





# F&C Stewardship (Ethical) Quarterly Fund Factsheet

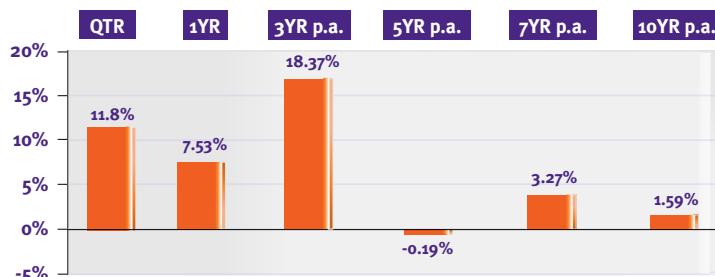
Quarter 1, 2012

## Fund Snapshot

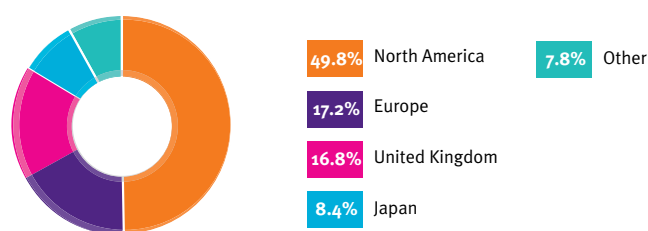
Size	€24.8M
Asset	 (Equities)
Holdings	68
Regions Covered	 5
Diversification	
Overall Risk rating	low  6 high

## Fund Performance

Source: MoneyMate



## Geographical Breakdown



## Market Commentary

Global equities enjoyed good performance as confidence continued to build on an encouraging fourth quarter. Sentiment was boosted primarily by the success of the European Central Bank's offer of €1 trillion of cheap funding to banks through its Long-Term Refinancing Operation (LTRO). There was also growing confidence that the recovery of the US economy was gaining traction. This was largely driven by improving economic data and easing concerns about the debt crisis in Europe. Stocks were also boosted by expectations that the Federal Reserve will continue to support the economy by keeping interest rates near zero for at least three years. Towards the end of the period, however, the momentum of the markets' rally waned as concerns grew about the impact on growth and inflation of record petrol prices in Europe and the US on the back of a spike in the price of oil.

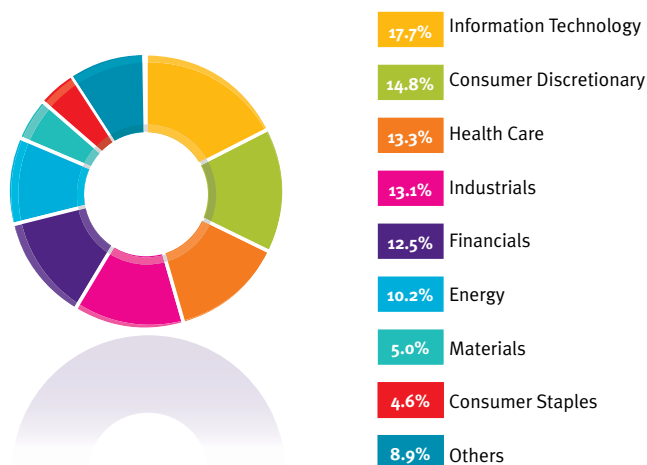
The Fund outperformed the benchmark during the first quarter. Both asset allocation and stock selection contributed positively to performance. Our strongest allocation effect came from our overweight position in IT and our underweighting of consumer staples. Stock selection within healthcare also added value. Informatica was our strongest performer, recovering from its unwarranted sell off in the fourth quarter following the earnings miss from Oracle.

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

## Top 10 Holdings

Stock	Country	Weighting
Apple Inc.	United States	2.7
Towers Watson & Co. Cl A	United States	2.6
DaVita Inc.	United States	2.6
Accenture PLC	United States	2.6
BG Group PLC	Great Britain	2.5
Amdocs Ltd.	United States	2.5
Spectra Energy Corp.	United States	2.4
Praxair Inc.	United States	2.4
U.S. Bancorp	United States	2.4
Crown Castle International Corp.	United States	2.2

## Industry Sector Splits



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## Fund Summary

The Stewardship Fund is an international equity fund which aims to achieve growth through investing only in companies which meet certain ethical criteria.

## About 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.

**F&C are considered market leaders in ethical investing and have won numerous industry awards which underpin this reputation:**

**Best Investment Manager (ESG)** – Investment & Pension Europe (IPE) and TBLI (Nov. 2007)

**Top Sustainable Fund Manager:** Transparency & Engagement on ESG Issues - Fair Pensions UK (Oct. 2007)

**Responsible Investment Programme of the Year** - Funds Europe Awards (2005)

**ISIS 'Overall Winner' and 'Sustainable Asset Management Winner'** - The City of London's 'Liveable City Awards' (2003 & 2004)

**Winner 'Corporate Social Responsibility'** - The Scotland plc Awards (2004).

**ISIS 'Specialist Manager of the Year'** - Professional Pensions Awards and 'SRI Manager of the Year' - Pensions Management.

## What is Ethical Investing?

There is a growing consensus among investors that the best long term performance will come from companies that take seriously their wider ethical, environmental and social responsibilities.

More and more investors want to avoid companies that pollute or damage the environment, are involved in the arms trade or support oppressive regimes. Neither do they want to support tobacco companies, those that test on animals or companies that profit from alcohol, gambling or pornography.

Once thought of as a niche investment area, ethical investment has grown significantly into the mainstream over recent years. In the UK alone there was over GBP£8.9\* billion in ethically managed funds at the end of 2007.

Most ethical investment funds adopt a policy of "screening" companies to ensure they meet their investment criteria. This can be either 'negative' – screening out companies which don't meet the criteria, 'positive' – actively seeking out companies which make a positive contribution to society, or both.

\* Source: EIRIS - EIRIS is the leading global provider of independent research into the social, environmental and ethical performance of companies.

## Why the Stewardship Fund?

The Stewardship Fund was launched in 1989 and was the first ethically run fund to be made available in Ireland.

The fund has an ethos of seeking out growth through responsible investing. F&C takes the view that investors don't want their money invested in the "least worst" companies in a number of sectors.

Instead, they employ a series of positive screens that try and identify companies making a positive contribution to society, as well as screening out those companies that fail to meet the required ethical criteria.

This screening process is wholly independent of the fund management process and is carried out by an independent external committee.

## Positive Screening Criteria

- Providing the basic necessities of life
- Offering customers ethical product choices
- Improving quality of life through the responsible use of new technologies
- Meeting sustainable development challenges
- Good environmental management
- Actively addressing climate change
- Promotion and protection of human rights
- Good employment practices
- Positive impact on local communities
- Good relations with customers and suppliers
- Effective anti-corruption controls
- Transparent communication

## Negative Screening Criteria

- Poor environmental practices
- Tobacco
- Alcohol
- Gambling
- Pornography or violent material
- Manufacture and sale of weapons
- Unnecessary exploitation of animals
- Nuclear power generation
- Human rights abuses
- Poor relations with employees, customers or suppliers

After screening, the global equities team combine rigorous in depth research with a proprietary economic value-added based valuation process to select a focussed global portfolio of high conviction ideas.

 **Friends First**  
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.**