

Review Period:

12 months ended 31 August 2013
www.fandc.com



Fund Manager:
Mark Perrin

Pacific Growth Fund

The Fund aims to achieve capital growth through investment in companies based or trading in Asian and Pacific markets excluding Japan. We place particular emphasis on less well-developed markets in the region when open to outside investors. The fund will invest mainly in equities.

Fund Facts

Lead Fund Manager	Mark Perrin
Deputy Fund Manager	June Lui
Sector	Asia Pacific ex Japan
Benchmark	IMA Asia Pac ex Japan Median
Launch date	23 October 1981
Fund size	at 31 Aug 2012 £267.1m
	at 31 Aug 2013 £291.8m
Minimum	£1,000 lump sum,
Investments	£50 per month
	0.80% (1 Acc), 1.40 (2 Acc),
	2.00% (3 Acc), 2.40% (4 Acc),
Historic Yield	2.50% (4 Inc)
Share type	Accumulation/Income
Number of stocks	82
Initial charge	5.00%
Annual charge	1.50%
	1.85% (1 Acc), 1.46 (2 Acc),
	0.61% (3 Acc), 0.08% (4 Acc),
Ongoing charge	0.11% (4 Inc)
Account dates	28 February
	(annual) 31 August
Distribution date	31 October

Market review

Pacific equities rose over the year under review. Markets were strong for most of the year before correcting in June. Economic growth and corporate earnings were generally healthy throughout the region. Towards the end of the year, the prospect of the tightening of US monetary policy caused significant weakness in the stock markets and currencies of some Asian countries that run current account deficits, particularly India and Indonesia. The Chinese economy slowed slightly but continues to drive demand in the region. The Australian stock market showed a decent performance as investors' search for yield continued.

Fund activity

Our style is to invest in high quality companies for the long term and, as such, we try to keep portfolio turnover low. The largest purchases were: Commonwealth Bank of Australia, which is growing earnings and dividends consistently and PetroChina, as we expect the company to benefit from fuel price reforms in China. We also purchased BHP Billiton, the global commodity company that is demonstrating good discipline in investment decisions; Tata Consultancy Services, which is growing strongly providing IT services in the developed world and; Computershare, which is the Australian-listed provider of shareholder services. On the sell-side, we exited Bank Central Asia, an Indonesian bank; Tencent, the Chinese online games company and Westpac Banking, the Australian bank.

Outlook

We believe the outlook for companies operating in the Pacific region is bright given the attractive economic backdrop and improving corporate governance. The markets are volatile, driven by global issues such as Fed tapering. In all such periods of volatility, we remain focused on the underlying fundamentals – namely identifying attractively valued, high quality companies. We will take the opportunities presented by market weakness to increase our holdings in our preferred companies. The Chinese economy is the dominant growth driver in the region, and we expect a reasonably steady level of economic growth as they transition to a more consumption based economy and away from fixed asset investment. South Asian economies present a particularly attractive hunting ground for investments as companies there benefit from young populations, growing middle classes, low levels of household and government debt and infrastructure development. Australia continues to demonstrate growth although a maturing mining boom will be something of a headwind.

Summary Fund Performance

Year	Share Class	Highest Share Price (pence)	Lowest Share Price (pence)	Distribution per Share (pence)
2013	1 Accumulation	301.9	249.5	2.0450
2013	2 Accumulation	98.90	81.86	1.0100
2013	3 Accumulation	336.8	279.4	6.0575
2013	4 Accumulation	352.2	292.7	8.0219
2013	4 Income	281.1	233.5	6.3241

Net Asset Value Record

Share Class	Share Type	Net Asset Value as at 31 August 2012 (pence)	Net Asset Value as at 31 August 2013 (pence)
1	Accumulation	247.5	258.2
2	Accumulation	80.98	84.76
3	Accumulation	274.3	289.8
4	Accumulation	286.1	303.8
4	Income	228.3	236.0

Distributions for the period

Share Class (Income/Accumulation)	Distribution paid / payable	Distribution period	Distribution Date
1 Accumulation	2.0450	Final	31/10/2013
2 Accumulation	1.0100	Final	31/10/2013
3 Accumulation	6.0575	Final	31/10/2013
4 Accumulation	8.0219	Final	31/10/2013
4 Income	6.3241	Final	31/10/2013

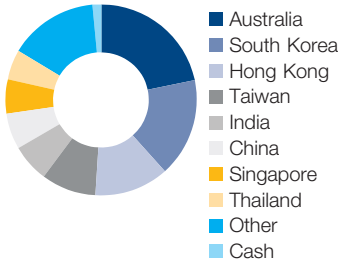
Top Ten Holdings

As at 31 August 2012	%
Australia & New Zealand Banking	4.84
Samsung Electronics	4.57
Taiwan Semiconductor Manufacturing	3.69
BHP Billiton	3.06
Keppel	3.03
China Mobile	2.84
Kasikornbank	2.82
Kia Motors	2.69
Westpac Banking	2.62
Tencent	2.36
Total	32.52

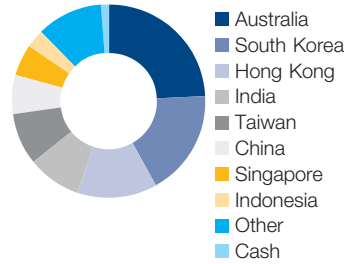
As at 31 August 2013	%
Samsung Electronics	6.26
Commonwealth Bank of Australia	5.26
BHP Billiton	4.30
Taiwan Semiconductor Manufacturing	4.05
AIA	3.76
Australia & New Zealand Banking	3.73
Industrial & Commercial Bank of China	3.04
Hyundai Motor	2.57
China Mobile	2.39
LG Chem	2.18
Total	37.54

Portfolio Breakdown

As at 31 August 2012

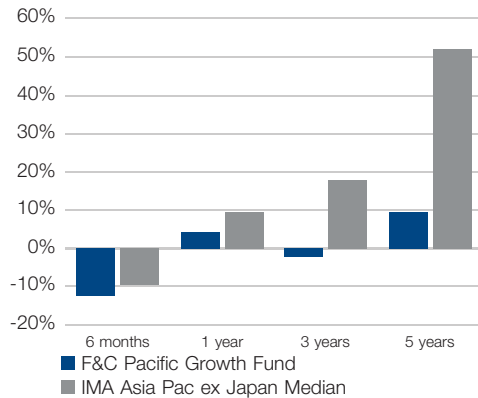


As at 31 August 2013

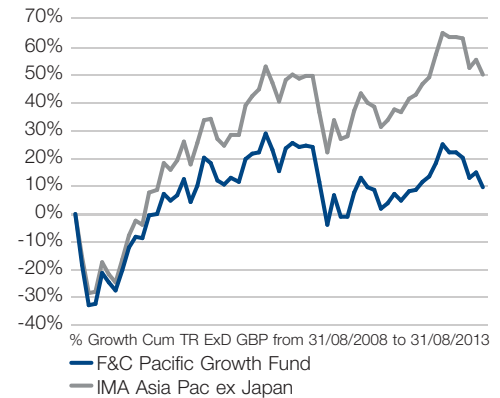


Fund Performance

As at 31 August 2013



As at 31 August 2013



Standardised Performance

31 Aug 2008 to 31 Aug 2009	31 Aug 2009 to 31 Aug 2010	31 Aug 2010 to 31 Aug 2011	31 Aug 2011 to 31 Aug 2012	31 Aug 2012 to 31 Aug 2013
0.00%	11.78%	-0.04%	-5.96%	4.32%

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

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

Currency Risk: your investment may be adversely affected by changes in currency exchange rates.

Derivative Risk: derivative values rise and fall at a greater rate than equities and debt instruments. Losses can be greater than the initial investment.

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.

Report and Accounts

Copies of the annual and half yearly Reports and Accounts for the F&C Investment Funds ICVC II, 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 0852 752

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, 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 F&C Pacific Growth Fund is a sub-fund of the F&C Investment Funds ICVC II (IC66). 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.

Pacific Growth Fund 12/13

