

Extra Income Bond Fund



May 2012



Co-Fund Managers
Fatima Luis / Rebecca Seabrook

Fatima Luis biography

Fatima has over 14 years of investment experience and is Head of UK High Yield Credit. She is also the lead manager of the Strategic Bond and Maximum Income Bond Funds. Fatima has an MA from the London School of Economics and a BA in International Relations from Wheaton College, Massachusetts.

Rebecca Seabrook 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	IMA £ Strategic Bond
Benchmark	£ Strategic Bond Median
Average annual return	2.31%
Launch Date	17 Jan 2000
Fund Size	£102.44m
Currency	Sterling
Year End	30 Apr
Distribution Policy	Quarterly
Payment Dates	30 Jun, 31 Mar, 30 Sep, 31 Dec
Front End Fee	5.00%
Management Fee	1.00% p.a.
Minimum Investment	£1,000.00
Net TER (Inc/Acc)	0.98% / n/a
Gross distribution yield	5.60%
Fund Price(inc/acc)	42.27p / n/a
Sedol : SC1 (inc)	0945543
ISIN : SC1 (inc)	GB0009455436
Price listed	Financial Times, Daily Telegraph

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Fund overview

The Fund aims to provide a high quarterly income by investing in corporate bonds and other fixed interest securities. The Fund offers the best of both worlds targeting a 50/50 split between investment grade and high yield bonds. Investors can benefit from the relatively low risk offered by investment grade bonds whilst still having significant exposure to high yield. The balance between the asset classes is actively managed depending on our outlook for bond markets.

Fixed income investment lies at the very heart of F&C, providing us with a breadth and depth of experience. In bond markets size matters - F&C is one of the largest fixed interest managers in the City. One of the key strengths of F&C is its research capability and the use of our own proprietary investment model. The only way to make clear and informed investment decisions is to undertake detailed, proprietary, fundamental research of companies we are considering for inclusion in the Fund. Bottom up analysis and the assessment of the balance sheet and the franchise value of each business being considered plays a crucial role in stock evaluation. In particular, we look for companies that are able to pay their coupon throughout the lifetime of the bond and which can demonstrate improving credit fundamentals.

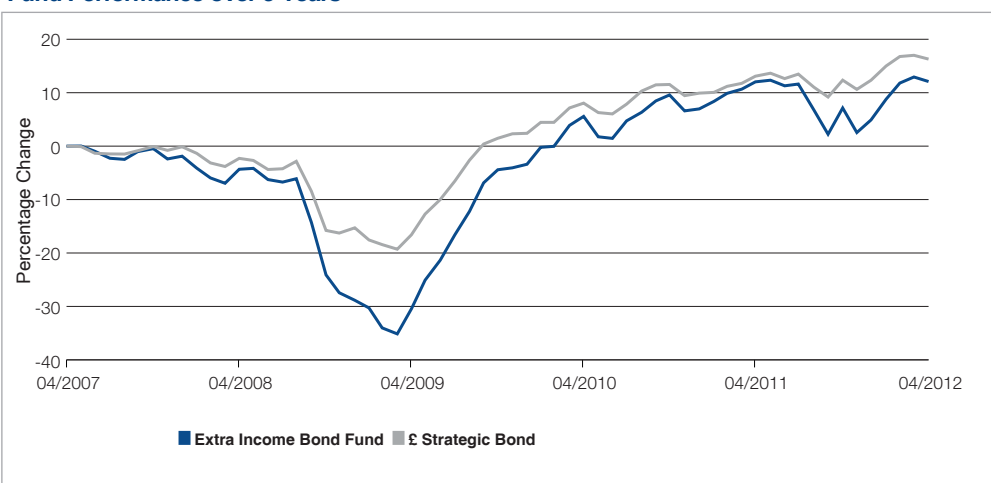
Standardised performance % as at 30.04.12

	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012
Fund	-4.33	-27.30	51.78	6.12	0.06
Benchmark	-2.35	-14.38	28.68	5.71	2.34

Cumulative performance %

	1 Mth	YTD	1 Yr	3 Yrs	5 Yrs
Fund	-0.75	6.86	0.06	61.17	12.09
Benchmark	-0.39	4.71	2.34	43.40	19.61

Fund Performance over 5 Years

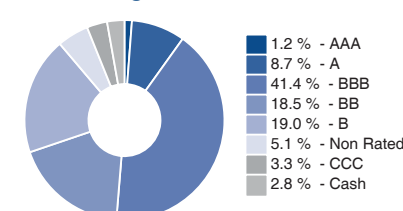


Past performance is not a guide to the future performance. Source: Lipper, percentage growth total return in Sterling, with no initial charges. For past performance data, updated quarterly, for the full range of F&C funds visit www.fandc.com. * This figure reflects funds that have been in this sector for the full five year period. This differs from the chart above which shows sector performance including funds that have been in the sector for five years or less.

Top ten holdings

Holdings	%
Annington 8.07% 23	2.31%
Paragon Grp 7% 2017	2.27%
Southern Gas FRN 15	1.65%
Edcon FRN 15/06/15	1.26%
Channel Link FRN 50	1.24%
Rexam 6.75% 29/06/67	1.22%
Provident 8% 19	1.21%
BOGAEI 5.75 14	1.20%
Bupa Finance 6.125% Perp	1.17%
Premiertel 6.175 32B	1.16%
TOTAL	14.69%

Credit rating breakdown



All data as at 30.04.12. 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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