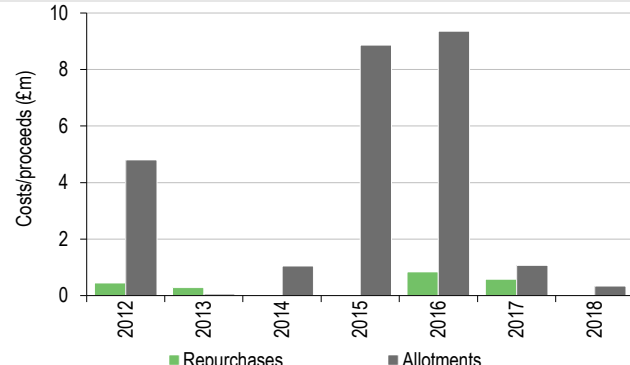
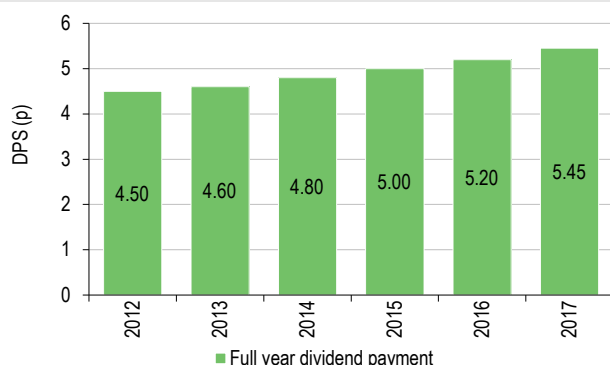
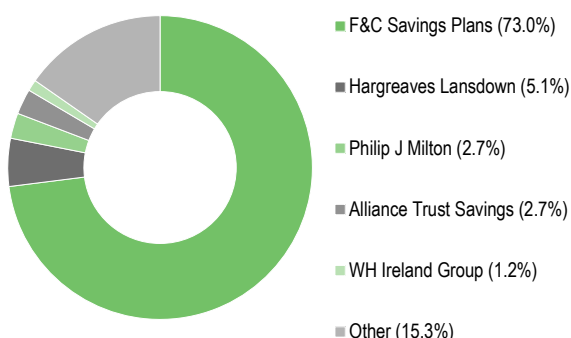
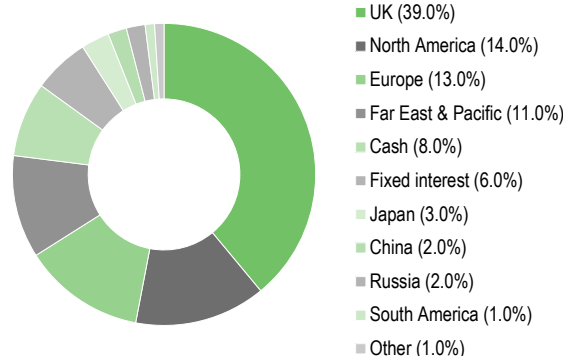
Forthcoming		Capital structure		Fund details	
AGM	September 2018	Ongoing charges	1.12%	Group	BMO Global Asset Mgmt (BMO)
Interim results	January 2018	Net gearing	5.3%	Manager	Peter Hewitt
Year end	31 May	Annual mgmt fee	0.65% (see page 9)	Address	6th Floor, Quartermile 4, 7 Nightingale Way Edinburgh, EH3 9EG
Dividend paid	Quarterly	Performance fee	Yes (see page 9)	Phone	+44 (0)131 718 1000
Launch date	April 2008	Trust life	Indefinite	Website	fcmmanagedportfolio.co.uk
Continuation vote	2018, then five-yearly	Loan facilities	£7m (FMPT)		

Dividend policy and history (financial years)

Dividends are paid quarterly in October, January, April and July.

Share buyback policy and history (financial years)

Renewed annually, the ability to repurchase up to 14.99% and allot up to 10% per year.


Shareholder base (as at 31 August 2017)

Portfolio look-through exposure by geography (as at 30 September 2017)

Top 10 holdings (as at 30 September 2017)

Trust	AIC sector	Portfolio weight %	
		30 September 2017	30 September 2016*
Murray International Trust	Global Equity Income	4.2	3.8
Law Debenture Corporation	Global	3.6	3.4
European Assets Trust	European Smaller Companies	3.3	N/A
BB Biotech	Sector Specialist: Biotech & Healthcare	3.3	N/A
Secure Income REIT	Property Specialist	3.3	N/A
Invesco Perpetual UK Smaller Companies	UK Smaller Companies	3.3	N/A
Princess Private Equity Holding	Private Equity	3.2	N/A
City of London Investment Trust	UK Equity Income	3.2	3.4
Henderson International Income Trust	Global Equity Income	3.1	3.1
Temple Bar Investment Trust	UK Equity Income	3.1	N/A
Top 10		33.6	33.4

Source: F&C Managed Portfolio Trust Income Portfolio, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in September 2016 top 10.

Exhibit 2: FMPG at a glance
Investment objective and fund background

F&C Managed Portfolio Trust Growth Portfolio (FMPG) aims to provide capital growth from a diversified portfolio of investment companies. Underlying investment exposure is across a range of regions and sectors aiming to maximise total returns, primarily through capital growth. FMPG is benchmarked against the FTSE All-Share index.

Recent developments

- 31 July 2017: Final results for 12 months ending 31 May 2017. NAV TR +26.4% versus benchmark TR +24.5%.
- 19 January 2017: Interim results for six months ending 30 November 2016. NAV TR +10.0% versus benchmark TR +9.6%.

Forthcoming

AGM	September 2018
Interim results	January 2018
Year end	31 May
Dividend paid	None

Capital structure

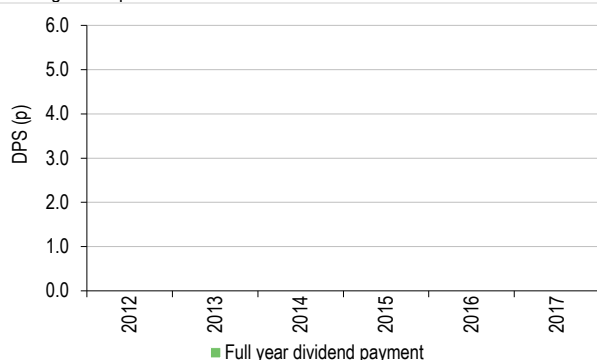
Ongoing charges	1.08%
Net cash	2.8%
Annual mgmt fee	0.65% (see page 9)
Performance fee	Yes (see page 9)

Fund details

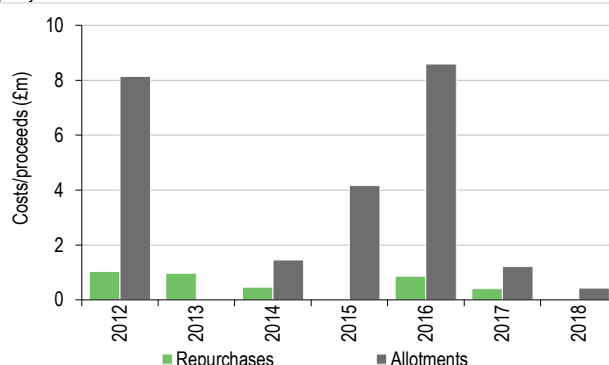
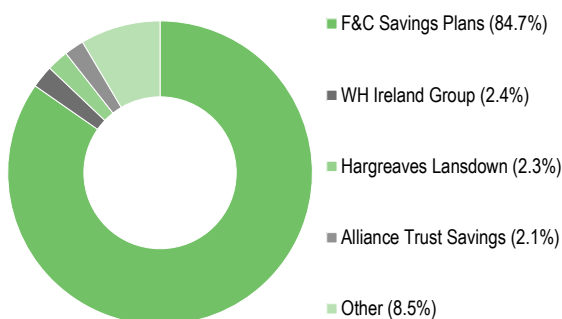
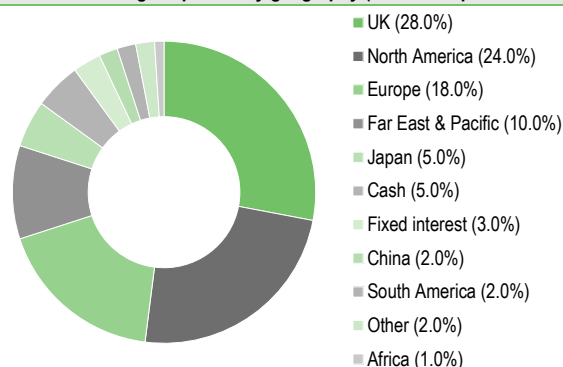
Group	BMO Global Asset Mgmt (BMO)
Manager	Peter Hewitt
Address	6th Floor, Quartermile 4, 7 Nightingale Way Edinburgh, EH3 9EG
Phone	+44 (0)131 718 1000
Website	fcmanagedportfolio.co.uk

Dividend policy and history

No dividends paid – net income is reallocated to the income portfolio in exchange for capital.


Share buyback policy and history (financial years)

Renewed annually, the ability to repurchase up to 14.99% and allot up to 10% per year.


Shareholder base (as at 31 August 2017)

Portfolio look-through exposure by geography (as at 30 September 2017)

Top 10 holdings (as at 30 September 2017)

Trust	AIC sector	Portfolio weight %	
		30 September 2017	30 September 2016*
Monks Investment Trust	Global	4.3	3.0
Polar Capital Technology Trust	Sector Specialist: Tech Media & Telecom	3.7	3.5
Scottish Mortgage Investment Trust	Global	3.2	3.0
Syncona	Flexible Investment	3.2	N/A
Allianz Technology Trust	Sector Specialist: Tech Media & Telecom	3.2	N/A
Worldwide Healthcare Trust	Sector Specialist: Biotechnology & Healthcare	3.1	N/A
Baillie Gifford Japan Trust	Japan	2.8	N/A
Templeton Emerging Markets	Global Emerging Markets	2.8	N/A
Personal Assets Trust	Flexible Investment	2.7	N/A
RIT Capital Partners	Flexible Investment	2.6	2.9
Top 10		31.6	30.5

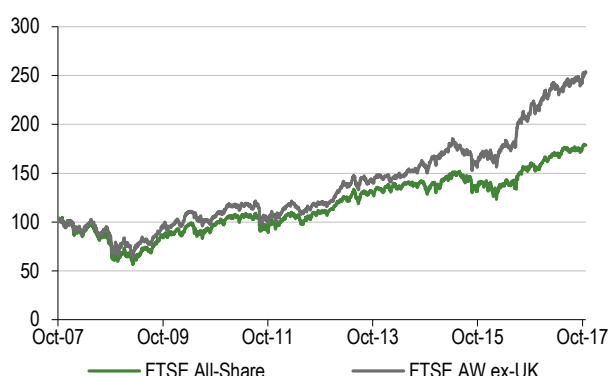
Source: F&C Managed Portfolio Trust Growth Portfolio, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in September 2016 top 10.

Market outlook: Time to be more selective

Global equities have continued to move higher in recent months as investors have focused on the broad improvement in corporate earnings and yields on other asset classes, such as bonds and cash, have remained unappealing. In an environment where earnings multiples are higher than average (Exhibit 3, right-hand side) and further share price appreciation is likely to be driven by corporate earnings rather than re-rating, investors looking for exposure to global equities may wish to consider actively managed, widely diversified portfolios, with good performance track records, which offer the opportunity to benefit from higher income or capital growth.

Exhibit 3: Market performance and valuation

Performance of indices over 10 years (£ terms)



Valuation metrics of Datastream indices (24 October 2017)

	Last	High	Low	10-year average	Last as % of average
UK					
P/E 12 months forward (x)	14.4	15.6	7.4	12.1	119
Price to book (x)	1.6	2.5	1.2	1.7	94
Dividend yield (%)	3.6	6.6	2.7	3.5	101
Return on equity (%)	8.7	21.2	2.5	10.3	84
World					
P/E 12 months forward (x)	15.9	16.0	8.8	13.1	121
Price to book (x)	2.2	2.5	1.1	1.8	124
Dividend yield (%)	2.3	4.6	2.0	2.7	88
Return on equity (%)	10.8	16.9	4.7	11.0	98

Source: Thomson Datastream, Edison Investment Research

Fund profile: Dual portfolio structure – income/growth

FMPT aims to provide income and growth, via portfolios of investment companies that are diversified by sector, geography and manager, which spreads investment risk. The trust has more than 14,000 individual shareholders, the majority of whom have smaller investment portfolios and/or regular savings plans. FMPT comprises two distinct portfolios (both listed in London): FMPI aims to provide an attractive level of income and potential for capital growth, and FMPIG aims to generate capital growth. A unique feature is that any net income generated by FMPIG is transferred to FMPI in exchange for capital. Since launch, FMPT has been managed by Peter Hewitt at F&C (a wholly owned subsidiary of Bank of Montreal), who has more than 30 years' investment experience. FMPI and FMPIG are benchmarked against the FTSE All-Share index, although the manager follows an unconstrained investment approach as there are no limits on sector or geographic exposure. Each portfolio generally holds c 40 investment companies, the majority of which invest in equities, giving access to a very broad range of underlying investments. At the time of purchase, no single holding in FMPI's and FMPIG's portfolios may exceed 15% of total assets, and a maximum of 20% in each portfolio may be invested in other F&C funds. The use of derivatives is permitted for efficient portfolio management, which includes protection against market falls. Gearing of up to 20% of FMPI's and FMPIG's NAV is permitted; at end-September 2017, FMPI had net gearing of 5.3% and FMPIG had a net cash position of 2.8%.

The fund manager: Peter Hewitt

The manager's view: Remains cautiously optimistic

Following a period of re-rating of global equities, Hewitt remains cautiously optimistic. He believes that the outlook for equities is better than for other asset classes such as bonds or cash. However,

he says that as equity valuations are above historical averages, their returns are likely to be more modest going forward than those experienced since early 2016. The manager is encouraged by the strength of corporate earnings, which should be the driver of share prices going forward, rather than a further expansion in valuation multiples. Earnings growth is particularly robust in Europe, where the economic recovery has lagged other developed regions, and also in Asia Pacific. Hewitt says that earnings growth remains strong in the US, and if President Trump is able to lower corporate taxes, this will provide additional support to the US equity market.

The manager acknowledges that there has been a multi-year equity bull market following the global financial crisis, suggesting that a stock market correction is possible. In such a case, he would be looking to invest, given the strong corporate earnings environment. So far in 2017, earnings estimate revisions have been positive. This follows a three-to-four year period when estimates started out too high and had to be revised downwards.

Two major themes represented in both the income and growth portfolios are technology and biotech, which the manager believes have secular growth characteristics. He notes that within the US stock market, the five largest companies are now all in the technology sector and are continuing to deliver strong results. However, he is currently more bullish on the biotech sector, suggesting that pricing concerns have faded into the background, which favours both biotech and the broader healthcare industry, while biotech company fundamentals are currently very strong.

Asset allocation

Investment process: Focus on growth and capital preservation

The manager has an unconstrained investment approach, aiming to preserve capital in more difficult markets, while growing capital when equity markets are buoyant. If his outlook is cautious, he is able to raise the portfolios' cash exposures or invest in lower beta investments, and has the ability to increase gearing when he has an optimistic outlook. Both FMPI and FMPG have a bias to global and overseas exposure and meaningful weights in sectors with long-term growth potential, such as technology. Within each portfolio, some positions are held as a hedge against weak equity markets, such as infrastructure assets in FMPI and absolute return-focused, multi-asset trusts in FMPG. Meeting the management of investment companies is a key part of the investment process and is used to supplement third-party, closed-end fund research. Hewitt seeks managers with an ability to consistently outperform their respective benchmarks and also the returns from the FTSE All-Share index. While holdings are selected on a bottom-up basis, the manager is able to draw on F&C's multi-manager team to help form his views on the macro environment.

Current portfolio positioning

Exhibit 4: FMPI's and FMPG's look-through geographic exposure (% unless stated)

FMPI	Portfolio end- September 2017	Portfolio end- September 2016	Change (pts)	FMPG	Portfolio end- September 2017	Portfolio end- September 2016	Change (pts)
UK	39.0	46.0	(7.0)	UK	28.0	32.0	(4.0)
North America	14.0	17.0	(3.0)	North America	24.0	23.0	1.0
Europe	13.0	12.0	1.0	Europe	18.0	17.0	1.0
Far East & Pacific	11.0	12.0	(1.0)	Far East & Pacific	10.0	8.0	2.0
Cash	8.0	0.0	8.0	Japan	5.0	5.0	0.0
Fixed interest	6.0	9.0	(3.0)	Cash	5.0	5.0	0.0
Japan	3.0	2.0	1.0	Fixed interest	3.0	4.0	(1.0)
China	2.0	1.0	1.0	China	2.0	2.0	0.0
Russia	2.0	0.0	2.0	South America	2.0	1.0	1.0
South America	1.0	1.0	0.0	Other	2.0	2.0	0.0
Other	1.0	0.0	1.0	Africa	1.0	1.0	0.0
	100.0	100.0			100.0	100.0	

Source: F&C Managed Portfolio Trust Growth Portfolio, Edison Investment Research

Over the last 12 months, both FMPI and FMPG have meaningfully reduced their UK exposure (Exhibit 4, on a look-through basis). Within FMPI, the UK weighting includes alternatives, such as infrastructure assets, as well as equity exposure. FMPI's holdings have a higher cash weighting and modestly higher exposure in Russia. FMPG has increased its exposure to the Far East & Pacific.

FMPI: over the last several months, the manager has participated in three IPOs: BB Healthcare Trust (December 2016); Impact Healthcare REIT (March 2017); and Jupiter Emerging & Frontier Income Trust (May 2017). Other new additions to the portfolio are Civitas Social Housing, GCP Asset Backed Income Fund (asset-backed debt) and HICL Infrastructure. Recent sales are City Merchants High Yield Trust (UK high income), Honeycomb Investment Trust and Ranger Direct Lending (both direct lending), Mercantile Investment Trust (UK small and mid-cap), and Standard Life UK Smaller Companies Trust (convertible). The manager had already sold the position in Ranger Direct Lending before its meaningful price decline in April 2017.

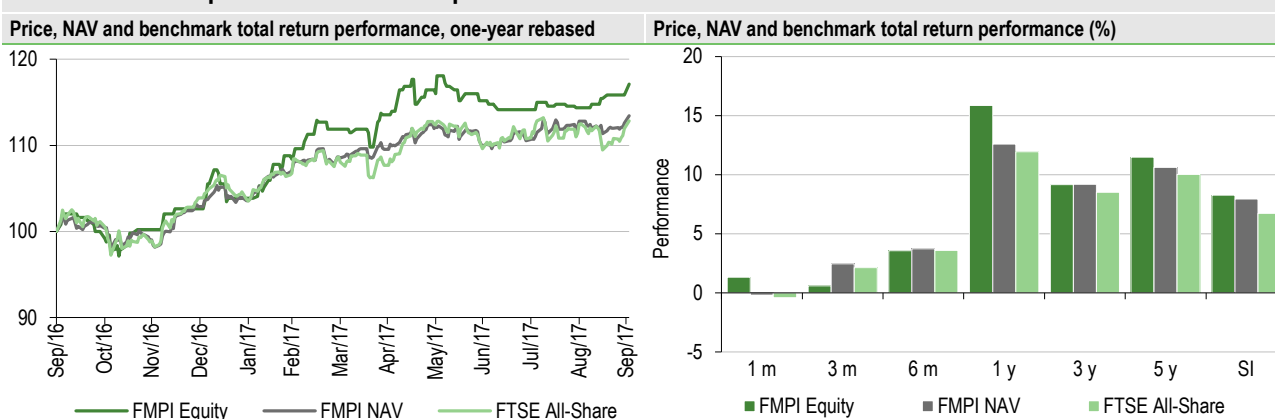
FMPG: there is just one new position in recent months; Henderson UK Smaller Companies Investment Trust (HSL). HSL invests in high-quality companies with growth potential. Following another year of outperformance (ending 31 May 2017), the trust has now beaten its Numis Smaller Companies Index (ex-investment companies) benchmark in 13 of the last 14 financial years and its total annual dividends have increased for the last eight consecutive years. Recent sales are Fundsmith Emerging Equities Trust, Gabelli Value Plus Trust (North America), Mercantile Investment Trust (UK small and mid-cap) and Strategic Equity Capital (UK small companies).

Performance: Strong record of relative outperformance

FMPI

FMPI's NAV total return of +24.5% in FY17 (ending 31 May 2017) was in line with the benchmark; its share price total return was +28.8%. Returns over the period were boosted by the weakness of the pound, which enhanced the value of overseas assets to sterling-based investors. Two of the best-performing investments were private equity trusts: NB Private Equity Partners (+58%) and Princess Private Equity Holding (+59%). Both trusts benefited from narrowing discounts. The comparative laggards were mainly trusts investing outside of equities, which are financed by debt with the intention of increasing income, such as GCP Infrastructure Investments (+10%), Carador Income (+14%) and CQS New City High Yield Fund (+15%). Over the last nine financial years, FMPI has outperformed the benchmark in seven years, performed in line in one and only underperformed in one year.

Exhibit 5: FMPI's performance to 30 September 2017



Source: Thomson Datastream, Edison Investment Research. Note: Three- and five-year performance figures annualised. SI is since inception on 16 April 2008.

Exhibit 6 shows FMPI's relative returns; it has outperformed its FTSE All-Share benchmark over one, three and five years and since inception, in both NAV and share price terms.

Exhibit 6: FMPI's share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	SI
Price versus FTSE All-Share	1.7	(1.5)	(0.0)	3.5	1.8	6.9	14.5
NAV versus FTSE All-Share	0.2	0.3	0.1	0.6	1.9	2.7	11.3
Price versus FTSE All-Share Eq Invst Instr	2.7	(1.4)	(2.8)	(0.9)	(8.8)	(6.9)	2.0
NAV versus FTSE All-Share Eq Invst Instr	1.2	0.4	(2.6)	(3.7)	(8.7)	(10.5)	(0.9)

Source: Thomson Datastream, Edison Investment Research. Note: Data to end-September 2017. Geometric calculation.

Exhibit 7: FMPI's NAV total return performance relative to benchmark over five years

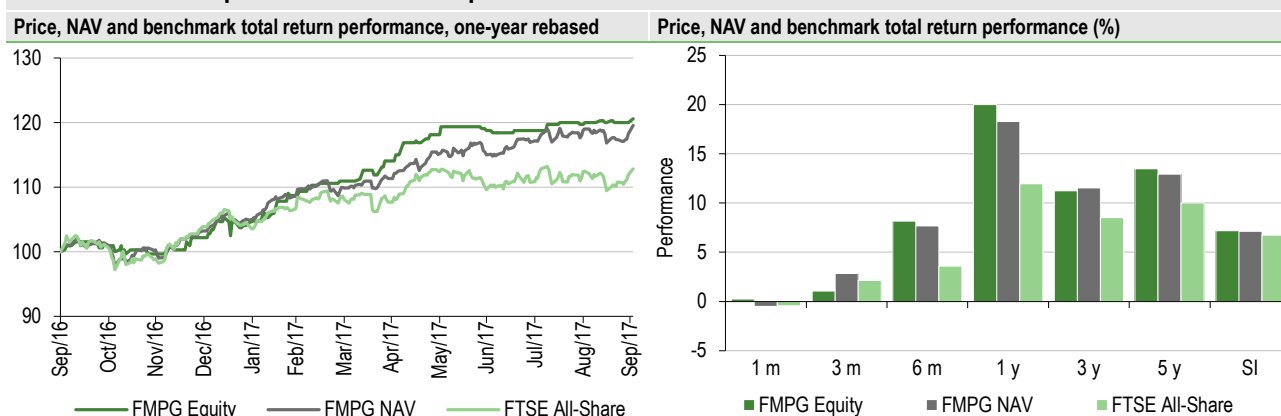


Source: Thomson Datastream, Edison Investment Research

FMPG

FMPG outperformed the benchmark in FY17; its NAV and share price total returns of 26.4% and 26.8% respectively compared to the 24.5% total return on the FTSE All-Share index. As with FMPI, absolute returns were boosted by sterling weakness. The two largest contributors to performance were Polar Capital Technology Trust and Allianz Technology Trust, which both appreciated by more than 70% and were closely followed by FMPG's largest position, Monks Investment Trust (+68%). Relative detractors in the portfolio included Sanditon Investment Trust (-4%) and BH Macro (+6%), which struggled during a period of strong equity returns as a result of their long/short investment strategies. Over the last nine financial years, FMPG has outperformed the benchmark in seven years, while it underperformed in just two years.

Exhibit 8: FMPG's performance to 30 September 2017



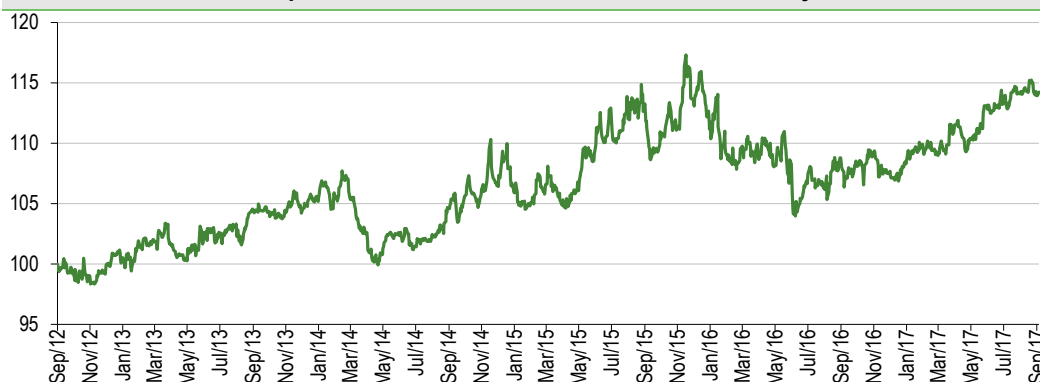
Source: Thomson Datastream, Edison Investment Research. Note: Three- and five-year performance figures annualised. SI: since inception on 16 April 2008.

FMPG's strong relative performance in recent months has led to an improvement in its long-term performance track record. It has now outperformed the benchmark since inception as well as over the last one, three and five years, in both NAV and share price terms.

Exhibit 9: FMPG's share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	Since inception
Price versus FTSE All-Share	0.7	(1.1)	4.4	7.2	7.7	16.8	4.3
NAV versus FTSE All-Share	(0.1)	0.7	4.0	5.7	8.6	13.9	3.6
Price versus FTSE All-Share Eq Invst Instr	1.6	(0.9)	1.6	2.6	(3.5)	1.8	(7.2)
NAV versus FTSE All-Share Eq Invst Instr	0.8	0.8	1.1	1.2	(2.7)	(0.7)	(7.7)

Source: Thomson Datastream, Edison Investment Research. Note: Data to end-September 2017. Geometric calculation.

Exhibit 10: FMPG's NAV performance relative to benchmark over five years


Source: Thomson Datastream, Edison Investment Research

Discount: FMPI and FMPG both trade close to NAV

FMPT's board aims to maintain FMPI's and FMPG's share price discounts to NAV below 5% (in normal market conditions), although in practice they are both kept around NAV. In order to manage a discount or premium, it has the authority, renewed annually, to buy back up to 14.99% of shares of each portfolio in issue and allot up to 10% of new shares. As shown in Exhibits 1 and 2, so far in FY18 both FMPI and FMPG have had modest allotments, and no shares have been repurchased.

FMPI's current 2.6% share price premium to cum-income NAV compares to a range over the last 12 months of a 4.4% premium to a 2.6% discount. It is lower than the average premiums of the last one, three and five years of 1.0%, 1.0% and 0.5% respectively.

Exhibit 11: FMPI's share price premium/discount to NAV (inc. income) over three years (%)


Source: Thomson Datastream, Edison Investment Research

FMPG's current 0.4% share price premium to cum-income NAV compares to a range over the last 12 months of a 3.2% premium to a 3.2% discount. Over the last one, three and five years FMPG has traded at an average 0.1% premium, 0.5% premium and 0.1% discount respectively.

Exhibit 12: FMPG's share price premium/discount to NAV (inc. income) over three years (%)


Source: Thomson Datastream, Edison Investment Research

Capital structure and fees

At 27 October, FMPI had 42.3m ordinary shares in issue, with a further 0.2m shares held in treasury, and FMPG had 34.6m ordinary shares in issue and no shares held in treasury. To lock in the low level of interest rates, in February 2017, FMPT entered into a £5m five-year loan facility with Royal Bank of Scotland at a fixed rate of 2.03%, replacing a £5m unsecured revolving credit facility. The loan is fully drawn down by FMPI. FMPT also entered into a £2m two-year unsecured revolving credit facility with Royal Bank of Scotland. Gearing of up to 20% of NAV is permitted at both FMPI and FMPG; at end-September 2017, FMPI had 5.3% net gearing and FMPG had 2.8% net cash.

F&C is paid an annual management fee of 0.650% pa of total assets in each portfolio, payable quarterly in arrears, which is reduced to 0.325% pa on any investments that are managed by F&C. The management fee is split 60:40 between capital and revenue for FMPI and 80:20 respectively for FMPG. A 10% performance fee is payable on the excess total return of FMPI and FMPG versus the benchmark total return and is capped at 0.35% of the total assets of the relevant portfolio. For more details regarding the performance fee, please see our March 2017 [initiation report](#). In FY17, FMPI's ongoing charge was 1.12%, which was a modest 3bp increase versus the prior year; FMPG's ongoing charge was 1.08%, a 1bp reduction year-on-year.

Shareholders have the opportunity to convert their income shares into growth shares and vice versa annually in October. This is subject to certain minimum and maximum thresholds; to date the minimum limit has not been achieved and so there have been no conversions.

Dividend policy and record

FMPI pays dividends quarterly in October, January, April and July. In FY17, the annual dividend of 5.45p was 4.8% higher than in FY16, ahead of the 3.9% compound annual growth rate of the last five years; as in FY16, it was 1.08x covered by revenue. At the end of FY17, the revenue reserve was c 50% of the annual dividend cost, providing a buffer for future years if there is a lower level of portfolio income. The first interim dividend of 1.30p for FY18 has been declared, up 4% year-on-year. The board intends to pay three interim dividends of at least 1.30p for FY18, with the fourth interim dividend dependent on the amount of income generated over the period. FMPI's current dividend yield of 3.9% compares favourably to the 3.7% yield of the FTSE All-Share index.

Peer group comparison

FMPI and FMPG are classified within the AIC Global Equity Income and Global sectors respectively. These two sectors contain a wide range of peers with differing mandates and geographic exposures. In Exhibit 13, we highlight a selection of closed-end funds that invest in collective vehicles, although we remain mindful that they have different investment strategies. FMPI lags the peer group averages over the periods shown, while FMPG is ahead of the average over one year. Like the majority of the peers, FMPI and FMPG are trading close to their net asset values. Both portfolios have average ongoing charges. Enhanced by the income transferred from FMPG, FMPI has the highest dividend yield in the peer group, 2.2pp above the average.

Exhibit 13: Selected peer group (as at 24 October 2017)

% unless stated	Market cap £m	NAV TR 1 Year	NAV TR 3 Year	NAV TR 5 Year	Discount (ex-par)	Ongoing charge	Perform. fee	Net gearing	Dividend yield (%)
F&C Managed Portfolio Income	59.9	15.3	36.7	68.7	2.9	1.1	Yes	105	3.9
F&C Managed Portfolio Growth	67.8	20.5	47.6	87.9	(0.8)	1.1	Yes	97	0.0
British Empire	826.7	15.7	53.7	75.9	(10.8)	0.9	No	105	1.6
JPMorgan Elect Managed Growth	263.9	17.7	51.8	105.3	(2.2)	0.6	No	100	1.4
Mitton Global Opportunities	71.1	21.1	62.6	89.4	1.3	1.3	No	106	0.0
Seneca Global Inc & Growth Trust	77.9	15.4	42.8	73.7	2.1	1.6	No	104	3.5
Simple average (6 trusts)	227.9	17.6	49.2	83.5	(1.3)	1.1		103	1.7
FMPI rank in peer group	6	6	6	6	1	3		2	1
FMPG rank in peer group	5	2	4	3	4	4		6	5

Source: Morningstar, Edison Investment Research. Note: Performance data to 23 October. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

The four directors on FMPT's board were appointed on 22 February 2008; they are all non-executive and independent of the manager. They are Richard Martin (chairman of the board and the nomination committee), David Harris (senior independent director), Colin McGill (chairman of the audit committee) and Alistair Stewart (chairman of the remuneration committee). The directors have backgrounds in finance, law and accountancy.

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