



**F&C Management Limited**

Exchange House  
Primrose Street  
London EC2A 2NY

Telephone +44 (0)20 7628 8000

Facsimile +44 (0)20 7628 8188

[www.fandc.com](http://www.fandc.com)

## Press Release

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For immediate release

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# F&C European High Yield Bond Fund gets UK Lipper Award

One of F&C's flagship SICAV sub-funds, the F&C European High Yield Bond Fund\* has been granted an award by ratings agency Lipper. The F&C European High Yield Bond Fund was named best fund in the category Bond Europe-High Yield over 5 years in the UK. Lipper Award classification category winners are calculated based on risk-adjusted consistent return for a defined time period of 3 years, 5 years or 10 years.

"We are delighted about this high-profile accolade as the fund has been screened according to purely quantitative criteria," said Kevin Mathews, who co-manages the F&C European High Yield Bond Fund with Andrew Lake. "This illustrates the power of the thorough investment process utilized to screen issues for our portfolio."

The F&C European High Yield Bond Fund has outperformed the Merrill Lynch European Currency BB-B benchmark by 138 basis points. Over the last 5 years the fund recorded an annualized return of -1.4%\*\* , whereas the benchmark performed only -2.78%\*\* on average over the same period.

Up to 50% of the fund's core portfolio is invested in BB fixed income securities. The fund also invests in unrated fixed income, floating rate and other debt securities issued predominantly by European companies. The investment strategy is based on the rationale that it will deliver superior risk-adjusted returns over full market cycles.

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F&C Asset Management plc is the listed holding company of the F&C Group.

F&C Management Limited is a member of the F&C Group and a subsidiary of F&C Asset Management plc.

“Our short-term outlook remains cautious but more constructive as 2009 unfolds”, commented Andrew Lake. “January’s high yield rebound is likely to be short lived as negative news will likely outweigh the momentum from President Obama’s rescue package.” He believes, however, that there will be opportunities to gradually increase risk in the portfolio as 2009 unfolds, given that the opportunity for substantial returns in the high yield market is significant over the next few years.

“We will be steering clear of CCC credits – the part of the market most likely to default – as the return available for high single Bs and BB rated securities is still 16-20%”, Lake added. “We are concentrating on counter-cyclical sectors, and remain underweight anything which involves discretionary consumer spending. But success will again be all about credit selection.”

\*retail share class A

\*\* Source: Lipper – from 31/12/03 to 31/12/08 – in euro terms, net of fees

**For more information on the F&C European High Yield Bond Fund or to arrange an interview with Kevin Mathews or Andrew Lake, please contact the F&C press team on the numbers below.**

**- Ends -**

#### **Press contacts**

Paula Garrido	Communications Manager F&C Investments	+44 (0) 20 7011 4190
Jennifer Donohoe	Communications Manager F&C Investments	+44 (0) 20 7011 5017
Veronique Sant	Communications Manager F&C Investments	+44 (0) 20 7011 4278

#### **Notes to Editors**

##### **F&C Investments**

- F&C Asset Management (F&C) is a London Stock Exchange listed asset management group which traces its origins back to 1868 with the launch of the Foreign & Colonial Investment Trust, the first ever publicly listed investment fund. Foreign & Colonial Investment Trust remains a client of F&C.
- F&C is an active fund manager with a multi-specialist investment model where individual teams have strong accountability for their products and processes. The group is also an active shareholder with a leading franchise in governance and sustainable investment.

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- F&C now manages £98.6 billion (€102.0 billion) of assets\*\*\* for a diverse range of institutional, insurance and retail clients across all major asset classes – equities, bonds, cash and property – as well as alternative and specialist product classes such as Socially Responsible Investment funds, hedge funds, funds of hedge funds, private equity funds, Global Tactical Asset Allocation products and Liability Driven Investments. F&C invests globally and has been a longstanding investor in emerging markets.
- F&C manages assets principally from three investment centres: London, Amsterdam and Edinburgh. The group has an office network spanning ten countries: China (Hong Kong), France (Paris), Germany (Frankfurt), Ireland (Dublin), The Netherlands (Amsterdam), Portugal (Lisbon), Sweden (Stockholm), Switzerland (Geneva), UK (London, Edinburgh, Dorking) and the United States (Boston).

\*\*\* As at 31 December 2008.

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