

MM Navigator Moderate

Period:

For the six months ended 28 February 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 Aug 12 | £244.6m | |
| | at 28 Feb 13 | £263.2m | |
| | | £1,000 lump sum, | |
| Minimum Investments | | £100 per month | |
| | | 1.6% (A Acc), | |
| Historic Yield | | 1.7% (A Inc) | |
| Share type | Accumulation/Income | | |
| Number of stocks | 31 | | |
| Initial charge | 5% | | |
| Annual charge share class A | 1.5% | | |
| | 0.82% (4 Acc), | 1.56% (C Acc), | |
| | 2.32% (A Acc), | 1.61% (C Inc), | |
| Ongoing charge | 2.32% (A Inc) | n/a (D Acc) | |
| Account dates (interim) | 28 February | | |
| | (annual) | 31 August | |
| Distribution dates | 31 May, 30 November | | |

Market review

Equities made impressive gains over the period under review with a firmer response to the sovereign debt crisis from the authorities reassuring investors. This performance contrasted sharply with the lacklustre economic backdrop in the UK and Europe where growth prospects we revised steadily downwards. Fears over the extent of the slowdown in China's economy eased however and there were some positive signs in the US with consumer spending and the housing market picking up. Investment grade bonds made modest progress and high yield bonds made reasonable gains. Returns from core government bonds were subdued by comparison.

Fund activity

Although we added a new holding in PIMCO Diversified Income to the portfolio our overall exposure to fixed income was reduced as we remain cautious on the outlook for many areas of the bond market.

Where appropriate we continue to complement equity and bond positions with holdings in more specialist assets. As well as enhancing overall diversification they offer scope for an attractive and reliable yield (together with potential for capital growth) and provide a compelling alternative to fixed income assets – especially at a time when we are cautious on the outlook for many areas of the bond market. As a result, we trimmed a number of our bond fund holdings and in a corresponding move established two new positions within the specialist portion of the portfolio. 3i Infrastructure offers access to a portfolio of quality infrastructure assets, whilst Blue Capital Global Reinsurance provides diversification into the insurance sector.

Exposure to Asian equities was tweaked upwards. We trimmed our position in Schroder Asian Total Return however, and bought into Prusik Asian Equity Income – a fund investing across Asia in companies capable of paying attractive and reliable dividends with scope for growth. Exposure to Europe was increased slightly as we became more comfortable following the ECB's commitment to decisively act in support of the eurozone. We also added to our overall UK equity exposure with Jupiter Growth and Income the main beneficiary.

Market outlook

The debt crisis is far from over, but with authorities making a more concerted and meaningful effort to deal with the situation, many of the associated risks have eased. We are positive on the outlook for equities relative to other asset classes as shares should benefit if – as we anticipate – economic growth picks up later this year. Prospects for fixed income however, are more subdued. Geographically we favour the US and Asia and are neutrally positioned towards the UK and emerging markets.

Summary Fund Performance

| Year | Share Class | Highest Share Price (pence) | Lowest Share Price (pence) | Distribution per Share (pence) |
|------|----------------|-----------------------------|----------------------------|--------------------------------|
| 2013 | 4 Accumulation | 115.7 | 108.1 | 1.3355 |
| 2013 | A Accumulation | 128.3 | 114.3 | 1.4131 |
| 2013 | A Income | 117.0 | 104.2 | 1.2886 |
| 2013 | C Accumulation | 56.42 | 52.81 | 0.6374 |
| 2013 | C Income | 56.45 | 52.84 | 0.7653 |
| 2013 | D Accumulation | 56.61 | 52.92 | - |

Net Asset Value Record

| Share Class | Share Type | Net Asset Value as at 31 August 2012 (pence) | Net Asset Value as at 28 February 2013 (pence) |
|-------------|--------------|--|--|
| 4 | Accumulation | 103.8 | 114.7 |
| A | Accumulation | 110.3 | 121.1 |
| A | Income | 100.6 | 109.1 |
| C | Accumulation | 50.84 | 55.91 |
| C | Income | 50.71 | 55.18 |
| D | Accumulation | 50.84 | 56.27 |

Distributions for the period

| Share Class (Income/Accumulation) | Distribution paid / payable | Distribution period | Distribution Date |
|--------------------------------------|-----------------------------|---------------------|-------------------|
| 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 |

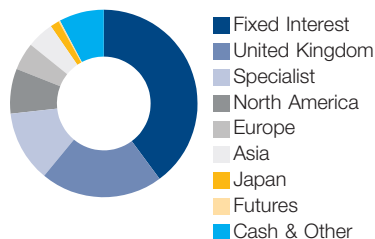
Top Ten Holdings

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

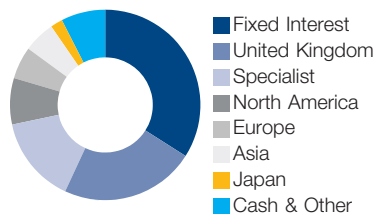
| As at 28 February 2013 | % |
|--|--------------|
| Fidelity Strategic Bond Inc | 6.12 |
| Old Mutual Global Strategic Bond Fund P Inc | 6.03 |
| Henderson Strategic Bond Fund I Acc | 5.78 |
| Thames River Global Bond Fund A Inc' | 4.49 |
| Jupiter Growth & Income Fund Inc | 4.36 |
| Legg Mason Global Credit Absolute Return Fund Premier Inc Hedged | 4.06 |
| Findlay Park American Fund USD | 3.98 |
| Brown Advisory American Fund B Inc USD | 3.90 |
| Kames High Yield Global Bond Fund B Inc | 3.70 |
| Majedie UK Equity Fund X Acc | 3.52 |
| Total | 45.94 |

Portfolio Breakdown

As at 31 August 2012

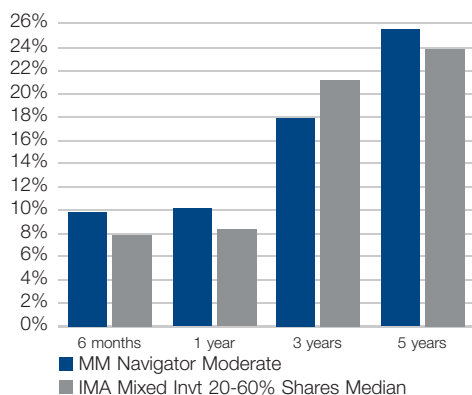


As at 28 February 2013

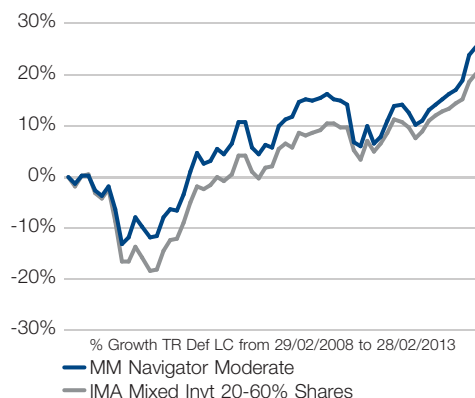


Fund Performance

As at 28 February 2013



As at 28 February 2013



Standardised Performance

| 29 Feb 2008 to 28 Feb 2009 | 28 Feb 2009 to 28 Feb 2010 | 28 Feb 2010 to 28 Feb 2011 | 28 Feb 2011 to 29 Feb 2012 | 29 Feb 2012 to 28 Feb 2013 |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| -11.89% | 20.81% | 8.08% | -0.99% | 10.19% |

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 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: (0207) 506 1100 Facsimile: (0207) 600 4180

Regulated by the Financial Services Authority.

Investment Advisor

Thames River Multi-Capital LLP, 51 Berkeley Square, London, W1J 5BB

Depository

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

Administrator and Registrar

F&C Fund Management Limited, PO Box 9040, Chelmsford, Essex CM99 2XH

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 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