





Explorer (Emerging Markets) Quarterly Fund Factsheet

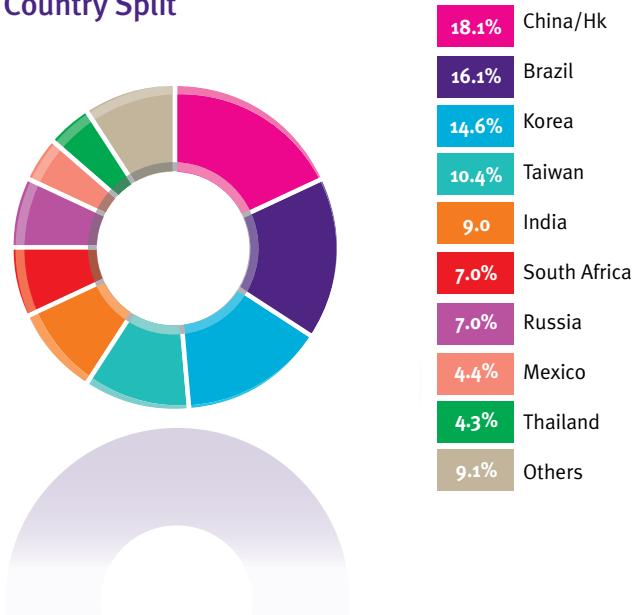
Quarter 1, 2012

Fund Snapshot

Size	€507M*
Asset	 (Equities)
Holdings	48
Regions Covered	 4
Diversification	
Overall Risk rating	low  7 high

* Refers to the total amount of assets held in the underlying fund.

Country Split



Market Commentary

Emerging market equities made solid gains in the first quarter as risk appetite continued to build on the back of better news of growth in the US and the €1 trillion liquidity boost announced by the European Central Bank. Markets in general were also boosted by monetary easing on the back of falling inflation. The promise of further rate cuts boosted Brazil, while the Chinese authorities also announced measures to increase liquidity. The story was different for India, however, as a series of interest hikes were implemented to rein in high prices. This helped drag growth down to its lowest rate in three years. In eastern Europe, Russia rallied on the back of a rising oil price and investors' desire to take on more risk while the likes of Poland and Hungary made useful progress in the wake of the ECB's funding injection.



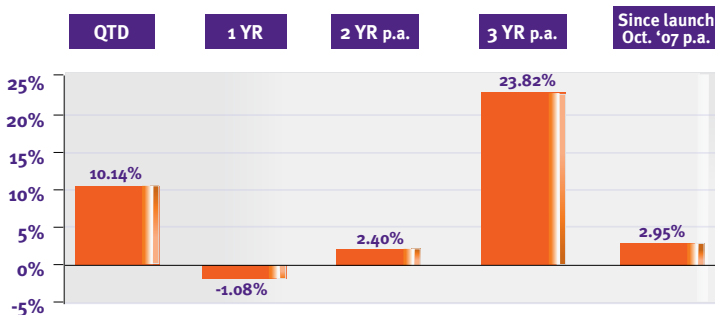
JEFF CHOWDHRY
Head of Emerging
Market Equities, F&C
Asset Management Ltd.

The Fund started 2012 well by outperforming the benchmark. Our emphasis on high quality businesses as well as decent cyclical companies with cheap valuations proved successful as both types supported positive returns. In Turkey, returns were boosted by the food retailer BIM and Hon Hai, the Taiwanese company that assembles Apple products. The main detractors from performance were companies where government policies influenced sentiment (such as Astra which was affected by threats by the authorities to raise fuel prices) or where there was poor demand (as was the case for energy company China Shenhua). The Fund's banking stocks did well on the back of improved global sentiment for the sector.

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

Fund Performance

Source: MoneyMate.



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Fund Summary

The objective of the Fund is to exploit opportunities for capital growth provided by investment in the world's less developed countries. The portfolio will comprise of ordinary shares of those countries and may include investment in funds and schemes which in turn invest in those countries or certificates representing securities in those countries.

The Fund looks to provide investors with access to our best investment ideas through a concentrated, aggressively managed portfolio of shares in emerging markets. The Fund typically comprises 35/40 names.

Our disciplined investment approach is pragmatic, which allows us to adapt to changing conditions – an important consideration in rapidly evolving emerging markets. Our research team is structured into specific country teams, so that each major emerging market country is covered by three or four investment professionals. We select securities from the universe of 800 listed emerging markets companies in the MSCI Emerging Markets Index. The application of various liquidity criteria, including minimum market capitalisation requirements and trading measures, produces an investable universe of some 500 companies. We then undertake detailed analysis of this universe. We look at the quality of the management, market positions and prospects and how exposed each company is to the investment themes we have identified.

About F&C Asset Management (F&C)

Established in 1868, F&C is a London Stock Exchange listed asset manager with €119bn (Sept 2011) in assets under management and offices in 11 countries. The organisation has significant and experienced resources at its disposal delivering professional and tailored solutions globally. F&C's multi-specialist model ensures that funds are run by small, focused teams of specialist investment professionals, supported by the resources of a large, successful firm. This approach embodies an entrepreneurial culture within a rigorous and disciplined approach to fund management.

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.

Why Invest in Emerging Markets?

While global economic conditions have hampered the progress of developed markets, within many emerging markets, the effect of negative external factors has been reduced by robust domestic demand. The strength of this domestic demand, coupled with increased government commitment to infrastructure investment, along with rising income levels has boosted progress amongst many emerging market companies.

With impressive historic returns and potential for further growth, exposure to emerging markets is attractive to investors seeking both strong return potential and portfolio diversification. We believe that the economic health of developing markets is less closely tied to the US as in the past.

Why F&C for Emerging Markets?

Investing in emerging markets has been at the heart of F&C's business since 1868. F&C's emerging market team consists of twelve investment specialists with an average fifteen years investment experience, and an average of eight years with F&C. This scale gives F&C unrivalled access to research resources and local senior management.

Why the Explorer Fund?

This fund is designed as a potential core holding for investors seeking to access the growth potential of emerging market equities. The portfolio, managed by Jeff Chowdhry – Head of Emerging Market Equities at F&C – in a disciplined and pragmatic manner, typically contains 35-40 of our highest conviction ideas drawn from across the emerging markets.

Proprietary research is organised along country lines within the team with our fundamental efforts focused on companies operating within what we believe to be the most promising investment themes.

- High conviction best ideas portfolio
- Proven thematic driven investment process
- Ideal way to access emerging market growth potential

