





F&C European Long Bond Quarterly Fund Factsheet

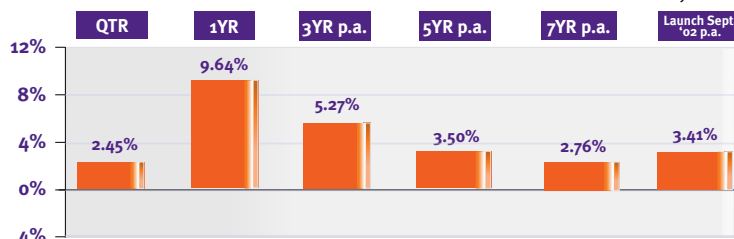
Quarter 1, 2012

Fund Snapshot

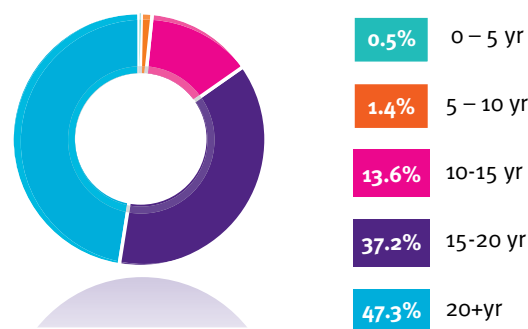
Size	€82.4M
Asset	 (Fixed Interest)
Holdings	23
Regions Covered	 2
Diversification	
Overall Risk rating	low  high

Fund Performance

Source: MoneyMate



Term Breakdown



Market Commentary

Europe was the only major government bond market to post gains during the first quarter. This was driven largely by a rally by peripheral markets. With confidence having been buoyed by the European Central Bank's move to inject €1 trillion into the European banking system, bonds issued by the likes of Italy, Spain and Portugal saw increased demand and made good some of their heavy losses of 2011. Core eurozone bonds fell back, however, as the market responded to some improving data on growth both across the region and in the US. The ECB left interest rates unchanged at 1% as a sustainable economic recovery still looked to be a long way off.

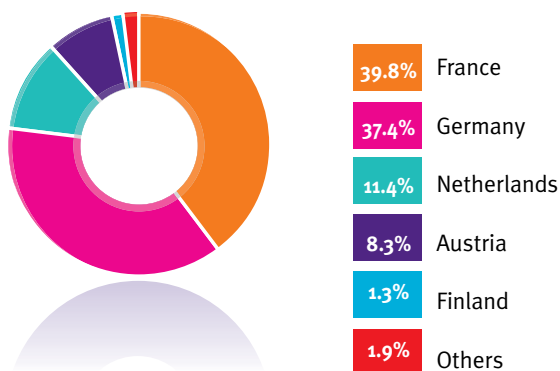
The Fund delivered a small positive return over the quarter, with our active approach to duration positioning being helpful to performance. The underweight position in longer-dated bonds was also positive for performance as that part of the curve steepened during the quarter. Our decision to be underweight France detracted as spreads tightened slightly. Being underweight 30-year Netherlands bonds was positive, however, as spreads started to widen as a result of a bigger-than-expected deficit and political uncertainty. Our overweights in covered and government guaranteed bonds were positive contributors as spreads tightened significantly as a result of strong demand.

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

Fund Summary

The Eurozone Long Bond Fund invests primarily in Eurozone government bonds with a maturity exceeding ten years. It can also invest in corporate bonds. The fund is suitable for matching longer term pension liabilities. The benchmark for this fund is the Merrill Lynch EMU Direct Government Index >10 yrs.

Geographical Breakdown



Asset Split (Rating) %

AAA	99.5%
Cash	0.5%



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.