

Period:

As at 31 August 2013
www.fandc.com

Investment objective

The Fund's investment objective is to achieve income and 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. This may include schemes or funds managed by the ACD and/or an associate.

Fund Facts

Lead Fund Manager	Rob Burdett & Gary Potter	
IMA Sector	Mixed Inv't 20-60% Shares	
Benchmark	IMA Mixed Inv't 20-60% Shares Median	
Launch date	1 October 2007	
Fund size	at 31 August 2012	£244.6m
	at 31 August 2013	£261.5m
	£1,000 lump sum,	
Minimum Investments	£100 per month	
Historic Yield	1.60% (4 Acc), 1.60% (A Acc),	
	1.60% (A Inc), 0.20% (C Acc),	
	0.20% (C Inc), 0.20% (D Acc)	
Share type	Accumulation/Income	
Number of stocks	31	
Initial charge	5%	
Annual charge	1.5%	
	0.84% (4 Acc), 2.33% (A Acc),	
	2.33% (A Inc), 1.60% (C Acc),	
	1.61% (C Inc), 0.92% (D Acc)	
Ongoing charge		
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

In the UK we sold our position in Jupiter Growth and Income following the resignation of the fund manager. Overall exposure to UK equities was increased later on as we became more positive about the economic backdrop. We reduced exposure to Asia overall – a shift reflecting our view that prospects for both Asia and the emerging markets appear more subdued than those of the west. That said we did add Prusik Asian Equity Income to the portfolio with a corresponding reduction in Schroder Asian Total Return. We tweaked our US exposure upwards as its economy is appearing to gain some traction.

We also added to Japan as its government's efforts to stimulate the economy look likely to bear fruit. We made a couple of changes to our Japanese holdings and sold our small remaining position in Jupiter Japan Income and bought into Coupland Cardiff Japan Alpha.

We remain cautious on the prospects for fixed income and reduced overall exposure to the asset class by some margin. We sold Legg Mason Western Asset Global Credit Absolute Return and trimmed back other holdings. Legg Mason Income Optimiser, TwentyFour Dynamic Bond and GCP Infrastructure were all new additions.

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	4 Accumulation	122.0	108.0	2.4298
2013	A Accumulation	134.6	114.3	2.5647
2013	A Income	121.3	104.2	2.3265
2013	C Accumulation	59.33	52.81	1.1695
2013	C Income	58.56	52.84	1.2936
2013	D Accumulation	59.74	52.92	-

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)
4	Accumulation	103.8	119.9
A	Accumulation	110.3	125.8
A	Income	100.6	112.4
C	Accumulation	50.84	58.27
C	Income	50.71	56.99
D	Accumulation	50.84	58.67

Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
4 Accumulation	1.0943	Final	30/11/2013
A Accumulation	1.1516	Final	30/11/2013
A Income	1.0379	Final	30/11/2013
C Accumulation	0.5321	Final	30/11/2013
C Income	0.5283	Final	30/11/2013
D Accumulation	0.0000	Final	30/11/2013
4 Accumulation	1.3355	Interim	31/05/2013
A Accumulation	1.4131	Interim	31/05/2013
A Income	1.2886	Interim	31/05/2013
C Accumulation	0.6374	Interim	31/05/2013
C Income	0.7653	Interim	31/05/2013
D Accumulation	-	Interim	31/05/2013

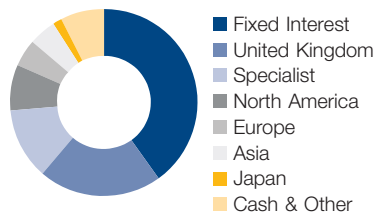
Top Ten Holdings

As at 31 August 2012	%
Old Mutual Global Strategic Bond Fund	7.87
Fidelity Strategic Bond	7.58
Legg Mason Global Credit Absolute Return Fund	6.50
Thames River Global Bond Fund	5.70
Henderson Strategic Bond Fund	5.65
Kames High Yield Global Bond Fund	5.13
Schroder Asian Total Return Fund	4.71
Jupiter Growth & Income Fund	4.34
Brown Advisory American Fund	4.01
Findlay Park American Fund	3.77
Total	55.26

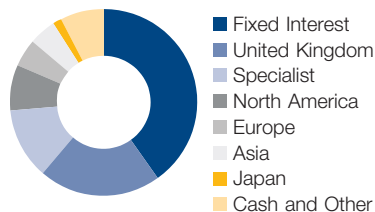
As at 31 August 2013	%
Majedie UK Equity Fund	5.05
Fidelity Strategic Bond	4.46
Thames River Global Bond Fund	4.38
Standard Life UK Equity Income Unconstrained Fund	4.27
River and Mercantile UK Equity Fund	4.22
Findlay Park American Fund	3.99
Old Mutual Global Strategic Bond Fund	3.97
Henderson Strategic Bond Fund	3.92
Brown Advisory American Fund	3.80
TwentyFour Dynamic Bond Fund	3.74
Total	41.80

Portfolio Breakdown

As at 31 August 2012

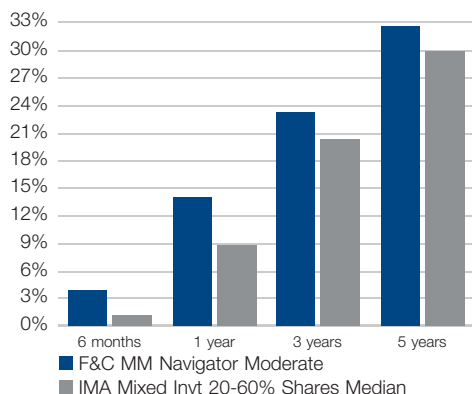


As at 31 August 2013

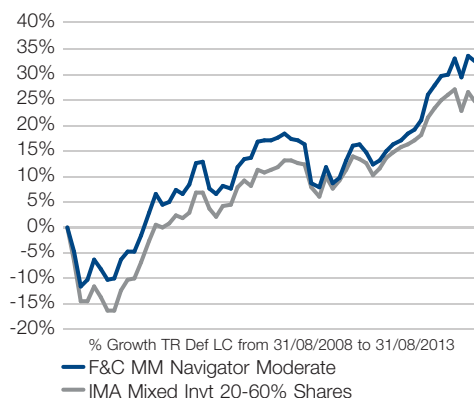


Fund Performance

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
2.95%	4.54%	1.08%	6.98%	14.05%

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:

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.

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 MM Navigator Moderate 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.