





# F&C European Corporate Bond Quarterly Fund Factsheet

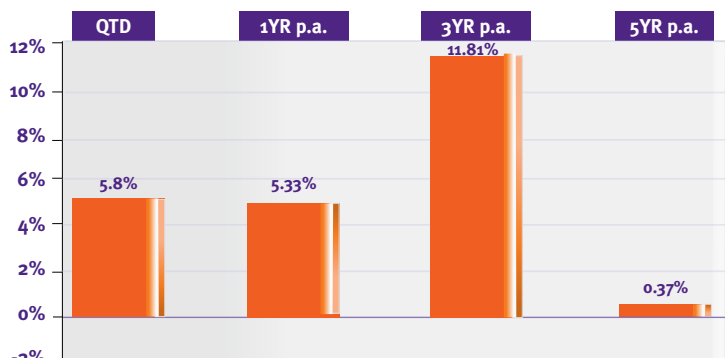
Quarter 1, 2012

## Fund Snapshot

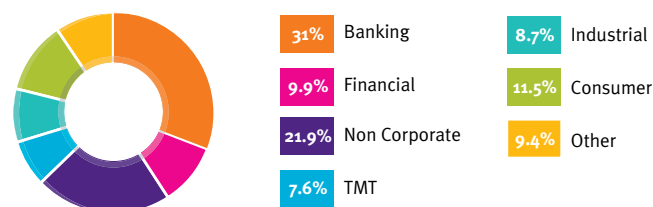
Size	€25.5M
Asset	 (Fixed Interest/Bonds)
Holdings	159
Regions Covered	 2
Diversification	
Overall Risk rating	low  high

## Fund Performance

Source: MoneyMate.



## Sector Breakdown



## Fund Objectives

The European Corporate Bond Fund invests primarily in Euro denominated fixed interest securities issued by corporate entities with the aim of producing a better return outcome than government bonds. Corporate bond investments carry a higher degree of risk than sovereign bonds. The index underlying this fund is the Barclays Euro Aggregate Credit Index.

## Top 10 Holdings

Stock	Country	Weighting
European Investment Bank	Supranational	8.8%
General Electric	United States	2.4%
EU	European Country	2.2%
Rabobank	Netherlands	2.2%
ING Group	Netherlands	2.0%
HSBC	Great Britain	2.0%
RBS	Great Britain	1.9%
Citigroup	United States	1.7%
Intesa Saopaola SpA	Spain	1.6%
Lloyds	Great Britain	1.5%

## Market Commentary

Corporate bonds rallied strongly during the first quarter. The ECB's announcement of €1 trillion of low-interest funding for banks boosted the financials sector, with banking and life insurance benefiting in particular as short-term liquidity concerns were eased. Banks in Italy and Spain used the surge of cheap funding to buy their own sovereign debt and yields in both countries fell significantly in response. Structural reform in Italy was also encouraging for European markets. Globally, corporate bonds were helped by solid corporate earnings and the promise of modest economic recovery.

The Fund outperformed its benchmark during the first quarter. Our overweight positions in life insurance and subordinated banking were the main drivers of performance. Furthermore, our underweight positions in supranationals, pharmaceuticals and integrated energy also contributed positively to performance. In contrast, underweight positions in periphery exposed transportation services and electric utilities detracted from returns.



Looking forward to your future

**Warning: Past performance is not a reliable guide to future performance.**  
**Warning: The value of your investment may go down as well as up.**  
**Warning: Funds may be affected by changes in currency exchange rates.**  
**Warning: If you invest in this product you may lose some or all the money you invest.**

Information source:  
 F&C Asset Management Ltd.,  
 unless otherwise stated.  
 All figures quoted are as at  
 31st March 2012.