

Period:

As at 31 August 2013
www.fandc.com

Investment objective

The Fund's investment objective is to achieve a total return with an emphasis on income distribution together with some 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.

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	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	£619.0m
	at 31 August 2013	£745.4m
Minimum Investments	£1,000 lump sum,	
	£100 per month	
	5.10% (4 Inc),	
Historic Yield	4.70% (A Acc), 4.90% (A Inc),	
	4.70% (C Acc), 4.90% (C Inc),	
	4.60% (D Acc), 5.70% (D Inc)	
	Accumulation/Income	
Share type	Accumulation/Income	
Number of stocks	36	
Initial charge	5%	
Annual charge	1.5%	
	0.75% (4 Inc),	
Ongoing charge	2.25% (A Acc), 2.25% (A Inc),	
	1.58% (C Acc), 1.58% (C Inc),	
	1.80% (D Acc), 1.82% (D Inc)	
	28 February, 31 May,	
Account dates	(interim)	28 February
	(annual)	31 August
Distribution dates	28 February, 31 May,	
	31 August, 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

Overall exposure to the UK was increased as we became more upbeat on the prospects for the domestic economy. We did however sell our position in Neptune Quarterly Income with the proceeds reinvested across existing positions with better scope for generating returns in addition to an income. Ardevora UK Income entered the portfolio with this differentiated fund offering long-term potential in our view and early indications are encouraging.

We remain cautious on the prospects for fixed income and reduced overall exposure to the asset class. Our positions in PIMCO Diversified Income and Thames River High Income were sold and we established new holdings in TwentyFour Income and Legg Mason Income Optimiser. The portfolio contains exposure to more specialist income generators but the size of the allocation drifted down slightly as we invested inflows into the portfolio elsewhere.

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 Income	110.2	100.8	5.5207
2013	A Accumulation	139.8	120.7	6.7510
2013	A Income	105.0	91.91	5.1053
2013	C Accumulation	58.85	53.30	3.0237
2013	C Income	56.77	52.15	2.9391
2013	D Accumulation	58.97	53.34	3.0020
2013	D Income	56.49	51.76	2.7800

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	Income	97.63	104.9
A	Accumulation	115.7	129.6
A	Income	89.37	94.88
C	Accumulation	51.06	57.40
C	Income	50.75	53.95
D	Accumulation	51.06	57.48
D	Income	n/a	52.86

Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
4 Income	1.5452	Final	30/11/2013
A Accumulation	1.9920	Final	30/11/2013
A Income	1.4785	Final	30/11/2013
C Accumulation	0.8988	Final	30/11/2013
C Income	0.8580	Final	30/11/2013
D Accumulation	0.8944	Final	30/11/2013
D Income	0.8429	Final	30/11/2013
4 Income	1.1059	interim	28/08/2013
A Accumulation	1.3379	interim	28/08/2013
A Income	1.0046	interim	28/08/2013
C Accumulation	0.5890	interim	28/08/2013
C Income	0.5682	interim	28/08/2013
D Accumulation	0.5924	interim	28/08/2013
D Income	0.5570	interim	28/08/2013
4 Income	1.4944	interim	31/05/2013
A Accumulation	1.7878	interim	31/05/2013
A Income	1.3616	interim	31/05/2013
C Accumulation	0.7894	interim	31/05/2013
C Income	0.7723	interim	31/05/2013
D Accumulation	0.7905	interim	31/05/2013
D Income	1.3801	interim	31/05/2013
4 Income	1.3752	interim	28/02/2013
A Accumulation	1.6333	interim	28/02/2013
A Income	1.2606	interim	28/02/2013
C Accumulation	0.7465	interim	28/02/2013
C Income	0.7406	interim	28/02/2013
D Accumulation	0.7247	interim	28/02/2013
D Income	-	interim	28/02/2013

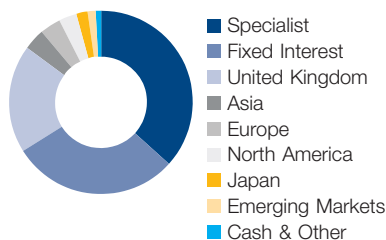
Top Ten Holdings

As at 31 August 2012	%
Artemis High Income Fund	6.08
Pimco Global Diversified Income Fund	5.60
Neuberger Berman High Yield Bond Fund	5.33
J O Hambro Capital Management UK Equity Income Fund	4.97
Kames High Yield Global Bond Fund	4.96
Cazenove Strategic Bond Fund	4.75
Veritas Global Equity Income Fund	4.72
RWC Enhanced Income Fund	4.50
Invesco Sterling Bond Fund	4.09
Lazard Global Equity Fund	3.97
Total	48.97

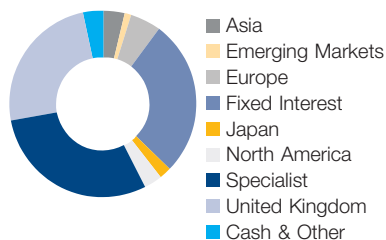
As at 31 August 2013	%
J O Hambro Capital Management UK Equity Fund	6.13
Artemis High Income Fund	5.05
Cazenove Strategic Bond Fund	4.89
Ardevora UK Income Fund	4.58
RWC Enhanced Income Fund	4.15
Veritas Global Equity Income Fund	3.93
Schroder Income Maximiser Fund	3.82
Legg Mason Income Optimiser Fund	3.76
Lazard Global Equity Fund	3.55
Neuberger Berman High Yield Bond Fund	3.48
Total	43.34

Portfolio Breakdown

As at 31 August 2012

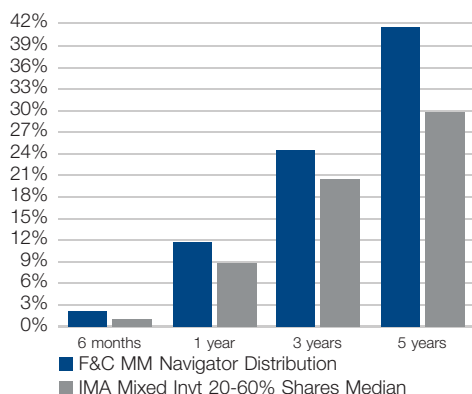


As at 31 August 2013

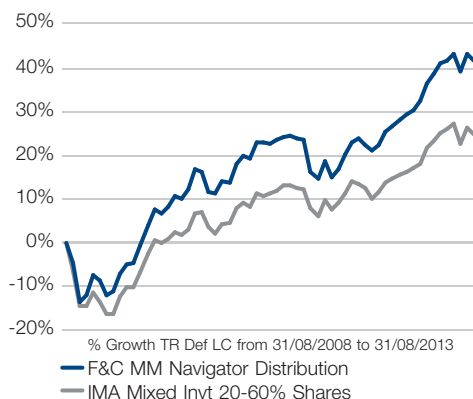


Fund Performance

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
4.02%	9.36%	2.11%	9.13%	11.72%

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.

Property Risk: the value of such securities is likely to reflect valuations of property assets as determined by professional valuers. Such valuations are the opinion of the valuer at a particular time, may not be supported by recent transactions and are liable to revision, up or down.

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 Distribution 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.

F&C MM Navigator Distribution 12/13

