

Review Period:

Six months ended 31 October 2013
www.fandc.com



Fund Manager:
Mark Nichols

European Growth and Income Fund

The Fund aims to achieve medium to long-term capital growth and a high level of income, through investment primarily in European equities.

The Fund will invest primarily in the main European markets with an emphasis on continental Europe markets. Investments in the smaller markets may be included. Although a large proportion will be held in leading stocks there will often be some investments in smaller companies.

Derivatives may be used for investment purposes to increase, reduce or maintain investment exposures. The Fund may invest indirectly through other permitted investment vehicles in accordance with its investment powers as set out in the Prospectus.

Fund Facts

Lead Fund Manager	Mark Nichols
Deputy Fund Manager	David Moss
Sector	Europe Excl. UK
Benchmark	FTSE All World Developed Europe ex UK
Launch date	9 November 1988
Fund size	at 30 April 2013 £218.15m
	at 31 October 2013 £271.98m
	£1,000 lump sum,
Minimum Investments	£50 per month
	0.90% (1 Acc), 2.20% (1 Inc),
	1.60% (2 Acc), 2.30% (2 Inc),
Historic Yield	1.90% (3 Acc)
Share type	Accumulation & Income
Number of stocks	44
Initial charge	5.00%
Annual charge	1.50%
	1.73% (1 Acc), 1.74% (1 Inc),
	0.81% (2 Acc), 0.82% (2 Inc),
Ongoing charge	0.45% (3 Acc)
Account dates (interim)	31 October
(annual)	30 April
Distribution dates	31 March, 30 June,
	30 Sep, 31 Dec

Market review

There were some encouraging signs for investors as the eurozone economy finally emerged from a long recession. European equities made strong progress through the spring months, but the US Federal Reserve's announcement that it would reduce its monetary support for the US economy hurt confidence and caused share prices to fluctuate. In September, there was a measure of relief following the re-election of Angela Merkel in Germany as well as some improved data from the distressed southern eurozone states as exports rebounded. Investors were also cheered by news that business activity across the eurozone was growing faster than expected and that inflation had fallen to its lowest level in three years on the back of sliding energy costs.

Fund strategy

The largest purchases in the six months were two German stocks; chemical and pharmaceutical company Bayer and car and truck parts manufacturer Continental. Bayer has strong growth prospects in its pharmaceutical business with the opportunity for restructuring, and we purchased the stock at an attractive price. During the period Continental was in the process of executing a strategy to become a more integrated supplier and we felt that this was not reflected in the company's valuation. Sells included Sage, where we felt there was an increased uncertainty about the company's ability to sustain its competitive advantage and its capital growth potential. Kabel Deutschland was the biggest sale over the six months.

Market Outlook

We believe that European stock markets will find support in the fact that the eurozone is finally on the road to recovery. We are particularly encouraged by the greatly improved performance of some of the periphery economies and the ongoing repair of the financial system. The election victory of Angela Merkel in Germany should also ensure that there is continuity in the financial support policies for the more indebted countries. Despite this renewed sense of optimism, we remain positioned for longer-term developments at the company level. We employ a conservative approach to stock selection, seeking high quality franchises trading at attractive prices. These assets are typically run by management teams that pay shareholders attractive dividends and, as a matter of priority, seek to grow that income stream over time. We think we are well positioned to benefit at the portfolio level from positive developments at the company level on all of our holdings.

Summary Fund Performance

Year	Share Class	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2013	1 Accumulation	693.9	552.1	6.2690
2013	1 Income	146.3	118.9	3.2200
2013	2 Accumulation	158.5	125.2	2.5801
2013	2 Income	144.9	117.0	3.3481
2013	3 Accumulation	825.8	650.1	15.6167

Net Asset Value Record

Share Class	Share Type	Net Asset Value as at 30 April 2013 (pence)	Net Asset Value as at 31 October 2013 (pence)
1	Accumulation	621.0	688.2
1	Income	132.5	144.8
2	Accumulation	141.2	157.2
2	Income	130.7	143.4
3	Accumulation	734.3	819.0

Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
1 Income	0.3399	Interim	31/12/2013
2 Income	0.3971	Interim	31/12/2013
1 Income	1.6267	Interim	30/09/2013
2 Income	1.6531	Interim	30/09/2013

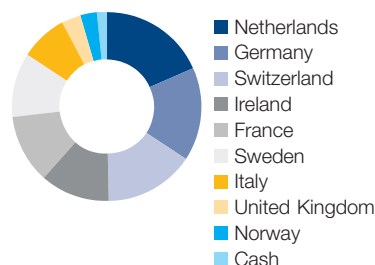
Top Ten Holdings

As at 30 April 2013	%
Novartis	4.86
Svenska Handelsbanken 'A' Shares	4.60
Roche	4.58
SAP	3.94
Glanbia	3.91
Allianz	3.85
Unilever	3.81
C&C	3.36
DnB	2.81
AXA	2.79
Total	38.51

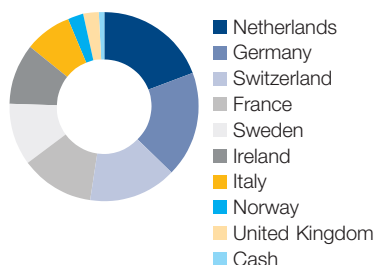
As at 31 October 2013	%
Roche	4.74
Novartis	4.68
Svenska Handelsbanken 'A' Shares	3.94
SAP	3.80
Allianz	3.79
AXA	3.21
Unilever	3.06
Glanbia	2.98
Reed Elsevier	2.94
Wolters Kluwer	2.88
Total	36.02

Portfolio Breakdown

As at 30 April 2013

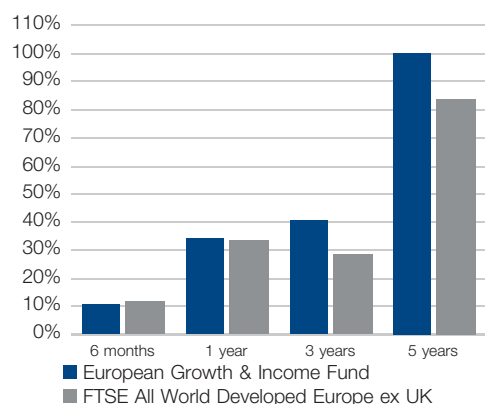


As at 31 October 2013

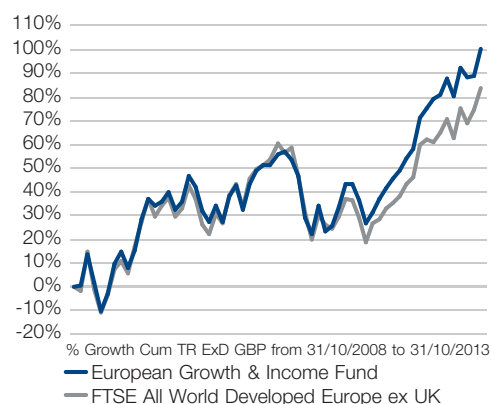


Fund Performance

As at 31 October 2013



As at 31 October 2013



Standardised Performance

31 Oct 2008 to 31 Oct 2009	31 Oct 2009 to 31 Oct 2010	31 Oct 2010 to 31 Oct 2011	31 Oct 2011 to 31 Oct 2012	31 Oct 2012 to 31 Oct 2013
33.92%	6.36%	-5.63%	10.90%	34.24%

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.

Risk Profile:

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.

Smaller Companies Risk: smaller companies carry a higher degree of risk and their value can be more sensitive to market movement.

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 Investment 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.

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.

The new name and investment objective were adapted with effect from 1 October 2008. The income share class was launched on the same date.

Authorised Corporate Director

F&C Fund Management Limited, Exchange House, Primrose Street, London EC2A 2NY

Telephone: 0800 085 2752

Regulated by the Financial Conduct Authority.

Investment Adviser

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, 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, Senator House, 85 Queen Victoria Street, London EC4V 4JL

The F&C European Growth and Income Fund is a sub-fund of the F&C Investment Funds ICVC (IC36). 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.

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