

F&C Global Climate Opportunities Fund

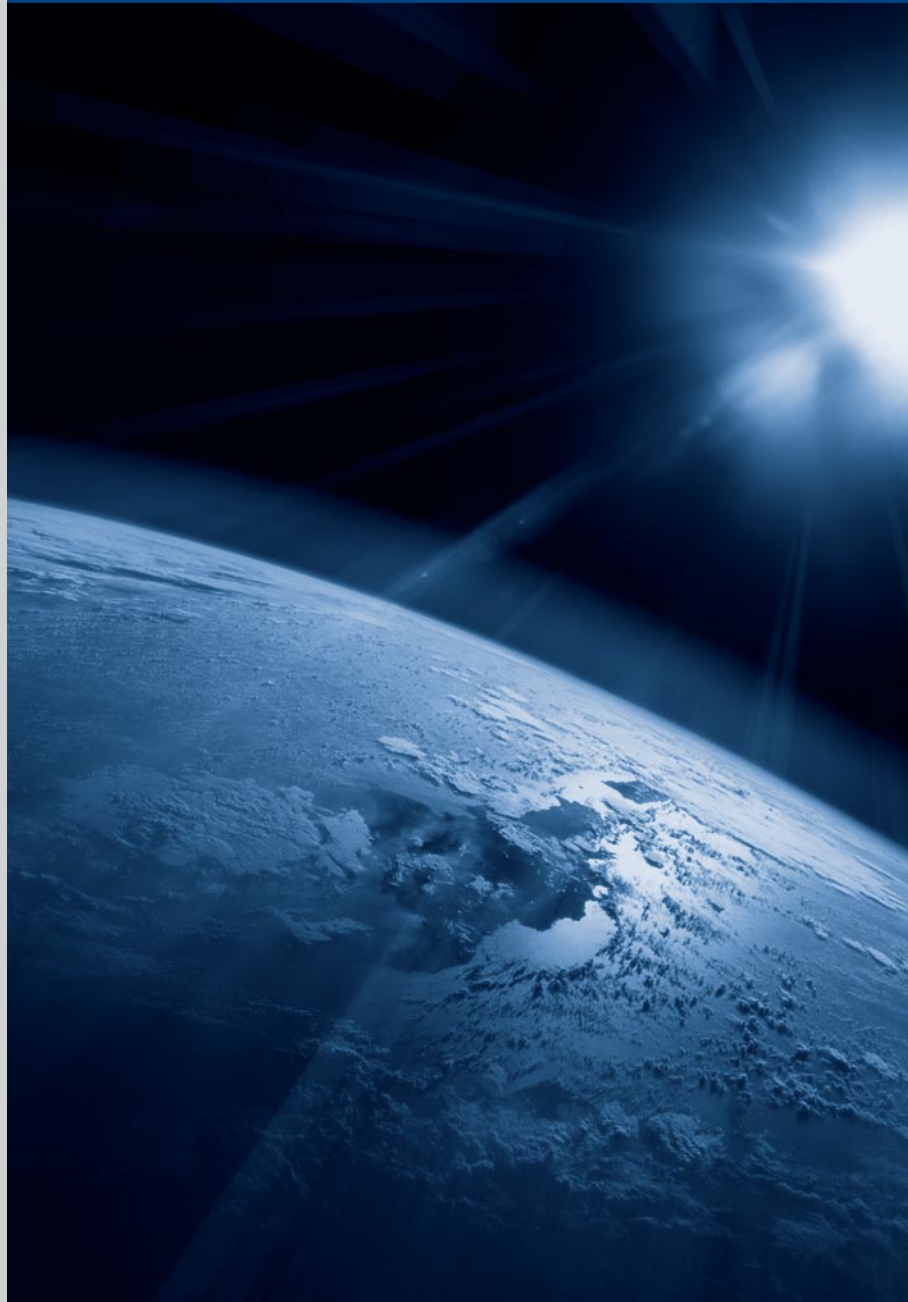
Synopsis series

Now recognised to be one of the most significant challenges facing today's society, governments and companies are waking up to the realities of the threat posed by climate change. Complex in its causes and global in its impact, the solutions required to check and adapt to its advance will demand the development of a raft of new technologies and processes.

Leveraging our experience of investing in sustainable development, and the expertise of our in-house climate change advisor, F&C's Global Climate Opportunities Fund encapsulates our nuanced understanding of this global issue. Our nine key investment themes comprehensively target the significant growth opportunities in the field, in order to identify the companies best positioned to provide solutions to climate change.

F&C's key strengths:

- An experienced global equities team
- Former government advisor supported by leading GSI team
- A proven valuation-based investment process
- Comprehensive climate change thematic
- Genuinely global coverage



Synopsis series: F&C Global Climate Opportunities Fund

“Our focus is on companies who are developing enabling technologies that will help us move towards and sustain a lower carbon global economy, and at the same time will provide significant investment opportunities.”



Sophie Horsfall,
Co-Fund Manager, Global Equities



Terry Coles,
Co-Fund Manager, Global Equities

“With the consequences of climate change now being acted upon at the highest levels of government, we are going to see significant policy changes implemented in the years ahead. F&C can draw on the expertise of the largest dedicated GSI team in the UK investment industry to analyse these developments and their impact on corporate behaviour.”



Vicki Bakhshi,
Climate Change Advisor, GSI Team

Why invest in the F&C Global Climate Opportunities Fund?

The physical effects of climate change are starting to be felt, and the compelling weight of scientific evidence has already led to changes in corporate and consumer behaviour and increasingly ambitious regulatory proposals from governments globally. Companies that can build on the central concepts of reducing carbon emissions and helping people adapt to living in a changing climate will be winners in the new, more socially responsible, environment.

F&C's Global Climate Opportunities Fund is designed thematically, to focus on the companies that are leading advances in the nine key areas that we believe lie at the heart of the issue of climate change. Based on these themes, we will select stocks without any negative screening or regional benchmark restrictions. This investment approach gives us the freedom to invest in potential market leaders, irrespective of sector, size or geographic location.

Our investment scope is therefore far broader than a traditional alternative energy fund and offers investors significant growth potential, combined with the benefit of investing in companies providing climate change solutions.

Why F&C?

F&C's global equities team has a strong track record of managing both sustainable investments and non-screened global products. The lead managers of the F&C Global Climate Opportunities Fund have detailed knowledge of the leading companies operating in the universe from which the Fund will select investments.

Our commitment to investment in international sustainable development is well established through the Stewardship International fund. We are uniquely positioned in terms of resources and experience to move forward in this arena.

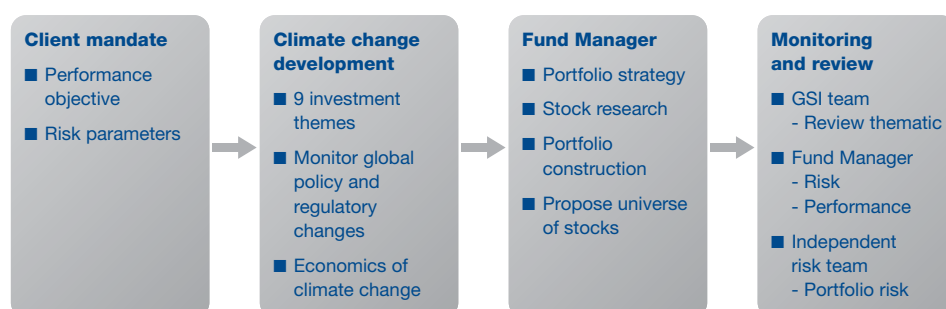
The Fund's thematic focus is subject to rigorous analysis by a 15-strong in-house Governance and Sustainable Investment (GSI) team, the largest specialist team in the UK. Our global team can also draw upon the expertise of F&C's 212 investment professionals.

The appointment of a former advisor to the UK Prime Minister as a dedicated in-house climate change advisor indicates the importance of this issue to F&C. Her theoretical understanding of the core issues, and experience in government, will enable us to better understand the direction that government regulation and reform will take in the future.

How does it work?

Working from the investment themes, the climate change advisor and GSI team will track and forecast patterns in climate change, prospective government regulations and corporate initiatives. These constantly monitored thematics provide a framework for the global equities team, who will look to achieve long-term capital growth by investing in the best stocks in a sector globally, in response to the changing dynamics.

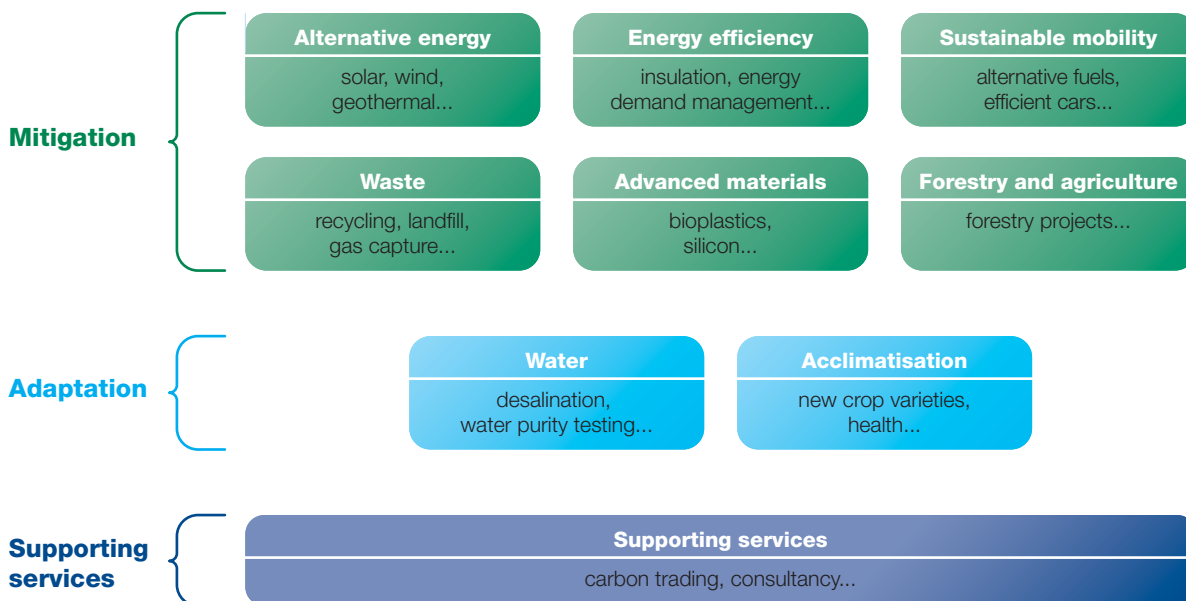
We believe that investors wish to outperform broader equity markets while gaining exposure to positive themes. The F&C Global Climate Opportunities Fund is therefore benchmarked against the unscreened MSCI World Index.





Nine investment themes

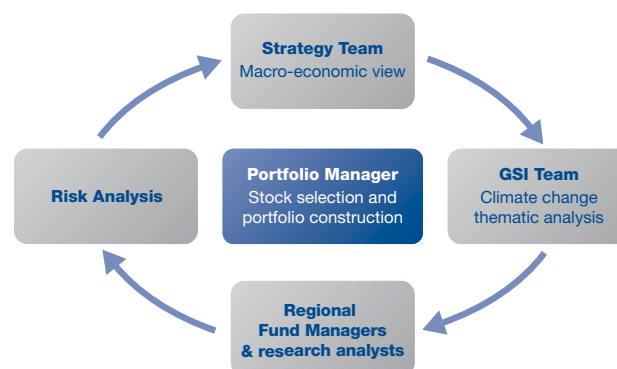
The investment themes represent a holistic approach to the problems posed by climate change, not only addressing the development of alternative energy industries, but also identifying the broader technologies, support systems and advanced materials that will underpin emissions reductions. Similarly, we look at the long-term adaptation effects that will be prompted by climate change, ranging from necessary infrastructure investments to acclimatisation measures in areas such as agriculture and health.



Portfolio construction

F&C's global equities team utilises a dynamic model that leverages the expertise of the in-house strategy, analytical research, risk modelling and regional fund management teams at all levels of the portfolio construction process. This ensures that the team maintains a clear accountability for stock selection and performance, whilst benefiting from our proprietary research, and top-down macroeconomic analysis provided by the Global Tactical Asset Allocation team. This process is illustrated opposite.

The fund managers combine the climate change thematics with a proprietary EVA® (economic value added) based valuation process to select a focused global portfolio of high conviction ideas.



Stock selection

Stock selection is the result of rigorous bottom-up analysis combining qualitative and quantitative evaluation techniques. Our investment universe includes all companies globally whose technologies, services and strategies fall within the nine investment themes. Selection and relative weightings are driven by our assessment of the upside valuation potential, conviction strength and the specific risk/return profile of the portfolio.

The portfolio is run in consultation with the GSI team through ongoing discussions on policy developments and proposed additions to the portfolio, as well as formal reviews of key developments within each theme. The Fund is purely thematic, with no exclusion screening criteria, to ensure that we will be able to achieve a positive exposure to all significant developments associated with climate change.

Synopsis series: F&C Global Climate Opportunities Fund

Products

F&C offers a wide range of balanced, equity, bond and alternative investment funds to European investors, covering developed and emerging markets. We currently manage 17 Part I SICAV Funds, domiciled in Luxembourg and registered for sale in France, Germany, Netherlands, Portugal, Sweden, Ireland and the UK. We also offer a range of Part II SICAV for professional investors.

Please contact us for further details or visit our website at www.fandc.com

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Key characteristics

F&C Global Climate Opportunities is a thematic fund, combining positive climate change themes with fundamental financial analysis.

The Fund has no restrictive limitations and aims to outperform broader global equity markets by identifying the companies best positioned to develop leading technologies aimed at mitigating or adapting to the effects of climate change.

Performance is measured against the unscreened MSCI World Index.

F&C's key strengths

- **Comprehensive climate change thematics:** We approach climate change as a complex global issue. The 9 key investment themes that we have identified are the result of our detailed theoretical analysis of the problem, and are aimed at identifying significant growth and investment opportunities over the longer term.
- **Genuinely global coverage:** Although its impact will vary with geography, climate change is a global phenomenon. Successful solutions will be developed across global markets and we believe it is important to capture their diversity without being restricted by regional benchmarks. Our investment approach therefore offers genuinely global exposure, to reflect the global nature of the issue.
- **In-house climate change expertise:** Vicki Bakhshi, the Fund's climate change advisor, joined F&C in 2006 to lead our initiatives on climate change. Prior to joining F&C, Vicki was the Prime Minister's policy adviser on climate change, before moving to HM Treasury to work on the Stern Review on the Economics of Climate Change. At F&C she will draw on the expertise of our 15-strong in-house Governance and Sustainable Investment team, the largest specialist team in the UK.
- **Experienced global equities team:** The fund managers, Sophie Horsfall and Terry Coles, together have some 20 years of investment experience. They have a strong track record of investment on sustainability themes through the Stewardship International Fund.
- **Proven valuation-based investment process:** We believe that bottom-up stock selection combined with independent fundamental research is crucial to identifying investment opportunities. Valuation is of paramount importance to us, we seek stocks that we believe have both valuation support and attractive upside potential.

F&C Management Limited

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