

F&C Fund
Société d'Investissement à Capital Variable
Semi-Annual Report (Unaudited)
as at 31 March 2019

R.C.S. Luxembourg B 82782

F&C Fund – F&C HVB-Stiftungsfonds

Contents

Board of Directors	2
Manager's Report	3
Comparative Table	4
Changes in number of shares outstanding	5
Schedule of Investments	6
Distribution of Investments by Economic Sector	12
Statement of Net Assets	13
Statement of Operations and Changes in Net Assets	14
Notes to the Financial Statements	15
Unaudited sections	20
Administration of the Fund	26

Copies of the annual and interim reports may be obtained from the registered office of F&C Fund (the "Fund") at: 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and from foreign representatives and will be posted to shareholders on request. Convening notices of all general meetings will be sent to the holders of registered shares by post at least eight days prior to the meeting. The Articles of Incorporation of the Fund have been filed with the Registre de Commerce et des Sociétés of Luxembourg where they are available for inspection and copies can be obtained upon request. The net asset value of each of the Fund's shares is quoted in or on Bloomberg, Reuters and www.bmogam.com. The issue and redemption prices are also available from State Street Bank Luxembourg S.C.A., 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus, the latest key investor information documents and by the latest annual and the most recent interim report, if published thereafter.

The information contained in this report is historical and not necessarily indicative of future performance.

F&C Fund – F&C HVB-Stiftungsfonds

Board of Directors

Patrick Johns - Chairman

Non-executive advisor to BMO Global Asset Management
Norfolk, United Kingdom

Jacques Elvinger – Director

Partner - Elvinger Hoss Prussen
2, Place Winston Churchill
L-1340 Luxembourg, Grand Duchy of Luxembourg

Bernd Kalis – Director

Head of Product Management Securities Business
HypoVereinsbank Retail & Private Banking, UniCredit Bank AG
Arabellastrasse 12
D-81925 Munich, Germany

Hugh Moir – Director

Head of Operations and IT, BMO Asset Management (Holdings) plc
Exchange House, Primrose Street
London EC2A 2NY, United Kingdom

Enrico Turchi – Director

Deputy CEO - Managing Director – Conducting Officer, Amundi Luxembourg S.A.
5, Allee Scheffer
L-2520 Luxembourg, Grand Duchy of Luxembourg

Ernst Hagen – Director (Resigned 20 February 2019)

Consultant to BMO Asset Management Netherlands BV
Jachthavenweg 109E,
1081 KM Amsterdam, The Netherlands

F&C Fund – F&C HVB-Stiftungsfonds

Manager's Report

Dear Shareholders

This report covers the six-month period to 31 March 2019

Over the six months to 31 March 2019, the A share class produced a total return of -1.6% whilst the I share class produced a total return of -1.3%. The returns include the coupon payment made in December 2018, of €17.37 for the A share class, and €22.79 for the I share class, and are in euro terms.

Global equity markets made small gains in aggregate over the six-month period. Stocks sold-off sharply in December 2018 as risk aversion and volatility increased amid signs of slowing global economic momentum. However, equity markets staged a recovery over the first quarter of 2019, supported by a more dovish stance from the Federal Reserve (Fed) and hopes that the US and China were near to resolving their trade dispute.

US political uncertainty was on the rise after the Democrats won control of the House of Representatives and the US government was forced into a partial shutdown amid budget discord. In Europe, there was continued Brexit uncertainty, with the EU granting the UK a temporary extension to its EU membership after the UK parliament rejected the terms of a withdrawal agreement with the EU and struggled to reach a consensus.

Brazil was the best performing market over the period, buoyed by the victory of right-wing presidential candidate Jair Bolsonaro. Meanwhile, Hong Kong was among the markets that benefited from the apparent easing in trade tensions. Elsewhere, Mexico underperformed amid concerns over the outlook for the domestic economy and the policies of recently installed President Obrador. Germany suffered from a deterioration in manufacturing activity.

In commodity markets, Brent crude oil futures fell from \$85 to \$68 per barrel, pressured by a glut in supply amid rising US crude output. This was despite continuing moves by OPEC and Russia to limit output. In contrast, gold prices rose from \$1,182 to \$1,295 per ounce, supported by the concerns over the economic outlook.

US interest rates rose from 2.25% to 2.50% over the period, with the Fed hiking rates following its December meeting. At this meeting, the Fed forecast two further rate hikes by the end of 2019, though this was down from its prior forecast of three increases. However, the Fed adopted an increasingly dovish tone as 2019 progressed. In March, the Fed no longer projected any interest rate hikes for 2019 and ended its policy of automatic balance sheet reduction. The European Central Bank ended its quantitative easing programme in December 2018. As 2019 progressed, it too adopted a more accommodative tone, and in March 2019 launched a new round of stimulus in the form of targeted longer-term refinancing operations (TLTROs).

Global government bond yields fell dramatically over the period. In March, the US yield curve inverted for the first time since 2007, while German 10-year bunds turned negative for the first time since 2016. Over the period, US 10-year Treasury yields moved from 3.07% to 2.43%. German 10-year bund yields fell from 0.47% to -0.07%. 10-year UK gilt yields eased from 1.58% to 1.00%.

Simon Holmes
Fund Manager
April 2019

Note: The figures stated in this report are historical and not necessarily indicative of future performance.

F&C Fund – F&C HVB-Stiftungsfonds Comparative Table

	31 March 2019 EUR	30 September 2018 EUR	30 September 2017 EUR
Total Net Assets	137,051,142	151,855,675	166,923,463
F&C HVB-Stiftungsfonds Class A Shares			
Class A Shares			
Number of shares	140,691	150,724	160,977
Net asset value per share	847.65	881.92	911.78
Class A Acc Shares			
Number of shares	14,607	15,214	16,231
Net asset value per share	1,188.95	1,211.85	1,210.28
Class AN Shares			
Number of shares	102	102	-
Net asset value per share	9.25	9.61	-
Class AN Acc Shares			
Number of shares	100	100	-
Net asset value per share	9.63	9.80	-
F&C HVB-Stiftungsfonds Class I Shares			
Class I Shares			
Number of shares	451	499	499
Net asset value per share	941.09	979.64	1,009.73
Class IN Shares			
Number of shares	102	102	-
Net asset value per share	9.24	9.61	-
Class IN Acc Shares			
Number of shares	100	100	-
Net asset value per share	9.63	9.77	-

F&C Fund – F&C HVB-Stiftungsfonds

Changes in number of shares outstanding

Changes in number of shares outstanding from 01 October 2018 to 31 March 2019

	Shares outstanding at 30 September 2018	Shares issued	Shares redeemed	Shares outstanding at 31 March 2019
F&C HVB-Stiftungsfonds Class A Shares				
Class A Shares	150,724	2,139	12,172	140,691
Class A Acc Shares	15,214	209	816	14,607
Class AN Shares	102	-	-	102
Class AN Acc Shares	100	-	-	100
F&C HVB-Stiftungsfonds Class I Shares				
Class I Shares	499	-	48	451
Class IN Shares	102	-	-	102
Class IN Acc Shares	100	-	-	100

F&C Fund – F&C HVB-Stiftungsfonds

Schedule of Investments as at 31 March 2019

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS						
BONDS						
Germany						
Bundesrepublik Deutschland	3.00%	4.7.2020	EUR	500,000	522,799	0.38
Bundesrepublik Deutschland - Series 9	3.50%	4.7.2019	EUR	500,000	505,212	0.37
Bundesschatzanweisungen	0.00%	13.9.2019	EUR	325,000	325,858	0.24
Bundesschatzanweisungen	0.00%	13.12.2019	EUR	325,000	326,364	0.24
Bundesschatzanweisungen	0.00%	11.9.2020	EUR	325,000	327,869	0.24
Bundesschatzanweisungen	0.00%	11.12.2020	EUR	325,000	328,456	0.24
Deutsche Bundesrepublik Inflation Linked Bond	0.10%	15.4.2026	EUR	4,691,182	5,202,952	3.80
Deutsche Bundesrepublik Inflation Linked Bond	0.50%	15.4.2030	EUR	6,216,300	7,435,708	5.42
State of North Rhine-Westphalia Germany	1.95%	26.9.2078	EUR	625,000	687,351	0.50
					15,662,569	11.43
Slovakia						
Slovakia Government Bond - Series 235	2.25%	12.6.2068	EUR	450,000	486,066	0.35
United States						
United States Treasury Inflation Indexed Bonds	2.50%	15.1.2029	USD	31,771,769	33,539,189	24.47
TOTAL BONDS					49,687,824	36.25
FUNDS						
Guernsey						
HICL Infrastructure				615,000	1,112,656	0.81
NB Private Equity Partners				85,000	1,070,257	0.78
Princess Private Equity Holding				125,000	1,204,003	0.88
Sequoia Economic Infrastructure Income Fund				775,000	1,016,295	0.74
					4,403,211	3.21
Ireland						
BMO Investments III (Ireland) Plc - BMO Multi-Strategy Global Equity Fund				862,188	13,467,376	9.83
iShares J.P. Morgan USD Emerging Markets Bond UCITS ETF				23,823	2,322,788	1.69
iShares MSCI Europe ex-UK UCITS ETF				732,900	22,859,151	16.68
Leadenhall Ucits IIs Fund 'B'				39,940	3,974,174	2.90
					42,623,489	31.10
Jersey						
3i Infrastructure				400,000	1,278,390	0.94
GCP Asset Backed Income Fund				1,100,000	1,372,274	1.00
					2,650,664	1.94
Luxembourg						
Amundi Euro Stoxx 50 UCITS ETF				144,800	10,512,480	7.67
Falcon Fund SICAV - Twelve-Falcon Insurance Linked Strategy Fund 'T'				23,445	2,382,428	1.74
Xtrackers S&P 500 Swap UCITS ETF				168,269	7,720,728	5.63
					20,615,636	15.04
United Kingdom						
BMO Multi-Sector Higher Income Bond Fund C Inc				11,654,464	7,147,873	5.22
TOTAL FUNDS					77,440,873	56.51
SHARES						
Guernsey						
Renewables Infrastructure Group				1,100,000	1,503,757	1.10
United Kingdom						
Assura REIT				2,150,000	1,432,155	1.04
Civitas Social Housing REIT				825,000	919,104	0.67
Impact Healthcare REIT				825,000	1,014,844	0.74
Secure Income REIT				240,000	1,144,702	0.84
					4,510,805	3.29
TOTAL SHARES					6,014,562	4.39
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS					133,143,259	97.15

The accompanying notes form an integral part of these financial statements

F&C Fund – F&C HVB-Stiftungsfonds
Schedule of Investments as at 31 March 2019 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
OTHER TRANSFERABLE SECURITIES						
SHARES						
Guernsey Renewables Infrastructure Group				122,222	5,390	0.00
TOTAL SHARES					5,390	0.00
TOTAL OTHER TRANSFERABLE SECURITIES					5,390	0.00
TOTAL INVESTMENTS					133,148,649	97.15
OTHER ASSETS / (LIABILITIES)					3,902,493	2.85
TOTAL NET ASSETS					137,051,142	100.00

F&C Fund – F&C HVB-Stiftungsfonds

Schedule of Investments as at 31 March 2019 (continued)

DERIVATIVES

FORWARD FOREIGN EXCHANGE CONTRACTS

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in EUR
Unrealised Gain on Forward Foreign Exchange Contracts					
AUD	5,005	EUR	(3,139)	30.4.2019	21
CAD	616,588	USD	(460,000)	22.5.2019	1,871
CAD	10,911,810	USD	(8,134,000)	22.5.2019	39,016
EUR	3,635,996	GBP	(3,100,417)	30.4.2019	41,416
EUR	6,582,651	GBP	(5,613,034)	30.4.2019	74,980
EUR	96,835	GBP	(82,571)	30.4.2019	1,103
EUR	6,584,126	GBP	(5,613,034)	30.4.2019	76,455
EUR	96,856	GBP	(82,571)	30.4.2019	1,125
EUR	3,636,810	GBP	(3,100,417)	30.4.2019	42,231
EUR	22,352	GBP	(19,138)	30.4.2019	164
EUR	18,582	GBP	(15,944)	30.4.2019	97
EUR	894,809	GBP	(763,612)	31.5.2019	10,443
EUR	1,503	HKD	(13,266)	30.4.2019	0
EUR	1,006,171	JPY	(125,019,311)	31.5.2019	619
GBP	146,679	CAD	(255,000)	22.5.2019	436
HKD	57,841	EUR	(6,526)	30.4.2019	26
JPY	117,035,781	CAD	(1,410,000)	22.5.2019	4,319
JPY	1,738,907	EUR	(13,960)	26.4.2019	33
NOK	5,367,091	CAD	(830,000)	22.5.2019	2,122
PLN	43,537,557	EUR	(10,003,000)	22.5.2019	84,143
USD	172,468	BRL	(661,396)	14.6.2019	2,982
USD	460,000	CAD	(605,154)	22.5.2019	5,729
USD	1,450,000	CAD	(1,907,552)	22.5.2019	18,057
USD	8,134,000	CAD	(10,667,009)	22.5.2019	123,695
USD	233,480	EUR	(207,435)	30.4.2019	11
USD	1,956,591	EUR	(1,714,000)	22.5.2019	21,226
USD	355,935	KRW	(401,118,992)	14.6.2019	1,568
USD	158,247	TRY	(915,619)	22.5.2019	3,515
USD	165,000	TRY	(954,690)	22.5.2019	3,665
USD	368,130	TRY	(2,130,000)	22.5.2019	8,177
USD	165,000	TRY	(975,906)	22.5.2019	495
USD	200,000	TRY	(1,182,916)	22.5.2019	600
USD	165,000	TRY	(975,906)	22.5.2019	495
USD	2,707,000	TRY	(16,010,773)	22.5.2019	8,116
Total Unrealised Gain on Forward Foreign Exchange Contracts					578,951
Unrealised Loss on Forward Foreign Exchange Contracts					
AUD	1,910,000	NZD	(1,991,194)	22.5.2019	(1,162)
CAD	700,089	JPY	(58,517,838)	22.5.2019	(5,423)
EUR	4,177	AUD	(6,626)	30.4.2019	(7)
EUR	331,897	AUD	(530,000)	31.5.2019	(2,110)
EUR	481,275	CAD	(730,000)	31.5.2019	(3,676)
EUR	411,376	CHF	(460,000)	31.5.2019	(228)
EUR	555	HKD	(4,899)	30.4.2019	(0)
EUR	544,013	HKD	(4,821,237)	31.5.2019	(1,282)
EUR	1,447	JPY	(180,032)	26.4.2019	(1)
EUR	974,612	USD	(1,100,267)	30.4.2019	(2,967)
EUR	16,638,472	USD	(18,783,636)	30.4.2019	(50,659)
EUR	974,535	USD	(1,100,267)	30.4.2019	(3,044)
EUR	16,637,160	USD	(18,783,637)	30.4.2019	(51,971)
EUR	3,726,384	USD	(4,207,151)	30.4.2019	(11,640)
EUR	774,603	USD	(874,471)	30.4.2019	(2,358)
EUR	774,542	USD	(874,471)	30.4.2019	(2,420)
EUR	3,726,678	USD	(4,207,151)	30.4.2019	(11,347)
EUR	114,095	USD	(128,461)	30.4.2019	(42)
EUR	142,348	USD	(160,271)	30.4.2019	(52)
EUR	21,008	USD	(23,646)	30.4.2019	(1)
EUR	550,000	USD	(627,926)	22.5.2019	(6,883)
EUR	879,000	USD	(1,003,539)	22.5.2019	(11,001)
EUR	1,233,000	USD	(1,407,695)	22.5.2019	(15,431)
EUR	1,714,000	USD	(1,961,844)	22.5.2019	(25,885)
EUR	8,579,617	USD	(9,702,603)	31.5.2019	(18,798)
EUR	102,719	ZAR	(1,712,023)	31.5.2019	(1,747)
GBP	146,011	CHF	(190,000)	22.5.2019	(842)
GBP	10,320	EUR	(12,103)	30.4.2019	(138)
GBP	10,320	EUR	(12,105)	30.4.2019	(141)
GBP	220,442	EUR	(257,462)	30.4.2019	(1,885)
GBP	5,839	EUR	(6,820)	30.4.2019	(50)
GBP	6,784	EUR	(7,907)	30.4.2019	(41)
GBP	840,170	EUR	(980,000)	22.5.2019	(6,664)
GBP	3,266,375	EUR	(3,810,000)	22.5.2019	(25,909)
GBP	145,767	EUR	(170,000)	22.5.2019	(1,129)
GBP	833,000	USD	(1,096,943)	22.5.2019	(7,808)

F&C Fund – F&C HVB-Stiftungsfonds

Schedule of Investments as at 31 March 2019 (continued)

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in EUR
GBP	3,251,000	USD	(4,281,106)	22.5.2019	(30,471)
GBP	148,329	USD	(195,000)	22.5.2019	(1,100)
GBP	148,585	USD	(195,000)	22.5.2019	(802)
JPY	961,268	EUR	(7,756)	26.4.2019	(21)
JPY	64,267,362	USD	(585,000)	22.5.2019	(1,810)
JPY	91,182,754	USD	(830,000)	22.5.2019	(2,569)
NZD	987,913	AUD	(955,000)	22.5.2019	(4,071)
TRY	915,618	USD	(165,000)	22.5.2019	(9,504)
TRY	1,065,000	USD	(187,998)	22.5.2019	(7,577)
USD	205,873	INR	(14,497,042)	14.6.2019	(1,273)
USD	282,881	TWD	(8,709,629)	14.6.2019	(876)
Total Unrealised Loss on Forward Foreign Exchange Contracts					(334,816)

FUTURES CONTRACTS

Description	Currency	Number of Contracts	Maturity Date	Market Value in EUR	Unrealised Gain/(Loss) in EUR
Unrealised Gain on Futures Contracts					
Canadian Government Bond 10YR	CAD	104	19.6.2019	9,639,648	191,906
E-mini Russell 2000 Index	USD	(7)	21.6.2019	(481,213)	2,946
EURO-OAT Future	EUR	18	6.6.2019	2,928,060	80,820
FTSE 100 Index	GBP	29	21.6.2019	2,426,963	41,135
German Federal Republic Bond 10YR	EUR	22	6.6.2019	3,659,480	41,550
Hang Seng Index	HKD	2	29.4.2019	329,884	4,268
MSCI Singapore Index	SGD	4	29.4.2019	94,602	302
S&P 500 E-mini Index	USD	73	21.6.2019	9,224,715	126,275
UK Long Gilt Future	GBP	54	26.6.2019	8,107,125	164,626
US Treasury Note 10YR	USD	35	19.6.2019	3,871,983	48,217
US Treasury Note 5YR	USD	55	28.6.2019	5,673,552	53,575
US Treasury Ultra 10YR	USD	34	19.6.2019	4,020,629	204,816
US Treasury Ultra 30YR	USD	15	19.6.2019	2,244,289	86,728
Total Unrealised Gain on Futures Contracts				51,739,717	1,047,164

Unrealised Loss on Futures Contracts

Canadian Government Bond 10YR	CAD	(10)	19.6.2019	(926,889)	(8,842)
EURO STOXX 50	EUR	(1,009)	21.6.2019	(33,014,480)	(552,930)
EURO-BTP Future	EUR	(4)	6.6.2019	(517,880)	(1,137)
German Federal Republic Bond 10YR	EUR	(47)	6.6.2019	(6,257,580)	(55,460)
German Federal Republic Bond 10YR	EUR	(101)	6.6.2019	(16,800,340)	(239,830)
German Federal Republic Bond 30YR	EUR	(1)	6.6.2019	(191,660)	(8,620)
MSCI Emerging Markets Index	USD	109	21.6.2019	5,132,324	(19,104)
MSCI Emerging Markets Index	USD	(11)	21.6.2019	(517,941)	(4,158)
NIKKEI 225 Index	JPY	24	13.6.2019	2,052,740	(22,403)
SPI 200 Index	AUD	5	20.6.2019	487,996	(1,898)
UK Long Gilt Future	GBP	(18)	26.6.2019	(2,702,375)	(44,432)
US Treasury Long Bond	USD	(42)	19.6.2019	(5,597,865)	(156,048)
US Treasury Note 10YR	USD	(63)	19.6.2019	(6,969,570)	(87,626)
US Treasury Note 2YR	USD	66	28.6.2019	12,525,439	(12,858)
US Treasury Note 2YR	USD	(242)	28.6.2019	(45,926,609)	(143,816)
US Treasury Ultra 10YR	USD	(86)	19.6.2019	(10,169,826)	(314,262)
Total Unrealised Loss on Futures Contracts				(109,394,516)	(1,673,424)

OPTION CONTRACTS

Currency	Quantity	Description	Maturity Date	Market Value in EUR	Unrealised Gain/(Loss) in EUR
Purchased Options					
EUR	4,100,000	Put EUR / Call USD, Strike Price 1.1272	22.5.2019	35,744	13,727
USD	7,300	Put S+P 500 INDEX, Strike Price 2750	21.6.2019	280,532	(70,149)
USD	2,299,500	Put USD / Call JPY, Strike Price 99	24.5.2019	20	(23,222)
USD	7,000,000	Put USD / Call JPY, Strike Price 99	24.5.2019	62	(70,692)
Total Purchased Options				316,358	(150,336)
Written Options					
USD	(7,300)	Put S+P 500 INDEX, Strike Price 2450	21.6.2019	(59,162)	17,164
Total Written Options				(59,162)	17,164
Unrealised Loss on Future Style Options					
EUR	800,000	Put EURO-BUND Future (OGBL), Strike Price 164.5	26.4.2019	(6,000)	(6,000)
Total Unrealised Loss on Future Style Options				(6,000)	(6,000)

F&C Fund – F&C HVB-Stiftungsfonds

Schedule of Investments as at 31 March 2019 (continued)

SWAP CONTRACTS

Currency	Notional Amount	Pay / Receive	Maturity date	Market Value in EUR	Unrealised Gain/(Loss) in EUR
Credit Default Swaps					
EUR	3,540,000	1.000% / Markit iTraxx Europe Index	20.12.2022	(79,027)	19,050
EUR	14,320,000	1.000% / Markit iTraxx Europe Index	20.12.2023	(266,860)	36,873
EUR	26,520,000	1.000% / Markit iTraxx Europe Senior Financials Index	20.6.2024	(269,542)	21,482
EUR	6,130,000	5.000% / Markit iTraxx Europe Crossover Index	20.12.2023	(589,194)	(55,704)
EUR	26,190,000	Markit iTraxx Europe Index / 1.000%	20.6.2024	462,899	(10,788)
USD	6,300,000	0.050% / Markit CDX.NA.HY Index	20.12.2023	(365,628)	(93,313)
Total Credit Default Swaps				(1,107,352)	(82,400)
Inflation Swaps					
EUR	3,840,000	1.438% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.11.2023	(94,890)	(94,890)
EUR	7,600,000	1.570% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.11.2028	(352,431)	(352,431)
EUR	590,000	1.970% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.11.2048	(84,731)	(87,861)
EUR	7,680,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.438%	15.11.2023	189,780	189,780
EUR	3,800,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.570%	15.11.2028	176,215	176,215
EUR	1,180,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.970%	15.11.2048	169,463	169,463
GBP	1,240,000	3.327% / UK Retail Prices Index	15.7.2027	18,611	18,611
GBP	1,200,000	3.551% / UK Retail Prices Index	15.3.2027	(16,395)	(7,473)
GBP	600,000	3.551% / UK Retail Prices Index	15.3.2027	(8,198)	(2,681)
GBP	934,000	UK Retail Prices Index / 3.480%	15.1.2029	3,576	3,576
GBP	3,100,000	UK Retail Prices Index / 3.551%	15.3.2027	42,355	42,355
GBP	5,297,000	UK Retail Prices Index / 3.584%	15.11.2028	112,444	112,444
USD	3,260,000	1.945% / US CPI Urban Consumers NSA Index	23.3.2024	(1,964)	(1,964)
USD	1,210,000	2.049% / US CPI Urban Consumers NSA Index	22.1.2029	(1,228)	(1,228)
USD	1,600,000	2.178% / US CPI Urban Consumers NSA Index	4.2.2049	(6,783)	(6,783)
USD	5,300,000	2.378% / US CPI Urban Consumers NSA Index	7.6.2028	(168,110)	(168,110)
USD	4,050,000	2.378% / US CPI Urban Consumers NSA Index	7.6.2028	(128,462)	(132,499)
USD	800,000	US CPI Urban Consumers NSA Index / 2.178%	4.2.2049	3,392	6,138
USD	5,300,000	US CPI Urban Consumers NSA Index / 2.378%	7.6.2028	168,110	40,295
USD	3,040,000	US CPI Urban Consumers NSA Index / 2.378%	7.6.2028	96,426	12,108
Total Inflation Swaps				117,180	(84,935)
Interest Rate Swaps					
AUD	1,200,000	BBSW 6M / 2.201%	14.3.2029	11,715	11,715
AUD	1,200,000	BBSW 6M / 2.206%	15.3.2029	12,080	12,080
CAD	750,000	2.603% / CDOR 3M	11.5.2023	(14,719)	(14,719)
EUR	13,470,000	1.005% / EURIBOR 6M	15.2.2027	(795,067)	(795,067)
EUR	2,900,000	1.037% / EURIBOR 6M	4.7.2044	14,729	14,729
EUR	1,575,000	1.408% / EURIBOR 3M	9.7.2048	(174,870)	(174,870)
EUR	5,110,000	1.417% / EURIBOR 6M	11.9.2027	(198,968)	(232,798)
EUR	3,150,000	1.450% / EURIBOR 6M	9.7.2048	(354,840)	(354,840)
EUR	767,001	1.458% / EURIBOR 6M	12.6.2068	(136,694)	(136,694)
EUR	1,290,000	1.500% / EURIBOR 6M	21.6.2048	(163,706)	(163,706)
EUR	2,910,000	1.561% / EURIBOR 6M	4.7.2042	(368,869)	(445,231)
EUR	3,150,000	EURIBOR 3M / 1.408%	9.7.2048	349,740	349,740
EUR	6,680,000	EURIBOR 6M / 0.408%	15.2.2028	12,692	12,692
EUR	6,730,000	EURIBOR 6M / 1.005%	15.2.2027	397,238	397,238
EUR	1,960,000	EURIBOR 6M / 1.215%	4.7.2042	96,627	96,627
EUR	4,160,000	EURIBOR 6M / 1.215%	4.7.2042	205,086	205,086
EUR	5,110,000	EURIBOR 6M / 1.417%	11.9.2027	198,791	198,791
EUR	1,575,000	EURIBOR 6M / 1.450%	9.7.2048	177,420	175,174
EUR	890,000	EURIBOR 6M / 1.479%	21.6.2068	165,886	165,886
GBP	3,250,000	1.123% / WMBA Sonia Overnight Deposit Rates Index	7.12.2027	(63,746)	(63,746)
GBP	1,540,000	1.221% / WMBA Sonia Overnight Deposit Rates Index	7.12.2027	(47,597)	(28,737)
GBP	7,650,000	1.315% / ICE LIBOR 3M	23.2.2023	(129,997)	(129,997)
GBP	15,300,000	1.375% / ICE LIBOR 6M	23.2.2023	(242,982)	(242,982)
GBP	1,000,000	1.429% / ICE LIBOR 6M	18.9.2029	(21,309)	(21,309)
GBP	7,700,000	1.508% / ICE LIBOR 3M	7.10.2027	(273,542)	(273,542)
GBP	15,400,000	1.571% / ICE LIBOR 6M	7.10.2027	(530,815)	(530,815)
GBP	3,030,000	1.586% / ICE LIBOR 6M	22.1.2048	(191,254)	(191,254)
GBP	15,300,000	ICE LIBOR 3M / 1.315%	23.2.2023	259,994	259,994
GBP	15,400,000	ICE LIBOR 3M / 1.508%	7.10.2027	547,083	547,083
GBP	3,030,000	ICE LIBOR 3M / 1.529%	22.1.2048	206,300	206,300
GBP	3,080,000	ICE LIBOR 3M / 1.530%	7.12.2027	111,304	111,304
GBP	4,500,000	ICE LIBOR 6M / 1.140%	18.9.2021	17,981	17,981
GBP	7,650,000	ICE LIBOR 6M / 1.375%	23.2.2023	121,491	129,277
GBP	7,700,000	ICE LIBOR 6M / 1.571%	7.10.2027	265,408	273,298
GBP	3,080,000	WMBA Sonia Overnight Deposit Rates Index / 1.221%	7.12.2027	95,194	95,194
NZD	1,300,000	2.335% / LIBOR 3M	15.3.2029	(13,100)	(13,100)
USD	14,200,000	2.256% / ICE LIBOR 3M	15.3.2021	21,569	21,569
USD	14,200,000	2.574% / ICE LIBOR 3M	15.3.2021	(44,723)	(44,723)
USD	13,700,000	2.923% / ICE LIBOR 3M	30.11.2022	(360,010)	(360,010)
USD	2,550,000	3.058% / ICE LIBOR 3M	15.11.2043	(221,543)	(221,543)
USD	5,220,000	3.140% / ICE LIBOR 3M	15.2.2044	(492,740)	(492,740)

F&C Fund – F&C HVB-Stiftungsfonds

Schedule of Investments as at 31 March 2019 (continued)

Currency	Notional Amount	Pay / Receive	Maturity date	Market Value in EUR	Unrealised Gain/(Loss) in EUR
USD	14,200,000	ICE LIBOR 3M / 2.256%	15.3.2021	(21,569)	(13,780)
USD	1,330,000	ICE LIBOR 3M / 2.877%	15.8.2044	66,106	66,106
USD	6,850,000	ICE LIBOR 3M / 2.923%	30.11.2022	180,005	56,206
USD	1,280,000	ICE LIBOR 3M / 3.005%	15.5.2044	91,759	91,759
USD	2,520,000	ICE LIBOR 3M / 3.008%	15.2.2044	181,300	181,300
USD	2,610,000	ICE LIBOR 3M / 3.140%	15.2.2044	246,370	308,492
Total Interest Rate Swaps				(808,792)	(940,582)
Total Return Swaps					
USD	9,464,175	BMO Disciplined Global Market Index ^(*) (**)	28.6.2019	0	0
USD	8,843,675	BMO Managed FX Index ^(*) (**)	8.10.2019	433,580	433,580
USD	23,296,587	F&C Gear Strategy Index ^(*) (**)	30.6.2020	0	0
USD	8,924,959	MLEIFCLS Index ^(*) (**)	6.9.2019	(103,068)	(103,068)
USD	10,664,731	S&P 500 Merger Arbitrage Premia Index ^(*) (**)	23.3.2020	(21,208)	(21,208)
Total Return Swaps				309,304	309,304
Unrealised Gain on Swap Contracts					5,287,591
Unrealised Loss on Swap Contracts					(6,086,204)

^(*)The composition of the underlying Total Return Swap affords the Portfolio participation in a market neutral equity strategy.

^(**)The Portfolio is the payer of the negative performance and the receiver of the positive performance of the underlying for both Total Return Swaps positions.

The counterparties for forward foreign exchange contracts were Barclays Bank Plc. Wholesale, BNP Paribas S.A., Canadian Imperial Bank of Commerce, HSBC Bank Plc., JP Morgan Securities Plc., Rabobank Nederland, Royal Bank of Canada (UK), Société Générale S.A. and Westpac Banking Corp.

The counterparty for futures contracts was Goldman, Sachs & Co.

The counterparties for option contracts were BNP Paribas S.A. (total commitment of EUR 116,013) And Goldman Sachs & Co. (total commitment of EUR 281,715).

The counterparties for swap contracts were Citigroup Global Markets Ltd., JPMorgan Chase Bank N.A., Merrill Lynch International and Société Générale S.A.

F&C Fund – F&C HVB-Stiftungsfonds
Distribution of Investments by Economic Sector
as at 31 March 2019

Sector	% of Net Assets
Financial Services	57.61
Sovereign	35.75
Real Estate	3.29
Regional	0.50
<hr/>	
Total Investments	97.15
Other Assets / (Liabilities)	2.85
Total Net Assets	100.00

F&C Fund – F&C HVB-Stiftungsfonds

Statement of Net Assets

as at 31 March 2019

	Notes	31 March 2019 EUR	30 September 2018 EUR
ASSETS			
Investments at market value	2	133,148,649	147,500,105
Investments at cost		126,932,730	143,334,865
Options contracts	2	316,358	163,528
Unrealised gain on futures contracts	2	1,047,164	940,377
Unrealised gain on forward foreign exchange contracts	2	578,951	253,582
Unrealised gain on swap contracts	2	5,287,591	1,243,555
Dividends and interest receivable		238,524	283,256
Other assets		5,828	-
Balance at bankers:			
Cash and deposits	2	17,916,412	1,564,943
Cash held at brokers		6,291,107	6,118,302
Total Assets		164,830,584	158,067,648
LIABILITIES			
Options contracts	2	65,162	31,640
Unrealised loss on future contracts	2	1,673,424	1,427,976
Unrealised loss on forward foreign exchange contracts	2	334,816	908,252
Unrealised loss on swap contracts	2	6,086,204	1,874,914
Redemption payable		4,231	162,305
Payments settled on swap contracts		691,047	843,219
Investment management and management company fees	6, 9, 12	145,916	160,214
Expenses and taxes		313,206	304,297
Bank overdraft		17,319,597	73
Overdraft at brokers		1,145,839	499,083
Total Liabilities		27,779,442	6,211,973
NET ASSETS		137,051,142	151,855,675

F&C Fund – F&C HVB-Stiftungsfonds

Statement of Operations and Changes in Net Assets

for the period ended 31 March 2019

	Notes	31 March 2019 EUR	31 March 2018 EUR
INCOME			
Dividends (net of withholding tax)	2	511,800	160,220
Interest (net of withholding tax)	2	-	118,676
Security lending income	2, 16	6,685	20,244
Total Income		518,485	299,140
EXPENDITURE			
Investment management and management company fees	6, 9, 12	(858,349)	(1,032,366)
Administration and depositary fees	7	(108,476)	(106,801)
Audit, tax and legal fees		(61,460)	(45,854)
Taxe d'abonnement	11	(27,940)	(39,981)
Bank interest and charges		(159,132)	(33,237)
Directors' fees	8	(7,520)	(12,997)
Sundry expenses		(80,000)	(74,388)
Total Expenditure		(1,302,877)	(1,345,624)
Net equalisation	3	12,567	7,681
Net income / (loss) from operations		(771,825)	(1,038,803)
Net realised gain / (loss) on sales of investments		(2,026,128)	5,677,172
Net realised (loss) on foreign exchange and forward foreign exchange contracts		(4,311,870)	(801,244)
Net realised gain / (loss) on options contracts		685,622	35,338
Net realised gain on futures contracts		2,032,510	829,197
Net realised gain / (loss) on swap contracts		(1,916,951)	268,993
Net realised gain / (loss) for the period		(6,308,642)	4,970,653
Net change in unrealised (depreciation) on investments	2	2,050,678	(7,172,969)
Net change in unrealised appreciation / (depreciation) on forward foreign exchange contracts	2	898,805	(404,076)
Net change in unrealised appreciation / (depreciation) on options contracts	2	322,633	(13,047)
Net change in unrealised appreciation / (depreciation) on futures contracts	2	(138,661)	846,150
Net change in unrealised appreciation / (depreciation) on swap contracts	2	(167,254)	715,677
Net change in unrealised appreciation / (depreciation) on foreign currencies	2	429,775	(223,084)
Total net investment income / (loss) for the period		(2,912,666)	(1,280,696)
Subscriptions of shares		2,063,403	4,006,655
Redemptions of shares		(11,466,235)	(8,488,079)
Dividends paid	17	(2,489,035)	(2,201,410)
Total finance costs		(11,891,867)	(6,682,834)
Net Assets at the beginning of the period		151,855,675	166,923,463
Net Assets at the end of the period		137,051,142	158,959,933

F&C Fund – F&C HVB-Stiftungsfonds

Notes to the Financial Statements

as at 31 March 2019

1. GENERAL

F&C Fund (hereafter referred to as the "Fund") is a limited liability company incorporated in Luxembourg under the provisions of the Law of 10 August 1915 (as amended) relating to commercial companies, and qualifies as a Part I SICAV (Société d'Investissement à Capital Variable) under the Law of 17 December 2010 relating to undertakings for collective investment (as amended). It was incorporated by notarial act on 11 July 2001 for an indefinite period.

The Articles of Incorporation of the Fund authorise the Board of Directors of the Fund (the "Board") to issue shares, at any time, in different portfolios (each, a "Portfolio").

As at 31 March 2019, only one Portfolio is offered for subscription: F&C HVB-Stiftungsfonds, issuing seven classes of shares: Class A and class A Acc Shares with no restriction on issue; class AN and class AN Acc Shares reserved for tax-exempt investors; class I Shares reserved for institutional investors; class IN and class IN Acc Shares reserved for institutional tax-exempt investors.

The objective of F&C HVB-Stiftungsfonds is to make available to investors participation in a broadly diversified global portfolio of debt and equity securities as well as derivatives which enable distributions to be made, whilst maintaining the long term value of the property of the Portfolio. It is expected that the majority of the Portfolio's assets will be invested in equities, debt securities and derivatives within the limits set out in the investment restrictions in the Fund's prospectus. Debt securities may include both investment grade and below investment grade debt securities.

The Board has adopted the ALFI Code of Conduct, which sets out the principles of good governance, and considers that the Fund has been in compliance with it in all material respects throughout the financial period ended 31 March 2019.

The Investment Manager exercises the votes attached to the Fund's equity investments based on its Corporate Governance Operational Guidelines.

UCITS V came into effect in March 2016. UCITS V aims to increase the level of protection already offered to investors in UCITS and to improve investor confidence in UCITS. It aims to do so by enhancing the rules on the responsibilities of depositaries and by introducing remuneration policy requirements for UCITS fund managers. It also aims to ensure that all EU regulators responsible for the supervision of UCITS funds and their managers have a common minimum set of powers available to investigate infringements.

2. ACCOUNTING POLICIES

Presentation of financial statements

The financial statements are prepared in accordance with Luxembourg regulations relating to undertakings for collective investment and are expressed in Euro ("EUR").

Valuation of securities

The value of any transferable securities which are quoted or dealt in on any official stock exchange or regulated market, which operates regularly and is recognised and open to the public, (a "regulated market") is based on the last available price, on such stock exchange or regulated market applicable on the valuation day. If a security is not traded or admitted on any official stock exchange or any other regulated market, or in the case of a security so traded or admitted and if the last available price does not reflect the fair value of the security, it is valued on the basis of its foreseeable sales price.

Investment in Funds

Investments in open-ended undertakings for collective investment ("UCIs") are valued on the basis of the last available net asset value of the units or shares of such UCIs.

Foreign exchange conversion

Assets and liabilities denominated in currencies other than the Fund's reporting currency have been translated at the rates of exchange ruling at 31 March 2019, the time of the determination of the Net Asset Value. Cost of investments, income and expenditure denominated in currencies other than the Fund's reporting currency have been translated at the exchange rates ruling on the day of transaction. The exchange gain or loss arising from the translation of these items is taken into account in the determination of the results of operations.

As at 31 March 2019, the following exchange rates have been used:

1 EUR = 0.8617 GBP

1 EUR = 1.1228 USD

Income and expenses

Dividends are credited to income, net of irrecoverable withholding tax, on the date upon which the relevant securities are declared 'ex-dividend'. Interest income, net of irrecoverable withholding tax is accrued on a daily basis and includes the amortisation of premiums and accretion of discounts.

F&C Fund – F&C HVB-Stiftungsfonds

Notes to the Financial Statements (continued)

as at 31 March 2019

Valuation of futures contracts

Initial margin deposits are made upon entering into futures contracts and can be made either in cash or securities. During the year the futures contract is open, changes in the value of the contract are recognized as unrealised gains or losses by "marking-to-market" on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are made or received, depending upon whether unrealised losses or gains are incurred. When the contract is closed, the Fund records a realised gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract.

Valuation and presentation of forward foreign exchange contracts

The unrealised gain or loss on open forward foreign exchange contracts is calculated as the difference between the contracted rate and the rate to close out the contract. Realised profit or loss includes net gains or losses on forward foreign exchange contracts which have been settled or offset by other contracts with the same counterparty.

Valuation and presentation of option contracts

For a purchased option an amount equal to the premium paid is recorded as an investment and is subsequently adjusted to the current market value of the option purchased. Premiums paid for the purchase of options which expire unexercised are treated on the expiration date as realised losses. If a purchased put option is exercised, the premium is subtracted from the proceeds of the sale of the underlying security, foreign currency or index in determining whether the Fund has realised a gain or a loss. If a purchased call option is exercised, the premium increases the cost basis of the security, foreign currency or index purchased by the Fund.

For a written option an amount equal to the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current market value of the option written. Premiums received from written options which expire unexercised are treated by the Fund on the expiration date as realised gains. If a written call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Fund has realised a gain or a loss. If a written put option is exercised, the premium reduces the cost basis of the security purchased by the Fund.

Valuation and presentation of future style options

In the case of options on futures, no premium margin is required as a daily profit and loss adjustment (variation margin) is made by the procedure known as "marking-to-market". The profit of one party to the contract is the loss of the other party. The resulting gains and losses are either debited or credited to the appropriate account on a daily basis via the mark-to-market process. The final valuation is made at the final settlement price of either the expiration date of the option or the day on which it was exercised.

Valuation of swap contracts

Total Return Swaps

Total return swaps are marked at each NAV calculation date. The estimated market value is based on the valuation elements laid down in the contracts, and is obtained from third party pricing agents, market makers or internal models.

Swap contracts are marked to market based on daily prices obtained from third party pricing agents and verified against the value from the counterparty.

Unrealised gains or losses on swaps are recorded under "Unrealised gain/(loss) on swap contracts" in the statement of net assets. Realised gains or losses and change in unrealised gains or losses are recorded under "Net realised gain/(loss) on swap contracts" and under "Change in net unrealised appreciation/(depreciation) on swap contracts" in the statement of operations and changes in net assets. The change in the value of the swap is reported as "Change in net unrealised appreciation/(depreciation) on swap contracts", until termination of the contract when it is realised. Periodic interest payments to be paid or received are accrued on a daily basis and included in interest income or interest expense.

Cash and cash equivalents

Cash and other liquid assets will be valued at their face value with interest accrued, where applicable. Interest is also accrued on bank overdrafts. All cash at bank balances are held either by State Street Bank Luxembourg S.C.A., or in overnight deposit with a third party institution approved by the Board or directly with a sub-custodian.

Income from securities lending

The Fund may lend its portfolio securities to specialised banks and credit institutions and other financial institutions of high standing and highly qualified registered brokers/dealers, or through recognised clearing institutions such as Clearstream or Euroclear subject to complying with the provisions set forth in the CSSF Circular 08/356. Cash collateral received by the Fund in relation to these transactions will not be reinvested. Income from securities lending is recognised by the Fund when payment is received from the borrowers.

F&C Fund – F&C HVB-Stiftungsfonds

Notes to the Financial Statements (continued)

as at 31 March 2019

3. EQUALISATION

The Fund follows the accounting practice known as “equalisation” by which a portion of the issue and redemption price representing, on a per share basis, accrued distributable investment income (excluding capital gains or losses), is credited or charged to distributable income. The amounts attributable to this income equalisation account are included in the proceeds from subscriptions to the Fund’s shares or in the payment for the Fund’s shares redeemed, and in the Net equalisation, items of the Statement of Operations and Changes in Net Assets.

As at 31 March 2019, the amounts attributable to income equalisation have been disclosed separately as net equalisation in the Statement of Operations and Changes in Net Assets.

4. STOCK EXCHANGE QUOTATION

Shares in the Fund are listed on the Multilateral Trading Facility operated by the Luxembourg Stock Exchange (the “Euro MTF”).

5. INITIAL OFFERING PRICE AND MINIMUM INVESTMENT AMOUNTS

The shares of F&C HVB-Stiftungsfonds (class A Shares) were initially offered on 25 July 2001 at the initial subscription price of EUR 1,000 per share.

The shares of F&C HVB-Stiftungsfonds (class AAcc Shares) were initially offered on 15 January 2008 at the initial subscription price of EUR 1,000 per share.

The shares of F&C HVB-Stiftungsfonds (class AN Shares) were initially offered on 5 January 2018 at the initial subscription price of EUR 10 per share (for tax-exempt investors only).

The shares of F&C HVB-Stiftungsfonds (class AN Acc Shares) were initially offered on 5 January 2018 at the initial subscription price of EUR 10 per share (for tax-exempt investors only).

The shares of F&C HVB-Stiftungsfonds (class I Shares) were initially offered on 1 December 2004 at the initial subscription price of EUR 1,030.25 per share.

The shares of F&C HVB-Stiftungsfonds (class IN Shares) were initially offered on 5 January 2018 at the initial subscription price of EUR 10 per share (for tax-exempt investors only).

The shares of F&C HVB-Stiftungsfonds (class IN Acc Shares) were initially offered on 5 January 2018 at the initial subscription price of EUR 10 per share (for tax-exempt investors only).

For class A, AAcc, AN and AN Acc Shares, the minimum investment amounts to EUR 2,500, exclusive of the initial charge. For class I, IN and IN Acc Shares, the minimum investment amounts to EUR 10,000,000, exclusive of the initial charge.

The Board may on a discretionary basis reduce or waive the minimum investment required. Moreover, there is no subsequent minimum investment for any class of shares.

6. INVESTMENT MANAGEMENT FEE

In accordance with the prospectus, the Investment Manager, for its investment management services provided to the Fund, is entitled to receive up to 2% per annum of the applicable net asset value for the class A Shares and class A Acc Shares and up to 0.60% for class I Shares. For the period under review, the investment management fee was 1.25% of the applicable net asset value for the classes A and A Acc Shares, and 0.60% for the class I Shares.

7. ADMINISTRATION AND DEPOSITARY FEES

For the period under review, in remuneration for its services, the Fund paid to State Street Bank Luxembourg S.C.A., the following fees:

Depositary:

An asset charge of up to 0.50% of the assets under depositary plus a transaction charge.

Administration:

A fee up to 0.0455% of the applicable NAV plus a transaction charge.

Other administrative fees in addition to the fees above are also payable to State Street Bank Luxembourg S.C.A. for services including transaction processing and transfer agency related activities.

F&C Fund – F&C HVB-Stiftungsfonds

Notes to the Financial Statements (continued)

as at 31 March 2019

8. DIRECTORS' FEES

Directors' fees are determined from time to time by decision of the general meeting of shareholders. Those Directors of the Fund who are employees of BMO Asset Management (Holdings) plc (the parent of the Investment Manager) or any of its subsidiaries or the Legal Adviser to the Fund or are, or were previously, connected to UniCredit Bank AG, waive their fees in carrying out their duties as Directors of the Fund. The chairman, Patrick Johns, is entitled to a fee of EUR 15,000 per annum.

9. MANAGEMENT COMPANY FEE

FundRock Management Company S.A. (the "Management Company") is the management company of the Fund. For its services, the Management Company receives a fee determined as per the tables below, with an annual minimum of EUR 25,000 per sub-fund:

Assets under management	Fee per annum
Up to EUR 150 million	3.25 bp
From EUR 150 million to 1 billion	3.00 bp
Above EUR 1 billion	2.75 bp

10. FORMATION EXPENSES

The formation expenses of the Fund have been amortised over a five year period.

11. TAXATION

The Fund is not subject to taxation in Luxembourg on its income, profits or gains. However, the Fund is liable in Luxembourg to a subscription tax ("taxe d'abonnement") of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the basis of the Total Net Assets of the Fund at the end of the relevant quarter. The rate of the annual subscription tax is reduced to 0.01% per annum for the Portfolio or share classes which, in accordance with Article 174 of the Law, invest exclusively in money market instruments as defined in the Grand-Ducal Regulation of 14 April 2003 and in respect of share classes which are only sold to and held by institutional investors. No stamp duty or other tax will be payable in Luxembourg on the issue of shares in the Fund.

12. RELATED PARTY TRANSACTIONS

The Investment Manager may pass on to the Fund certain expenses, as approved by the Board, incurred in the marketing of the Fund. The maximum chargeable during any accounting year is 0.025% of the Net Asset Value of the Fund or the respective Portfolio(s).

The Investment Manager is also entitled to a service fee not exceeding EUR 50,000 per annum for its approach in the area of socially responsible investment, through its Responsible Engagement Overlay service.

During the financial period ended 31 March 2019, under the securities lending programme (as described in note 2), State Street Bank GmbH, London Branch earned EUR 1,337 as securities lending agent. The Investment Manager earned EUR 891 for their monitoring and oversight of the securities lending programme.

13. NET ASSET VALUE

The net asset value, the issue price and the redemption price, is available at the registered office of the Fund and will be published regularly in or on: Bloomberg, Reuters and www.bmogam.com.

14. PORTFOLIO CHANGES

A statement detailing the changes in the portfolio during the reference period can be obtained free of charge from the registered office of the Fund and from CACEIS Bank S.A., Germany Branch, Munich and from UniCredit Bank Austria AG, Vienna as disclosed on page 23.

15. USE OF DEALING COMMISSION

The Investment Manager is regulated by the UK Financial Conduct Authority ("FCA") for the conduct of its business in the United Kingdom. The rules of the FCA restrict the use of dealing commission to execution and research services. Services are only eligible for payment with commission if they qualify as substantive research by meeting specific criteria set by the FCA. These are known as "permitted services".

The Investment Manager executes transactions on behalf of the Fund with a number of selected brokers. In the normal course of business, the Investment Manager has entered, or may enter into, arrangements ("Commission Sharing Arrangements") whereby research credits accrued to the broker through trading can be recovered and redirected to one or more third parties, as payment for the provision of eligible investment research to the Investment Manager.

The services received under such arrangements are directly relevant to and assist in the cost-effective provision of management services generally by the Investment Manager and are consistent with practices in the markets in which the Investment Manager does business.

F&C Fund – F&C HVB-Stiftungsfonds

Notes to the Financial Statements (continued)

as at 31 March 2019

16. SECURITIES LENDING

The volume of the securities lending transactions will be kept at an appropriate level. The Fund will be entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations. It will be ensured that securities lending transactions do not jeopardise the management of the Fund's assets in accordance with the investment policy.

The income earned from the securities lending program is reflected net of fees in the statement of operations and changes in net assets as disclosed in note 2.

State Street Bank GmbH, London Branch as the securities lending agent receives a 15% fee for their services. The Investment Manager as the Fund's securities lending co-ordinator receives an administration fee of 10% to cover operational costs. As a result, the Fund receives 75% of the gross revenues generated from securities lending.

The table below shows the market value of securities on loan as well as the market value of collateral held as at 31 March 2019. The collateral held at this date provided coverage of 104.87%.

Portfolio	Market Value of Securities on Loan in EUR	Market Value of Collateral held in EUR	Nature of Collateral held
F&C HVB-Stiftungsfonds	61,641	64,642	Government Bonds
	61,641	64,642	

The counterparty for the securities is HSBC Bank Plc.

17. DIVIDEND PAID DURING THE YEAR

Dividend payment of EUR 17.37 per class A share, EUR 0.19 per class AN share, EUR 22.79 per class I share and EUR 0.22 per class IN share was paid on 17 December 2018 (ex-date 13 December 2018) to the shareholders of these classes.

In line with the Fund's Prospectus dated December 2018, any future dividends of less than EUR 100 generated by a shareholder's investment in a class of a Portfolio will be automatically reinvested in the subscription of further shares of the class to which such dividends relate.

18. EVENTS WHICH OCCURRED DURING THE PERIOD

As part of its corporate rebranding, on 31 October 2018, F&C Asset Management plc changed its name to BMO Asset Management (Holdings) plc and on 1 November 2018, F&C Management Limited changed its name to BMO Asset Management Limited.

19. SUBSEQUENT EVENTS

There were no material events which occurred after the end of the financial period, which would have a bearing on the understanding of the financial statements.

20. APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors' approved the financial statements on 22 May 2019.

BMO Fund – BMO HVB-Stiftungsfonds

Portfolio Turnover Ratio (Unaudited)

The Portfolio Turnover Ratio have been calculated for the year ended 31 March 2019 based on the following formula:

$$\text{PTR} = \frac{(\text{Total purchases} + \text{Total sales}) - (\text{Total subscriptions} + \text{Total redemptions})}{\text{Average net assets of the Portfolio}} \times 100$$

Portfolio	Portfolio Currency	Total Net Assets, average during the year	Portfolio Turnover Ratio as of 31 March 2019 (annualised) %
F&C HVB-Stiftungsfonds	Euro	177,231,028	143.97%

BMO Fund – BMO HVB-Stiftungsfonds

Total Expense Ratio (Unaudited)

The following formula has been used to calculate the Total Expense Ratio:

$$\text{TER} = \frac{\text{Total operating expenses in share class currency}}{\text{Average Portfolio assets in share class currency}} \times 100$$

Portfolio	Share-Class Currency	Total Expense Ratio as of 31 March 2019 (annualised)%
F&C HVB-Stiftungsfonds - Class A Shares - Euro	Euro	1.75%
F&C HVB-Stiftungsfonds - Class A Acc Shares - Euro	Euro	1.75%
F&C HVB-Stiftungsfonds - Class AN Shares - Euro	Euro	1.41%
F&C HVB-Stiftungsfonds - Class AN Acc Shares - Euro	Euro	1.41%
F&C HVB-Stiftungsfonds - Class I Shares - Euro	Euro	1.11%
F&C HVB-Stiftungsfonds - Class IN Shares - Euro	Euro	1.00%
F&C HVB-Stiftungsfonds - Class IN Acc Shares - Euro	Euro	1.23%

The below Share Classes includes a Synthetic TER element as follows:

Portfolio - share classes which includes a Synthetic TER element	Share-Class Currency	Total Expense Ratio of Target Fund as of 31 March 2019 (annualised) %
F&C HVB-Stiftungsfonds - Class A Shares - Euro	Euro	0.18%
F&C HVB-Stiftungsfonds - Class A Acc Shares - Euro	Euro	0.18%
F&C HVB-Stiftungsfonds - Class I Shares - Euro	Euro	0.18%

Additional Information:

Investors in Switzerland can obtain the documents of the Fund, such as the Prospectus, the KIIDS, the Articles of Incorporation and the semi-annual and annual reports, the list of purchases and sales during the accounting period, and further information free of charge from the Swiss representative.

The Total Expense Ratio and Portfolio Turnover Ratio have been calculated in accordance with Swiss Fund Association's guidelines 16 May 2008.

BMO Fund – BMO HVB-Stiftungsfonds

Performance Data (unaudited)

The performance data is calculated based on the movement of the net asset value per share during the period. Performance figures shown in the Manager's report are based on total return figures, inclusive of distributions, and may differ from the below.

Portfolio	31 March 2019 %	30 September 2018 %	30 September 2017 %
F&C HVB-Stiftungsfonds - Class A Shares - Euro	(3.89)	(3.27)	(1.61)
F&C HVB-Stiftungsfonds - Class A Acc Shares - Euro	(1.89)	0.13	2.21
F&C HVB-Stiftungsfonds - Class AN Shares - Euro	(3.75)	(3.90)	N/A
F&C HVB-Stiftungsfonds - Class AN Acc Shares - Euro	(1.73)	(2.00)	N/A
F&C HVB-Stiftungsfonds - Class I Shares - Euro	(3.94)	(2.98)	(1.32)
F&C HVB-Stiftungsfonds - Class IN Shares - Euro	(3.85)	(3.90)	N/A
F&C HVB-Stiftungsfonds - Class IN Acc Shares - Euro	(1.43)	(2.30)	N/A

Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of share.

F&C Fund – F&C HVB-Stiftungsfonds

Securities Financing Transactions (unaudited)

GLOBAL DATA

The following table details the market value of securities lent as a proportion of the Portfolio's total lendable assets and net assets, and the value of Total Return Swaps ("TRS") as a proportion of the Portfolio's net assets, as at 31 March 2019. Total lendable assets represents the total market value of the securities Portfolio excluding derivatives as at the reporting date. The value of TRS is based on the Unrealised Gain/(Loss) on an absolute basis.

Portfolio	Portfolio currency	Securities lent			TRS	
		Market value of securities lent	% of lendable assets	% of Net Assets	Unrealised profit/loss	% of Net Assets
F&C HVB-Stiftungsfonds	EUR	61,641	0.05%	0.04%	309,304	0.23%

CONCENTRATION DATA

The following table lists the ten largest issuers by market value of non-cash collateral received by the portfolio by way of title transfer collateral arrangement across securities lending transactions and OTC derivative transactions (including TRS), as at 31 March 2019:

Non-cash collateral issuer	Portfolio currency	Market value of non-cash collateral	% of Net Assets
F&C HVB-Stiftungsfonds			
French Republic	EUR	520,262	0.38%
United States of America	EUR	20,366	0.01%
Kingdom of Netherlands	EUR	12,933	0.01%
United Kingdom	EUR	12,877	0.01%
Kingdom of Belgium	EUR	2,841	0.00%
Federal Republic of Germany	EUR	2,735	0.00%
Total	EUR	572,014	0.41%

The following table details the market value of securities lent and the unrealised value of TRS on an absolute basis, analysed by counterparty, as at 31 March 2019:

Counterparty	Counterparty's country of incorporation	Portfolio currency	Market value of securities lent	TRS Unrealised profit/loss
F&C HVB-Stiftungsfonds				
Citigroup Global Markets Ltd.	United Kingdom	EUR	-	433,579
HSBC Bank Plc.	United Kingdom	EUR	61,641	-
Merrill Lynch International	United Kingdom	EUR	-	(103,067)
Societe Generale S.A.	France	EUR	-	(21,208)
Total		EUR	61,641	309,304

AGGREGATE TRANSACTION DATA

The following table provides an analysis of the type and quality of non-cash collateral received and posted by the portfolio in respect of securities lending transactions and OTC derivative transactions (including TRS), as at 31 March 2019:

Non-cash collateral	Portfolio currency	Market value of non-cash collateral received		Market value of non-cash collateral posted
		Securities lent	OTC derivative transactions	OTC derivative transactions
F&C HVB-Stiftungsfonds				
Fixed income				
Investment Grade	EUR	64,642	507,372	2,142,730
Total	EUR	64,642	507,372	2,142,730

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency, Standard & Poor's, Moody's or Fitch, as defined in the Prospectus.

F&C Fund – F&C HVB-Stiftungsfonds Securities Financing Transactions (unaudited)(continued)

The following table provides a currency analysis of the cash and non-cash collateral received or posted by the portfolio, in respect of securities lending transactions and OTC derivative transactions (including TRS), as at 31 March 2019:

Currency	Portfolio currency	Market value of cash collateral received	Market value of cash collateral posted	Market value of non-cash collateral received	Market value of non-cash collateral received
F&C HVB-Stiftungsfonds					
OTC derivative transactions					
AUD	EUR	-	(24,684)	-	-
CAD	EUR	-	(138,660)	-	-
CZK	EUR	-	1	-	-
EUR	EUR	-	5,800,832	507,372	2,142,730
GBP	EUR	-	(409,230)	-	-
HKD	EUR	-	(5,222)	-	-
JPY	EUR	-	7,437	-	-
KRW	EUR	-	56	-	-
MXN	EUR	-	3,461	-	-
NZD	EUR	-	17,580	-	-
SGD	EUR	-	(41)	-	-
USD	EUR	-	(106,262)	64,642	-
Total	EUR	-	5,145,268	572,014	2,142,730

The following table provides an analysis of the maturity tenor of the collateral received and posted by the portfolio in respect of securities lending and OTC derivative transactions (including TRS) as at 31 March 2019:

Maturity tenor	Portfolio currency	Securities lent		OTC derivative transactions		
		Market value of non-cash collateral received	Market value of cash collateral received	Market value of cash collateral posted	Market value of non-cash collateral received	Market value of non-cash collateral posted
F&C HVB-Stiftungsfonds						
Less than one day	EUR	-	-	-	-	-
One day to one week	EUR	-	-	-	-	-
One week to one month	EUR	89	-	-	-	-
One month to three months	EUR	478	-	-	-	-
Three months to one year	EUR	455	-	-	-	567,606
Above one year	EUR	63,620	-	-	507,372	1,575,124
Open	EUR	-	-	5,145,268	-	-
Total	EUR	64,642	-	5,145,268	507,372	2,142,730

In case of non-cash collateral, the above maturity tenor analysis has been based on the contractual maturity date of the security received as collateral.

The following table provides an analysis of the maturity tenor of securities lent and outstanding TRS as at 31 March 2019:

Maturity tenor	Portfolio currency	Securities lent		TRS
		Market value of securities lent		Unrealised profit/loss
F&C HVB-Stiftungsfonds				
Less than one day	EUR	-	-	-
One day to one week	EUR	-	-	-
One week to one month	EUR	-	-	-
One month to three months	EUR	-	-	-
Three months to one year	EUR	-	-	309,304
Above one year	EUR	-	-	-
Open	EUR	61,641	-	-
Total	EUR	61,641	61,641	309,304

The above maturity tenor analysis has been based on the contractual maturity date of the securities lent, and the relevant TRS transaction.

All securities lending transactions entered into by the portfolio are subject to a written legal agreement between the portfolio and the Lending Agent, and separately between the Lending Agent and the approved borrowing counterparty. Collateral received in exchange for securities lent is transferred under a title transfer arrangement. Collateral received is delivered to and held in an account in the name of the Depository on behalf of the portfolio. Collateral received is segregated from the assets belonging to the Fund's Depository or the Lending Agent.

F&C Fund – F&C HVB-Stiftungsfonds

Securities Financing Transactions (unaudited)(continued)

All OTC derivative transactions are entered into by the portfolio under an International Swaps and Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the portfolio and a counterparty that governs OTC derivative transactions (including TRS) entered into by the parties. The parties exposures under the ISDA Master agreement are netted and collateralised together, therefore any collateral disclosures provided in the report are in respect of all OTC derivative transactions entered into by the portfolio under the ISDA Master agreement, not just TRS.

All collateral received/posted by the portfolio under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement. Collateral received by the portfolio is held in an account in the name of the Depository on behalf of the portfolio. Collateral received is segregated from the assets belonging to the Fund's Depository.

DATA ON REUSE OF COLLATERAL

As at 31 March 2019, none of the cash collateral received in respect of OTC derivative transactions (including TRS) was re-invested. In respect of securities lending transactions, the Fund does not accept cash collateral in the securities lending program.

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions and OTC derivative transactions, cannot be sold, re-invested or pledged.

SAFEKEEPING OF COLLATERAL

The following table provides an analysis of the amounts of non-cash collateral received by the portfolio in respect of securities lending and OTC derivatives transactions (including TRS) and held by the Funds' Depository (or through its delegates) or through a third party Depository, as at 31 March 2019:

Depository	Portfolio currency	Market value of non-cash collateral received	
		Securities lent	OTC derivative transactions
F&C HVB-Stiftungsfonds			
JPMorgan Chase Bank N.A.	EUR	64,642	507,372
Total	EUR	64,642	507,372

DATA ON RETURN AND COST

For the securities lending transactions the breakdown of return and cost by portfolio is disclosed in the Notes. Please refer to the note Securities lending.

All returns from OTC derivative transactions (including TRS) will accrue to the portfolio and are not subject to any returns sharing agreement with the portfolio's manager or any other third parties.

For TRS transactions costs are not separately identifiable. For these investments, transaction costs are included in the purchase and sales price and are part of the gross investment performance of each portfolio. Returns are identified as the realised gains and change in unrealised appreciations on Swaps contract during the reporting period.

F&C Fund – F&C HVB-Stiftungsfonds

Administration of the Fund

REGISTERED OFFICE

49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

MANAGEMENT COMPANY

FundRock Management Company S.A.
33, rue de Gasperich
L-5826 Hesperange
Grand Duchy of Luxembourg

INVESTMENT MANAGER

BMO Asset Management Limited
8th Floor, Exchange House
Primrose Street
London EC2A 2NY
United Kingdom

LISTING AGENT

Banque et Caisse d'Epargne de l'Etat
1-2, Place de Metz
L-1930 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISERS

Elvinger Hoss Prussen, *Société anonyme*
2, Place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

AUDITOR

PricewaterhouseCoopers, *Société coopérative*
2, rue Gerhard Mercator
L-2182 Luxembourg
Grand Duchy of Luxembourg

DEPOSITARY, REGISTRAR, TRANSFER, DOMICILIARY, PAYING AND ADMINISTRATIVE AGENT IN LUXEMBOURG

State Street Bank Luxembourg S.C.A.
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

INFORMATION AND PAYING AGENT IN AUSTRIA

UniCredit Bank Austria AG
Schottengasse 6-8
A-1010 Vienna
Austria

INFORMATION AND PAYING AGENT IN GERMANY

CACEIS Bank S.A., Germany Branch
Lilienthalallee 34-36
D-80939 Munich
Germany

REPRESENTATIVE IN SWITZERLAND

Carnegie Fund Services S.A.
11, rue du General-Dufour
1204 Geneva
Switzerland

PAYING AGENT IN SWITZERLAND

Banque Cantonale de Genève
17, quai de l'Île
1204 Geneva
Switzerland

F&C Fund, 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
Phone 00 352 46 40 10 7460 Fax 00 352 2452 9066

