

Period:

As at 31 August 2013
www.fandc.com

Investment objective

The Fund's 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. 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	Flexible Investment	
Benchmark	IMA Flexible Investment Median	
Launch date	1 October 2007	
Fund size	at 31 August 2012	£107.6m
	at 31 August 2013	£110.1m
	£1,000 lump sum,	
Minimum Investments	£100 per month	
	1.10% (4 Acc), 0.00% (A Acc),	
Historic Yield	0.00% (C Acc)	
Share type	Accumulation	
Number of stocks	28	
Initial charge	5%	
Annual charge	1.5%	
	1.09% (4 Acc), 2.58% (A Acc),	
Ongoing charge	1.86% (C 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

In the UK we sold BlackRock UK Focus and bought a new position in Cazenove UK Smaller Companies as with the UK economy showing tentative signs of recovery we believe that there is scope for smaller companies to outperform. Following the resignation of the managers of both the Jupiter Growth and Income and Schroder UK Alpha Plus funds we decided to sell them. Heronbridge UK Equity was a new addition. It is a best ideas fund and after performing well following its inclusion we subsequently added to the position. Overall exposure to the UK was increased slightly.

As some of the sovereign debt related risks eased we increased exposure to European equities. We added to a number of our holdings and BlackRock European Dynamic was a new addition. Neptune European Opportunities was sold however. We added to Japan because we believe that the government's efforts to stimulate the economy will eventually bear fruit. In Japan we made a couple of changes to our holdings and sold GLG Japan Core Alpha to fund the purchase of Coupland Cardiff Japan Alpha.

We reduced our exposure to Asian and emerging market equities – a shift reflecting our view that the near term prospects for both regions appear more subdued than those of the west. In Asia we sold from Tiburon Taiwan and added BlackRock Asian Growth Leaders to the portfolio. In the emerging markets we exited Hexam Global Emerging Markets and Aberdeen Emerging Markets.

Exposure to fixed income was reduced as we remain cautious with regards to many areas of the bond market. We sold our positions in Old Mutual Global Strategic Bond and Legg Mason Western Asset Global Credit Absolute Return. GCP Infrastructure Fund was a new addition.

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	119.7	100.4	1.0344
2013	A Accumulation	123.1	98.83	0.0000
2013	C Accumulation	62.70	52.73	0.3366

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	95.85	116.2
A	Accumulation	94.85	113.3
C	Accumulation	50.37	60.72

Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
4 Accumulation	0.3467	Final	30/11/2013
A Accumulation	0.0000	Final	30/11/2013
C Accumulation	0.0069	Final	30/11/2013
4 Accumulation	0.6877	Interim	31/05/2013
A Accumulation	0.0000	Interim	31/05/2013
C Accumulation	0.3297	Interim	31/05/2013

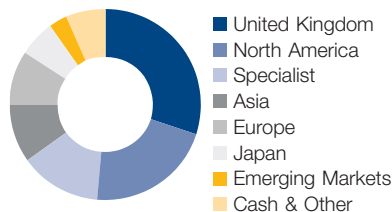
Top Ten Holdings

As at 31 August 2012	%
Jupiter Growth & Income Fund	5.89
Findlay Park American Fund	5.67
Brown Advisory American Fund	5.50
Majedie UK Equity Fund	5.14
Melchior North American Opportunities Fund	5.03
Schroder Asian Total Return Fund	5.00
Old Mutual UK Dynamic Equity Fund	4.67
BlackRock UK Focus Fund	4.57
Nomura Japan Strategic Value Fund	4.02
Old Mutual Global Strategic Bond Fund	3.70
Total	49.19

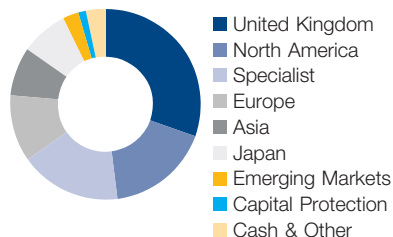
As at 31 August 2013	%
Heronbridge UK Equity Fund	6.45
Majedie UK Equity Fund	5.82
Cazenove UK Equity Income Fund	5.49
Coupland Cardiff Japan Alpha Fund	5.06
Findlay Park American Fund	5.01
Old Mutual UK Dynamic Equity Fund	5.00
Polar Capital North American Fund	4.30
Brown Advisory American Fund	4.07
Melchior North American Opportunities Fund	4.02
Cazenove UK Smaller Companies Fund	3.98
Total	49.20

Portfolio Breakdown

As at 31 August 2012

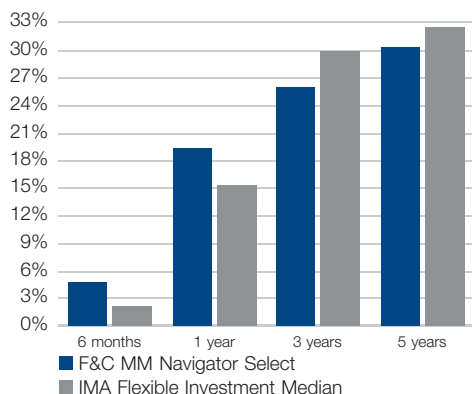


As at 31 August 2013

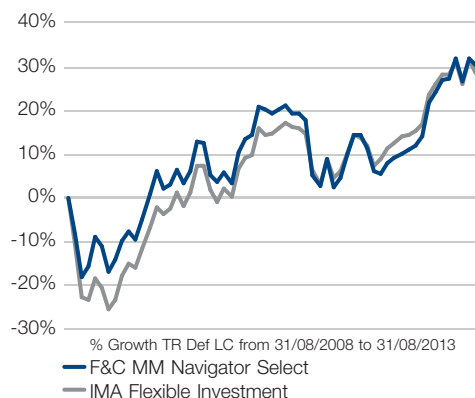


Fund Performance

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
1.05%	2.36%	1.77%	3.74%	19.36%

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 Select 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 Select 12/13

