

Period:

For the six months ended 28 February 2013
www.fandc.com

Investment objective

The Fund's investment objective is to achieve a total return with an emphasis on income distribution together with some 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	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	£619.0m
	at 28 Feb 13	£692.3m
		£1,000 lump sum,
Minimum Investments		£100 per month
		5.0% (4 Inc), 4.7% (A Acc),
Historic Yield		4.9% (A Inc)
Share type	Accumulation/Income	
Number of stocks	37	
Initial charge	5%	
Annual charge share class A	1.5%	

	0.73% (4 Acc),	
	2.23% (A Acc),	1.53% (C Inc),
	2.23% (A Inc),	1.79% (D Acc),
Ongoing charge	1.52% (C Acc)	1.78% (D Inc)
Account dates	(interim)	28 February
	(annual)	31 August
		28 February, 31 May,
Distribution dates	31 August, 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

We trimmed our position in Schroder Asian Income Maximiser and bought into Prusik Asian Equity Income. We are positive on the outlook for Asia and with more companies across the region returning cash to shareholders via dividends it is an increasingly attractive destination for the income seeker.

Although we remain cautious towards Europe overall, we felt comfortable with slightly increasing our exposure to the region following the ECB's firm commitment to supporting the eurozone. We added a new position in Standard Life European Equity Income to the portfolio. This fund boasts an impressive track record and invests in European companies paying an attractive and reliable dividend.

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 income (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. During the period we sold John Laing Infrastructure on the view that scope for further upside was limited with the proceeds reallocated into more attractively valued infrastructure opportunities.

Within fixed income we sold out of Thames River High Income and bought into Starwood European Real Estate Finance.

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 Income	107.1	100.8	2.8696
2013	A Accumulation	134.4	120.7	3.4211
2013	A Income	102.3	91.91	2.6222
2013	C Accumulation	56.47	53.30	1.5359
2013	C Income	55.26	52.15	1.5129
2013	D Accumulation	56.61	53.34	1.5152
2013	D Income	54.82	51.76	1.3801

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	Income (Net)	97.63	104.7
A	Accumulation (Net)	115.7	126.9
A	Income (Net)	89.37	95.30
C	Accumulation (Net)	51.06	56.02
C	Income (Net)	50.75	54.04
D	Accumulation (Net)	51.06	56.15
D	Income (Net)	-	53.01

Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
4 Income	1.4944	Interim	31/05/2013
A Accumulation	1.7878	Interim	31/05/2013
A Income	1.3616	Interim	31/05/2013
C Accumulation	0.7894	Interim	31/05/2013
C Income	0.7723	Interim	31/05/2013
D Accumulation	0.7905	Interim	31/05/2013
D Income	1.3801	Interim	31/05/2013
4 Income	1.3752	Interim	28/02/2013
A Accumulation	1.6333	Interim	28/02/2013
A Income	1.2606	Interim	28/02/2013
C Accumulation	0.7465	Interim	28/02/2013
C Income	0.7406	Interim	28/02/2013
D Accumulation	0.7247	Interim	28/02/2013

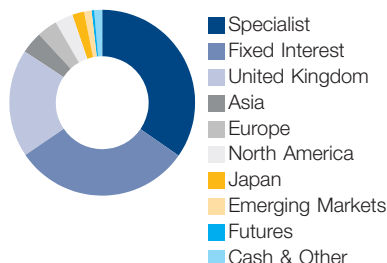
Top Ten Holdings

As at 31 August 2012	%
Artemis High Income Fund R Inc	6.08
Pimco Global Diversified Income Fund USD	5.60
Neuberger Berman High Yield Bond Fund	5.33
JO Hambro Capital Management UK Equity Income Fund I Inc	4.97
Kames High Yield Global Bond Fund B Inc	4.96
Cazenove Strategic Bond Fund X Inc	4.75
Veritas Global Equity Income Fund A	4.72
RWC Enhanced Income Fund B Inc	4.50
Invesco Sterling Bond Fund A QD Inc	4.09
Lazard Global Equity Fund Inc	3.97
Total	48.97

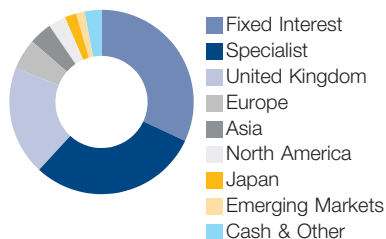
As at 28 February 2013	%
Artemis High Income Fund R Inc	5.78
Cazenove Strategic Bond Fund X Inc	5.32
JO Hambro Capital Management UK Equity Fund I Inc	5.10
PIMCO Global Diversified Income Fund I Inc Hedged	5.04
Veritas Global Equity Income Fund A Inc	4.31
Kames High Yield Global Bond Fund B Inc	4.20
RWC Enhanced Income Fund B Inc	4.12
Lazard Global Equity Fund I Inc	3.93
Neuberger Berman High Yield Bond Fund I Inc USD	3.90
Invesco Sterling Bond Fund A QD Inc	3.78
Total	45.48

Portfolio Breakdown

As at 31 August 2012

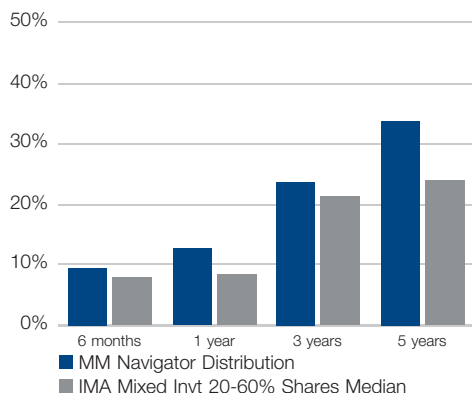


As at 28 February 2013

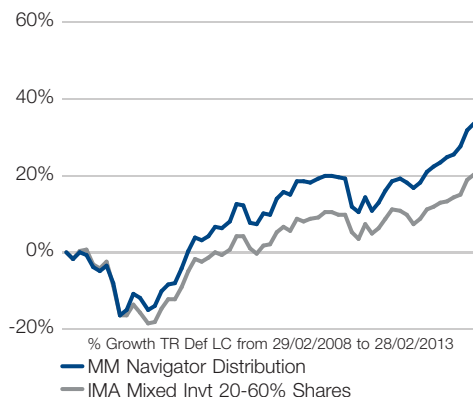


Fund Performance

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
-15.14%	27.47%	9.45%	0.18%	12.80%

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.

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.

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 Distribution 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