

## Period:

As at 31 August 2013  
[www.fandc.com](http://www.fandc.com)

## Investment objective

The Fund's primary investment objective is to achieve capital growth.

The Fund will seek to achieve its investment objective primarily through investment in shares or units of regulated and/or unregulated collective investment schemes and/or closed ended funds managed by investment managers judged by the ACD to be boutique in nature taking into account relevant factors identified by the ACD. This may include schemes or funds managed by the ACD and/or an associate.

The Fund may also invest directly in transferable securities, money market instruments, warrants, deposits, near cash and cash. Liquid instruments may be held both for investment purposes and for other purposes permitted under the Regulations.

## Fund Facts

Lead Fund Manager	Rob Burdett & Gary Potter
IMA Sector	Global Sector
Benchmark	IMA Global Sector Median
Launch date	1 October 2007
Fund size	at 31 August 2012 £45.89m
	at 31 August 2013 £51.49m
	£1,000 lump sum,
Minimum Investments	£100 per month
	0.00% (A Acc), 0.10% (C Acc),
Historic Yield	0.10% (D Acc)
Share type	Accumulation
Number of stocks	26
Initial charge	5%
Annual charge	1.5%
	2.66% (A Acc), 1.95% (C Acc),
Ongoing charge	2.15% (D Acc)
Account dates (interim)	28 February
	(annual) 31 August
Distribution dates	31 May, 30 November

## Market Review

Most stock markets made decent gains in the twelve months under review. Although growth stuttered both in the developed regions and increasingly in the emerging markets, investors took encouragement from the continuation of central bank sponsored financial stimulus programmes. The sovereign debt crisis continued to dominate sentiment and the eurozone spent much of the year in recession as the growth slump in the periphery nations began to filter through to the region's core. Towards the end of the period there were some signs of recovery however. As the period progressed the US economy gained traction with brighter news on the housing market and employment encouraging investors. Returns from fixed income assets were more subdued with volatility a feature.

## Fund Activity

We added to the portfolio's US equity exposure – a shift reflecting our positive view on the prospects for the region. In addition there were a number of changes to the funds we hold in this area as we sold Nordea North American Value following a period of disappointing performance. Legg Mason Royce US Smaller Cap Opportunity took its place as we believe it can add real value, especially as smaller companies tend to do well when the economy is growing. Closer to home we added to European positions as we become increasingly encouraged by tentative signs of recovery. In the UK we added Heronbridge UK Equity – a stock picking fund managed by a strong and proven team. JO Hambro Capital Management UK Growth was sold.

With the Japanese government implementing a number of significant measures to tackle the country's long-standing economic problems we think that there is real scope for improvement. And should – as we expect – the economy improve Japanese equities are likely to do well. As a result we have increased the portfolio's Japanese weighting and Coupland Cardiff Japan Alpha was a new addition.

Conversely, we have trimmed back on both Asian and emerging market equities. We are still reasonably positive on their long-term potential but for now believe that their prospects are more subdued than that of the likes of the US. The reduction in Asia was achieved by trimming First State Asia Pacific Leaders and the sale of Tiburon Taipan in its entirety. In the emerging markets we sold Hexam Global Emerging Markets.

## Market Outlook

US economic growth is picking up and the backdrop closer to home is looking more encouraging. As a result we are broadly positive on the economic outlook and equities are currently our favoured asset class. From a geographic perspective we maintain a preference for the developed markets over the emerging markets. In Europe there have been real signs of recovery and should these continue to emerge we are likely to selectively add to existing positions. Our views on fixed income remain unchanged and we are mindful of the challenges and potential risks facing many areas of the bond market. We are underweight the asset class and are likely to remain so in the near term.

## Summary Fund Performance

Year	Share Class	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2013	A Accumulation	136.3	105.1	0.0000
2013	C Accumulation	65.85	53.10	0.2052
2013	D Accumulation	65.82	53.12	0.2511

## Net Asset Value Record

Share Class	Share Type	Net Asset Value as at 31 August 2012 (pence)	Net Asset Value as at 31 August 2013 (pence)
A	Accumulation	101.0	124.8
C	Accumulation	50.79	63.33
D	Accumulation	50.79	63.29

## Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
A Accumulation	-	Final	30/11/2013
C Accumulation	-	Final	30/11/2013
D Accumulation	-	Final	30/11/2013
A Accumulation	-	Interim	31/05/2013
C Accumulation	0.2052	Interim	31/05/2013
D Accumulation	0.2511	Interim	31/05/2013

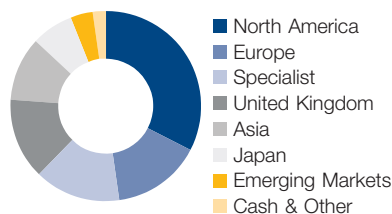
## Top Ten Holdings

As at 31 August 2012	%
Findlay Park American Fund	7.52
Brown Advisory American Fund	7.47
Melchior North American Opportunities Fund	7.41
Polar Capital North American Fund	6.30
First State Asia Pacific Leaders Fund	5.65
Conventum Lyrical Fund	5.30
Rathbone Global Opportunities Fund	4.46
Henderson European Special Situations Fund	4.09
Nordea 1 - North American Value Fund BP	3.96
Majedie Asset UK Focus Fund	3.85
<b>Total</b>	<b>56.01</b>

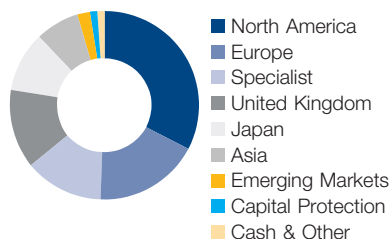
As at 31 August 2013	%
Polar Capital North American Fund	7.79
Brown Advisory American Fund	7.07
Findlay Park American Fund	6.95
Conventum Lyrical Fund	6.51
Legg Mason Royce US Small Cap Opportunity Fund Premier	5.89
Henderson European Special Situations Fund	5.26
Melchior North American Opportunities Fund	4.95
Coupland Cardiff Japan Alpha Fund	4.54
J O Hambro Capital Management Continental European Fund	4.51
Edinburgh Partners European Opportunities Fund	4.46
<b>Total</b>	<b>57.93</b>

## Portfolio Breakdown

As at 31 August 2012

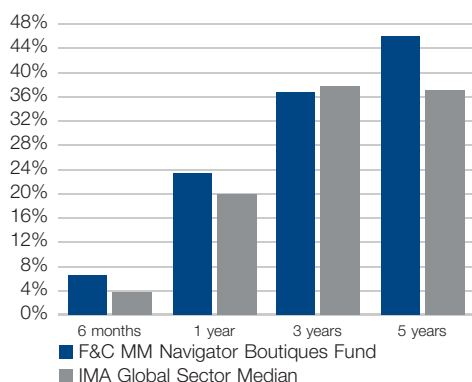


As at 31 August 2013

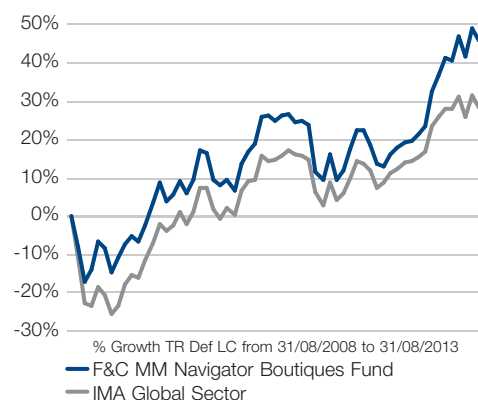


## Fund Performance

As at 31 August 2013



As at 31 August 2013



## Standardised Performance

31 Aug 2008 to 31 Aug 2009	31 Aug 2009 to 31 Aug 2010	31 Aug 2010 to 31 Aug 2011	31 Aug 2011 to 31 Aug 2012	31 Aug 2012 to 31 Aug 2013
3.64%	3.04%	4.51%	5.89%	23.56%

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

## Risk Profile:

**Emerging Markets Risk:** this Fund invests in emerging markets which are less developed and have additional legal and political risks.

**Credit Risk:** receiving income and capital due from debt instruments is dependant upon the provider's ability to pay.

**Fixed Interest Securities Risk:** changes in interest rates can affect the value of fixed interest holdings.

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

**Currency Risk:** your investment may be adversely affected by changes in currency exchange rates.

**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 Report and Accounts for the F&C Multi-Capital Funds ICVC, which includes this fund are available free of charge on request to the ACD or can be downloaded from our website [www.fandc.com](http://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 085 2752 Facsimile: (0207) 600 4180  
Regulated by the Financial Conduct Authority.

### Investment Advisor

Thames River Multi-Capital LLP, Exchange House, Primrose Street, London EC2A 2NY

### Depository

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

### Administrator and Registrar

International Financial Data Services (UK) Limited, IFDS House, 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 Navigator Boutiques Fund is a sub-fund of the F&C Multi-Capital Funds ICVC. 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. 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](http://www.fandc.com).

F&C MM Navigator Boutiques 12/13

