

MM Navigator Progressive

Period:

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

Investment objective

The Fund's investment objective is to achieve a balance between capital growth and reasonable income.

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		Global Sector	
Benchmark	IMA Mixed Inv't 40-85% Shares Median		
Launch date		1 October 2007	
Fund size	at 31 Aug 12	£87.40m	
	at 28 Feb 13	£90.2m	
		£1,000 lump sum,	
Minimum Investments		£100 per month	
		1.7% (A Acc),	
Historic Yield		1.7% (A Inc)	
Share type		Accumulation/Income	
Number of stocks		29	
Initial charge		5%	
Annual charge share class A		1.5%	
		1.00% (4 Acc),	
		2.50% (A Acc),	
		1.77% (C Acc),	
Ongoing charge	2.50% (A Inc),	1.67% (C Inc)	
Account dates (interim)		28 February	
		(annual)	
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 the portfolio is biased towards equities with a meaningful allocation to fixed income, we increased our exposure to complementary specialist investments. We added Blue Capital Global Reinsurance to the portfolio – its inclusion enhancing overall diversification and adding a new source of potentially attractive returns to the portfolio.

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 to a number of our existing positions, but sold Neptune European Opportunities and reinvested the proceeds into BlackRock European Dynamic – a fund with a strong long-term track record that has successfully managed to navigate the eurozone crisis.

We increased our exposure to Japanese equities later in the period on the view that the new government was likely to be more aggressive in tackling the country's economic problems. In the US we sold JCF Janus US All Cap Growth following changes to the manager and process adopted.

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	115.2	105.3	1.0938
2013	A Accumulation	118.0	102.8	1.0690
2013	A Income	111.6	97.30	1.0118
2013	C Accumulation	58.28	53.28	0.5533
2013	C Income	58.28	53.33	0.6036

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	100.2	113.9
A	Accumulation	98.05	110.7
A	Income	92.76	103.9
C	Accumulation	50.71	57.53
C	Income	50.67	56.90

Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
4 Accumulation	1.0938	Interim	31/05/2013
A Accumulation	1.0690	Interim	31/05/2013
A Income	1.0118	Interim	31/05/2013
C Accumulation	0.5533	Interim	31/05/2013
C Income	0.6036	Interim	31/05/2013

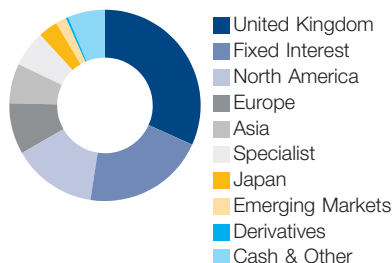
Top Ten Holdings

As at 31 August 2012	%
Old Mutual Global Strategic Bond Fund B Inc	7.54
Jupiter Growth & Income Fund Inc	5.77
Brown Advisory American Fund B USD Inc	5.47
Majedie UK Equity Fund A Acc	5.22
Findlay Park American Fund USD	5.22
Schroder Asian Total Return Fund C Inc	4.95
Henderson Strategic Bond Fund I Acc	4.86
BlackRock UK Focus Fund FF Acc	4.78
Old Mutual UK Dynamic Equity Fund I	4.69
TwentyFour Dynamic Bond Fund I Inc	4.38
Total	52.88

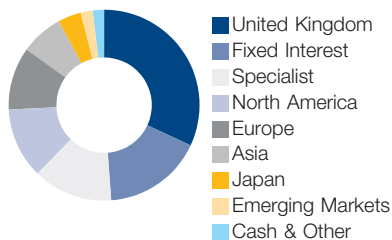
As at 28 February 2013	%
Jupiter Growth & Income Fund Inc	6.17
Findlay Park American Fund USD	6.12
Brown Advisory American Fund B Inc USD	5.88
Old Mutual Global Strategic Bond Fund P Inc	4.94
Majedie UK Equity Fund X Acc	4.89
Schroder Asian Total Return Fund C Inc	4.65
BlackRock UK Focus Fund FF Acc	4.59
TwentyFour Dynamic Bond Fund I Inc	4.50
Henderson Strategic Bond Fund I Acc	4.36
Old Mutual UK Dynamic Equity Fund I	4.32
Total	50.42

Portfolio Breakdown

As at 31 August 2012

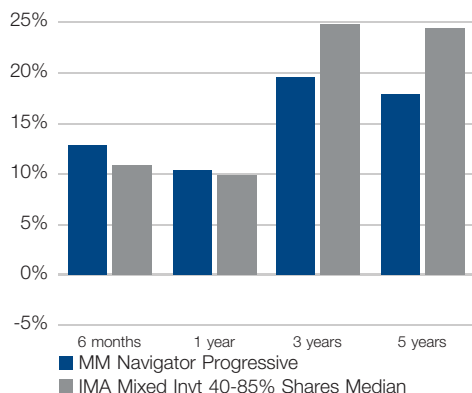


As at 28 February 2013

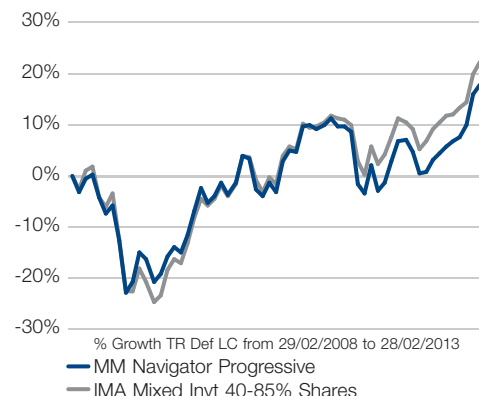


Fund Performance

As at 28 February 2013



As at 28 February 2013



Standardised Performance

28 Feb 2008 to 29 Feb 2009	29 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
-20.69	24.31%	10.90%	-2.24%	10.36%

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 Progressive 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