

Period:

For the 12 months ended 30 April 2013
www.fandc.com



Fund Manager:
Michael Ulrich

UK Mid-Cap Fund

The Fund aims to provide long-term capital growth by investing principally in the companies of the FTSE Mid-250 Index, though other UK listed equities may be held where the Investment Adviser deems this appropriate. The Fund may use derivatives to maintain, increase or reduce the exposure to particular stocks or a relevant index. Derivatives will normally be exchange traded contracts, with the exception of any forward foreign exchange contracts. The Fund may also invest in money market instruments and deposits.

Fund Facts

Lead Fund Manager	Michael Ulrich
Deputy Fund Manager	Peter Lees
Sector	UK All Companies
Benchmark	FTSE Mid-250 ex IT Index
Launch date	31 December 2005
Fund size	at 30 April 12 £59.86m
	at 30 April 13 £78.58m
	£1,000 lump sum,
Minimum Investments	£50 per month
	0.60% (1 Acc), 1.00% (2 Acc),
Historic Yield	0.00% (C Acc)
Share type	Accumulation
Number of stocks	39
Initial charge	
SC1	5.00%
Annual charge	
SC1	1.50%
	1.57% (1 Acc),
	1.06% (2 Acc),
Ongoing charges	0.88% (C Acc)
Account dates	(Interim) 31 October
	(annual) 30 April
Distribution dates	30 June

Market Report

UK shares made a solid gain over the twelve months under review despite the fact that the economy was constantly either in or on the brink of recession. This was, of course, largely due to the fact the most of the UK market's returns come from overseas and that share prices reflect the long-term outlook rather than 'yesterday's' GDP figures. A benign outcome to previous fears of slowing Chinese growth, signs of recovery in US housing and labour markets and the realisation that Europe is not yet collapsing into chaos all drove the UK mid-cap market to, once again, significantly outperform not only the FTSE 100 and FTSE Small Companies indices, but also MSCI's global benchmarks (including and excluding emerging markets). We remain convinced that well-run UK equity funds are the best way for investors to gain exposure to global businesses.

Fund Strategy

We started a position medical sterilisation and decontamination business Synergy Healthcare. Later in the period we bought Cairn Energy, a cash-rich oil field developer and explorer with a strong track record and conservative management, and St. Modwen, a land developer with a good track record and interesting pipeline of projects which was trading at a large discount. Towards the end of the period we started new positions in cash and carry operator Booker and global energy consultancy RPS. Sells included resource companies Bowleven and London Mining over concerns about, respectively, oil field development abilities and escalating production costs. We took some profits in Carphone Warehouse which has risen by more than 75% since we added to the holding at the start of the period.

Market Outlook

The market remains buoyant and risk appetites have increased. With a wall of money seeking yield that has been pushing global equity markets higher and an earnings picture that is sound rather than spectacular, valuations have become more stretched and value is becoming harder to find. Our favoured companies are those that can withstand a bad storm as well as faring better than most in more temperate conditions. As the stock market continues to rise we remind ourselves that unexpected negative news will arrive at some point. Our conservative approach to assessing companies and their valuation means we remain selective and seek to avoid some of the froth that will inevitably creep into share prices as the bull market matures.

The Fund employs a strict position management discipline which sees us take some profits from stocks when they perform well and add to them when they have performed poorly. Overall, the Fund is dominated by companies with good long-term prospects helped by strong balance sheets and capable management. The valuations of these companies do not fully reflect their prospects and hence we expect the Fund to make continued progress over the medium term.

Summary Fund Performance

Year	Share Class	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2013	1 Accumulation	103.0	90.28	1.2968
2013	2 Accumulation	106.9	93.59	1.7969
2013	C Accumulation	66.71	58.37	1.2729

Net Asset Value Record

Share Class	Share Type	Net Asset Value as at 30 April 2012 (pence)	Net Asset Value as at 30 April 2013 (pence)
1	Accumulation	79.96	101.6
2	Accumulation	82.59	105.4
C	Accumulation	-	65.79

Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
1 Accumulation	1.2968	Final	30/06/2013
2 Accumulation	1.7969	Final	30/06/2013
C Accumulation	1.2729	Final	30/06/2013

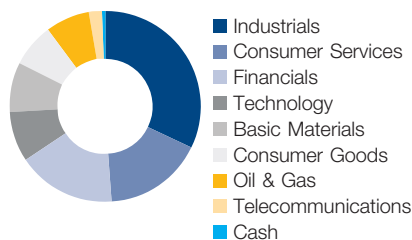
Top Ten Holdings

As at 30 April 2012	%
Spirent Communications	3.12
Elementis	3.06
Hurricane Exploration	2.96
Telecity	2.85
Spectris	2.83
Devro	2.76
Diploma	2.75
Rotork	2.74
Croda International	2.73
Babcock International	2.64
Total	28.44

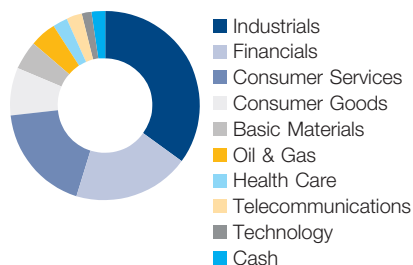
As at 30 April 2013	%
Howden Joinery	3.31
Bellway	3.16
Regus	3.04
Berkeley	2.92
Ashtead	2.91
Elementis	2.86
Daily Mail & General Trust 'A' Shares Non Voting	2.85
St James's Place	2.84
Restaurant	2.82
Berendsen	2.79
Total	29.50

Portfolio Breakdown

As at 30 April 2012

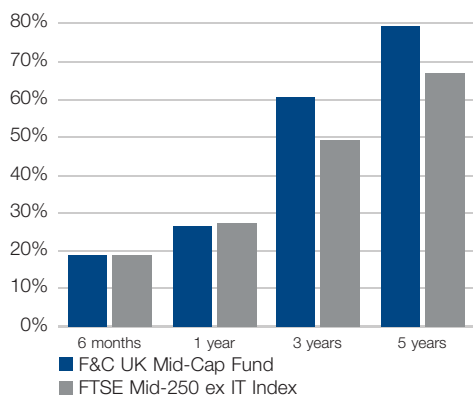


As at 30 April 2013

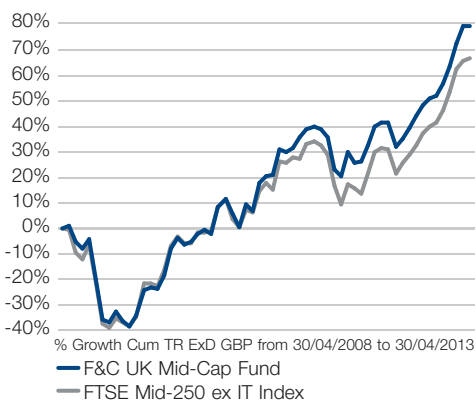


Fund Performance

As at 30 April 2013



As at 30 April 2013



Standardised Performance

30 April 2008 to 30 April 2009	30 April 2009 to 30 April 2010	30 April 2010 to 30 April 2011	30 April 2011 to 30 April 2012	30 April 2012 to 30 April 2013
-24.24%	47.63%	24.18%	2.00%	26.80%

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. Share Class 1 accumulation shares. For past performance data for the full range of F&C Funds visit www.fandc.com

Risk Profile

Smaller companies risk: smaller companies carry a higher degree of risk and their value can be more sensitive to market movement.

Liquidity Risk: the ability to buy and sell assets at a favourable price may be affected by a low level of counterparties willing to enter into a transaction with the Fund.

Derivative Risk: derivative values rise and fall at a greater rate than equities and debt instruments. Losses can be greater than the initial investment.

Report and Accounts

Copies of the annual and half yearly Reports and Accounts for the F&C Investment Funds ICVC, which include this fund are available free of charge on request to the ACD or can be downloaded from our website www.fandc.com.

Other information

The information in this report is designed to enable shareholders to make an informed judgement on the activities of the fund during the period it covers and the results of those activities at the end of the period. For more information about the activities and performance of the fund during this and previous periods, please contact the Authorised Corporate Director.

Authorised Corporate Director

F&C Fund Management Limited, Exchange House, Primrose Street, London EC2A 2NY

Telephone: 0800 0852 752

Regulated by the Financial Conduct Authority.

Investment Advisor

F&C Managers Limited, Exchange House, Primrose Street, London EC2A 2NY

Depositary

State Street Trustees Limited, 20 Churchill Place, London E14 5HJ

Administrator and Registrar

International Financial Data Services (UK) Limited, IFDS House, St Nicholas Lane, Basildon, Essex, SS15 5FS

Independent Auditor

PricewaterhouseCoopers LLP, Erskine House, 68-73 Queen Street, Edinburgh EH2 4NH

Fund Accounting and Unit Pricing

State Street Bank and Trust Company, 525 Ferry Road, Edinburgh, EH5 2AW

Legal Advisers

Eversheds LLP, One Wood Street, London EC2V 7WS

The F&C UK Mid-Cap Fund is a sub-fund of the F&C Investment Funds ICVC (IC36). Applications may only be made on the basis of the current Prospectus. Calls may be recorded. Past performance is not a guide to future performance. The Authorised Corporate Director (ACD) of the ICVC is F&C Fund Management Limited, a subsidiary of F&C Asset Management plc, Authorised (no 121940) and regulated by the Financial Conduct Authority (FCA). Registered Office; Exchange House, London EC2A 2NY. Registered in England No. 2170242. A registered company, limited by shares. A copy of the Key Investor Information Document is available from www.fandc.com.

UK Mid Cap 08/13

