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**F&C Portfolios Fund**  
*Société d'Investissement à Capital Variable  
de droit luxembourgeois*  
**Annual Report & Accounts (Audited)**  
**for the year ended 30 September 2017**

R.C.S. Luxembourg B25570





# F&C Portfolios Fund

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Copies of the report and accounts to 30 September 2017 may be obtained from the registered office of F&C Portfolios 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. Notices to Shareholders are published in the *Recueil Electronique des Sociétés et Associations* (the "RESA") and in Luxembourg newspapers, to the extent required by Luxembourg law, and in such other newspapers as the Directors may decide. The articles of incorporation of the Fund (the "Articles") have been lodged at 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 published in accordance with the relevant appendices of the Fund's latest prospectus (the "Prospectus"). The issue and redemption prices are available from F&C Management Limited, Exchange House, Primrose Street, London EC2A 2NY, United Kingdom, at the registered office of the Fund and will be published as further described in the Prospectus.

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 the latest annual and the most recent semi-annual report, if published thereafter.

The information contained in this report is historical and should not be taken as a guide to future performance. Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.



# F&C Portfolios Fund

## The Portfolios and their Objectives

### **BMO Global Absolute Return Bond**

The investment objective of BMO Global Absolute Return Bond is to deliver a return through a combination of income and capital growth. BMO Global Absolute Return Bond aims to achieve this objective through investing at least two thirds of its total assets in corporate bonds. In addition thereto, the Portfolio will invest in bonds issued by other entities including sovereign and supranational issuers. BMO Global Absolute Return Bond may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and cash equivalent, financial derivative instruments and forward transactions.

### **BMO Global Equity Market Neutral (SICAV)**

The investment objective of BMO Global Equity Market Neutral (SICAV) is to deliver a positive absolute return in the form of capital growth, over the medium term in all market conditions. BMO Global Equity Market Neutral (SICAV) aims to achieve this objective through investing in derivatives on customized baskets of global equity securities, using a total return swap. The equity securities are selected by the Investment Manager for purchase or sale using a systematic stock selection process to hold a long position in the investments it favours and a synthetic short position in the investments it does not favour. BMO Global Equity Market Neutral (SICAV) may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and cash equivalent, financial derivative instruments and forward transactions.

### **BMO Global Total Return Bond**

The investment objective of BMO Global Total Return Bond is to deliver a return through a combination of income and capital growth. BMO Global Total Return Bond aims to achieve this objective through investing at least two thirds of its total assets in corporate bonds. In addition thereto, the Portfolio will invest in bonds issued by other entities including sovereign and supranational issuers. BMO Global Total Return Bond may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash and cash equivalent, financial derivative instruments and forward transactions.

### **BMO Responsible Global Emerging Markets Equity**

The purpose of BMO Responsible Global Emerging Markets Equity is to provide a medium through which investors may participate in an actively managed portfolio, primarily invested in equity and equity-related securities of companies in emerging markets worldwide. BMO Responsible Global Emerging Markets Equity may invest in companies which are listed or traded on a recognized exchange in emerging market countries worldwide, which have, in the opinion of the Investment Manager, the potential for generating long term returns and contribute to or benefit from the sustainable economic development of the emerging market countries.

### **F&C Diversified Growth**

The investment objective of F&C Diversified Growth is to achieve capital appreciation over the medium to long-term through a broadly diversified mix of holdings into traditional and alternative assets including investments in: equities, bonds, indirect property and indirect commodities. A combination of cash, Exchange Traded Funds (ETF), financial derivative instruments, listed certificates issued by investment banks, as well as swap contracts and currency are used to structure the Portfolio.

### **F&C Emerging Markets Bond**

The investment objective of F&C Emerging Markets Bond is to achieve a rate of return over the long-term, through investing in fixed income, floating rate and other debt securities issued by governments of or companies incorporated under the laws of emerging market countries. The term “emerging market” refers to a market that possesses a functioning stock market and which is classified by the World Bank as an emerging market.

### **F&C European Equity**

The investment objective of F&C European Equity is to achieve long-term capital appreciation by investing in European companies listed on one of the European States Stock Exchanges or a regulated market. F&C European Equity will invest at least 75 per cent of its total assets in equity securities of companies that are incorporated under the laws of, and have their registered office in, a country in Europe.

## **F&C Portfolios Fund**

### **The Portfolios and their Objectives (continued)**

#### **F&C European Growth and Income**

The investment objective of F&C European Growth and Income is to achieve long-term capital appreciation and an enhanced level of income by investing in companies listed on one of the European States Stock Exchanges or a regulated market. F&C European Growth and Income will invest at least 75 per cent of its total assets in equity securities of companies that are incorporated under the laws of, and have their registered office in, a country in Europe.

#### **F&C European High Yield Bond (liquidated with effect from 22 September 2017)**

The investment objective of F&C European High Yield Bond is to achieve an above average rate of return over the long-term, measured in Euro, through investing in non-investment grade fixed income debt securities, floating rate and other debt securities. Non-investment grade securities are defined as securities that are rated Ba1/BB+ or lower by Moody's, Standard & Poor's or another recognised credit rating agency.

#### **F&C European SmallCap**

The investment objective of F&C European SmallCap is to make available to investors participation in a portfolio consisting of securities of European domiciled companies listed on the various European States Stock Exchanges. The investment policy is directed towards achieving long-term capital growth through investment in small and medium sized companies. F&C European SmallCap will invest at least 75 per cent of its total assets in equity securities of companies that are incorporated under the laws of, and have their registered office in Europe. For this portion of the portfolio F&C European SmallCap will invest at least two thirds (ie. 50 per cent of its total assets) in small capitalisation companies with a maximum stock exchange capitalisation of Euro 3 billion or equivalent. If the market capitalisation of a company in which the Portfolio holds an investment comes to exceed Euro 3 billion or equivalent, such a holding will be sold or will be counted within the remaining one third of the total assets.

#### **F&C Global Convertible Bond**

The investment objective of F&C Global Convertible Bond is to achieve high returns by investing its assets through a balanced portfolio consisting of convertible securities. F&C Global Convertible Bond will invest its assets in a balanced portfolio consisting of convertible debt securities and synthetic convertibles which offer the most attractive risk/reward characteristics in terms of upward participation and downward protection. F&C Global Convertible Bond will invest at least two thirds of its total assets in convertible debt securities issued by corporations located in Europe, the United States, Japan and Asia.

#### **F&C Global Smaller Cap Equity**

The investment objective of F&C Global Smaller Cap Equity is to make available to investors participation in a Portfolio consisting of listed securities of companies on a worldwide basis. The investment policy is directed towards achieving long-term capital growth through investment in small and medium sized companies. F&C Global Smaller Cap Equity will invest primarily in equity and equity-linked securities (excluding convertible bonds and bonds with warrants) issued by small and medium sized companies. Small and medium sized companies will generally be companies with a maximum stock exchange capitalisation of US\$ 10 billion or equivalent at the time of purchase. The Portfolio may hold and continue to invest its assets in companies with a higher capitalisation if the capitalisation of the relevant company has reached or exceeded US\$ 15 billion or equivalent after acquisition by the Portfolio.

#### **F&C Japanese Equity**

The investment objective of F&C Japanese Equity is to achieve long-term capital appreciation by investing in listed Japanese companies. F&C Japanese Equity will invest at least two thirds of its total assets in equity and equity-linked securities (excluding convertible bonds and bonds with warrants) of companies that are incorporated under the laws of, and have their registered office in, Japan, or that derive a predominant part of their economic activity from Japan, even if listed on a Stock Exchange elsewhere.

## **F&C Portfolios Fund**

### **The Portfolios and their Objectives (continued)**

#### **F&C Plus Fund**

The investment objective of F&C Plus Fund is to maximise the return of the invested capital over the long term, measured in Euro, through investing primarily in fixed income securities, floating rate and other debt securities including government bonds, equity-linked debt securities (such as convertibles), perpetual bonds, asset backed securities and mortgage backed securities issued in Euros; provided however that asset backed securities and mortgage backed securities may in aggregate not exceed 10% of the Portfolio's net assets. F&C Plus Fund may also invest up to 25% of net assets in equities and preference shares or other assets that replicate equity exposure such as ETF's or through the sale and purchase of financial derivative instruments such as future contracts. Securities which are not denominated in Euro will be hedged into Euro.

#### **F&C Responsible Global Equity**

The investment objective of F&C Responsible Global Equity is to maximise returns through investment in an ethically screened and diverse universe of companies. It focuses on long-term capital growth through investment in companies across the world. It will invest at least two thirds of its total assets in equity and equity-related securities (excluding convertible bonds and bonds with warrants) of companies, in any market, that meet the ethical and sustainable criteria.

#### **F&C US Smaller Companies**

The investment objective of F&C US Smaller Companies is to make available to investors participation in a portfolio consisting of securities of United States companies listed on United States Stock Exchanges or NASDAQ. The investment policy is directed towards achieving long-term capital growth through investment in small and medium sized companies. F&C US Smaller Companies will invest at least two thirds of its total assets in equity and equity-linked securities (excluding convertible bonds and bonds with warrants) of small capitalisation companies that are incorporated under the laws of, and have their registered office in the United States, or that derive a predominant part of their economic activity from the United States, even if listed elsewhere. The Portfolio will invest in companies with a maximum stock exchange capitalisation of US\$ 10 billion or equivalent at the time of purchase. The Portfolio may hold and continue to invest its assets in companies with a higher capitalisation if the capitalisation of the relevant company has reached or exceeded US\$ 10 billion or equivalent after acquisition by the Portfolio.

## **F&C Portfolios Fund Board of Directors**

### **Patrick Johns - Chairman**

*Non-executive advisor to F&C*

Norfolk, United Kingdom

### **Jacques Elvinger - Director**

*Partner - Elvinger Hoss Prussen, société anonyme*

2, Place Winston Churchill

L-1340 Luxembourg, Grand Duchy of Luxembourg

### **Ernst Hagen - Director**

*Executive Director*

F&C Netherlands BV

Jachthavenweg 109E,

1081 KM Amsterdam, The Netherlands

### **João Santos - Director**

*Country Head, F&C Portugal*

Gestão de Patrimónios, S.A.

Rua de Campolide, 372 – 1st Floor

1070-040 Lisbon, Portugal

### **Hugh Moir - Director**

*Global Head of Operations and Business Technology, BMO GAM, F&C Asset Management plc*

Exchange House, Primrose Street

London EC2A 2NY, United Kingdom

# F&C Portfolios Fund

## Chairman's Statement

Dear Shareholders

This report summarises the results of the portfolios of F&C Portfolios Fund (each a "Portfolio" and together the "Portfolios") for the financial year to 30 September 2017. Details of the Portfolios together with the Investment Managers' comments can be found later in the report.

During the year the size of the Fund increased by EUR 576 million to EUR 2,499,195,936 (EUR 1,923,242,099 as at 30th September 2016). This was primarily due to the increase in the net assets of BMO Global Absolute Return Bond, with net subscriptions of approximately EUR 381 million. BMO Responsible Global Emerging Markets Equity and F&C Responsible Global Equity also increased in size with net subscriptions of some USD 76 million and EUR 57 million respectively. Conversely the net assets of F&C European SmallCap decreased following net redemptions of some EUR 139 million.

During the year, F&C European High Yield Bond was also put into liquidation with effect from 22 September 2017.

Renewed optimism on the outlook for global growth drove increased risk appetite in what was an eventful year. Underpinned by generally supportive economic data, global equities shrugged off interest rate rises in the US, as well as elections in the US, Germany, France and the UK, to finish higher in the twelve month period under review.

The election of Donald Trump, as President of the United States, was a surprise but one that boosted equity markets which expected his proposed policies of increased spending and tax cuts to spur growth. These policies proved more difficult to enact than many envisaged but the US economy accelerated anyway, prompting the Federal Reserve to raise interest rates three times.

In Europe, politics was in the spotlight with important elections in France, Germany and the UK, where despite worries about the rise of popular nationalism, centralist politicians remained in charge albeit in some cases with reduced majorities. In Germany, Angela Merkel's CDU party was returned to power but short of an absolute majority. Likewise in the UK, Theresa May remained at the helm but only with the support of a Northern Irish party. This loss of majority left May's government in a weaker position from which to negotiate on Brexit. In France, political newcomer Emmanuel Macron swept to victory as President and his party, along with their allies, went on to secure a comfortable majority in the National Assembly. Economic growth in Europe picked-up, and while interest rate rises were not yet on the agenda, the withdrawal of financial stimulus moved closer.

In the bond markets, as US interest rates were increased, from 0.5% to 1.25%, Treasury yields rose. In Europe, where the European Central Bank extended its quantitative easing programme to the end of 2017 but reduced monthly asset purchases, from €80 billion to €60 billion, German bund yields moved out of negative territory. In the UK, with inflation rising above the Bank of England's target in the second half of the period and an interest rate rise moving a step closer, gilt yields were also higher.

Looking ahead, overall, we remain cautious about the prospects for government bonds as a co-ordinated cycle of monetary policy tightening has commenced across global markets. However, the possibility of spikes in risk aversion most likely fuelled by domestic political or geopolitical tensions, particularly with regard to North Korea, have the capacity to send bond markets higher from time to time.

With regard to the stock markets, we believe European equities remain attractively valued compared to the relatively expensive US stock market and that Japanese equities offer good prospects for the remainder of the year. We are also optimistic about emerging markets equities, which have benefited from positive earnings growth.

**Patrick Johns**

Chairman of the Board of Directors  
October 2017



## Audit report

To the Shareholders of  
**F&C Portfolios Fund**

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### *Our opinion*

In our opinion, the accompanying financial statements give a true and fair view of the financial position of F&C Portfolios Fund and of each of its sub-funds (the “Fund”) as at 30 September 2017, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### ***What we have audited***

The Fund’s financial statements comprise:

- the Combined Statement of Net Assets as at 30 September 2017;
- the Schedule of Investments as at 30 September 2017;
- the Combined Statement of Operations and Changes in Net Assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### *Basis for opinion*

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under those Law and standards are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.



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### *Other information*

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the Board of Directors of the Fund and those charged with governance for the financial statements*

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.



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*Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements*

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;
- conclude on the appropriateness of the Board of Directors of the Fund’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 29 December 2017

Serene Shtayyeh

## F&C Portfolios Fund Comparative Table

### TOTAL NET ASSETS

Portfolio	Portfolio Currency	30 September 2017	30 September 2016	30 September 2015
BMO Global Absolute Return Bond	Euro	428,562,261	42,337,914	N/A
BMO Global Equity Market Neutral (SICAV)	US\$	155,572,319	90,558,945	N/A
BMO Global Total Return Bond	Euro	100,215,256	49,600,091	N/A
BMO Responsible Global Emerging Markets Equity	US\$	134,994,329	45,161,827	38,755,127
F&C Diversified Growth	Euro	156,807,309	116,152,249	118,696,155
F&C Emerging Markets Bond	US\$	21,823,522	27,541,324	108,900,459
F&C European Equity	Euro	20,638,196	20,944,405	19,953,024
F&C European Growth and Income	Euro	51,467,767	48,092,227	68,887,280
F&C European High Yield Bond *	Euro	N/A	10,379,823	12,279,210
F&C European SmallCap	Euro	202,835,466	335,028,622	527,005,627
F&C Global Convertible Bond	Euro	781,444,973	733,378,748	765,751,040
F&C Global Smaller Cap Equity	US\$	42,114,187	37,695,921	31,219,053
F&C Japanese Equity	Euro	12,119,001	17,615,062	32,213,300
F&C Plus Fund	Euro	141,644,409	136,423,274	138,642,387
F&C Responsible Global Equity	Euro	285,134,216	217,378,401	173,667,649
F&C Responsible Sharia Global Equity	US\$	N/A	N/A	4,249,828
F&C US Smaller Companies	US\$	21,821,724	19,207,095	17,770,962

\* Refer to Appendix I

# F&C Portfolios Fund

## Comparative Table (continued)

### NET ASSET VALUE PER SHARE

Portfolio	Share Class Currency	30 September 2017	30 September 2016	30 September 2015
BMO Global Absolute Return Bond - Class A Acc Shares - Euro *	Euro	9.93	N/A	N/A
BMO Global Absolute Return Bond - Class F Acc Shares - GBP (Hedged)	GBP	10.09	10.07	N/A
BMO Global Absolute Return Bond - Class I Acc Shares - Euro *	Euro	9.94	N/A	N/A
BMO Global Absolute Return Bond - Class I Acc Shares - GBP (Hedged) *	GBP	9.98	N/A	N/A
BMO Global Absolute Return Bond - Class I Acc Shares - USD (Hedged) *	US\$	10.04	N/A	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Shares - Euro (Hedged)	Euro	10.12	10.03	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - Euro (Hedged)	Euro	9.60	9.48	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - NOK (Hedged)	NOK	10.29	10.05	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - SEK (Hedged)	SEK	10.08	10.02	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Shares - US\$	US\$	9.82	9.54	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - US\$	US\$	9.82	9.54	N/A
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - Euro (Hedged)	Euro	9.77	9.55	N/A
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - GBP (Hedged)	GBP	10.34	10.04	N/A
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - NOK (Hedged) *	NOK	N/A	9.92	N/A
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - SEK (Hedged) *	SEK	102.06	N/A	N/A
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - US\$	US\$	10.46	10.02	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Shares - Euro (Hedged)	Euro	10.26	10.06	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - Euro (Hedged)	Euro	9.68	9.53	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - NOK (Hedged)	NOK	104.03	100.69	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - SEK (Hedged)	SEK	102.47	100.66	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Shares - US\$	US\$	9.98	9.60	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - US\$	US\$	10.27	9.57	N/A
BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - Euro (Hedged)	Euro	10.26	10.06	N/A
BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - US\$	US\$	10.46	10.08	N/A
BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - Euro (Hedged)	Euro	10.26	10.06	N/A
BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - US\$	US\$	10.49	10.08	N/A
BMO Global Equity Market Neutral (SICAV) - Class X Acc Shares - Euro (Hedged)	Euro	9.99	9.71	N/A
BMO Global Total Return Bond - Class I Acc Shares - Euro	Euro	10.45	10.38	N/A
BMO Global Total Return Bond - Class I Shares - GBP (Hedged)	GBP	10.29	10.21	N/A
BMO Global Total Return Bond - Class I Shares - US\$ (Hedged)	US\$	10.46	10.23	N/A
BMO Responsible Global Emerging Markets Equity - Class A Shares - US\$	US\$	25.83	21.42	18.14
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - Euro *	Euro	11.50	N/A	N/A
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - GBP *	GBP	12.31	N/A	N/A
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - US\$	US\$	12.05	9.91	N/A
BMO Responsible Global Emerging Markets Equity - Class X Shares - GBP	GBP	12.80	10.96	7.97
F&C Diversified Growth - Class A Shares - Euro	Euro	11.16	10.87	10.66
F&C Diversified Growth - Class A Shares - GBP (Hedged)	GBP	11.93	11.53	11.21
F&C Diversified Growth - Class A Acc Shares - NOK (Hedged)	NOK	10.57	10.15	N/A
F&C Diversified Growth - Class A Acc Shares - SEK (Hedged)	SEK	10.35	10.10	N/A
F&C Diversified Growth - Class F Acc Shares - Euro *	Euro	10.19	N/A	N/A
F&C Diversified Growth - Class F Shares - GBP (Hedged) *	GBP	10.42	N/A	N/A

# F&C Portfolios Fund

## Comparative Table (continued)

### NET ASSET VALUE PER SHARE

Portfolio	Share Class Currency	30 September 2017	30 September 2016	30 September 2015
F&C Diversified Growth - Class F Acc Shares - USD (Hedged) *	US\$	10.29	N/A	N/A
F&C Diversified Growth - Class X Shares - Euro	Euro	155.35	149.00	143.78
F&C Diversified Growth - Class X Shares - GBP (Hedged)	GBP	102.75	97.79	93.68
F&C Emerging Markets Bond - Class A Shares - US\$	US\$	15.48	15.44	13.84
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	Euro	116.01	118.27	107.78
F&C Emerging Markets Bond - Class I Shares - Euro (Hedged)	Euro	9.99	10.20	9.68
F&C Emerging Markets Bond - Class I Shares - US\$	US\$	N/A	N/A	8.92
F&C European Equity - Class A Shares - Euro	Euro	20.21	17.53	17.82
F&C European Equity - Class A Acc Shares - Euro *	Euro	11.69	N/A	N/A
F&C European Equity - Class AD Acc Shares - Euro *	Euro	10.40	N/A	N/A
F&C European Equity - Class I Shares - Euro *	Euro	11.76	N/A	N/A
F&C European Equity - Class I Acc Shares - Euro *	Euro	11.76	N/A	N/A
F&C European Equity - Class ID Shares - Euro	Euro	12.18	10.33	N/A
F&C European Equity - Class ID Acc Shares - Euro	Euro	12.19	10.34	N/A
F&C European Equity - Class P Acc Shares - Euro *	Euro	11.76	N/A	N/A
F&C European Equity - Class R Acc Shares - Euro *	Euro	11.75	N/A	N/A
F&C European Growth and Income - Class A Shares - Euro	Euro	18.62	15.96	16.53
F&C European Growth and Income - Class A Acc Shares - Euro *	Euro	11.80	N/A	N/A
F&C European Growth and Income - Class A Shares - GBP	GBP	19.01	15.93	14.09
F&C European Growth and Income - Class I Shares - Euro *	Euro	11.88	N/A	N/A
F&C European Growth and Income - Class I Acc Shares - Euro *	Euro	11.88	N/A	N/A
F&C European Growth and Income - Class P Acc Shares - Euro *	Euro	11.77	N/A	N/A
F&C European Growth and Income - Class R Acc Shares - Euro *	Euro	11.88	N/A	N/A
F&C European High Yield Bond - Class A Shares - Euro *	Euro	N/A	13.16	12.78
F&C European High Yield Bond - Class I Shares - Euro *	Euro	N/A	9.98	N/A
F&C European SmallCap - Class A Shares - Euro	Euro	28.28	25.07	26.55
F&C European SmallCap - Class A Acc Shares - Euro	Euro	12.63	11.09	11.69
F&C European SmallCap - Class I Shares - Euro	Euro	15.73	13.98	14.81
F&C European SmallCap - Class I Acc Shares - Euro	Euro	13.37	11.64	12.17
F&C European SmallCap - Class I Shares - GBP	GBP	16.26	14.19	12.78
F&C European SmallCap - Class P Acc Shares - Euro *	Euro	11.83	N/A	N/A
F&C European SmallCap - Class R Acc Shares - Euro	Euro	14.45	12.59	13.18
F&C European SmallCap - Class R Acc Shares - CHF (Hedged)	CHF	10.40	9.07	N/A
F&C Global Convertible Bond - Class A Shares - CHF (Hedged)	CHF	12.41	11.95	11.65
F&C Global Convertible Bond - Class A Acc Shares - CHF (Hedged)	CHF	12.51	12.05	11.73
F&C Global Convertible Bond - Class A Shares - Euro	Euro	19.63	19.48	18.89
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	Euro	18.35	17.64	17.22
F&C Global Convertible Bond - Class A Acc Shares - Euro	Euro	10.06	9.93	N/A
F&C Global Convertible Bond - Class A Acc Shares - Euro (Hedged)	Euro	12.77	12.26	11.85
F&C Global Convertible Bond - Class A Shares - GBP	GBP	17.63	17.18	14.12
F&C Global Convertible Bond - Class A Acc Shares - US\$ (Hedged)	US\$	13.10	12.35	11.83
F&C Global Convertible Bond - Class I Shares - CHF (Hedged)	CHF	11.79	11.37	11.08
F&C Global Convertible Bond - Class I Shares - Euro	Euro	14.19	14.08	13.68
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	Euro	18.24	17.54	17.09
F&C Global Convertible Bond - Class I Acc Shares - Euro	Euro	10.10	9.94	N/A
F&C Global Convertible Bond - Class I Acc Shares - Euro (Hedged)	Euro	13.30	12.71	12.24
F&C Global Convertible Bond - Class P Shares - Euro (Hedged)	Euro	11.01	10.59	10.32
F&C Global Convertible Bond - Class P Acc Shares - Euro (Hedged)	Euro	10.42	9.97	N/A
F&C Global Convertible Bond - Class P Acc Shares - US\$	US\$	10.68	9.99	N/A
F&C Global Convertible Bond - Class R Shares - Euro	Euro	11.97	11.89	11.53
F&C Global Convertible Bond - Class R Acc Shares - Euro (Hedged)	Euro	10.42	9.97	N/A
F&C Global Convertible Bond - Class R Acc Shares - US\$	US\$	10.63	9.99	N/A
F&C Global Convertible Bond - Hong Kong Class A Shares - US\$	US\$	14.56	13.72	13.23
F&C Global Smaller Cap Equity - Class A Acc Shares - Euro	Euro	17.98	15.78	14.52
F&C Global Smaller Cap Equity - Class A Shares - US\$	US\$	13.11	11.04	10.21
F&C Global Smaller Cap Equity - Class A Acc Shares - US\$	US\$	16.33	13.62	12.44
F&C Global Smaller Cap Equity - Class I Acc Shares - GBP	GBP	19.08	16.31	12.68
F&C Global Smaller Cap Equity - Class I Shares - US\$	US\$	16.81	13.99	12.67
F&C Global Smaller Cap Equity - Class R Acc Shares - GBP	GBP	15.15	13.03	10.13
F&C Japanese Equity - Class A Shares - Euro	Euro	32.10	29.28	25.61
F&C Japanese Equity - Class I Shares - Euro	Euro	18.17	16.58	14.50
F&C Japanese Equity - Class I Shares - GBP	GBP	18.86	16.94	12.62

## F&C Portfolios Fund Comparative Table (continued)

### NET ASSET VALUE PER SHARE

Portfolio	Share Class Currency	30 September 2017	30 September 2016	30 September 2015
F&C Japanese Equity - Class X Shares - GBP *	GBP	N/A	13.97	10.90
F&C Plus Fund - Class I Shares - Euro	Euro	73.66	70.94	72.10
F&C Responsible Global Equity - Class A Shares - Euro	Euro	17.68	15.71	14.53
F&C Responsible Global Equity - Class A Shares - US\$	US\$	19.09	16.13	14.81
F&C Responsible Global Equity - Class I Shares - Euro	Euro	18.86	16.75	15.44
F&C Responsible Global Equity - Class I Shares - US\$	US\$	12.06	10.10	N/A
F&C Responsible Global Equity - Class P Acc Shares - Euro	Euro	11.33	10.03	N/A
F&C Responsible Global Equity - Class P Acc Shares - US\$	US\$	12.08	10.10	N/A
F&C Responsible Global Equity - Class R Shares - Euro	Euro	15.17	13.46	12.40
F&C Responsible Global Equity - Class R Acc Shares - Euro	Euro	11.41	10.04	N/A
F&C Responsible Global Equity - Class R Acc Shares - US\$	US\$	12.06	10.09	N/A
F&C Responsible Sharia Global Equity - Class A Shares - US\$	US\$	N/A	N/A	9.84
F&C Responsible Sharia Global Equity - Class X Shares - US\$	US\$	N/A	N/A	13.11
F&C US Smaller Companies - Class A Shares - US\$	US\$	183.08	162.74	144.41

\* Refer to Appendix I

Please note that any comparison to a benchmark within this Report is only drawn for indicative purposes or for calculation of a performance fee (where applicable). The investment objectives of the Portfolios are not to track or follow a specific benchmark.

# F&C Portfolios Fund

## BMO Global Absolute Return Bond

### Performance

Over the twelve months to 30 September 2017, the Class F Acc Shares - GBP Hedged returned +0.2%. Over the same period, the Libor GBP 1-month return was +0.3%. Performance is total return, net of fees and in sterling terms.

In the first part of the reporting period, we actively reduced the exposure to rising interest rates, most notably through US government bond markets. The Portfolio also benefited from the yield of the corporate bond holdings, although this was tempered by the decision to dampen overall risk.

During the 12 months as a whole, we actively managed both the interest rate risk and credit risk exposure of the portfolio. This helped the Portfolio to achieve a return profile characterised by a relatively low level of volatility versus a “traditional” bond allocation. We actively added to the core portfolio, maintaining a bias to lower-rated bonds in order to enhance the yield. Sector-wise, we held a tilt towards financials whilst also looking to harness new issue premia.

### Market Review

November 2016 proved to be a pivotal period for global bond markets. The unexpected victory of Donald Trump in the US presidential elections led to a reassessment of US Treasury valuations by the market, as his fiscal programme of tax cuts and infrastructure spending pointed to rising inflationary pressures. This led to an upward surge in US Treasury yields, which was replicated across global bond markets. Economic data confirmed US growth was indeed gaining traction, spurring the Federal Reserve to embark on a series of interest rate rises throughout the period under review. In Europe, while rate hikes were not yet on the agenda they moved a step closer as the European Central Bank President Mario Draghi referenced a broadening recovery. This was supported by strong and improving eurozone data, eliminating the need to reduce interest rates any further. In the UK, the Bank of England (“BoE”) highlighted concerns about the pace at which UK inflation was accelerating after it reached 2.9% in May 2017. In the final month of the review period, rhetoric from the BoE suggested a rate rise could come much sooner than markets had been anticipating.

### Portfolio positioning and outlook

The majority of the Portfolio is invested in global corporate bonds with relatively short terms to maturity. This helps to limit the volatility of the Portfolio whilst providing an income that is expected to be higher than that of cash. These holdings are supplemented by smaller investments in markets that we expect to add value, including government bonds, currency positions and other corporate bonds.

The Federal Reserve (Fed) has already started to tighten monetary policy. The conundrum they face is that inflation is not coming through as expected and hence they do not want to tighten too quickly for fear of stalling the recovery. However, if left too late, inflation could rise too quickly. If this were to happen, then an aggressive policy response could be required. The Fed is also looking to unwind their massive balance sheet; the timing and mechanics of how they will achieve this has been clearly communicated to the market. Therefore we do not expect any market shock when it actually starts. The European Central Bank is also considering tapering, and although they are clearly well behind the US, it is another potential tightening of monetary conditions. Looking at a third key central bank, the Bank of Japan, there is further potential for disruption. If the snap election, called in September 2017 by Prime Minister Abe, goes the same way as the UK general election, Abenomics could be under threat. Even with our constructive base case, for a manager looking to limit drawdowns we believe we should always be prudent and keep on challenging our current views.

### Keith Patton and Ian Robinson

Portfolio Managers

October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – BMO Global Absolute Return Bond

## Schedule of Investments as at 30 September 2017

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>						
<b>BONDS</b>						
<b>Australia</b>						
Commonwealth Bank of Australia, V/R	0.99%	26.10.2018	GBP	1,058,000	1,207,793	0.28
Macquarie Bank	3.50%	18.12.2020	GBP	2,266,000	2,742,054	0.64
National Australia Bank	0.88%	26.6.2020	GBP	1,740,000	1,959,457	0.46
National Australia Bank, V/R	1.89%	10.1.2020	USD	600,000	510,692	0.12
National Australia Bank, V/R	7.13%	12.6.2023	GBP	141,000	166,506	0.04
Optus Finance	3.50%	15.9.2020	EUR	2,588,000	2,843,490	0.66
QBE Insurance Group	3.00%	21.10.2022	USD	3,513,000	2,957,209	0.69
Scentre Group Trust 1, V/R	0.32%	16.7.2018	EUR	200,000	200,743	0.05
Westpac Banking, V/R	1.88%	19.8.2019	USD	700,000	595,770	0.14
					<b>13,183,714</b>	<b>3.08</b>
<b>Austria</b>						
Heta Asset Resolution	2.38%	13.12.2022	EUR	1,100,000	1,206,707	0.28
<b>Belgium</b>						
Anheuser-Busch InBev	2.25%	24.9.2020	EUR	1,450,000	1,548,369	0.36
Anheuser-Busch InBev, V/R	0.42%	17.3.2020	EUR	430,000	437,349	0.10
					<b>1,985,718</b>	<b>0.46</b>
<b>Bermuda</b>						
Digicel	6.00%	15.4.2021	USD	1,620,000	1,342,770	0.31
Fidelity International	7.13%	13.2.2024	GBP	470,000	668,609	0.16
					<b>2,011,379</b>	<b>0.47</b>
<b>Canada</b>						
1011778 BC ULC Via New Red Finance	4.25%	15.5.2024	USD	1,115,000	948,816	0.22
Bank of Nova Scotia, V/R	0.72%	30.9.2021	GBP	450,000	514,733	0.12
					<b>1,463,549</b>	<b>0.34</b>
<b>Cayman Islands</b>						
Asif II	6.38%	5.10.2020	GBP	300,000	390,605	0.09
CK Hutchison International 17	2.75%	29.3.2023	USD	3,545,000	2,985,141	0.70
CK Hutchison International 17	3.25%	29.9.2027	USD	1,266,000	1,064,759	0.25
Three Gorges Finance II Cayman Islands	1.70%	10.6.2022	EUR	1,915,000	1,996,705	0.46
					<b>6,437,210</b>	<b>1.50</b>
<b>China</b>						
China Development	0.13%	24.1.2020	EUR	923,000	920,468	0.21
Proven Glory Capital	3.25%	21.2.2022	USD	2,345,000	1,994,879	0.47
Rongshi International Finance	2.88%	4.5.2022	USD	1,056,000	895,935	0.21
					<b>3,811,282</b>	<b>0.89</b>
<b>Finland</b>						
Nokia	3.38%	12.6.2022	USD	2,300,000	1,967,414	0.46
<b>France</b>						
Air Liquide Finance, V/R	0.00%	13.6.2018	EUR	100,000	100,170	0.02
AXA, V/R	5.45%	29.11.2049	GBP	100,000	128,042	0.03
Banque Federative du Credit Mutuel	0.88%	8.6.2020	GBP	700,000	789,200	0.18
Banque Federative du Credit Mutuel	0.38%	13.1.2022	EUR	1,100,000	1,103,428	0.26
Banque Federative du Credit Mutuel, V/R	0.39%	20.3.2019	EUR	900,000	909,369	0.21
BNP Paribas	1.13%	16.8.2022	GBP	300,000	335,761	0.08
BPCE	2.75%	2.12.2021	USD	1,816,000	1,553,910	0.36
Capgemini	0.50%	9.11.2021	EUR	1,100,000	1,111,188	0.26
Carrefour Banque, V/R	0.19%	20.3.2020	EUR	150,000	150,990	0.04
Carrefour Banque, V/R	0.35%	20.4.2021	EUR	300,000	304,070	0.07
Casino Guichard Perrachon	5.98%	26.5.2021	EUR	1,700,000	1,999,482	0.47
Crown European Holdings	4.00%	15.7.2022	EUR	1,400,000	1,570,783	0.37
Danone, V/R	0.00%	3.11.2018	EUR	100,000	100,310	0.02
LVMH Moet Hennessy Louis Vuitton	1.00%	14.6.2022	GBP	1,350,000	1,514,752	0.35
RCI Banque, V/R	0.32%	12.4.2021	EUR	597,000	602,224	0.14
Rexel	3.25%	15.6.2022	EUR	1,700,000	1,758,318	0.41
Societe Generale	1.00%	1.4.2022	EUR	1,000,000	1,018,287	0.24
Societe Generale	5.00%	17.1.2024	USD	746,000	677,689	0.16
Tereos Finance Groupe I	4.13%	16.6.2023	EUR	1,500,000	1,575,450	0.37
					<b>17,303,423</b>	<b>4.04</b>
<b>Germany</b>						
Bayer	5.63%	23.5.2018	GBP	250,000	292,437	0.07
Continental	0.00%	5.2.2020	EUR	2,901,000	2,905,149	0.68
Daimler	1.00%	20.12.2019	GBP	1,807,000	2,043,749	0.48
Daimler	2.75%	4.12.2020	GBP	604,000	715,783	0.17
Deutsche Bank, V/R	2.63%	20.8.2020	USD	100,000	85,669	0.02
ProSiebenSat.1 Media	2.63%	15.4.2021	EUR	1,075,000	1,138,386	0.26
TUI	2.13%	26.10.2021	EUR	2,100,000	2,200,645	0.51
Unitymedia Hessen Via Unitymedia NRW	4.00%	15.1.2025	EUR	2,250,000	2,388,870	0.56
Volkswagen Leasing	1.38%	20.1.2025	EUR	1,358,000	1,357,614	0.32

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – BMO Global Absolute Return Bond

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
Volkswagen Leasing, V/R	0.12%	6.7.2021	EUR	2,200,000	2,202,178	0.51
					<b>15,330,480</b>	<b>3.58</b>
<b>Guernsey</b>						
Credit Suisse Group Funding Guernsey	3.00%	27.5.2022	GBP	1,150,000	1,372,747	0.32
<b>India</b>						
NTPC	2.75%	1.2.2027	EUR	633,000	659,630	0.15
State Bank of India	3.25%	24.1.2022	USD	2,444,000	2,090,915	0.49
					<b>2,750,545</b>	<b>0.64</b>
<b>Ireland</b>						
Bank of Ireland Group, V/R	3.13%	19.9.2027	GBP	862,000	966,045	0.23
eircom Finance DAC	4.50%	31.5.2022	EUR	1,850,000	1,928,157	0.45
Fresenius Finance Ireland	0.88%	31.1.2022	EUR	2,831,000	2,872,197	0.67
GE Capital UK Funding Unlimited, V/R	0.72%	16.1.2018	GBP	1,175,000	1,334,683	0.31
Irish Government Bond	5.50%	18.10.2017	EUR	5,000,000	5,011,920	1.17
Smurfit Kappa Acquisitions	4.13%	30.1.2020	EUR	1,820,000	1,984,937	0.46
					<b>14,097,939</b>	<b>3.29</b>
<b>Italy</b>						
Italy Buoni Poliennali Del Tesoro	0.75%	15.1.2018	EUR	4,000,000	4,013,560	0.94
Luxtistica Group	3.63%	19.3.2019	EUR	2,700,000	2,847,647	0.66
Schumann	7.00%	31.7.2023	EUR	1,050,000	1,055,324	0.25
Snaitech	6.38%	7.11.2021	EUR	1,100,000	1,181,877	0.27
Telecom Italia	5.88%	19.5.2023	GBP	1,650,000	2,188,854	0.51
					<b>11,287,262</b>	<b>2.63</b>
<b>Japan</b>						
SoftBank Group	5.25%	30.7.2027	EUR	1,515,000	1,714,598	0.40
<b>Jersey</b>						
Aa Bond	4.25%	31.7.2020	GBP	850,000	1,021,753	0.24
AA Bond	2.88%	31.1.2022	GBP	1,651,000	1,894,900	0.44
Asif III Jersey	5.00%	18.12.2018	GBP	60,000	71,379	0.02
CPUK Finance	2.67%	28.2.2020	GBP	2,380,000	2,775,180	0.65
Glencore Finance Europe	6.00%	3.4.2022	GBP	1,663,000	2,192,241	0.51
					<b>7,955,453</b>	<b>1.86</b>
<b>Kuwait</b>						
Kuwait International Government Bond	2.75%	20.3.2022	USD	1,278,000	1,094,727	0.26
<b>Luxembourg</b>						
Allergan Funding, V/R	2.39%	12.3.2018	USD	475,000	403,151	0.09
Allergan Funding, V/R	0.02%	1.6.2019	EUR	1,812,000	1,814,213	0.42
Fiat Chrysler Finance Europe	6.75%	14.10.2019	EUR	150,000	168,807	0.04
Fiat Chrysler Finance Europe	4.75%	15.7.2022	EUR	1,115,000	1,275,969	0.30
Gestamp Funding Luxembourg	3.50%	15.5.2023	EUR	1,165,000	1,222,522	0.29
Industrial & Commercial Bank of China, V/R	2.10%	12.10.2020	USD	3,414,000	2,890,148	0.67
INEOS Group Holdings	5.38%	1.8.2024	EUR	1,150,000	1,233,950	0.29
Intralot Capital Luxembourg	5.25%	15.9.2024	EUR	832,000	841,855	0.20
Wind Acquisition Finance	4.00%	15.7.2020	EUR	1,815,000	1,835,328	0.43
					<b>11,685,943</b>	<b>2.73</b>
<b>Mexico</b>						
America Movil - Series C, V/R	6.38%	6.9.2073	GBP	200,000	250,070	0.06
<b>Netherlands</b>						
ABN AMRO Bank	1.00%	30.6.2020	GBP	600,000	686,686	0.16
ABN AMRO Bank, V/R	0.78%	30.11.2018	GBP	1,400,000	1,594,435	0.37
ABN AMRO Bank, V/R	1.94%	18.1.2019	USD	688,000	584,852	0.14
Bank Nederlandse Gemeenten	1.00%	15.3.2022	GBP	2,535,000	2,864,730	0.67
Bharti Airtel International Netherlands	4.00%	10.12.2018	EUR	2,845,000	2,972,854	0.69
BMW Finance	0.13%	3.7.2020	EUR	2,972,000	2,983,005	0.70
Cooperatieve Rabobank, V/R	1.82%	9.8.2019	USD	900,000	766,720	0.18
Cooperatieve Rabobank, V/R	2.13%	10.1.2022	USD	1,087,000	929,993	0.22
Delhaize Le Lion Via De Leeuw	3.13%	27.2.2020	EUR	2,600,000	2,794,288	0.65
EDP Finance	5.25%	14.1.2021	USD	1,540,000	1,409,086	0.33
EDP Finance	1.13%	12.2.2024	EUR	200,000	201,058	0.05
Enel Finance International	2.88%	25.5.2022	USD	1,500,000	1,278,423	0.30
Ferrari	1.50%	16.3.2023	EUR	2,150,000	2,189,066	0.51
Goodyear Dunlop Tires Europe	3.75%	15.12.2023	EUR	2,065,000	2,171,502	0.51
ING Bank, V/R	0.68%	27.11.2017	GBP	100,000	113,539	0.03
ING Bank, V/R	1.93%	15.8.2019	USD	250,000	212,646	0.05
ING Bank, V/R	6.88%	29.5.2023	GBP	368,000	432,611	0.10
ING Groep	0.75%	9.3.2022	EUR	2,100,000	2,119,749	0.49
Innogy Finance	6.50%	20.4.2021	GBP	300,000	399,370	0.09
IPD 3	4.50%	15.7.2022	EUR	470,000	484,840	0.11
JAB Holdings	1.50%	24.11.2021	EUR	2,600,000	2,731,591	0.64
Linde Finance	1.75%	11.6.2019	EUR	2,750,000	2,843,508	0.66
Mylan, V/R	0.54%	22.11.2018	EUR	329,000	330,832	0.08
Neder Waterschapsbank	1.00%	9.12.2019	GBP	2,359,000	2,691,822	0.63

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – BMO Global Absolute Return Bond

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
NN Group	0.25%	1.6.2020	EUR	500,000	502,876	0.12
NN Group, V/R	4.63%	13.1.2048	EUR	392,000	438,046	0.10
OI European Group	4.88%	31.3.2021	EUR	1,000,000	1,138,750	0.26
RELX Finance	0.38%	22.3.2021	EUR	1,058,000	1,062,606	0.25
Saipem Finance International	2.75%	5.4.2022	EUR	1,780,000	1,830,550	0.43
Schaeffler Finance	3.25%	15.5.2025	EUR	2,805,000	3,016,623	0.70
Volkswagen International Finance, V/R	0.02%	30.3.2019	EUR	800,000	801,300	0.19
Volkswagen International Finance, V/R	3.88%	31.12.2099	EUR	800,000	795,160	0.18
Vonovia Finance, V/R	0.62%	15.12.2017	EUR	400,000	400,657	0.09
					<b>45,773,774</b>	<b>10.68</b>
<b>New Zealand</b>						
Chorus	6.75%	6.4.2020	GBP	700,000	895,629	0.21
Westpac Securities, V/R	0.76%	3.10.2017	GBP	300,000	340,463	0.08
					<b>1,236,092</b>	<b>0.29</b>
<b>Nigeria</b>						
Africa Finance	3.88%	13.4.2024	USD	1,190,000	1,016,664	0.24
<b>Norway</b>						
Nassa Topco	2.88%	6.4.2024	EUR	330,000	333,416	0.08
<b>Panama</b>						
Carnival	1.63%	22.2.2021	EUR	2,700,000	2,829,757	0.66
<b>Saudi Arabia</b>						
Saudi Government International Bond	2.38%	26.10.2021	USD	1,874,000	1,563,876	0.36
Saudi Government International Bond	2.88%	4.3.2023	USD	1,892,000	1,597,206	0.37
Saudi Government International Bond	3.63%	4.3.2028	USD	1,814,000	1,531,360	0.36
					<b>4,692,442</b>	<b>1.09</b>
<b>Spain</b>						
Banco Bilbao Vizcaya Argentaria	0.75%	11.9.2022	EUR	1,300,000	1,294,710	0.30
Banco Santander	1.38%	9.2.2022	EUR	800,000	823,978	0.19
Banco Santander, V/R	6.25%	12.3.2049	EUR	1,000,000	1,031,875	0.24
FCC Aqualia	1.41%	8.6.2022	EUR	2,296,000	2,330,008	0.54
FCC Aqualia	2.63%	8.6.2027	EUR	1,305,000	1,316,664	0.31
Institut de Credito Oficial	1.88%	15.12.2017	GBP	401,000	455,973	0.11
Santander Consumer Finance	0.75%	3.4.2019	EUR	2,400,000	2,429,378	0.57
Santander Consumer Finance	0.88%	24.1.2022	EUR	500,000	506,220	0.12
Santander Issuances	2.50%	18.3.2025	EUR	500,000	516,976	0.12
Spain Government Bond	0.50%	31.10.2017	EUR	5,500,000	5,503,921	1.28
					<b>16,209,703</b>	<b>3.78</b>
<b>Sweden</b>						
Nordea Bank, V/R	2.16%	17.9.2018	USD	300,000	255,531	0.06
Skandinaviska Enskilda Banken	1.88%	14.11.2019	EUR	2,030,000	2,119,239	0.50
Svenska Handelsbanken, V/R	1.81%	6.9.2019	USD	575,000	488,808	0.11
Volvo Car	3.25%	18.5.2021	EUR	1,315,000	1,427,663	0.33
					<b>4,291,241</b>	<b>1.00</b>
<b>Switzerland</b>						
Credit Suisse New York	4.38%	5.8.2020	USD	1,404,000	1,260,159	0.29
UBS Group Funding	3.49%	23.5.2023	USD	1,484,000	1,286,600	0.30
UBS Group Funding, V/R	2.77%	24.9.2020	USD	200,000	172,674	0.04
UBS, V/R	4.75%	22.5.2023	USD	950,000	815,912	0.19
					<b>3,535,345</b>	<b>0.82</b>
<b>Tunisia</b>						
Banque Centrale de Tunisie International Bond	5.63%	17.2.2024	EUR	940,000	972,579	0.23
<b>Turkey</b>						
Coca-Cola Icecek	4.22%	19.9.2024	USD	465,000	399,235	0.09
Yapi ve Kredi Bankasi	5.75%	24.2.2022	USD	984,000	854,441	0.20
					<b>1,253,676</b>	<b>0.29</b>
<b>United Kingdom</b>						
Admiral Group	5.50%	25.7.2024	GBP	292,000	369,892	0.09
Anglian Water Osprey Financing	7.00%	31.1.2018	GBP	550,000	636,587	0.15
Anglo American Capital	3.63%	11.9.2024	USD	468,000	395,365	0.09
Anglo American Capital	1.63%	18.9.2025	EUR	237,000	235,928	0.06
Arqiva Financing	4.04%	30.6.2020	GBP	2,370,000	2,844,376	0.66
Aviva	0.10%	13.12.2018	EUR	1,540,000	1,542,986	0.36
Aviva, V/R	4.38%	12.9.2049	GBP	106,000	123,862	0.03
Barclays	3.20%	10.8.2021	USD	250,000	214,795	0.05
Barclays	1.88%	8.12.2023	EUR	460,000	481,604	0.11
Barclays	3.13%	17.1.2024	GBP	1,082,000	1,273,114	0.30
Barclays, V/R	7.25%	31.12.2099	GBP	405,000	495,602	0.12
BAT International Finance	1.75%	5.7.2021	GBP	1,000,000	1,146,152	0.27
British Telecommunications	1.13%	10.6.2019	EUR	1,820,000	1,857,068	0.43
British Telecommunications	8.63%	26.3.2020	GBP	550,000	737,726	0.17
British Telecommunications	0.50%	23.6.2022	EUR	600,000	599,336	0.14
Close Brothers Group	4.25%	24.1.2027	GBP	561,000	678,472	0.16

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – BMO Global Absolute Return Bond

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
Compass Group	3.13%	13.2.2019	EUR	2,700,000	2,821,141	0.66
Coventry Building Society	1.00%	5.5.2020	GBP	439,000	495,584	0.12
Coventry Building Society	2.50%	18.11.2020	EUR	1,800,000	1,928,513	0.45
CYBG, V/R	3.13%	22.6.2025	GBP	582,000	660,894	0.15
Drax Finco	4.25%	1.5.2022	GBP	865,000	1,023,619	0.24
EI Group	6.38%	15.2.2022	GBP	400,000	492,040	0.11
Experian Finance	4.75%	23.11.2018	GBP	880,000	1,041,140	0.24
Experian Finance	4.75%	4.2.2020	EUR	1,623,000	1,802,806	0.42
FCE Bank, V/R	0.17%	26.8.2020	EUR	200,000	200,995	0.05
Firstgroup	8.13%	19.9.2018	GBP	200,000	241,979	0.06
GKN Holdings	6.75%	28.10.2019	GBP	1,952,000	2,462,572	0.57
GKN Holdings	5.38%	19.9.2022	GBP	100,000	131,610	0.03
GlaxoSmithKline Capital	0.00%	12.9.2020	EUR	1,354,000	1,354,636	0.32
Grainger	5.00%	16.12.2020	GBP	1,500,000	1,864,369	0.43
Great Rolling Stock	6.25%	27.7.2020	GBP	1,982,000	2,536,507	0.59
HBOS	6.75%	21.5.2018	USD	1,153,000	1,004,462	0.23
HSBC Holdings	3.40%	8.3.2021	USD	1,960,000	1,710,374	0.40
HSBC Holdings, V/R	0.37%	27.9.2022	EUR	800,000	811,962	0.19
Imperial Brands Finance	2.95%	21.7.2020	USD	2,380,000	2,045,121	0.48
InterContinental Hotels Group	3.88%	28.11.2022	GBP	1,800,000	2,237,494	0.52
International Game Technology	4.75%	15.2.2023	EUR	1,250,000	1,396,406	0.33
Investec	4.50%	5.5.2022	GBP	500,000	608,367	0.14
Investec	4.50%	5.5.2022	GBP	838,000	1,014,631	0.24
Investec Bank	9.63%	17.2.2022	GBP	550,000	788,197	0.18
ITV	2.13%	21.9.2022	EUR	1,675,000	1,756,539	0.41
ITV	2.00%	1.12.2023	EUR	243,000	250,913	0.06
Jaguar Land Rover Automotive	2.75%	24.1.2021	GBP	466,000	538,900	0.13
Jaguar Land Rover Automotive	5.63%	1.2.2023	USD	850,000	749,556	0.17
Jaguar Land Rover Automotive	2.20%	15.1.2024	EUR	550,000	556,036	0.13
John Lewis	8.38%	8.4.2019	GBP	1,000,000	1,249,223	0.29
Just Group	9.00%	26.10.2026	GBP	1,178,000	1,691,192	0.39
Kelda Finance No 3	5.75%	17.2.2020	GBP	514,000	635,411	0.15
Leeds Building Society	2.63%	1.4.2021	EUR	1,075,000	1,153,989	0.27
Leeds Building Society	1.38%	5.5.2022	EUR	1,200,000	1,237,834	0.29
Legal & General Group, V/R	5.25%	21.3.2047	USD	817,000	733,338	0.17
Lloyds Bank	6.75%	24.10.2018	GBP	108,000	130,131	0.03
Lloyds Banking Group	0.75%	9.11.2021	EUR	675,000	686,324	0.16
Lloyds Banking Group	3.75%	11.1.2027	USD	485,000	418,221	0.10
Marks & Spencer	6.13%	6.12.2021	GBP	1,400,000	1,848,140	0.43
Marks & Spencer	3.00%	8.12.2023	GBP	355,000	411,893	0.10
Melton Renewable Energy UK	6.75%	1.2.2020	GBP	200,000	232,650	0.05
Merlin Entertainments	2.75%	15.3.2022	EUR	2,000,000	2,107,500	0.49
Miller Homes Group Holdings	5.50%	15.10.2024	GBP	749,000	878,579	0.21
Motability Operations	3.25%	30.11.2018	EUR	2,180,000	2,267,418	0.53
National Express Group	2.50%	11.11.2023	GBP	318,000	364,284	0.09
Nationwide Building Society	5.63%	9.9.2019	GBP	2,030,000	2,508,910	0.59
Nationwide Building Society, V/R	0.77%	25.4.2019	GBP	150,000	171,324	0.04
Nationwide Building Society, V/R	0.63%	6.6.2019	GBP	350,000	397,691	0.09
Pension Insurance	6.50%	3.7.2024	GBP	1,400,000	1,739,295	0.41
Provident Financial	8.00%	23.10.2019	GBP	1,350,000	1,447,766	0.34
Prudential	1.38%	19.1.2018	GBP	581,000	661,294	0.15
Prudential	1.75%	27.11.2018	GBP	400,000	458,605	0.11
RAC Bond	5.00%	6.11.2022	GBP	880,000	998,002	0.23
RAC Bond	4.57%	6.5.2023	GBP	800,000	985,508	0.23
Royal Bank of Scotland	6.63%	17.9.2018	GBP	100,000	119,467	0.03
Royal Bank of Scotland	9.38%	15.5.2021	GBP	250,000	359,094	0.08
Royal Bank of Scotland	3.88%	12.9.2023	USD	500,000	433,360	0.10
Royal Bank of Scotland Group	2.50%	22.3.2023	EUR	360,000	386,488	0.09
Royal Bank of Scotland, V/R	0.10%	8.6.2020	EUR	1,000,000	1,005,167	0.23
Santander UK Group Holdings	3.13%	8.1.2021	USD	2,250,000	1,939,308	0.45
Santander UK Group Holdings	3.63%	14.1.2026	GBP	250,000	303,398	0.07
Santander UK Group Holdings, V/R	6.75%	31.12.2099	GBP	646,000	800,028	0.19
Severn Trent Utilities Finance	1.13%	7.9.2021	GBP	993,000	1,119,502	0.26
Skipton Building Society	1.75%	30.6.2022	GBP	871,000	980,198	0.23
Sky	1.50%	15.9.2021	EUR	2,750,000	2,859,841	0.67
Standard Chartered, V/R	2.45%	19.8.2019	USD	250,000	213,994	0.05
Tesco	3.38%	2.11.2018	EUR	1,900,000	1,969,002	0.46
Unique Pub Finance - Series A3	6.54%	30.3.2021	GBP	55,960	69,049	0.02
United Kingdom Gilt	5.00%	7.3.2018	GBP	3,500,000	4,053,069	0.95
United Kingdom Gilt	1.50%	22.1.2021	GBP	3,350,000	3,915,061	0.91
Virgin Media Secured Finance	5.13%	15.1.2025	GBP	980,000	1,171,263	0.27
Virgin Money	2.25%	21.4.2020	GBP	2,350,000	2,718,031	0.63
Vodafone Group	0.38%	22.11.2021	EUR	2,563,000	2,568,664	0.60
WPP Finance 2013, V/R	0.00%	18.5.2020	EUR	820,000	822,386	0.19
Yorkshire Building Society	2.13%	18.3.2019	EUR	2,590,000	2,673,926	0.62
Yorkshire Building Society V/R	3.38%	13.9.2028	GBP	520,000	575,565	0.13
					<b>104,630,611</b>	<b>24.41</b>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – BMO Global Absolute Return Bond

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>United States</b>						
Abbott Laboratories	2.35%	22.11.2019	USD	1,325,000	1,130,507	0.26
AbbVie	0.38%	18.11.2019	EUR	2,987,000	3,009,080	0.70
Alliance Data Systems	4.50%	15.3.2022	EUR	1,805,000	1,880,639	0.44
Amazon.com	2.40%	22.2.2023	USD	918,000	775,593	0.18
American Express Credit, V/R	1.64%	3.5.2019	USD	3,209,000	2,721,898	0.63
American International Group	6.77%	15.11.2017	GBP	179,000	204,624	0.05
Amgen, V/R	1.63%	10.5.2019	USD	3,369,000	2,859,744	0.67
Apple, V/R	1.61%	6.5.2020	USD	350,000	297,840	0.07
Apple, V/R	1.81%	9.2.2022	USD	1,700,000	1,458,642	0.34
Archer-Daniels-Midland, V/R	0.17%	24.6.2019	EUR	300,000	301,861	0.07
AT&T	3.83%	25.11.2020	CAD	3,080,000	2,157,703	0.50
AT&T, V/R	2.20%	14.2.2023	USD	2,428,000	2,050,772	0.48
Bank of America	7.75%	30.4.2018	GBP	500,000	589,910	0.14
Bank of America	2.15%	9.11.2020	USD	1,470,000	1,240,507	0.29
Bank of America, V/R	0.17%	26.7.2019	EUR	250,000	251,821	0.06
Bank of America, V/R	0.45%	4.5.2023	EUR	1,500,000	1,516,852	0.35
BAT Capital, V/R	2.20%	15.8.2022	USD	2,628,000	2,231,749	0.52
Cargill	1.88%	4.9.2019	EUR	2,491,000	2,583,341	0.60
Celgene	3.95%	15.10.2020	USD	2,577,000	2,298,597	0.54
Cisco Systems, V/R	1.63%	15.6.2018	USD	100,000	84,785	0.02
Cisco Systems, V/R	1.67%	20.9.2019	USD	400,000	340,445	0.08
Citigroup	3.39%	18.11.2021	CAD	3,500,000	2,432,358	0.57
Citigroup, V/R	2.75%	1.9.2023	USD	306,000	265,642	0.06
Coca-Cola	0.00%	9.3.2021	EUR	1,886,000	1,884,284	0.44
Dell International Via EMC	3.48%	1.6.2019	USD	3,000,000	2,589,077	0.60
Discovery Communications	2.38%	7.3.2022	EUR	1,325,000	1,408,726	0.33
Discovery Communications	2.95%	20.3.2023	USD	1,179,000	1,001,166	0.23
Discovery Communications	2.50%	20.9.2024	GBP	1,025,000	1,137,497	0.27
Dollar Tree	5.75%	1.3.2023	USD	1,250,000	1,120,792	0.26
Dynegy	6.75%	1.11.2019	USD	1,002,000	879,357	0.21
Energy Transfer	5.20%	1.2.2022	USD	2,037,000	1,869,268	0.44
Expedia	2.50%	3.6.2022	EUR	1,904,000	2,027,562	0.47
Fidelity National Information Services	0.40%	15.1.2021	EUR	281,000	281,353	0.07
Fidelity National Information Services	1.70%	30.6.2022	GBP	355,000	401,012	0.09
Ford Motor	4.35%	8.12.2026	USD	315,000	277,510	0.06
Ford Motor Credit	1.90%	12.8.2019	USD	1,550,000	1,305,302	0.30
Ford Motor Credit, V/R	2.39%	3.8.2022	USD	1,975,000	1,670,920	0.39
General Electric	5.50%	7.6.2021	GBP	500,000	654,444	0.15
General Electric	0.38%	17.5.2022	EUR	487,000	488,612	0.11
General Motors Financial	3.20%	6.7.2021	USD	2,625,000	2,261,419	0.53
General Motors Financial, V/R	2.57%	4.10.2019	USD	200,000	171,821	0.04
General Motors Financial, V/R	0.35%	10.5.2021	EUR	200,000	201,488	0.05
General Motors, V/R	2.11%	7.8.2020	USD	650,000	550,546	0.13
Glencore Funding	4.00%	27.3.2027	USD	1,305,000	1,112,688	0.26
GLP Capital Via GLP Financing II	4.38%	15.4.2021	USD	1,000,000	881,831	0.21
Goldman Sachs Group, V/R	0.13%	31.12.2018	EUR	500,000	502,082	0.12
Goldman Sachs Group, V/R	2.47%	23.4.2020	USD	200,000	171,969	0.04
Goldman Sachs Group, V/R	0.67%	27.7.2021	EUR	751,000	769,112	0.18
Goldman Sachs Group, V/R	2.49%	15.11.2021	USD	850,000	729,191	0.17
Goldman Sachs Group, V/R	0.30%	9.9.2022	EUR	702,000	705,478	0.16
HCA	4.25%	15.10.2019	USD	1,500,000	1,316,402	0.31
JC Penney	5.65%	1.6.2020	USD	1,790,000	1,493,308	0.35
JPMorgan Chase & Co, V/R	2.30%	15.1.2023	USD	900,000	768,962	0.18
Kinder Morgan Energy Partners	3.95%	1.9.2022	USD	2,380,000	2,092,319	0.49
Kraft Heinz Foods, V/R	1.88%	10.2.2021	USD	3,600,000	3,049,392	0.71
Kroger	1.50%	30.9.2019	USD	669,000	559,566	0.13
McKesson	0.63%	17.8.2021	EUR	2,943,000	2,964,384	0.69
Metropolitan Life Global Funding I	1.13%	15.12.2021	GBP	2,486,000	2,797,332	0.65
Microsoft	1.55%	8.8.2021	USD	1,176,000	977,735	0.23
Microsoft	2.40%	6.2.2022	USD	1,750,000	1,497,336	0.35
Mondelez International	1.00%	7.3.2022	EUR	1,400,000	1,434,248	0.33
Mondelez International	1.00%	7.3.2022	EUR	200,000	204,893	0.05
Morgan Stanley	2.45%	1.2.2019	USD	1,610,000	1,371,822	0.32
Morgan Stanley, V/R	2.69%	1.2.2019	USD	350,000	300,333	0.07
Morgan Stanley, V/R	0.37%	8.11.2022	EUR	857,000	866,693	0.20
New York Life Global Funding	1.00%	15.12.2021	GBP	1,942,000	2,190,419	0.51
Pfizer	0.00%	6.3.2020	EUR	1,767,000	1,770,168	0.41
Philip Morris International	2.13%	30.5.2019	EUR	1,100,000	1,140,820	0.27
Philip Morris International	1.75%	19.3.2020	EUR	1,400,000	1,459,683	0.34
Philip Morris International	2.38%	17.8.2022	USD	258,000	217,361	0.05
Priceline Group	0.80%	10.3.2022	EUR	388,000	392,381	0.09
Priceline Group	2.15%	25.11.2022	EUR	2,125,000	2,278,926	0.53
Priceline Group	2.75%	15.3.2023	USD	149,000	126,066	0.03
Priceline Group	3.55%	15.3.2028	USD	493,000	418,621	0.10
Tenet Healthcare	4.63%	15.7.2024	USD	1,354,000	1,137,832	0.27
Thermo Fisher Scientific, V/R	0.00%	24.7.2019	EUR	600,000	601,761	0.14
Verizon Communications	0.50%	2.6.2022	EUR	2,563,000	2,556,185	0.60
Verizon Communications, V/R	2.32%	16.3.2022	USD	250,000	214,668	0.05

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

## F&C Portfolios Fund – BMO Global Absolute Return Bond Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
Wells Fargo & Co, V/R	2.19%	22.7.2020	USD	200,000	171,788	0.04
Wells Fargo & Co, V/R	2.42%	24.1.2023	USD	1,072,000	922,994	0.22
ZF North America Capital	2.75%	27.4.2023	EUR	1,500,000	1,620,150	0.38
					<b>98,653,965</b>	<b>23.02</b>
<b>TOTAL BONDS</b>					<b>402,339,425</b>	<b>93.88</b>
<b>COLLATERIZED MORTGAGE OBLIGATIONS</b>						
<b>United Kingdom</b>						
Equity Release Funding No 4, V/R	1.34%	30.7.2039	GBP	75,000	75,734	0.02
<b>TOTAL COLLATERIZED MORTGAGE OBLIGATIONS</b>					<b>75,734</b>	<b>0.02</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>					<b>402,415,159</b>	<b>93.90</b>
<b>TOTAL INVESTMENTS</b>					<b>402,415,159</b>	<b>93.90</b>
<b>OTHER ASSETS / (LIABILITIES)</b>					<b>26,147,102</b>	<b>6.10</b>
<b>TOTAL NET ASSETS</b>					<b>428,562,261</b>	<b>100.00</b>

# F&C Portfolios Fund – BMO Global Absolute Return Bond

## Schedule of Investments as at 30 September 2017 (continued)

### DERIVATIVES

#### FORWARD FOREIGN EXCHANGE CONTRACTS

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in EUR
<b>Unrealised Gain on Forward Foreign Exchange Contracts</b>					
EUR	4,703,532	CAD	(6,854,655)	31.10.2017	73,322
EUR	12,690	CAD	(18,656)	31.10.2017	88
EUR	13,370	CAD	(19,643)	31.10.2017	102
EUR	53,416,362	GBP	(46,800,479)	31.10.2017	334,063
EUR	1,049,404	GBP	(919,431)	31.10.2017	6,563
EUR	1,049,255	GBP	(919,431)	31.10.2017	6,413
EUR	53,408,742	GBP	(46,800,479)	31.10.2017	326,443
EUR	5,999,390	HUF	(1,837,670,000)	15.11.2017	86,712
EUR	46,775,448	USD	(55,082,300)	31.10.2017	251,738
EUR	46,771,635	USD	(55,082,300)	31.10.2017	247,925
EUR	4,117,567	USD	(4,858,972)	31.10.2017	13,573
EUR	45,641	USD	(53,978)	31.10.2017	50
GBP	2,329,528	EUR	(2,638,078)	31.10.2017	4,133
GBP	2,820,197	SEK	(28,920,000)	15.11.2017	200,255
GBP	2,702,750	SEK	(28,920,000)	15.11.2017	67,094
NOK	62,110,000	CAD	(9,602,808)	15.11.2017	109,016
NZD	3,430,000	USD	(2,448,845)	15.11.2017	24,115
PHP	203,470,000	USD	(3,971,231)	11.12.2017	16,266
TRY	19,500,000	USD	(5,386,539)	15.11.2017	23,705
USD	2,451,868	AUD	(3,120,000)	15.11.2017	3,981
USD	2,396,534	AUD	(2,960,000)	15.11.2017	63,195
USD	4,878,863	CNH	(31,683,333)	15.11.2017	102,179
USD	2,425,463	CNH	(15,841,666)	15.11.2017	39,301
USD	3,615,765	INR	(233,940,000)	11.12.2017	52,755
USD	6,860,901	JPY	(747,690,000)	15.11.2017	173,135
USD	3,904,206	KRW	(4,405,350,000)	11.12.2017	45,608
USD	4,910,414	NZD	(6,740,000)	15.11.2017	35,657
USD	2,786,112	TRY	(9,750,000)	15.11.2017	66,503
USD	2,748,590	TRY	(9,750,000)	15.11.2017	34,836
USD	1,641,794	TWD	(49,186,500)	31.10.2017	14,843
<b>Total Unrealised Gain on Forward Foreign Exchange Contracts</b>					<b>2,423,569</b>
<b>Unrealised Loss on Forward Foreign Exchange Contracts</b>					
CAD	4,833,237	NOK	(31,055,000)	15.11.2017	(33,020)
CAD	5,245,000	USD	(4,301,063)	15.11.2017	(89,486)
CAD	5,245,000	USD	(4,321,845)	15.11.2017	(107,026)
GBP	19,526,432	EUR	(22,265,158)	31.10.2017	(117,780)
GBP	1,487,480	EUR	(1,696,109)	31.10.2017	(8,972)
GBP	26,161,064	EUR	(29,805,434)	31.10.2017	(132,887)
GBP	326,987,896	EUR	(372,538,982)	31.10.2017	(1,660,955)
HUF	1,837,670,000	EUR	(6,033,654)	15.11.2017	(120,976)
IDR	61,636,960,000	USD	(4,629,137)	11.12.2017	(67,699)
INR	469,430,000	USD	(7,279,113)	11.12.2017	(125,769)
JPY	747,690,000	USD	(6,883,792)	15.11.2017	(192,455)
NZD	3,310,000	USD	(2,416,121)	15.11.2017	(21,416)
SEK	49,860,000	EUR	(5,217,580)	15.11.2017	(50,074)
SEK	28,290,000	EUR	(2,967,407)	15.11.2017	(35,423)
SEK	19,230,000	EUR	(2,016,834)	15.11.2017	(23,832)
SEK	57,840,000	GBP	(5,509,149)	15.11.2017	(251,703)
TWD	49,186,500	USD	(1,650,000)	31.10.2017	(21,775)
USD	8,307,569	CAD	(10,490,000)	15.11.2017	(69,622)
USD	226	EUR	(192)	31.10.2017	(1)
USD	9,726	EUR	(8,261)	31.10.2017	(46)
USD	468,820	EUR	(398,118)	31.10.2017	(2,143)
USD	468,820	EUR	(398,085)	31.10.2017	(2,110)
USD	186,012	EUR	(157,629)	31.10.2017	(520)
USD	4,543,823	IDR	(61,636,960,000)	11.12.2017	(4,197)
USD	3,571,277	INR	(235,490,000)	11.12.2017	(4,576)
<b>Total Unrealised Loss on Forward Foreign Exchange Contracts</b>					<b>(3,144,463)</b>

#### FUTURES CONTRACTS

Description	Currency	Number of Contracts	Maturity Date	Commitment in EUR	Unrealised Gain/(Loss) in EUR
<b>Unrealised Gain on Futures Contracts</b>					
Canadian Government Bond 10YR	CAD	109	18.12.2017	9,974,653	15,557

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – BMO Global Absolute Return Bond

## Schedule of Investments as at 30 September 2017 (continued)

Description	Currency	Number of Contracts	Maturity Date	Commitment in EUR	Unrealised Gain/(Loss) in EUR
EURO-OAT Future	EUR	(414)	7.12.2017	(64,227,960)	307,227
German Federal Republic Bond 10YR	EUR	(153)	7.12.2017	(24,634,530)	250,376
German Federal Republic Bond 10YR	EUR	57	7.12.2017	9,177,570	24,240
German Federal Republic Bond 30YR	EUR	(91)	7.12.2017	(14,856,660)	307,535
German Federal Republic Bond 5YR	EUR	(358)	7.12.2017	(46,962,440)	182,580
UK Long Gilt Future	GBP	(114)	27.12.2017	(16,027,083)	1,021
US Treasury Note 2YR	USD	(112)	29.12.2017	(20,435,428)	60,168
US Treasury Note 5YR	USD	(831)	29.12.2017	(82,593,936)	498,890
US Treasury Ultra 10YR	USD	(112)	19.12.2017	(12,726,068)	50,681
<b>Total Unrealised Gain on Futures Contracts</b>				<b>(263,311,882)</b>	<b>1,698,275</b>

### Unrealised Loss on Futures Contracts

EURO-BTP Future	EUR	69	7.12.2017	9,312,240	(7,628)
German Federal Republic Bond 2YR	EUR	(593)	7.12.2017	(66,493,090)	(56,335)
German Federal Republic Bond 5YR	EUR	131	7.12.2017	17,184,580	(62,880)
Ultra US Treasury Bond Future	USD	113	19.12.2017	15,783,399	(346,681)
US Treasury Note 10YR	USD	261	19.12.2017	27,665,860	(407,406)
US Treasury Note 2YR	USD	355	29.12.2017	64,773,008	(65,054)
<b>Total Unrealised Loss on Futures Contracts</b>				<b>68,225,997</b>	<b>(945,984)</b>

### OPTION CONTRACTS

Currency	Quantity	Description	Maturity Date	Market Value in EUR	Unrealised Gain/(Loss) in EUR
<b>Purchased Options</b>					
EUR	7,400,000	Put EUR / Call JPY, Strike Price 129.5	2.11.2017	31,087	(77,027)
USD	6,300,000	Call USD / Put TWD, Strike Price 30.1	27.10.2017	62,345	(12,231)
USD	112,000	Put US Treasury Note 10YR Future Option, Strike Price 126.5	24.11.2017	145,069	73,333
<b>Total Purchased Options</b>				<b>238,501</b>	<b>(15,925)</b>
<b>Written Options</b>					
EUR	(7,400,000)	Put EUR / Call JPY, Strike Price 123.5	2.11.2017	(3,448)	25,634
USD	(6,300,000)	Call USD / Put TWD, Strike Price 32	27.10.2017	(75)	15,564
<b>Total Written Options</b>				<b>(3,523)</b>	<b>41,198</b>
<b>Unrealised Gain on Future Style Options</b>					
EUR	(15,700,000)	EURO-BUND Future (OGBL), Strike Price 159	27.10.2017	6,280	6,280
EUR	(31,300,000)	EURO-BUND Future (OGBL), Strike Price 160	27.10.2017	9,390	9,390
EUR	31,300,000	EURO-BUND Future (OGBL), Strike Price 161.5	27.10.2017	56,340	56,340
<b>Total Unrealised Gain on Future Style Options</b>				<b>72,010</b>	<b>72,010</b>

### SWAP CONTRACTS

Currency	Notional Amount	Pay / Receive	Maturity Date	Commitment in EUR	Unrealised Gain/(Loss) in EUR
<b>Credit Default Swaps</b>					
EUR	26,500,000	5% / Markit iTraxx Europe Crossover Index	20.6.2022	(3,351,610)	(198,810)
EUR	100,000,000	1% / Markit iTraxx Europe Crossover Index	20.12.2022	(2,255,745)	(47,924)
<b>Total Credit Default Swaps</b>				<b>(5,607,355)</b>	<b>(246,734)</b>
<b>Inflation Swaps</b>					
EUR	20,500,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.2975%	15.8.2022	23,913	23,913
EUR	10,100,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.387%	15.7.2027	(44,117)	(44,117)
EUR	10,100,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.408%	15.7.2027	(21,696)	(21,696)
EUR	8,000,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.4125%	15.5.2027	(5,689)	(5,689)
EUR	1,100,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.465%	15.2.2027	3,679	3,677
EUR	20,500,000	1.2975% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.8.2022	(23,913)	86,587
EUR	10,100,000	1.387% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.7.2027	44,117	44,117
EUR	10,100,000	1.408% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.7.2027	21,696	21,696
EUR	4,700,000	1.41% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.2.2027	11,919	11,919
EUR	1,100,000	1.51375% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.2.2027	(9,438)	(9,438)
GBP	3,100,000	UK Retail Prices Index / 3.356%	15.6.2027	(25,258)	15,312
GBP	5,830,000	UK Retail Prices Index / 3.421%	15.5.2027	21,678	21,678

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – BMO Global Absolute Return Bond

## Schedule of Investments as at 30 September 2017 (continued)

Currency	Notional Amount	Pay / Receive	Maturity Date	Commitment in EUR	Unrealised Gain/(Loss) in EUR
GBP	3,000,000	UK Retail Prices Index / 3.446%	15.5.2027	21,433	21,433
GBP	3,580,000	UK Retail Prices Index / 3.457%	15.8.2047	(57,830)	(57,830)
GBP	1,000,000	UK Retail Prices Index / 3.473%	3.11.2026	6,962	6,962
GBP	1,300,000	UK Retail Prices Index / 3.505%	15.2.2027	17,201	17,201
GBP	2,700,000	UK Retail Prices Index / 3.66%	15.1.2027	85,726	85,726
GBP	1,440,000	3.293% / UK Retail Prices Index	15.8.2067	72,338	72,339
GBP	3,100,000	3.327% / UK Retail Prices Index	15.7.2027	36,924	36,924
GBP	3,100,000	3.349% / UK Retail Prices Index	15.7.2027	27,682	27,682
GBP	3,100,000	3.356% / UK Retail Prices Index	15.6.2027	25,258	25,258
USD	4,950,000	US CPI Urban Consumers NSA Index / 2.1085%	24.7.2027	(12,631)	(12,631)
USD	2,300,000	2.2575% / US CPI Urban Consumers NSA Index	2.3.2027	(25,999)	(25,999)
USD	4,100,000	2.335% / US CPI Urban Consumers NSA Index	2.2.2027	(78,489)	(78,489)
USD	2,700,000	2% / US CPI Urban Consumers NSA Index	7.11.2026	24,332	24,332
USD	8,000,000	2.146% / US CPI Urban Consumers NSA Index	12.5.2027	(13,737)	(13,737)
USD	12,110,000	2.17375% / US CPI Urban Consumers NSA Index	27.9.2027	(12,218)	(12,218)
USD	18,750,000	2.175% / US CPI Urban Consumers NSA Index	8.5.2027	(84,273)	(84,273)
<b>Total Inflation Swaps</b>				<b>29,570</b>	<b>180,639</b>
<b>Interest Rate Swaps</b>					
EUR	17,260,000	EURIBOR 6M / 0.1497%	8.4.2022	(13,879)	(47,055)
EUR	23,540,000	EURIBOR 6M / 0.6982%	25.4.2026	(57,538)	(57,538)
EUR	1,300,000	EURIBOR 6M / 0.99965%	4.7.2042	(152,459)	(152,459)
EUR	1,300,000	EURIBOR 6M / 1.1893%	4.7.2042	(98,859)	(98,859)
EUR	3,220,000	EURIBOR 6M / 1.29283%	4.7.2042	(172,391)	(172,391)
EUR	14,100,000	EURIBOR 6M / 1.4045%	4.7.2042	(412,564)	(412,564)
EUR	1,650,000	EURIBOR 6M / 1.41495%	4.7.2042	(44,530)	(44,530)
EUR	12,090,000	EURIBOR 6M / 1.417%	11.9.2027	(96,701)	(96,701)
EUR	4,670,000	EURIBOR 6M / 1.4323%	4.7.2042	(108,419)	(108,419)
EUR	4,650,000	EURIBOR 6M / 1.4449%	4.7.2042	(130,198)	(130,198)
EUR	12,090,000	EURIBOR 6M / 1.451%	7.9.2027	(75,043)	(75,043)
EUR	4,710,000	EURIBOR 6M / 1.51765%	4.7.2042	(37,077)	(37,077)
EUR	21,230,000	EURIBOR 6M / 1.616%	3.8.2027	58,741	58,741
EUR	3,300,000	EURIBOR 6M / 1.981%	14.2.2037	(56,471)	(56,471)
EUR	11,880,000	EURIBOR 6M / 2.1635%	3.8.2037	(23,080)	(23,080)
EUR	17,260,000	0.1497% / EURIBOR 6M	8.4.2022	13,879	13,879
EUR	12,090,000	1.417% / EURIBOR 6M	11.9.2027	96,569	16,529
EUR	4,650,000	1.4449% / EURIBOR 6M	4.7.2042	130,198	13,798
EUR	4,670,000	1.4451% / EURIBOR 6M	4.7.2042	95,423	95,423
EUR	12,090,000	1.451% / EURIBOR 6M	7.9.2027	75,043	17,283
EUR	4,670,000	1.4595% / EURIBOR 6M	4.7.2042	80,803	80,803
EUR	21,230,000	1.616% / EURIBOR 6M	3.8.2027	(58,741)	31,259
EUR	4,710,000	1.6266% / EURIBOR 6M	4.7.2042	(73,528)	(73,528)
EUR	3,300,000	1.981% / EURIBOR 6M	14.2.2037	56,471	72,471
EUR	11,880,000	2.1635% / EURIBOR 6M	3.8.2037	23,080	23,079
GBP	49,850,000	ICE LIBOR 6M / 0.885%	27.8.2021	(359,107)	(359,107)
GBP	4,170,000	ICE LIBOR 6M / 1.30113%	7.12.2027	(42,463)	(42,463)
GBP	11,860,000	ICE LIBOR 6M / 1.395%	7.9.2027	(209,874)	(13,417)
GBP	7,630,000	Sterling Overnight Index Average / 1.396%	28.7.2047	(124,815)	(124,815)
GBP	11,860,000	ICE LIBOR 6M / 1.521%	5.9.2027	(131,709)	(25,974)
GBP	3,100,000	ICE LIBOR 6M / 1.5319%	7.12.2027	51,322	51,322
GBP	8,520,000	ICE LIBOR 6M / 1.5575%	24.8.2047	(165,732)	(131,470)
GBP	3,000,000	ICE LIBOR 6M / 1.8935%	10.2.2037	(12,686)	(44,215)
GBP	49,850,000	0.885% / ICE LIBOR 6M	27.8.2021	359,107	359,107
GBP	4,170,000	1.30113% / ICE LIBOR 6M	7.12.2027	42,463	42,463
GBP	11,860,000	1.395% / ICE LIBOR 6M	7.9.2027	209,874	209,874
GBP	11,860,000	1.521% / ICE LIBOR 6M	5.9.2027	131,709	131,709
GBP	3,100,000	1.5319% / ICE LIBOR 6M	7.12.2027	(51,322)	92,434
GBP	8,520,000	1.5575% / ICE LIBOR 6M	24.8.2047	165,732	165,732
GBP	7,630,000	1.576% / ICE LIBOR 6M	28.7.2047	121,902	121,902
GBP	3,000,000	1.8935% / ICE LIBOR 6M	10.2.2037	12,686	12,686
USD	38,620,000	ICE LIBOR 3M / 1.8823%	15.8.2024	(546,848)	(546,848)
USD	19,310,000	ICE LIBOR 3M / 1.9783%	15.8.2024	(176,010)	(176,010)
USD	2,060,000	ICE LIBOR 3M / 2.5539%	15.11.2043	10,529	1,407
USD	38,620,000	1.8823% / ICE LIBOR 3M	15.8.2024	546,848	201,566
USD	19,310,000	1.9783% / ICE LIBOR 3M	15.8.2024	176,010	240,750
USD	4,120,000	2.4748% / ICE LIBOR 3M	15.11.2043	34,202	34,202
USD	2,060,000	2.5539% / ICE LIBOR 3M	15.11.2043	(10,530)	(10,529)
USD	2,060,000	2.5944% / ICE LIBOR 3M	15.11.2043	(24,676)	(24,675)
USD	2,060,000	2.601% / ICE LIBOR 3M	15.11.2043	(26,981)	(26,981)
<b>Total Interest Rate Swaps</b>				<b>(1,001,640)</b>	<b>(1,023,998)</b>
<b>Unrealised Gain on Swap Contracts</b>					<b>2,635,175</b>
<b>Unrealised Loss on Swap Contracts</b>					<b>(3,725,268)</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

## F&C Portfolios Fund – BMO Global Absolute Return Bond Schedule of Investments as at 30 September 2017 (continued)

The counterparties for forward foreign exchange contracts were Barclays Bank Plc. Wholesale, BNP Paribas S.A., Canadian Imperial Bank of Commerce, HSBC Bank Plc., ING Bank NV, JP Morgan Securities Plc., Royal Bank of Canada (UK), Societe Generale S.A., State Street Bank & Trust Company and Westpac Banking Corporation.

The counterparty for futures contracts was Goldman Sachs & Co.

The counterparties for option contracts were Goldman Sachs & Co. (total commitment of EUR 71,736), HSBC Bank Plc. (total commitment of EUR 90,215) and Merrill Lynch International (total commitment of EUR 137,196).

The counterparties for swap contracts were HSBC Bank Plc., JP Morgan Securities Plc. and Merrill Lynch International.

**F&C Portfolios Fund – BMO Global Absolute Return Bond**  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Financial Services	25.43
Auto Parts & Equipment	9.01
Telecommunication	8.38
Sovereign	6.71
Food & Beverages	4.47
Insurance	3.97
Leisure & Tourism	3.57
Media	3.31
Agriculture	2.97
Pharmaceuticals	2.78
Retail	2.44
Commercial Services	1.99
Healthcare	1.65
Holding Companies	1.48
Electrical Equipment	1.42
Internet	1.40
Computers	1.27
Water	1.26
Biotechnology	1.21
Chemicals	0.97
Pipelines	0.93
Metals & Mining	0.92
Software	0.74
Transportation	0.74
Packaging & Containers	0.63
Miscellaneous Manufacturers	0.61
Real Estate	0.57
Lodging	0.52
Energy	0.46
Forest Products & Paper	0.46
Oil & Gas	0.43
Distribution & Wholesale	0.41
Supranational	0.24
Home Builders	0.21
Advertising	0.19
Environmental Control	0.15
<hr/>	
Total Investments	93.90
Other Assets / (Liabilities)	6.10
<hr/>	
Total Net Assets	<u>100.00</u>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund

## BMO Global Equity Market Neutral (SICAV)

### Performance

Over the twelve months to 30 September 2017, the Class I Acc Shares - USD returned +7.3%, compared to a return of 1.1% for 3-month USD Libor. Performance is total return, net of fees and in US dollar terms.

The Portfolio provides investors with exposure to five equity factors or “styles”: Value, Size, Momentum, Low Volatility and Growth At a Reasonable Price (“GARP”). The twelve month period saw quite diverse performance from the five factors, reinforcing the argument for incorporating a number of factors into a Portfolio. The Low Volatility factor struggled in the “reflationary” environment that followed Trump’s election win, as did Momentum, although both subsequently staged recoveries towards the start of the latter half of the twelve month period. The size allocation, which was only implemented in December 2016 and January 2017, had a minimal impact upon the aggregate portfolio performance. The fundamental factors, Value and Growth at a Reasonable Price (GARP), enjoyed a good first part of the period, but struggled somewhat in the latter half.

### Market Review

Global equities rose strongly over the review period. Risk appetite was generally boosted by Donald Trump’s surprise win in November’s presidential election as markets priced in faster US economic growth, underpinned by hopes of tax cuts and increased infrastructure spending. Against the backdrop of robust economic data, the Federal Reserve (Fed) raised interest rates in December and again in March and June. Later, the Trump administration’s failure to get healthcare reform through Congress raised questions about its ability to deliver on other plans. Fed Chair Janet Yellen also adopted a less hawkish tone than previously. In the eurozone, the economy moved into recovery mode and economic data strengthened as the period progressed. The Japanese economy saw slow but steady improvement, bolstering the confidence of Prime Minister Shinzo Abe who called for an early general election, in October. The oil price briefly rose to above \$50 per barrel, as the dynamics of supply and demand swung in oil’s favour, and on the political front, tensions were heightened by nuclear missile tests by North Korea.

### Outlook

The Portfolio pursues a systematic strategy which, using the MSCI World as its universe and employing a long/short market neutral approach, targets five recognised equity styles: Value, Size, Momentum, Low Volatility and Growth At a Reasonable Price (“GARP”). The Portfolio is expected to perform regardless of the prevailing macroeconomic and financial market conditions.

### Erik Rubingh and Christopher Childs

Portfolio Managers

October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – BMO Global Equity Market Neutral (SICAV)

## Schedule of Investments as at 30 September 2017

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in USD	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>						
<b>BONDS</b>						
<b>United States</b>						
United States Treasury Bill	0.00%	5.10.2017	USD	10,000,000	9,999,399	6.43
United States Treasury Bill	0.00%	12.10.2017	USD	10,000,000	9,997,446	6.42
United States Treasury Bill	0.00%	19.10.2017	USD	13,000,000	12,994,391	8.35
United States Treasury Bill	0.00%	26.10.2017	USD	10,000,000	9,993,792	6.42
United States Treasury Bill	0.00%	2.11.2017	USD	8,000,000	7,993,424	5.14
United States Treasury Bill	0.00%	9.11.2017	USD	10,000,000	9,989,923	6.42
United States Treasury Bill	0.00%	16.11.2017	USD	8,000,000	7,990,427	5.14
United States Treasury Bill	0.00%	24.11.2017	USD	6,000,000	5,991,262	3.85
United States Treasury Bill	0.00%	30.11.2017	USD	10,000,000	9,983,870	6.42
United States Treasury Bill	0.00%	7.12.2017	USD	10,000,000	9,982,033	6.42
United States Treasury Bill	0.00%	14.12.2017	USD	10,000,000	9,980,685	6.41
United States Treasury Bill	0.00%	21.12.2017	USD	8,000,000	7,982,445	5.13
United States Treasury Bill	0.00%	28.12.2017	USD	7,000,000	6,982,364	4.49
United States Treasury Bill	0.00%	4.1.2018	USD	10,000,000	9,973,163	6.41
United States Treasury Bill	0.00%	11.1.2018	USD	10,000,000	9,971,734	6.41
United States Treasury Bill	0.00%	18.1.2018	USD	10,000,000	9,969,850	6.41
					<b>149,776,208</b>	<b>96.27</b>
<b>TOTAL BONDS</b>					<b>149,776,208</b>	<b>96.27</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>					<b>149,776,208</b>	<b>96.27</b>
<b>TOTAL INVESTMENTS</b>					<b>149,776,208</b>	<b>96.27</b>
<b>OTHER ASSETS / (LIABILITIES)</b>					<b>5,796,111</b>	<b>3.73</b>
<b>TOTAL NET ASSETS</b>					<b>155,572,319</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – BMO Global Equity Market Neutral (SICAV)

## Schedule of Investments as at 30 September 2017 (continued)

### DERIVATIVES

#### FORWARD FOREIGN EXCHANGE CONTRACTS

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in USD
<b>Unrealised Gain on Forward Foreign Exchange Contracts</b>					
EUR	692,429	USD	(815,214)	31.10.2017	4,595
EUR	14,655	USD	(17,297)	31.10.2017	54
EUR	66,333,849	USD	(78,096,499)	31.10.2017	440,236
EUR	116,287	USD	(136,908)	31.10.2017	772
EUR	642,018	USD	(755,864)	31.10.2017	4,261
EUR	12,677,253	USD	(14,925,247)	31.10.2017	84,135
EUR	10,408	USD	(12,253)	31.10.2017	69
EUR	400,885	USD	(471,971)	31.10.2017	2,661
EUR	10,408	USD	(12,253)	31.10.2017	69
GBP	351,806	USD	(471,477)	31.10.2017	956
GBP	9,995,536	USD	(13,406,662)	31.10.2017	16,140
USD	321	NOK	(2,554)	31.10.2017	0
USD	320	NOK	(2,545)	31.10.2017	0
USD	6,746	SEK	(54,822)	31.10.2017	19
USD	1,147,795	SEK	(9,350,515)	31.10.2017	461
USD	353	SEK	(2,872)	31.10.2017	0
USD	784	SEK	(6,384)	31.10.2017	0
<b>Total Unrealised Gain on Forward Foreign Exchange Contracts</b>					<b>554,428</b>

#### Unrealised Loss on Forward Foreign Exchange Contracts

NOK	95,633	USD	(12,050)	31.10.2017	(29)
NOK	95,911	USD	(12,085)	31.10.2017	(29)
SEK	54,822	USD	(6,736)	3.10.2017	(19)
SEK	213,155	USD	(26,217)	31.10.2017	(62)
SEK	95,929	USD	(11,799)	31.10.2017	(28)
SEK	311,931,231	USD	(38,365,566)	31.10.2017	(90,732)
USD	17,272	EUR	(14,655)	3.10.2017	(53)
USD	9,008	EUR	(7,664)	31.10.2017	(66)
USD	280	EUR	(239)	31.10.2017	(2)
USD	1,793,046	EUR	(1,525,634)	31.10.2017	(13,247)
USD	280	EUR	(239)	31.10.2017	(2)
USD	338,470	EUR	(287,991)	31.10.2017	(2,501)
USD	2,865	EUR	(2,438)	31.10.2017	(21)
USD	17,299	EUR	(14,719)	31.10.2017	(128)
USD	18,764	EUR	(15,965)	31.10.2017	(139)
<b>Total Unrealised Loss on Forward Foreign Exchange Contracts</b>					<b>(107,058)</b>

#### SWAP CONTRACTS

Currency	Notional Amount	Pay / Receive	Maturity Date	Commitment in USD	Unrealised Gain/(Loss) in USD
<b>Total Return Swaps</b>					
USD	7,867,152	Basket Equity Long Short Liberty Index	5.2.2018	2,958,716	192,800
USD	26,167,200	F&C Long Short Strategy Index	11.4.2018	21,765,274	119,554
USD	37,258,411	F&C Return Leveraged Index	12.4.2018	0	0
USD	20,042,685	MLEIFCLS Index <sup>(*)</sup>	6.9.2018	19,526,847	(515,838)
<b>Total Return Swaps</b>				<b>44,250,837</b>	<b>(203,484)</b>
<b>Unrealised Gain on Swap Contracts</b>					<b>312,354</b>
<b>Unrealised Loss on Swap Contracts</b>					<b>(515,838)</b>

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

The counterparty for forward foreign exchange contracts was State Street Bank & Trust Company.

The counterparties for swap contracts were BNP Paribas S.A., JPMorgan Chase Bank N.A., Merrill Lynch International and Societe Generale S.A.

F&C Portfolios Fund – BMO Global Equity Market Neutral (SICAV)  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

Sector	% of Net Assets
Sovereign	96.27
<hr/>	
Total Investments	96.27
Other Assets / (Liabilities)	3.73
Total Net Assets	100.00

# F&C Portfolios Fund

## BMO Global Total Return Bond

### Performance

Over the twelve months to 30 September 2017, the Class I Acc Shares - EUR returned +0.7%, compared to the Barclays Global Aggregate (EUR Hedged) Index, which returned -2.1%. Performance is total return, net of fees and in euro terms.

In the first part of the reporting period, we actively reduced the exposure to rising interest rates, most notably through US government bond markets. The Portfolio also benefited from the yield of the corporate bond holdings, although this was tempered by the decision to dampen overall risk.

During the 12 months as a whole, we actively managed both the interest rate risk and credit risk exposure of the portfolio. This helped the Portfolio to achieve a return profile characterised by a relatively low level of volatility versus a “traditional” bond allocation. We actively added to the core portfolio, maintaining a bias to lower-rated bonds in order to enhance the yield. Sector-wise, we held a tilt towards financials whilst also looking to harness new issue premia.

### Market Review

November 2016 proved to be a pivotal period for global bond markets. The unexpected victory of Donald Trump in the US presidential elections led to a reassessment of US Treasury valuations by the market, as his fiscal programme of tax cuts and infrastructure spending pointed to rising inflationary pressures. This led to an upward surge in US Treasury yields, which was replicated across global bond markets. Economic data confirmed US growth was indeed gaining traction, spurring the Federal Reserve (“Fed”) to embark on a series of interest rate rises throughout the period under review. In Europe, while rate hikes were not yet on the agenda they moved a step closer as the European Central Bank President Mario Draghi referenced a broadening recovery. This was supported by strong and improving eurozone data, eliminating the need to reduce interest rates any further. In the UK, the Bank of England (“BoE”) highlighted concerns about the pace at which UK inflation was accelerating after it reached 2.9% in May. In the final month of the review period, rhetoric from the BoE suggested a rate rise could come much sooner than markets had been anticipating.

### Portfolio positioning and outlook

The majority of the Portfolio is invested in global corporate bonds with relatively short terms to maturity. This helps to limit the volatility of the Portfolio whilst providing an income that is expected to be higher than that of cash. These holdings are supplemented by smaller investments in markets that we expect to add value, including government bonds, currency positions and other corporate bonds.

The Fed has already started to tighten monetary policy. The conundrum they face is that inflation is not coming through as expected and hence they do not want to tighten too quickly for fear of stalling the recovery. However, if left too late, inflation could rise too quickly. If this were to happen, then an aggressive policy response could be required. The Fed is also looking to unwind their massive balance sheet; the timing and mechanics of how they will achieve this has been clearly communicated to the market. Therefore we do not expect any market shock when it actually starts. The European Central Bank is also considering tapering, and although they are clearly well behind the US, it is another potential tightening of monetary conditions. Looking at a third key central bank, the Bank of Japan, there is further potential for disruption. If the snap election, called in September by Prime Minister Abe, goes the same way as the UK general election, Abenomics could be under threat. Even with our constructive base case, for a manager looking to limit drawdowns we believe we should always be prudent and keep on challenging our current views.

### Keith Patton and Ian Robinson

Portfolio Managers

October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – BMO Global Total Return Bond

## Schedule of Investments as at 30 September 2017

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>						
<b>BONDS</b>						
<b>Australia</b>						
APT Pipelines	4.25%	26.11.2024	GBP	200,000	253,163	0.25
CNOOC Curtis Funding No 1	2.75%	3.10.2020	EUR	100,000	107,115	0.11
Macquarie Bank	3.50%	18.12.2020	GBP	550,000	665,547	0.66
Macquarie Bank	1.13%	20.1.2022	EUR	106,000	109,076	0.11
National Australia Bank	0.88%	20.1.2022	EUR	123,000	126,095	0.13
National Australia Bank, V/R	1.89%	10.1.2020	USD	250,000	212,788	0.21
QBE Insurance Group	3.00%	21.10.2022	USD	889,000	748,352	0.75
					<b>2,222,136</b>	<b>2.22</b>
<b>Austria</b>						
Heta Asset Resolution	2.38%	13.12.2022	EUR	500,000	548,503	0.55
<b>Bermuda</b>						
Bacardi	2.75%	3.7.2023	EUR	600,000	668,991	0.67
Digicel	6.00%	15.4.2021	USD	381,000	315,800	0.32
Fidelity International	7.13%	13.2.2024	GBP	270,000	384,094	0.38
					<b>1,368,885</b>	<b>1.37</b>
<b>British Virgin Islands</b>						
Sinopec Group Overseas Development 2013	2.63%	17.10.2020	EUR	100,000	107,125	0.11
<b>Canada</b>						
1011778 BC ULC Via New Red Finance	4.25%	15.5.2024	USD	265,000	225,503	0.22
<b>Cayman Islands</b>						
CK Hutchison International 17	2.75%	29.3.2023	USD	879,000	740,180	0.74
CK Hutchison International 17	3.25%	29.9.2027	USD	314,000	264,087	0.26
Seagate HDD Cayman	3.75%	15.11.2018	USD	215,000	185,159	0.18
Three Gorges Finance II Cayman Islands	1.70%	10.6.2022	EUR	120,000	125,120	0.13
Three Gorges Finance II Cayman Islands	1.30%	21.6.2024	EUR	195,000	196,782	0.20
					<b>1,511,328</b>	<b>1.51</b>
<b>China</b>						
Proven Glory Capital	3.25%	21.2.2022	USD	422,000	358,993	0.36
Rongshi International Finance	2.88%	4.5.2022	USD	246,000	208,712	0.21
					<b>567,705</b>	<b>0.57</b>
<b>Denmark</b>						
ISS Global	1.13%	9.1.2020	EUR	109,000	111,368	0.11
<b>Finland</b>						
Nokia	2.00%	15.3.2024	EUR	495,000	506,379	0.50
<b>France</b>						
Arkema	4.00%	25.10.2017	EUR	150,000	150,381	0.15
AXA, V/R	5.25%	16.4.2040	EUR	150,000	167,905	0.17
AXA, V/R	5.45%	29.11.2049	GBP	100,000	128,042	0.13
Banijay Group	4.00%	1.7.2022	EUR	100,000	104,845	0.11
Banque Federative du Credit Mutuel	0.88%	8.6.2020	GBP	400,000	450,971	0.45
Banque Federative du Credit Mutuel	0.38%	13.1.2022	EUR	200,000	200,623	0.20
BNP Paribas	1.13%	10.10.2023	EUR	111,000	112,964	0.11
BNP Paribas, V/R	7.78%	29.6.2049	EUR	50,000	52,846	0.05
BPCE	2.75%	2.12.2021	USD	250,000	213,919	0.21
Capgemini	1.75%	1.7.2020	EUR	100,000	104,189	0.10
Capgemini	0.50%	9.11.2021	EUR	100,000	101,017	0.10
Carrefour Banque, V/R	0.35%	20.4.2021	EUR	600,000	608,140	0.61
Casino Guichard Perrachon	5.98%	26.5.2021	EUR	400,000	470,466	0.47
Casino Guichard Perrachon	4.50%	7.3.2024	EUR	100,000	111,944	0.11
Credit Agricole	0.88%	19.1.2022	EUR	100,000	102,642	0.10
Crown European Holdings	4.00%	15.7.2022	EUR	350,000	392,696	0.39
France Government Bond OAT	3.50%	25.4.2026	EUR	185,000	231,517	0.23
RCI Banque, V/R	0.32%	12.4.2021	EUR	85,000	85,744	0.09
Renault	1.00%	8.3.2023	EUR	574,000	582,323	0.58
Rexel	3.25%	15.6.2022	EUR	150,000	155,146	0.16
SFR Group	5.63%	15.5.2024	EUR	100,000	108,309	0.11
Societe Generale	1.00%	1.4.2022	EUR	200,000	203,657	0.20
Societe Generale	5.00%	17.1.2024	USD	200,000	181,686	0.18
Solvay Finance, V/R	5.87%	29.12.2049	EUR	100,000	119,235	0.12
SPCM	2.88%	15.6.2023	EUR	100,000	102,875	0.10
Tereos Finance Groupe I	4.13%	16.6.2023	EUR	500,000	525,150	0.53
					<b>5,769,232</b>	<b>5.76</b>
<b>Germany</b>						
Allianz, V/R	2.24%	7.7.2045	EUR	100,000	102,585	0.10
Bundesobligation - Series 164	0.50%	13.10.2017	EUR	1,000,000	1,000,351	1.00
Daimler	1.50%	19.11.2018	EUR	47,000	47,873	0.05
Daimler	1.00%	20.12.2019	GBP	225,000	254,479	0.25
Daimler	2.75%	4.12.2020	GBP	230,000	272,566	0.27

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

## F&C Portfolios Fund – BMO Global Total Return Bond

### Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
Deutsche Bank, V/R	3.22%	10.5.2019	USD	213,000	184,057	0.18
HeidelbergCement	2.25%	30.3.2023	EUR	280,000	302,177	0.30
IHO Verwaltungs, V/R	3.75%	15.9.2026	EUR	100,000	106,000	0.10
Muenchener Rueckversicherungs-Gesellschaft in Muenchen, V/R	6.00%	26.5.2041	EUR	100,000	118,835	0.12
Muenchener Rueckversicherungs-Gesellschaft in Muenchen, V/R	6.63%	26.5.2042	GBP	200,000	269,638	0.27
ProSiebenSat.1 Media	2.63%	15.4.2021	EUR	290,000	307,100	0.31
TUI	2.13%	26.10.2021	EUR	400,000	419,170	0.42
Unitymedia Hessen Via Unitymedia NRW	4.00%	15.1.2025	EUR	200,000	212,344	0.21
Unitymedia Hessen Via Unitymedia NRW	6.25%	15.1.2029	EUR	350,000	397,031	0.40
Volkswagen Leasing	2.13%	4.4.2022	EUR	43,000	45,953	0.05
Volkswagen Leasing	1.38%	20.1.2025	EUR	324,000	323,908	0.32
Volkswagen Leasing, V/R	0.12%	6.7.2021	EUR	500,000	500,495	0.50
					<b>4,864,562</b>	<b>4.85</b>
<b>Guernsey</b>						
Credit Suisse Group Funding Guernsey	3.00%	27.5.2022	GBP	325,000	387,950	0.39
<b>India</b>						
NTPC	2.75%	1.2.2027	EUR	265,000	276,149	0.28
State Bank of India	3.25%	24.1.2022	USD	378,000	323,390	0.32
					<b>599,539</b>	<b>0.60</b>
<b>Ireland</b>						
Aquarius & Investments for Swiss Reinsurance, V/R	6.38%	1.9.2024	USD	200,000	178,650	0.18
Ardagh Packaging Finance Via Ardagh Holdings	2.75%	15.3.2024	EUR	200,000	205,125	0.20
Ardagh Packaging Finance Via Ardagh Holdings	6.75%	15.5.2024	EUR	100,000	111,791	0.11
Bank of Ireland Group, V/R	3.13%	19.9.2027	GBP	214,000	239,830	0.24
Cloverie for Swiss Reinsurance, V/R	6.63%	1.9.2042	EUR	125,000	158,574	0.16
eircom Finance DAC	4.50%	31.5.2022	EUR	700,000	729,573	0.73
Fresenius Finance Ireland	0.88%	31.1.2022	EUR	542,000	549,887	0.55
GE Capital UK Funding Unlimited, V/R	0.72%	16.1.2018	GBP	225,000	255,578	0.26
Ryanair	1.13%	15.8.2023	EUR	134,000	135,098	0.13
Smurfit Kappa Acquisitions	4.13%	30.1.2020	EUR	250,000	272,656	0.27
Smurfit Kappa Acquisitions	2.38%	1.2.2024	EUR	300,000	313,201	0.31
					<b>3,149,963</b>	<b>3.14</b>
<b>Italy</b>						
Luxottica Group	3.63%	19.3.2019	EUR	100,000	105,468	0.11
Schumann	7.00%	31.7.2023	EUR	250,000	251,268	0.25
Snaitech	6.38%	7.11.2021	EUR	325,000	349,191	0.35
Telecom Italia	3.63%	19.1.2024	EUR	530,000	596,322	0.59
					<b>1,302,249</b>	<b>1.30</b>
<b>Japan</b>						
SoftBank Group	5.25%	30.7.2027	EUR	400,000	452,699	0.45
<b>Jersey</b>						
AA Bond	2.88%	31.1.2022	GBP	600,000	688,637	0.69
Adient Global Holdings	3.50%	15.8.2024	EUR	305,000	316,498	0.32
CPUK Finance	7.24%	28.2.2024	GBP	500,000	727,353	0.73
Delphi Automotive	1.50%	10.3.2025	EUR	112,000	113,318	0.11
Glencore Finance Europe	6.00%	3.4.2022	GBP	466,000	614,302	0.61
Heathrow Funding	5.23%	15.2.2023	GBP	200,000	265,784	0.26
					<b>2,725,892</b>	<b>2.72</b>
<b>Kuwait</b>						
Kuwait International Government Bond	2.75%	20.3.2022	USD	510,000	436,863	0.44
<b>Luxembourg</b>						
Fiat Chrysler Finance Europe	4.75%	15.7.2022	EUR	475,000	543,574	0.54
Gestamp Funding Luxembourg	3.50%	15.5.2023	EUR	300,000	314,812	0.31
Industrial & Commercial Bank of China, V/R	2.10%	12.10.2020	USD	845,000	715,341	0.71
INEOS Group Holdings	5.38%	1.8.2024	EUR	270,000	289,710	0.29
Intralot Capital Luxembourg	6.75%	15.9.2021	EUR	140,000	150,189	0.15
Intralot Capital Luxembourg	5.25%	15.9.2024	EUR	207,000	209,452	0.21
John Deere Bank	1.50%	16.7.2018	EUR	100,000	101,356	0.10
Matterhorn Telecom Holding	4.88%	1.5.2023	EUR	100,000	101,990	0.10
SES	4.75%	11.3.2021	EUR	100,000	115,622	0.12
SES, V/R	4.63%	29.12.2049	EUR	300,000	321,832	0.32
Wind Acquisition Finance	4.00%	15.7.2020	EUR	650,000	657,280	0.66
					<b>3,521,158</b>	<b>3.51</b>
<b>Mexico</b>						
America Movil - Series C, V/R	6.38%	6.9.2073	GBP	125,000	156,294	0.16
<b>Netherlands</b>						
ABB Finance	2.63%	26.3.2019	EUR	100,000	104,077	0.10
ABN AMRO Bank	4.75%	28.7.2025	USD	250,000	224,939	0.22
ABN AMRO Bank, V/R	0.78%	30.11.2018	GBP	500,000	569,441	0.57
Allianz Finance II	4.75%	22.7.2019	EUR	100,000	109,099	0.11

The accompanying notes form an integral part of these financial statements.

## F&C Portfolios Fund – BMO Global Total Return Bond

### Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
ASML Holding	3.38%	19.9.2023	EUR	586,000	679,060	0.68
Bank Nederlandse Gemeenten	1.00%	15.3.2022	GBP	400,000	452,028	0.45
Bharti Airtel International Netherlands	4.00%	10.12.2018	EUR	339,000	354,235	0.35
Bharti Airtel International Netherlands	5.35%	20.5.2024	USD	250,000	226,238	0.23
Cooperatieve Rabobank	4.75%	6.6.2022	EUR	140,000	169,249	0.17
Cooperatieve Rabobank	4.13%	14.9.2022	EUR	100,000	116,524	0.12
Cooperatieve Rabobank, V/R	2.13%	10.1.2022	USD	250,000	213,890	0.21
Delhaize Le Lion Via De Leeuw	3.13%	27.2.2020	EUR	500,000	537,363	0.54
Digi Communications	5.00%	15.10.2023	EUR	300,000	320,187	0.32
EDP Finance	1.88%	29.9.2023	EUR	370,000	390,098	0.39
EDP Finance	1.13%	12.2.2024	EUR	105,000	105,555	0.10
EDP Finance	3.63%	15.7.2024	USD	200,000	171,089	0.17
Ferrari	1.50%	16.3.2023	EUR	504,000	513,158	0.51
Goodyear Dunlop Tires Europe	3.75%	15.12.2023	EUR	250,000	262,894	0.26
Iberdrola International	3.00%	31.1.2022	EUR	100,000	111,783	0.11
ING Bank	4.50%	21.2.2022	EUR	100,000	118,595	0.12
ING Bank, V/R	6.13%	29.5.2023	EUR	77,000	80,096	0.08
ING Bank, V/R	6.88%	29.5.2023	GBP	100,000	117,557	0.12
ING Groep	0.75%	9.3.2022	EUR	400,000	403,762	0.40
InterGen	7.50%	30.6.2021	GBP	100,000	110,367	0.11
IPD 3	4.50%	15.7.2022	EUR	105,000	108,315	0.11
JAB Holdings	1.50%	24.11.2021	EUR	100,000	105,061	0.10
JAB Holdings	1.75%	25.5.2023	EUR	500,000	526,903	0.53
JAB Holdings	1.63%	30.4.2025	EUR	100,000	103,414	0.10
NN Group, V/R	4.63%	13.1.2048	EUR	125,000	139,683	0.14
OI European Group	3.13%	15.11.2024	EUR	335,000	346,758	0.35
Petrobras Global Finance	6.25%	14.12.2026	GBP	100,000	120,080	0.12
Saipem Finance International	2.75%	5.4.2022	EUR	305,000	313,662	0.31
Saipem Finance International	3.75%	8.9.2023	EUR	100,000	105,612	0.11
Samvardhana Motherson Automotive Systems Group	1.80%	6.7.2024	EUR	222,000	217,227	0.22
Schaeffler Finance	3.25%	15.5.2025	EUR	670,000	720,548	0.72
UPC Holding	6.75%	15.3.2023	EUR	125,000	132,777	0.13
Volkswagen International Finance, V/R	0.02%	30.3.2019	EUR	200,000	200,325	0.20
Volkswagen International Finance, V/R	3.88%	31.12.2099	EUR	200,000	198,790	0.20
Vonovia Finance	1.63%	15.12.2020	EUR	200,000	209,668	0.21
					<b>10,010,107</b>	<b>9.99</b>
<b>New Zealand</b>						
Chorus	6.75%	6.4.2020	GBP	125,000	159,934	0.16
<b>Nigeria</b>						
Africa Finance	3.88%	13.4.2024	USD	409,000	349,425	0.35
<b>Norway</b>						
Nassa Topco	2.88%	6.4.2024	EUR	170,000	171,760	0.17
<b>Panama</b>						
Carnival	1.13%	6.11.2019	EUR	200,000	204,769	0.20
<b>Poland</b>						
Poland Government International Bond	4.20%	15.4.2020	EUR	114,000	126,568	0.13
<b>Saudi Arabia</b>						
Saudi Government International Bond	2.38%	26.10.2021	USD	492,000	410,580	0.41
Saudi Government International Bond	2.88%	4.3.2023	USD	469,000	395,925	0.39
Saudi Government International Bond	3.63%	4.3.2028	USD	450,000	379,885	0.38
					<b>1,186,390</b>	<b>1.18</b>
<b>Spain</b>						
Banco Bilbao Vizcaya Argentaria	0.75%	11.9.2022	EUR	300,000	298,779	0.30
Banco Bilbao Vizcaya Argentaria, V/R	8.88%	29.12.2049	EUR	200,000	232,855	0.23
Banco Santander	1.38%	9.2.2022	EUR	300,000	308,992	0.31
Banco Santander, V/R	6.25%	12.3.2049	EUR	200,000	206,375	0.21
BBVA Senior Finance	2.38%	22.1.2019	EUR	100,000	103,230	0.10
FCC Aqualia	1.41%	8.6.2022	EUR	556,000	564,236	0.56
FCC Aqualia	2.63%	8.6.2027	EUR	316,000	318,825	0.32
Santander Consumer Finance	1.50%	12.11.2020	EUR	100,000	103,993	0.10
Santander Consumer Finance	0.88%	24.1.2022	EUR	400,000	404,976	0.40
Santander Issuances	2.50%	18.3.2025	EUR	200,000	206,790	0.21
Telefonica Emisiones	2.74%	29.5.2019	EUR	200,000	209,440	0.21
					<b>2,958,491</b>	<b>2.95</b>
<b>Sweden</b>						
Intrum Justitia	2.75%	15.7.2022	EUR	100,000	101,432	0.10
Svenska Handelsbanken, V/R	1.81%	6.9.2019	USD	425,000	361,293	0.36
Volvo Car	3.25%	18.5.2021	EUR	300,000	325,702	0.33
					<b>788,427</b>	<b>0.79</b>
<b>Switzerland</b>						
Credit Suisse	0.63%	20.11.2018	EUR	210,000	211,982	0.21
Credit Suisse Group, V/R	2.13%	12.9.2025	GBP	100,000	111,909	0.11
UBS Group Funding Switzerland	2.13%	4.3.2024	EUR	200,000	214,892	0.22

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

## F&C Portfolios Fund – BMO Global Total Return Bond

### Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
UBS, V/R	4.75%	22.5.2023	USD	250,000	214,714	0.21
UBS, V/R	4.75%	12.2.2026	EUR	100,000	110,803	0.11
					<b>864,300</b>	<b>0.86</b>
<b>Tunisia</b>						
Banque Centrale de Tunisie International Bond	5.63%	17.2.2024	EUR	460,000	475,943	0.47
<b>Turkey</b>						
Coca-Cola Icecek	4.22%	19.9.2024	USD	200,000	171,714	0.17
Yapi ve Kredi Bankasi	5.75%	24.2.2022	USD	519,000	450,666	0.45
					<b>622,380</b>	<b>0.62</b>
<b>United Arab Emirates</b>						
Glencore Finance Dubai	2.63%	19.11.2018	EUR	100,000	102,906	0.10
<b>United Kingdom</b>						
Anglian Water Osprey Financing	5.00%	30.4.2023	GBP	226,000	278,340	0.28
Anglo American Capital	3.63%	11.9.2024	USD	200,000	168,959	0.17
Anglo American Capital	1.63%	18.9.2025	EUR	100,000	99,548	0.10
Arqiva Financing	4.04%	30.6.2020	GBP	500,000	600,079	0.60
Aviva, V/R	6.88%	22.5.2038	EUR	67,000	69,854	0.07
Aviva, V/R	4.38%	12.9.2049	GBP	100,000	116,851	0.12
Barclays	3.13%	17.1.2024	GBP	259,000	304,747	0.30
Barclays Bank, V/R	7.75%	10.4.2023	USD	275,000	239,887	0.24
Barclays, V/R	2.63%	11.11.2025	EUR	101,000	104,598	0.10
Barclays, V/R	7.25%	31.12.2099	GBP	200,000	244,742	0.24
BAT International Finance	1.00%	23.5.2022	EUR	105,000	107,359	0.11
BP Capital Markets	3.83%	6.10.2017	EUR	50,000	50,016	0.05
British Telecommunications	8.63%	26.3.2020	GBP	165,000	221,318	0.22
Close Brothers Group	4.25%	24.1.2027	GBP	178,000	215,273	0.22
Coventry Building Society	1.00%	5.5.2020	GBP	263,000	296,899	0.30
CYBG, V/R	3.13%	22.6.2025	GBP	141,000	160,114	0.16
Drax Finco	4.25%	1.5.2022	GBP	360,000	426,015	0.43
easyJet	1.75%	9.2.2023	EUR	100,000	105,082	0.11
El Group	6.00%	6.10.2023	GBP	400,000	493,948	0.49
Experian Finance	4.75%	4.2.2020	EUR	650,000	722,011	0.72
FCE Bank	1.88%	18.4.2019	EUR	117,000	120,526	0.12
FCE Bank	1.11%	13.5.2020	EUR	210,000	215,103	0.21
FCE Bank	1.88%	24.6.2021	EUR	300,000	314,851	0.31
Firstgroup	8.13%	19.9.2018	GBP	350,000	423,463	0.42
G4S International Finance	1.50%	9.1.2023	EUR	100,000	102,446	0.10
G4S International Finance	1.50%	2.6.2024	EUR	229,000	231,062	0.23
GKN Holdings	5.38%	19.9.2022	GBP	551,000	725,174	0.72
GlaxoSmithKline Capital	0.00%	12.9.2020	EUR	339,000	339,159	0.34
Go-Ahead Group	2.50%	6.7.2024	GBP	361,000	405,897	0.41
Grainger	5.00%	16.12.2020	GBP	350,000	435,019	0.43
HSBC Holdings	6.25%	19.3.2018	EUR	150,000	154,373	0.15
HSBC Holdings	2.95%	25.5.2021	USD	477,000	409,976	0.41
HSBC Holdings	1.50%	15.3.2022	EUR	100,000	104,544	0.10
HSBC Holdings, V/R	3.38%	10.1.2024	EUR	100,000	104,170	0.10
Imperial Brands Finance	2.95%	21.7.2020	USD	250,000	214,824	0.21
Imperial Brands Finance	2.25%	26.2.2021	EUR	100,000	106,059	0.11
Imperial Brands Finance	0.50%	27.7.2021	EUR	387,000	388,346	0.39
InterContinental Hotels Group	3.88%	28.11.2022	GBP	550,000	683,679	0.68
International Game Technology	4.75%	15.2.2023	EUR	225,000	251,353	0.25
Interoute Finco	7.38%	15.10.2020	EUR	100,000	104,184	0.10
Intu Metrocentre Finance	4.13%	6.12.2023	GBP	167,000	208,537	0.21
Investec	4.50%	5.5.2022	GBP	353,000	429,507	0.43
Investec Bank	9.63%	17.2.2022	GBP	128,000	183,435	0.18
ITV	2.13%	21.9.2022	EUR	325,000	340,821	0.34
ITV	2.00%	1.12.2023	EUR	105,000	108,419	0.11
Jaguar Land Rover Automotive	2.75%	24.1.2021	GBP	100,000	115,644	0.12
Jaguar Land Rover Automotive	5.63%	1.2.2023	USD	150,000	132,275	0.13
Jaguar Land Rover Automotive	2.20%	15.1.2024	EUR	250,000	252,744	0.25
Jerrold Finco	6.13%	15.1.2024	GBP	100,000	117,123	0.12
John Lewis	8.38%	8.4.2019	GBP	175,000	218,614	0.22
John Lewis	6.13%	21.1.2025	GBP	325,000	443,965	0.44
Just Group	9.00%	26.10.2026	GBP	255,000	366,090	0.37
Land Securities Capital Markets	1.97%	8.2.2024	GBP	100,000	114,590	0.11
Leeds Building Society	2.63%	1.4.2021	EUR	345,000	370,350	0.37
Leeds Building Society	1.38%	5.5.2022	EUR	375,000	386,823	0.39
Legal & General Group, V/R	5.38%	27.10.2045	GBP	192,000	240,679	0.24
Legal & General Group, V/R	5.25%	21.3.2047	USD	326,000	292,617	0.29
Lloyds Bank	6.50%	24.3.2020	EUR	193,000	222,529	0.22
Lloyds Banking Group	0.75%	9.11.2021	EUR	122,000	124,047	0.12
Lloyds Banking Group	1.00%	9.11.2023	EUR	110,000	110,720	0.11
Lloyds Banking Group	3.75%	11.1.2027	USD	200,000	172,462	0.17
Marks & Spencer	6.13%	6.12.2021	GBP	225,000	297,023	0.30
Marks & Spencer	3.00%	8.12.2023	GBP	279,000	323,713	0.32

The accompanying notes form an integral part of these financial statements.

## F&C Portfolios Fund – BMO Global Total Return Bond

### Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
Melton Renewable Energy UK	6.75%	1.2.2020	GBP	280,000	325,709	0.33
Merlin Entertainments	2.75%	15.3.2022	EUR	225,000	237,094	0.24
Miller Homes Group Holdings	5.50%	15.10.2024	GBP	241,000	282,694	0.28
National Express Group	2.50%	11.11.2023	GBP	130,000	148,921	0.15
Nationwide Building Society, V/R	0.63%	6.6.2019	GBP	200,000	227,252	0.23
Pension Insurance	6.50%	3.7.2024	GBP	380,000	472,094	0.47
Provident Financial	8.00%	23.10.2019	GBP	298,000	319,581	0.32
Prudential	1.75%	27.11.2018	GBP	193,000	221,277	0.22
RAC Bond	5.00%	6.11.2022	GBP	205,000	232,489	0.23
RAC Bond	4.57%	6.5.2023	GBP	473,000	582,682	0.58
Rentokil Initial	3.25%	7.10.2021	EUR	100,000	111,193	0.11
RL Finance Bonds No 3	6.13%	13.11.2028	GBP	100,000	130,738	0.13
Royal Bank of Scotland	6.93%	9.4.2018	EUR	50,000	51,770	0.05
Royal Bank of Scotland	6.63%	17.9.2018	GBP	200,000	238,933	0.24
Royal Bank of Scotland Group	2.50%	22.3.2023	EUR	310,000	332,809	0.33
Royal Bank of Scotland Group, V/R	7.50%	29.12.2049	USD	300,000	266,389	0.27
Saga	3.38%	12.5.2024	GBP	300,000	335,278	0.34
Santander UK Group Holdings	3.13%	8.1.2021	USD	600,000	517,149	0.52
Santander UK Group Holdings	3.63%	14.1.2026	GBP	160,000	194,175	0.19
Santander UK Group Holdings, V/R	6.75%	31.12.2099	GBP	221,000	273,694	0.27
Skipton Building Society	1.75%	30.6.2022	GBP	208,000	234,077	0.23
Sky	1.50%	15.9.2021	EUR	375,000	389,978	0.39
Sky	1.88%	24.11.2023	EUR	100,000	105,127	0.11
Society of Lloyd's	4.75%	30.10.2024	GBP	150,000	188,935	0.19
SSE	2.00%	17.6.2020	EUR	100,000	105,427	0.11
Standard Chartered, V/R	2.45%	19.8.2019	USD	200,000	171,195	0.17
Tesco	6.13%	24.2.2022	GBP	355,000	459,391	0.46
United Kingdom Gilt	5.00%	7.3.2018	GBP	1,025,000	1,186,970	1.18
Virgin Media Secured Finance	5.13%	15.1.2025	GBP	240,000	286,840	0.29
Virgin Money	2.25%	21.4.2020	GBP	250,000	289,152	0.29
Viridian Group Finance	4.75%	15.9.2024	GBP	402,000	455,146	0.45
Vodafone Group	0.38%	22.11.2021	EUR	627,000	628,386	0.63
Western Power Distribution	3.63%	6.11.2023	GBP	100,000	122,241	0.12
Yorkshire Building Society	1.25%	17.3.2022	EUR	133,000	136,932	0.14
Yorkshire Building Society, V/R	3.38%	13.9.2028	GBP	130,000	143,891	0.14
					<b>26,838,184</b>	<b>26.78</b>
<b>United States</b>						
Abbott Laboratories	2.35%	22.11.2019	USD	490,000	418,074	0.42
AbbVie	0.38%	18.11.2019	EUR	398,000	400,943	0.40
Alliance Data Systems	4.50%	15.3.2022	EUR	310,000	322,991	0.32
American Express Credit, V/R	1.64%	3.5.2019	USD	792,000	671,780	0.67
American International Group	1.50%	8.6.2023	EUR	147,000	151,944	0.15
Anheuser-Busch InBev Finance	3.38%	25.1.2023	CAD	300,000	209,220	0.21
Anheuser-Busch InBev Finance	3.30%	1.2.2023	USD	400,000	351,211	0.35
Apple	3.00%	9.2.2024	USD	800,000	694,038	0.69
AT&T	3.60%	17.2.2023	USD	404,000	352,023	0.35
AT&T	3.80%	1.3.2024	USD	318,000	277,087	0.28
Ball	4.38%	15.12.2023	EUR	450,000	514,242	0.51
Bank of America	1.63%	14.9.2022	EUR	200,000	209,672	0.21
Bank of America, V/R	0.74%	7.2.2022	EUR	315,000	318,656	0.32
BAT Capital	3.22%	15.8.2024	USD	513,000	435,658	0.43
Belden	2.88%	15.9.2025	EUR	100,000	99,100	0.10
Cargill	2.50%	15.2.2023	EUR	100,000	110,508	0.11
Cemex Finance	4.63%	15.6.2024	EUR	100,000	108,820	0.11
Citigroup	5.00%	2.8.2019	EUR	109,000	119,231	0.12
Citigroup	3.39%	18.11.2021	CAD	425,000	295,358	0.29
Citigroup, V/R	2.75%	1.9.2023	USD	69,000	59,900	0.06
Colfax	3.25%	15.5.2025	EUR	100,000	103,823	0.10
Dell International Via EMC	3.48%	1.6.2019	USD	610,000	526,446	0.53
Discovery Communications	2.38%	7.3.2022	EUR	245,000	260,481	0.26
Discovery Communications	2.95%	20.3.2023	USD	288,000	244,560	0.24
Discovery Communications	2.50%	20.9.2024	GBP	384,000	426,145	0.43
Dollar Tree	5.75%	1.3.2023	USD	305,000	273,473	0.27
Dynegy	6.75%	1.11.2019	USD	238,000	208,869	0.21
Energy Transfer	5.20%	1.2.2022	USD	467,000	428,546	0.43
Expedia	2.50%	3.6.2022	EUR	700,000	745,427	0.74
Federal-Mogul Holdings	4.88%	15.4.2022	EUR	100,000	102,150	0.10
Fidelity National Information Services	0.40%	15.1.2021	EUR	100,000	100,126	0.10
Fidelity National Information Services	1.70%	30.6.2022	GBP	100,000	112,961	0.11
Ford Motor	4.35%	8.12.2026	USD	116,000	102,194	0.10
General Motors	4.00%	1.4.2025	USD	300,000	258,216	0.26
General Motors Financial	3.70%	24.11.2020	USD	512,000	448,695	0.45
Glencore Funding	4.00%	27.3.2027	USD	396,000	337,643	0.34
GLP Capital Via GLP Financing II	5.38%	1.11.2023	USD	350,000	325,294	0.32
Goldman Sachs Group	1.38%	15.5.2024	EUR	278,000	282,288	0.28
Goldman Sachs Group, V/R	0.67%	27.7.2021	EUR	95,000	97,291	0.10
Goldman Sachs Group, V/R	2.49%	15.11.2021	USD	100,000	85,787	0.09
Goldman Sachs Group, V/R	0.30%	9.9.2022	EUR	281,000	282,392	0.28
HCA	4.25%	15.10.2019	USD	500,000	438,801	0.44

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

## F&C Portfolios Fund – BMO Global Total Return Bond

### Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
Infor US	5.75%	15.5.2022	EUR	100,000	105,096	0.10
Iron Mountain	3.00%	15.1.2025	EUR	495,000	501,522	0.50
JC Penney	5.65%	1.6.2020	USD	395,000	329,529	0.33
JPMorgan Chase & Co, V/R	2.30%	15.1.2023	USD	420,000	358,849	0.36
Kinder Morgan Energy Partners	3.95%	1.9.2022	USD	500,000	439,563	0.44
Kraft Heinz Foods	2.00%	30.6.2023	EUR	550,000	578,291	0.58
Kraft Heinz Foods	1.50%	24.5.2024	EUR	100,000	101,554	0.10
Lear	5.38%	15.3.2024	USD	701,000	631,970	0.63
Levi Strauss & Co	3.38%	15.3.2027	EUR	100,000	102,989	0.10
McDonald's	0.50%	15.1.2021	EUR	100,000	101,159	0.10
McKesson	0.63%	17.8.2021	EUR	736,000	741,348	0.74
Metropolitan Life Global Funding I	1.13%	15.12.2021	GBP	582,000	654,886	0.65
Metropolitan Life Global Funding I	0.88%	20.1.2022	EUR	100,000	102,291	0.10
MGM Growth Properties Operating Partnership Via MGP Finance Co-Issuer	5.63%	1.5.2024	USD	250,000	230,202	0.23
Microsoft	2.88%	6.2.2024	USD	165,000	142,750	0.14
Mondelez International	1.00%	7.3.2022	EUR	465,000	476,375	0.48
Morgan Stanley	2.38%	31.3.2021	EUR	101,000	108,569	0.11
Morgan Stanley	1.88%	30.3.2023	EUR	100,000	105,804	0.11
Morgan Stanley, V/R	0.37%	8.11.2022	EUR	100,000	101,131	0.10
National Grid North America	1.00%	12.7.2024	EUR	100,000	100,575	0.10
New York Life Global Funding	1.00%	15.12.2021	GBP	477,000	538,018	0.54
Pfizer	0.00%	6.3.2020	EUR	715,000	716,282	0.71
Philip Morris International	1.75%	19.3.2020	EUR	700,000	729,842	0.73
Priceline Group	2.15%	25.11.2022	EUR	450,000	482,596	0.48
Priceline Group	2.75%	15.3.2023	USD	23,000	19,460	0.02
Priceline Group	2.38%	23.9.2024	EUR	100,000	107,806	0.11
Priceline Group	3.55%	15.3.2028	USD	113,000	95,952	0.10
Prologis	1.38%	13.5.2021	EUR	109,000	113,329	0.11
Prologis	3.38%	20.2.2024	EUR	100,000	114,672	0.11
Simon Property Group	2.38%	2.10.2020	EUR	100,000	106,357	0.11
T-Mobile USA	6.84%	28.4.2023	USD	350,000	313,452	0.31
Tenet Healthcare	4.63%	15.7.2024	USD	328,000	275,634	0.28
Thermo Fisher Scientific	2.15%	21.7.2022	EUR	100,000	107,549	0.11
Toyota Motor Credit	1.13%	7.9.2021	GBP	516,000	583,552	0.58
Verizon Communications	0.50%	2.6.2022	EUR	145,000	144,614	0.14
Verizon Communications, V/R	2.32%	16.3.2022	USD	140,000	120,214	0.12
Wells Fargo & Co	1.13%	29.10.2021	EUR	100,000	103,261	0.10
Wells Fargo & Co	1.50%	12.9.2022	EUR	123,000	128,892	0.13
Wells Fargo & Co, V/R	2.42%	24.1.2023	USD	262,000	225,583	0.23
ZF North America Capital	2.75%	27.4.2023	EUR	600,000	648,060	0.65
					<b>24,001,642</b>	<b>23.95</b>
<b>TOTAL BONDS</b>					<b>99,396,559</b>	<b>99.18</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>					<b>99,396,559</b>	<b>99.18</b>
<b>TOTAL INVESTMENTS</b>					<b>99,396,559</b>	<b>99.18</b>
<b>OTHER ASSETS / (LIABILITIES)</b>					<b>818,697</b>	<b>0.82</b>
<b>TOTAL NET ASSETS</b>					<b>100,215,256</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – BMO Global Total Return Bond

## Schedule of Investments as at 30 September 2017 (continued)

### DERIVATIVES

#### FORWARD FOREIGN EXCHANGE CONTRACTS

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in EUR
<b>Unrealised Gain on Forward Foreign Exchange Contracts</b>					
EUR	515,050	CAD	(750,604)	31.10.2017	8,029
EUR	4,886	CAD	(7,183)	31.10.2017	34
EUR	5,152	CAD	(7,569)	31.10.2017	39
EUR	13,311,552	GBP	(11,662,850)	31.10.2017	83,250
EUR	372,917	GBP	(326,729)	31.10.2017	2,332
EUR	13,309,653	GBP	(11,662,850)	31.10.2017	81,351
EUR	372,863	GBP	(326,729)	31.10.2017	2,279
EUR	2,198,626	HUF	(673,460,000)	15.11.2017	31,778
EUR	9,907,750	USD	(11,668,219)	31.10.2017	52,519
EUR	9,908,558	USD	(11,668,219)	31.10.2017	53,326
EUR	962,994	USD	(1,136,390)	31.10.2017	3,174
GBP	1,042,503	SEK	(11,155,000)	15.11.2017	25,879
GBP	974,684	SEK	(9,995,000)	15.11.2017	69,210
NOK	23,050,000	CAD	(3,563,753)	15.11.2017	40,458
NZD	1,200,000	USD	(856,739)	15.11.2017	8,437
PHP	77,250,000	USD	(1,507,729)	11.12.2017	6,176
TRY	6,740,000	USD	(1,861,809)	15.11.2017	8,194
TRY	560,000	USD	(155,034)	15.11.2017	390
USD	963,472	AUD	(1,190,000)	15.11.2017	25,406
USD	848,723	AUD	(1,080,000)	15.11.2017	1,378
USD	1,852,479	CNH	(12,030,000)	15.11.2017	38,797
USD	920,936	CNH	(6,015,000)	15.11.2017	14,922
USD	1,403,709	INR	(90,820,000)	11.12.2017	20,480
USD	2,371,663	JPY	(258,460,000)	15.11.2017	59,849
USD	1,482,337	KRW	(1,672,610,000)	11.12.2017	17,316
USD	1,697,517	NZD	(2,330,000)	15.11.2017	12,326
USD	95,003	NZD	(130,000)	15.11.2017	934
USD	1,043,006	TRY	(3,650,000)	15.11.2017	24,896
USD	1,028,959	TRY	(3,650,000)	15.11.2017	13,041
USD	606,966	TWD	(18,184,100)	31.10.2017	5,488
<b>Total Unrealised Gain on Forward Foreign Exchange Contracts</b>					<b>711,688</b>
<b>Unrealised Loss on Forward Foreign Exchange Contracts</b>					
CAD	1,793,691	NOK	(11,525,000)	15.11.2017	(12,254)
CAD	1,920,000	USD	(1,574,460)	15.11.2017	(32,758)
CAD	1,920,000	USD	(1,582,067)	15.11.2017	(39,178)
GBP	51,590	EUR	(58,826)	31.10.2017	(311)
GBP	863,125	EUR	(983,362)	31.10.2017	(4,384)
HUF	635,250,000	EUR	(2,085,727)	15.11.2017	(41,819)
HUF	38,210,000	EUR	(125,817)	15.11.2017	(2,877)
IDR	23,402,120,000	USD	(1,757,576)	11.12.2017	(25,704)
INR	178,230,000	USD	(2,763,684)	11.12.2017	(47,751)
JPY	258,460,000	USD	(2,379,576)	15.11.2017	(66,527)
NZD	1,260,000	USD	(919,732)	15.11.2017	(8,152)
SEK	17,240,000	EUR	(1,804,073)	15.11.2017	(17,314)
SEK	980,000	EUR	(102,882)	15.11.2017	(1,315)
SEK	10,790,000	EUR	(1,131,789)	15.11.2017	(13,511)
SEK	7,120,000	EUR	(746,743)	15.11.2017	(8,824)
SEK	19,990,000	GBP	(1,904,009)	15.11.2017	(86,991)
SEK	1,160,000	GBP	(111,226)	15.11.2017	(5,885)
TWD	18,184,100	USD	(610,000)	31.10.2017	(8,050)
USD	2,866,863	CAD	(3,620,000)	15.11.2017	(24,026)
USD	174,937	CAD	(220,000)	15.11.2017	(863)
USD	52,184	EUR	(44,401)	31.10.2017	(326)
USD	2,249,094	EUR	(1,910,343)	31.10.2017	(10,709)
USD	168,675	EUR	(143,225)	31.10.2017	(759)
USD	168,675	EUR	(143,237)	31.10.2017	(771)
USD	55,221	EUR	(46,795)	31.10.2017	(154)
USD	25,789	EUR	(21,806)	31.10.2017	(24)
USD	1,725,184	IDR	(23,402,120,000)	11.12.2017	(1,594)
USD	1,325,599	INR	(87,410,000)	11.12.2017	(1,698)
<b>Total Unrealised Loss on Forward Foreign Exchange Contracts</b>					<b>(464,529)</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – BMO Global Total Return Bond

## Schedule of Investments as at 30 September 2017 (continued)

### FUTURES CONTRACTS

Description	Currency	Number of Contracts	Maturity Date	Commitment in EUR	Unrealised Gain/(Loss) in EUR
<b>Unrealised Gain on Futures Contracts</b>					
Canadian Government Bond 10YR	CAD	42	18.12.2017	3,843,444	5,995
EURO-OAT Future	EUR	(143)	7.12.2017	(22,185,020)	99,523
German Federal Republic Bond 10YR	EUR	(78)	7.12.2017	(12,558,780)	119,715
German Federal Republic Bond 10YR	EUR	19	7.12.2017	3,059,190	8,666
German Federal Republic Bond 30YR	EUR	(33)	7.12.2017	(5,387,580)	112,268
German Federal Republic Bond 5YR	EUR	(15)	7.12.2017	(1,967,700)	7,650
Long Gilt Future	GBP	(41)	27.12.2017	(5,764,126)	15,547
US Treasury Note 2YR	USD	(10)	29.12.2017	(1,824,592)	5,372
US Treasury Note 5YR	USD	(249)	29.12.2017	(24,748,363)	134,456
US Treasury Ultra 10YR	USD	(35)	19.12.2017	(3,976,896)	11,030
<b>Total Unrealised Gain on Futures Contracts</b>				<b>(71,510,423)</b>	<b>520,222</b>
<b>Unrealised Loss on Futures Contracts</b>					
90Day Eurodollar Future	USD	(75)	17.12.2018	(15,564,475)	(39,841)
EURO-BTP Future	EUR	26	7.12.2017	3,508,960	(1,163)
German Federal Republic Bond 2YR	EUR	(101)	7.12.2017	(11,325,130)	(9,595)
German Federal Republic Bond 5YR	EUR	45	7.12.2017	5,903,100	(21,600)
US Treasury Bond Ultra Future	USD	38	19.12.2017	5,307,692	(118,131)
US Treasury Note 10YR	USD	115	19.12.2017	12,189,938	(167,126)
US Treasury Note 2YR	USD	153	29.12.2017	27,916,254	(33,259)
<b>Total Unrealised Loss on Futures Contracts</b>				<b>27,936,339</b>	<b>(390,715)</b>

### OPTION CONTRACTS

Currency	Quantity	Description	Maturity Date	Market Value in EUR	Unrealized Gain/(Loss) in EUR
<b>Purchased Options</b>					
EUR	2,500,000	Put EUR / Call JPY, Strike Price 129.5	2.11.2017	10,502	(26,022)
USD	2,300,000	Call USD / Put TWD, Strike Price 30.1	27.10.2017	22,761	(4,465)
USD	43,000	Put US Treasury Note 10YR Future Option, Strike Price 126.5	24.11.2017	55,696	28,154
<b>Total Purchased Options</b>				<b>88,959</b>	<b>(2,333)</b>
<b>Written Options</b>					
EUR	(2,500,000)	Put EUR / Call JPY, Strike Price 123.5	2.11.2017	(1,165)	8,660
USD	(2,300,000)	Call USD / Put TWD, Strike Price 32	27.10.2017	(27)	5,682
<b>Total Written Options</b>				<b>(1,192)</b>	<b>14,342</b>
<b>Unrealised Gain on Future Style Options</b>					
EUR	(6,000,000)	EURO-BUND Future (OGBL), Strike Price 160	27.10.2017	2,400	2,400
EUR	(12,000,000)	EURO-BUND Future (OGBL), Strike Price 159	27.10.2017	3,600	3,600
EUR	12,000,000	EURO-BUND Future (OGBL), Strike Price 161.5	27.10.2017	21,600	21,600
<b>Total Unrealised Gain on Future Style Options</b>				<b>27,600</b>	<b>27,600</b>

### SWAP CONTRACTS

Currency	Notional Amount	Pay / Receive	Maturity Date	Commitment in EUR	Unrealised Gain/(Loss) in EUR
<b>Credit Default Swaps</b>					
EUR	8,500,000	5% / Markit iTraxx Europe Crossover Index	20.6.2022	(1,075,045)	(63,769)
EUR	31,000,000	1% / Markit iTraxx Europe Crossover Index	20.12.2022	(699,281)	(14,857)
<b>Total Credit Default Swaps</b>				<b>(1,774,326)</b>	<b>(78,626)</b>
<b>Inflation Swaps</b>					
EUR	7,300,000	1.2975% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.8.2022	(8,515)	30,785
EUR	3,500,000	1.387% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.7.2027	15,288	15,288
EUR	3,500,000	1.408% / Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.7.2027	7,518	7,518
EUR	7,300,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.2975%	15.8.2022	8,515	8,515
EUR	3,500,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.387%	15.7.2027	(15,288)	(15,288)
EUR	3,500,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.408%	15.7.2027	(7,518)	(7,518)
EUR	2,860,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index / 1.4125%	15.5.2027	(2,034)	(2,034)
GBP	523,000	3.293% / UK Retail Prices Index	15.8.2067	26,273	26,273

The accompanying notes form an integral part of these financial statements.

## F&C Portfolios Fund – BMO Global Total Return Bond

### Schedule of Investments as at 30 September 2017 (continued)

Currency	Notional Amount	Pay / Receive	Maturity Date	Commitment in EUR	Unrealised Gain/(Loss) in EUR
GBP	1,100,000	3.327% / UK Retail Prices Index	15.7.2027	13,102	13,102
GBP	1,100,000	3.349% / UK Retail Prices Index	15.7.2027	9,822	9,822
GBP	1,100,000	3.356% / UK Retail Prices Index	15.6.2027	8,963	8,963
GBP	1,100,000	UK Retail Prices Index / 3.356%	15.6.2027	(8,963)	5,433
GBP	2,100,000	UK Retail Prices Index / 3.421%	15.5.2027	7,809	7,809
GBP	1,310,000	UK Retail Prices Index / 3.457%	15.8.2047	(21,161)	(21,161)
GBP	600,000	UK Retail Prices Index / 3.473%	3.11.2026	4,177	4,177
GBP	1,900,000	UK Retail Prices Index / 3.6675%	15.1.2027	62,329	62,329
USD	1,800,000	1.75% / US CPI Urban Consumers NSA Index	12.7.2026	53,932	53,932
USD	1,760,000	2.1085%/US CPI Urban Consumers NSA Index	24.7.2027	(4,491)	(4,491)
USD	950,000	2.146% / US CPI Urban Consumers NSA Index	12.5.2027	(1,631)	(1,631)
USD	4,660,000	2.17375% / US CPI Urban Consumers NSA Index	27.9.2027	(4,702)	(4,702)
USD	6,660,000	2.175% / US CPI Urban Consumers NSA Index	8.5.2027	(29,934)	(29,934)
USD	500,000	2.2775% / US CPI Urban Consumers NSA Index	13.2.2027	(6,847)	(6,847)
USD	2,900,000	2.335% / US CPI Urban Consumers NSA Index	2.2.2027	(55,517)	(55,517)
<b>Total Inflation Swaps</b>				<b>51,127</b>	<b>104,823</b>
<b>Interest Rate Swaps</b>					
EUR	6,130,000	0.1497% / EURIBOR 6M	8.4.2022	4,929	4,929
EUR	4,600,000	1.417% / EURIBOR 6M	11.9.2027	36,743	6,292
EUR	1,740,000	1.4449% / EURIBOR 6M	4.7.2042	48,719	5,119
EUR	1,650,000	1.4451% / EURIBOR 6M	4.7.2042	33,715	33,715
EUR	4,600,000	1.451% / EURIBOR 6M	7.9.2027	28,552	6,572
EUR	1,650,000	1.4595% / EURIBOR 6M	4.7.2042	28,549	28,549
EUR	7,500,000	1.616% / EURIBOR 6M	3.8.2027	(20,752)	11,048
EUR	1,620,000	1.6266% / EURIBOR 6M	4.7.2042	(25,290)	(25,290)
EUR	4,190,000	2.1635% / EURIBOR 6M	3.8.2037	8,140	8,140
EUR	6,130,000	EURIBOR 6M / 0.1497%	8.4.2022	(4,929)	(16,712)
EUR	8,130,000	EURIBOR 6M / 0.6982%	25.4.2026	(19,872)	(19,872)
EUR	1,511,000	EURIBOR 6M / 0.7815%	4.7.2042	(248,867)	(248,867)
EUR	1,460,000	EURIBOR 6M / 0.8491%	4.7.2042	(219,010)	(219,010)
EUR	150,000	EURIBOR 6M / 1.1893%	4.7.2042	(11,407)	(11,407)
EUR	3,650,000	EURIBOR 6M / 1.4045%	4.7.2042	(106,799)	(106,799)
EUR	1,244,000	EURIBOR 6M / 1.41495%	4.7.2042	(33,573)	(33,573)
EUR	4,600,000	EURIBOR 6M / 1.417%	11.9.2027	(36,793)	(36,793)
EUR	1,650,000	EURIBOR 6M / 1.4323%	4.7.2042	(38,306)	(38,306)
EUR	1,740,000	EURIBOR 6M / 1.4449%	4.7.2042	(48,719)	(48,719)
EUR	4,600,000	EURIBOR 6M / 1.451%	7.9.2027	(28,552)	(28,552)
EUR	1,620,000	EURIBOR 6M / 1.51765%	4.7.2042	(12,752)	(12,752)
EUR	7,500,000	EURIBOR 6M / 1.616%	3.8.2027	20,752	20,752
EUR	4,190,000	EURIBOR 6M / 2.1635%	3.8.2037	(8,140)	(8,140)
GBP	18,210,000	0.885% / ICE LIBOR 6M	27.8.2021	131,180	131,180
GBP	1,320,000	1.30113% / ICE LIBOR 6M	7.12.2027	13,442	13,442
GBP	4,520,000	1.395% / ICE LIBOR 6M	7.9.2027	79,986	79,986
GBP	4,520,000	1.521% / ICE LIBOR 6M	5.9.2027	50,196	50,196
GBP	1,925,000	1.5309% / ICE LIBOR 6M	7.12.2027	(31,651)	46,631
GBP	3,110,000	1.5575% / ICE LIBOR 6M	24.8.2047	60,496	60,496
GBP	2,700,000	1.576% / ICE LIBOR 6M	28.7.2047	43,137	43,137
GBP	18,210,000	ICE LIBOR 6M / 0.885%	27.8.2021	(131,180)	(131,180)
GBP	1,320,000	ICE LIBOR 6M / 1.30113%	7.12.2027	(13,442)	(13,442)
GBP	4,520,000	ICE LIBOR 6M / 1.395%	7.9.2027	(79,986)	(5,107)
GBP	4,520,000	ICE LIBOR 6M / 1.521%	5.9.2027	(50,196)	(9,890)
GBP	1,925,000	ICE LIBOR 6M / 1.5309%	7.12.2027	31,651	31,651
GBP	3,110,000	ICE LIBOR 6M / 1.5575%	24.8.2047	(60,496)	(47,988)
GBP	2,700,000	WMBA Sonia Overnight Deposit Rates Index / 1.396%	28.7.2047	(44,168)	(44,168)
USD	14,110,000	1.8823% / ICE LIBOR 6M	15.8.2024	199,793	73,668
USD	7,060,000	1.9783% / ICE LIBOR 6M	15.8.2024	64,352	88,021
USD	1,380,000	2.4748% / ICE LIBOR 6M	15.11.2043	11,456	11,456
USD	690,000	2.5539% / ICE LIBOR 6M	15.11.2043	(3,527)	(3,527)
USD	690,000	2.5944% / ICE LIBOR 6M	15.11.2043	(8,265)	(8,265)
USD	690,000	2.601% / ICE LIBOR 6M	15.11.2043	(9,037)	(9,037)
USD	14,110,000	ICE LIBOR 6M / 1.8823%	15.8.2024	(199,793)	(199,793)
USD	7,060,000	ICE LIBOR 6M / 1.9783%	15.8.2024	(64,352)	(64,352)
USD	690,000	ICE LIBOR 6M / 2.5539%	15.11.2043	3,527	472
<b>Total Interest Rate Swaps</b>				<b>(660,539)</b>	<b>(636,089)</b>
<b>Unrealised Gain on Swap Contracts</b>					<b>1,009,398</b>
<b>Unrealised Loss on Swap Contracts</b>					<b>(1,619,290)</b>

The counterparties for forward foreign exchange contracts were Bank of Montreal, Barclays Bank Plc. Wholesale, BNP Paribas S.A., Canadian Imperial Bank of Commerce, HSBC Bank Plc., ING Bank NV, JP Morgan Securities Plc., Royal Bank of Canada (UK), Societe Generale S.A., State Street Bank & Trust Company and Westpac Banking Corporation.

The counterparty for futures contracts was Goldman Sachs & Co.

The counterparties for option contracts were Goldman Sachs & Co (total commitment of EUR 27,542), HSBC Bank Plc. (total commitment of EUR 32,936) and Merrill Lynch International (total commitment of EUR 46,350).

The counterparties for swap contracts were, HSBC Bank Plc., JPMorgan Chase Bank N.A. and Merrill Lynch International.

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

**F&C Portfolios Fund - BMO Global Total Return Bond**  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Financial Services	25.94
Auto Parts & Equipment	10.57
Telecommunication	8.01
Insurance	5.99
Sovereign	4.16
Food & Beverages	4.13
Media	3.74
Leisure & Tourism	3.12
Commercial Services	3.05
Retail	2.81
Agriculture	2.61
Electrical Equipment	2.35
Pharmaceuticals	2.19
Real Estate	2.03
Healthcare	1.78
Computers	1.61
Packaging & Containers	1.57
Internet	1.45
Metals & Mining	1.32
Water	1.16
Pipelines	1.12
Holding Companies	1.00
Transportation	0.98
Oil & Gas	0.90
Lodging	0.68
Semiconductors	0.68
Chemicals	0.66
Forest Products & Paper	0.58
Software	0.46
Building Materials	0.41
Engineering & Construction	0.37
Supranational	0.35
Energy	0.32
Home Builders	0.28
Airline	0.24
Miscellaneous Manufacturers	0.21
Distribution & Wholesale	0.15
Electrical Component & Equipment	0.10
Machinery-Diversified	0.10
<hr/>	
Total Investments	99.18
Other Assets / (Liabilities)	0.82
<hr/>	
Total Net Assets	<u>100.00</u>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund

## BMO Responsible Global Emerging Markets Equity

### Performance

Over the 12 months to 30 September 2017, the Class A Shares - USD returned +20.6%. By comparison, the MSCI Emerging Markets NR Index returned +22.5%. Performance is net of fees and in US dollar terms.

The Portfolio delivered a solid absolute return over the 12-month period in review but was a small way behind its benchmark on a net basis after fees. The actions we took in late 2016, following the election of Donald Trump as US President and demonetisation in India, began to reap rewards in the second half of the reporting period. In the aftermath of the US election and expectations of major stimulus to the US economy, we added to our high conviction positions in Mexico. These went on to materially benefit the Portfolio from around March onwards. In India, it was more a case of retaining our nerve and holding our positions amid a major sell-off after Prime Minister Modi's government withdrew high denomination notes from circulation, in a move to flush out "black money". By the second quarter of 2017, when the markets had normalised, our security selection in India delivered strong performance. In the latter months of the review period, while the Portfolio's absolute gains remained positive we conceded some relative performance as increased inflows into the asset class, by international investors tracking short-term trends, bid up the price of large blue chip stocks. Company engagement forms an integral part of our investment approach, and we maintained our engagement activities throughout the review period. An illustration of this is our holding in AIA Group, a pan-Asian life insurance company. Whilst we were satisfied with its overall commitment, we identified some areas for potential improvement including on governance and responsible marketing. We focused on the steps it is taking to ensure its agents are incentivised to sell appropriate products, in order to avoid the risks around mis-selling that have affected many other companies in the financial sector. Having reviewed their progress, we were particularly pleased with the significant progress in corporate governance. All members of the audit committee are now well-qualified independent non-executives, and there are no longer any executives serving on the remuneration committee. These measures, which we asked for during our engagement with the company, are important to enhance the effectiveness and credibility of the committees and their role as safeguards for shareholders.

### Market Review

Emerging market ("EM") equities generated a strong positive return over the 12-month period. The markets were not without volatility as events including the surprise election of Donald Trump as US president, prompted several about-turns on expectations for US policy. US interest rate hikes also influenced sentiment around EM markets. The fundamental environment remained supportive, however, with a better global growth outlook backed by generally robust macroeconomic data from the US, China and the eurozone. Poland was the top-performing market in the first half of the period. In South America, Chile found support in higher copper prices while Mexico was lifted by the more optimistic US growth outlook. Brazil performed well initially, on hopes that new political leadership could help the economy emerge from its severe recession, before sentiment turned with the emergence of corruption allegations against President Temer. Russia found support from an improvement in sentiment for its domestic economy and for a period of time, firmer oil prices. After a short hiccup, following the demonetisation program, Indian equities resumed their strong, steady, climb.

### Outlook

The long-term structural investment case for less developed markets remains firmly in place. Their secular growth story is underwritten by some very powerful and predictable trends such as urbanisation, increasing incomes and improving education levels; factors that combine to create wealthier populations. We continue to believe that our approach of investing in high-quality companies is the right strategy for a long-term investor in the asset class. We invest in companies with strong business models, robust balance sheets, proven management teams, and a fair alignment between majority and minority shareholders, across a number of markets. In addition, these companies must contribute to or benefit from the sustainable economic development of those countries, based on our six investment themes (Infrastructure for Development, Financing the Future, Rise of the Low Income Consumer, Human Capital, Access to New Technologies and Energy for Growth).

### Jeff Chowdhry

Lead Portfolio Manager

October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – BMO Responsible Global Emerging Markets Equity

## Schedule of Investments as at 30 September 2017

Security Description	Quantity/ Nominal Value	Market Value in USD	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>			
<b>SHARES</b>			
<b>Brazil</b>			
Itau Unibanco Holding ADR	224,140	3,070,718	2.27
Ultrapar Participacoes	185,900	4,426,009	3.28
		<b>7,496,727</b>	<b>5.55</b>
<b>Chile</b>			
Aguas Andinas 'A'	1,891,790	1,198,778	0.89
<b>China</b>			
Tencent Holdings	194,300	8,363,355	6.19
<b>Egypt</b>			
Commercial International Bank Egypt GDR	652,032	2,963,485	2.20
<b>Hong Kong</b>			
AIA Group	899,000	6,629,675	4.91
Vitasoy International Holdings	1,164,000	2,593,058	1.92
		<b>9,222,733</b>	<b>6.83</b>
<b>India</b>			
Britannia Industries	43,301	2,880,325	2.13
Colgate-Palmolive India	162,702	2,628,215	1.95
Container Corporation of India	101,606	2,099,940	1.55
Emami	213,260	3,558,686	2.64
HDFC Bank	199,656	5,502,002	4.08
Hindustan Unilever	168,808	3,022,754	2.24
ICICI Bank	625,968	2,654,518	1.97
Nestle India	21,794	2,420,629	1.79
Pidilite Industries	128,641	1,566,754	1.16
Titan	289,564	2,589,763	1.92
Yes Bank	974,373	5,210,479	3.86
		<b>34,134,065</b>	<b>25.29</b>
<b>Indonesia</b>			
Bank Mandiri Persero	14,313,600	7,146,704	5.29
Bank Rakyat Indonesia Persero	3,453,800	3,916,905	2.90
Kalbe Farma	14,407,700	1,781,040	1.32
		<b>12,844,649</b>	<b>9.51</b>
<b>Mexico</b>			
Bolsa Mexicana de Valores	1,142,626	1,912,216	1.42
Fomento Economico Mexicano	386,100	3,697,018	2.74
Grupo Aeroportuario del Sureste 'B'	125,182	2,394,136	1.77
Grupo Financiero Banorte 'O'	510,759	3,526,239	2.61
Grupo Herdez	524,125	1,255,527	0.93
Wal-Mart de Mexico	1,838,434	4,221,688	3.13
		<b>17,006,824</b>	<b>12.60</b>
<b>Nigeria</b>			
Guaranty Trust Bank	23,437,355	2,611,404	1.93
<b>Peru</b>			
Credicorp	16,320	3,345,926	2.48
<b>Philippines</b>			
Universal Robina	1,066,170	3,206,937	2.38
<b>Russia</b>			
Mobile TeleSystems ADR	178,023	1,858,560	1.38
<b>South Africa</b>			
Clicks Group	298,455	3,493,045	2.59
Mr Price Group	130,069	1,734,318	1.28
		<b>5,227,363</b>	<b>3.87</b>
<b>Taiwan</b>			
President Chain Store	317,000	2,670,937	1.98
Taiwan Semiconductor Manufacturing	382,000	2,727,312	2.02
		<b>5,398,249</b>	<b>4.00</b>
<b>Thailand</b>			
Kasikornbank	6,200	39,784	0.03
Kasikornbank NVDR	429,000	2,662,759	1.97
		<b>2,702,543</b>	<b>2.00</b>
<b>Turkey</b>			
BIM Birlesik Magazalar	217,007	4,531,023	3.36

The accompanying notes form an integral part of these financial statements.

## F&C Portfolios Fund – BMO Responsible Global Emerging Markets Equity Schedule of Investments as at 30 September 2017 (continued)

Security Description	Quantity/ Nominal Value	Market Value in USD	% of Net Assets
<b>United States</b>			
PriceSmart	26,900	2,400,825	1.78
Western Union	100,207	1,923,974	1.42
		<b>4,324,799</b>	<b>3.20</b>
<b>Vietnam</b>			
Vietnam Dairy Products	693,300	4,551,531	3.37
<b>TOTAL SHARES</b>		<b>130,988,951</b>	<b>97.03</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>		<b>130,988,951</b>	<b>97.03</b>
<b>TOTAL INVESTMENTS</b>		<b>130,988,951</b>	<b>97.03</b>
<b>OTHER ASSETS / (LIABILITIES)</b>		<b>4,005,378</b>	<b>2.97</b>
<b>TOTAL NET ASSETS</b>		<b>134,994,329</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – BMO Responsible Global Emerging Markets Equity Schedule of Investments as at 30 September 2017 (continued)

## DERIVATIVES

### FORWARD FOREIGN EXCHANGE CONTRACTS

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in USD
<b>Unrealised Loss on Forward Foreign Exchange Contracts</b>					
HKD	15,033,245	USD	(1,925,414)	3.10.2017	(715)

The counterparty for forward foreign exchange contracts was State Street Bank & Trust Company.

**F&C Portfolios Fund – BMO Responsible Global Emerging Markets Equity**  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Financial Services	33.00
Food & Beverages	18.62
Retail	12.68
Internet	6.20
Insurance	4.91
Pharmaceuticals	3.96
Oil & Gas	3.28
Housewares	2.24
Semiconductors	2.02
Cosmetics & Personal Care	1.95
Engineering & Construction	1.77
Transportation	1.55
Commercial Services	1.42
Telecommunication	1.38
Miscellaneous Manufacturers	1.16
Water	0.89
<hr/>	
Total Investments	97.03
Other Assets / (Liabilities)	2.97
<hr/>	
Total Net Assets	<u>100.00</u>

# F&C Portfolios Fund

## F&C Diversified Growth

### Performance

Over the twelve months to 30 September 2017, the Class X Shares - EUR returned +4.3%. The Class A Shares - EUR returned +2.7%. By comparison, 1 month Euribor +400 basis points, rose by 3.6% over the same period. Performance is net of fees and in euro terms.

Over the twelve months, the alternatives allocation produced positive performance, as did the allocation to developed market equities. Going into the end of the period, our tactical tilts in favour of emerging markets, Europe and Japan added value, as did thematic trades, in particular “aero and defence”.

In terms of activity, the increased risk stance that had been held after Trump’s election success into 2017 proved to be correct and we were happy to hold this position until March. At this point, a slightly more cautious viewpoint was taken. Exposure to equities was reduced slightly and high quality fixed income was increased to provide protection in case of a market correction. During the latter half of the reporting period, there were some significant changes made within the fixed income exposures. Inflation linked securities exposure was cut in half as the market priced in reduced inflation expectations, thus tempering potential gains from this asset class. As credit spreads continued to tighten, investment grade bonds and emerging market debt were reduced on the back of skewed risk-reward payoff potential. Government bond allocation was increased, partially offsetting the change in duration (the sensitivity to movements in interest rates) from the reduced inflation linked security exposure.

### Market Review

Global equity markets made gains over the twelve months to the end of September 2017. Donald Trump’s surprise victory in the US presidential election drove markets higher amid hopes that the administration would deliver on pledges to cut taxes and regulation while raising spending on infrastructure. A more optimistic outlook for global economic growth drove increased risk appetite, while improving economic data and diminishing political risk helped European markets perform strongly. Austria and Italy were the top-performing global equity markets over the period. Certain emerging European markets – Poland, Hungary and Greece - were also top performers. Greece was boosted by the International Monetary Fund and European Union approval of another €8.5 billion tranche of bailout funds. Over the 12-month period, Brent oil futures rose from around \$49 to \$57 per barrel. As the period progressed, there was improvement for oil on both the supply and demand side; Chinese crude imports picked up, while OPEC and Russia claimed to be making good progress on cutting production. An improving global growth outlook helped industrial metals such as copper to rally.

### Outlook

After the slight flicker of concern shown across global capital markets in August due to geopolitical risks, normal service quickly resumed, with fundamental factors pointing to an improving global economy, equity markets posting all-time highs and credit spreads continuing to tighten. In the US, ten-year Treasury yields returned to roughly their starting point of 2017, around 2.35%, after briefly threatening to drop below 2% in August. Our economic base case remains constructive, even though valuation levels appear high relative to history. Given our focus on downside protection, we are asking ourselves what could destabilise the pervading confidence that keeps pushing equity markets ever higher. Actions by central banks is one example of potential concern. The Federal Reserve (“Fed”) has already started to tighten monetary policy. The conundrum they currently face is that inflation is not coming through as expected and hence they do not want to tighten too quickly for fear of stalling the recovery. The flip side is that if left too late, inflation could rise too quickly. If this were to happen, then an aggressive policy response could be required. The Fed is also looking to unwind their massive balance sheet; the timing and mechanics of how they will achieve this has been clearly communicated to the market. Therefore we do not expect any market shock when it actually starts. However, it is a further tightening of monetary policy and needs to be considered in the context of an interconnected global market. Furthermore, the European Central Bank is also considering tapering, and although they are clearly well behind the US and do not appear to be close to their first rate rise, it is another potential tightening of monetary conditions. Looking at a third key central bank, the Bank of Japan, there is further potential for disruption. If the snap election, called in September by Prime Minister Abe, goes the same way as the UK general election, Abenomics could be under threat. Even with our constructive base case, for a manager looking to limit drawdowns we believe we should always be prudent and keep on challenging our current views.

### Paul Niven & Keith Patton

Portfolio Managers  
October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C Diversified Growth

## Schedule of Investments as at 30 September 2017

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>						
<b>BONDS</b>						
<b>Germany</b>						
Bundesrepublik Deutschland - Series 7	4.00%	4.1.2018	EUR	11,500,000	11,642,703	7.43
Bundesrepublik Deutschland - Series 8	3.75%	4.1.2019	EUR	8,000,000	8,458,576	5.40
Bundesschatzanweisungen	0.00%	15.12.2017	EUR	11,670,000	11,686,735	7.45
Bundesschatzanweisungen	0.00%	16.3.2018	EUR	11,000,000	11,037,818	7.04
Bundesschatzanweisungen	0.00%	15.6.2018	EUR	12,000,000	12,063,000	7.69
Bundesschatzanweisungen	0.00%	14.9.2018	EUR	10,000,000	10,070,730	6.42
					<b>64,959,562</b>	<b>41.43</b>
<b>United States</b>						
United States Treasury Inflation Indexed Bonds	0.25%	15.1.2025	USD	18,759,659	15,720,326	10.03
United States Treasury Note/Bond	3.63%	15.2.2020	USD	10,156,600	9,009,764	5.75
United States Treasury Note/Bond	1.50%	15.8.2026	USD	5,850,000	4,633,718	2.95
					<b>29,363,808</b>	<b>18.73</b>
<b>TOTAL BONDS</b>					<b>94,323,370</b>	<b>60.16</b>
<b>SHARES</b>						
<b>Guernsey</b>						
Renewables Infrastructure Group				999,253	1,233,823	0.79
<b>United Kingdom</b>						
Tritax Big Box REIT				498,896	806,247	0.51
<b>TOTAL SHARES</b>					<b>2,040,070</b>	<b>1.30</b>
<b>FUNDS</b>						
<b>France</b>						
Amundi ETF MSCI Emerging Markets UCITS ETF 'A'				2,343,459	9,289,472	5.92
Amundi ETF MSCI Europe Ex UK UCITS ETF 'C'				466,410	13,215,727	8.43
					<b>22,505,199</b>	<b>14.35</b>
<b>Guernsey</b>						
Funding Circle SME Income Fund				471,662	567,395	0.36
MedicX Fund				217,506	224,626	0.15
					<b>792,021</b>	<b>0.51</b>
<b>Ireland</b>						
Leadenhall UCITS ILS Fund 'B'				24,963	2,527,808	1.61
Traditional Funds - F&C Multi Strategy Global Equity Fund				1,004,823	13,906,750	8.87
					<b>16,434,558</b>	<b>10.48</b>
<b>Jersey</b>						
3i Infrastructure				513,000	1,131,198	0.72
<b>Luxembourg</b>						
F&C Portfolios Fund - F&C Emerging Markets Bond 'C'				32,863	3,802,578	2.43
Falcon Fund SICAV - Twelve-Falcon Insurance Linked Strategy Fund 'T'				13,219	1,215,115	0.77
					<b>5,017,693</b>	<b>3.20</b>
<b>United Kingdom</b>						
F&C Investment Funds ICVC - Maximum Income Bond Fund 'C'				4,781,318	2,955,653	1.88
<b>United States</b>						
iShares US Aerospace & Defense ETF				20,800	3,132,494	2.00
<b>TOTAL FUNDS</b>					<b>51,968,816</b>	<b>33.14</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>					<b>148,332,256</b>	<b>94.60</b>
<b>TOTAL INVESTMENTS</b>					<b>148,332,256</b>	<b>94.60</b>
<b>OTHER ASSETS / (LIABILITIES)</b>					<b>8,475,053</b>	<b>5.40</b>
<b>TOTAL NET ASSETS</b>					<b>156,807,309</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – F&C Diversified Growth

## Schedule of Investments as at 30 September 2017 (continued)

### DERIVATIVES

#### FORWARD FOREIGN EXCHANGE CONTRACTS

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in EUR
<b>Unrealised Gain on Forward Foreign Exchange Contracts</b>					
AUD	2,110	EUR	(1,398)	31.10.2017	—
EUR	5,065	AUD	(7,636)	31.10.2017	6
EUR	292,015	AUD	(440,000)	15.11.2017	756
EUR	350,168	CHF	(400,000)	15.11.2017	310
EUR	2,014,571	GBP	(1,765,309)	31.10.2017	12,313
EUR	668	GBP	(585)	31.10.2017	4
EUR	1,504,333	GBP	(1,318,202)	31.10.2017	9,195
EUR	7,075	GBP	(6,211)	31.10.2017	30
EUR	1,504,547	GBP	(1,318,202)	31.10.2017	9,409
EUR	2,014,859	GBP	(1,765,309)	31.10.2017	12,601
EUR	668	GBP	(585)	31.10.2017	4
EUR	7,515	HKD	(69,363)	31.10.2017	8
EUR	12,210	HKD	(112,200)	31.10.2017	67
EUR	2,228,530	HUF	(682,620,000)	15.11.2017	32,210
EUR	38,407	JPY	(5,099,877)	31.10.2017	88
EUR	1,056,195	JPY	(136,330,542)	15.11.2017	31,983
EUR	39	NOK	(363)	31.10.2017	—
EUR	90	SEK	(865)	31.10.2017	1
EUR	454	SGD	(728)	31.10.2017	1
EUR	7,202	USD	(8,518)	31.10.2017	8
EUR	18,093	USD	(21,351)	31.10.2017	60
EUR	19,966	USD	(23,561)	31.10.2017	66
EUR	14,948,071	USD	(17,602,699)	31.10.2017	80,448
EUR	457,297	USD	(538,508)	31.10.2017	2,461
EUR	14,946,853	USD	(17,602,699)	31.10.2017	79,230
EUR	1,569,965	USD	(1,848,926)	31.10.2017	8,322
EUR	457,259	USD	(538,508)	31.10.2017	2,424
EUR	1,570,093	USD	(1,848,926)	31.10.2017	8,450
EUR	11,947,280	USD	(14,150,801)	15.11.2017	4,594
EUR	614,969	ZAR	(9,837,332)	15.11.2017	4,342
GBP	1,004,186	SEK	(10,745,000)	15.11.2017	24,928
GBP	1,047,822	SEK	(10,745,000)	15.11.2017	74,403
NOK	23,500,000	CAD	(3,633,328)	15.11.2017	41,247
NZD	1,230,000	USD	(878,157)	15.11.2017	8,648
PHP	77,140,000	USD	(1,505,582)	11.12.2017	6,167
PHP	377,033,720	USD	(7,305,439)	20.12.2017	72,343
TRY	7,240,000	USD	(1,999,925)	15.11.2017	8,801
USD	911,592	AUD	(1,160,000)	15.11.2017	1,480
USD	931,086	AUD	(1,150,000)	15.11.2017	24,552
USD	829,664	BRL	(2,591,206)	11.12.2017	15,058
USD	919,660	CNH	(6,006,667)	15.11.2017	14,902
USD	1,849,913	CNH	(12,013,333)	15.11.2017	38,743
USD	1,373,570	INR	(88,870,000)	11.12.2017	20,041
USD	1,047,699	INR	(67,566,090)	11.12.2017	18,102
USD	2,548,578	JPY	(277,740,000)	15.11.2017	64,313
USD	2,125,237	KRW	(2,398,032,350)	11.12.2017	24,827
USD	1,480,210	KRW	(1,670,210,000)	11.12.2017	17,292
USD	1,821,370	NZD	(2,500,000)	15.11.2017	13,226
USD	1,034,433	TRY	(3,620,000)	15.11.2017	24,691
USD	1,020,502	TRY	(3,620,000)	15.11.2017	12,934
USD	626,867	TWD	(18,780,300)	31.10.2017	5,667
USD	1,233,321	TWD	(36,641,970)	11.12.2017	17,615
<b>Total Unrealised Gain on Forward Foreign Exchange Contracts</b>					<b>849,371</b>
<b>Unrealised Loss on Forward Foreign Exchange Contracts</b>					
AUD	7,225	EUR	(4,819)	31.10.2017	(32)
CAD	1,828,708	NOK	(11,750,000)	15.11.2017	(12,494)
CAD	1,950,000	USD	(1,599,061)	15.11.2017	(33,269)
CAD	1,950,000	USD	(1,606,787)	15.11.2017	(39,790)
EUR	373,184	CAD	(560,000)	15.11.2017	(4,822)
EUR	2,042	GBP	(1,803)	31.10.2017	(3)
EUR	804,947	GBP	(732,018)	15.11.2017	(25,013)
EUR	2,575,811	HKD	(24,231,741)	15.11.2017	(45,616)
EUR	1,000,000	USD	(1,198,390)	15.11.2017	(11,391)
GBP	1,217	EUR	(1,387)	31.10.2017	(7)
GBP	1,759,394	EUR	(2,006,162)	31.10.2017	(10,612)
GBP	2,551,505	EUR	(2,909,372)	31.10.2017	(15,390)
GBP	29,138,988	EUR	(33,198,199)	31.10.2017	(148,013)
GBP	20,493	EUR	(23,347)	31.10.2017	(104)
GBP	42,579,831	EUR	(48,511,419)	31.10.2017	(216,287)
HKD	14,934	EUR	(1,622)	31.10.2017	(6)

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – F&C Diversified Growth

## Schedule of Investments as at 30 September 2017 (continued)

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in EUR
HUF	682,620,000	EUR	(2,241,258)	15.11.2017	(44,938)
IDR	23,368,560,000	USD	(1,755,055)	11.12.2017	(25,667)
INR	177,980,000	USD	(2,759,808)	11.12.2017	(47,684)
JPY	784,506	EUR	(5,914)	31.10.2017	(19)
JPY	2,038,458	EUR	(15,344)	31.10.2017	(28)
JPY	277,740,000	USD	(2,557,082)	15.11.2017	(71,490)
NOK	96,890	EUR	(10,369)	31.10.2017	(83)
NZD	1,270,000	USD	(927,031)	15.11.2017	(8,217)
SEK	124,802	EUR	(13,038)	31.10.2017	(104)
SEK	18,520,000	EUR	(1,938,018)	15.11.2017	(18,600)
SEK	11,060,000	EUR	(1,160,110)	15.11.2017	(13,849)
SEK	7,000,000	EUR	(734,157)	15.11.2017	(8,675)
SEK	21,490,000	GBP	(2,046,881)	15.11.2017	(93,518)
SGD	952	EUR	(596)	31.10.2017	(3)
SGD	399	EUR	(249)	31.10.2017	—
TRY	6,460,470	EUR	(1,515,281)	20.12.2017	(19,369)
TRY	12,736,998	EUR	(2,960,000)	20.12.2017	(10,767)
TWD	18,780,300	USD	(630,000)	31.10.2017	(8,314)
USD	3,088,610	CAD	(3,900,000)	15.11.2017	(25,884)
USD	230	EUR	(196)	31.10.2017	(1)
USD	9,983	EUR	(8,479)	31.10.2017	(48)
USD	7,125	EUR	(6,050)	31.10.2017	(33)
USD	7,125	EUR	(6,050)	31.10.2017	(32)
USD	7,199	EUR	(6,113)	31.10.2017	(32)
USD	7,199	EUR	(6,113)	31.10.2017	(33)
USD	45,108	EUR	(38,141)	31.10.2017	(42)
USD	4,123	EUR	(3,486)	31.10.2017	(4)
USD	1,722,710	IDR	(23,368,560,000)	11.12.2017	(1,591)
USD	1,351,380	INR	(89,110,000)	11.12.2017	(1,732)
USD	7,331,008	PHP	(377,033,720)	20.12.2017	(50,808)
<b>Total Unrealised Loss on Forward Foreign Exchange Contracts</b>					<b>(1,014,414)</b>

### FUTURES CONTRACTS

Description	Currency	Number of Contracts	Maturity Date	Commitment in EUR	Unrealised Gain/(Loss) in EUR
<b>Unrealised Gain on Futures Contracts</b>					
Canadian Government Bond 10YR	CAD	42	18.12.2017	3,843,444	5,995
EURO STOXX 50	EUR	28	15.12.2017	1,001,280	22,435
EURO-OAT Future	EUR	(154)	7.12.2017	(23,891,560)	112,856
German Federal Republic Bond 10YR	EUR	28	7.12.2017	4,508,280	10,458
German Federal Republic Bond 30YR	EUR	(34)	7.12.2017	(5,550,840)	114,986
German Federal Republic Bond 5YR	EUR	(293)	7.12.2017	(38,435,740)	123,060
MSCI Singapore Free Index	SGD	2	30.10.2017	44,818	118
NIKKEI 225 Index	JPY	81	7.12.2017	6,193,346	241,951
S&P 500 E-mini Index	USD	53	15.12.2017	5,640,051	123,511
SPI 200 Index	AUD	(17)	21.12.2017	(1,598,836)	7,616
US Treasury Note 10YR	USD	(82)	19.12.2017	(8,691,956)	141,976
US Treasury Note 2YR	USD	(241)	29.12.2017	(43,972,661)	79,642
US Treasury Note 5YR	USD	(486)	29.12.2017	(48,304,035)	287,164
US Treasury Ultra 10YR	USD	(32)	19.12.2017	(3,636,019)	7,910
<b>Total Unrealised Gain on Futures Contracts</b>				<b>(152,850,428)</b>	<b>1,279,678</b>
<b>Unrealised Loss on Futures Contracts</b>					
EURO STOXX 50	EUR	(70)	15.12.2017	(2,503,200)	(66,500)
EURO-BTP Future	EUR	27	7.12.2017	3,643,920	(1,983)
FTSE 100 Index	GBP	18	15.12.2017	1,497,253	(7,150)
German Federal Republic Bond 5YR	EUR	48	7.12.2017	6,296,640	(23,040)
Hang Seng Index	HKD	(4)	30.10.2017	(595,962)	(1,538)
S&P 500 E-mini Index	USD	(24)	15.12.2017	(2,553,985)	(18,626)
UK Long Gilt Bond Future	GBP	24	27.12.2017	3,374,123	(88,793)
UK Long Gilt Bond Future	GBP	(16)	27.12.2017	(2,249,415)	(1,668)
US Treasury Bond Ultra Future	USD	43	19.12.2017	6,006,072	(132,682)
US Treasury Note 10YR	USD	793	19.12.2017	84,057,574	(1,008,504)
US Treasury Note 2YR	USD	154	29.12.2017	28,098,713	(36,682)
<b>Total Unrealised Loss on Futures Contracts</b>				<b>125,071,733</b>	<b>(1,387,166)</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – F&C Diversified Growth

## Schedule of Investments as at 30 September 2017 (continued)

### OPTION CONTRACTS

Currency	Quantity	Description	Maturity Date	Market Value in EUR	Unrealised Gain/(Loss) in EUR
<b>Purchased Options</b>					
EUR	2,500,000	Put EUR / Call JPY, Strike Price 129.5	2.11.2017	10,503	(26,022)
USD	2,400,000	Call USD / Put TWD, Strike Price 30.1	27.10.2017	23,750	(4,659)
USD	1,100,000	Put USD / Call KRW, Strike Price 1,131.75	8.11.2017	5,736	(23,648)
USD	43,000	Put US Treasury Note 10YR Future Option, Strike Price 126.5	24.11.2017	55,696	28,154
<b>Total Purchased Options</b>				<b>95,685</b>	<b>(26,175)</b>
<b>Written Options</b>					
EUR	(2,500,000)	Put EUR / Call JPY, Strike Price 123.5	2.11.2017	(1,165)	8,660
USD	(2,400,000)	Call USD / Put TWD, Strike Price 32	27.10.2017	(29)	5,929
<b>Total Written Options</b>				<b>(1,194)</b>	<b>14,589</b>
<b>Unrealised Loss on Future Style Options</b>					
EUR	(12,000,000)	EURO-BUND Future (OGBL), Strike Price 160	27.10.2017	3,600	3,600
EUR	(6,000,000)	EURO-BUND Future (OGBL), Strike Price 159	27.10.2017	2,400	2,400
<b>Total Unrealised Loss on Future Style Options</b>				<b>6,000</b>	<b>6,000</b>
<b>Unrealised Gain on Future Style Options</b>					
EUR	12,000,000	EURO-BUND Future (OGBL), Strike Price 161.5	27.10.2017	21,600	21,600
<b>Total Unrealised Gain on Future Style Options</b>				<b>21,600</b>	<b>21,600</b>

### SWAP CONTRACTS

Currency	Notional Amount	Pay / Receive	Maturity Date	Commitment in EUR	Unrealised Gain/(Loss) in EUR
<b>Inflation Swaps</b>					
EUR	7,500,000	1.2975%/Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.8.2022	8,749	8,749
EUR	3,700,000	1.387%/Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.7.2027	(16,162)	(16,162)
EUR	3,700,000	1.408%/Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.7.2027	(7,948)	(7,948)
EUR	3,100,000	1.4125%/Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index	15.5.2027	(2,204)	(2,204)
EUR	7,500,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index/1.2975%	15.8.2022	(8,749)	31,651
EUR	3,700,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index/1.387%	15.7.2027	16,162	16,162
EUR	3,700,000	Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA Index/1.408%	15.7.2027	7,948	7,948
GBP	1,100,000	3.356%/UK Retail Prices Index	15.6.2027	(8,963)	5,433
GBP	2,260,000	3.421%/UK Retail Prices Index	15.5.2027	8,404	8,404
GBP	1,320,000	3.457%/UK Retail Prices Index	15.8.2047	(21,323)	(21,323)
GBP	900,000	3.473%/UK Retail Prices Index	3.11.2026	6,266	6,266
GBP	1,900,000	3.6675%/UK Retail Prices Index	15.1.2027	62,329	62,329
GBP	533,000	UK Retail Prices Index/3.293%	15.8.2067	26,775	26,775
GBP	1,100,000	UK Retail Prices Index/3.327%	15.7.2027	13,102	13,102
GBP	1,100,000	UK Retail Prices Index/3.349%	15.7.2027	9,823	9,823
GBP	1,100,000	UK Retail Prices Index/3.356%	15.6.2027	8,963	8,963
USD	1,870,000	2.1085%/US CPI Urban Consumers NSA Index	24.7.2027	(4,772)	(4,772)
USD	2,800,000	US CPI Urban Consumers NSA Index/1.75%	12.7.2026	83,894	83,894
USD	4,660,000	US CPI Urban Consumers NSA Index/2.17375%	27.9.2027	(4,702)	(4,702)
USD	7,250,000	US CPI Urban Consumers NSA Index/2.175%	8.5.2027	(32,586)	(32,586)
USD	300,000	US CPI Urban Consumers NSA Index/2.2775%	13.2.2027	(4,108)	(4,108)
USD	2,900,000	US CPI Urban Consumers NSA Index/2.335%	2.2.2027	(55,517)	(55,517)
<b>Total Inflation Swaps</b>				<b>85,381</b>	<b>140,177</b>
<b>Interest Rate Swaps</b>					
EUR	6,500,000	1.497%/EURIBOR 6M	8.4.2022	(5,227)	(17,721)
EUR	8,710,000	0.6982%/EURIBOR 6M	25.4.2026	(21,289)	(21,289)
EUR	2,266,000	0.7815%/EURIBOR 6M	4.7.2042	(373,218)	(373,218)
EUR	2,330,000	0.8491%/EURIBOR 6M	4.7.2042	(349,516)	(349,516)
EUR	450,000	1.1893%/EURIBOR 6M	4.7.2042	(34,220)	(34,220)
EUR	3,500,000	1.4045%/EURIBOR 6M	4.7.2042	(102,410)	(102,410)
EUR	4,670,000	1.417%/EURIBOR 6M	11.9.2027	(37,353)	(37,353)
EUR	1,790,000	1.4323%/EURIBOR 6M	4.7.2042	(41,557)	(41,557)
EUR	1,750,000	1.4449%/EURIBOR 6M	4.7.2042	(48,999)	(48,999)
EUR	4,670,000	1.451%/EURIBOR 6M	7.9.2027	(28,987)	(28,987)
EUR	1,750,000	1.51765%/EURIBOR 6M	4.7.2042	(13,776)	(13,776)
EUR	7,930,000	1.616%/EURIBOR 6M	3.8.2027	21,941	21,941
EUR	4,430,000	2.1635%/EURIBOR 6M	3.8.2037	(8,606)	(8,606)
EUR	6,500,000	EURIBOR 6M/0.1497%	8.4.2022	5,227	5,227
EUR	4,670,000	EURIBOR 6M/1.417%	11.9.2027	37,302	6,382

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – F&C Diversified Growth

## Schedule of Investments as at 30 September 2017 (continued)

Currency	Notional Amount Pay / Receive	Maturity Date	Commitment in EUR	Unrealised Gain/(Loss) in EUR
EUR	1,750,000EURIBOR 6M/1.4449%	4.7.2042	48,999	5,199
EUR	1,790,000EURIBOR 6M/1.4451%	4.7.2042	36,575	36,575
EUR	4,670,000EURIBOR 6M/1.451%	7.9.2027	28,987	6,677
EUR	1,790,000EURIBOR 6M/1.4595%	4.7.2042	30,972	30,972
EUR	7,930,000EURIBOR 6M/1.616%	3.8.2027	(21,941)	11,659
EUR	1,750,000EURIBOR 6M/1.6266%	4.7.2042	(27,319)	(27,319)
EUR	4,430,000EURIBOR 6M/2.1635%	4.7.2042	8,606	8,606
GBP	18,450,0000.885%/ICE LIBOR 6M	27.8.2021	(132,909)	(132,909)
GBP	1,870,0001.30113%/ICE LIBOR 6M	7.12.2027	(19,042)	(19,042)
GBP	4,580,0001.395%/ICE LIBOR 6M	7.9.2027	(81,047)	(5,185)
GBP	2,850,0001.396%/WMBBA SONIA Index	28.7.2047	(46,622)	(46,622)
GBP	4,580,0001.521%/ICE LIBOR 6M	5.9.2027	(50,862)	(10,023)
GBP	2,245,0001.5309%/ICE LIBOR 6M	7.12.2027	36,913	36,913
GBP	3,150,0001.5575%/ICE LIBOR 6M	24.8.2047	(61,274)	(48,657)
GBP	18,450,000ICE LIBOR 6M/0.885%	27.8.2021	132,909	132,909
GBP	1,870,000ICE LIBOR 6M/1.30113%	7.12.2027	19,042	19,042
GBP	4,580,000ICE LIBOR 6M/1.395%	7.9.2027	81,048	81,047
GBP	4,580,000ICE LIBOR 6M/1.521%	5.9.2027	50,862	50,862
GBP	2,245,000ICE LIBOR 6M/1.5309%	7.12.2027	(36,913)	57,158
GBP	3,150,000ICE LIBOR 6M/1.5575%	24.8.2047	61,274	61,274
GBP	2,850,000ICE LIBOR 6M/1.576%	28.7.2047	45,533	45,533
USD	14,290,0001.8823%/ICE LIBOR 3M	15.8.2024	(202,342)	(202,342)
USD	7,150,0001.9783%/ICE LIBOR 3M	15.8.2024	(65,172)	(65,172)
USD	820,0002.5539%/ICE LIBOR 3M	15.11.2043	4,191	562
USD	14,290,000ICE LIBOR 3M/1.8823%	15.8.2024	202,342	74,550
USD	7,150,000ICE LIBOR 3M/1.9783%	15.8.2024	65,172	89,144
USD	1,640,000ICE LIBOR 3M/2.4748%	15.11.2043	13,614	13,614
USD	820,000ICE LIBOR 3M/2.5539%	15.11.2043	(4,191)	(4,191)
USD	820,000ICE LIBOR 3M/2.5944%	15.11.2043	(9,822)	(9,822)
USD	820,000ICE LIBOR 3M/2.601%	15.11.2043	(10,740)	(10,740)
<b>Total Interest Rate Swaps</b>			<b>(903,845)</b>	<b>(863,830)</b>
<b>Total Return Swaps</b>				
USD	21,102,241F&C Gear Strategy Index	29.12.2017	—	—
USD	11,127,000MLEIFCLS Index <sup>(*)</sup>	6.9.2018	10,840,625	(242,239)
<b>Total Return Swaps</b>			<b>10,840,625</b>	<b>(242,239)</b>
<b>Unrealised Gain on Swap Contracts</b>				<b>1,085,345</b>
<b>Unrealised Loss on Swap Contracts</b>				<b>(2,051,237)</b>

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

The counterparties for forward foreign exchange contracts were Bank of Montreal, Barclays Bank Plc. Wholesale, BNP Paribas S.A., Canadian Imperial Bank of Commerce, Citibank N.A., HSBC Bank Plc., ING Bank NV, JP Morgan Securities Plc., Rabobank Nederland, Royal Bank of Canada (UK), Societe Generale S.A, State Street Bank & Trust Company and Westpac Banking Corporation.

The counterparty for futures contracts was Goldman Sachs & Co.

The counterparties for option contracts were HSBC Bank Plc. (total commitment of EUR 63,752), Merrill Lynch International (total commitment of EUR 46,350) and Goldman Sachs & Co. (total commitment of EUR 27,542).

The counterparties for swap contracts were JP Morgan Securities Plc. and Merrill Lynch International.

F&C Portfolios Fund - F&C Diversified Growth  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

Sector	% of Net Assets
Sovereign	60.16
Financial Services	33.93
Real Estate	0.51
<hr/>	
Total Investments	94.60
Other Assets / (Liabilities)	5.40
Total Net Assets	<hr/> 100.00 <hr/>

# F&C Portfolios Fund

## F&C Emerging Markets Bond

### Performance

In the 12 months to 30 September 2017 the Class A Shares - USD returned 4.1%. By comparison, the EMBI Global Diversified Index returned 4.6%. Performance is net of fees and in US dollar terms.

Our positioning in Argentina and Brazil contributed particularly strongly to performance. Our exposure to the former was notably positive in the third quarter of 2017. Argentines went to the ballot box in August to elect party candidates for the October mid-term elections, and the results were interpreted positively by markets as it was confirmed that President Macri's *Cambiamos* coalition continues to consolidate its position as the main political force in the country, with robust support even in provinces traditionally hostile to non-Peronist candidates. Long-dated Argentine sovereign bonds performed particularly well. With regards to Brazil, security selection added to performance in the middle part of the reporting period. The performance of Petrobras quasi-sovereign bonds and longer-dated sovereign bonds was particularly strong at the start of 2017. At the beginning of the reporting period, the outlook for Brazil was positive because President Temer's centrist government was pressing ahead with an ambitious economic reform programme and a landmark law limiting future increases in budget spending to the rate of inflation was passed. Now, however, it remains unclear whether the government will galvanize the necessary support in Congress to approve a deeply unpopular pension reform which is necessary to stabilize Brazil's fiscal position over the medium-term. Elsewhere, it was the correct decision to be underweight the Philippines. Generally speaking, the performance of investment grade countries has been comparatively weak, and the spreads of Philippine government bonds have lagged the general spread tightening since the beginning of the year. Being underweight oil-exporting Ecuador detracted from performance in periods when the oil price rallied. In addition, being underweight Ghana had a negative impact on performance. The country has benefited from stronger commodity exports as well as positive election results, which delivered a market-friendly government.

### Market review

Emerging market debt ("EMD") yields initially rose against the backdrop of Federal Reserve tightening and Donald Trump's surprise win in the US presidential election, which led to higher US bond yields and fears of a more protectionist agenda. In early 2017, yields fell back, however, and the US dollar weakened as President Trump faced a number of policy setbacks, from which investors extrapolated that many of his proposed tax reforms and protectionist measures could be delayed and watered-down. Furthermore, even though the Federal Reserve delivered a second interest rate hike in March (the first was in December), it adopted a less hawkish tone than many investors anticipated. The market turned positive again later in the period, as investment inflows increased and the International Monetary Fund (IMF) gave further support to a number of emerging market countries. A steady improvement in the outlook for global growth was also helpful, and commodity prices climbed.

### Market Outlook

Emerging market ("EM") fundamentals should continue to benefit from steady growth in the world economy. In particular, demand from the rebounding eurozone should support exports, while inflation in most EM countries should stay relatively low. We expect growth in Central Europe and South East Asia to remain resilient, while commodity-dependent countries such as Russia, Nigeria and Brazil are gradually recovering from recession. Commodity prices are rebounding from last year's low, but crude oil prices are capped by technological change, and uncertainty about the continuation of the OPEC deal to reduce global production. In China, where massive financial stimulus has driven the economy, less credit intensive growth is likely to be prioritised over the coming few years. We expect momentum in structural reforms will be maintained in India, while IMF programmes provide policy anchors in a plethora of smaller EM countries including Iraq, Ukraine, Egypt, Honduras, Mongolia, and Sri Lanka. Sovereign spreads in most cases are cushioned by strong sovereign external balance sheets and limited near-term financing needs. The main short-term risk is that unexpected progress on US tax reform or strong inflation data could lead to a US dollar rebound and more Federal Reserve rate hikes than the market is currently pricing in.

### Jonathan Mann

Portfolio Manager  
October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C Emerging Markets Bond

## Schedule of Investments as at 30 September 2017

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in USD	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>						
<b>BONDS</b>						
<b>Angola</b>						
Angolan Government International Bond	9.50%	12.11.2025	USD	200,000	215,357	0.99
<b>Argentina</b>						
Argentine Republic Government International Bond	5.63%	26.1.2022	USD	275,000	289,094	1.32
Argentine Republic Government International Bond	6.88%	26.1.2027	USD	100,000	108,250	0.50
Argentine Republic Government International Bond	8.28%	31.12.2033	USD	—	—	0.00
Argentine Republic Government International Bond	7.82%	31.12.2033	EUR	55,044	72,046	0.33
Argentine Republic Government International Bond	2.26%	31.12.2038	EUR	100,000	79,828	0.36
Argentine Republic Government International Bond	2.50%	31.12.2038	USD	355,462	252,378	1.16
					<b>801,596</b>	<b>3.67</b>
<b>Bermuda</b>						
Tengizchevroil Finance International	4.00%	15.8.2026	USD	200,000	198,751	0.91
<b>Brazil</b>						
Banco Nacional de Desenvolvimento Economico e Social	4.75%	9.5.2024	USD	225,000	226,969	1.04
Brazilian Government International Bond	2.63%	5.1.2023	USD	120,000	115,050	0.53
					<b>342,019</b>	<b>1.57</b>
<b>British Virgin Islands</b>						
State Grid Overseas Investment 2016	3.50%	4.5.2027	USD	500,000	509,484	2.34
<b>Chile</b>						
Chile Government International Bond	3.86%	21.6.2047	USD	200,000	204,000	0.94
Corp Nacional del Cobre de Chile	4.50%	16.9.2025	USD	200,000	214,456	0.98
Corp Nacional del Cobre de Chile	3.63%	1.8.2027	USD	200,000	199,376	0.91
Corp Nacional del Cobre de Chile	6.15%	24.10.2036	USD	130,000	159,965	0.73
Latam Airlines Group	7.25%	9.6.2020	USD	200,000	214,850	0.99
					<b>992,647</b>	<b>4.55</b>
<b>Colombia</b>						
Colombia Government International Bond	4.50%	28.1.2026	USD	200,000	214,000	0.98
Colombia Government International Bond	3.88%	25.4.2027	USD	200,000	203,300	0.93
Colombia Government International Bond	5.63%	26.2.2044	USD	200,000	224,200	1.03
Colombia Government International Bond	5.00%	15.6.2045	USD	200,000	206,100	0.94
Colombia Telecomunicaciones	5.38%	27.9.2022	USD	200,000	204,750	0.94
					<b>1,052,350</b>	<b>4.82</b>
<b>Costa Rica</b>						
Instituto Costarricense de Electricidad	6.38%	15.5.2043	USD	200,000	187,788	0.86
<b>Croatia</b>						
Croatia Government International Bond	6.75%	5.11.2019	USD	90,000	97,620	0.45
Croatia Government International Bond	5.50%	4.4.2023	USD	110,000	122,295	0.56
					<b>219,915</b>	<b>1.01</b>
<b>Dominican Republic</b>						
Dominican Republic International Bond	7.50%	6.5.2021	USD	90,000	100,350	0.46
Dominican Republic International Bond	6.60%	28.1.2024	USD	100,000	112,625	0.52
Dominican Republic International Bond	6.88%	29.1.2026	USD	65,000	74,292	0.34
Dominican Republic International Bond	5.95%	25.1.2027	USD	217,000	233,818	1.07
					<b>521,085</b>	<b>2.39</b>
<b>Egypt</b>						
Egypt Government International Bond	6.13%	31.1.2022	USD	200,000	207,750	0.95
Egypt Government International Bond	8.50%	31.1.2047	USD	200,000	223,800	1.03
					<b>431,550</b>	<b>1.98</b>
<b>El Salvador</b>						
El Salvador Government International Bond	7.75%	24.1.2023	USD	31,000	33,492	0.15
El Salvador Government International Bond	5.88%	30.1.2025	USD	141,000	138,885	0.64
El Salvador Government International Bond	8.63%	28.2.2029	USD	60,000	67,500	0.31
El Salvador Government International Bond	7.65%	15.6.2035	USD	27,000	27,874	0.13
					<b>267,751</b>	<b>1.23</b>
<b>Georgia</b>						
Georgia Government International Bond	6.88%	12.4.2021	USD	150,000	168,503	0.77
<b>Guatemala</b>						
Guatemala Government Bond	5.75%	6.6.2022	USD	150,000	163,500	0.75
Guatemala Government Bond	4.50%	3.5.2026	USD	260,000	262,275	1.20
					<b>425,775</b>	<b>1.95</b>
<b>Honduras</b>						
Honduras Government International Bond	7.50%	15.3.2024	USD	200,000	228,500	1.05
Honduras Government International Bond	6.25%	19.1.2027	USD	450,000	486,153	2.23
					<b>714,653</b>	<b>3.28</b>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – F&C Emerging Markets Bond

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in USD	% of Net Assets
<b>Hungary</b>						
Hungary Government International Bond	4.00%	25.3.2019	USD	10,000	10,331	0.05
Hungary Government International Bond	7.63%	29.3.2041	USD	90,000	139,838	0.64
					<b>150,169</b>	<b>0.69</b>
<b>India</b>						
Export-Import Bank of India	3.38%	5.8.2026	USD	200,000	197,094	0.90
NTPC	2.75%	1.2.2027	EUR	100,000	123,194	0.56
Reliance Industries	4.13%	28.1.2025	USD	250,000	261,191	1.20
					<b>581,479</b>	<b>2.66</b>
<b>Indonesia</b>						
Indonesia Government International Bond	4.88%	5.5.2021	USD	320,000	345,354	1.58
Indonesia Government International Bond	4.75%	8.1.2026	USD	200,000	218,431	1.00
Indonesia Government International Bond	7.75%	17.1.2038	USD	100,000	142,498	0.65
Pertamina Persero	6.45%	30.5.2044	USD	100,000	118,813	0.55
Perusahaan Listrik Negara	4.13%	15.5.2027	USD	200,000	200,629	0.92
					<b>1,025,725</b>	<b>4.70</b>
<b>Iraq</b>						
Iraq International Bond	6.75%	9.3.2023	USD	200,000	199,300	0.91
<b>Ivory Coast</b>						
Ivory Coast Government International Bond	5.38%	23.7.2024	USD	260,000	263,124	1.21
Ivory Coast Government International Bond	5.13%	15.6.2025	EUR	120,000	147,017	0.67
Ivory Coast Government International Bond	6.13%	15.6.2033	USD	225,000	221,734	1.02
					<b>631,875</b>	<b>2.90</b>
<b>Kazakhstan</b>						
Kazakhstan Government International Bond	4.88%	14.10.2044	USD	70,000	71,794	0.33
KazMunayGas National JSC	6.38%	9.4.2021	USD	70,000	76,781	0.35
KazMunayGas National JSC	4.75%	19.4.2027	USD	400,000	406,400	1.86
					<b>554,975</b>	<b>2.54</b>
<b>Mexico</b>						
Comision Federal de Electricidad	4.75%	23.2.2027	USD	200,000	211,250	0.97
Mexico City Airport Trust	3.88%	30.4.2028	USD	200,000	199,400	0.91
Mexico Government International Bond	4.15%	28.3.2027	USD	200,000	210,650	0.96
Petroleos Mexicanos	4.63%	21.9.2023	USD	107,000	110,542	0.51
Petroleos Mexicanos	6.88%	4.8.2026	USD	100,000	113,990	0.52
Petroleos Mexicanos	6.50%	13.3.2027	USD	211,000	234,100	1.07
Petroleos Mexicanos	6.63%	15.6.2035	USD	60,000	64,800	0.30
Petroleos Mexicanos	6.38%	23.1.2045	USD	100,000	102,275	0.47
					<b>1,247,007</b>	<b>5.71</b>
<b>Mongolia</b>						
Mongolia Government International Bond	5.13%	5.12.2022	USD	400,000	389,473	1.79
Mongolia Government International Bond	8.75%	9.3.2024	USD	400,000	449,594	2.06
					<b>839,067</b>	<b>3.85</b>
<b>Morocco</b>						
Morocco Government International Bond	4.25%	11.12.2022	USD	200,000	213,000	0.98
<b>Netherlands</b>						
Bharti Airtel International Netherlands	5.35%	20.5.2024	USD	200,000	213,967	0.98
Minejesa Capital	4.63%	10.8.2030	USD	210,000	214,409	0.98
Petrobras Global Finance	5.30%	27.1.2025	USD	247,000	246,938	1.13
Petrobras Global Finance	6.85%	5.6.2115	USD	168,000	160,860	0.74
Republic of Angola Via Northern Lights III	7.00%	17.8.2019	USD	97,500	100,732	0.46
					<b>936,906</b>	<b>4.29</b>
<b>Nigeria</b>						
Nigeria Government International Bond	7.88%	16.2.2032	USD	200,000	219,162	1.00
<b>Pakistan</b>						
Pakistan Government International Bond	7.25%	15.4.2019	USD	148,000	155,092	0.71
<b>Panama</b>						
Aeropuerto Internacional de Tocumen	5.63%	18.5.2036	USD	200,000	217,500	1.00
Panama Government International Bond	5.20%	30.1.2020	USD	140,000	150,570	0.69
Panama Government International Bond	7.13%	29.1.2026	USD	140,000	181,300	0.83
Panama Government International Bond	3.88%	17.3.2028	USD	200,000	210,000	0.96
Panama Government International Bond	9.38%	1.4.2029	USD	10,000	15,100	0.07
					<b>774,470</b>	<b>3.55</b>
<b>Paraguay</b>						
Paraguay Government International Bond	4.63%	25.1.2023	USD	180,000	190,404	0.87
Paraguay Government International Bond	4.70%	27.3.2027	USD	200,000	209,000	0.96
					<b>399,404</b>	<b>1.83</b>
<b>Peru</b>						
Petroleos del Peru	5.63%	19.6.2047	USD	200,000	208,700	0.96

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – F&C Emerging Markets Bond

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in USD	% of Net Assets
<b>Russia</b>						
Russian Foreign Bond - Eurobond	4.25%	23.6.2027	USD	200,000	203,701	0.93
Russian Foreign Bond - Eurobond	5.25%	23.6.2047	USD	200,000	204,950	0.94
					<b>408,651</b>	<b>1.87</b>
<b>Saudi Arabia</b>						
Saudi Government International Bond	3.63%	4.3.2028	USD	200,000	199,600	0.91
<b>South Africa</b>						
Eskom Holdings SOC	5.75%	26.1.2021	USD	200,000	203,400	0.93
South Africa Government International Bond	5.65%	27.9.2047	USD	200,000	199,000	0.91
					<b>402,400</b>	<b>1.84</b>
<b>Turkey</b>						
Turkey Government International Bond	5.13%	25.3.2022	USD	200,000	209,875	0.96
Turkey Government International Bond	5.75%	22.3.2024	USD	400,000	425,750	1.95
Turkey Government International Bond	7.38%	5.2.2025	USD	100,000	116,378	0.53
Turkey Government International Bond	3.25%	14.6.2025	EUR	100,000	118,589	0.54
Turkey Government International Bond	7.25%	5.3.2038	USD	50,000	58,875	0.27
Turkey Government International Bond	4.88%	16.4.2043	USD	300,000	267,000	1.23
Turkey Government International Bond	5.75%	11.5.2047	USD	400,000	394,000	1.81
					<b>1,590,467</b>	<b>7.29</b>
<b>Ukraine</b>						
Ukraine Government International Bond	7.75%	1.9.2020	USD	110,000	116,820	0.54
Ukraine Government International Bond	7.75%	1.9.2023	USD	100,000	105,250	0.48
Ukraine Government International Bond	7.75%	1.9.2027	USD	280,000	287,700	1.32
Ukraine Government International Bond	7.38%	25.9.2032	USD	200,000	195,300	0.89
					<b>705,070</b>	<b>3.23</b>
<b>Uruguay</b>						
Uruguay Government International Bond	4.38%	27.10.2027	USD	94,000	101,520	0.47
Uruguay Government International Bond	5.10%	18.6.2050	USD	384,190	406,761	1.86
					<b>508,281</b>	<b>2.33</b>
<b>Venezuela</b>						
Petroleos de Venezuela	6.00%	16.5.2024	USD	405,000	124,133	0.57
Petroleos de Venezuela	6.00%	15.11.2026	USD	433,877	132,766	0.61
Petroleos de Venezuela	5.50%	12.4.2037	USD	320,000	97,600	0.44
Venezuela Government International Bond	8.25%	13.10.2024	USD	120,000	41,250	0.19
Venezuela Government International Bond	9.25%	15.9.2027	USD	120,000	48,150	0.22
					<b>443,899</b>	<b>2.03</b>
<b>Vietnam</b>						
Vietnam Government International Bond	6.75%	29.1.2020	USD	80,000	87,535	0.40
Vietnam Government International Bond	4.80%	19.11.2024	USD	200,000	214,001	0.98
					<b>301,536</b>	<b>1.38</b>
<b>Zambia</b>						
Zambia Government International Bond	5.38%	20.9.2022	USD	170,000	162,447	0.74
Zambia Government International Bond	8.97%	30.7.2027	USD	150,000	163,230	0.75
					<b>325,677</b>	<b>1.49</b>
<b>TOTAL BONDS</b>					<b>20,071,136</b>	<b>91.97</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>					<b>20,071,136</b>	<b>91.97</b>
<b>OTHER TRANSFERABLE SECURITIES</b>						
<b>BONDS</b>						
<b>Azerbaijan</b>						
Republic of Azerbaijan International Bond	3.50%	1.9.2032	USD	160,000	139,335	0.64
<b>TOTAL BONDS</b>					<b>139,335</b>	<b>0.64</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>					<b>139,335</b>	<b>0.64</b>
<b>TOTAL INVESTMENTS</b>					<b>20,210,471</b>	<b>92.61</b>
<b>OTHER ASSETS / LIABILITIES</b>					<b>1,613,051</b>	<b>7.39</b>
<b>TOTAL NET ASSETS</b>					<b>21,823,522</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – F&C Emerging Markets Bond

## Schedule of Investments as at 30 September 2017 (continued)

### DERIVATIVES

#### FORWARD FOREIGN EXCHANGE CONTRACTS

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in USD
<b>Unrealised Gain on Forward Foreign Exchange Contracts</b>					
EUR	6,551,640	USD	(7,713,409)	31.10.2017	43,481
EUR	4,588,309	USD	(5,401,930)	31.10.2017	30,451
USD	554,643	EUR	(463,950)	6.10.2017	6,073
<b>Total Unrealised Gain on Forward Foreign Exchange Contracts</b>					<b>80,005</b>
<b>Unrealised Loss on Forward Foreign Exchange Contracts</b>					
USD	123,584	EUR	(105,152)	31.10.2017	(913)
USD	176,457	EUR	(150,140)	31.10.2017	(1,304)
<b>Total Unrealised Loss on Forward Foreign Exchange Contracts</b>					<b>(2,217)</b>

The counterparties for forward foreign exchange contracts were Royal Bank of Canada (UK) and State Street Bank & Trust Company.

F&C Portfolios Fund - F&C Emerging Markets Bond  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

Sector	% of Net Assets
Sovereign	65.24
Oil & Gas	12.19
Electrical Equipment	6.70
Metals & Mining	2.62
Telecommunication	1.92
Engineering & Construction	1.91
Financial Services	1.04
Airline	0.99
<hr/>	
Total Investments	92.61
Other Assets / (Liabilities)	7.39
<hr/>	
Total Net Assets	100.00

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund

## F&C European Equity

### Performance

In the twelve months to 30 September 2017, the Class A Shares - EUR returned +16.7%. This compared to a return of +16.2% for the FTSE All-World Developed Europe NR Index. Performance is net of fees and in euro terms.

Italian banking group Intesa Sanpaolo was the strongest contributor to performance, its share price lifted by the acquisition of performing assets from Veneto Banca and Banca Popolare di Vicenza. Financial services group Intermediate Capital Group, also added to gains. Its shares rallied on confidence in the company's asset base, revenue and profits outlook. Among the stocks that detracted over the period was textile maintenance services provider Berendsen, as UK operational challenges hurt sentiment, and DIY group Kingfisher, which saw challenges in some of its regional businesses, despite reporting financial results that met expectations.

### Market Review

The European Central Bank ("ECB")'s decision to extend quantitative easing (QE) for an additional nine months, albeit with monthly asset purchases reduced from €80 billion to €60 billion, boosted investor sentiment. At the same time, eurozone economic data was generally robust, growth accelerated to 0.6% in the second quarter, inflation ticked up and unemployment fell to its lowest level since February 2009. While the ECB maintained its loose monetary policy, it began to strike a more hawkish tone as the period went on and speculation about how it would taper its asset purchase programme, from the beginning of 2018, increased. On the political front, risk abated considerably until right at the end of the period in review; the far-right were defeated in the Dutch general election, centrist Emmanuel Macron was victorious in the French presidential election and Angela Merkel's Christian Democrats emerged as the largest party in Germany's federal elections. However, at period-end, tensions in Spain escalated with the Catalan secessionist movement calling for a referendum on independence in contravention to requests for unity from the Spanish government.

### Outlook

A generally more stable political environment, sustainable economic conditions and accommodative central bank monetary policy underpin a positive outlook for European equity markets. Whilst overall European valuations have increased over the past year, they remain attractively priced compared to US equities. Further gains should continue to be driven by earnings growth. Markets have little to fear from the initial stage of central bank policy normalisation as any such steps are likely to be gradual and tentative until inflation becomes a more pressing issue, which seems unlikely over the next few quarters. We believe that political developments on the horizon are unlikely to produce shocks.

### David Moss

Portfolio Manager  
October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C European Equity

## Schedule of Investments as at 30 September 2017

Security Description	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>			
<b>SHARES</b>			
<b>Austria</b>			
Lenzing	3,325	407,977	1.98
<b>Denmark</b>			
Novo Nordisk 'B'	18,318	740,921	3.59
<b>Finland</b>			
Amer Sports	13,383	300,315	1.46
<b>France</b>			
Air Liquide	4,720	532,652	2.58
AXA	23,726	607,148	2.94
Rexel	28,315	414,532	2.01
Schneider Electric	7,744	570,191	2.76
		<b>2,124,523</b>	<b>10.29</b>
<b>Germany</b>			
Allianz	3,494	663,685	3.22
Bayer	5,087	586,531	2.84
Continental	1,830	392,992	1.90
CTS Eventim & Co	9,072	335,029	1.62
Deutsche Boerse	5,891	540,264	2.62
Deutsche Post	14,702	553,751	2.68
SAP	7,920	734,105	3.56
		<b>3,806,357</b>	<b>18.44</b>
<b>Ireland</b>			
Cairn Homes	117,585	201,952	0.98
CRH	16,726	539,832	2.61
Kerry Group 'A'	6,977	567,160	2.75
Ryanair Holdings	27,190	443,741	2.15
Smurfit Kappa Group	19,213	509,145	2.47
		<b>2,261,830</b>	<b>10.96</b>
<b>Isle Of Man</b>			
Playtech	36,296	378,344	1.83
<b>Italy</b>			
Intesa Sanpaolo	179,984	538,512	2.61
<b>Malta</b>			
Kindred Group SDR	40,717	395,375	1.92
<b>Netherlands</b>			
ASML Holding	4,776	687,983	3.33
Heineken	4,971	415,824	2.02
ING Groep	42,598	664,529	3.22
Wolters Kluwer	11,786	460,773	2.23
		<b>2,229,109</b>	<b>10.80</b>
<b>Norway</b>			
DNB	31,239	532,785	2.58
<b>Sweden</b>			
Svenska Handelsbanken 'A'	43,998	560,375	2.72
<b>Switzerland</b>			
Swatch Group	1,426	502,137	2.43
UBS Group	46,349	670,582	3.25
		<b>1,172,719</b>	<b>5.68</b>
<b>United Kingdom</b>			
Burberry Group	18,177	363,064	1.76
Daily Mail & General Trust 'A'	58,049	427,221	2.07
Diageo	16,349	455,132	2.21
GlaxoSmithKline	41,383	699,068	3.39
lbstock	122,308	316,058	1.53
Intermediate Capital Group	51,883	551,124	2.67
Just Eat	44,468	337,363	1.63
Kingfisher	111,727	378,487	1.83
RELX	28,146	506,909	2.46
Unilever	14,077	704,413	3.41
		<b>4,738,839</b>	<b>22.96</b>
<b>TOTAL SHARES</b>		<b>20,187,981</b>	<b>97.82</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>		<b>20,187,981</b>	<b>97.82</b>

The accompanying notes form an integral part of these financial statements.

## F&C Portfolios Fund – F&C European Equity

### Schedule of Investments as at 30 September 2017 (continued)

TOTAL INVESTMENTS	20,187,981	97.82
OTHER ASSETS / (LIABILITIES)	450,215	2.18
TOTAL NET ASSETS	<u>20,638,196</u>	<u>100.00</u>

F&C Portfolios Fund - F&C European Equity  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Financial Services	19.67
Pharmaceuticals	9.82
Food & Beverages	6.98
Insurance	6.16
Software	5.39
Leisure & Tourism	5.00
Chemicals	4.56
Media	4.30
Retail	4.26
Building Materials	4.14
Cosmetics & Personal Care	3.41
Semiconductors	3.33
Electrical Component & Equipment	2.76
Transportation	2.68
Forest Products & Paper	2.47
Commercial Services	2.46
Airline	2.15
Distribution & Wholesale	2.01
Auto Parts & Equipment	1.90
Miscellaneous Manufacturers	1.76
Internet	1.63
Home Builders	0.98
<hr/>	
Total Investments	97.82
Other Assets / (Liabilities)	2.18
<hr/>	
Total Net Assets	<u>100.00</u>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund

## F&C European Growth and Income

### Performance

In the twelve months to 30 September 2017, the Class A Shares Euro returned +18.7%. This compared with the FTSE All-World Developed Europe NR Index return of +16.2%. All figures are net of fees and in euro terms.

Italian banking group Intesa Sanpaolo was the strongest contributor to performance with its share price lifted by the acquisition of performing assets from Veneto Banca and Banca Popolare di Vicenza. Norwegian financial services group DNB Asa rallied on news of a share buy-back programme while UK-based financial services provider Intermediate Capital Group climbed on the back of growing confidence in the company's asset base, revenue and profits outlook. Among the stocks that detracted over the period was DIY group Kingfisher, which saw challenges in some of its regional businesses despite reporting financial results that met expectations, global pharmaceutical giant GlaxoSmithkline, which fell on concerns about the unknown strategic plans of its new CEO, and textile maintenance services provider Berendsen, which saw sentiment dented by UK operational challenges.

### Market Review

The European Central Bank ("ECB")'s decision to extend quantitative easing (QE) for an additional nine months, albeit with monthly asset purchases reduced from €80 billion to €60 billion, boosted investor sentiment. At the same time, eurozone economic data was generally robust, growth accelerated to 0.6% in the second quarter, inflation ticked up and unemployment fell to its lowest level since February 2009. While the ECB maintained its loose monetary policy, it began to strike a more hawkish tone as the period went on and speculation about how it would taper its asset purchase programme, from the beginning of 2018, increased. On the political front, risk abated considerably until right at the end of the period in review; the far-right were defeated in the Dutch general election, centrist Emmanuel Macron was victorious in the French presidential election and Angela Merkel's Christian Democrats emerged as the largest party in Germany's federal elections. However, at period-end, tensions in Spain escalated with the Catalan secessionist movement calling for a referendum on independence in contravention to requests for unity from the Spanish government.

### Outlook

A generally more stable political environment, sustainable economic conditions and accommodative central bank monetary policy underpin a positive outlook for European equity markets. Whilst overall European valuations have increased over the past year, they remain attractively priced compared to US equities. Further gains should continue to be driven by earnings growth. Markets have little to fear from the initial stage of central bank policy normalisation as any such steps are likely to be gradual and tentative until inflation becomes a more pressing issue, which seems unlikely over the next few quarters. We believe that political developments on the horizon are unlikely to produce shocks.

### David Moss

Portfolio Manager

October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C European Growth and Income

## Schedule of Investments as at 30 September 2017

Security Description	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>			
<b>SHARES</b>			
<b>Denmark</b>			
Novo Nordisk 'B'	42,027	1,699,896	3.30
<b>France</b>			
Air Liquide	9,643	1,088,212	2.11
AXA	58,827	1,505,383	2.93
Rexel	72,429	1,060,361	2.06
Schneider Electric	19,366	1,425,919	2.77
		<b>5,079,875</b>	<b>9.87</b>
<b>Germany</b>			
Allianz	9,756	1,853,152	3.60
BASF	14,873	1,339,165	2.60
Bayer	14,113	1,627,229	3.16
Continental	3,868	830,653	1.62
Deutsche Boerse	13,111	1,202,410	2.34
Deutsche Post	35,688	1,344,189	2.61
Evonik Industries	40,692	1,229,712	2.39
HUGO BOSS	13,189	983,767	1.91
SAP	18,669	1,730,430	3.36
		<b>12,140,707</b>	<b>23.59</b>
<b>Ireland</b>			
CRH	42,673	1,377,271	2.68
Kerry Group 'A'	12,550	1,020,190	1.98
Origin Enterprises	151,867	1,011,434	1.97
Smurfit Kappa Group	49,019	1,299,003	2.52
		<b>4,707,898</b>	<b>9.15</b>
<b>Isle Of Man</b>			
GVC Holdings	130,178	1,212,912	2.36
Playtech	96,644	1,007,401	1.96
		<b>2,220,313</b>	<b>4.32</b>
<b>Italy</b>			
Intesa Sanpaolo (Preferred)	452,375	1,266,650	2.46
<b>Jersey</b>			
Phoenix Group Holdings	149,344	1,281,321	2.49
<b>Malta</b>			
Kindred Group SDR	117,153	1,137,593	2.21
<b>Netherlands</b>			
ASML Holding	7,582	1,092,187	2.12
ING Groep	107,206	1,672,414	3.25
Wolters Kluwer	28,157	1,100,798	2.14
		<b>3,865,399</b>	<b>7.51</b>
<b>Norway</b>			
DNB	90,685	1,546,644	3.01
<b>Portugal</b>			
CTT-Correios de Portugal	148,749	758,322	1.47
<b>Sweden</b>			
Svenska Handelsbanken 'A'	122,460	1,559,697	3.03
<b>Switzerland</b>			
Swatch Group	2,839	999,697	1.94
UBS Group	120,634	1,745,344	3.39
		<b>2,745,041</b>	<b>5.33</b>
<b>United Kingdom</b>			
Daily Mail & General Trust 'A'	150,749	1,109,463	2.15
Diageo	39,001	1,085,730	2.11
GlaxoSmithKline	105,582	1,783,558	3.46
lbstock	351,746	908,951	1.77
Intermediate Capital Group	123,854	1,315,632	2.56
Just Eat	112,023	849,879	1.65
Kingfisher	259,343	878,551	1.71
RELX	67,984	1,224,392	2.38

The accompanying notes form an integral part of these financial statements.

## F&C Portfolios Fund – F&C European Growth and Income

### Schedule of Investments as at 30 September 2017 (continued)

Security Description	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
Unilever	41,483	2,075,809	4.03
		<b>11,231,965</b>	<b>21.82</b>
<b>TOTAL SHARES</b>		<b>51,241,321</b>	<b>99.56</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>		<b>51,241,321</b>	<b>99.56</b>
<b>TOTAL INVESTMENTS</b>		<b>51,241,321</b>	<b>99.56</b>
<b>OTHER ASSETS / (LIABILITIES)</b>		<b>226,446</b>	<b>0.44</b>
<b>TOTAL NET ASSETS</b>		<b>51,467,767</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

F&C Portfolios Fund – F&C European Growth and Income  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Financial Services	20.04
Pharmaceuticals	9.92
Insurance	9.02
Chemicals	7.10
Retail	5.56
Software	5.32
Leisure & Tourism	4.57
Building Materials	4.45
Media	4.29
Food & Beverages	4.09
Cosmetics & Personal Care	4.03
Commercial Services	3.85
Electrical Component & Equipment	2.77
Transportation	2.61
Forest Products & Paper	2.52
Semiconductors	2.12
Distribution & Wholesale	2.06
Agriculture	1.97
Internet	1.65
Auto Parts & Equipment	1.62
<hr/>	
Total Investments	99.56
Other Assets / (Liabilities)	0.44
<hr/>	
Total Net Assets	<u>100.00</u>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund

## F&C European SmallCap

### Performance

Over the twelve months to 30 September 2017, the Class A Shares Euro returned +13.9%. By comparison, the Euromoney Smaller European Companies Index (NR), returned +20.3%. Performance is net of fees and in euro terms.

Gerresheimer, the German manufacturer of speciality glass and plastic products for medical use, was the biggest detractor from performance. Uncertainty surrounding the healthcare industry in the US resulted in some caution from customers, which, alongside some timing issues, resulted in weaker growth. Sporting goods company Amer Sports also hindered, following disappointing financial results and late in the period in the review, Irish convenience foods producer Greencore saw its shares marked down following a listeria scare at one of its US facilities. On a positive note, SpareBank, a Norwegian regional bank, and Storebrand, a Norwegian life insurance company, both added to relative performance as Norway experienced rising inflation expectations and bond yields as the oil price saw some recovery.

### Market Review

The European Central Bank (“ECB”)’s decision to extend quantitative easing (QE) for an additional nine months, albeit with monthly asset purchases reduced from €80 billion to €60 billion, boosted investor sentiment. At the same time, eurozone economic data was generally robust, growth accelerated to 0.6% in the second quarter, inflation ticked up and unemployment fell to its lowest level since February 2009. While the ECB maintained its loose monetary policy, it began to strike a more hawkish tone as the period went on and speculation about how it would taper its asset purchase programme, from the beginning of 2018, increased. On the political front, risk abated considerably until right at the end of the period in review; the far-right were defeated in the Dutch general election, centrist Emmanuel Macron was victorious in the French presidential election and Angela Merkel’s Christian Democrats emerged as the largest party in Germany’s federal elections. However, at period-end, tensions in Spain escalated with the Catalan secessionist movement calling for a referendum on independence in contravention to requests for unity from the Spanish government. Smaller European companies outperformed their larger cap counterparts over the 12 months.

### Outlook

The backdrop for European smaller companies is encouraging. Economic growth appears embedded and this growth is now filtering through to company profits. That is not to say, however, that there are not challenges for investors in Europe. Valuations, particularly for quality companies, do not look obviously attractive to us. For a number of reasons, quality businesses have led the market since the global financial crisis. Consequently it is becoming increasingly challenging for stock pickers to justify new investments in this area unless you believe valuations do not matter, which we of course do not. This is why we believe that a portfolio that balances quality and valuation makes sense, particularly as market leadership can transition to areas of the market that have not participated as strongly in the market recovery, namely attractively valued domestically orientated businesses.

This transition can be accelerated by a change in attitude from central bankers. We do not predict the ECB’s actions, but such levels of economic growth mean they are unlikely to resist the pressure for “tapering” much longer, particularly as the current interest rates are becoming increasingly inappropriate for Germany. The markets could look very different under this scenario. We do, however, try not to get too distracted by this. We focus on finding businesses we think can deliver good levels of return on capital, which are run by managers we trust, and that are trading at attractive valuations. Investing with this philosophy should give us the best chance to deliver attractive long-term returns for our shareholders.

### Sam Cosh

Portfolio Manager  
October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C European SmallCap

## Schedule of Investments as at 30 September 2017

Security Description	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>			
<b>SHARES</b>			
<b>Austria</b>			
Lenzing	26,258	3,221,857	1.59
<b>Denmark</b>			
Ringkjøbing Landbobank	126,136	5,508,708	2.72
<b>Finland</b>			
Amer Sports	281,637	6,319,934	3.11
<b>France</b>			
Lectra	233,374	6,198,413	3.05
<b>Germany</b>			
Aareal Bank	144,414	5,173,632	2.55
CTS Eventim & Co	83,771	3,093,663	1.52
Gerresheimer	120,825	7,912,829	3.90
Norma Group	84,477	4,700,300	2.32
Rational	5,859	3,411,110	1.68
SAF-Holland	238,855	4,108,306	2.03
Takkt	192,960	3,743,424	1.85
		<b>32,143,264</b>	<b>15.85</b>
<b>Ireland</b>			
Cairn Homes	2,700,424	4,637,979	2.29
Greencore Group	2,069,795	4,608,661	2.27
IFG Group	2,685,810	4,861,316	2.40
Irish Continental Group	873,098	4,937,369	2.43
Origin Enterprises	1,047,817	6,978,461	3.44
		<b>26,023,786</b>	<b>12.83</b>
<b>Italy</b>			
Azimut Holding	251,500	4,602,450	2.27
Cerved Information Solutions	634,673	6,346,730	3.13
Industria Macchine Automatiche	28,886	2,320,990	1.14
MARR	111,360	2,483,328	1.23
		<b>15,753,498</b>	<b>7.77</b>
<b>Netherlands</b>			
ASM International	45,954	2,458,079	1.21
IMCD Group	57,378	2,976,771	1.47
		<b>5,434,850</b>	<b>2.68</b>
<b>Norway</b>			
SpareBank 1 SR-Bank	693,794	6,321,855	3.12
Storebrand	833,771	5,989,262	2.95
		<b>12,311,117</b>	<b>6.07</b>
<b>Portugal</b>			
CTT-Correios de Portugal	265,872	1,355,415	0.67
<b>Spain</b>			
Ebro Foods	93,086	1,866,375	0.92
Fluidra	175,415	1,563,825	0.77
Mediaset Espana Comunicacion	416,239	3,976,331	1.96
Vidrala	59,698	4,444,516	2.19
Viscofan	87,569	4,538,701	2.24
		<b>16,389,748</b>	<b>8.08</b>
<b>Sweden</b>			
Coor Service Management Holding	670,040	4,027,382	1.98
Dometic Group	656,052	4,708,169	2.32
Indutrade	160,559	3,575,733	1.76
Inwido	380,324	4,089,177	2.02
Nordic Waterproofing Holding	285,901	2,755,451	1.36
		<b>19,155,912</b>	<b>9.44</b>
<b>Switzerland</b>			
Forbo Holding	5,036	6,801,859	3.36
Komax Holding	15,006	3,656,733	1.80
Metal Zug 'B'	1,247	4,284,226	2.11
		<b>14,742,818</b>	<b>7.27</b>
<b>United Kingdom</b>			
A.G. Barr	344,378	2,415,307	1.19
Arrow Global Group	880,891	4,273,726	2.11
Ascential	908,204	3,540,451	1.75
Avon Rubber	346,329	3,684,755	1.82
Beazley	592,724	3,225,444	1.59
Dignity	227,013	5,940,985	2.93
Howden Joinery Group	660,714	3,231,761	1.59

The accompanying notes form an integral part of these financial statements.

## F&C Portfolios Fund – F&C European SmallCap Schedule of Investments as at 30 September 2017 (continued)

Security Description	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
Senior	1,052,159	3,294,439	1.62
Tyman	976,250	3,573,051	1.76
UBM	345,843	2,678,737	1.32
		<b>35,858,656</b>	<b>17.68</b>
<b>TOTAL SHARES</b>		<b>200,417,976</b>	<b>98.81</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>		<b>200,417,976</b>	<b>98.81</b>
<b>TOTAL INVESTMENTS</b>		<b>200,417,976</b>	<b>98.81</b>
<b>OTHER ASSETS / (LIABILITIES)</b>		<b>2,417,490</b>	<b>1.19</b>
<b>TOTAL NET ASSETS</b>		<b>202,835,466</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – F&C European SmallCap

## Schedule of Investments as at 30 September 2017 (continued)

### DERIVATIVES

#### FORWARD FOREIGN EXCHANGE CONTRACTS

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in EUR
<b>Unrealised Gain on Forward Foreign Exchange Contracts</b>					
CHF	8,954	EUR	(7,822)	31.10.2017	9
EUR	461	CHF	(527)	31.10.2017	0
<b>Total Unrealised Gain on Forward Foreign Exchange Contracts</b>					<b>9</b>
<b>Unrealised Loss on Forward Foreign Exchange Contracts</b>					
CHF	787,152	EUR	(688,889)	31.10.2017	(528)
<b>Total Unrealised Loss on Forward Foreign Exchange Contracts</b>					<b>(528)</b>

The counterparty for forward foreign exchange contracts was State Street Bank & Trust Company.

**F&C Portfolios Fund – F&C European SmallCap**  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Financial Services	15.17
Commercial Services	11.78
Building Materials	8.50
Miscellaneous Manufacturers	7.52
Leisure & Tourism	6.95
Food & Beverages	6.62
Packaging & Containers	6.09
Insurance	4.54
Agriculture	3.44
Electrical Equipment	3.27
Chemicals	3.06
Software	3.05
Machinery-Diversified	2.94
Transportation	2.43
Home Builders	2.29
Holding Companies	2.11
Auto Parts & Equipment	2.03
Media	1.96
Retail	1.85
Distribution & Wholesale	1.23
Semiconductors	1.21
Environmental Control	0.77
<hr/>	
Total Investments	98.81
Other Assets / (Liabilities)	1.19
<hr/>	
Total Net Assets	<u>100.00</u>

# F&C Portfolios Fund

## F&C Global Convertible Bond

### Performance

In the twelve months to 30 September 2017, the return on the Class A Shares EUR was +1.1% compared to a return of +2.1% for the Thomson Reuters Global Focus Combined Index. The Class A shares EUR Hedged share class returned +4.2% and the Class I shares EUR Hedged share class returned +4.6% over the same period. Performance is net of fees and in euro terms.

The portfolio underperformed early in the period due to being underweight in some low credit quality convertibles which enjoyed strong returns. These positions included having no exposure to Advanced Micro Devices (CCC-rated) in the electronics sector, Chesapeake Energy (CCC-rated) and Weatherford International (B-rated) in the oil & gas sector, all due to credit quality concerns. The portfolio made back much of the earlier relative losses, notably within the oil & gas sector, with a strong final three months. For the full year, being underweight in lower credit quality convertibles Advanced Micro Devices (CCC-rated), Tesla (B-rated), Sirius Minerals and Air France-KLM had a notable negative impact on relative returns. Also not owning strong performing Airbus and Safran, which are restricted for investment due to their defence businesses, was negative for relative returns. For the unhedged currency share classes, the overweight positioning in US dollar denominated convertibles depressed returns on the back of the dollar depreciation versus the euro.

On a positive note, strong performance in some off-benchmark positions in services, steels/metals, property, and insurance contributed an outperformance. Being underweight some weaker performing convertibles in retail/wholesale and oil & gas was also helpful. Within services, Deutsche Post contributed strongly to relative returns, benefiting from secular growth trends in parcel delivery and meetings its long-term growth plans. In property, Aroundtown Property produced a strong return. The German real estate investment trust ("REIT"), which focuses on turnaround opportunities, delivered on rental growth expectations, driven by higher rents and increased occupancy. In the US, single-family REIT Starwood Waypoint Homes announced its intentions to merge with Invitation Homes. The anticipated scale and synergy potential was well received by investors. Within steels/metals, Allegheny traded up strongly as investors appreciated the long-term revenue growth and margin potential of its jet engine business, whilst stainless steel producers Aperam and Outokumpu benefited from improving end markets. In media, owning convertibles into TimeWarner, which was subject to a take-over bid by AT&T was positive, whilst in retail/wholesale, overweight positioning in online travel agent Priceline was notably positive and the underweight in troubled home products distributor Steinhoff added to relative returns. Finally, positioning in oil & gas stood out due to strong performing Royal Dutch and Cheniere, whilst being underweight in US drillers EnSCO and Nabors.

### Market Review

Convertibles benefited from rising share prices over the 12-month period in review. The rally gained momentum in the aftermath of Trump's win in the US presidential election, as markets priced in stronger US economic growth, underpinned by tax cuts and increased infrastructure spending. Later, this optimism waned as implementing the policies proved rather more difficult than either the Trump administration or investors had expected. In Europe, political risk increased and subsided as elections took place in a number of countries and investors had concerns about the rise of populism. In the UK, the Conservative Party gave away its majority in a snap general election, complicating the negotiations for Brexit. On the world stage, towards the end of the period, geopolitical tensions with North Korea intensified following its staging of nuclear missile tests. Economic data generally remained positive, with steady growth and low inflation in most regions. The oil price remained under pressure, on continuing fears of a supply glut despite a deepening of production cuts by OPEC and Russia. Company revenues and earnings were solid.

New issuance was relatively strong over the period, amounting to around US\$75 billion, with major deals from the likes of BASF, Vinci, LVMH, Kering, Carrefour, diagnostic equipment maker Qiagen, and a number of German REITs revisited the market for financing. In the US, internet-based companies ServiceNow, Workday, Wayfair and IAC/Interactive issued convertible bonds. Semiconductor companies such as Microchip and On Semiconductor revisited the market, as did Tesla and Dish Network. In Japan, airline ANA, Mitsubishi Chemical and utility Kyushu Electric Power provided worthwhile additions to the convertible universe. Asia also featured, with names such as Chinese biotech 3Sbio and Zhejiang Expressway.

### Outlook

Global economic data has generally remained supportive, with improving growth, low inflation and better corporate earnings all positive drivers for financial markets. We anticipate reasonable economic growth across major global equity markets, although there are risks which could shock markets and cause disruption to expected growth. We consider the lack of execution on US President Trump's policy plans, in particular a less-than-anticipated tax revision, to be a key risk. Such news has not hurt markets substantially thus far but could start to weigh. We have previously cited longer-term risks from the US presidency due to potential uncertainties arising from protectionism and international relations. The increasing tensions with North Korea are a further concern.

There has been a fundamental change in policy from central banks, with the Federal Reserve looking to unwind its balance sheet and reduce holdings of assets purchased through quantitative easing. Given higher eurozone inflation and the ongoing strengthening across the region, we believe the European Central Bank policy is likely to be less accommodative going forward and that some form of tapering will be announced. This will reduce one of the strongest technical factors in the markets as central banks will no longer be buyers of either government bonds or corporate bonds. Whilst the accommodative central bank policies have been supportive for the increased risk appetite of investors, we view tapering as a key risk.

Conscious of potential risks, we will continue with our strategy of gradually securing profits on deep in-the-money positions and search for opportunities in more balanced issues.

### Anja Eijking

Portfolio Manager

October 2017

## F&C Portfolios Fund

### **F&C Global Convertible Bond**

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C Global Convertible Bond

## Schedule of Investments as at 30 September 2017

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>						
<b>BONDS</b>						
<b>Austria</b>						
BUWOG	0.00%	9.9.2021	EUR	3,100,000	3,346,093	0.43
Steinhoff Finance Holding	4.00%	30.1.2021	EUR	800,000	938,084	0.12
Steinhoff Finance Holding	1.25%	11.8.2022	EUR	9,100,000	8,219,575	1.05
Steinhoff Finance Holding	1.25%	21.10.2023	EUR	9,000,000	7,945,155	1.02
					<b>20,448,907</b>	<b>2.62</b>
<b>Belgium</b>						
Bekaert	0.00%	9.6.2021	EUR	4,000,000	4,265,240	0.54
BNP Paribas Fortis, V/R	1.67%	29.12.2049	EUR	4,250,000	3,589,954	0.46
Sagerpar	0.38%	9.10.2018	EUR	3,300,000	3,641,682	0.47
					<b>11,496,876</b>	<b>1.47</b>
<b>Bermuda</b>						
Bunge (Preferred)	4.88%	31.12.2049	USD	20,780	1,829,149	0.23
Golar LNG	2.75%	15.2.2022	USD	2,078,000	1,664,870	0.21
Jazz Investments I	1.88%	15.8.2021	USD	3,200,000	2,859,971	0.37
					<b>6,353,990</b>	<b>0.81</b>
<b>British Virgin Islands</b>						
China Yangtze Power International	0.00%	9.11.2021	USD	3,550,000	3,155,093	0.41
CP Foods Holdings	0.50%	22.9.2021	USD	3,400,000	2,993,552	0.38
					<b>6,148,645</b>	<b>0.79</b>
<b>Canada</b>						
Aecon Group	5.50%	31.12.2018	CAD	2,490,000	1,741,497	0.22
Dorel Industries	5.50%	30.11.2019	USD	2,160,000	1,866,011	0.24
Element Fleet Management	5.13%	30.6.2019	CAD	3,710,000	2,552,706	0.33
Element Fleet Management	4.25%	30.6.2020	CAD	2,035,000	1,352,732	0.17
Northland Power	4.75%	30.6.2020	CAD	3,150,000	2,410,888	0.31
					<b>9,923,834</b>	<b>1.27</b>
<b>Cayman Islands</b>						
ASM Pacific Technology	2.00%	28.3.2019	HKD	28,000,000	3,813,132	0.49
AYC Finance	0.50%	2.5.2019	USD	3,410,000	3,174,198	0.41
China Overseas Finance Investment Cayman V	0.00%	5.1.2023	USD	2,200,000	1,979,945	0.25
Ctrip.com International	1.00%	1.7.2020	USD	3,010,000	2,894,650	0.37
Ctrip.com International	1.25%	15.9.2022	USD	5,235,000	4,788,819	0.61
Semiconductor Manufacturing International - Series 981	0.00%	7.7.2022	USD	2,750,000	2,683,717	0.34
Strategic International Group	0.00%	21.7.2022	EUR	1,900,000	2,102,084	0.27
Zhen Ding Technology Holding	0.00%	26.6.2019	USD	2,100,000	1,781,777	0.23
					<b>23,218,322</b>	<b>2.97</b>
<b>China</b>						
China Railway Construction	0.00%	29.1.2021	USD	5,000,000	4,703,796	0.60
CRRC	0.00%	5.2.2021	USD	4,500,000	3,930,232	0.51
Zhejiang Expressway	0.00%	21.4.2022	EUR	2,000,000	2,036,980	0.26
					<b>10,671,008</b>	<b>1.37</b>
<b>Denmark</b>						
GN Store Nord	0.00%	31.5.2022	EUR	1,900,000	2,005,232	0.26
<b>France</b>						
Archer Obligations	0.00%	31.3.2023	EUR	3,900,000	4,011,637	0.51
BIM	2.50%	13.11.2020	EUR	2,137,148	2,604,483	0.33
Carrefour	0.00%	14.6.2023	USD	7,800,000	6,198,305	0.79
Cie Generale des Etablissements Michelin	0.00%	10.1.2022	USD	5,000,000	4,597,300	0.59
Ingenico Group	0.00%	26.6.2022	EUR	2,031,370	1,974,200	0.25
Korian, V/R	2.50%	31.12.2099	EUR	2,046,689	2,185,646	0.28
LVMH Moet Hennessy Louis Vuitton	0.00%	16.2.2021	USD	9,968,000	10,033,553	1.29
Nexity	0.13%	1.1.2023	EUR	1,851,840	2,033,692	0.26
Orange	0.38%	27.6.2021	GBP	3,000,000	3,417,566	0.44
Remy Cointreau	0.13%	7.9.2026	EUR	4,472,280	4,956,353	0.64
SEB	0.00%	17.11.2021	EUR	2,233,926	2,452,282	0.31
Suez	0.00%	27.2.2020	EUR	2,035,396	2,140,656	0.27
TOTAL	0.50%	2.12.2022	USD	14,000,000	12,142,360	1.55
Ubisoft Entertainment	0.00%	27.9.2021	EUR	1,872,108	2,509,664	0.32
Unibail-Rodamco	0.00%	1.7.2021	EUR	9,405,159	9,771,345	1.25
Unibail-Rodamco	0.00%	1.1.2022	EUR	1,214,045	1,188,437	0.15
Valeo	0.00%	16.6.2021	USD	2,200,000	2,118,306	0.27
Veolia Environnement	0.00%	15.3.2021	EUR	5,083,305	5,051,268	0.65
Vinci	0.38%	16.2.2022	USD	9,000,000	8,475,093	1.09
					<b>87,862,146</b>	<b>11.24</b>
<b>Germany</b>						
ADLER Real Estate	2.50%	19.7.2021	EUR	16,200,000	2,526,714	0.32
BASF	0.93%	9.3.2023	USD	9,750,000	8,652,985	1.11
Deutsche Post	0.60%	6.12.2019	EUR	3,200,000	5,881,920	0.75

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – F&C Global Convertible Bond

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
Deutsche Wohnen	0.33%	26.7.2024	EUR	10,700,000	11,005,217	1.41
Fresenius & Co	0.00%	24.9.2019	EUR	2,100,000	2,947,760	0.38
Fresenius & Co	0.00%	31.1.2024	EUR	8,000,000	8,028,880	1.03
Fresenius Medical Care 'A'	1.13%	31.1.2020	EUR	4,300,000	5,342,707	0.68
Haniel Finance	0.00%	12.5.2020	EUR	2,000,000	2,033,510	0.26
LEG Immobilien	0.88%	1.9.2025	EUR	3,200,000	3,255,264	0.42
MTU Aero Engines	0.13%	17.5.2023	EUR	3,700,000	4,742,308	0.61
RAG-Stiftung	0.00%	18.2.2021	EUR	5,100,000	5,648,352	0.72
RAG-Stiftung	0.00%	16.3.2023	EUR	7,500,000	8,014,425	1.02
Symrise	0.24%	20.6.2024	EUR	3,500,000	3,691,993	0.47
					<b>71,772,035</b>	<b>9.18</b>
<b>Hong Kong</b>						
Bagan Capital	0.00%	23.9.2021	USD	3,340,000	3,040,667	0.39
Haitong International Securities Group	0.00%	25.10.2021	HKD	18,000,000	2,022,012	0.26
					<b>5,062,679</b>	<b>0.65</b>
<b>Hungary</b>						
Magyar Nemzeti Vagyonkezelő	3.38%	2.4.2019	EUR	4,100,000	4,832,219	0.62
<b>Ireland</b>						
Allergan - Series A (Preferred)	5.50%	1.3.2018	USD	2,290	1,429,207	0.18
<b>Italy</b>						
Eni	0.00%	13.4.2022	EUR	4,200,000	4,341,204	0.55
Prysmian	0.00%	17.1.2022	EUR	5,500,000	6,014,690	0.77
Telecom Italia	1.13%	26.3.2022	EUR	4,800,000	4,817,280	0.62
					<b>15,173,174</b>	<b>1.94</b>
<b>Japan</b>						
ANA Holdings	0.00%	16.9.2022	JPY	200,000,000	1,564,976	0.20
ANA Holdings	0.00%	19.9.2024	JPY	200,000,000	1,567,170	0.20
Asics	0.00%	1.3.2019	JPY	110,000,000	832,111	0.11
Daio Paper	0.00%	17.9.2020	JPY	80,000,000	621,458	0.08
Ezaki Glico	0.00%	30.1.2024	JPY	140,000,000	1,133,798	0.15
Iwatani	0.00%	22.10.2020	JPY	80,000,000	633,574	0.08
Kansai Paint	0.00%	17.6.2019	JPY	140,000,000	1,195,937	0.15
Kansai Paint	0.00%	17.6.2022	JPY	190,000,000	1,551,398	0.20
Kawasaki Kisen Kaisha	0.00%	26.9.2018	JPY	260,000,000	2,035,006	0.26
Kyushu Electric Power	0.00%	31.3.2022	JPY	480,000,000	3,732,658	0.48
Mitsubishi Chemical Holdings	0.00%	30.3.2022	JPY	240,000,000	1,949,137	0.25
Mitsubishi Chemical Holdings	0.00%	29.3.2024	JPY	340,000,000	2,819,492	0.36
Nagoya Railroad	0.00%	11.12.2024	JPY	140,000,000	1,108,250	0.14
Park24	0.00%	26.4.2018	JPY	160,000,000	1,287,149	0.17
Resorttrust	0.00%	1.12.2021	JPY	320,000,000	2,433,408	0.31
Sony - Series 6	0.00%	30.9.2022	JPY	571,000,000	4,924,186	0.63
Suzuki Motor	0.00%	31.3.2021	JPY	280,000,000	3,045,531	0.39
Suzuki Motor	0.00%	31.3.2023	JPY	370,000,000	4,054,160	0.52
Takashimaya	0.00%	11.12.2020	JPY	360,000,000	2,820,257	0.36
Teijin	0.00%	10.12.2021	JPY	80,000,000	718,209	0.09
Terumo	0.00%	6.12.2021	JPY	480,000,000	4,405,834	0.56
Tohoku Electric Power	0.00%	3.12.2020	JPY	330,000,000	2,491,845	0.32
Toppan Printing	0.00%	19.12.2019	JPY	310,000,000	2,587,218	0.33
Toray Industries	0.00%	31.8.2021	JPY	350,000,000	3,548,584	0.45
Unicharm	0.00%	25.9.2020	JPY	320,000,000	2,799,147	0.36
Yamada Denki	0.00%	28.6.2019	JPY	120,000,000	1,065,763	0.14
					<b>56,926,256</b>	<b>7.29</b>
<b>Jersey</b>						
British Land White 2015	0.00%	9.6.2020	GBP	3,500,000	3,823,432	0.49
Derwent London Capital No 2	1.13%	24.7.2019	GBP	1,800,000	2,143,159	0.27
EnSCO Jersey Finance	3.00%	31.1.2024	USD	2,100,000	1,511,949	0.19
Intu Jersey 2	2.88%	1.11.2022	GBP	3,100,000	3,345,042	0.43
PHP Finance Jersey	4.25%	20.5.2019	GBP	1,200,000	1,697,234	0.22
Remgro Jersey GBP	2.63%	22.3.2021	GBP	4,600,000	5,155,175	0.66
					<b>17,675,991</b>	<b>2.26</b>
<b>Luxembourg</b>						
APERAM	0.63%	8.7.2021	USD	4,800,000	5,383,498	0.69
Aroundtown Property Holdings	1.50%	18.1.2021	EUR	5,300,000	6,355,839	0.81
Grand City Properties	0.25%	2.3.2022	EUR	3,800,000	3,833,991	0.49
					<b>15,573,328</b>	<b>1.99</b>
<b>Malaysia</b>						
Cahaya Capital	0.00%	18.9.2021	USD	5,650,000	4,705,293	0.60
Indah Capital	0.00%	24.10.2018	SGD	5,150,000	3,289,503	0.42
					<b>7,994,796</b>	<b>1.02</b>
<b>Mexico</b>						
America Movil	0.00%	28.5.2020	EUR	22,700,000	22,440,312	2.87
Cemex	3.75%	15.3.2018	USD	2,094,000	2,021,290	0.26
					<b>24,461,602</b>	<b>3.13</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – F&C Global Convertible Bond

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>Netherlands</b>						
ACS Actividades Finance	1.63%	27.3.2019	EUR	4,500,000	5,186,520	0.66
Amorim Energia	3.38%	3.6.2018	EUR	4,100,000	4,352,006	0.56
BNP Paribas Issuance	0.00%	18.12.2019	EUR	4,545,000	4,893,601	0.63
BNP Paribas Issuance	0.00%	2.1.2020	GBP	4,220,000	4,959,193	0.63
BNP Paribas Issuance	0.00%	9.1.2020	GBP	2,363,000	4,046,972	0.52
BNP Paribas Issuance	0.00%	1.6.2020	EUR	5,750,000	7,027,650	0.90
Brenntag Finance	1.88%	2.12.2022	USD	5,250,000	4,547,168	0.58
Fugro	4.00%	26.10.2021	EUR	2,900,000	2,862,401	0.37
Iberdrola International	0.00%	11.11.2022	EUR	1,800,000	1,813,230	0.23
Koninklijke BAM Groep	3.50%	13.6.2021	EUR	2,900,000	3,364,638	0.43
Lehman Brothers Treasury	0.00%	28.8.2009	EUR	350,000	15,417	0.00
NXP Semiconductors	1.00%	1.12.2019	USD	6,170,000	6,318,304	0.81
QIAGEN	0.88%	19.3.2021	USD	4,200,000	4,312,925	0.55
QIAGEN	0.50%	13.9.2023	USD	2,600,000	2,213,982	0.28
Siemens Financieringsmaatschappij	1.65%	16.8.2019	USD	30,750,000	31,700,322	4.06
STMicroelectronics	0.00%	3.7.2022	USD	4,800,000	4,629,676	0.59
STMicroelectronics - Series B	0.25%	3.7.2024	USD	7,000,000	6,763,364	0.87
					<b>99,007,369</b>	<b>12.67</b>
<b>Norway</b>						
Marine Harvest	0.13%	5.11.2020	EUR	4,400,000	5,517,864	0.71
Telenor East Holding II	0.25%	20.9.2019	USD	8,200,000	7,768,710	0.99
					<b>13,286,574</b>	<b>1.70</b>
<b>Singapore</b>						
CapitaLand	1.95%	17.10.2023	SGD	7,500,000	4,835,341	0.62
CapitaLand	2.80%	8.6.2025	SGD	3,250,000	2,040,290	0.26
Suntec Real Estate Investment Trust	1.75%	5.9.2021	SGD	3,250,000	2,035,704	0.26
					<b>8,911,335</b>	<b>1.14</b>
<b>Spain</b>						
International Consolidated Airlines Group	0.63%	17.11.2022	EUR	3,000,000	2,919,720	0.37
Telefonica Participaciones	0.00%	9.3.2021	EUR	8,700,000	8,708,656	1.12
					<b>11,628,376</b>	<b>1.49</b>
<b>Sweden</b>						
Industrivarden	0.00%	15.5.2019	SEK	24,000,000	2,737,577	0.35
SAS	3.63%	1.4.2019	SEK	17,000,000	2,033,644	0.26
					<b>4,771,221</b>	<b>0.61</b>
<b>Switzerland</b>						
Swiss Life Holding	0.00%	2.12.2020	CHF	3,610,000	4,631,145	0.59
<b>Taiwan</b>						
United Microelectronics	0.00%	18.5.2020	USD	2,200,000	2,056,653	0.26
<b>Thailand</b>						
Singha Estate	2.00%	20.7.2022	USD	2,200,000	1,914,440	0.25
<b>United Arab Emirates</b>						
Aabar Investments	0.50%	27.3.2020	EUR	8,700,000	7,796,375	1.00
DP World	1.75%	19.6.2024	USD	5,200,000	4,509,997	0.58
					<b>12,306,372</b>	<b>1.58</b>
<b>United Kingdom</b>						
BP Capital Markets	1.00%	28.4.2023	GBP	8,600,000	11,529,605	1.48
Inmarsat	3.88%	9.9.2023	USD	6,200,000	5,699,315	0.73
J Sainsbury, V/R	2.88%	29.12.2049	GBP	3,900,000	4,417,430	0.56
Technip	0.88%	25.1.2021	EUR	5,600,000	6,505,688	0.83
					<b>28,152,038</b>	<b>3.60</b>
<b>United States</b>						
Allegheny Technologies	4.75%	1.7.2022	USD	1,450,000	2,258,147	0.29
Allscripts Healthcare Solutions	1.25%	1.7.2020	USD	2,060,000	1,858,140	0.24
Altaba	0.00%	1.12.2018	USD	6,240,000	6,870,311	0.88
Bank of America - Series L (Preferred)	7.25%	31.12.2049	USD	3,520	3,875,128	0.50
BioMarin Pharmaceutical	0.60%	1.8.2024	USD	3,450,000	2,963,275	0.38
Blackhawk Network Holdings	1.50%	15.1.2022	USD	2,270,000	2,155,301	0.28
CenterPoint Energy (Preferred)	3.40%	15.9.2029	USD	47,040	2,969,347	0.38
Cheniere Energy	4.25%	15.3.2045	USD	4,180,000	2,463,380	0.31
Citrix Systems	0.50%	15.4.2019	USD	5,490,000	5,397,984	0.69
Colony NorthStar	3.88%	15.1.2021	USD	2,150,000	1,827,401	0.23
Colony NorthStar	5.00%	15.4.2023	USD	2,280,000	1,986,158	0.25
Cypress Semiconductor	4.50%	15.1.2022	USD	2,400,000	2,654,557	0.34
DexCom	0.75%	15.5.2022	USD	2,300,000	1,729,524	0.22
DISH Network	2.38%	15.3.2024	USD	5,965,000	5,021,537	0.64
Dominion Energy - Series A (Preferred)	6.75%	15.8.2019	USD	38,600	1,657,039	0.21
Dycom Industries	0.75%	15.9.2021	USD	2,860,000	2,763,922	0.35
Electronics For Imaging	0.75%	1.9.2019	USD	1,875,000	1,653,393	0.21
Empire State Realty	2.63%	15.8.2019	USD	2,940,000	2,803,223	0.36
Extra Space Storage	3.13%	1.10.2035	USD	2,400,000	2,219,078	0.28
Finisar	0.50%	15.12.2036	USD	3,250,000	2,579,919	0.33

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – F&C Global Convertible Bond

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
General Cable, V/R	4.50%	15.11.2029	USD	1,017,000	767,280	0.10
Hologic, V/R	2.00%	1.3.2042	USD	1,595,000	1,625,728	0.21
Illumina	0.50%	15.6.2021	USD	4,098,000	3,953,799	0.51
Intel	3.49%	15.12.2035	USD	7,592,000	9,134,615	1.17
Intel	3.25%	1.8.2039	USD	2,656,000	4,131,192	0.53
Ionis Pharmaceuticals	1.00%	15.11.2021	USD	2,080,000	1,868,438	0.24
Liberty Expedia Holdings	1.00%	30.6.2047	USD	2,120,000	1,910,270	0.24
Liberty Interactive	1.75%	30.9.2046	USD	2,127,000	2,139,515	0.27
Liberty Media	1.38%	15.10.2023	USD	4,180,000	4,273,064	0.55
Liberty Media	2.25%	30.9.2046	USD	4,645,000	4,174,392	0.53
Macquarie Infrastructure	2.88%	15.7.2019	USD	1,980,000	1,781,540	0.23
Microchip Technology	1.63%	15.2.2025	USD	3,973,000	5,867,000	0.75
Microchip Technology	1.63%	15.2.2027	USD	4,205,000	4,320,816	0.55
Micron Technology - Series G	3.00%	15.11.2043	USD	3,615,000	4,234,249	0.54
Nabors Industries	0.75%	15.1.2024	USD	1,040,000	717,936	0.09
National Grid North America	0.90%	2.11.2020	GBP	3,000,000	3,427,950	0.44
National Health Investors	3.25%	1.4.2021	USD	2,240,000	2,183,878	0.28
New York Community Capital Trust 'V' (Preferred)	6.00%	1.11.2051	USD	38,850	1,671,057	0.21
Nice Systems	1.25%	15.1.2024	USD	2,125,000	2,024,090	0.26
Nuance Communications	1.50%	1.11.2035	USD	2,200,000	1,861,822	0.24
NuVasive	2.25%	15.3.2021	USD	2,020,000	1,953,542	0.25
ON Semiconductor	1.00%	1.12.2020	USD	2,330,000	2,351,011	0.30
ON Semiconductor	1.63%	15.10.2023	USD	2,055,000	2,019,392	0.26
Priceline Group	0.35%	15.6.2020	USD	9,403,000	11,461,016	1.47
Rovi	0.50%	1.3.2020	USD	2,220,000	1,905,920	0.24
RTI International Metals	1.63%	15.10.2019	USD	3,160,000	2,982,676	0.38
salesforce.com	0.25%	1.4.2018	USD	3,280,000	3,895,980	0.50
ServiceNow	0.00%	1.6.2022	USD	3,910,000	3,553,448	0.45
Spirit Realty Capital	3.75%	15.5.2021	USD	2,245,000	1,944,598	0.25
Starwood Property Trust	4.55%	1.3.2018	USD	2,865,000	2,567,875	0.33
Starwood Property Trust	4.00%	15.1.2019	USD	1,935,000	1,828,823	0.23
Starwood Property Trust	4.38%	1.4.2023	USD	1,150,000	986,688	0.13
Starwood Waypoint Homes	3.50%	15.1.2022	USD	3,255,000	3,095,528	0.40
Tesla	1.25%	1.3.2021	USD	6,602,000	6,292,817	0.81
Teva Pharmaceutical Finance - Series C	0.25%	1.2.2026	USD	2,707,000	2,065,995	0.26
Veeco Instruments	2.70%	15.1.2023	USD	2,090,000	1,695,258	0.22
Verint Systems	1.50%	1.6.2021	USD	2,125,000	1,768,117	0.23
Vishay Intertechnology	2.25%	15.11.2040	USD	1,171,000	1,447,278	0.19
Wells Fargo & Co - Series L (Preferred)	7.50%	31.12.2049	USD	3,350	3,727,026	0.48
Workday	0.25%	1.10.2022	USD	3,550,000	2,981,392	0.38
World Wrestling Entertainment	3.38%	15.12.2023	USD	2,070,000	2,017,577	0.26
Wright Medical Group	2.00%	15.2.2020	USD	2,375,000	2,174,466	0.28
					<b>184,491,818</b>	<b>23.61</b>
<b>TOTAL BONDS</b>					<b>770,187,588</b>	<b>98.56</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>					<b>770,187,588</b>	<b>98.56</b>
<b>OTHER TRANSFERABLE SECURITIES</b>						
<b>BONDS</b>						
<b>Japan</b>						
Iida Group Holdings	0.00%	18.6.2020	JPY	90,000,000	697,246	0.09
LIXIL Group	0.00%	4.3.2022	JPY	170,000,000	1,349,130	0.17
Mitsui OSK Lines	0.00%	24.4.2020	USD	1,700,000	1,382,764	0.18
Nipro	0.00%	29.1.2021	JPY	80,000,000	712,571	0.09
Shimizu	0.00%	16.10.2020	JPY	70,000,000	591,112	0.07
Shionogi	0.00%	17.12.2019	JPY	200,000,000	2,238,434	0.29
					<b>6,971,257</b>	<b>0.89</b>
<b>Jersey</b>						
Tullow Oil	6.63%	12.7.2021	USD	1,800,000	1,783,039	0.23
					<b>8,754,296</b>	<b>1.12</b>
<b>TOTAL BONDS</b>					<b>8,754,296</b>	<b>1.12</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>					<b>8,754,296</b>	<b>1.12</b>
<b>TOTAL INVESTMENTS</b>					<b>778,941,884</b>	<b>99.68</b>
<b>OTHER ASSETS / (LIABILITIES)</b>					<b>2,503,089</b>	<b>0.32</b>
<b>TOTAL NET ASSETS</b>					<b>781,444,973</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
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# F&C Portfolios Fund – F&C Global Convertible Bond

## Schedule of Investments as at 30 September 2017 (continued)

### DERIVATIVES

#### FORWARD FOREIGN EXCHANGE CONTRACTS

Buy	Nominal	Sell	Nominal	Maturity Date	Unrealised Gain/(Loss) in EUR
<b>Unrealised Gain on Forward Foreign Exchange Contracts</b>					
CHF	115,000	EUR	(100,532)	20.10.2017	21
EUR	3,561,311	CHF	(4,050,000)	20.10.2017	20,081
EUR	16,184	CHF	(18,501)	31.10.2017	5
EUR	2,248	CHF	(2,569)	31.10.2017	1
EUR	6,114	CHF	(6,989)	31.10.2017	2
EUR	2,683,570	JPY	(350,000,000)	20.10.2017	53,661
EUR	534,202	JPY	(70,000,000)	20.10.2017	8,221
EUR	46,054,745	JPY	(6,020,000,000)	20.10.2017	820,319
EUR	3,491,622	SEK	(33,300,000)	20.10.2017	40,575
EUR	105,228	SEK	(1,000,000)	20.10.2017	1,593
EUR	104,748	SEK	(1,000,000)	20.10.2017	1,113
HKD	10,500,000	EUR	(1,128,583)	20.10.2017	8,077
JPY	30,000,000	EUR	(225,247)	20.10.2017	174
<b>Total Unrealised Gain on Forward Foreign Exchange Contracts</b>					<b>953,843</b>
<b>Unrealised Loss on Forward Foreign Exchange Contracts</b>					
CHF	16,535,432	EUR	(14,471,252)	31.10.2017	(11,086)
CHF	4,228,868	EUR	(3,700,962)	31.10.2017	(2,835)
CHF	43,415,962	EUR	(37,996,186)	31.10.2017	(29,108)
EUR	6,073,282	CAD	(9,150,000)	20.10.2017	(110,535)
EUR	36,131,558	GBP	(33,600,000)	20.10.2017	(1,987,030)
EUR	5,478,792	HKD	(51,700,000)	20.10.2017	(117,907)
EUR	123,895	SGD	(200,000)	20.10.2017	(598)
EUR	9,261,531	SGD	(15,100,000)	20.10.2017	(137,669)
EUR	836,995	USD	(1,000,000)	20.10.2017	(8,117)
EUR	4,998,959	USD	(6,000,000)	20.10.2017	(71,717)
EUR	827,371	USD	(1,000,000)	20.10.2017	(17,741)
EUR	1,672,381	USD	(2,000,000)	20.10.2017	(17,844)
EUR	1,761,405	USD	(2,100,000)	20.10.2017	(13,331)
EUR	1,665,942	USD	(2,000,000)	20.10.2017	(24,283)
EUR	136,268,448	USD	(164,500,000)	20.10.2017	(2,752,562)
EUR	136,268,561	USD	(164,500,000)	20.10.2017	(2,752,449)
JPY	30,000,000	EUR	(230,974)	20.10.2017	(5,553)
SGD	200,000	EUR	(124,702)	20.10.2017	(210)
USD	101,925	EUR	(86,724)	31.10.2017	(636)
USD	4,339,764	EUR	(3,686,122)	31.10.2017	(20,663)
<b>Total Unrealised Loss on Forward Foreign Exchange Contracts</b>					<b>(8,081,874)</b>

The counterparties for forward foreign exchange contracts were Bank of Montreal, Barclays Bank Plc. Wholesale, BNP Paribas S.A., Canadian Imperial Bank of Commerce, Citibank N.A. London, ING Bank NV, JP Morgan Securities Plc., Rabobank Nederland, Royal Bank of Canada (UK), Societe Generale S.A., State Street Bank & Trust Company and Westpac Banking Corporation.

**F&C Portfolios Fund – F&C Global Convertible Bond**  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Financial Services	11.20
Real Estate	10.83
Semiconductors	8.68
Telecommunication	7.36
Miscellaneous Manufacturers	6.35
Oil & Gas	6.29
Electrical Equipment	5.71
Healthcare	4.59
Chemicals	3.66
Engineering & Construction	3.42
Software	3.31
Food & Beverages	3.23
Internet	2.69
Auto Parts & Equipment	2.58
Media	2.25
Commercial Services	2.07
Coal	1.74
Pharmaceuticals	1.59
Transportation	1.54
Electrical Component & Equipment	1.41
Biotechnology	1.13
Airline	1.03
Metals & Mining	0.98
Water	0.92
Holding Companies	0.82
Aerospace & Defense	0.61
Insurance	0.59
Retail	0.50
Computers	0.46
Building Materials	0.43
Cosmetics & Personal Care	0.36
Home Builders	0.34
Lodging	0.31
Pipelines	0.31
Agriculture	0.23
Distribution & Wholesale	0.08
Forest Products & Paper	0.08
<hr/>	
Total Investments	99.68
Other Assets / (Liabilities)	0.32
<hr/>	
Total Net Assets	<u>100.00</u>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund

## F&C Global Smaller Cap Equity

### Performance

Over the 12 months to 30 September 2017, the Class I Shares - USD returned +20.8%. By comparison, the MSCI World Small Cap Index returned +19.8%. Performance is net of fees and in US dollar terms.

The portfolio outperformed its benchmark over the 12-month period. The initial few months of the period were challenging due to our underweight to the US market on valuation grounds. The Portfolio subsequently recovered and consolidated its gains. The US equity market and currency rallied strongly in the wake of Donald Trump's surprise election victory, on expectations that he would increase infrastructure spending and cut taxes, boosting growth. Later, as hurdles in policy implementation emerged the optimism was somewhat reigned in. In Europe, economic growth indicators turned positive and the region continued to show steady improvement. The combination of a supportive macro backdrop and favourable individual company fundamentals, meant that our European small cap exposure made a good contribution to relative performance. In the UK, stock selection added to relative performance. The market retraced around the time of the general election in June, which delivered a hung parliament, before picking up again as a coalition government was formed with Theresa May staying at the helm. Towards the end of the review period, the Japanese Prime Minister Shinzo Abe also called a snap election (to take place on 22 October). He was expected to be elected for a second term, thus enabling a continuation of his reform agenda. Our small cap Japanese exposure contributed positively.

### Market Review

Smaller company equities rose solidly in US dollar terms over the review period. Global risk appetite was generally buoyed by improving economic data in most regions alongside subdued inflationary pressures. The international price of oil remains depressed, on a historical comparison, as supply remained abundant despite deeper cuts by OPEC and Russia. On the monetary policy front, the US embarked on a cycle of interest rate hikes but the Federal Reserve's tone turned less hawkish in the latter months. Meanwhile in Europe, monetary stimulus is expected to be slowly withdrawn as growth indicators strengthen. Political pressures surfaced from time to time, with elections in several European countries most notably France, Germany and the UK. Despite an uptick in popular nationalism, France elected centrist politician Emmanuel Macron as President and went on to give his party and its allies a comfortable majority in the National Assembly elections. On the international stage, geopolitical tensions intensified towards the end of the period as North Korea conducted missile tests.

### Outlook

Equity markets have so far shrugged off geopolitical risks on the whole. In the US, investors have been cheered by the signs of some progress towards tax reforms promised during President Trump's election campaign, while in the UK, the focus shifted to domestic issues and the political risks associated with a weak government and rising Brexit negotiation uncertainty. In Europe, neither the appreciation of the euro nor the prospect of fading monetary stimulus appear to be damaging the economic recovery to any great extent. Against this backdrop, central banks have continued to signal to markets that they are intent on monetary tightening, prompting a rise in bond yields. Nevertheless equities remain a relatively attractive asset class and with our selection of stocks driven by bottom-up analysis, we remain comfortable with our portfolio's positioning.

### Catherine Stanley

Portfolio Manager

October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C Global Smaller Cap Equity

## Schedule of Investments as at 30 September 2017

Security Description	Quantity/ Nominal Value	Market Value in USD	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>			
<b>SHARES</b>			
<b>Canada</b>			
Parkland Fuel	19,134	388,295	0.92
Ritchie Bros Auctioneers	11,940	376,631	0.90
Waste Connections	13,224	922,661	2.19
WSP Global	8,547	354,755	0.84
		<b>2,042,342</b>	<b>4.85</b>
<b>Denmark</b>			
Chr Hansen Holding	5,671	486,487	1.15
<b>Finland</b>			
Amer Sports	17,710	469,821	1.11
<b>France</b>			
Maisons Du Monde	13,541	595,423	1.41
Cie Plastic Omnium	9,522	407,444	0.97
Rubis	10,147	646,932	1.54
		<b>1,649,799</b>	<b>3.92</b>
<b>Germany</b>			
Aareal Bank	11,959	506,491	1.20
Gerresheimer	6,455	499,761	1.19
Sirius Real Estate	1,186,970	991,330	2.35
Symrise	4,568	347,076	0.83
Vapiano	13,150	357,556	0.85
		<b>2,702,214</b>	<b>6.42</b>
<b>Ireland</b>			
Dalata Hotel Group	82,009	536,139	1.27
Glanbia	25,972	489,730	1.16
Icon	5,260	599,009	1.42
Origin Enterprises	85,453	672,810	1.60
Tarsus Group	116,026	444,427	1.06
		<b>2,742,115</b>	<b>6.51</b>
<b>Italy</b>			
Enav	129,238	592,195	1.41
Interpump Group	14,884	463,123	1.10
		<b>1,055,318</b>	<b>2.51</b>
<b>Japan</b>			
Amano	14,700	347,764	0.82
Discovery Communications	3,400	691,387	1.64
Hitachi Chemical	16,400	449,465	1.07
Jafco	9,700	495,492	1.17
Kansai Paint	18,400	462,922	1.10
Kose	3,200	366,437	0.87
Kusuri No Aoki Holdings	8,000	474,748	1.13
Mitsubishi UFJ Lease & Finance	73,700	390,221	0.93
		<b>3,678,436</b>	<b>8.73</b>
<b>New Zealand</b>			
Z Energy	87,050	463,153	1.10
<b>Norway</b>			
SpareBank 1 SR-Bank	37,599	405,024	0.96
Storebrand	79,655	676,442	1.61
		<b>1,081,466</b>	<b>2.57</b>
<b>Spain</b>			
Mediaset Espana Comunicacion	26,895	303,740	0.72
Merlin Properties Socimi REIT	50,446	698,948	1.66
Viscofan	9,481	580,933	1.38
		<b>1,583,621</b>	<b>3.76</b>
<b>Sweden</b>			
Nobina	82,028	478,359	1.14
<b>Switzerland</b>			
Forbo Holding	247	394,393	0.94
<b>United Kingdom</b>			
Clinigen Healthcare	37,568	537,297	1.28
CLS Holdings	234,606	642,109	1.52
Craneware	19,837	352,640	0.84
Dechra Pharmaceuticals	30,276	828,644	1.97
Fevertree Drinks	15,094	442,886	1.05
Genus	16,773	472,123	1.12
Halma	26,752	401,988	0.95
Hill & Smith Holdings	17,565	297,875	0.71

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund – F&C Global Smaller Cap Equity

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Quantity/ Nominal Value	Market Value in USD	% of Net Assets
James Fisher & Sons	14,373	299,859	0.71
Melrose Industries	246,731	704,425	1.67
National Express Group	89,369	424,333	1.01
Restore	76,730	538,916	1.28
Senior	108,509	401,658	0.95
Sophos Group	54,624	402,708	0.96
Steris	9,755	862,342	2.05
Ted Baker	13,332	474,002	1.12
		<b>8,083,805</b>	<b>19.19</b>
<b>United States</b>			
Alleghany	1,725	955,667	2.27
Amdocs	8,561	550,644	1.31
Big Lots	7,550	404,454	0.96
Carriage Services	15,939	408,038	0.97
CatchMark Timber Trust 'A' REIT	42,774	539,380	1.28
CDW	10,353	683,298	1.62
Cinemark Holdings	16,231	587,725	1.40
Covanta Holding	25,282	375,438	0.89
CSRA	19,348	624,360	1.48
Cubic	7,896	402,696	0.96
Granite Construction	11,792	683,346	1.62
GTT Communications	13,236	418,919	1.00
HealthSouth	10,667	494,415	1.17
LKQ	16,823	605,460	1.44
Martin Marietta Materials	1,802	371,627	0.88
MEDNAX	5,559	239,704	0.57
Microsemi	9,524	490,296	1.16
Monro	8,803	493,408	1.17
Nuance Communications	23,623	371,354	0.88
Nxstage Medical	12,717	350,989	0.83
Performance Food Group	18,102	511,382	1.22
ProAssurance	9,371	512,125	1.22
State Bank Financial	28,736	823,286	1.96
Sterling Bancorp	18,439	454,521	1.08
Total System Services	3,691	241,761	0.57
Vail Resorts	5,453	1,243,938	2.95
WEX	4,620	518,456	1.23
		<b>14,356,687</b>	<b>34.09</b>
<b>TOTAL SHARES</b>		<b>41,268,016</b>	<b>97.99</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>		<b>41,268,016</b>	<b>97.99</b>
<b>TOTAL INVESTMENTS</b>		<b>41,268,016</b>	<b>97.99</b>
<b>OTHER ASSETS / (LIABILITIES)</b>		<b>846,171</b>	<b>2.01</b>
<b>TOTAL NET ASSETS</b>		<b>42,114,187</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

**F&C Portfolios Fund - F&C Global Smaller Cap Equity**  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Financial Services	8.97
Healthcare	7.32
Commercial Services	7.18
Real Estate	6.81
Food & Beverages	5.96
Leisure & Tourism	5.46
Insurance	5.10
Retail	4.35
Engineering & Construction	3.87
Computers	3.75
Miscellaneous Manufacturers	3.60
Oil & Gas	3.56
Environmental Control	3.08
Chemicals	3.00
Transportation	2.86
Machinery-Diversified	2.74
Agriculture	2.72
Semiconductors	2.11
Pharmaceuticals	1.97
Building Materials	1.82
Software	1.72
Internet	1.62
Distribution & Wholesale	1.44
Lodging	1.27
Packaging & Containers	1.19
Telecommunication	1.00
Auto Parts & Equipment	0.97
Aerospace & Defense	0.96
Cosmetics & Personal Care	0.87
Media	0.72
<hr/>	
Total Investments	97.99
Other Assets / (Liabilities)	2.01
<hr/>	
Total Net Assets	<u>100.00</u>

# F&C Portfolios Fund

## F&C Japanese Equity

### Performance

In the twelve months to 30 September 2017, the Class I Shares - EUR returned +10.5%. By comparison, the FTSE World Japan NR Index returned +9.1%. Performance is net of fees and in euro terms.

Over the twelve month period in review, sector allocation made a strong positive contribution to the Portfolio's relative performance while stock selection had a negative effect. In particular, the Portfolio benefited from being underweight general retailers, tobacco and automobiles. The auto sector made the largest contribution to relative performance as stock selection was also strongly positive. Among individual stocks, Keyence Corporation was the top performer, its shares rallying on solid results and continuing opportunities for automation globally. Conversely, relative performance was conceded in banks, and software and computer services. Adverse regulation developments hindered the outlook for loan growth, dampening sentiment for financial stocks. Within the Portfolio, Suruga Bank was the largest detractor within this sector.

### Market Review

A weaker yen aided exports and underpinned support for Japanese equities over the twelve month review period. Donald Trump's victory in the US presidential elections and expectations that his policies would boost US growth prompted optimism about the global economy and supported equities generally. Japanese economic data improved slowly. The economy grew at an annualised rate of 2.5% in the second quarter of 2017, a pick-up in pace from 1.0% annualised growth in the first quarter. Consumer spending increased, core consumer price inflation accelerated (although it remained some way below the Bank of Japan's 2.0% target) and the labour market tightened to levels not seen since 1974. Towards the end of the period, geopolitical tensions surrounding North Korea intensified and against the backdrop of a more resilient economy, Prime Minister Shinzo Abe requested a change to the constitution regarding Japan's defence capability and called for a general election in October to give him the mandate to achieve this, and to continue with his economic reform agenda.

### Outlook

We continue to believe that Japan offers good prospects for equity investors. Domestic economic activity remains resilient, with a number of major national infrastructure initiatives being implemented and the labour market tightening. Although the rising geopolitical tensions in the region is a clear risk factor, it looks set to extend Shinzo Abe's tenure as Prime Minister, which equity investors should welcome. Corporate earnings remain healthy, supported by a stable exchange rate. The trajectory of corporate governance reform remains positive, unlocking latent value in Japan's cash-laden corporate balance sheets. Against this backdrop, we retain a bias towards higher quality growth companies that can prosper in spite of near-term economic and policy-driven volatility that appears to be an ever-present factor.

### Jamie Jenkins

Portfolio Manager

October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C Japanese Equity

## Schedule of Investments as at 30 September 2017

Security Description	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>			
<b>SHARES</b>			
<b>Japan</b>			
Aisin Seiki	1,600	71,299	0.59
Canon	9,400	271,600	2.24
Central Japan Railway	1,900	281,700	2.32
Chubu Electric Power	14,500	152,219	1.26
Daiichi Sankyo	5,400	102,989	0.85
Daiwa House Industry	13,200	385,364	3.18
FUJIFILM Holdings	7,400	242,840	2.00
Fujitsu	27,000	169,599	1.40
Hitachi	56,000	333,666	2.75
Hitachi Construction Machinery	6,700	167,910	1.38
Hitachi Metals	33,300	391,870	3.23
Honda Motor	19,100	478,238	3.95
Hoya	9,300	424,556	3.50
Isuzu Motors	37,800	423,521	3.49
ITOCHE	18,000	249,289	2.06
Japan Exchange Group	22,300	333,643	2.75
Japan Post Bank	14,800	154,590	1.27
JXTG Holdings	55,200	240,131	1.98
Kajima	10,000	84,013	0.69
Kansai Paint	17,900	380,936	3.14
Keyence	1,200	538,797	4.45
Kubota	33,400	513,395	4.24
Lawson	1,300	72,779	0.60
Marubeni	12,800	73,920	0.61
Mazda Motor	18,600	241,106	1.99
Mitsubishi	13,900	273,197	2.25
Mitsubishi Chemical Holdings	10,800	87,001	0.72
Mitsubishi Motors	16,800	112,358	0.93
Mitsubishi UFJ Financial Group	32,200	176,808	1.46
Mitsui OSK Lines	5,000	128,124	1.06
Mizuho Financial Group	275,400	407,903	3.37
Nikon	10,400	152,474	1.26
Nippon Steel & Sumitomo Metal	11,400	221,319	1.83
Nippon Yusen	6,000	105,460	0.87
NTT Data	21,900	198,142	1.63
Osaka Gas	10,400	163,494	1.35
Panasonic	8,900	109,048	0.90
Resona Holdings	40,100	174,172	1.44
Sapporo Holdings	6,100	139,122	1.15
SCSK	10,800	387,528	3.20
Secom	1,200	73,962	0.61
Sojitz	63,700	148,869	1.23
Sony	4,900	154,135	1.27
Subaru	7,100	216,616	1.79
Sumitomo	19,600	238,383	1.97
Sumitomo Mitsui Financial Group	13,400	435,005	3.59
Sumitomo Rubber Industries	12,100	187,491	1.55
Suruga Bank	17,000	309,917	2.56
Taisei	1,800	79,805	0.66
Toyota Motor	5,900	297,496	2.45
Ube Industries	5,200	126,997	1.05
Yamaha Motor	3,300	83,570	0.69
Yamazaki Baking	4,700	71,767	0.59
		<b>12,040,133</b>	<b>99.35</b>
<b>TOTAL SHARES</b>		<b>12,040,133</b>	<b>99.35</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>		<b>12,040,133</b>	<b>99.35</b>
<b>TOTAL INVESTMENTS</b>		<b>12,040,133</b>	<b>99.35</b>
<b>OTHER ASSETS / (LIABILITIES)</b>		<b>78,868</b>	<b>0.65</b>
<b>TOTAL NET ASSETS</b>		<b>12,119,001</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

F&C Portfolios Fund - F&C Japanese Equity  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Auto Parts & Equipment	16.74
Financial Services	16.44
Machinery-Diversified	8.37
Distribution & Wholesale	8.12
Semiconductors	7.95
Computers	6.23
Metals & Mining	5.06
Chemicals	4.91
Transportation	4.25
Electrical Equipment	3.43
Oil & Gas	3.33
Miscellaneous Manufacturers	3.26
Home Builders	3.18
Office & Business Equipment	2.24
Food & Beverages	1.74
Engineering & Construction	1.35
Pharmaceuticals	0.85
Leisure & Tourism	0.69
Commercial Services	0.61
Retail	0.60
<hr/>	
Total Investments	99.35
Other Assets / (Liabilities)	0.65
<hr/>	
Total Net Assets	<u>100.00</u>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund

## F&C Plus Fund

### Performance

Over the twelve months to 30 September 2017, the Class I Shares - EUR returned +3.8% (net of fees, in euro terms).

The Portfolio continued to diversify within the European bond spectrum but maintained a clear bias towards Portuguese issuers, particularly government-related entities. The participation in the primary market was important to the re-investment of maturing bonds, as market liquidity is scarce and yields very low. As European long-term interest rates increase, our fixed income duration (sensitivity to movements in interest rates) was kept below three years, with most of the duration risk held in Portuguese government bonds where long-term yields are still attractive.

In order to maximise returns in a low yield environment, the equity allocation was of major importance. Preferred markets were Europe and Japan, with stock picking within Portuguese stocks providing positive returns.

### Market Review

Global growth continued to surprise on the upside with unusual synchronicity. On the back of a “goldilocks” context, in which healthy global economic growth is side-by-side with smooth inflation figures, “risk” assets continued to performed well, led by equities and non-investment grade credits. Earnings were also revised upward as Purchasing Managers’ Index (“PMI”) numbers continued to post above 50 - clearly pointing to economic expansion. Central banks maintained ample liquidity for markets; while the Federal Reserve is already tapering and raising interest rates, the Bank of Japan and the European Central Bank (“ECB”) are still expanding their balance sheets and, we believe, are some time away from starting the rate normalisation cycle. On the political front, the initial surprise effect from the US elections dissipated, while in Europe, a set of benign election outcomes provided good support for European Union stability. Of the many political events that occurred, we highlight the French elections where not only was the far right unable to produce a major impact, the significant victory for Macron was viewed as a step forward for a more robust European Union.

Against this scenario, in the 12 months ending 30 September 2017, equities outperformed bonds, with Japanese equities returning 26%, the Eurostoxx index posting a 22% gain and the S&P 500 Index close to 19%. European government bonds lost 3% in the same period but peripheral eurozone countries outperformed, with Portuguese sovereign debt returning a notable 9.2%.

### Outlook

With the main economic indicators pointing to an acceleration in global growth and inflation remaining relatively subdued, which allows central banks to maintain a loose approach to monetary policy, we expect that equities will continue to outperform in the near future.

However, with talk of monetary policy normalisation starting to unfold, specifically the ECB with a more limited quantitative easing in 2018, rates and fixed income assets could be impacted, which consequently will lead to risk repricing. Also important are elections and political outcomes still to be held across the world, and specifically in Europe, with Italy and Spain being the main concern.

Nevertheless, the coming quarters should still be benign for risk assets given the positive economic assessment, earnings growth and still abundant liquidity.

### Joao Eufrazio

Portfolio Manager  
October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C Plus Fund

## Schedule of Investments as at 30 September 2017

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>						
<b>BONDS</b>						
<b>Canada</b>						
Canadian Imperial Bank of Commerce, V/R	0.22%	3.6.2018	EUR	2,500,000	2,510,775	1.77
<b>Cayman Islands</b>						
BCP Finance Bank	13.00%	13.10.2021	EUR	2,550,000	3,074,420	2.17
<b>Denmark</b>						
Nykredit Realkredit - Series 32, V/R	0.00%	1.10.2017	EUR	1,495,295	1,493,810	1.06
<b>France</b>						
Auchan Holding	2.25%	6.4.2023	EUR	2,500,000	2,721,545	1.92
Credit Agricole	4.15%	14.4.2019	EUR	1,500,000	1,595,630	1.13
Credit Agricole CIB Financial Solutions	0.75%	25.11.2019	EUR	1,000,000	1,002,340	0.71
Danone	0.42%	3.11.2022	EUR	2,000,000	2,000,778	1.41
RCI Banque	0.38%	10.7.2019	EUR	1,000,000	1,007,485	0.71
					<b>8,327,778</b>	<b>5.88</b>
<b>Germany</b>						
Deutsche Pfandbriefbank	1.25%	4.2.2019	EUR	1,000,000	1,016,126	0.72
Sachsen Bank, V/R	0.05%	17.1.2030	EUR	1,000,000	900,092	0.63
					<b>1,916,218</b>	<b>1.35</b>
<b>Ireland</b>						
FCA Bank, V/R	0.19%	3.7.2019	EUR	1,000,000	997,865	0.71
<b>Italy</b>						
Cassa Depositi e Prestiti	3.01%	20.11.2018	EUR	1,500,000	1,560,846	1.10
Cassa Depositi e Prestiti, V/R	0.88%	9.3.2023	EUR	1,500,000	1,523,835	1.08
Enel - Series 1, V/R	2.83%	20.2.2018	EUR	3,000,000	3,035,646	2.14
Italy Buoni Poliennali Del Tesoro	2.00%	1.12.2025	EUR	1,500,000	1,522,053	1.08
Snam, V/R	0.07%	2.8.2024	EUR	1,500,000	1,493,677	1.06
UniCredit, V/R	2.60%	28.12.2017	EUR	2,000,000	2,017,000	1.42
					<b>11,153,057</b>	<b>7.88</b>
<b>Netherlands</b>						
ABN AMRO Bank, V/R	0.21%	30.9.2019	EUR	1,500,000	1,513,365	1.07
Amadeus Finance	0.63%	2.12.2017	EUR	1,000,000	1,001,198	0.71
Deutsche Telekom International Finance, V/R	0.02%	3.4.2020	EUR	2,000,000	2,013,206	1.42
EDP Finance	4.13%	20.1.2021	EUR	3,000,000	3,389,301	2.39
EDP Finance	1.88%	29.9.2023	EUR	1,000,000	1,054,318	0.74
Mylan, V/R	0.17%	24.5.2020	EUR	1,500,000	1,500,990	1.06
Volkswagen International Finance	2.00%	14.1.2020	EUR	1,500,000	1,565,488	1.11
					<b>12,037,866</b>	<b>8.50</b>
<b>Portugal</b>						
Banco Comercial Portugues	0.75%	31.5.2022	EUR	1,500,000	1,511,004	1.07
Brisa Concessao Rodoviaria	2.38%	10.5.2027	EUR	1,500,000	1,570,089	1.11
Caixa Geral de Depositos	4.25%	27.1.2020	EUR	2,500,000	2,744,345	1.94
Caixa Geral de Depositos, V/R	1.25%	28.12.2017	EUR	2,529,000	2,507,989	1.77
Caixa Geral de Depositos, V/R	10.75%	31.12.2099	EUR	1,000,000	1,118,870	0.79
CP - Comboios de Portugal	4.17%	16.10.2019	EUR	4,000,000	4,326,456	3.05
EDP - Energias de Portugal, V/R	5.38%	16.9.2075	EUR	1,000,000	1,114,729	0.79
Galp Energia	2.13%	25.1.2019	EUR	3,000,000	3,161,277	2.23
Galp Gas Natural Distribuicao	1.38%	19.9.2023	EUR	900,000	912,317	0.64
Grupo Pestana, V/R	3.35%	22.12.2021	EUR	1,000,000	1,018,595	0.72
Portugal Obrigacoes do Tesouro	4.35%	16.10.2017	EUR	7,000,000	7,009,506	4.95
Portugal Obrigacoes do Tesouro	4.45%	15.6.2018	EUR	2,500,000	2,584,725	1.82
Portugal Obrigacoes do Tesouro	4.75%	14.6.2019	EUR	2,500,000	2,705,910	1.91
Portugal Obrigacoes do Tesouro	5.65%	15.2.2024	EUR	2,500,000	3,123,737	2.21
Portugal Obrigacoes do Tesouro	2.88%	15.10.2025	EUR	3,000,000	3,197,850	2.26
Portugal Obrigacoes do Tesouro	4.13%	14.4.2027	EUR	5,000,000	5,737,700	4.05
Portugal Obrigacoes do Tesouro	4.10%	15.4.2037	EUR	2,000,000	2,197,150	1.55
Regiao Autonoma Madeira, V/R	1.59%	9.6.2022	EUR	1,900,000	1,948,716	1.38
Regiao Autonoma Madeira, V/R	3.13%	27.12.2022	EUR	2,500,000	2,511,113	1.77
REN - Redes Energeticas Nacionais, V/R	4.42%	16.1.2020	EUR	2,040,000	2,154,750	1.52
Sociedade Gestora de Recursos e Equipamentos da Saude dos Acores - Series 1, V/R	2.75%	20.12.2019	EUR	930,000	943,290	0.67
Sociedade Gestora de Recursos e Equipamentos da Saude dos Acores, V/R	2.73%	15.7.2020	EUR	1,500,000	1,507,320	1.06
Sociedade Gestora de Recursos e Equipamentos da Saude dos Acores, V/R	3.50%	29.6.2021	EUR	1,000,000	1,020,520	0.72
					<b>56,627,958</b>	<b>39.98</b>
<b>Spain</b>						
Iberdrola Finanzas, V/R	0.34%	20.2.2024	EUR	1,500,000	1,516,223	1.07
Spain Government Bond	2.75%	30.4.2019	EUR	2,500,000	2,621,800	1.85
					<b>4,138,023</b>	<b>2.92</b>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund – F&C Plus Fund

## Schedule of Investments as at 30 September 2017 (continued)

Security Description	Rate	Maturity Date	Currency	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>Supranational</b>						
European Investment Bank, V/R	0.49%	10.10.2020	EUR	2,000,000	2,043,500	1.44
<b>United Kingdom</b>						
Bank of Scotland, V/R	2.25%	16.3.2020	EUR	2,500,000	2,587,250	1.82
FCE Bank, V/R	0.17%	26.8.2020	EUR	1,000,000	1,004,974	0.71
Vodafone Group, V/R	0.62%	25.2.2019	EUR	2,500,000	2,531,263	1.79
					<b>6,123,487</b>	<b>4.32</b>
<b>United States</b>						
Citigroup, V/R	0.50%	24.5.2021	EUR	2,500,000	2,552,330	1.80
<b>TOTAL BONDS</b>					<b>112,997,087</b>	<b>79.78</b>
<b>SHARES</b>						
<b>Portugal</b>						
Banco Comercial Portugues				7,932,621	1,945,872	1.37
CTT-Correios de Portugal				100,000	509,800	0.36
					<b>2,455,672</b>	<b>1.73</b>
<b>TOTAL SHARES</b>					<b>2,455,672</b>	<b>1.73</b>
<b>FUNDS</b>						
<b>Ireland</b>						
iShares MSCI Japan EUR Hedged UCITS ETF				41,000	1,964,310	1.39
<b>Luxembourg</b>						
BCP Global Sicav Institutional EURO Equities				31,135	3,691,988	2.60
<b>TOTAL FUNDS</b>					<b>5,656,298</b>	<b>3.99</b>
<b>ASSET BACKED SECURITIES</b>						
<b>Ireland</b>						
Delta Spark 'A', V/R	0.18%	22.7.2023	EUR	2,097,464	2,090,542	1.48
<b>Italy</b>						
Siena Lease 2016-2 'A', V/R	0.92%	27.9.2040	EUR	326,854	328,948	0.23
<b>Portugal</b>						
TAGUS - Sociedade de Titularizacao de Creditos Via Volta II Electricity Receivables 'SNR'	2.98%	16.2.2018	EUR	445,785	448,631	0.32
TAGUS - Sociedade de Titularizacao de Creditos 'A1', V/R	1.58%	12.5.2025	EUR	5,350,682	5,464,986	3.86
TAGUS - Sociedade de Titularizacao de Creditos Via Volta IV 'SNR'	2.42%	12.2.2021	EUR	2,119,625	2,185,598	1.54
<b>TOTAL ASSET BACKED SECURITIES</b>					<b>10,518,705</b>	<b>7.43</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>					<b>131,627,762</b>	<b>92.93</b>
<b>OTHER TRANSFERABLE SECURITIES</b>						
<b>BONDS</b>						
<b>Portugal</b>						
Altri Via Celbi, V/R	2.40%	6.3.2024	EUR	800,000	830,184	0.58
Banco Comercial Portugues, V/R	0.73%	29.6.2020	EUR	45,000	40,892	0.03
Banco Comercial Portugues, V/R	0.92%	27.8.2020	EUR	11,000	10,016	0.01
					<b>881,092</b>	<b>0.62</b>
<b>TOTAL BONDS</b>					<b>881,092</b>	<b>0.62</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>					<b>881,092</b>	<b>0.62</b>
<b>TOTAL INVESTMENTS</b>					<b>132,508,854</b>	<b>93.55</b>
<b>OTHER ASSETS / (LIABILITIES)</b>					<b>9,135,555</b>	<b>6.45</b>
<b>TOTAL NET ASSETS</b>					<b>141,644,409</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

F&C Portfolios Fund - F&C Plus Fund  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Financial Services	35.59
Sovereign	21.68
Electrical Equipment	8.65
Oil & Gas	3.93
Food & Beverages	3.33
Telecommunication	3.21
Municipal	3.15
Transportation	3.05
Auto Parts & Equipment	2.53
Healthcare	2.45
Commercial Services	1.47
Supranational	1.44
Pharmaceuticals	1.06
Lodging	0.72
Software	0.71
Forest Products & Paper	0.58
<hr/>	
Total Investments	93.55
Other Assets / (Liabilities)	6.45
<hr/>	
Total Net Assets	<u>100.00</u>

# F&C Portfolios Fund

## F&C Responsible Global Equity

### Performance

Over the 12 months to 30 September 2017, the Class A Shares - EUR returned +12.5% (net of fees, in euro terms). By comparison, the MSCI World NR Index, returned +12.3%.

The Portfolio was marginally ahead of the benchmark over the period. The period began with performance dented by the election of Donald Trump and a rotation out of both growth and quality stocks globally, in favour of equities with stronger value characteristics. Relative performance improved markedly in 2017, at first benefiting from an underweight exposure to energy and an overweight exposure to IT, and later from strong stock selection. Over the year as a whole, positive contributions were led by commercial banking group SVB Financial, which rallied on expectations for higher US interest rates, technology company Cognex, boosted by strong results, and analytical instruments manufacturer Mettler-Toledo, again on better-than-expected earnings and a raise in full-year guidance. Conversely, stocks that detracted from relative returns included LED lighting manufacturer Acuity Brands, which underperformed after supply chain issues impacted results, and pharmaceutical Cardinal Health, where generic pricing pressure weighed on quarterly earnings and prompted disappointing guidance for 2018.

### Review

Global equities rose strongly over the review period. Risk appetite was generally boosted by Donald Trump's surprise win in November's presidential election as markets priced in faster US economic growth, underpinned by hopes of tax cuts and increased infrastructure spending. Against the backdrop of robust economic data, the Federal Reserve ("Fed") raised interest rates in December and again in March and June. Later, the Trump administration's failure to get healthcare reform through Congress raised questions about its ability to deliver on other plans. Fed Chair Janet Yellen also adopted a less hawkish tone than previously. In the eurozone, the economy moved into recovery mode and economic data strengthened as the period progressed. The Japanese economy saw slow but steady improvement, bolstering the confidence of Prime Minister Shinzo Abe who called for an early general election, in October. The oil price briefly rose to above \$50 per barrel, as the dynamics of supply and demand swung in oil's favour, and on the political front, tensions were heightened by nuclear missile tests by North Korea.

### Outlook

The global macroeconomic backdrop remains supportive for equity markets to continue their climb higher. Fears that the US would run into capacity constraints are not materialising and the gradual increase in interest rates and planned tapering of the Fed's balance sheet have failed to derail markets. Elsewhere, the improvement in global economic growth, largely without any pick up in inflationary pressures, means we are seeing coordinated policy actions allowing volatility to remain at subdued levels. These factors remain supportive for global equities to continue to make new all time-highs, despite the raised geopolitical risks and potential liquidity withdrawal by central banks.

### Jamie Jenkins

Portfolio Manager

October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C Responsible Global Equity

## Schedule of Investments as at 30 September 2017

Security Description	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>			
<b>SHARES</b>			
<b>Australia</b>			
CSL	34,842	3,097,871	1.09
<b>Belgium</b>			
Umicore	44,754	3,132,332	1.10
<b>Finland</b>			
Amer Sports	176,426	3,958,999	1.39
<b>France</b>			
Essilor International	31,852	3,336,497	1.17
Suez	278,229	4,297,247	1.51
		<b>7,633,744</b>	<b>2.68</b>
<b>Germany</b>			
Allianz	25,249	4,796,048	1.68
Continental	18,465	3,965,359	1.39
Fresenius & Co	76,309	5,208,089	1.83
Gerresheimer	57,768	3,783,226	1.33
SAP	62,920	5,832,055	2.04
		<b>23,584,777</b>	<b>8.27</b>
<b>Ireland</b>			
Accenture 'A'	53,880	6,155,960	2.16
Kerry Group 'A'	80,676	6,558,152	2.30
		<b>12,714,112</b>	<b>4.46</b>
<b>Japan</b>			
Daiseki	155,500	3,311,587	1.16
Japan Exchange Group	262,400	3,925,916	1.38
Keyence	13,600	6,106,364	2.14
Kubota	461,000	7,086,084	2.48
SCSK	108,800	3,903,985	1.37
Toray Industries	462,200	3,791,051	1.33
Toyota Motor	74,100	3,736,342	1.31
		<b>31,861,329</b>	<b>11.17</b>
<b>Netherlands</b>			
ING Groep	469,781	7,328,584	2.57
QIAGEN	203,684	5,427,211	1.90
Wolters Kluwer	111,128	4,344,549	1.53
		<b>17,100,344</b>	<b>6.00</b>
<b>Norway</b>			
DNB	316,597	5,399,601	1.89
		<b>5,399,601</b>	<b>1.89</b>
<b>Singapore</b>			
ComfortDelGro	1,568,800	2,032,621	0.71
<b>Switzerland</b>			
Novartis	57,247	4,148,783	1.46
<b>Taiwan</b>			
Taiwan Semiconductor Manufacturing	935,000	5,646,668	1.98
<b>United Kingdom</b>			
Delphi Automotive	77,504	6,451,022	2.26
Intertek Group	62,685	3,544,180	1.24
Prudential	350,856	7,113,451	2.50
Rotork	1,112,349	3,287,233	1.15
		<b>20,395,886</b>	<b>7.15</b>
<b>United States</b>			
Acuity Brands	25,065	3,631,480	1.27
Amazon.com	6,839	5,561,391	1.95
Amdocs	134,131	7,297,674	2.56
Apple	84,513	11,017,721	3.86
Cardinal Health	87,475	4,951,641	1.74
Cognex	26,243	2,448,046	0.86
Crown Castle International REIT	71,971	6,086,673	2.13
CVS Health	61,907	4,258,400	1.49
eBay	134,023	4,360,114	1.53
Henry Schein	94,502	6,554,071	2.30
Intercontinental Exchange	103,041	5,987,921	2.10
Mastercard 'A'	83,480	9,970,717	3.50
Mettler-Toledo International	13,950	7,388,713	2.59
PayPall Holdings	116,723	6,321,923	2.22
Praxair	60,829	7,190,195	2.52
Principal Financial Group	92,023	5,008,258	1.76

The accompanying notes form an integral part of these financial statements.

## F&C Portfolios Fund – F&C Responsible Global Equity

### Schedule of Investments as at 30 September 2017 (continued)

Security Description	Quantity/ Nominal Value	Market Value in EUR	% of Net Assets
Roper Technologies	34,995	7,205,031	2.53
SVB Financial Group	22,134	3,502,836	1.23
Tractor Supply	78,289	4,191,265	1.47
Union Pacific	65,103	6,386,397	2.24
US Bancorp	168,126	7,621,280	2.67
VF	92,102	4,952,569	1.74
Xylem	192,400	10,192,876	3.57
		<b>142,087,192</b>	<b>49.83</b>
<b>TOTAL SHARES</b>		<b>282,794,259</b>	<b>99.18</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>		<b>282,794,259</b>	<b>99.18</b>
<b>TOTAL INVESTMENTS</b>		<b>282,794,259</b>	<b>99.18</b>
<b>OTHER ASSETS / (LIABILITIES)</b>		<b>2,339,957</b>	<b>0.82</b>
<b>TOTAL NET ASSETS</b>		<b>285,134,216</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

**F&C Portfolios Fund – F&C Responsible Global Equity**  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Financial Services	15.34
Computers	9.95
Machinery-Diversified	9.44
Semiconductors	7.86
Healthcare	7.20
Insurance	5.94
Auto Parts & Equipment	4.96
Chemicals	4.95
Internet	3.48
Commercial Services	3.46
Pharmaceuticals	3.20
Retail	2.96
Transportation	2.95
Food & Beverages	2.30
Real Estate	2.13
Software	2.04
Miscellaneous Manufacturers	1.74
Media	1.53
Water	1.51
Leisure & Tourism	1.39
Packaging & Containers	1.33
Electrical Component & Equipment	1.27
Environmental Control	1.16
Biotechnology	1.09
<hr/>	
Total Investments	99.18
Other Assets / (Liabilities)	0.82
<hr/>	
Total Net Assets	<u>100.00</u>

# F&C Portfolios Fund

## F&C US Smaller Companies

### Performance

Over the 12 months to 30 September 2017, the Class A Shares - USD returned +12.5% (net of fees, in US dollar terms). By comparison, the Russell 2000 NR Index, returned +20.3%.

The Portfolio underperformed the Russell 2000 NR Index over the period. Amongst the detractors from relative performance was the portfolio's cash position, energy exploration and production company Carrizo Oil & Gas, which suffered from a lower oil price, and Sabre, a provider of technology to the travel industry, which saw an unexpected increase in costs. On a positive note, ICON (a provider of pharmaceutical contract research) reported good operating results during the year, Upland Software (cloud based infrastructure software) made progress on its acquisition strategy and Vail Resorts (an owner and operator of high-end ski resorts) announced attractive acquisitions and reported strong season pass sales.

### Market Review

Over the 12-month period, US smaller companies, as represented by the Russell 2000 Index, generated strong positive returns. The surprise election of Donald Trump as US President in November prompted a strong rally in equities as investors priced in faster US growth, on the expectation of increased spending on infrastructure and potential tax cuts. Going into 2017, a pickup in global growth coupled with benign inflation provided a very favourable market backdrop. The best performing sectors were producer durables, health care and technology. The laggards were energy, consumer staples and consumer discretionary. The Federal Reserve raised interest rates three times in the financial year.

### Outlook

US economic growth has picked up recently and is now running at around 2%. Retail and auto sales have been sluggish but housing continues to improve and exports have benefited from a lower dollar and improving global growth. Business optimism remains strong. Jobless claims are at low levels and indicate a healthy labour market. The Federal Reserve recently announced its intention to reduce the size of its balance sheet, starting in October. A further interest rate rise before the end of the year is also expected. Some progress has been made by the new administration on deregulation but nothing significant has been achieved so far on the major initiatives of tax reform and increased spending on infrastructure. Earnings growth in calendar year 2017 is still on course for meaningful improvement. The market remains on a high valuation and given the risks, a cautious approach seems sensible.

### Nish Patel

Portfolio Manager  
October 2017

Note: The information contained in this report is historical and not indicative of future performance. All performance figures provided represent total returns.

Statements contained in this report concerning future performance are the opinions of management and there can be no guarantee that such opinions will prove to be correct.

# F&C Portfolios Fund – F&C US Smaller Companies

## Schedule of Investments as at 30 September 2017

Security Description	Quantity/ Nominal Value	Market Value in USD	% of Net Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>			
<b>SHARES</b>			
<b>Ireland</b>			
ICON	3,970	452,104	2.07
<b>United Kingdom</b>			
Cardtronics 'A'	6,491	149,358	0.69
STERIS	6,673	589,893	2.70
		<b>739,251</b>	<b>3.39</b>
<b>United States</b>			
Alleghany	988	547,362	2.51
Amber Road	23,405	179,750	0.82
Amdocs	7,378	474,553	2.17
America's Car-Mart	5,096	209,573	0.96
American Outdoor Brands	3,740	57,035	0.26
American Vanguard	22,249	509,502	2.34
Andersons	8,813	301,845	1.38
Astec Industries	3,049	170,774	0.78
ATN International	3,772	198,784	0.91
Avnet	8,918	350,477	1.61
Big Lots	5,536	296,563	1.36
BioDelivery Sciences International	39,549	116,670	0.53
Brown & Brown	8,582	413,567	1.90
Carriage Services	10,361	265,242	1.22
Carrizo Oil & Gas	10,435	178,752	0.82
CatchMark Timber Trust 'A' REIT	31,254	394,113	1.81
CDW	5,272	347,952	1.59
CH Robinson Worldwide	4,443	338,112	1.55
Cinemark Holdings	6,880	249,125	1.14
CommVault Systems	5,757	350,026	1.60
Covanta Holding	21,008	311,969	1.43
CSRA	14,288	461,074	2.11
Cubic	6,587	335,937	1.54
Ensign Group	16,634	375,762	1.72
FireEye	19,273	323,208	1.48
Franklin Financial Network	13,900	495,535	2.27
Generac Holdings	6,404	294,136	1.35
Genesee & Wyoming	4,053	299,963	1.37
Granitstruction	6,572	380,847	1.75
Graphic Packaging Holding	23,610	329,359	1.51
GTT Communications	10,717	339,193	1.55
Hallmark Financial Services	27,466	318,880	1.46
HealthSouth	4,793	222,156	1.02
Leucadia National	17,874	451,318	2.07
LKQ	14,234	512,282	2.35
Magellan Health	3,744	323,107	1.48
Martin Marietta Materials	2,251	464,224	2.13
Michaels	14,221	305,325	1.40
Microsemi	5,892	303,320	1.39
Molina Healthcare	3,096	212,881	0.98
Monro	5,969	334,562	1.53
Murphy USA	4,339	299,391	1.37
Nuance Communications	19,566	307,577	1.41
Nxstage Medical	8,853	244,343	1.12
Performance Food Group	10,943	309,140	1.42
PRA Group	7,944	227,596	1.04
ProAssurance	6,428	351,290	1.61
Roper Technologies	1,670	406,478	1.86
Sabre	18,031	326,361	1.50
Safeguard Scientifics	21,768	290,603	1.33
State Bank Financial	20,227	579,504	2.66
Sterling Bancorp	18,978	467,808	2.14
Total System Services	5,750	376,625	1.73
United Bankshares	9,004	334,499	1.53
Vail Resorts	2,160	492,739	2.26
VWR	10,483	347,092	1.59
WellCare Health Plans	1,145	196,642	0.90
Wex	2,811	315,450	1.45
Zayo Group Holdings	9,398	323,479	1.48
		<b>19,541,432</b>	<b>89.55</b>
<b>TOTAL SHARES</b>		<b>20,732,787</b>	<b>95.01</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR TRADED ON OTHER REGULATED MARKETS</b>		<b>20,732,787</b>	<b>95.01</b>

The accompanying notes form an integral part of these financial statements.

F&C Portfolios Fund – F&C US Smaller Companies  
**Schedule of Investments as at 30 September 2017 (continued)**

TOTAL INVESTMENTS	20,732,787	95.01
OTHER ASSETS / (LIABILITIES)	1,088,937	4.99
TOTAL NET ASSETS	<u>21,821,724</u>	<u>100.00</u>

# F&C Portfolios Fund – F&C US Smaller Companies

## Schedule of Investments as at 30 September 2017 (continued)

### DERIVATIVES

#### FUTURES CONTRACTS

Description	Currency	Number of Contracts	Maturity Date	Commitment in USD	Unrealised Gain/(Loss) in USD
<b>Unrealised Gain on Futures Contracts</b>					
Russel 2000 Mini Index	USD	2	15.12.2017	149,300	6,715
<b>Total Unrealised Gain on Futures Contracts</b>				<b>149,300</b>	<b>6,715</b>

The counterparty for futures contracts was Goldman Sachs & Co.

**F&C Portfolios Fund – F&C US Smaller Companies**  
**Distribution of Investments by Economic Sector**  
as at 30 September 2017

<b>Sector</b>	<b>% of Net Assets</b>
Healthcare	13.57
Financial Services	10.97
Commercial Services	8.10
Insurance	7.47
Computers	4.29
Telecommunication	3.95
Software	3.84
Retail	3.72
Leisure & Tourism	3.40
Internet	3.08
Semiconductors	3.00
Transportation	2.92
Machinery-Diversified	2.65
Distribution & Wholesale	2.35
Chemicals	2.33
Oil & Gas	2.19
Building Materials	2.13
Holding Companies	2.07
Real Estate	1.81
Engineering & Construction	1.75
Aerospace & Defense	1.54
Packaging & Containers	1.51
Environmental Control	1.43
Food & Beverages	1.42
Agriculture	1.38
Electrical Component & Equipment	1.35
Pharmaceuticals	0.53
Miscellaneous Manufacturers	0.26
<hr/>	
Total Investments	95.01
Other Assets / (Liabilities)	4.99
<hr/>	
Total Net Assets	<u>100.00</u>

The accompanying notes form an integral part of these financial statements.  
F&C Portfolios Fund Annual Report & Accounts 2017

# F&C Portfolios Fund

## Combined Statement of Net Assets

As at 30 September 2017

		BMO Global Absolute Return Bond EUR	BMO Global Equity Market Neutral (SICAV) USD	BMO Global Total Return Bond EUR	BMO Responsible Global Emerging Markets Equity USD
<b>ASSETS</b>					
<b>Investments at market value</b>	2	402,415,159	149,776,208	99,396,559	130,988,951
Investments at cost		408,696,925	149,768,075	100,577,875	110,923,356
Options contracts	2	310,511	–	116,559	–
Unrealised gain on futures contracts	2	1,698,275	–	520,222	–
Unrealised gain on forward foreign exchange contracts	2	2,423,569	554,428	711,688	–
Unrealised gain on swap contracts	2	2,635,175	312,354	1,009,398	–
Investments sold		5,589,453	–	1,349,031	–
Subscriptions receivable		–	17,344	–	667,840
Dividends and interest receivable		3,932,696	–	1,059,066	20,965
Formation expenses	8	11,925	12,068	9,115	–
Waiver of investment management fees**		605,511	63,807	–	76,067
Other assets		–	–	19,612	–
<b>Balance at bankers:</b>					
Cash and deposits	2	31,370,212	5,804,940	1,042,211	5,442,865
Cash held at brokers		6,469,898	–	2,534,571	–
<b>Total Assets</b>		<b>457,462,384</b>	<b>156,541,149</b>	<b>107,768,032</b>	<b>137,196,688</b>
<b>LIABILITIES</b>					
Options contracts	2	3,523	–	1,192	–
Unrealised loss on futures contracts	2	945,984	–	390,715	–
Unrealised loss on forward foreign exchange contracts	2	3,144,463	107,058	464,529	715
Unrealised loss on swap contracts	2	3,725,268	515,838	1,619,290	–
Redemptions payable		–	24,517	–	24,701
Payments settled on swap and option contracts		5,489,330	–	1,773,846	–
Investment purchased		11,412,697	–	3,003,533	1,924,699
Investment management and management company fees	4	73,535	46,942	1,533	77,919
Expenses and taxes		511,763	274,475	112,090	173,549
Bank overdraft	2	3,295,003	–	47,583	776
Overdraft at brokers		298,557	–	138,465	–
<b>Total Liabilities</b>		<b>28,900,123</b>	<b>968,830</b>	<b>7,552,776</b>	<b>2,202,359</b>
<b>NET ASSETS</b>		<b>428,562,261</b>	<b>155,572,319</b>	<b>100,215,256</b>	<b>134,994,329</b>

\*\*The investment manager has agreed to waive a portion of its management fee in some instances to reduce the overall cost to investors.

F&C Portfolios Fund  
**Combined Statement of Net Assets (continued)**

As at 30 September 2017

		F&C Diversified Growth EUR	F&C Emerging Markets Bond USD	F&C European Equity EUR	F&C European Growth and Income EUR
<b>ASSETS</b>					
<b>Investments at market value</b>	2	148,332,256	20,210,471	20,187,981	51,241,321
Investments at cost		146,128,780	19,845,283	16,250,298	39,211,659
Options contracts	2	123,285	–	–	–
Unrealised gain on futures contracts	2	1,279,678	–	–	–
Unrealised gain on forward foreign exchange contracts	2	849,371	80,005	–	–
Unrealised gain on swap contracts	2	1,085,345	–	–	–
Investments sold		–	778,081	–	–
Subscriptions receivable		–	61	–	–
Dividends and interest receivable		669,146	267,892	36,162	170,935
Formation expenses	8	–	–	–	–
Waiver of investment management fees**		36,632	–	31,421	–
Other assets		–	–	–	–
<b>Balance at bankers:</b>					
Cash and deposits	2	7,169,370	1,095,433	453,198	881,682
Cash held at brokers		3,937,518	–	–	–
<b>Total Assets</b>		<b>163,482,601</b>	<b>22,431,943</b>	<b>20,708,762</b>	<b>52,293,938</b>
<b>LIABILITIES</b>					
Options contracts	2	1,194	–	–	–
Unrealised loss on futures contracts	2	1,387,166	–	–	–
Unrealised loss on forward foreign exchange contracts	2	1,014,414	2,217	–	–
Unrealised loss on swap contracts	2	2,051,237	–	–	–
Redemptions payable		–	21,807	–	650,284
Payments settled on swap and option contracts		94,811	–	–	–
Investment purchased		–	403,923	–	–
Investment management and management company fees	4	53,215	19,744	20,376	61,950
Expenses and taxes		177,982	160,730	50,190	113,937
Bank overdraft	2	1,548,719	–	–	–
Overdraft at brokers		346,554	–	–	–
<b>Total Liabilities</b>		<b>6,675,292</b>	<b>608,421</b>	<b>70,566</b>	<b>826,171</b>
<b>NET ASSETS</b>		<b>156,807,309</b>	<b>21,823,522</b>	<b>20,638,196</b>	<b>51,467,767</b>

\*\*The investment manager has agreed to waive a portion of its management fee in some instances to reduce the overall cost to investors.

F&C Portfolios Fund  
**Combined Statement of Net Assets (continued)**

As at 30 September 2017

		F&C European SmallCap EUR	F&C Global Convertible Bond EUR	F&C Global Smaller Cap Equity USD	F&C Japanese Equity EUR
<b>ASSETS</b>					
<b>Investments at market value</b>	2	200,417,976	778,941,884	41,268,016	12,040,133
Investments at cost		169,604,316	745,332,334	29,846,621	10,789,256
Options contracts	2	–	–	–	–
Unrealised gain on futures contracts	2	–	–	–	–
Unrealised gain on forward foreign exchange contracts	2	9	953,843	–	–
Unrealised gain on swap contracts	2	–	–	–	–
Investments sold		163,654	–	–	–
Subscriptions receivable		539,929	794,095	371	–
Dividends and interest receivable		581,160	1,912,119	58,594	90,331
Formation expenses	8	–	–	1,277	–
Waiver of investment management fees**		–	–	–	–
Other assets		–	–	–	–
<b>Balance at bankers:</b>					
Cash and deposits	2	2,763,020	10,654,509	924,697	70,225
Cash held at brokers		–	–	–	–
<b>Total Assets</b>		<b>204,465,748</b>	<b>793,256,450</b>	<b>42,252,955</b>	<b>12,200,689</b>
<b>LIABILITIES</b>					
Options contracts	2	–	–	–	–
Unrealised loss on futures contracts	2	–	–	–	–
Unrealised loss on forward foreign exchange contracts	2	528	8,081,874	–	–
Unrealised loss on swap contracts	2	–	–	–	–
Redemptions payable		339,887	114,123	27,142	–
Payments settled on swap and option contracts		–	–	–	–
Investment purchased		281,691	1,926,272	–	–
Investment management and management company fees	4	200,710	564,119	38,791	9,299
Expenses and taxes		807,433	1,125,089	72,824	72,389
Bank overdraft	2	33	–	11	–
Overdraft at brokers		–	–	–	–
<b>Total Liabilities</b>		<b>1,630,282</b>	<b>11,811,477</b>	<b>138,768</b>	<b>81,688</b>
<b>NET ASSETS</b>		<b>202,835,466</b>	<b>781,444,973</b>	<b>42,114,187</b>	<b>12,119,001</b>

\*\*The investment manager has agreed to waive a portion of its management fee in some instances to reduce the overall cost to investors.

F&C Portfolios Fund  
**Combined Statement of Net Assets (continued)**

As at 30 September 2017

		F&C Plus Fund EUR	F&C Responsible Global Equity EUR	F&C US Smaller Companies USD
<b>ASSETS</b>				
<b>Investments at market value</b>	2	132,508,854	282,794,259	20,732,787
Investments at cost		126,140,128	219,384,069	17,225,211
Options contracts	2	–	–	–
Unrealised gain on futures contracts	2	–	–	6,715
Unrealised gain on forward foreign exchange contracts	2	–	–	–
Unrealised gain on swap contracts	2	–	–	–
Investments sold		132,300	–	–
Subscriptions receivable		–	374,779	366
Dividends and interest receivable		1,850,391	338,877	14,905
Formation expenses	8	–	–	–
Waiver of investment management fees**		–	–	–
Other assets		–	–	–
<b>Balance at bankers:</b>				
Cash and deposits	2	7,415,040	2,491,746	1,207,658
Cash held at brokers		–	–	–
<b>Total Assets</b>		<b>141,906,585</b>	<b>285,999,661</b>	<b>21,962,431</b>
<b>LIABILITIES</b>				
Options contracts	2	–	–	–
Unrealised loss on futures contracts	2	–	–	–
Unrealised loss on forward foreign exchange contracts	2	–	–	–
Unrealised loss on swap contracts	2	–	–	–
Redemptions payable		–	334,679	58,495
Payments settled on swap and option contracts		–	–	–
Investment purchased		–	–	–
Investment management and management company fees	4	148,851	200,872	25,770
Expenses and taxes		113,325	329,894	54,175
Bank overdraft	2	–	–	–
Overdraft at brokers		–	–	2,267
<b>Total Liabilities</b>		<b>262,176</b>	<b>865,445</b>	<b>140,707</b>
<b>NET ASSETS</b>		<b>141,644,409</b>	<b>285,134,216</b>	<b>21,821,724</b>

\*\*The investment manager has agreed to waive a portion of its management fee in some instances to reduce the overall cost to investors.

## F&C Portfolios Fund

### Combined Statement of Net Assets (continued)

As at 30 September 2017

		Combined 2017 EUR	Combined 2016 EUR
<b>ASSETS</b>			
<b>Investments at market value</b>	2	2,435,311,250	1,862,390,641
Investments at cost		2,259,233,484	1,721,302,872
Options contracts	2	550,355	182,543
Unrealised gain on futures contracts	2	3,503,855	555,524
Unrealised gain on forward foreign exchange contracts	2	5,475,135	1,609,417
Unrealised gain on swap contracts	2	4,994,132	1,769,742
Investments sold		7,892,602	4,174,905
Subscriptions receivable		2,289,062	35,740,174
Dividends and interest receivable		10,947,393	7,371,037
Formation expenses	8	32,328	43,923
Waiver of investment management fees**		791,881	91,718
Other assets		19,612	54,250
<b>Balance at bankers:</b>			
Cash and deposits	2	76,555,843	42,576,228
Cash held at brokers		12,941,987	3,250,058
<b>Total Assets</b>		<b>2,561,305,435</b>	<b>1,959,810,160</b>
<b>LIABILITIES</b>			
Options contracts	2	5,909	56,613
Unrealised loss on futures contracts	2	2,723,865	899,293
Unrealised loss on forward foreign exchange contracts	2	12,798,846	2,203,137
Unrealised loss on swap contracts	2	7,832,133	445,033
Redemptions payable		1,571,490	2,163,726
Payments settled on swap and option contracts		7,357,987	1,050,311
Investment purchased		18,593,930	26,253,208
Investment management and management company fees	4	1,511,390	1,504,277
Expenses and taxes		4,036,451	1,735,218
Bank overdraft	2	4,892,004	104,245
Overdraft at brokers		785,494	153,000
<b>Total Liabilities</b>		<b>62,109,499</b>	<b>36,568,061</b>
<b>NET ASSETS</b>		<b>2,499,195,936</b>	<b>1,923,242,099</b>

\*\*The investment manager has agreed to waive a portion of its management fee in some instances to reduce the overall cost to investors.

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund

## Combined Statement of Operations and Changes in Net Assets

For the year ended 30 September 2017

		BMO Global Absolute Return Bond EUR	BMO Global Equity Market Neutral (SICAV) USD	BMO Global Total Return Bond EUR	BMO Responsible Global Emerging Markets Equity USD
<b>INCOME</b>					
Dividends (net of withholding taxes)	2	–	–	140,295	2,149,900
Interest (net of withholding taxes)	2	3,975,251	845,460	1,800,712	–
Bank interest on cash account	2	–	–	–	6,226
Security lending income	2	–	–	–	2,344
Waiver of investment management fees**		605,511	63,807	–	76,067
Other income		–	–	–	–
<b>Total Income</b>		<b>4,580,762</b>	<b>909,267</b>	<b>1,941,007</b>	<b>2,234,537</b>
<b>EXPENDITURE</b>					
Investment management and management company fees	4,7	(675,069)	(524,436)	(261,610)	(496,290)
Administration and depositary fees	5	(334,391)	(190,613)	(53,982)	(74,295)
Audit, tax and legal fees		(87,109)	(46,909)	(16,253)	(52,726)
Amortisation of formation expenses	8	(2,993)	(3,393)	(2,992)	–
Taxe d'abonnement	9	(32,883)	(53,377)	(8,497)	(39,491)
Bank interest and charges		(114,986)	(216)	(165,644)	–
Directors' fees	6	–	–	(1,179)	(783)
Distribution fees	10	(140,762)	(64,504)	(41,776)	(47,999)
Sundry expenses***		(246,648)	(100,657)	(68,644)	(108,297)
<b>Total Expenditure</b>		<b>(1,634,841)</b>	<b>(984,105)</b>	<b>(620,577)</b>	<b>(819,881)</b>
Net equalisation	3	255,987	(21,804)	272,016	(292,993)
<b>Net income from investments</b>		<b>3,201,908</b>	<b>(96,642)</b>	<b>1,592,446</b>	<b>1,121,663</b>
Net realised gain / (loss) on sales of investments		18,667,137	(12,230,500)	(3,813,158)	(2,634,347)
Net realised gain / (loss) on foreign exchange and forward foreign exchange contracts		(24,963)	6,599,102	995,736	(420,431)
Net realised gain / (loss) on options contracts		–	–	–	–
Net realised gain / (loss) on futures contracts		(2,640,224)	–	(70,447)	–
Net realised gain / (loss) on swap contracts		(3,005,354)	6,234,367	(1,436,637)	–
<b>Net realised gain / (loss) for the year</b>		<b>16,198,504</b>	<b>506,327</b>	<b>(2,732,060)</b>	<b>(1,933,115)</b>
Net change in unrealised appreciation / (depreciation) on investments	2	(5,993,083)	(2,485)	(1,163,376)	18,150,493
Net change in unrealised appreciation / (depreciation) on forward foreign exchange contracts	2	(630,831)	289,935	173,672	(715)
Net change in unrealised appreciation / (depreciation) on options contracts	2	90,147	–	71,755	–

\*\*The investment manager has agreed to waive a portion of its management fee in some instances to reduce the overall cost to investors.

\*\*\*Sundry expenses includes, inter alia, expenses such as Marketing fees, KIID fees, Transfer Agent fees and reo® service fees.

# F&C Portfolios Fund

## Combined Statement of Operations and Changes in Net Assets (continued)

For the year ended 30 September 2017

		BMO Global Absolute Return Bond EUR	BMO Global Equity Market Neutral (SICAV) USD	BMO Global Total Return Bond EUR	BMO Responsible Global Emerging Markets Equity USD
Net change in unrealised appreciation / (depreciation) on futures contracts	2	755,467	–	288,302	–
Net change in unrealised appreciation / (depreciation) on swap contracts	2	(1,081,104)	(1,384,745)	(488,094)	–
Net change in unrealised appreciation / (depreciation) on foreign currencies	2	(19,853)	(62)	15,601	246
<b>Total net investment income / (loss) for the year</b>		<b>9,319,247</b>	<b>(591,030)</b>	<b>(3,834,200)</b>	<b>16,216,909</b>
Subscriptions of shares	3	384,833,104	82,137,618	60,296,260	102,574,887
Redemptions of shares	3	(7,991,511)	(16,533,214)	(5,830,268)	(28,444,982)
Dividends paid	15	–	–	(16,627)	(514,312)
<b>Total finance costs</b>		<b>376,841,593</b>	<b>65,604,404</b>	<b>54,449,365</b>	<b>73,615,593</b>
<b>Net assets at the beginning of the year (before reversal of swing pricing)</b>		<b>42,401,421</b>	<b>90,558,945</b>	<b>49,600,091</b>	<b>45,161,827</b>
Reversal of Swing Pricing		(63,507)	–	–	–
<b>Net assets at the beginning of the year (after reversal of swing pricing)</b>		<b>42,337,914</b>	<b>90,558,945</b>	<b>49,600,091</b>	<b>45,161,827</b>
Currency translation adjustment		–	–	–	–
<b>Net assets at the end of the year</b>		<b>428,562,261</b>	<b>155,572,319</b>	<b>100,215,256</b>	<b>134,994,329</b>
Swing Pricing	16	–	–	–	–
<b>Net assets at the end of the year (after swing pricing)</b>		<b>428,562,261</b>	<b>155,572,319</b>	<b>100,215,256</b>	<b>134,994,329</b>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund

## Combined Statement of Operations and Changes in Net Assets (continued)

For the year ended 30 September 2017

		F&C Diversified Growth EUR	F&C Emerging Markets Bond USD	F&C European Equity EUR	F&C European Growth and Income EUR
<b>INCOME</b>					
Dividends (net of withholding taxes)	2	588,218	–	469,113	1,511,630
Interest (net of withholding taxes)	2	264,730	1,243,730	–	–
Bank interest on cash account	2	–	–	–	–
Security lending income	2	14,307	323	11,932	29,466
Waiver of investment management fees**		36,632	–	32,756	–
Other income		–	–	–	–
<b>Total Income</b>		<b>903,887</b>	<b>1,244,053</b>	<b>513,801</b>	<b>1,541,096</b>
<b>EXPENDITURE</b>					
Investment management and management company fees	4,7	(722,397)	(266,644)	(243,805)	(766,725)
Administration and depositary fees	5	(112,860)	(73,719)	(34,155)	(66,536)
Audit, tax and legal fees		(33,867)	(30,041)	(5,617)	(18,986)
Amortisation of formation expenses	8	–	–	–	–
Taxe d'abonnement	9	(43,120)	(6,125)	(9,484)	(25,438)
Bank interest and charges		(24,615)	–	(1,722)	(4,538)
Directors' fees	6	(2,362)	(2,220)	(415)	(1,405)
Distribution fees	10	(72,205)	(11,559)	(9,470)	(24,935)
Sundry expenses***		(93,609)	(43,611)	(18,792)	(32,552)
<b>Total Expenditure</b>		<b>(1,105,035)</b>	<b>(433,919)</b>	<b>(323,460)</b>	<b>(941,115)</b>
Net equalisation	3	220,602	(87,606)	19,969	(16,805)
<b>Net income from investments</b>		<b>19,454</b>	<b>722,528</b>	<b>210,310</b>	<b>583,176</b>
Net realised gain / (loss) on sales of investments		952,858	(464,065)	(1,096,846)	(3,020,505)
Net realised gain / (loss) on foreign exchange and forward foreign exchange contracts		3,445,382	136,432	63,244	(50,894)
Net realised gain / (loss) on options contracts		(436,644)	–	–	–
Net realised gain / (loss) on futures contracts		104,674	–	–	–
Net realised gain / (loss) on swap contracts		3,536,211	–	–	–
<b>Net realised gain / (loss) for the year</b>		<b>7,621,935</b>	<b>394,895</b>	<b>(823,292)</b>	<b>(2,488,223)</b>
Net change in unrealised appreciation / (depreciation) on investments	2	(753,902)	(575,154)	477,359	2,515,577
Net change in unrealised appreciation / (depreciation) on forward foreign exchange contracts	2	(60,541)	44,072	–	–
Net change in unrealised appreciation / (depreciation) on options contracts	2	147,415	–	–	–

\*\*The investment manager has agreed to waive a portion of its management fee in some instances to reduce the overall cost to investors.

\*\*\* Sundry expenses includes, inter alia, expenses such as Marketing fees, KIID fees, Transfer Agent fees and reo® service fees.

# F&C Portfolios Fund

## Combined Statement of Operations and Changes in Net Assets (continued)

For the year ended 30 September 2017

		F&C Diversified Growth EUR	F&C Emerging Markets Bond USD	F&C European Equity EUR	F&C European Growth and Income EUR
Net change in unrealised appreciation / (depreciation) on futures contracts	2	106,024	–	–	–
Net change in unrealised appreciation / (depreciation) on swap contracts	2	(1,370,257)	–	–	–
Net change in unrealised appreciation / (depreciation) on foreign currencies	2	1,066	134	524	5,979
<b>Total net investment income / (loss) for the year</b>		<b>5,691,740</b>	<b>(136,053)</b>	<b>(345,409)</b>	<b>33,333</b>
Subscriptions of shares	3	71,025,773	1,820,540	2,404,355	10,177,596
Redemptions of shares	3	(36,062,453)	(6,370,425)	(2,149,804)	(6,132,006)
Dividends paid	15	–	(1,031,864)	(215,351)	(703,383)
<b>Total finance costs</b>		<b>34,963,320</b>	<b>(5,581,749)</b>	<b>39,200</b>	<b>3,342,207</b>
<b>Net assets at the beginning of the year (before reversal of swing pricing)</b>		<b>116,152,249</b>	<b>27,541,324</b>	<b>20,944,405</b>	<b>48,092,227</b>
Reversal of Swing Pricing		–	–	–	–
<b>Net assets at the beginning of the year (after reversal of swing pricing)</b>		<b>116,152,249</b>	<b>27,541,324</b>	<b>20,944,405</b>	<b>48,092,227</b>
Currency translation adjustment		–	–	–	–
<b>Net assets at the end of the year</b>		<b>156,807,309</b>	<b>21,823,522</b>	<b>20,638,196</b>	<b>51,467,767</b>
Swing Pricing	16	–	–	–	–
<b>Net assets at the end of the year (after swing pricing)</b>		<b>156,807,309</b>	<b>21,823,522</b>	<b>20,638,196</b>	<b>51,467,767</b>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund

## Combined Statement of Operations and Changes in Net Assets (continued)

For the year ended 30 September 2017

		F&C European High Yield Bond* EUR	F&C European SmallCap EUR	F&C Global Convertible Bond EUR	F&C Global Smaller Cap Equity USD
<b>INCOME</b>					
Dividends (net of withholding taxes)	2	–	6,201,549	691,786	676,258
Interest (net of withholding taxes)	2	439,467	–	7,561,809	–
Bank interest on cash account	2	–	–	–	891
Security lending income	2	–	195,604	–	–
Waiver of investment management fees**		104,395	–	–	–
Other income		–	–	–	–
<b>Total Income</b>		<b>543,862</b>	<b>6,397,153</b>	<b>8,253,595</b>	<b>677,149</b>
<b>EXPENDITURE</b>					
Investment management and management company fees	4,7	(105,872)	(3,199,520)	(7,017,091)	(474,776)
Administration and depositary fees	5	(57,566)	(413,689)	(505,973)	(47,331)
Audit, tax and legal fees		(18,085)	(151,661)	(179,026)	(33,311)
Amortisation of formation expenses	8	–	–	–	(2,253)
Taxe d'abonnement	9	(3,935)	(88,003)	(278,982)	(12,818)
Bank interest and charges		–	(28,152)	(140)	–
Directors' fees	6	(233)	(11,207)	(15,379)	(622)
Distribution fees	10	(5,099)	(130,132)	(388,695)	(19,859)
Sundry expenses***		(34,881)	(253,997)	(562,333)	(39,330)
<b>Total Expenditure</b>		<b>(225,671)</b>	<b>(4,276,361)</b>	<b>(8,947,619)</b>	<b>(630,300)</b>
Net equalisation	3	(55,327)	(493,415)	11,585	(4,964)
<b>Net income from investments</b>		<b>262,864</b>	<b>1,627,377</b>	<b>(682,439)</b>	<b>41,885</b>
Net realised gain / (loss) on sales of investments		557,776	1,477,054	(44,776,712)	(153,425)
Net realised gain / (loss) on foreign exchange and forward foreign exchange contracts		(158,609)	(10,440,167)	28,911,404	(416,639)
Net realised gain / (loss) on options contracts		–	–	–	–
Net realised gain / (loss) on futures contracts		–	–	–	–
Net realised gain / (loss) on swap contracts		–	–	–	–
<b>Net realised gain / (loss) for the year</b>		<b>662,031</b>	<b>(7,335,736)</b>	<b>(16,547,747)</b>	<b>(528,179)</b>
Net change in unrealised appreciation / (depreciation) on investments	2	(115,368)	19,734,055	(21,935,239)	5,897,837
Net change in unrealised appreciation / (depreciation) on forward foreign exchange contracts	2	(4,082)	4,086	(6,486,957)	–
Net change in unrealised appreciation / (depreciation) on options contracts	2	–	–	–	–

\* Refer to Appendix I

\*\*The investment manager has agreed to waive a portion of its management fee in some instances to reduce the overall cost to investors.

\*\*\*Sundry expenses includes, inter alia, expenses such as Marketing fees, KIID fees, Transfer Agent fees and reo® service fees.

F&C Portfolios Fund

**Combined Statement of Operations and Changes in Net Assets (continued)**

For the year ended 30 September 2017

		F&C European High Yield Bond* EUR	F&C European SmallCap EUR	F&C Global Convertible Bond EUR	F&C Global Smaller Cap Equity USD
Net change in unrealised appreciation / (depreciation) on futures contracts	2	–	–	–	–
Net change in unrealised appreciation / (depreciation) on swap contracts	2	–	–	–	–
Net change in unrealised appreciation / (depreciation) on foreign currencies	2	931	8,190	85,168	1,482
<b>Total net investment income / (loss) for the year</b>		<b>543,512</b>	<b>12,410,595</b>	<b>(44,884,775)</b>	<b>5,371,140</b>
Subscriptions of shares	3	1,085,469	58,627,730	152,710,982	2,264,453
Redemptions of shares	3	(11,646,233)	(200,973,269)	(56,994,481)	(3,174,752)
Dividends paid	15	(362,571)	(2,258,212)	(2,765,501)	(42,575)
<b>Total finance costs</b>		<b>(10,923,335)</b>	<b>(144,603,751)</b>	<b>92,951,000</b>	<b>(952,874)</b>
<b>Net assets at the beginning of the year (before reversal of swing pricing)</b>		<b>10,379,823</b>	<b>335,028,622</b>	<b>733,378,748</b>	<b>37,695,921</b>
Reversal of Swing Pricing		–	–	–	–
<b>Net assets at the beginning of the year (after reversal of swing pricing)</b>		<b>10,379,823</b>	<b>335,028,622</b>	<b>733,378,748</b>	<b>37,695,921</b>
Currency translation adjustment		–	–	–	–
<b>Net assets at the end of the year</b>		<b>–</b>	<b>202,835,466</b>	<b>781,444,973</b>	<b>42,114,187</b>
Swing Pricing	16	–	–	–	–
<b>Net assets at the end of the year (after swing pricing)</b>		<b>–</b>	<b>202,835,466</b>	<b>781,444,973</b>	<b>42,114,187</b>

\* Refer to Appendix I

# F&C Portfolios Fund

## Combined Statement of Operations and Changes in Net Assets (continued)

For the year ended 30 September 2017

		F&C Japanese Equity EUR	F&C Plus Fund EUR	F&C Responsible Global Equity EUR	F&C US Smaller Companies USD
<b>INCOME</b>					
Dividends (net of withholding taxes)	2	229,494	40,800	4,038,090	184,137
Interest (net of withholding taxes)	2	–	2,509,714	–	–
Bank interest on cash account	2	–	–	–	6,432
Security lending income	2	2,253	–	61,476	–
Waiver of investment management fees**		–	–	–	–
Other income		–	–	–	–
<b>Total Income</b>		<b>231,747</b>	<b>2,550,514</b>	<b>4,099,566</b>	<b>190,569</b>
<b>EXPENDITURE</b>					
Investment management and management company fees	4,7	(127,463)	(1,736,247)	(2,377,311)	(326,765)
Administration and depositary fees	5	(41,726)	(57,575)	(151,905)	(43,269)
Audit, tax and legal fees		(9,897)	(19,762)	(48,332)	(4,998)
Amortisation of formation expenses	8	–	–	–	–
Taxe d'abonnement	9	(2,449)	(13,589)	(99,469)	(10,955)
Bank interest and charges		(206)	(2,550)	(16,293)	–
Directors' fees	6	(732)	(2,770)	(3,534)	(368)
Distribution fees	10	(6,783)	–	(131,237)	(10,626)
Sundry expenses***		(16,222)	(50,518)	(244,693)	(21,878)
<b>Total Expenditure</b>		<b>(205,478)</b>	<b>(1,883,011)</b>	<b>(3,072,774)</b>	<b>(418,859)</b>
Net equalisation	3	10,962	–	7,420	4,025
<b>Net income from investments</b>		<b>37,231</b>	<b>667,503</b>	<b>1,034,212</b>	<b>(224,265)</b>
Net realised gain / (loss) on sales of investments		(1,655,735)	1,120,239	(8,346,996)	(674,342)
Net realised gain / (loss) on foreign exchange and forward foreign exchange contracts		264,009	–	2,125,689	–
Net realised gain / (loss) on options contracts		–	–	–	–
Net realised gain / (loss) on futures contracts		–	–	–	147,633
Net realised gain / (loss) on swap contracts		–	–	–	–
<b>Net realised gain / (loss) for the year</b>		<b>(1,354,495)</b>	<b>1,787,742</b>	<b>(5,187,095)</b>	<b>(750,974)</b>
Net change in unrealised appreciation / (depreciation) on investments	2	(694,100)	3,433,393	18,978,954	1,320,780
Net change in unrealised appreciation / (depreciation) on forward foreign exchange contracts	2	–	–	1,139	–
Net change in unrealised appreciation / (depreciation) on options contracts	2	–	–	–	–

\*\*The investment manager has agreed to waive a portion of its management fee in some instances to reduce the overall cost to investors.

\*\*\*Sundry expenses includes, inter alia, expenses such as Marketing fees, KIID fees, Transfer Agent fees and reo® service fees.

# F&C Portfolios Fund

## Combined Statement of Operations and Changes in Net Assets (continued)

For the year ended 30 September 2017

		F&C Japanese Equity EUR	F&C Plus Fund EUR	F&C Responsible Global Equity EUR	F&C US Smaller Companies USD
Net change in unrealised appreciation / (depreciation) on futures contracts	2	–	–	–	(28,925)
Net change in unrealised appreciation / (depreciation) on swap contracts	2	–	–	–	–
Net change in unrealised appreciation / (depreciation) on foreign currencies	2	620	–	(1,929)	–
<b>Total net investment income / (loss) for the year</b>		<b>(2,047,975)</b>	<b>5,221,135</b>	<b>13,791,069</b>	<b>540,881</b>
Subscriptions of shares	3	1,793,594	15,541,010	98,912,879	4,907,858
Redemptions of shares	3	(5,152,213)	(15,541,010)	(43,493,406)	(2,834,110)
Dividends paid	15	(89,467)	–	(1,454,727)	–
<b>Total finance costs</b>		<b>(3,448,086)</b>	<b>–</b>	<b>53,964,746</b>	<b>2,073,748</b>
<b>Net assets at the beginning of the year (before reversal of swing pricing)</b>		<b>17,615,062</b>	<b>136,423,274</b>	<b>217,378,401</b>	<b>19,207,095</b>
Reversal of Swing Pricing		–	–	–	–
<b>Net assets at the beginning of the year (after reversal of swing pricing)</b>		<b>17,615,062</b>	<b>136,423,274</b>	<b>217,378,401</b>	<b>19,207,095</b>
Currency translation adjustment		–	–	–	–
<b>Net assets at the end of the year</b>		<b>12,119,001</b>	<b>141,644,409</b>	<b>285,134,216</b>	<b>21,821,724</b>
Swing Pricing	16	–	–	–	–
<b>Net assets at the end of the year (after swing pricing)</b>		<b>12,119,001</b>	<b>141,644,409</b>	<b>285,134,216</b>	<b>21,821,724</b>

The accompanying notes form an integral part of these financial statements.

## F&C Portfolios Fund

### Combined Statement of Operations and Changes in Net Assets (continued)

For the year ended 30 September 2017

		Combined 2017 EUR	Combined 2016 EUR
<b>INCOME</b>			
Dividends (net of withholding taxes)	2	16,638,299	21,590,468
Interest (net of withholding taxes)	2	18,444,487	14,490,746
Bank interest on cash account	2	12,275	–
Security lending income	2	317,454	318,591
Waiver of investment management fees**		906,020	121,109
Other income		–	29,962
<b>Total Income</b>		<b>36,318,535</b>	<b>36,550,876</b>
<b>EXPENDITURE</b>			
Investment management and management company fees	4,7	(19,125,661)	(18,753,188)
Administration and depositary fees	5	(2,219,237)	(1,701,256)
Audit, tax and legal fees		(740,789)	(653,377)
Amortisation of formation expenses	8	(11,100)	(7,002)
Taxe d'abonnement	9	(717,075)	(628,494)
Bank interest and charges		(359,042)	(127,365)
Directors' fees	6	(42,834)	(39,738)
Distribution fees	10	(1,091,113)	(896,962)
Sundry expenses***		(1,907,167)	(1,494,777)
<b>Total Expenditure</b>		<b>(26,214,018)</b>	<b>(24,302,159)</b>
Net equalisation	3	(132,433)	(1,034,871)
<b>Net income from investments</b>		<b>9,972,084</b>	<b>11,213,846</b>
Net realised gain / (loss) on sales of investments		(54,572,823)	10,502,579
Net realised gain / (loss) on foreign exchange and forward foreign exchange contracts		30,474,833	12,193,438
Net realised gain / (loss) on options contracts		(436,644)	(1,947,459)
Net realised gain / (loss) on futures contracts		(2,472,242)	(766,746)
Net realised gain / (loss) on swap contracts		4,742,550	(2,155,848)
<b>Net realised gain / (loss) for the year</b>		<b>(12,292,242)</b>	<b>29,039,810</b>
Net change in unrealised appreciation / (depreciation) on investments	2	36,945,318	(16,564,109)
Net change in unrealised appreciation / (depreciation) on forward foreign exchange contracts	2	(6,701,552)	2,101,279

\*\*The investment manager has agreed to waive a portion of its management fee in some instances to reduce the overall cost to investors.

\*\*\*Sundry expenses includes, inter alia, expenses such as Marketing fees, KIID fees, Transfer Agent fees and reo® service fees.

F&C Portfolios Fund

**Combined Statement of Operations and Changes in Net Assets (continued)**

For the year ended 30 September 2017

		Combined 2017 EUR	Combined 2016 EUR
Net change in unrealised appreciation / (depreciation) on options contracts	2	309,317	602,490
Net change in unrealised appreciation / (depreciation) on futures contracts	2	1,123,587	(200,692)
Net change in unrealised appreciation / (depreciation) on swap contracts	2	(4,194,033)	1,306,166
Net change in unrealised appreciation / (depreciation) on foreign currencies	2	97,928	(95,924)
<b>Total net investment income / (loss) for the year</b>		<b>15,288,323</b>	<b>16,189,020</b>
Subscriptions of shares	3	1,032,905,611	781,018,453
Redemptions of shares	3	(443,932,476)	(892,544,513)
Dividends paid	15	(9,305,246)	(17,075,866)
<b>Total finance costs</b>		<b>579,667,889</b>	<b>(128,601,926)</b>
<b>Net assets at the beginning of the year (before reversal of swing pricing)</b>		<b>1,923,305,606</b>	<b>2,037,069,250</b>
Reversal of Swing Pricing		(63,507)	–
<b>Net assets at the beginning of the year (after reversal of swing pricing)</b>		<b>1,923,242,099</b>	<b>2,037,069,250</b>
Currency translation adjustment		(19,065,882)	(1,414,245)
<b>Net assets at the end of the year</b>		<b>2,499,195,936</b>	<b>1,923,242,099</b>
Swing Pricing	16	–	63,507
<b>Net assets at the end of the year (after swing pricing)</b>		<b>2,499,195,936</b>	<b>1,923,305,606</b>

The accompanying notes form an integral part of these financial statements.

# F&C Portfolios Fund

## Number of Shares Outstanding

As at 30 September 2017

Portfolio	Share Class Currency	Outstanding shares
<b>BMO Global Absolute Return Bond, portfolio expressed in Euro</b>		
BMO Global Absolute Return Bond - Class A Acc Shares - Euro *	Euro	100
BMO Global Absolute Return Bond - Class F Acc Shares - GBP (Hedged)	GBP	34,670,890
BMO Global Absolute Return Bond - Class I Acc Shares - Euro *	Euro	100
BMO Global Absolute Return Bond - Class I Acc Shares - GBP (Hedged) *	GBP	2,795,594
BMO Global Absolute Return Bond - Class I Acc Shares - USD (Hedged) *	US\$	1,000
<b>BMO Global Equity Market Neutral (SICAV), portfolio expressed in US\$</b>		
BMO Global Equity Market Neutral (SICAV) - Class A Shares - Euro (Hedged)	Euro	11,352
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - Euro (Hedged)	Euro	41,322
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - NOK (Hedged)	NOK	9,147
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - SEK (Hedged)	SEK	20,701
BMO Global Equity Market Neutral (SICAV) - Class A Shares - US\$	US\$	100
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - US\$	US\$	100
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - Euro (Hedged)	Euro	6,692,438
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - GBP (Hedged)	GBP	1,007,959
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - SEK (Hedged) *	SEK	2,990,975
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - US\$	US\$	942,128
BMO Global Equity Market Neutral (SICAV) - Class I Shares - Euro (Hedged)	Euro	61,670
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - Euro (Hedged)	Euro	70,468
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - NOK (Hedged)	NOK	902
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - SEK (Hedged)	SEK	916
BMO Global Equity Market Neutral (SICAV) - Class I Shares - US\$	US\$	100
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - US\$	US\$	100
BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - Euro (Hedged)	Euro	1,000
BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - US\$	US\$	109
BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - Euro (Hedged)	Euro	1,000
BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - US\$	US\$	109
BMO Global Equity Market Neutral (SICAV) - Class X Acc Shares - Euro (Hedged)	Euro	1,250,570
<b>BMO Global Total Return Bond, portfolio expressed in Euro</b>		
BMO Global Total Return Bond - Class I Acc Shares - Euro	Euro	9,302,398
BMO Global Total Return Bond - Class I Shares - GBP (Hedged)	GBP	89,650
BMO Global Total Return Bond - Class I Shares - US\$ (Hedged)	US\$	221,942
<b>BMO Responsible Global Emerging Markets Equity, portfolio expressed in US\$</b>		
BMO Responsible Global Emerging Markets Equity - Class A Shares - US\$	US\$	648,859
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - Euro *	Euro	5,345,853
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - GBP *	GBP	298,500
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - US\$	US\$	1,990,404
BMO Responsible Global Emerging Markets Equity - Class X Shares - GBP	GBP	968,344
<b>F&amp;C Diversified Growth, portfolio expressed in Euro</b>		
F&C Diversified Growth - Class A Shares - Euro	Euro	20,234
F&C Diversified Growth - Class A Acc Shares - GBP (Hedged)	GBP	2,611,760
F&C Diversified Growth - Class A Acc Shares - NOK (Hedged)	NOK	9,214
F&C Diversified Growth - Class A Acc Shares - SEK (Hedged)	SEK	12,083
F&C Diversified Growth - Class F Acc Shares - Euro *	Euro	100
F&C Diversified Growth - Class F Shares - GBP (Hedged) *	GBP	4,366,936
F&C Diversified Growth - Class F Acc Shares - USD (Hedged) *	US\$	1,000
F&C Diversified Growth - Class X Shares - Euro	Euro	447,551
F&C Diversified Growth - Class X Shares - GBP (Hedged)	GBP	213
<b>F&amp;C Emerging Markets Bond, portfolio expressed in US\$</b>		
F&C Emerging Markets Bond - Class A Shares - US\$	US\$	568,989
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	Euro	55,822

# F&C Portfolios Fund

## Number of Shares Outstanding (continued)

As at 30 September 2017

Portfolio	Share Class Currency	Outstanding shares
F&C Emerging Markets Bond - Class I Shares - Euro (Hedged)	Euro	454,000
<b>F&amp;C European Equity, portfolio expressed in Euro</b>		
F&C European Equity - Class A Shares - Euro	Euro	1,020,662
F&C European Equity - Class A Acc Shares - Euro *	Euro	100
F&C European Equity - Class AD Acc Shares - Euro *	Euro	100
F&C European Equity - Class I Shares - Euro *	Euro	100
F&C European Equity - Class I Acc Shares - Euro *	Euro	100
F&C European Equity - Class ID Shares - Euro	Euro	100
F&C European Equity - Class ID Acc Shares - Euro	Euro	100
F&C European Equity - Class P Acc Shares - Euro *	Euro	100
F&C European Equity - Class R Acc Shares - Euro *	Euro	100
<b>F&amp;C European Growth and Income, portfolio expressed in Euro</b>		
F&C European Growth and Income - Class A Shares - Euro	Euro	517,191
F&C European Growth and Income - Class A Acc Shares - Euro *	Euro	100
F&C European Growth and Income - Class A Shares - GBP	GBP	1,938,953
F&C European Growth and Income - Class I Shares - Euro *	Euro	100
F&C European Growth and Income - Class I Acc Shares - Euro *	Euro	100
F&C European Growth and Income - Class P Acc Shares - Euro *	Euro	100
F&C European Growth and Income - Class R Acc Shares - Euro *	Euro	100
<b>F&amp;C European SmallCap, portfolio expressed in Euro</b>		
F&C European SmallCap - Class A Shares - Euro	Euro	3,793,363
F&C European SmallCap - Class A Acc Shares - Euro	Euro	1,287,511
F&C European SmallCap - Class I Shares - Euro	Euro	2,266,808
F&C European SmallCap - Class I Acc Shares - Euro	Euro	2,723,030
F&C European SmallCap - Class I Shares - GBP	GBP	48,125
F&C European SmallCap - Class P Acc Shares - Euro *	Euro	100
F&C European SmallCap - Class R Acc Shares - Euro	Euro	390,564
F&C European SmallCap - Class R Acc Shares - CHF (Hedged)	CHF	77,473
<b>F&amp;C Global Convertible Bond, portfolio expressed in Euro</b>		
F&C Global Convertible Bond - Class A Shares - CHF (Hedged)	CHF	345,219
F&C Global Convertible Bond - Class A Acc Shares - CHF (Hedged)	CHF	1,338,671
F&C Global Convertible Bond - Class A Shares - Euro	Euro	4,902,121
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	Euro	19,015,158
F&C Global Convertible Bond - Class A Acc Shares - Euro	Euro	100
F&C Global Convertible Bond - Class A Acc Shares - Euro (Hedged)	Euro	834,729
F&C Global Convertible Bond - Class A Shares - GBP	GBP	134,713
F&C Global Convertible Bond - Class A Acc Shares - US\$ (Hedged)	US\$	342,889
F&C Global Convertible Bond - Class I Shares - CHF (Hedged)	CHF	3,729,353
F&C Global Convertible Bond - Class I Shares - Euro	Euro	4,526,199
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	Euro	8,899,533
F&C Global Convertible Bond - Class I Acc Shares - Euro	Euro	100
F&C Global Convertible Bond - Class I Acc Shares - Euro (Hedged)	Euro	857,523
F&C Global Convertible Bond - Class P Shares - Euro (Hedged)	Euro	550,098
F&C Global Convertible Bond - Class P Acc Shares - Euro (Hedged)	Euro	1,000
F&C Global Convertible Bond - Class P Acc Shares - US\$	US\$	109
F&C Global Convertible Bond - Class R Shares - Euro	Euro	1,334,402
F&C Global Convertible Bond - Class R Acc Shares - Euro (Hedged)	Euro	1,000
F&C Global Convertible Bond - Class R Acc Shares - US\$	US\$	109
F&C Global Convertible Bond - Hong Kong Class A Shares - US\$	US\$	194,636

# F&C Portfolios Fund

## Number of Shares Outstanding (continued)

As at 30 September 2017

Portfolio	Share Class Currency	Outstanding shares
<b>F&amp;C Global Smaller Cap Equity, portfolio expressed in US\$</b>		
F&C Global Smaller Cap Equity - Class A Acc Shares - Euro	Euro	934,981
F&C Global Smaller Cap Equity - Class A Shares - US\$	US\$	1,750
F&C Global Smaller Cap Equity - Class A Acc Shares - US\$	US\$	154,454
F&C Global Smaller Cap Equity - Class I Acc Shares - GBP	GBP	403,900
F&C Global Smaller Cap Equity - Class I Shares - US\$	US\$	554,559
F&C Global Smaller Cap Equity - Class R Acc Shares - GBP	GBP	1,310
<b>F&amp;C Japanese Equity, portfolio expressed in Euro</b>		
F&C Japanese Equity - Class A Shares - Euro	Euro	85,027
F&C Japanese Equity - Class I Shares - Euro	Euro	260,445
F&C Japanese Equity - Class I Shares - GBP	GBP	217,522
<b>F&amp;C Plus Fund, portfolio expressed in Euro</b>		
F&C Plus Fund - Class I Shares - Euro	Euro	1,923,020
<b>F&amp;C Responsible Global Equity, portfolio expressed in Euro</b>		
F&C Responsible Global Equity - Class A Shares - Euro	Euro	2,419,015
F&C Responsible Global Equity - Class A Shares - US\$	US\$	334,430
F&C Responsible Global Equity - Class I Shares - Euro	Euro	4,550,241
F&C Responsible Global Equity - Class I Shares - US\$	US\$	540,645
F&C Responsible Global Equity - Class P Acc Shares - Euro	Euro	100
F&C Responsible Global Equity - Class P Acc Shares - US\$	US\$	46,609
F&C Responsible Global Equity - Class R Shares - Euro	Euro	9,567,655
F&C Responsible Global Equity - Class R Acc Shares - Euro	Euro	100
F&C Responsible Global Equity - Class R Acc Shares - US\$	US\$	109
<b>F&amp;C US Smaller Companies, portfolio expressed in US\$</b>		
F&C US Smaller Companies - Class A Shares - US\$	US\$	119,192

\* Refer to Appendix I

# F&C Portfolios Fund

## Notes to the Financial Statements

as at 30 September 2017

### 1. F&C PORTFOLIOS FUND, (THE “FUND”)

The Fund is a “Société d’Investissement à Capital Variable” and is qualified as a Luxembourg investment company. Under the laws of the Grand Duchy of Luxembourg, the Fund is registered as an undertakings for collective investment pursuant to Part I of the amended Law of 17 December 2010, relating to undertakings for collective investment (the “Law”).

FundRock Management Company S.A. was designated by the directors of the Fund as management company by an agreement dated 30 December 2005 as amended and restated by an agreement dated 25 February 2016 (the “Management Company”). The list of the investment funds managed by the Management Company may be obtained, on request, at the registered office of the Management Company.

The Management Company was incorporated as a “société anonyme” under the laws of the Grand Duchy of Luxembourg on 10 November 2004 and its articles have been amended for the last time on 1 July 2014 which was published in the Mémorial on 3 October 2014. The Management Company is approved as a management company and regulated by chapter 15 of the Law.

The Fund’s board of directors (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 year ended 30 September 2017.

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. SIGNIFICANT ACCOUNTING POLICIES

#### Presentation of financial statements

The financial statements have been presented in accordance with the reporting requirements of the Luxembourg supervisory authorities and Luxembourg generally accepted accounting principles (“GAAP”).

#### Combined accounts

The combined financial statements have been presented in Euro, the functional currency of the Fund. Where a Portfolio is denominated in a currency other than Euro, the average exchange rate has been used for the Statement of Operations and Changes in Net Assets. The exchange rate ruling as at the reporting date has been used for the Statement of Net Assets.

#### Investments

As per the Prospectus and for the purpose of determining the Net Asset Value used for subscriptions and redemptions, the quoted investments and those traded in other regulated markets are valued on the basis of the last available price at 30 September 2017.

Securities which are not quoted on, or dealt, in an official or another regulated market, or securities which are so quoted or dealt in but in which the last sale price is not available, and securities for which the last sale price is not representative of the fair market value, the value of such securities will be determined based on an agreed pricing basis and the reasonably foreseeable sales price determined prudently and in good faith, upon the advice of the Investment Manager, by the Directors.

Purchases and sales of investments are recognised on the trade date. Gains or losses on sales of investments are computed on the average cost basis and include transaction costs.

#### Investment income

Dividends are recognised in 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 Portfolios Fund

## Notes to the Financial Statements (continued)

as at 30 September 2017

### Translation of foreign currencies

Assets and liabilities denominated in currencies other than the Portfolios' reporting currencies have been translated at the rates of exchange ruling at 30 September 2017. Cost of investments and income and expenditure which are denominated in currencies other than the Portfolios' 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. The average USD/EUR exchange rate during the year was 0.9060. The USD/EUR exchange rate as at 30 September 2017 was 0.8459.

### Cross portfolio investments

At 30 September 2017, the total cross portfolio investment (held by F&C Diversified Growth) amounted to EUR 3,802,578. The total combined net assets of F&C Portfolios Fund at year-end, excluding the swing pricing adjustment and without cross portfolio investments amounts to EUR 2,495,393,358.

### Futures contracts on securities and indices

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 recognised 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.

### 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.

### Options Purchased and Options Written

The premium paid for options purchased is recorded as an investment and is subsequently adjusted to the current market value of the option. Premiums paid for the purchase of options which expire unexercised are treated as realised losses on the expiration date. 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 relevant Portfolio 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 Portfolio.

For a written option, an amount equal to the premium received by the relevant Portfolio 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 relevant Portfolio as realised gains on the expiration date. 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 relevant Portfolio 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 relevant Portfolio.

### 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.

### Total Return Swaps

The Fund may enter into swap contracts in which the Fund and the counterparty agree to exchange payments (periodically throughout the life of the contract) where one or both parties pay the returns generated by a security, index commodities, or instruments on an agreed upon notional amount. The relevant indices include, but are not limited to, currencies, interest rates, prices and total return on interest rates indices, fixed income indices and stock indices.

**F&C Portfolios Fund**  
**Notes to the Financial Statements (continued)**  
as at 30 September 2017

**Cash and cash equivalents**

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

**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 ESMA guidelines (CSSF 14/592). The collateral received by the Fund in relation to these transactions would mainly consist of securities and other liquid assets authorised from time to time by the Luxembourg regulator. Any cash collateral is not reinvested. Each counterparty will possess an industry standard credit rating that is acceptable to the Investment Manager with reference to the market conditions prevailing at the relevant time.

**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.

**4. INVESTMENT MANAGEMENT FEES**

The Fund entered into an agreement with FundRock Management Company S.A. and F&C Management Limited (“FCM”) appointing FCM to act as investment manager to the Fund for a monthly fee calculated on the average of the net asset value of each Portfolio during the preceding month at the following rates:

Portfolio	Investment Management Fee rates per annum
BMO Global Absolute Return Bond - Class A Acc Shares - Euro *	0.800%
BMO Global Absolute Return Bond - Class F Acc Shares - GBP (Hedged)	0.200%
BMO Global Absolute Return Bond - Class I Acc Shares - Euro *	0.400%
BMO Global Absolute Return Bond - Class I Acc Shares - GBP (Hedged) *	0.400%
BMO Global Absolute Return Bond - Class I Acc Shares - USD (Hedged) *	0.400%
BMO Global Equity Market Neutral (SICAV) - Class A Shares - Euro (Hedged)	1.800%
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - Euro (Hedged)	1.800%
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - NOK (Hedged)	1.800%
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - SEK (Hedged)	1.800%
BMO Global Equity Market Neutral (SICAV) - Class A Shares - US\$	1.800%
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - US\$	1.800%
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - Euro (Hedged)	0.400%
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - GBP (Hedged)	0.400%
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - NOK (Hedged) *	0.400%
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - SEK (Hedged) *	0.400%
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - US\$	0.400%
BMO Global Equity Market Neutral (SICAV) - Class I Shares - Euro (Hedged)	0.900%
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - Euro (Hedged)	0.900%
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - NOK (Hedged)	0.900%
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - SEK (Hedged)	0.900%
BMO Global Equity Market Neutral (SICAV) - Class I Shares - US\$	0.900%
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - US\$	0.900%
BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - Euro (Hedged)	0.900%
BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - US\$	0.900%
BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - Euro (Hedged)	0.900%
BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - US\$	0.900%
BMO Global Total Return Bond - Class I Acc Shares - Euro	0.400%
BMO Global Total Return Bond - Class I Shares - GBP (Hedged)	0.400%
BMO Global Total Return Bond - Class I Shares - US\$ (Hedged)	0.400%
BMO Responsible Global Emerging Markets Equity - Class A Shares - US\$	1.500%
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - Euro *	0.750%

**F&C Portfolios Fund**  
**Notes to the Financial Statements (continued)**  
as at 30 September 2017

Portfolio	Investment Management Fee rates per annum
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - GBP *	0.750%
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - US\$	0.750%
F&C Diversified Growth - Class A Shares - Euro	1.500%
F&C Diversified Growth - Class A Shares - GBP (Hedged)	1.500%
F&C Diversified Growth - Class A Acc Shares - NOK (Hedged)	1.500%
F&C Diversified Growth - Class A Acc Shares - SEK (Hedged)	1.500%
F&C Diversified Growth - Class F Acc Shares - Euro *	0.200%
F&C Diversified Growth - Class F Shares - GBP (Hedged) *	0.200%
F&C Diversified Growth - Class F Acc Shares - US\$ (Hedged) *	0.200%
F&C Emerging Markets Bond - Class A Shares - US\$	1.250%
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	1.250%
F&C Emerging Markets Bond - Class I Shares - Euro (Hedged)	0.625%
F&C European Equity - Class A Shares - Euro	1.250%
F&C European Equity - Class A Acc Shares - Euro *	1.250%
F&C European Equity - Class AD Acc Shares - Euro *	1.250%
F&C European Equity - Class I Shares - Euro *	0.600%
F&C European Equity - Class I Acc Shares - Euro *	0.600%
F&C European Equity - Class ID Shares - Euro	0.300%
F&C European Equity - Class ID Acc Shares - Euro	0.300%
F&C European Equity - Class P Acc Shares - Euro *	0.600%
F&C European Equity - Class R Acc Shares - Euro *	0.600%
F&C European Growth and Income - Class A Shares - Euro	1.500%
F&C European Growth and Income - Class A Acc Shares - Euro *	1.500%
F&C European Growth and Income - Class A Shares - GBP	1.500%
F&C European Growth and Income - Class I Shares - Euro *	0.750%
F&C European Growth and Income - Class I Acc Shares - Euro *	0.750%
F&C European Growth and Income - Class P Acc Shares - Euro *	0.750%
F&C European Growth and Income - Class R Acc Shares - Euro *	0.750%
F&C European High Yield Bond - Class A Shares - Euro *	1.000%
F&C European High Yield Bond - Class F Shares - Euro *	0.200%
F&C European High Yield Bond - Class I Shares - Euro *	0.400%
F&C European SmallCap - Class A Shares - Euro	1.500%
F&C European SmallCap - Class A Acc Shares - Euro	1.500%
F&C European SmallCap - Class I Shares - Euro	0.750%
F&C European SmallCap - Class I Acc Shares - Euro	0.750%
F&C European SmallCap - Class I Shares - GBP	0.750%
F&C European SmallCap - Class P Acc Shares - Euro *	0.200%
F&C European SmallCap - Class R Acc Shares - Euro	0.750%
F&C European SmallCap - Class R Acc Shares - CHF (Hedged)	0.750%
F&C Global Convertible Bond - Class A Shares - CHF (Hedged)	1.000%
F&C Global Convertible Bond - Class A Acc Shares - CHF (Hedged)	1.000%
F&C Global Convertible Bond - Class A Shares - Euro	1.000%
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	1.000%
F&C Global Convertible Bond - Class A Acc Shares - Euro	1.000%
F&C Global Convertible Bond - Class A Acc Shares - Euro (Hedged)	1.000%
F&C Global Convertible Bond - Class A Shares - GBP	1.000%
F&C Global Convertible Bond - Class A Acc Shares - US\$ (Hedged)	1.000%
F&C Global Convertible Bond - Class I Shares - CHF (Hedged)	0.650%
F&C Global Convertible Bond - Class I Shares - Euro	0.650%
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	0.650%
F&C Global Convertible Bond - Class I Acc Shares - Euro	0.650%
F&C Global Convertible Bond - Class I Acc Shares - Euro (Hedged)	0.650%
F&C Global Convertible Bond - Class P Shares - Euro (Hedged)	0.650%
F&C Global Convertible Bond - Class P Acc Shares - Euro (Hedged)	0.650%
F&C Global Convertible Bond - Class P Acc Shares - US\$	0.650%
F&C Global Convertible Bond - Class R Shares - Euro	0.650%
F&C Global Convertible Bond - Class R Acc Shares - Euro (Hedged)	0.650%
F&C Global Convertible Bond - Class R Acc Shares - US\$	0.650%
F&C Global Convertible Bond - Hong Kong Class A Shares - US\$	1.000%
F&C Global Smaller Cap Equity - Class A Acc Shares - Euro	1.500%
F&C Global Smaller Cap Equity - Class A Shares - US\$	1.500%
F&C Global Smaller Cap Equity - Class A Acc Shares - US\$	1.500%

**F&C Portfolios Fund**  
**Notes to the Financial Statements (continued)**  
as at 30 September 2017

Portfolio	Investment Management Fee rates per annum
F&C Global Smaller Cap Equity - Class I Acc Shares - GBP	0.750%
F&C Global Smaller Cap Equity - Class I Shares - US\$	0.750%
F&C Global Smaller Cap Equity - Class R Acc Shares - GBP	0.750%
F&C Japanese Equity - Class A Shares - Euro	1.500%
F&C Japanese Equity - Class I Shares - Euro	0.750%
F&C Japanese Equity - Class I Shares - GBP	0.750%
F&C Plus Fund - Class I Shares - Euro	1.300%
F&C Responsible Global Equity - Class A Shares - Euro	1.500%
F&C Responsible Global Equity - Class A Shares - US\$	1.500%
F&C Responsible Global Equity - Class I Shares - Euro	0.750%
F&C Responsible Global Equity - Class I Shares - US\$	0.750%
F&C Responsible Global Equity - Class P Acc Shares - Euro	0.750%
F&C Responsible Global Equity - Class P Acc Shares - US\$	0.750%
F&C Responsible Global Equity - Class R Shares - Euro	0.750%
F&C Responsible Global Equity - Class R Acc Shares - Euro	0.750%
F&C Responsible Global Equity - Class R Acc Shares - US\$	0.750%
F&C US Smaller Companies - Class A Shares - US\$	1.500%

\* Refer to Appendix I

FCM is a company incorporated in England and regulated by the Financial Conduct Authority (“FCA”).

For the F&C Global Convertible Bond Portfolio, FCM has delegated the management functions to F&C Netherlands B.V.

The Fund entered into an agreement with F&C Luxembourg S.A., FundRock Management Company S.A. and F&C Portugal, Gestão de Patrimónios S.A. dated 10 June 2009, which was amended and restated by an amendment and restatement agreement dated 25 February 2016 under which the latter is appointed as investment manager to F&C Plus Fund for a monthly fee calculated on the average of the net asset value of the Portfolio during the preceding month at the following rate:

F&C Plus Fund - Class I Shares - Euro	1.30%
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There are no Investment Management Fees payable on Class X shares.

#### 5. ADMINISTRATION AND DEPOSITARY FEES

State Street Bank Luxembourg S.C.A. (the “Depositary”) is entitled to fees payable by the Fund, accruing daily and payable monthly in arrears, of up to 0.50% of the assets under custody plus a transaction charge with respect to its function as the Depositary of the Fund. In addition, for acting as Registrar, Transfer, Domiciliary, Administrative and Paying Agent to the Fund, State Street Bank Luxembourg S.C.A. is entitled to fees of up to 0.045% of the applicable Net Asset Value plus a transaction charge.

In addition, State Street Bank Luxembourg S.C.A. is entitled to pass on to the Fund fees charged by external price vendors where the cost of obtaining vendor prices is not contained within the standard State Street Bank Luxembourg S.C.A. fund accounting fixed percentage fee.

#### 6. DIRECTORS’ FEES

Each of the Directors of the Fund is entitled to remuneration for his services at the rate determined by the Fund in general meeting from time to time. Those Directors of the Fund who are employees of F&C Asset Management plc (parent of the Investment Managers), or any of its subsidiaries, waive their fees in carrying out their duties as Directors of the Fund. Directors’ fees are paid to the remaining directors and allocated to the Portfolios based on average net assets. During the year to 30 September 2017, the Chairman Patrick Johns was entitled to a fee of EUR 25,000 per annum and director Jacques Elvinger was entitled to a fee of EUR 14,000 per annum.

# F&C Portfolios Fund

## Notes to the Financial Statements (continued)

as at 30 September 2017

### 7. MANAGEMENT COMPANY FEE

The Fund pays to the Management Company an annual Management Company fee payable out of the assets of the Fund of up to a maximum of 0.0375% of the net asset value (on a sliding scale dependant on the size of the Portfolio), with no minimum fee.

### 8. FORMATION EXPENSES

Formation expenses of the Fund and each Portfolio have been amortised over a five year period.

### 9. 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 Portfolios 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 classes of shares 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.

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

Distributions made by the Fund are not subject to withholding tax in Luxembourg.

The Fund is not subject to net wealth tax.

Dividend and interest income are recognised in the Combined Statement of Operations and Changes in Net Assets on a net basis.

As from 1 April 2007, investment vehicles listed in article 44, 1, d) of the Luxembourg VAT law (SICAVs, SICAFs and management companies of FCPs) should be registered as taxable persons for VAT purposes. As taxable persons for VAT purposes these investment vehicles must comply with the standard obligations foreseen in the Luxembourg VAT law such as VAT registration, VAT compliance and payment of the VAT due on services subject to reverse charge.

Investors should be aware that a United Kingdom offshore funds regime was introduced applicable to United Kingdom investors into "offshore funds". The Board has obtained reporting fund status approval from HM Revenue & Customs for certain classes of shares of the Fund, (except those listed below), for the accounting period commencing 1 October 2010 onwards or from the date of launch, for new share classes which were subsequently launched.

The following share classes were not included in the application (as at 30 September 2017):

- BMO Global Absolute Return Bond - Class A Acc Shares - Euro
- BMO Global Absolute Return Bond - Class I Acc Shares - Euro
- BMO Global Absolute Return Bond - Class I Acc Shares - US\$ (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - Euro (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - SEK (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - US\$
- BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares -NOK (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class A Shares - Euro (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class A Shares - US\$
- BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - NOK (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - SEK (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - Euro (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - NOK (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - SEK (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - US\$
- BMO Global Equity Market Neutral (SICAV) - Class I Shares - Euro (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - Euro (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - US\$
- BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - Euro (Hedged)
- BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - US\$
- BMO Global Equity Market Neutral (SICAV) - Class X Acc Shares - Euro (Hedged)

# F&C Portfolios Fund

## Notes to the Financial Statements (continued)

as at 30 September 2017

BMO Global Total Return Bond - Class I Shares - US\$  
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - Euro  
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - US\$  
F&C Diversified Growth - Class A Shares - Euro  
F&C Diversified Growth - Class A Acc Shares - NOK (Hedged)  
F&C Diversified Growth - Class A Acc Shares - SEK (Hedged)  
F&C Diversified Growth - Class F Shares – GBP (Hedged)  
F&C Diversified Growth - Class F Acc Shares - Euro  
F&C Diversified Growth - Class F Acc Shares - US\$ (Hedged)  
F&C Diversified Growth - Class X Shares - Euro  
F&C European Equity - Class A Acc Shares - Euro  
F&C European Equity - Class AD Acc Shares - Euro  
F&C European Equity - Class I Acc Shares - Euro  
F&C European Equity - Class I Shares - Euro  
F&C European Equity - Class P Acc Shares - Euro  
F&C European Equity - Class R Acc Shares - Euro  
F&C European Growth and Income - Class A Acc Shares - Euro  
F&C European Growth and Income - Class I Acc Shares - Euro  
F&C European Growth and Income - Class I Shares - Euro  
F&C European Growth and Income - Class P Acc Shares - Euro  
F&C European Growth and Income - Class R Acc Shares - Euro  
F&C European High Yield Bond - Class F Shares – Euro \*  
F&C European High Yield Bond - Class I Shares – Euro \*  
F&C European SmallCap - Class P Acc Shares - Euro  
F&C European SmallCap - Class R Acc Shares - CHF (Hedged)  
F&C Global Convertible Bond - Class A Acc Shares - CHF (Hedged)  
F&C Global Convertible Bond - Class A Acc Shares - Euro  
F&C Global Convertible Bond - Class A Shares - CHF (Hedged)  
F&C Global Convertible Bond - Class I Acc Shares - Euro  
F&C Global Convertible Bond - Class I Shares - CHF (Hedged)  
F&C Global Convertible Bond - Class P Acc Shares - Euro (Hedged)  
F&C Global Convertible Bond - Class P Acc Shares -US\$  
F&C Global Convertible Bond - Class R Acc Shares - Euro (Hedged)  
F&C Global Convertible Bond - Class R Acc Shares - US\$  
F&C Plus Fund - Class I Shares - Euro  
F&C Responsible Global Equity - Class I Shares - US\$  
F&C Responsible Global Equity - Class P Acc Shares - Euro  
F&C Responsible Global Equity - Class P Acc Shares - US\$  
F&C Responsible Global Equity - Class R Acc Shares - Euro  
F&C Responsible Global Equity - Class R Acc Shares - US\$

F&C Diversified Growth A and X GBP (Hedged) Share classes were included in the United Kingdom offshore funds regime from 1 October 2015 until 30 September 2017. Thereafter these two Share classes were removed and ceased to have reporting fund status.

\*Refer to Appendix I

The directors intend to issue the annual investor report on or around 31 March each year via the website [www.bmogam.com/reportingstatus](http://www.bmogam.com/reportingstatus).

### 10. RELATED PARTY TRANSACTIONS

F&C Management Limited may be entitled to a placing and/or introductory fee of not more than 5% of the subscription value of the Fund shares. Out of this fee, stockbrokers or other approved introducing agents may be paid a proportion.

Patrick Johns (Chairman) is a non-executive advisor to F&C.

Jacques Elvinger, a Director of the Fund, is a partner in the Luxembourg law firm Elvinger Hoss Prussen *société anonyme*. Mr. Elvinger has been an Avocat à la Cour, Grand Duchy of Luxembourg since 1984.

Ernst Hagen, a Director of the Fund, is Executive Director of F&C Netherlands BV, a subsidiary of F&C Asset Management plc, the parent company of the Investment Manager.

João Santos, a Director of the Fund, is the Country Head of F&C Portugal, Gestão de Patrimónios, S.A., a subsidiary of F&C Asset Management plc, the parent company of the Investment Manager.

# F&C Portfolios Fund

## Notes to the Financial Statements (continued)

as at 30 September 2017

Hugh Moir, a Director of the Fund, is Global Head of Operations and Business Technology, BMO GAM, F&C Asset Management plc, the parent company of the Investment Manager.

The Fund has entered into an Agency Agreement for the lending of securities in return for a loan fee. During the year under review, State Street Bank GmbH, London Branch earned EUR 63,491 as securities lending agent. The Investment Manager earned EUR 42,327 for their monitoring and oversight of the securities lending program.

At 30 September 2017, F&C Diversified Growth had invested in the F&C Emerging Markets Bond, managed by the same Investment Manager as the Fund. Investment management fees of EUR 46,635 for this portion of the net assets of this Portfolio is waived.

At 30 September 2017, the F&C Diversified Growth had invested in the F&C Multi Strategy Global Equity Fund, managed by the same Investment Manager as the Fund. Investment management fees of EUR 33,581 for this portion of the net assets of this Portfolio is waived.

At 30 September 2017, F&C Diversified Growth had invested in the Maximum Income Bond Fund, managed by the same Investment Manager as the Fund. Investment management fees of EUR 14,778 for this portion of the net assets of this Portfolio is waived.

F&C European High Yield Bond liquidated on 22 September 2017. Until this date, BMO Global Total Return Bond had invested in F&C European High Yield Bond, managed by the same Investment Manager as the Fund. Investment management fees of EUR 52,170 for this portion of the net assets of this Portfolio is waived.

At 30 September 2017, the F&C Plus Fund had invested in the F&C Portfolios Fund II, managed by the same Investment Manager as the Fund. Investment management fees of EUR 15,340 for this portion of the net assets of this Portfolio is waived.

The Investment Manager may pass on to the Fund certain approved expenses incurred in the marketing of the Fund. The maximum chargeable during any accounting period is 0.025% of the net asset value of the Fund as the respective Portfolio(s).

The Investment Manager will also charge a fee to the Fund to cover the costs incurred in the distribution of the Fund in the various jurisdictions in which it is registered. The amount to be charged during any accounting period is 0.05% of the net asset value of the Fund or the respective Portfolio(s).

No marketing expenses or distribution fee will be charged to the Hong Kong Share Classes of any Portfolio. Any costs incurred in relation to the distribution of the Hong Kong Share Classes (if any) will be borne by the Investment Manager.

The Investment Manager is entitled to an annual service fee of 0.015% of the equity and bond investments of the Fund for its Responsible Engagement Overlay services as described in the Prospectus. This service is not charged to the Hong Kong Share Classes for any Portfolio.

### 11. STATEMENT OF CHANGES IN INVESTMENTS

A list, specifying for each Portfolio the total purchases and sales which occurred during the year under review, may be obtained, upon request, at the registered office of the Fund and the Fund's Registrar/Administrative Agent, Depositary, or Paying Agent in the relevant jurisdiction.

### 12. PERFORMANCE FEE

There was no performance fee charged on the Portfolios during the year.

# F&C Portfolios Fund

## Notes to the Financial Statements (continued)

as at 30 September 2017

### 13. 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 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.

### 14. 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 the “Securities Financing Transactions (unaudited)” section.

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 coordinator 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. It is the Investment Manager’s policy to return all revenue to the Fund less direct and indirect operational costs.

The table below shows the market value of securities on loan as well as the market value of collateral held as at 30 September 2017. The collateral held at this date provided coverage of 105.74%.

Portfolio	Market Value of Securities on Loan in EUR	Market Value of Collateral held in EUR	Nature of Collateral held
BMO Responsible Global Emerging Markets Equity	1,622,037	1,704,251	Government Bonds
F&C Diversified Growth	7,987,420	8,399,344	Government Bonds
F&C Emerging Markets Bond	1,224,016	1,382,439	Government Bonds
F&C European Equity	692,127	728,217	Government Bonds
F&C European Growth and Income	2,958,510	3,135,594	Government Bonds
F&C European SmallCap	17,110,059	18,120,308	Government Bonds
F&C Japanese Equity	2,497,916	2,629,374	Government Bonds
F&C Responsible Global Equity	24,823,728	26,197,518	Government Bonds
	<b>58,915,813</b>	<b>62,297,045</b>	

Counterparties	Total exposure in EUR
Barclays Capital Securities Ltd.	21,021,819
BNP Paribas Arbitrage SNC	6,752,878
Citigroup Global Markets Ltd.	489,387
Credit Suisse Securities (Europe) Ltd.	2,211,935
Deutsche Bank AG	5,691,560
HSBC Bank Plc.	7,081,486
J.P. Morgan Securities Plc.	9,299,757
Merrill Lynch International	292,069
Morgan Stanley & Co. International Plc.	9,456,154

**F&C Portfolios Fund**  
**Notes to the Financial Statements (continued)**  
as at 30 September 2017

**15. DIVIDENDS DISTRIBUTION**

For all distributing classes of shares which have registered for United Kingdom Reporting Fund Status it is intended to distribute 100 per cent of reportable income (computed in accordance with the definition of reportable income under the United Kingdom Offshore Funds (Tax) Regulations 2009 (as amended)) which accrues to the Portfolio or distributing class, however it should be noted that this cannot be guaranteed. It may be that the Directors consider in certain cases that the amounts available for distribution are so minimal that a distribution is not commercially viable. Where share classes have not been registered for UK Reporting Fund Status, the directors will determine an alternative basis for determining the level of any dividend.

The Board may decide to make dividend payments to Shareholders once a year or more frequently provided that no payment will be made as a result of which the total net assets of the Fund would become less than the minimum required by Luxembourg law.

During the year ended to 30 September 2017, dividends with an ex-dividend date of 5 January 2017 were paid out to shareholders on 31 January 2017 as follows:

Share class Name	Share class Currency	Dividend per Share	Amount of Dividends paid out to Shareholders
BMO Global Total Return Bond - Class I Shares - GBP (Hedged)	GBP	0.0704	6,315
BMO Global Total Return Bond - Class I Shares - US\$ (Hedged)	US\$	0.0361	9,783
BMO Responsible Global Emerging Markets Equity - Class X Shares - GBP	GBP	0.1516	413,733
F&C Emerging Markets Bond - Class A Shares - US\$	US\$	0.5594	421,141
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	Euro	4.5222	362,576
F&C Emerging Markets Bond - Class I Shares - Euro (Hedged)	Euro	0.4581	213,550
F&C European Equity - Class A Shares - Euro	Euro	0.2158	215,351
F&C European Growth and Income - Class A Shares - Euro	Euro	0.2914	150,322
F&C European Growth and Income - Class A Shares - GBP	GBP	0.2262	471,405
F&C European High Yield Bond - Class A Shares – Euro *	Euro	0.4591	362,571
F&C European SmallCap - Class A Shares - Euro	Euro	0.2416	1,190,331
F&C European SmallCap - Class I Shares - Euro	Euro	0.2879	1,058,553
F&C European SmallCap - Class I Shares - GBP	GBP	0.2458	7,951
F&C Global Convertible Bond - Class A Shares - CHF (Hedged)	CHF	0.0141	5,462
F&C Global Convertible Bond - Class A Shares - Euro	Euro	0.0589	334,861
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	Euro	0.0343	617,210
F&C Global Convertible Bond - Class A Shares - GBP	GBP	0.0494	10,545
F&C Global Convertible Bond - Class I Shares - CHF (Hedged)	CHF	0.0542	179,005
F&C Global Convertible Bond - Class I Shares - Euro	Euro	0.0961	478,752
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	Euro	0.1094	984,946
F&C Global Convertible Bond - Class P Shares - Euro (Hedged)	Euro	0.0717	45,500
F&C Global Convertible Bond - Class R Shares - Euro	Euro	0.0842	107,569
F&C Global Convertible Bond - Hong Kong Class A Shares - US\$	US\$	0.0483	12,758
F&C Global Smaller Cap Equity - Class I Shares - US\$	US\$	0.0736	42,575
F&C Japanese Equity - Class I Shares - Euro	Euro	0.1430	43,948
F&C Japanese Equity - Class I Shares - GBP	GBP	0.1933	38,784
F&C Responsible Global Equity - Class I Shares - Euro	Euro	0.1301	615,781
F&C Responsible Global Equity - Class R Shares - Euro	Euro	0.0867	838,946

\* Refer to Appendix I

**16. SWING PRICING**

Under certain circumstances (for example, large volumes of deals), investment and/or disinvestment costs may have an adverse effect on the shareholders' interests in a Portfolio. In order to prevent this effect, called "dilution", the Board may determine that a "swing pricing" methodology applies so as to allow for the net asset value per share to be adjusted upwards or downwards by dealing and other costs and fiscal charges which would be payable on the effective acquisition or disposal of assets in the relevant Portfolio if the net capital activity exceeds, as a consequence of the aggregate transactions in that Portfolio on a given Valuation Date (as defined in the Prospectus), a threshold set by the Board from time to time.

**F&C Portfolios Fund**  
**Notes to the Financial Statements (continued)**  
as at 30 September 2017

**Description of the swing pricing methodology:**

If the net capital activity on a given Valuation Date leads to a net inflow/outflow of assets in excess of the Threshold in the relevant Portfolio, the net asset value used to process all subscriptions, redemptions or conversions in that Portfolio is adjusted upwards/ downwards by the swing factors set by the Board from time to time.

In any case, the swing factors shall not exceed 2% of the net asset value per share of the relevant Portfolio. Further, for the purpose of calculating the expenses of a Portfolio which are based on the net asset value of the relevant Portfolio (including any applicable performance fee), the Administrative Agent will continue to use the un-swung net asset value.

The following Portfolio has adjusted the net asset value per share at year end:

- F&C Diversified Growth

The Net Assets as at 30 September 2017, as disclosed in the statement of net assets, exclude the swing price adjustment. The net asset value per share as at 30 September 2017, as disclosed in the Comparative Table, include the swing price adjustment.

**17. SUBSEQUENT EVENTS**

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

**18. TRANSACTION COSTS**

For the year ended 30 September 2017, the following Sub-Funds of the F&C Portfolios Fund incurred transaction costs related to purchases and sales of transferable securities as follows:

Portfolio	Portfolios Currency	Transaction Costs
BMO Responsible Global Emerging Markets Equity	USD	201,003
F&C Diversified Growth	EUR	17,080
F&C European Equity	EUR	34,665
F&C European Growth and Income	EUR	57,591
F&C European SmallCap	EUR	368,571
F&C Global Convertible Bond	EUR	3,451
F&C Global Smaller Cap Equity	USD	33,185
F&C Japanese Equity	EUR	9,597
F&C Plus Fund	EUR	2,996
F&C Responsible Global Equity	EUR	222,991
F&C US Smaller Companies	USD	17,709

These transaction costs are corresponding to broker fees and are included in the caption "Investments at cost" in the Statement of Net Assets of the report, and respectively in the captions "Net realised gain / (loss) on sales of investments" and "Net change in net unrealised appreciation / (depreciation) on investments" in the Statement of Operations and Changes in Net Assets.

**19. SOCIALLY RESPONSIBLE INVESTMENT**

F&C Management Limited is convinced that investors increasingly care about environmental, social and corporate governance (ESG) issues and that these may have a material impact on the companies in which we invest. Therefore the Fund has appointed F&C's specialist Governance & Sustainable Investment team to engage with companies held by the portfolios in order to improve the ESG performance and safeguard investor value. The Responsible Engagement Overlay service, known as reo®, aims to encourage companies to enhance their business performance by adopting better corporate governance, social and environmental practices. reo® does not directly prevent the Fund from investing in specific companies, but over the long term is expected to lead to more sustainable companies and investment returns. reo® is about using the Investment Manager's ability, as manager of the Fund's equity and corporate bond portfolios, to encourage investee companies, through a constructive dialogue, to manage effectively their ESG risks and opportunities. In the Investment Manager's view, reo® may contribute towards business success and therefore increase the value of the investee companies and consequently the value of the Fund's investments. More information on specific companies engaged via the reo® service within each portfolio is available in the semi-annual engagement activity report on the BMO Global Asset Management website at:

<http://www.bmogam.com/documents/reo-report-fandc-portfolios-fund/>

**F&C Portfolios Fund**  
**Notes to the Financial Statements (continued)**  
as at 30 September 2017

**20. NOTICE TO INVESTORS OF F&C DIVERSIFIED GROWTH FUND**

The target return of F&C Diversified Growth has been changed. Rather than intending to get a target return of Euribor +4% within a 5 year period, the Portfolio is now targeting a return of 1mth Euribor (or the equivalent local currency 1mth libor rate per hedged share class) +4% over a rolling 3 year period. This change does not entail a change of the way the Portfolio is managed, the composition of its portfolio, its risk profile nor of its Synthetic Risk and Reward Indicator (SRRI). The prospectus has been updated to reflect this point.

**21. APPROVAL OF THE FINANCIAL STATEMENTS**

The Board approved the financial statements on 29 December 2017.

# F&C Portfolios Fund

## Risk Management, Remuneration and PEA Eligible Assets (unaudited)

### RISK MANAGEMENT

#### Global exposure calculation method

##### The commitment approach

The following Portfolios use the commitment approach in order to monitor and measure their global exposure:

BMO Responsible Global Emerging Markets Equity  
 F&C Emerging Markets Bond  
 F&C European Equity  
 F&C European Growth and Income  
 F&C European High Yield Bond \*  
 F&C European SmallCap  
 F&C Global Convertible Bond  
 F&C Global Smaller Cap Equity  
 F&C Japanese Equity  
 F&C Plus Fund  
 F&C Responsible Global Equity  
 F&C US Smaller Companies

\* Refer to Appendix I

##### The VaR approach

The following portfolios use the Value-at-Risk (“VaR”) approach in order to monitor and measure their global exposure:

BMO Global Absolute Return Bond  
 BMO Global Equity Market Neutral (SICAV)  
 BMO Global Total Return Bond  
 F&C Diversified Growth

The VaR figures have been calculated based on the following input data and confidence interval:

Confidence interval	99%
Analysis time horizon	One month (20 days)
Time series extension	1 Year
Methodology	Absolute VaR
VaR method	Historical Simulation
CSSF Limit	20%

The utilisation of the VaR from 1 October 2016 to 30 September 2017 was as follows:

BMO Global Absolute Return Bond	VaR Amounts	Utilisation of the VaR Limit
Minimum	0.01%	0.05%
Maximum	3.95%	19.75%
Average	0.94%	4.72%

The average leverage used, computed with sum of notionals, was 198.91%.

BMO Global Equity Market Neutral (SICAV)	VaR Amounts	Utilisation of the VaR Limit
Minimum	2.70%	13.50%
Maximum	4.83%	24.15%
Average	3.72%	18.59%

The average leverage used, computed with sum of notionals, was 58.00%.

BMO Global Total Return Bond	VaR Amounts	Utilisation of the VaR Limit
Minimum	0.78%	3.90%
Maximum	3.17%	15.85%
Average	1.37%	6.85%

The average leverage used, computed with sum of notionals, was 383.14%.

## F&C Portfolios Fund

### Risk Management, Remuneration and PEA Eligible Assets (unaudited)

#### (continued)

F&C Diversified Growth	VaR Amounts	Utilisation of the VaR Limit
Minimum	1.06%	5.30%
Maximum	4.10%	20.50%
Average	1.95%	9.76%

The average leverage used, computed with sum of notionals, was 324.90%.

#### REMUNERATION

FundRock Management Company S.A. (“FundRock”) has established and applies a remuneration policy in accordance with the principles laid out under the AIFMD and UCITS V directive, and any related legal and regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the funds that it manages and of the investors in such Funds, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the funds that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock’s employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock’s registered office.

The amount of remuneration for the financial year ending 31 December 2016 paid by FundRock to its staff: EUR 5,598,600.31.

Fixed remuneration: EUR 5,425,050.31

Variable remuneration: EUR 173,550.00

Number of beneficiaries: 61

The aggregated amount of remuneration for the financial year ending 31 December 2016 paid by FundRock to Identified staff/ risk takers is as follows:

Identified staff/risk takers: EUR 1,736,085.01

Other risk takers: EUR Nil

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FRMC, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The review of the policy and its implementation is performed by the FundRock Board of Directors/Remuneration Committee and FundRock’s control Functions.

The policy was last updated in December 2016, to reflect the additional requirements of the “UCITS V” Directive.

#### PEA ELIGIBLE ASSETS

The following Portfolios are eligible for inclusion in a personal equity plan (“plan d’épargne en actions” or “PEA”) in France:

F&C Portfolios Fund - European Growth and Income (87.42% of invested in eligible assets as at 30 September 2017)

F&C Portfolios Fund - European Small Cap (90.22% of invested in eligible assets as at 30 September 2017)

F&C Portfolios Fund - European Equity (90.30% of invested in eligible assets as at 30 September 2017)

In any circumstances these Portfolios invest more than 75% of their assets in PEA eligible assets\*. At 30 September 2017, these Portfolios had the above mentioned percentage of their assets invested in PEA eligible assets.

\* Eligible PEA Assets are: (i) shares or investment certificates in companies and investment certificates in cooperative bodies, (ii) units in limited liability companies or equivalent companies (i.e. units not tradable and not listed) and units in companies governed by the French Law No. 47-1775 of 10 September 1947 relating to cooperative bodies, and (iii) subscription rights or warrants for shares/units mentioned in (i) and (ii) above.

## F&C Portfolios Fund

### Portfolio Turnover Ratio (unaudited)

The Portfolio Turnover Ratio have been calculated for the year ended 30 September 2017 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 30 September 2017 (annualised) %
BMO Global Absolute Return Bond	Euro	283,808,744	39.25%
BMO Global Equity Market Neutral (SICAV)	US\$	129,807,500	607.70%
BMO Global Total Return Bond	Euro	83,961,463	95.33%
BMO Responsible Global Emerging Markets Equity	US\$	96,458,502	6.23%
F&C Diversified Growth	Euro	144,856,712	153.75%
F&C Emerging Markets Bond	US\$	23,160,055	271.87%
F&C European Equity	Euro	18,999,824	63.55%
F&C European Growth and Income	Euro	49,986,342	60.94%
F&C European SmallCap	Euro	260,153,232	7.26%
F&C Global Convertible Bond	Euro	782,523,051	32.83%
F&C Global Smaller Cap Equity	US\$	39,832,398	36.76%
F&C Japanese Equity	Euro	13,590,382	101.52%
F&C Plus Fund	Euro	138,400,644	57.74%
F&C Responsible Global Equity	Euro	263,530,222	3.73%
F&C US Smaller Companies	US\$	21,335,129	22.02%

## F&C Portfolios Fund 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 30 September 2017 (annualised)%
BMO Global Absolute Return Bond - Class A Acc Shares - Euro *	Euro	1.13%
BMO Global Absolute Return Bond - Class F Acc Shares - GBP (Hedged)	GBP	0.32%
BMO Global Absolute Return Bond - Class I Acc Shares - Euro *	Euro	0.59%
BMO Global Absolute Return Bond - Class I Acc Shares - GBP (Hedged) *	GBP	0.49%
BMO Global Absolute Return Bond - Class I Acc Shares - USD (Hedged) *	USD	0.69%
BMO Global Equity Market Neutral (SICAV) - Class A Shares - Euro (Hedged)	Euro	2.09%
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - Euro (Hedged)	Euro	2.05%
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - NOK (Hedged)	NOK	2.13%
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - SEK (Hedged)	SEK	2.13%
BMO Global Equity Market Neutral (SICAV) - Class A Shares - US\$	US\$	2.03%
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - US\$	US\$	2.03%
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - Euro (Hedged)	Euro	0.74%
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - GBP (Hedged)	GBP	0.74%
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - SEK (Hedged) *	SEK	0.73%
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - US\$	US\$	0.74%
BMO Global Equity Market Neutral (SICAV) - Class I Shares - Euro (Hedged)	Euro	1.22%
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - Euro (Hedged)	Euro	1.24%
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - NOK (Hedged)	NOK	1.24%
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - SEK (Hedged)	SEK	1.23%
BMO Global Equity Market Neutral (SICAV) - Class I Shares - US\$	US\$	1.07%
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - US\$	US\$	1.25%
BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - Euro (Hedged)	Euro	1.23%
BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - US\$	US\$	1.24%
BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - Euro (Hedged)	Euro	1.23%
BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - US\$	US\$	1.11%
BMO Global Equity Market Neutral (SICAV) - Class X Acc Shares - Euro (Hedged)	Euro	0.34%
BMO Global Total Return Bond - Class I Acc Shares - Euro	Euro	0.53%
BMO Global Total Return Bond - Class I Shares - GBP (Hedged)	GBP	0.58%
BMO Global Total Return Bond - Class I Shares - US\$ (Hedged)	US\$	0.58%
BMO Responsible Global Emerging Markets Equity - Class A Shares - US\$	US\$	1.95%
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - Euro *	Euro	1.00%
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - GBP *	GBP	0.97%
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - US\$	US\$	0.98%
BMO Responsible Global Emerging Markets Equity - Class X Shares - GBP	GBP	0.33%
F&C Diversified Growth - Class A Acc Shares - Euro	Euro	1.70%
F&C Diversified Growth - Class A Acc Shares - GBP (Hedged)	GBP	1.71%
F&C Diversified Growth - Class A Acc Shares - NOK (Hedged)	NOK	1.67%
F&C Diversified Growth - Class A Acc Shares - SEK (Hedged)	SEK	1.68%
F&C Diversified Growth - Class F Acc Shares - Euro	Euro	0.19%
F&C Diversified Growth - Class F Shares - GBP (Hedged)	GBP	0.41%
F&C Diversified Growth - Class F Acc Shares - USD (Hedged)	US\$	0.36%
F&C Diversified Growth - Class X Shares - Euro	Euro	0.14%
F&C Diversified Growth - Class X Shares - GBP (Hedged)	GBP	0.21%
F&C Emerging Markets Bond - Class A Shares - US\$	US\$	1.99%
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	Euro	1.99%
F&C Emerging Markets Bond - Class I Shares - Euro (Hedged)	Euro	1.37%

\*Refer to Appendix I

## F&C Portfolios Fund

### Total Expense Ratio (unaudited) (continued)

Portfolio	Share-Class Currency	Total Expense Ratio as of 30 September 2017 (annualised)%
F&C European Equity - Class A Shares - Euro	Euro	1.51%
F&C European Equity - Class A Acc Shares - Euro *	Euro	1.46%
F&C European Equity - Class AD Acc Shares - Euro *	Euro	1.45%
F&C European Equity - Class I Shares - Euro *	Euro	0.78%
F&C European Equity - Class I Acc Shares - Euro *	Euro	0.78%
F&C European Equity - Class ID Shares - Euro	Euro	0.49%
F&C European Equity - Class ID Acc Shares - Euro	Euro	0.47%
F&C European Equity - Class P Acc Shares - Euro *	Euro	0.78%
F&C European Equity - Class R Acc Shares - Euro *	Euro	0.84%
F&C European Growth and Income - Class A Shares - Euro	Euro	1.89%
F&C European Growth and Income - Class A Acc Shares - Euro *	Euro	1.65%
F&C European Growth and Income - Class A Shares - GBP	GBP	1.86%
F&C European Growth and Income - Class I Shares - Euro *	Euro	0.86%
F&C European Growth and Income - Class I Acc Shares - Euro *	Euro	0.86%
F&C European Growth and Income - Class P Acc Shares - Euro *	Euro	1.81%
F&C European Growth and Income - Class R Acc Shares - Euro *	Euro	0.90%
F&C European SmallCap - Class A Shares - Euro	Euro	1.94%
F&C European SmallCap - Class A Acc Shares - Euro	Euro	1.95%
F&C European SmallCap - Class I Shares - Euro	Euro	1.16%
F&C European SmallCap - Class I Acc Shares - Euro	Euro	1.16%
F&C European SmallCap - Class I Shares - GBP	GBP	1.20%
F&C European SmallCap - Class P Acc Shares - Euro *	Euro	0.65%
F&C European SmallCap - Class R Acc Shares - Euro	Euro	1.20%
F&C European SmallCap - Class R Acc Shares - CHF (Hedged)	CHF	1.22%
F&C Global Convertible Bond - Class A Shares - CHF (Hedged)	CHF	1.33%
F&C Global Convertible Bond - Class A Acc Shares - CHF (Hedged)	CHF	1.33%
F&C Global Convertible Bond - Class A Shares - Euro	Euro	1.29%
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	Euro	1.28%
F&C Global Convertible Bond - Class A Acc Shares - Euro	Euro	1.11%
F&C Global Convertible Bond - Class A Acc Shares - Euro (Hedged)	Euro	1.30%
F&C Global Convertible Bond - Class A Shares - GBP	GBP	1.30%
F&C Global Convertible Bond - Class A Shares - US\$	US\$	1.22%
F&C Global Convertible Bond - Class A Acc Shares - US\$ (Hedged)	US\$	1.33%
F&C Global Convertible Bond - Class I Shares - CHF (Hedged)	CHF	0.93%
F&C Global Convertible Bond - Class I Shares - Euro	Euro	0.90%
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	Euro	0.90%
F&C Global Convertible Bond - Class I Acc Shares - Euro	Euro	0.73%
F&C Global Convertible Bond - Class I Acc Shares - Euro (Hedged)	Euro	0.91%
F&C Global Convertible Bond - Class P Shares - Euro (Hedged)	Euro	0.91%
F&C Global Convertible Bond - Class P Acc Shares - Euro (Hedged)	Euro	0.95%
F&C Global Convertible Bond - Class P Acc Shares - US\$	US\$	0.73%
F&C Global Convertible Bond - Class R Shares - Euro	Euro	0.95%
F&C Global Convertible Bond - Class R Acc Shares - Euro (Hedged)	Euro	0.99%
F&C Global Convertible Bond - Class R Acc Shares - US\$	US\$	0.98%
F&C Global Smaller Cap Equity - Class A Acc Shares - Euro	Euro	1.93%
F&C Global Smaller Cap Equity - Class A Shares - US\$	US\$	2.87%
F&C Global Smaller Cap Equity - Class A Acc Shares - US\$	US\$	1.97%
F&C Global Smaller Cap Equity - Class I Acc Shares - GBP	GBP	1.15%
F&C Global Smaller Cap Equity - Class I Shares - US\$	US\$	1.14%
F&C Global Smaller Cap Equity - Class R Acc Shares - GBP	GBP	1.81%

\*Refer to Appendix I

## F&C Portfolios Fund

### Total Expense Ratio (unaudited) (continued)

Portfolio	Share-Class Currency	Total Expense Ratio as of 30 September 2017 (annualised)%
F&C Japanese Equity - Class A Shares - Euro	Euro	2.12%
F&C Japanese Equity - Class I Shares - Euro	Euro	1.34%
F&C Japanese Equity - Class I Shares - GBP	GBP	1.33%
F&C Plus Fund - Class I Shares - Euro	Euro	1.36%
F&C Responsible Global Equity - Class A Shares - Euro	Euro	1.80%
F&C Responsible Global Equity - Class A Shares - US\$	US\$	1.80%
F&C Responsible Global Equity - Class I Shares - Euro	Euro	1.01%
F&C Responsible Global Equity - Class I Shares - US\$	US\$	1.03%
F&C Responsible Global Equity - Class P Acc Shares - Euro	Euro	1.47%
F&C Responsible Global Equity - Class P Acc Shares - US\$	US\$	1.15%
F&C Responsible Global Equity - Class R Shares - Euro	Euro	1.05%
F&C Responsible Global Equity - Class R Acc Shares - Euro	Euro	0.88%
F&C Responsible Global Equity - Class R Acc Shares - US\$	US\$	0.88%
F&C US Smaller Companies - Class A Shares - US\$	US\$	1.95%

Performance fees are not applicable and therefore not included within the TER.

For share class launched during the year (refer to Appendix I), the operating expenses incurred up until the year end have been annualised to provide a more comparable estimate of the TER for the share class.

Portfolio - share classes which includes a Synthetic TER element	Share- Class Currency	Total Expense Ratio of Target Fund as of 30 September 2017 (annualised) %
F&C Diversified Growth - Class A Acc Shares - Euro	Euro	0.12%
F&C Diversified Growth - Class A Acc Shares - GBP (Hedged)	GBP	0.12%
F&C Diversified Growth - Class A Acc Shares - NOK (Hedged)	NOK	0.12%
F&C Diversified Growth - Class A Acc Shares - SEK (Hedged)	SEK	0.12%
F&C Diversified Growth - Class F Acc Shares - Euro	Euro	0.12%
F&C Diversified Growth - Class F Shares - GBP (Hedged)	GBP	0.12%
F&C Diversified Growth - Class F Acc Shares - US\$ (Hedged)	US\$	0.12%
F&C Diversified Growth - Class X Acc Shares - EUR	Euro	0.12%
F&C Diversified Growth - Class X Acc Shares - GBP (Hedged)	GBP	0.12%

#### 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 Funds & Asset Management Association's guidelines 16 May 2008.

## F&C Portfolios Fund

### 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 Investment Managers reports are based on total return figures, inclusive of distributions, and may differ from the below.

Portfolio	30 September	30 September	30 September
	2017	2016	2015
	%	%	%
BMO Global Absolute Return Bond - Class A Acc Shares - Euro *	(0.70)	N/A	N/A
BMO Global Absolute Return Bond - Class F Acc Shares - GBP (Hedged)	0.20	0.70	N/A
BMO Global Absolute Return Bond - Class I Acc Shares - Euro *	(0.60)	N/A	N/A
BMO Global Absolute Return Bond - Class I Acc Shares - GBP (Hedged) *	(0.20)	N/A	N/A
BMO Global Absolute Return Bond - Class I Acc Shares - US\$ (Hedged) *	0.40	N/A	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Shares - Euro (Hedged)	0.90	0.30	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - Euro (Hedged)	1.27	(5.20)	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - NOK (Hedged)	2.39	0.50	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - SEK (Hedged)	0.60	0.20	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Shares - US\$	2.94	(4.60)	N/A
BMO Global Equity Market Neutral (SICAV) - Class A Acc Shares - US\$	2.94	(4.60)	N/A
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - Euro (Hedged)	2.30	(4.50)	N/A
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - GBP (Hedged)	2.99	0.40	N/A
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - NOK (Hedged) *	N/A	(0.80)	N/A
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - SEK (Hedged) *	2.06	N/A	N/A
BMO Global Equity Market Neutral (SICAV) - Class F Acc Shares - US\$	4.39	0.20	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Shares - Euro (Hedged)	1.99	0.60	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - Euro (Hedged)	1.57	(4.70)	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - NOK (Hedged)	3.32	0.69	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - SEK (Hedged)	1.80	0.66	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Shares - US\$	3.96	(4.00)	N/A
BMO Global Equity Market Neutral (SICAV) - Class I Acc Shares - US\$	7.31	(4.30)	N/A
BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - Euro (Hedged)	1.99	0.60	N/A
BMO Global Equity Market Neutral (SICAV) - Class P Acc Shares - US\$	3.77	0.80	N/A
BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - Euro (Hedged)	1.99	0.60	N/A
BMO Global Equity Market Neutral (SICAV) - Class R Acc Shares - US\$	4.07	0.80	N/A
BMO Global Equity Market Neutral (SICAV) - Class X Acc Shares - Euro (Hedged)	2.88	(2.90)	N/A
BMO Global Total Return Bond - Class I Acc Shares - Euro	0.67	3.80	N/A
BMO Global Total Return Bond - Class I Shares - GBP (Hedged)	0.78	2.10	N/A
BMO Global Total Return Bond - Class I Shares - US\$ (Hedged)	2.25	2.30	N/A
BMO Responsible Global Emerging Markets Equity - Class A Shares - US\$	20.59	18.08	(18.47)
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - Euro *	15.00	N/A	N/A
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - GBP *	23.10	N/A	N/A
BMO Responsible Global Emerging Markets Equity - Class R Acc Shares - US\$	21.59	(0.90)	N/A
BMO Responsible Global Emerging Markets Equity - Class X Shares - GBP	16.79	37.52	(12.90)
F&C Diversified Growth - Class A Shares - Euro	2.67	1.97	2.30
F&C Diversified Growth - Class A Shares - GBP (Hedged)	3.47	2.85	2.66
F&C Diversified Growth - Class A Acc Shares - NOK (Hedged)	4.14	1.50	N/A
F&C Diversified Growth - Class A Acc Shares - SEK (Hedged)	2.48	1.00	N/A
F&C Diversified Growth - Class F Acc Shares - Euro *	1.90	N/A	N/A
F&C Diversified Growth - Class F Shares - GBP (Hedged) *	4.20	N/A	N/A
F&C Diversified Growth - Class F Acc Shares - US\$ (Hedged) *	2.90	N/A	N/A
F&C Diversified Growth - Class X Shares - Euro	4.26	3.63	3.92
F&C Diversified Growth - Class X Shares - GBP (Hedged)	5.07	4.39	4.30
F&C Emerging Markets Bond - Class A Shares - US\$	0.26	11.56	(8.04)
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	(1.91)	9.73	(7.75)
F&C Emerging Markets Bond - Class I Shares - Euro (Hedged)	(2.06)	5.37	(8.94)
F&C Emerging Markets Bond - Class I Shares - US\$	N/A	N/A	(8.23)
F&C European Equity - Class A Shares - Euro	15.29	(1.63)	7.80
F&C European Equity - Class A Acc Shares - Euro *	16.90	N/A	N/A
F&C European Equity - Class AD Acc Shares - Euro *	4.00	N/A	N/A
F&C European Equity - Class I Shares - Euro *	17.60	N/A	N/A
F&C European Equity - Class I Acc Shares - Euro *	17.60	N/A	N/A
F&C European Equity - Class ID Shares - Euro	17.91	3.30	N/A
F&C European Equity - Class ID Acc Shares - Euro	17.89	3.40	N/A
F&C European Equity - Class P Acc Shares - Euro *	17.60	N/A	N/A
F&C European Equity - Class R Acc Shares - Euro *	17.50	N/A	N/A
F&C European Growth and Income - Class A Shares - Euro	16.67	(3.45)	8.46
F&C European Growth and Income - Class A Acc Shares - Euro *	18.00	N/A	N/A
F&C European Growth and Income - Class A Shares - GBP	19.33	13.06	2.62

# F&C Portfolios Fund

## Performance Data (unaudited) (continued)

Portfolio	30 September	30 September	30 September
	2017	2016	2015
	%	%	%
F&C European Growth and Income - Class I Shares - Euro *	18.80	N/A	N/A
F&C European Growth and Income - Class I Acc Shares - Euro *	18.80	N/A	N/A
F&C European Growth and Income - Class P Acc Shares - Euro *	17.70	N/A	N/A
F&C European Growth and Income - Class R Acc Shares - Euro *	18.80	N/A	N/A
F&C European High Yield Bond - Class A Shares - Euro *	N/A	2.97	(11.56)
F&C European High Yield Bond - Class I Shares - Euro *	N/A	(0.20)	N/A
F&C European SmallCap - Class A Shares - Euro	12.80	(5.57)	19.49
F&C European SmallCap - Class A Acc Shares - Euro	13.89	(5.13)	19.77
F&C European SmallCap - Class I Shares - Euro	12.52	(5.60)	19.44
F&C European SmallCap - Class I Acc Shares - Euro	14.86	(4.35)	20.61
F&C European SmallCap - Class I Shares - GBP	14.59	11.03	13.10
F&C European SmallCap - Class P Acc Shares - Euro *	18.30	N/A	N/A
F&C European SmallCap - Class R Acc Shares - Euro	14.77	(4.48)	20.70
F&C European SmallCap - Class R Acc Shares - CHF (Hedged)	14.66	(9.30)	N/A
F&C Global Convertible Bond - Class A Shares - CHF (Hedged)	3.85	2.58	0.43
F&C Global Convertible Bond - Class A Acc Shares - CHF (Hedged)	3.82	2.73	0.77
F&C Global Convertible Bond - Class A Shares - Euro	0.77	3.12	7.57
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	4.02	2.44	1.23
F&C Global Convertible Bond - Class A Acc Shares - Euro	1.31	(0.70)	N/A
F&C Global Convertible Bond - Class A Acc Shares - Euro (Hedged)	4.16	3.46	1.72
F&C Global Convertible Bond - Class A Shares - GBP	2.62	21.67	1.58
F&C Global Convertible Bond - Class A Acc Shares - US\$ (Hedged)	6.07	4.40	1.46
F&C Global Convertible Bond - Class I Shares - CHF (Hedged)	3.69	2.62	0.27
F&C Global Convertible Bond - Class I Shares - Euro	0.78	2.92	7.55
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	3.99	2.63	0.95
F&C Global Convertible Bond - Class I Acc Shares - Euro	1.61	(0.60)	N/A
F&C Global Convertible Bond - Class I Acc Shares - Euro (Hedged)	4.64	3.84	2.09
F&C Global Convertible Bond - Class P Shares - Euro (Hedged)	3.97	2.62	1.47
F&C Global Convertible Bond - Class P Acc Shares - Euro (Hedged)	4.51	(0.30)	N/A
F&C Global Convertible Bond - Class P Acc Shares - US\$	6.91	(0.10)	N/A
F&C Global Convertible Bond - Class R Shares - Euro	0.67	3.12	7.96
F&C Global Convertible Bond - Class R Acc Shares - Euro (Hedged)	4.51	(0.30)	N/A
F&C Global Convertible Bond - Class R Acc Shares - US\$	6.41	(0.10)	N/A
F&C Global Convertible Bond - Hong Kong Class A Shares - US\$	6.12	3.70	(5.97)
F&C Global Smaller Cap Equity - Class A Acc Shares - Euro	13.94	8.68	17.29
F&C Global Smaller Cap Equity - Class A Shares - US\$	18.75	8.13	2.61
F&C Global Smaller Cap Equity - Class A Acc Shares - US\$	19.90	9.49	3.49
F&C Global Smaller Cap Equity - Class I Acc Shares - GBP	16.98	28.63	11.72
F&C Global Smaller Cap Equity - Class I Shares - US\$	20.16	10.42	4.37
F&C Global Smaller Cap Equity - Class R Acc Shares - GBP	16.27	28.63	1.30
F&C Japanese Equity - Class A Shares - Euro	9.63	14.33	9.49
F&C Japanese Equity - Class I Shares - Euro	9.59	14.34	9.27
F&C Japanese Equity - Class I Shares - GBP	11.33	34.23	3.53
F&C Japanese Equity - Class X Shares - GBP *	N/A	28.17	3.51
F&C Plus Fund - Class I Shares - Euro	3.83	(1.61)	(3.03)
F&C Responsible Global Equity - Class A Shares - Euro	12.54	8.12	12.46
F&C Responsible Global Equity - Class A Shares - US\$	18.35	8.91	(0.34)
F&C Responsible Global Equity - Class I Shares - Euro	12.60	8.48	12.95
F&C Responsible Global Equity - Class I Shares - US\$	19.41	1.00	N/A
F&C Responsible Global Equity - Class P Acc Shares - Euro	12.96	0.30	N/A
F&C Responsible Global Equity - Class P Acc Shares - US\$	19.60	1.00	N/A
F&C Responsible Global Equity - Class R Shares - Euro	12.70	8.55	13.40
F&C Responsible Global Equity - Class R Acc Shares - Euro	13.65	0.40	N/A
F&C Responsible Global Equity - Class R Acc Shares - US\$	19.52	0.90	N/A
F&C Responsible Sharia Global Equity - Class A Shares - US\$	N/A	N/A	(2.19)
F&C Responsible Sharia Global Equity - Class X Shares - US\$	N/A	N/A	(1.80)
F&C US Smaller Companies - Class A Shares - US\$	12.50	12.69	0.39

\* Refer to Appendix I

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 Portfolios Fund

## Securities Financing Transactions (unaudited)

### Global data

The following table details the market value of securities lent as a proportion of the relevant 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 30 September 2017. 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
BMO Global Absolute Return Bond	EUR	-	-	-	-	-
BMO Global Equity Market Neutral (SICAV)	USD	-	-	-	828,192	0.53%
BMO Responsible Global Emerging Markets Equity	USD	1,622,037	1.24%	1.20%	-	-
F&C Diversified Growth	EUR	7,987,420	5.38%	5.09%	242,239	0.15%
F&C Emerging Markets Bond	USD	1,224,016	6.06%	5.61%	-	-
F&C European Equity	EUR	692,127	3.43%	3.35%	-	-
F&C European Growth and Income	EUR	2,958,510	5.77%	5.75%	-	-
F&C European SmallCap	EUR	17,110,059	8.54%	8.44%	-	-
F&C Japanese Equity	EUR	2,497,916	20.75%	20.61%	-	-
F&C Responsible Global Equity	EUR	24,823,728	8.78%	8.71%	-	-

\* Refer to Appendix I

### Concentration data

The following table lists the ten largest issuers by market value of non-cash collateral received by the relevant Portfolio by way of title transfer collateral arrangement across securities lending transactions and OTC derivative transactions (including TRS), as at 30 September 2017:

Non-cash collateral issuer	Portfolio currency	Market value of non-cash collateral	% of Net Assets
<b>BMO Global Absolute Return Bond</b>			
United States of America	EUR	1,633,567	0.38%
<b>Total</b>	<b>EUR</b>	<b>1,633,567</b>	<b>0.38%</b>
<b>BMO Global Equity Market Neutral (SICAV)</b>			
United States of America	USD	6,951,375	4.47%
<b>Total</b>	<b>USD</b>	<b>6,951,375</b>	<b>4.47%</b>
<b>BMO Responsible Global Emerging Markets Equity</b>			
Federal Republic of Germany	USD	341,586	0.25%
French Republic	USD	341,585	0.25%
Kingdom of Belgium	USD	14,014	0.01%
United Kingdom	USD	339,747	0.25%
United States of America	USD	667,319	0.49%
<b>Total</b>	<b>USD</b>	<b>1,704,251</b>	<b>1.25%</b>
<b>F&amp;C Diversified Growth</b>			
Canada	EUR	684,191	0.44%
Federal Republic of Germany	EUR	291,612	0.19%
French Republic	EUR	1,662,795	1.06%
Kingdom of Belgium	EUR	1,568,926	1.00%
Kingdom of Netherlands	EUR	1,342,541	0.86%
Kingdom of Sweden	EUR	1,235,409	0.79%
United Kingdom	EUR	1,613,763	1.03%
United States of America	EUR	107	0.00%
<b>Total</b>	<b>EUR</b>	<b>8,399,344</b>	<b>5.37%</b>
<b>F&amp;C Emerging Markets Bond</b>			
Australia	USD	6,703	0.03%
Austria	USD	54,523	0.25%
French Republic	USD	31,524	0.14%
Hong Kong	USD	382,540	1.75%
Kingdom of Netherlands	USD	180,559	0.83%
Kingdom of Sweden	USD	50,583	0.23%
United Kingdom	USD	474,114	2.17%
United States of America	USD	201,893	0.93%
<b>Total</b>	<b>USD</b>	<b>1,382,439</b>	<b>6.33%</b>
<b>F&amp;C European Equity</b>			
Federal Republic of Germany	EUR	87,344	0.42%
French Republic	EUR	248,467	1.20%
United Kingdom	EUR	386,717	1.87%
United States of America	EUR	5,689	0.03%
<b>Total</b>	<b>EUR</b>	<b>728,217</b>	<b>3.52%</b>

## F&C Portfolios Fund Securities Financing Transactions (unaudited) (continued)

Non-cash collateral issuer	Portfolio currency	Market value of non-cash collateral	% of Net Assets
<b>F&amp;C European Growth and Income</b>			
Canada	EUR	33,959	0.07%
Federal Republic of Germany	EUR	515,603	1.00%
French Republic	EUR	512,690	1.00%
Kingdom of Belgium	EUR	275,896	0.54%
Kingdom of Netherlands	EUR	398,249	0.77%
United Kingdom	EUR	1,241,680	2.41%
United States of America	EUR	157,517	0.31%
<b>Total</b>	<b>EUR</b>	<b>3,135,594</b>	<b>6.10%</b>
<b>F&amp;C European SmallCap</b>			
Canada	EUR	493,376	0.24%
Federal Republic of Germany	EUR	3,745,768	1.85%
French Republic	EUR	4,025,121	1.98%
Kingdom of Belgium	EUR	2,716,667	1.34%
Kingdom of Netherlands	EUR	2,139,963	1.06%
Kingdom of Sweden	EUR	178,699	0.09%
United Kingdom	EUR	3,561,257	1.76%
United States of America	EUR	1,259,457	0.62%
<b>Total</b>	<b>EUR</b>	<b>18,120,308</b>	<b>8.94%</b>
<b>F&amp;C Japanese Equity</b>			
Federal Republic of Germany	EUR	333,203	2.75%
French Republic	EUR	855,150	7.06%
Kingdom of Belgium	EUR	316,532	2.61%
Kingdom of Netherlands	EUR	313,718	2.59%
Kingdom of Sweden	EUR	26,840	0.22%
United Kingdom	EUR	420,345	3.47%
United States of America	EUR	363,586	3.00%
<b>Total</b>	<b>EUR</b>	<b>2,629,374</b>	<b>21.70%</b>
<b>F&amp;C Responsible Global Equity</b>			
Canada	EUR	308,504	0.11%
Federal Republic of Germany	EUR	4,096,142	1.44%
French Republic	EUR	4,371,016	1.53%
Kingdom of Belgium	EUR	2,295,532	0.81%
Kingdom of Netherlands	EUR	1,877,939	0.66%
Kingdom of Sweden	EUR	59,896	0.02%
United Kingdom	EUR	9,812,063	3.44%
United States of America	EUR	3,376,426	1.18%
<b>Total</b>	<b>EUR</b>	<b>26,197,518</b>	<b>9.19%</b>

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 30 September 2017:

Counterparty	Counterparty's country of incorporation	Portfolio currency	Market value of securities lent	TRS Unrealised profit/loss
<b>BMO Global Equity Market Neutral (SICAV)</b>				
BNP Paribas S.A.	France	USD	-	192,800
Merrill Lynch International	United Kingdom	USD	-	515,838
Societe Generale S.A.	France	USD	-	119,554
Other		USD	-	-
<b>Total</b>		<b>USD</b>	<b>-</b>	<b>828,192</b>
<b>BMO Responsible Global Emerging Markets Equity</b>				
Deutsche Bank AG	United Kingdom	USD	1,622,037	-
Other		USD	-	-
<b>Total</b>		<b>USD</b>	<b>1,622,037</b>	<b>-</b>
<b>F&amp;C Diversified Growth</b>				
Credit Suisse Securities (Europe) Ltd.	United Kingdom	EUR	2,103,659	-
HSBC Bank Plc.	United Kingdom	EUR	5,883,000	-
JP Morgan Securities Plc.	United Kingdom	EUR	761	-
Merrill Lynch International	United Kingdom	EUR	-	242,239
Other		EUR	-	-
<b>Total</b>		<b>EUR</b>	<b>7,987,420</b>	<b>242,239</b>
<b>F&amp;C Emerging Markets Bond</b>				
JP Morgan Securities Plc.	United Kingdom	USD	1,224,016	-
Other		USD	-	-
<b>Total</b>		<b>USD</b>	<b>1,224,016</b>	<b>-</b>
<b>F&amp;C European Equity</b>				
Citigroup Global Markets Ltd.	United Kingdom	EUR	250,572	-
Morgan Stanley & Co. International Plc.	United Kingdom	EUR	441,555	-
Other		EUR	-	-
<b>Total</b>		<b>EUR</b>	<b>692,127</b>	<b>-</b>

## F&C Portfolios Fund Securities Financing Transactions (unaudited)

Counterparty	Counterparty's country of incorporation	Portfolio currency	Market value of securities lent	TRS Unrealised profit/loss
<b>F&amp;C European Growth and Income</b>				
Barclays Capital Securities Ltd.	United Kingdom	EUR	655,464	-
Deutsche Bank AG	United Kingdom	EUR	285,167	-
Merrill Lynch International	United Kingdom	EUR	85,922	-
Morgan Stanley & Co. International Plc.	United Kingdom	EUR	1,931,957	-
Other		EUR	-	-
<b>Total</b>		<b>EUR</b>	<b>2,958,510</b>	<b>-</b>
<b>F&amp;C European SmallCap</b>				
Barclays Capital Securities Ltd.	United Kingdom	EUR	11,337,687	-
BNP Paribas Arbitrage SNC	France	EUR	1,544,447	-
Deutsche Bank AG	United Kingdom	EUR	3,220,390	-
HSBC Bank Plc.	United Kingdom	EUR	850,964	-
Merrill Lynch International	United Kingdom	EUR	137,165	-
Morgan Stanley & Co. International Plc.	United Kingdom	EUR	19,406	-
Other		EUR	-	-
<b>Total</b>		<b>EUR</b>	<b>17,110,059</b>	<b>-</b>
<b>F&amp;C Japanese Equity</b>				
BNP Paribas Arbitrage SNC	France	EUR	1,508,380	-
Citigroup Global Markets Ltd.	United Kingdom	EUR	213,682	-
JP Morgan Securities Plc.	United Kingdom	EUR	721,347	-
Merrill Lynch International	United Kingdom	EUR	54,507	-
Other		EUR	-	-
<b>Total</b>		<b>EUR</b>	<b>2,497,916</b>	<b>-</b>
<b>F&amp;C Responsible Global Equity</b>				
Barclays Capital Securities Ltd.	United Kingdom	EUR	7,782,274	-
BNP Paribas Arbitrage SNC	France	EUR	3,366,083	-
Deutsche Bank AG	United Kingdom	EUR	277,510	-
JP Morgan Securities Plc.	United Kingdom	EUR	6,792,745	-
Morgan Stanley & Co. International Plc.	United Kingdom	EUR	6,605,116	-
Other		EUR	-	-
<b>Total</b>		<b>EUR</b>	<b>24,823,728</b>	<b>-</b>

### Aggregate transaction data

The following table provides an analysis of the type and quality of non-cash collateral received and posted by the relevant Portfolios in respect of securities lending transactions and OTC derivative transactions (including TRS), as at 30 September 2017:

Non-cash collateral	Portfolio currency	Market value of non-cash collateral		
		Securities lent	OTC derivative transactions	OTC derivative transactions
<b>BMO Global Absolute Return Bond Fixed Income</b>				
Investment grade	USD	-	1,633,567	6,689,685
<b>Total</b>	<b>USD</b>	<b>-</b>	<b>1,633,567</b>	<b>6,689,685</b>
<b>BMO Global Equity Market Neutral (SICAV) Fixed Income</b>				
Investment grade	USD	-	6,951,375	729,244
<b>Total</b>	<b>USD</b>	<b>-</b>	<b>6,951,375</b>	<b>729,244</b>
<b>BMO Global Total Return Bond Fixed Income</b>				
Investment grade	USD	-	-	2,297,618
<b>Total</b>	<b>USD</b>	<b>-</b>	<b>-</b>	<b>2,297,618</b>
<b>BMO Responsible Global Emerging Markets Equity Fixed Income</b>				
Investment grade	USD	1,704,251	-	-
<b>Total</b>	<b>USD</b>	<b>1,704,251</b>	<b>-</b>	<b>-</b>
<b>F&amp;C Diversified Growth Fixed Income</b>				
Investment grade	EUR	8,399,344	-	618,877
<b>Total</b>	<b>EUR</b>	<b>8,399,344</b>	<b>-</b>	<b>618,877</b>
<b>F&amp;C Emerging Markets Bond Fixed Income</b>				
Investment grade	USD	1,382,439	-	-
<b>Total</b>	<b>USD</b>	<b>1,382,439</b>	<b>-</b>	<b>-</b>
<b>F&amp;C European Equity Fixed Income</b>				
Investment grade	EUR	728,217	-	-
<b>Total</b>	<b>EUR</b>	<b>728,217</b>	<b>-</b>	<b>-</b>

## F&C Portfolios Fund Securities Financing Transactions (unaudited)

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	OTC derivative transactions
<b>F&amp;C European Growth and Income</b>					
<b>Fixed Income</b>					
Investment grade	EUR	3,135,594	-	-	-
<b>Total</b>	EUR	<b>3,135,594</b>	-	-	-
<b>F&amp;C European SmallCap</b>					
<b>Fixed Income</b>					
Investment grade	EUR	18,120,308	-	-	-
<b>Total</b>	EUR	<b>18,120,308</b>	-	-	-
<b>F&amp;C Japanese Equity</b>					
<b>Fixed Income</b>					
Investment grade	EUR	2,629,374	-	-	-
<b>Total</b>	EUR	<b>2,629,374</b>	-	-	-
<b>F&amp;C Responsible Global Equity</b>					
<b>Fixed Income</b>					
Investment grade	EUR	26,197,518	-	-	-
<b>Total</b>	EUR	<b>26,197,518</b>	-	-	-

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.

The following table provides a currency analysis of the cash and non-cash collateral received or posted by the relevant Portfolios, in respect of securities lending transactions and OTC derivative transactions (including TRS), as at 30 September 2017:

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 posted
<b>BMO Global Absolute Return Bond</b>					
OTC derivative transactions					
AUD	EUR	-	(32)	-	-
CAD	EUR	-	(25,879)	1,633,567	-
EUR	EUR	-	6,158,310	-	-
GBP	EUR	-	(272,646)	-	6,689,685
USD	EUR	-	311,588	-	-
<b>Total</b>	<b>EUR</b>	-	<b>6,171,341</b>	<b>1,633,567</b>	<b>6,689,685</b>
<b>BMO Global Equity Market Neutral (SICAV)</b>					
OTC derivative transactions					
USD	USD	-	-	6,951,375	729,244
<b>Total</b>	<b>USD</b>	-	-	<b>6,951,375</b>	<b>729,244</b>
<b>BMO Global Total Return Bond</b>					
OTC derivative transactions					
AUD	EUR	-	27	-	-
CAD	EUR	-	(9,972)	-	-
EUR	EUR	-	2,332,521	-	2,297,618
GBP	EUR	-	(128,494)	-	-
USD	EUR	-	202,024	-	-
<b>Total</b>	<b>EUR</b>	-	<b>2,396,106</b>	-	<b>2,297,618</b>
<b>BMO Responsible Global Emerging Markets Equity</b>					
Securities lending transactions					
USD	USD	-	-	1,704,251	-
<b>Total</b>	<b>USD</b>	-	-	<b>1,704,251</b>	-
<b>F&amp;C Diversified Growth</b>					
OTC derivative transactions					
AUD	EUR	-	(14,950)	-	-
CAD	EUR	-	(9,973)	-	-
EUR	EUR	-	3,356,547	-	618,877
GBP	EUR	-	2,507	-	-
HKD	EUR	-	14,555	-	-
JPY	EUR	-	(216,082)	-	-
KRW	EUR	-	1,492	-	-
SGD	EUR	-	(556)	-	-
USD	EUR	-	457,424	-	-
Securities lending transactions					
USD	EUR	-	-	8,399,344	-
<b>Total</b>	<b>EUR</b>	-	<b>3,590,964</b>	<b>8,399,344</b>	<b>618,877</b>

**F&C Portfolios Fund**  
**Securities Financing Transactions (unaudited) (continued)**

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 posted
<b>F&amp;C Emerging Markets Bond</b>					
Securities lending transactions					
EUR	USD	-	-	834,035	-
GBP	USD	-	-	22,653	-
USD	USD	-	-	525,751	-
<b>Total</b>	<b>USD</b>	-	-	<b>1,382,439</b>	-
<b>F&amp;C European Equity</b>					
Securities lending transactions					
USD	EUR	-	-	728,217	-
<b>Total</b>	<b>EUR</b>	-	-	<b>728,217</b>	-
<b>F&amp;C European Growth and Income</b>					
Securities lending transactions					
USD	EUR	-	-	3,135,594	-
<b>Total</b>	<b>EUR</b>	-	-	<b>3,135,594</b>	-
<b>F&amp;C European SmallCap</b>					
Securities lending transactions					
USD	EUR	-	-	18,120,308	-
<b>Total</b>	<b>EUR</b>	-	-	<b>18,120,308</b>	-
<b>F&amp;C Japanese Equity</b>					
Securities lending transactions					
USD	EUR	-	-	2,629,374	-
<b>Total</b>	<b>EUR</b>	-	-	<b>2,629,374</b>	-
<b>F&amp;C Responsible Global Equity</b>					
Securities lending transactions					
USD	EUR	-	-	26,197,518	-
<b>Total</b>	<b>EUR</b>	-	-	<b>26,197,518</b>	-
<b>F&amp;C US Smaller Companies</b>					
OTC derivative transactions					
USD	USD	-	(2,267)	-	-
<b>Total</b>	<b>USD</b>	-	<b>(2,267)</b>	-	-

## F&C Portfolios Fund Securities Financing Transactions (unaudited) (continued)

The following table provides an analysis of the maturity tenor of the collateral received and posted by the relevant Portfolios in respect of securities lending and OTC derivative transactions (including TRS) as at 30 September 2017:

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
<b>BMO Global Absolute Return Bond</b>						
Less than one day	EUR	-	-	-	-	-
One day to one week	EUR	-	-	-	-	-
One week to one month	EUR	-	-	-	1,633,567	-
One month to three months	EUR	-	-	-	-	-
Three months to one year	EUR	-	-	-	-	3,367,453
Above one year	EUR	-	-	-	-	3,322,232
Open	EUR	-	-	6,171,341	-	-
<b>Total</b>	<b>EUR</b>	-	-	<b>6,171,341</b>	<b>1,633,567</b>	<b>6,689,685</b>
<b>BMO Global Equity Market Neutral (SICAV)</b>						
Less than one day	USD	-	-	-	-	-
One day to one week	USD	-	-	-	-	-
One week to one month	USD	-	-	-	-	-
One month to three months	USD	-	-	-	-	-
Three months to one year	USD	-	-	-	-	-
Above one year	USD	-	-	-	-	-
Open	USD	-	-	-	6,951,375	729,244
<b>Total</b>	<b>USD</b>	-	-	-	<b>6,951,375</b>	<b>729,244</b>
<b>BMO Global Total Return Bond</b>						
Less than one day	EUR	-	-	-	-	-
One day to one week	EUR	-	-	-	-	-
One week to one month	EUR	-	-	-	-	967,282
One month to three months	EUR	-	-	-	-	-
Three months to one year	EUR	-	-	-	-	1,170,585
Above one year	EUR	-	-	-	-	159,751
Open	EUR	-	-	2,396,106	-	-
<b>Total</b>	<b>EUR</b>	-	-	<b>2,396,106</b>	-	<b>2,297,618</b>
<b>BMO Responsible Global Emerging Markets Equity</b>						
Less than one day	USD	-	-	-	-	-
One day to one week	USD	-	-	-	-	-
One week to one month	USD	-	-	-	-	-
One month to three months	USD	-	-	-	-	-
Three months to one year	USD	340,352	-	-	-	-
Above one year	USD	1,363,899	-	-	-	-
Open	USD	-	-	-	-	-
<b>Total</b>	<b>USD</b>	<b>1,704,251</b>	-	-	-	-
<b>F&amp;C Diversified Growth</b>						
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	1,044,644	-	-	-	-
Above one year	EUR	7,354,700	-	-	-	-
Open	EUR	-	-	3,590,964	-	618,877
<b>Total</b>	<b>EUR</b>	<b>8,399,344</b>	-	<b>3,590,964</b>	-	<b>618,877</b>
<b>F&amp;C Emerging Markets Bond</b>						
Less than one day	USD	-	-	-	-	-
One day to one week	USD	-	-	-	-	-
One week to one month	USD	-	-	-	-	-
One month to three months	USD	-	-	-	-	-
Three months to one year	USD	-	-	-	-	-
Above one year	USD	761,985	-	-	-	-
Open	USD	620,454	-	-	-	-
<b>Total</b>	<b>USD</b>	<b>1,382,439</b>	-	-	-	-
<b>F&amp;C European Equity</b>						
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	67,029	-	-	-	-
Above one year	EUR	661,188	-	-	-	-
Open	EUR	-	-	-	-	-
<b>Total</b>	<b>EUR</b>	<b>728,217</b>	-	-	-	-
<b>F&amp;C European Growth and Income</b>						
Less than one day	EUR	-	-	-	-	-
One day to one week	EUR	-	-	-	-	-
One week to one month	EUR	861	-	-	-	-
One month to three months	EUR	12,929	-	-	-	-
Three months to one year	EUR	32,476	-	-	-	-

## F&C Portfolios Fund Securities Financing Transactions (unaudited) (continued)

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
Above one year	EUR	3,089,328	-	-	-	-
Open	EUR	-	-	-	-	-
<b>Total</b>	<b>EUR</b>	<b>3,135,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F&amp;C European SmallCap</b>						
Less than one day	EUR	-	-	-	-	-
One day to one week	EUR	-	-	-	-	-
One week to one month	EUR	2,399	-	-	-	-
One month to three months	EUR	248,691	-	-	-	-
Three months to one year	EUR	1,574,519	-	-	-	-
Above one year	EUR	16,294,699	-	-	-	-
Open	EUR	-	-	-	-	-
<b>Total</b>	<b>EUR</b>	<b>18,120,308</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F&amp;C Japanese Equity</b>						
Less than one day	EUR	-	-	-	-	-
One day to one week	EUR	104,151	-	-	-	-
One week to one month	EUR	2,986	-	-	-	-
One month to three months	EUR	-	-	-	-	-
Three months to one year	EUR	677,947	-	-	-	-
Above one year	EUR	1,844,290	-	-	-	-
Open	EUR	-	-	-	-	-
<b>Total</b>	<b>EUR</b>	<b>2,629,374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F&amp;C Responsible Global Equity</b>						
Less than one day	EUR	-	-	-	-	-
One day to one week	EUR	1,424,494	-	-	-	-
One week to one month	EUR	10,867	-	-	-	-
One month to three months	EUR	141,107	-	-	-	-
Three months to one year	EUR	1,911,398	-	-	-	-
Above one year	EUR	22,709,652	-	-	-	-
Open	EUR	-	-	-	-	-
<b>Total</b>	<b>EUR</b>	<b>26,197,518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F&amp;C US Smaller Companies</b>						
Less than one day	USD	-	-	-	-	-
One day to one week	USD	-	-	-	-	-
One week to one month	USD	-	-	-	-	-
One month to three months	USD	-	-	-	-	-
Three months to one year	USD	-	-	-	-	-
Above one year	USD	-	-	-	-	-
Open	USD	-	-	(2,267)	-	-
<b>Total</b>	<b>USD</b>	<b>-</b>	<b>-</b>	<b>(2,267)</b>	<b>-</b>	<b>-</b>

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 30 September 2017:

Maturity tenor	Portfolio currency	Securities lent		TRS
		Market value of securities lent	Unrealised profit/loss	
<b>BMO Global Equity Market Neutral (SICAV)</b>				
Less than one day	USD	-	-	-
One day to one week	USD	-	-	-
One week to one month	USD	-	-	-
One month to three months	USD	-	-	-
Three months to one year	USD	-	-	828,192
Above one year	USD	-	-	-
Open	USD	-	-	-
<b>Total</b>	<b>USD</b>	<b>-</b>	<b>-</b>	<b>828,192</b>
<b>BMO Responsible Global Emerging Markets Equity</b>				
Less than one day	USD	-	-	-
One day to one week	USD	-	-	-
One week to one month	USD	-	-	-
One month to three months	USD	-	-	-
Three months to one year	USD	-	-	-
Above one year	USD	-	-	-
Open	USD	-	1,622,037	-
<b>Total</b>	<b>USD</b>	<b>-</b>	<b>1,622,037</b>	<b>-</b>

## F&C Portfolios Fund Securities Financing Transactions (unaudited) (continued)

Maturity tenor	Portfolio currency	Securities lent		TRS
		Market value of securities lent	Unrealised profit/loss	
<b>F&amp;C Diversified Growth</b>				
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	-	-	242,239
Above one year	EUR	-	-	-
Open	EUR	7,987,420	-	-
<b>Total</b>	<b>EUR</b>	<b>7,987,420</b>		<b>242,239</b>
<b>F&amp;C Emerging Markets Bond</b>				
Less than one day	USD	-	-	-
One day to one week	USD	-	-	-
One week to one month	USD	-	-	-
One month to three months	USD	-	-	-
Three months to one year	USD	-	-	-
Above one year	USD	-	-	-
Open	USD	1,224,016	-	-
<b>Total</b>	<b>USD</b>	<b>1,224,016</b>		<b>-</b>
<b>F&amp;C European Equity</b>				
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	-	-	-
Above one year	EUR	-	-	-
Open	EUR	692,127	-	-
<b>Total</b>	<b>EUR</b>	<b>692,127</b>		<b>-</b>
<b>F&amp;C European Growth and Income</b>				
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	-	-	-
Above one year	EUR	-	-	-
Open	EUR	2,958,510	-	-
<b>Total</b>	<b>EUR</b>	<b>2,958,510</b>		<b>-</b>
<b>F&amp;C European SmallCap</b>				
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	-	-	-
Above one year	EUR	-	-	-
Open	EUR	17,110,059	-	-
<b>Total</b>	<b>EUR</b>	<b>17,110,059</b>		<b>-</b>
<b>F&amp;C Japanese Equity</b>				
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	-	-	-
Above one year	EUR	-	-	-
Open	EUR	2,497,916	-	-
<b>Total</b>	<b>EUR</b>	<b>2,497,916</b>		<b>-</b>
<b>F&amp;C Responsible Global Equity</b>				
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	-	-	-
Above one year	EUR	-	-	-
Open	EUR	24,823,728	-	-
<b>Total</b>	<b>EUR</b>	<b>24,823,728</b>		<b>-</b>

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

**F&C Portfolios Fund**  
**Securities Financing Transactions (unaudited) (continued)**

The following table provides an analysis of the non cash collateral received for the securities lending transactions and OTC by clearing mechanism indicating as well the triparty agent and the bilateral, as at September 30, 2017:

	Security lent non cash collateral received	OTC non cash collateral received
<b>Triparty</b>		
Bank of New York	21,063,761	-
Euroclear	1,382,439	-
JP Morgan Chase Bank	26,762,645	-
<b>Total</b>	<b>49,208,845</b>	-
bilateral	13,088,200	8,584,942

## F&C Portfolios Fund Securities Financing Transactions (unaudited) (continued)

### Data on reuse of collateral

As at 30 September 2017, 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 portfolios in respect of securities lending transactions and OTC derivatives transactions (including TRS) and held by the Funds' Depository (or through its delegates) or through a third party Depository, as at 30 September 2017:

Depository*	Portfolio currency	Market value of non-cash collateral received	
		Securities lent	OTC derivative transactions
<b>BMO Global Absolute Return Bond</b>			
State Street Bank Luxembourg S.C.A.	EUR	-	1,633,567
<b>Total</b>	<b>EUR</b>	<b>-</b>	<b>1,633,567</b>
<b>BMO Global Equity Market Neutral (SICAV)</b>			
State Street Bank Luxembourg S.C.A.	USD	-	6,951,375
<b>Total</b>	<b>USD</b>	<b>-</b>	<b>6,951,375</b>
<b>BMO Responsible Global Emerging Markets Equity</b>			
JP Morgan Chase Bank	USD	1,704,251	-
<b>Total</b>	<b>USD</b>	<b>1,704,251</b>	<b>-</b>
<b>F&amp;C Diversified Growth</b>			
State Street Bank Luxembourg S.C.A.	EUR	802	-
JP Morgan Chase Bank	EUR	8,398,542	-
<b>Total</b>	<b>EUR</b>	<b>8,399,344</b>	<b>-</b>
<b>F&amp;C Emerging Markets Bond</b>			
Euroclear	USD	1,382,439	-
<b>Total</b>	<b>USD</b>	<b>1,382,439</b>	<b>-</b>
<b>F&amp;C European Equity</b>			
State Street Bank Luxembourg S.C.A.	EUR	728,217	-
<b>Total</b>	<b>EUR</b>	<b>728,217</b>	<b>-</b>
<b>F&amp;C European Growth and Income</b>			
State Street Bank Luxembourg S.C.A.	EUR	1,459,878	-
Bank of New York	EUR	1,675,716	-
<b>Total</b>	<b>EUR</b>	<b>3,135,594</b>	<b>-</b>
<b>F&amp;C European SmallCap</b>			
State Street Bank Luxembourg S.C.A.	EUR	3,129,090	-
Bank of New York	EUR	11,442,218	-
JP Morgan Chase Bank	EUR	3,549,000	-
<b>Total</b>	<b>EUR</b>	<b>18,120,308</b>	<b>-</b>
<b>F&amp;C Japanese Equity</b>			
State Street Bank Luxembourg S.C.A.	EUR	519,546	-
JP Morgan Chase Bank	EUR	2,109,828	-
<b>Total</b>	<b>EUR</b>	<b>2,629,374</b>	<b>-</b>
<b>F&amp;C Responsible Global Equity</b>			
State Street Bank Luxembourg S.C.A.	EUR	7,250,667	-
Bank of New York	EUR	7,945,827	-
JP Morgan Chase Bank	EUR	11,001,024	-
<b>Total</b>	<b>EUR</b>	<b>26,197,518</b>	<b>-</b>

\*The Depository to the Portfolios, State Street Bank Luxembourg S.C.A., has delegated the safekeeping function of certain non-cash collateral received by the portfolios to Bank of New York and JP Morgan Chase Bank who act as collateral manager in respect of certain trading arrangements.

### 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.

**F&C Portfolios Fund**  
**Securities Financing Transactions (unaudited) (continued)**

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 Portfolios Fund Administration of the Fund**

### **REGISTERED OFFICE**

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### **MANAGEMENT COMPANY**

FundRock Management Company S.A.  
33, rue de Gasperich  
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F&C Management Limited  
Exchange House, Primrose Street  
London EC2A 2NY  
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*Authorised and Regulated in the United Kingdom by the Financial Conduct Authority (FCA)*

### **INVESTMENT MANAGER TO F&C PLUS FUND**

F&C Portugal, Gestão de Patrimónios, S.A.  
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### **INVESTMENT MANAGER TO F&C GLOBAL CONVERTIBLE BOND**

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Jachthavenweg 109-E  
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Grand Duchy of Luxembourg

### **LISTING AGENT**

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# F&C Portfolios Fund

## Administration of the Fund (continued)

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## **F&C Portfolios Fund Administration of the Fund (continued)**

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Belgium

## F&C Portfolios Fund

### Appendix I – Portfolio and Share Class Launches and Closures

As at 30 September 2017

During the year, the following Portfolio was closed:

Portfolio	Currency	Close date
F&C European High Yield Bond	Euro	Liquidated with effect from 22 September 2017

During the year, the following classes were launched:

Portfolio	Share Class	Currency	Launch date
BMO Global Absolute Return Bond	Class A Acc Shares - Euro	Euro	19 April 2017
BMO Global Absolute Return Bond	Class I Acc Shares - Euro	Euro	13 March 2017
BMO Global Absolute Return Bond	Class I Acc Shares - GBP (Hedged)	GBP	13 March 2017
BMO Global Absolute Return Bond	Class I Acc Shares - US\$ (Hedged)	US\$	13 March 2017
BMO Global Equity Market Neutral (SICAV)	Class F Acc Shares - SEK (Hedged)	SEK	21 November 2016
BMO Responsible Global Emerging Markets Equity	Class R Acc Shares - Euro	Euro	27 January 2016
BMO Responsible Global Emerging Markets Equity	Class R Acc Shares - GBP	GBP	25 November 2016
F&C Diversified Growth	Class F Acc Shares - Euro	Euro	13 March 2017
F&C Diversified Growth	Class F Shares - GBP (Hedged)	GBP	19 October 2016
F&C Diversified Growth	Class F Acc Shares - US\$ (Hedged)	US\$	13 March 2017
F&C European Equity	Class A Acc Shares - Euro	Euro	18 November 2016
F&C European Equity	Class AD Acc Shares - Euro	Euro	11 August 2017
F&C European Equity	Class I Shares - Euro	Euro	18 November 2016
F&C European Equity	Class I Acc Shares - Euro	Euro	18 November 2016
F&C European Equity	Class P Acc Shares - Euro	Euro	18 November 2016
F&C European Equity	Class R Acc Shares - Euro	Euro	18 November 2016
F&C European Growth and Income	Class A Acc Shares - Euro	Euro	18 November 2016
F&C European Growth and Income	Class I Shares - Euro	Euro	18 November 2016
F&C European Growth and Income	Class I Acc Shares - Euro	Euro	18 November 2016
F&C European Growth and Income	Class P Acc Shares - Euro	Euro	18 November 2016
F&C European Growth and Income	Class R Acc Shares - Euro	Euro	18 November 2016
F&C European High Yield Bond	Class F Shares - Euro	Euro	30 December 2016
F&C European SmallCap	Class P Acc Shares - Euro	Euro	18 November 2016

During the year, the following classes were closed:

Portfolio	Share Class	Currency	Close date
F&C European High Yield Bond	Class A Shares - Euro	Euro	Liquidated with effect from 22 September 2017
F&C European High Yield Bond	Class F Shares - Euro	Euro	Liquidated with effect from 22 September 2017
F&C European High Yield Bond	Class I Shares - Euro	Euro	Liquidated with effect from 22 September 2017

During the year, the following classes were made inactive:

Portfolio	Share Class	Currency	Date of making inactive
BMO Global Equity Market Neutral (SICAV)	Class F Acc Shares - NOK (Hedged)	Euro	Made inactive with effect from 30 June 2017
F&C Japanese Equity	Class X Shares - GBP	GBP	Made inactive with effect from 19 December 2016

# F&C Portfolios Fund

## Additional information for investors in federal republic of Germany

As at 30 September 2017

The following investment compartments are not authorised for distribution in the federal republic of Germany:

- F&C Portfolios Fund - F&C Plus Fund
- European High Yield Bond
- F&C Responsible Sharia Global Equity

Domestic Paying and Information Agent

CACEIS Bank Deutschland GmbH  
CBB20  
Lilienthalallee 34-36  
80939 München

has undertaken the function of Paying and Information Agent in the Federal Republic of Germany (the “German Paying and Information Agent”).

Investors in the Federal Republic of Germany may submit redemption and conversion applications for shares of the Subfunds which may be marketed in the Federal Republic of Germany to the German Paying and Information Agent for onward transmission to the Administrative Agent of the Company.

All payments to investors in the Federal Republic of Germany (redemption proceeds, any disbursements or other payments) may be remitted via the German Paying Agent.

The sales prospectus, the Key Investor Information (KII), the Articles of Incorporation of the Company as well as the annual and semi-annual reports are available free of charge and in hardcopy at the German Paying and Information Agent during normal business hours.

Likewise, the issue, redemption and conversion prices of the shares of the Subfunds as well as any notices to the investors in the Federal Republic of Germany are available free of charge as are the agreements concluded between the Custodian Bank and the Company for reference purposes.

Publications

The Issue and redemption prices will be published on [www.vwd.com](http://www.vwd.com).

Any notices to the investors in the Federal Republic of Germany are published in the Federal Gazette ([www.bundesanzeiger.de](http://www.bundesanzeiger.de)).

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