F&C Stewardship International (A)

F&C Investments

January 2012

Sophie Horsfall
Fund Manager

Fund Manager biography

Sophie Horsfall is a Director in Global Equities and lead manager of the Stewardship International Fund and other international funds. She joined the Group in December 2001.Sophie graduated from Durham University in 1996 with a BA (Hons) in Modern European Languages. She has obtained her IMC and IIMR qualifications and is a member of the CFA Institute and UKSIP.

Key details

Fund type	SICAV
Sector	Equity Global
Launch date	26 October 2006
Fund size	€69.84m*
Benchmark	MSCI World Index
Currency	EUR
Year End	30 September
Average annual return	-2.72%
Dividend Policy	Annually (if return accumulated)
Front End Fee	5.00%
Management fee	1.5% p.a.
Minimum investment	€2,500
Fund Price ■ NAV per share ■ NAV per share including front end fee	 €8.70 €9.14
ISIN	LU0234759529
Price listed	Bloomberg, Reuters, Morning Star, Lipper
Bloomberg ticker	FCPSTWA LX

Responsible Investment

Responsible Investment is the application of a responsible engagement overlay to this investment fund. More information can be found at www.fandc.com/gsiThe value of investments and the income derived from them can go down as well up as a result of the market or currency movements and investors may not get back the original amount invested. The source is F&C unless otherwise stated.
*AUM composite of the F&C Stewardship International Fund I, A and B Share Classes.

Fund overview

The Fund focuses on long-term capital growth through investment in companies whose products and practices are considered a benefit to society, excluding those felt to be harming the world, its people, or its wildlife. While the philosophy is a fund management led one, ethical screening and fund management are undertaken by separate specialist teams.

A single dedicated global team makes all investment decisions in terms of geographic and sector allocation and stock selection to deliver a focused portfolio with the ability to tap into global investment themes. A quantitative analysis based on F&C's proprietary economic valuation and relative valuation methodology is supplemented by a detailed qualitative overlay to assess the merits of potential investments. In undertaking its research the team is able to leverage off the experience and expertise of F&C's regional equity desks.

F&C's Governance & Sustainable Investments team works closely with an independent Committee of Reference to screen companies based on Stewardship's ethical principles. Based on this screening the Committee judges whether a company is acceptable for the Fund.

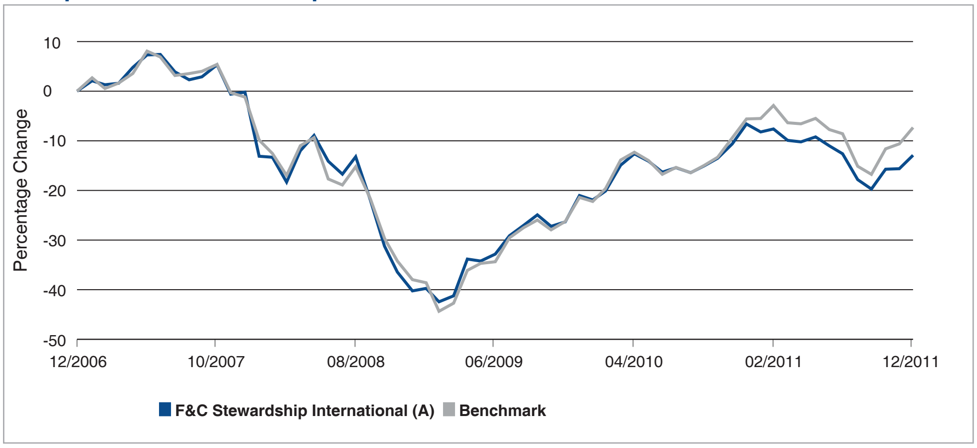
Discrete annual performance to 31st December

	2007	2008	2009	2010	2011
Fund	-0.20%	-40.12%	32.16%	18.25%	-6.75%
Benchmark	-1.66%	-37.64%	25.93%	19.53%	-2.38%

Fund performance as at 31.12.11

	1 Mth	YTD	1 yr	3 yrs	Since Incpt.
Fund	3.20%	-6.75%	-6.75%	45.73%	-13.00%
Benchmark	3.64%	-2.38%	-2.38%	46.94%	-9.94%

Fund performance since inception

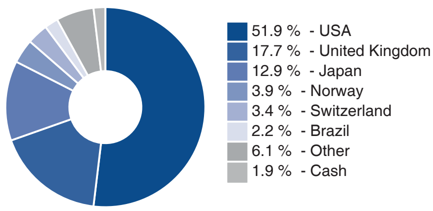


Source: F&C, Lipper, percentage growth net return in Euros, cumulative, with no initial charges. Past performance is not a guide to the future.

Top ten holdings

Holdings	%
Spectra Energy	3.05%
Apple	2.74%
Towers Watson & Co.	2.71%
Henry Schein	2.65%
DaVita	2.51%
Praxair	2.51%
Informatica	2.48%
Rotork	2.34%
U.S. Bancorp	2.30%
Intertek Group	2.25%
TOTAL	25.53%

Geographical breakdown



All data as at 31.12.2011. This factsheet is intended for Financial Advisers and existing investors only.

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Portfolio Risk (3 yr annualised Value)

Statistic	Value
Beta	0.84
Information Ratio	-0.01
Sharpe Ratio	1.00
Volatility	12.48
Tracking Error	4.76

Definitions of risk

Beta - A mathematical measure of the sensitivity of rates of return on a fund compared with rates of return on the market as a whole. A beta of 1.0 indicates that the fund closely follows the market; a beta greater than 1.0 indicates greater volatility than the market.

Information ratio - The ratio of annualized expected residual return to residual risk. A central measurement for active management, value added is proportional to the square of the information ratio.

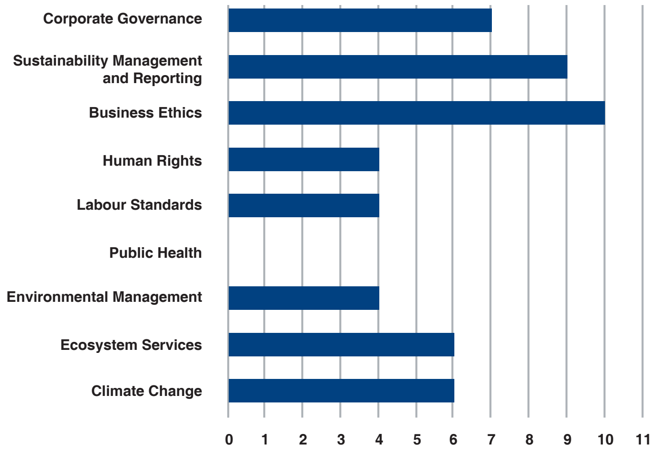
Sharpe ratio - A measure of a portfolio's excess return relative to the total variability of the portfolio. Related: Treynor index. Named after William Sharpe, Nobel Laureate, and developer of the capital asset pricing model.

Volatility risk - Volatility is an estimate of the risk of an investment and is measured by the Standard Deviation of the fund returns. The monthly standard deviation is annualised by multiplying by SQRT(12).

Tracking error - In an indexing strategy, the standard deviation of the difference between the performance of the benchmark and the replicating portfolio.

Q4 2011 Active Engagement Report

- F&C engaged 18 companies held in the fund in the last quarter
- F&C recorded 2 milestones* of companies held in the fund in the last quarter



As at 31/12/11

*The milestone figure demonstrates the tangible impact that our engagement services have in changing the way that companies manage corporate environmental, social and governance risks and how they take advantage of emerging opportunities.

For more information F&C's engagement activities on environmental, social and corporate governance issues, see the latest report at www.fandc.com