

Ethical Bond Fund



January 2012



Rebecca Seabrook
Fund Manager

Fund manager biography

Rebecca has over 14 years of investment experience and is co-Head of UK Credit. She joined F&C in 2001 from Rothschild Asset Management. Rebecca has a BA in Accounting and Finance from the University of Wales and is a member of UK Society of Investment Professionals.

Key details

Fund Type	OEIC
Sector	UK Corporate Bond
Benchmark	Markit iBoxx Sterling Non-Gilts Index
Average annual return	3.93%
Launch Date	01 Oct 2007
Fund Size	£193.17m
Currency	Sterling
Year End	31 Aug
Distribution Policy	Bi-annually
Payment Dates	31 Oct, 30 Apr
Front End Fee	5.00%
Management Fee	1.00% p.a
Minimum Investment	£1,000.00
Net TER (Inc/Acc)	0.86% / n/a
Estimated distribution yield	4.20%
Fund Price(inc/acc)	107.40p / n/a
Sedol : SC1 (inc)	B233YHT0
ISIN : SC1 (inc)	GB00B233YHT07
Price listed	N/A

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Fund overview

The Fund aims to maximise returns through investment primarily in fixed interest securities of an ethically screened and diversified list of companies. The Fund may also invest in warrants, collective investment schemes, money market instruments and derivatives. A rigorous management process and widely diversified portfolio will seek to control excessive credit risk.

Interest in ethical issues - from climate change to human rights and the environment - continues to grow and through this fund investors can support companies that contribute to sustainable development and avoid those that potentially harm society. Investors also want to receive a strong income, so the essential characteristic of this fund is that our strictly screened portfolio targets the same level of returns that unscreened portfolios can achieve, meaning investors don't have to compromise on performance. The Fund invests primarily in investment grade bonds making it potentially ideal for the cautiously minded investor seeking an alternative source of income. The manager adopts a process that blends top down assessment of the macro economic environment with detailed analysis of individual companies and bond issues.

In addition to Fund Manager Rebecca Seabrook's experience, she is able to draw on the resources of F&C's wider fixed income team. Fixed income investment lies at the very heart of F&C, providing us with a breadth and depth of experience that few in the City of London can match

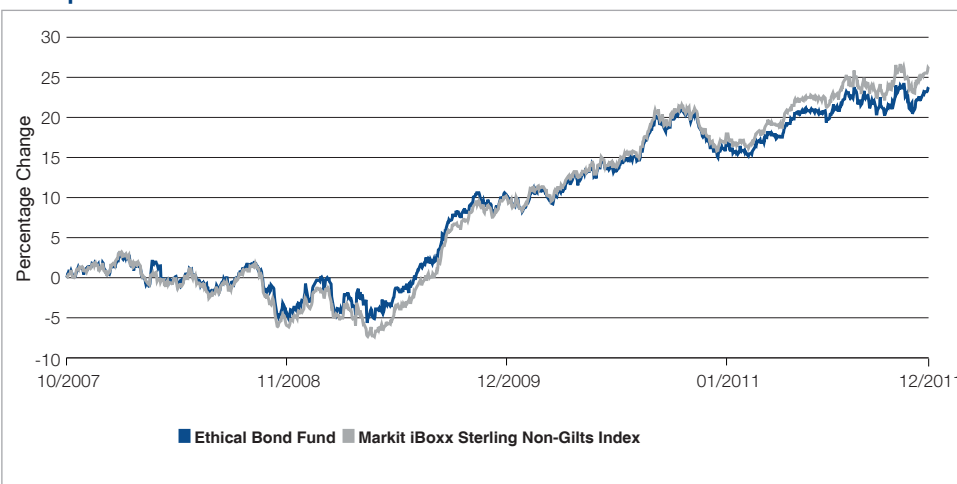
Standardised performance % as at 31.12.11

	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011
Fund	n/a	-2.05	8.66	7.57	5.90
Benchmark	n/a	-4.06	10.78	8.38	6.91

Cumulative performance %

	1 Mth	YTD	1 Yr	3 Yrs	Since Incep.
Fund	1.61	5.90	5.90	23.77	23.78
Benchmark	2.22	6.91	6.91	28.36	26.09

Fund performance since launch

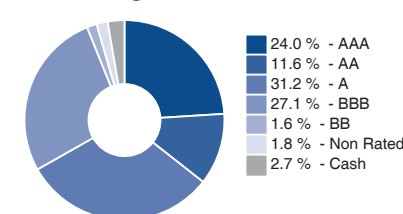


Past performance is not a guide to the future performance. Source: Lipper, percentage growth total return in Sterling, with no initial charges. For past performance data, updated quarterly, for the full range of F&C funds visit www.fandc.com

Top ten holdings

Holdings	%
KFW 6% 07/12/28	6.10%
European Inv Bank 6% 07/12/28	3.47%
European Inv Bank 8.75% 25/08/17	2.27%
National Grid 6.5% 27/07/28	1.53%
European Inv Bank 4.75% 15/10/18	1.31%
Bk of America 7% 28	1.07%
Co-op Bank 4.75% 21	1.01%
Network Rail 4.75% 35	0.97%
ING Bank 6.875 05/23	0.97%
Anglian Water 5.837% 22	0.96%
TOTAL	19.66%

Credit rating breakdown



All data as at 31.12.11. This factsheet is intended for Financial Advisers and existing investors only. Reference to investment activity is not intended as a recommendation of any investment action.

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