

# Managed Growth Fund

## Period:

For the 12 months ended 31 January 2013  
[www.fandc.com](http://www.fandc.com)



**Fund Manager:**  
Paul Niven

## Investment Objective

The Fund aims to achieve medium to long term capital growth through investment in a selected portfolio of shares in other authorised and recognised collective investment schemes. The portfolio will usually consist of shares in other F&C collective investment schemes including securities funds, securities companies and money market schemes covering a wide spread of domestic and international equity and fixed interest assets, including an element of currency exposure.

## Fund Facts

Lead Fund Manager	Paul Niven
Deputy Fund Manager	Natalie Gray
Sector	Flexible Investment
Benchmark	IMA Flexible Investment
Launch date	29 January 1990
Fund size	at 31 Jan 12 £70.83m
	at 31 Jan 13 £143.30m
Minimum Investments	£1,000 lump sum, £50 per month
Historic Yield	0.9% (1 Inc) 0.9% (1 Acc) 0.0% (3 Acc)
Share type	Accumulation
Number of stocks	23
Initial charge	5.00%
Annual charge	1.50%
	1.86% (1 Inc) 1.88% (1 Acc)
Ongoing charge	0.44% (3 Acc)
Account dates (interim)	31 July
	(annual) 31 January

## Market Review

Most stock markets made healthy gains in the twelve months under review. Although growth stuttered in the developed regions as governments implemented austerity measures designed to bring huge fiscal deficits under control, there were some signs of a sustainable recovery as the period developed. The sovereign debt crisis continued to dominate sentiment and the eurozone slipped into recession as the growth slump in the periphery nations began to filter through to the region's core. Emerging markets suffered a mixed year, as slowing growth and rising inflation spooked investors in a number of markets. Fears that China was heading for a hard economic landing appeared unfounded, however. It was a strong year for European government bonds in aggregate, with periphery nations posting impressive gains as hopes grew that the sovereign debt crisis had been contained.

## Fund Strategy

At the start of the review period we favoured emerging markets as support came from both fundamentals and the easing monetary policy seen in many emerging economies. We were least constructive on US and European equities early in the review period and held an overweight position in fixed income expressed via our holding of the Strategic Bond Fund as corporate bonds offered better value than government issues and remained supported by healthy company balance sheets. In mid-2012 we moved to an overweight position in Japanese equities and incrementally added to the position over the course of the second half of the year. Japan became our preferred market by the end of the period as the combination of the weakening yen and increasing fiscal stimulus looked likely to lead to higher growth than the consensus view. We also moderated the overweight position in emerging markets and maintained the overweight corporate bond position throughout the period.

## Market Outlook

There have been a number of short-term issues that have unnerved investors in recent months and the upcoming US government spending discussions and Italian elections in February continue this theme. However, on a longer-term basis we are optimistic about the US economy and believe that Europe's macro-economic concerns have created a disconnect between equity prices, which we find attractive on any measure. The Chinese economy is showing clear signs of improvement with the leadership transition passing without incident and we see large short-term potential for Japan as the prospects for aggressive policy action have been boosted by the newly elected leadership. Overall, with government bonds continuing to offer only meagre value, the promise of brighter growth data from the world's more embattled economies leads us to modestly favour risk assets.

## Summary Fund Performance

Year	Share Class	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2013	1 Accumulation	248.9	236.9	2.2909
2013	1 Income	227.1	216.2	2.1384
2013	3 Accumulation	107.2	102.0	0.2122

## Net Asset Value Record

Share Class	Share Type	Net Asset Value as at 31 January 2012 (pence)	Net Asset Value as at 31 January 2013 (pence)
1	Accumulation	218.5	248.0
1	Income	199.3	224.1
3	Accumulation	-	106.8

## Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
1 Accumulation	2.2909	Final	31/03/2013
1 Income	2.1384	Final	31/03/2013
3 Accumulation	0.2122	Final	31/03/2013

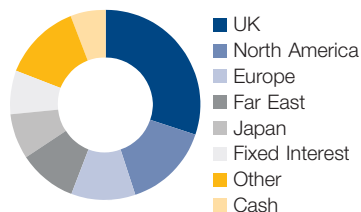
## Top Ten Holdings

As at 31 January 2012	%
F&C North American	10.01
F&C UK Equity Income	9.64
F&C FTSE All-Share Tracker	9.52
F&C Emerging Markets	8.18
F&C Portfolios Fund Japanese Equity	7.68
F&C Strategic Bond	7.37
F&C South East Asian Equity	6.42
F&C UK Smaller Companies	5.52
F&C European Growth & Income	5.49
F&C Institutional European	5.41
<b>Total</b>	<b>75.24</b>

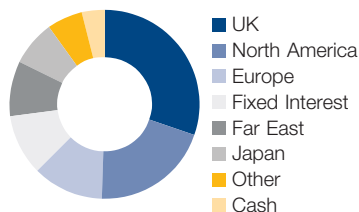
As at 31 January 2013	%
F&C FTSE All-Share Tracker	13.83
F&C Institutional European	10.38
F&C North American	9.78
F&C UK Alpha	9.59
F&C North American	8.16
F&C Asian Alpha	5.52
F&C Portfolios Fund Japanese Equity	5.45
F&C Institutional Aggregate Fixed interest	4.08
F&C UK Equity Income	3.38
DB X-Trackers MSCI Pacific ex Japan ETF	3.17
<b>Total</b>	<b>73.34</b>

## Portfolio Breakdown

As at 31 January 2012

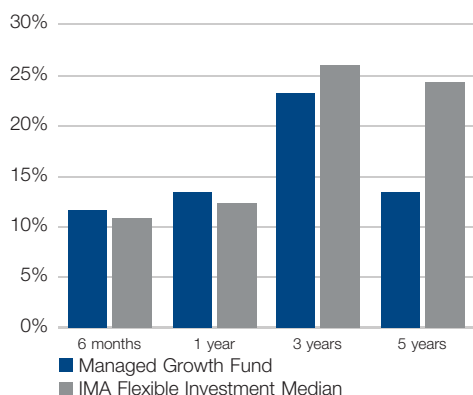


As at 31 January 2013

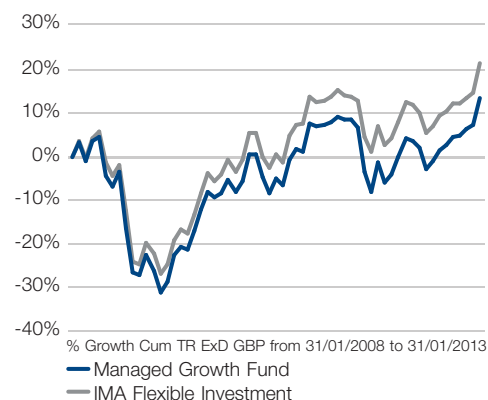


## Fund Performance

As at 31 January 2013



As at 31 January 2013



## Standardised Performance

31 Jan 2008 to 31 Jan 2009	31 Jan 2009 to 31 Jan 2010	31 Jan 2010 to 31 Jan 2011	31 Jan 2011 to 31 Jan 2012	31 Jan 2012 to 31 Jan 2013
-26.29%	24.81%	16.25%	-6.54%	13.45%

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](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.

**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.

**Credit Risk:** receiving income 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.

**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 Fund of 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](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

Regulated by the Financial Services Authority.

### Investment Advisor

F&C Managers Limited, 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, 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 Managed Growth Fund is a sub-fund of the F&C Fund of Funds ICVC (IC144). 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 Services Authority (FSA). 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)

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