

F&C Stewardship Growth Fund



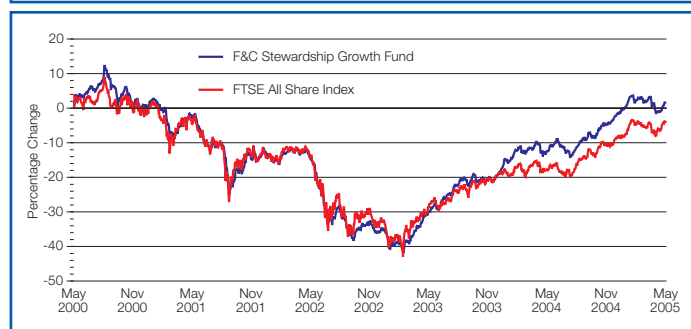
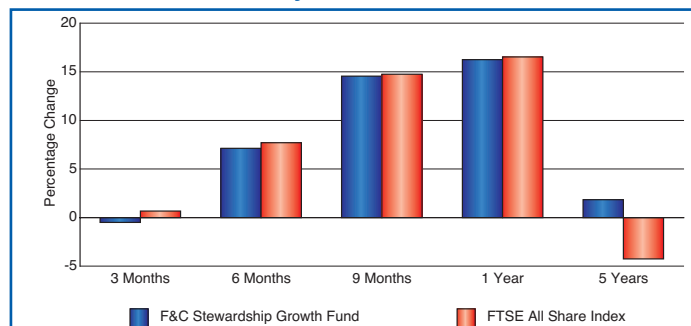
June 2005



Fund Manager: Ted Scott

Forsyth-OBSR Rating: A
S&P Fund Rating: AA
S&P Fund Stars: ★★★★★

Fund Performance to 31 May 2005



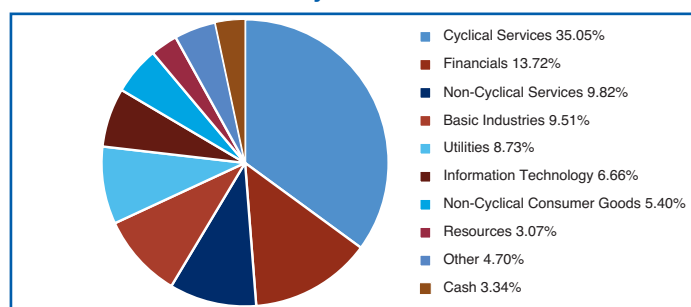
Standardised Performance

31 May 2000 to 31 May 2001	31 May 2001 to 31 May 2002	31 May 2002 to 30 May 2003	30 May 2003 to 31 May 2004	31 May 2004 to 31 May 2005
-2.92%	-12.28%	-17.43%	24.58%	16.26%

Past performance is not a guide to future performance.

Source: Lipper, percentage growth total return (UK net tax), mid to mid, with no initial charges. For past performance data, updated quarterly, for the full range of F&C funds visit www.fandc.com

Portfolio Breakdown at 31 May 2005



Top Ten Holdings

Vodafone	5.33%
National Grid Transco	2.83%
Scottish & Southern Energy	2.54%
Capita	2.25%
T&F Informa	2.21%
Tesco	2.12%
Workspace Group	1.99%
Pearson	1.98%
Inchcape	1.66%
SIG	1.44%
TOTAL	24.36%

Key Details

Lead Fund Manager	Ted Scott
Deputy Fund Manager	Hilary Aldridge
Sector	UK All Companies
Benchmark	FTSE All-Share Index
Launch date	1st June 1984
Fund size	£631.41m
Minimum Investments	£1,000 lump sum, £50 per month
Net Yield	1.02%
Share type	Accumulation/Distribution
Number of stocks	121
Initial charge	5.00%
Annual charge	1.38%
Total Expense Ratio (net)	- Accumulation shares: 1.66% - Distribution shares: 1.51%
Account dates (interim)	30th November
(annual)	31st May
Distribution dates (income)	31st July, 31st January

Investment Summary

The Fund focuses on long-term capital growth and increasing income with the emphasis on capital growth. Investment is concentrated in UK companies whose products and practices we consider to be of long-term benefit to the community both at home and abroad.

Fund Manager's Commentary

Despite evidence of further softening in consumer spending, (weaker sales figures from Boots, Marks & Spencer, Dixons and HMV), investors drew confidence from some positive US economic data, sending the FTSE All Share Index 3.9% higher.

We added to a position in electronics firm, Electrocomponents during the term. Market expectations were for a possible dividend cut, however, the dividend was held and the stock rallied. We also bought a new position in utility company, Scottish Power following an announcement it was selling its US subsidiary PacifiCorp. The stock rallied sharply on the news. We sold some of our holding in retailer Next, reflecting the unsupportive environment. Elsewhere, we added Cable & Wireless following significant business restructuring. The stock offers strong cash flow and a healthy dividend. The Fund also benefited holdings in support services firm, PHS Group, which gained around 10% on bid speculation.

Our current bias is towards larger company stocks, while looking to add smaller and mid sized names where we see value. We are being highly selective, focusing on growth and avoiding cyclical areas. Equities still appear to offer better value than bonds or cash. Our favoured stocks include Scottish Power, Cairn Energy and Go Ahead.

**For all investment fund information contact us on:
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