

Period:

For the six months ended 30 Sept 2013
www.fandc.com

Investment Objective

The Lifestyle Growth risk profile matching portfolio will invest approximately half the portfolio in UK equities with the balance split between the major international markets and emerging markets with an allocation to UK corporate bonds and a small allocation to property primarily through collective investment schemes. The Fund may also hold transferable securities, money market instruments, and collective investment schemes and may use derivatives to increase, maintain, and reduce its investment exposures.

Fund Facts

Fund Manager	Rob Burdett & Gary Potter	
Sector	Unclassified	
Benchmark	Composite based on target asset allocation	
Launch date	30 March 2007	
Fund size	at 31 March 2013	£50.82m
	at 31 September 2013	£53.14m
Minimum Investments	£1,000 lump sum	
Share type	Accumulation/Income	
Number of stocks	27	
	1.00% (A Acc), 0.00% (B Acc),	
Historic Yield	1.90% (B Inc), 0.00% (D Acc)	
Initial charge (A Acc)	5.00%	
Annual charge (A Acc)	1.50%	
	2.08% (A Acc), 1.27% (B Acc),	
Ongoing charge	1.20% (B Inc), 1.20% (D Acc)	
Account dates (interim)	30 September	
(annual)	31 March	
Distribution dates	31 May, 30 November	

Market review

In terms of economic news there has been a clear contrast between the emerging and developed markets. Whereas the key emerging markets of Brazil, China and India are all facing issues the US has been recovering well and both the UK and Europe have shown clear signs of improvement in the last six months. Japanese equities were the stand-out performer over the period as investors became increasingly convinced that its domestic economy was turning around. Concerns over a slowdown in China combined with significant withdrawals of capital meant that Asian ex-Japan and emerging market equities fell markedly. Highly rated government bonds such as those issued by the UK government posted negative returns and high quality corporate bonds also performed poorly. High yield bonds outperformed higher rated bonds but even here returns were lacklustre in comparison to many equity markets.

Fund activity

We remain reasonably optimistic on the prospects for economic growth and as a result equities look attractive relative to other asset classes. From a geographic perspective we are upbeat on the outlook for both the UK and Japanese equities. Recent signs of improvement mean we are comfortable with our neutral stance towards Europe, and following a recent research trip have increased exposure to Asia back towards neutral as we believe that there are pockets of value for the selective investor. With China's economy in transition we remain underweight the emerging markets and are broadly in line with the recommended allocation to US equities. We remain cautious on the prospects for fixed income and the portfolio is positioned accordingly.

We added F&C UK Property to the portfolio – a move prompted by the introduction of commercial property into the benchmark. In the UK we sold Jupiter Growth and Income after the fund manager resigned and exited Aberdeen Emerging Markets before establishing a position in First State Global Emerging Markets Leaders. BlackRock Asian Growth Leaders was another new addition as we looked to tap into the selective attractions we believe exist in the region.

Outlook

Whilst risks remain and there will likely be periods of volatility we are relatively upbeat on the prospects from here. Growth in the US is being supported by a pick-up in the housing market – improvements that are boosting job creation and consumer sentiment. The outlook for the UK and Europe is brighter than previously and although China's economy is slowing we anticipate that the easing of activity will be gradual. Central banks look set to remain on the front foot – a fact evidenced by the Federal Reserves recent decision to delay the withdrawal of monetary stimulus in an effort not to derail the recovery.

Summary Fund Performance

Year	Share Class	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2013	A Accumulation	126.1	108.3	1.1354
2013	B Accumulation	60.95	52.22	-
2013	B Income	155.7	134.5	2.1458
2013	D Accumulation	63.34	54.15	-

Net Asset Value Record

Share Class	Share Type	Net Asset Value as at 31 March 2013 (pence)	Net Asset Value as at 30 September 2013 (pence)
A	Accumulation	119.3	121.9
B	Accumulation	57.31	58.93
B	Income	147.1	149.7
D	Accumulation	59.30	61.32

Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
B Income	1.2624	Interim	30/11/2013

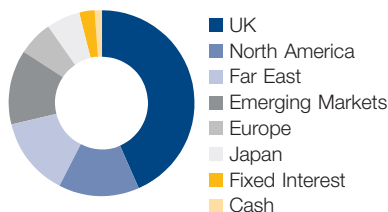
Top Ten Holdings

As at 31 March 2013	%
F&C FTSE All-Share Tracker Fund 4 Inc	15.41
BlackRock Pacific ex Japan Equity Tracker Fund L Acc	6.97
SPDR S&P 500 USD	6.81
BlackRock Emerging Markets Equity Tracker Fund L Acc	6.37
Jupiter Growth & Income Fund Inc	5.73
River and Mercantile UK Equity Fund B Inc	4.63
Schroder Asian Alpha Plus Fund Z Acc	3.77
Cazenove UK Equity Income Fund X Inc	3.48
Artemis Income Fund Inc	3.46
BlackRock European Dynamic Fund D Acc	3.40
Total	60.03

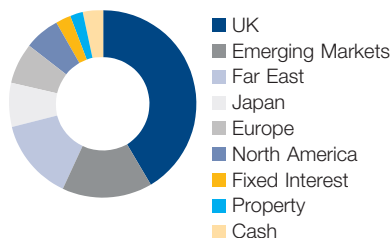
As at 30 September 2013	%
F&C FTSE All-Share Tracker Fund 4 Inc	11.43
Cazenove UK Equity Income Fund X Inc	6.52
BlackRock Emerging Markets Equity Tracker Fund L Acc	5.98
JPMorgan Emerging Markets Opportunities Fund B Inc	5.97
BlackRock Pacific ex Japan Equity Tracker Fund L Acc	5.22
Artemis Income Fund Inc	4.75
River and Mercantile UK Equity Fund B Inc	4.51
Standard Life UK Equity Income Unconstrained Fund Inc	4.10
BlackRock European Dynamic Fund D Acc	4.01
Schroder UK Alpha Plus Fund A Acc	3.99
Total	56.48

Asset Allocation Breakdown

As at 31 March 2013

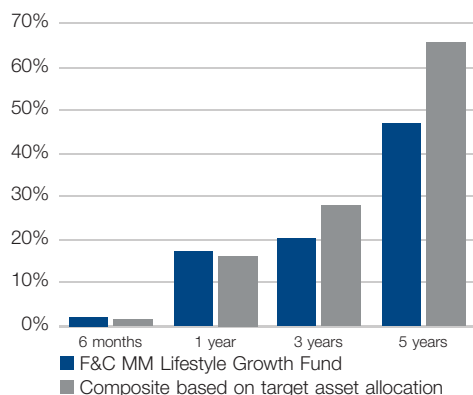


As at 30 September 2013

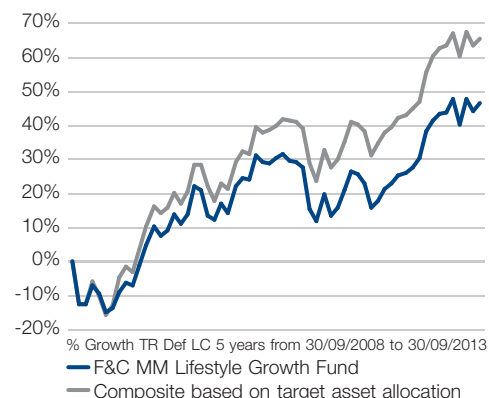


Fund Performance

As at 30 September 2013



As at 30 September 2013



Standardised Performance

30 September 2008 to 30 September 2009	30 September 2009 to 30 September 2010	30 September 2010 to 30 September 2011	30 September 2011 to 30 September 2012	30 September 2012 to 30 September 2013
10.25%	10.69%	-8.24%	11.99%	17.08%

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 A accumulation shares. For past performance data for the full range of F&C Funds visit www.fandc.com.

Risk Profile

Credit Risk: receiving income due from debt instruments is dependant upon the provider's ability to pay.

Emerging Markets Risk: this Fund invests in emerging markets which are less developed and have additional legal and political risks.

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.

Specified Asset Allocation: the ability of the Manager to alter the composition of portfolio is restricted by the need to remain within the specified asset allocation.

Report and Accounts

Copies of the annual and half yearly Reports and Accounts for the F&C MM Lifestyle Investments 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.

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 Advisor

Thames River Multi-Capital LLP, Exchange House, Primrose Street, London EC2A 2NY

Depositary

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 MM Lifestyle Growth Fund is a sub-fund of the F&C MM Lifestyle Investment Funds ICVC (IC527). 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.

MM Lifestyle Growth 11/13

