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## Press Release

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**For immediate release**  
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### **New IMA bond sector highlights growth of strategic credit funds**

As the F&C Extra Income and Strategic Bond funds are moved to the new IMA Strategic Bond sector, Fatima Luis, manager of both funds, has given a broad welcome to the new classifications. Ms. Luis views the new sectors as a step towards closing the gap on categories which were previously too broad in range but stresses that investors still need to differentiate between the varying mandates of funds within the new sectors.

“The previous bond fund sectors encompassed too many different types of portfolios within the same sectors which made like for like comparisons difficult for potential investors. In particular, we welcome the introduction of a new IMA Strategic Bond classification which confirms the growing importance of bond products with flexible mandates to shift across the credit spectrum in an ever-changing market”.

“However, investors should understand that the new sectors are not a panacea which replaces the need for detailed understanding of the features of each specific product” says Luis “because there is still a wide variety of remits on offer within the new sectors.”

To illustrate this Ms. Luis points out whilst her Strategic Bond Fund has complete flexibility to invest across the credit spectrum in pursuit of total return the Extra Income Bond Fund, which is same sector, has a 50/50 split between investment grade and high yield with a greater focus on yield.

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In particular Ms Luis notes that the rules for the new Strategic Bond sector will allow funds to invest up to 20% in equities which in a certain periods could propel hybrid funds to the top of the tables against pure bond products and which would therefore not be a like-for-like comparison.

Ms. Luis concluded: “The old adage of caveat emptor remains as relevant as ever and the new categorisations, while clearly welcome overall, will certainly not replace the need for well researched, discerning independent financial advice.”

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### 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.
- F&C now manages £96.5 billion (€121.9 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, enhanced alpha funds 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

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(Stockholm), Switzerland (Geneva), UK (London, Edinburgh, Dorking) and the United States (Boston).

\* As at 30 June 2008.

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