
F&C Portfolios Fund
*Société d'Investissement à Capital Variable
de droit luxembourgeois*
Annual Report & Accounts (Audited)
for the year ended 30th September 2011

R.C.S. Luxembourg B25570



F&C Portfolios Fund

Contents

The Portfolios and their Objectives	2
Board of Directors	6
Chairman's Statement	7
Audit Report	8
Comparative Table	10
F&C Active Return	13
F&C Asia Pacific Dynamic	18
F&C Diversified Growth	23
F&C Emerging Markets Bond	27
F&C Enhanced Alpha UK Equity	33
F&C Euro Inflation Linked Bond	39
F&C European Equity	42
F&C European Growth and Income	46
F&C European High Yield Bond	50
F&C European SmallCap	56
F&C Global Climate Opportunities	61
F&C Global Convertible Bond	66
F&C Global Emerging Markets Portfolio	74
F&C Japanese Equity	80
F&C Latin American Equity	84
F&C North American Equity	88
F&C Pacific Equity	93
F&C Plus Fund	97
F&C Sharia Sustainable Opportunities	103
F&C Stewardship International	108
F&C US Smaller Companies	113
Combined Statement of Net Assets	117
Combined Statement of Operations and Changes in Net Assets	123
Number of Shares Outstanding	135
Notes to the Financial Statements	136
Portfolio Turnover Ratio (Unaudited)	163
Total Expense Ratio (Unaudited)	164
Performance Data	166
Administration	169

Copies of the report and accounts to 30th September 2011 may be obtained from the registered office of F&C Portfolios Fund (the "Fund") at 2-8, avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg and from foreign representatives. Notices to Shareholders are published in the *Mémorial C, Recueil des Sociétés et Associations (the "Mémorial")* 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 have been lodged at *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 and the latest annual and the most recent semi-annual report, if published thereafter.

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

F&C Active Return

The investment objective of F&C Active Return is to achieve long-term capital appreciation by investing its assets in and gaining exposure to global equity, debt and foreign exchange markets.

F&C Asia Pacific Dynamic

The investment objective of F&C Asia Pacific Dynamic is to achieve long-term capital appreciation by investing, directly or indirectly, in companies located in the Far East Region (excluding Japan and as defined in the Prospectus) or deriving a predominant part of their income from that region, whilst their equity is listed on a Stock Exchange elsewhere.

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 Exchange Traded Funds (ETF), financial derivative instruments, listed certificates issued by investment banks, as well as swap contracts 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 Enhanced Alpha UK Equity

The investment objective of F&C Enhanced Alpha UK Equity is to achieve long-term capital appreciation through exposure to UK equities. At least two thirds of F&C Enhanced Alpha UK Equity's total assets will be invested in and derivative positions held, so as to maintain a minimum two-thirds exposure to equity and equity-linked securities of companies that are incorporated under the laws of or have their registered office in the UK or that derive a predominant part of their economic activity from the UK, even if listed elsewhere. There are no restrictions on the size of the companies in which F&C Enhanced Alpha UK Equity may gain exposure.

F&C Euro Inflation Linked Bond

The investment objective of F&C Euro Inflation Linked Bond is to generate a combination of capital growth and income. F&C Euro Inflation Linked Bond will invest at least two thirds of its total assets in Euro denominated inflation linked debt securities of European government issuers, supranational institutions of which one or more EU Member States are members and European government agencies. It may also invest in Euro inflation linked securities issued by European corporate issuers up to a maximum of 20% of the Portfolio's investments.

F&C Portfolios Fund

The Portfolios and their Objectives (continued)

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 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, a country in Europe, or that derive a predominant part of their economic activity from Europe even if listed on a Stock Exchange elsewhere.

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 principally invest 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, a country in Europe, or that derive a predominant part of their economic activity from Europe even if listed on a Stock Exchange elsewhere.

F&C European High Yield Bond

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 Global Climate Opportunities

The investment objective of F&C Global Climate Opportunities is to achieve long-term capital appreciation by investing at least two thirds of its total assets in equity and equity-related securities (excluding convertible bonds and bonds with warrants) of companies, which have activities that fall within any market and part of whose business strategy falls predominantly within technologies or strategies such as: Alternative Energy, Energy Efficiency, Sustainable Mobility, Waste, Advanced Materials, Forestry and Agriculture, Water, Acclimatisation and Supporting Services. (The technologies or strategies listed above should be considered as examples and this list is not exhaustive. The Investment Manager may deviate from this list and choose other criteria related to climate preservation while implementing the investment policy of the portfolio and the list of technologies or strategies may be reviewed by the Board as science and policy develop). The Portfolio may also hold investments in companies that have a clearly stated strategy to move from one business area to a business that is predominantly in a domain as described above. The Investment Manager will follow a "bottom-up" stock selection approach, actively seeking exposure to those companies that fall within the investment themes and whose technologies, strategies or services facilitate or enable the reduction of greenhouse gas emissions and adaptation to climate change.

F&C Portfolios Fund

The Portfolios and their Objectives (continued)

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 Emerging Markets Portfolio

The purpose of F&C Global Emerging Markets Portfolio is to provide a medium through which investors may participate in equity and debt issues in emerging capital markets. For these purposes an emerging market will be a market that possesses a functioning stock market and which is classified by the World Bank as an emerging market. This definition of emerging market will generally be observed by the Investment Manager when selecting the markets in which F&C Global Emerging Markets Portfolio will invest. F&C Global Emerging Markets Portfolio 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, an emerging market country, or that derive a predominant part of their economic activity from emerging market countries, even if listed elsewhere.

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 Latin American Equity

The investment objective of F&C Latin American Equity is to provide long-term capital growth through investment, directly or indirectly, in Latin American (as defined in the Prospectus) companies. F&C Latin American 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 a Latin American country, or admitted to or dealt in on an Eligible Market (as defined in the Prospectus) in Latin America, or that derive a predominant part of their economic activity from Latin American countries, even if listed or negotiated elsewhere.

F&C North American Equity

The principal investment objective of F&C North American Equity is to achieve long-term capital appreciation by investing in North American companies. F&C North American 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, the United States or Canada, or that derive a predominant part of their economic activity from the United States or Canada, even if listed on a Stock Exchange elsewhere.

F&C Portfolios Fund

The Portfolios and their Objectives (continued)

F&C Pacific Equity

The principal investment objective of F&C Pacific Equity is to achieve long-term capital appreciation by investing in companies in the Far East, excluding Japan (the "Pacific Region"). F&C Pacific 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, a country in the Pacific Region (as defined in the Prospectus), or that derive a predominant part of their economic activity from the Pacific Region, even if listed on a Stock Exchange elsewhere.

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.

F&C Plus Fund will invest primarily in fixed income securities, floating rate notes 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 Sharia Sustainable Opportunities

The investment objective of F&C Sharia Sustainable Opportunities is to achieve long-term capital appreciation by investing its assets in equity and equity-related securities (excluding convertible bonds and bonds with warrants) of companies, in any market, whose products and operations are not felt to be harming the world, its people or its wildlife, are considered to be making a positive contribution to society and which adhere to Sharia principles and values as set out in the Islamic investment guidelines (as defined in the Prospectus).

F&C Stewardship International

The investment objective of F&C Stewardship International is to achieve long-term capital appreciation by investing 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, whose products and operations are considered to be making a positive contribution to society. F&C Stewardship International will avoid companies which, on balance, are felt to be harming the world, its people or its wildlife or which trade extensively with oppressive regimes.

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 USD 10 billion or equivalent at the time of purchase.

F&C Portfolios Fund

Board of Directors

Laurence Llewellyn - Chairman

Corporate Executive, F&C Asset Management plc

Exchange House, Primrose Street

London EC2A 2NY, United Kingdom

Jacques Elvinger - Director

Partner - Ehvinger, Hoss & Prussen

2, Place Winston Churchill

B.P. 425, L-2014 Luxembourg, Grand Duchy of Luxembourg

John Karachalios - Director

Consultant and former Citibank Senior Executive and advisor to MetLife Services Limited

43 Katsibiri Street,

Athens 15561, Greece

João Santos - Director

Head of F&C Portugal

Gestão de Patrimónios, S.A.

Rua de Campolide, 372 - 1º

1070-040 Lisbon, Portugal

Dominic Sheridan - Director (resigned from the Board effective 4th November 2011)

Head of Global Fund Services, F&C Asset Management plc

Exchange House, Primrose Street

London EC2A 2NY, United Kingdom

Hugh Moir - Director (appointed to the Board effective 22nd November 2011)

Head of Client Solutions and Strategy, 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 the Luxembourg based F&C Portfolios Fund for the twelve month period ended 30th September 2011. Details of the portfolios together with the Investment Managers' comments can be found later in the report.

During the year, two new share classes have been launched. One of which related to a new Portfolio, F&C Sharia Sustainable Opportunities, which was launched on 22nd March 2011, and the second was the addition of a new share class on F&C Global Convertible Bond on 22nd June 2011. During the year under review the size of the Fund decreased by EUR 87.3 million to EUR 2,006,835,084 (EUR 2,094,152,530 as at 30th September 2010).

It has been a turbulent twelve months for the markets, with global equities trading lower in aggregate amid huge swings in investor sentiment. The rapid rebound in share prices following the 2008/09 recession reversed as doubts grew about the sustainability of the recovery of the developed economies. Compounding the fears of a 'double-dip' recession was a deepening of the sovereign debt crisis in Europe, with Greece teetering on the brink of default and contagion threatening to spread across the eurozone periphery. Markets were also challenged by a series of global headline events including the devastating earthquake and tsunami in Japan and the social and political unrest that swept across North Africa and the Middle East.

Investors' flight from riskier assets over the year translated into gains by government bond markets. Although inflation became an increasing concern as commodity prices continued their steady appreciation, interest rates were kept close to their historic lows in the developed economies as the central banks prioritised the fostering of growth. Only the European Central Bank broke ranks to raise the cost of borrowing during the year.

Our equity fund managers believe that the investment environment will remain challenging in the near to medium term. However, they are encouraged that shares have the potential to rebound strongly once a credible solution to the eurozone debt crisis is tabled. Shares around the world currently offer good value and any signs that the prospects for world growth are improving could well be met by market rallies. In the meantime, our equity portfolios will favour high-quality companies with the ability to deliver sustainable earnings.

Government bond markets should continue to be underpinned by the risk averse environment. With interest rate hikes currently off the agenda in the developed economies, bonds will find ongoing technical support, particularly if further 'quantitative easing' funds are pumped into the financial system by the US Federal Reserve. However, with yields already so low, the potential for significant further gains appears limited.

Laurence Llewellyn

Chairman of the Board of Directors

November 2011



Audit Report

To the Shareholders of
F&C Portfolios Fund

We have audited the accompanying financial statements of F&C Portfolios Fund and of each of its portfolios, which comprise the combined statement of net assets and the schedule of investments as at 30th September 2011 and the combined statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the SICAV for the financial statements

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

Responsibility of the “Réviseur d’entreprises agréé”

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier”. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the “Réviseur d’entreprises agréé”, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the “Réviseur d’entreprises agréé” considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of F&C Portfolios Fund and of each of its portfolios as of 30th September 2011, 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 of the financial statements.

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°00123693)
R.C.S. Luxembourg B 65 477 – Capital social EUR 516 950 – TVA LU17564447



Other matters

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers S.à r.l.
Represented by

Luxembourg, 14th December 2011

Valérie Arnold

F&C Portfolios Fund Comparative Table

TOTAL NET ASSETS

Portfolio	Currency	30th September 2011	30th September 2010	30th September 2009
F&C Active Return	€	82,538,470	91,838,784	64,924,457
F&C Asia Pacific Dynamic	€	45,944,740	97,222,935	100,969,135
F&C Diversified Growth	€	109,041,786	39,690,524	28,786,736
F&C Emerging Markets Bond	\$	126,755,214	140,670,103	126,456,297
F&C Enhanced Alpha UK Equity	£	37,038,691	39,072,591	32,550,552
F&C Euro Corporate Bond ⁽¹⁾	€	N/A	N/A	50,912,716
F&C Euro Inflation Linked Bond	€	82,643,508	80,011,031	68,592,587
F&C European Equity	€	32,351,753	39,117,326	36,272,853
F&C European Growth and Income ⁽²⁾	€	55,683,156	N/A	N/A
F&C European High Yield Bond	€	38,187,367	45,421,081	45,587,267
F&C European SmallCap	€	32,310,292	35,942,391	51,269,643
F&C Global Climate Opportunities	€	37,841,997	43,098,980	38,081,184
F&C Global Convertible Bond	€	561,862,423	573,870,720	247,293,881
F&C Global Emerging Markets Portfolio	\$	120,429,351	81,086,817	67,968,320
F&C GTAA Alpha Fund ⁽³⁾	€	N/A	N/A	16,085,631
F&C Japanese Equity	€	146,228,347	158,338,564	154,873,614
F&C Latin American Equity	\$	75,245,382	104,774,744	84,248,989
F&C North American Equity	€	23,497,620	66,063,854	67,604,962
F&C Pacific Equity	€	13,114,934	26,589,435	13,303,620
F&C Plus Fund	€	355,185,251	393,992,980	446,687,405
F&C Sharia Sustainable Opportunities ⁽⁴⁾	\$	21,402,744	N/A	N/A
F&C Stewardship International	€	65,172,517	63,739,119	44,083,702
F&C US Smaller Companies	\$	34,830,831	74,988,219	96,229,024

⁽¹⁾ Liquidated as from 3rd August 2010

⁽²⁾ Launched on 30th September 2010

⁽³⁾ Liquidated as from 7th December 2009

⁽⁴⁾ Launched on 22nd March 2011

F&C Portfolios Fund

Comparative Table (continued)

NET ASSET VALUE PER SHARE

Portfolio	Currency	30th September 2011	30th September 2010	30th September 2009
F&C Active Return - Class A Shares - Euro	€	103.75	105.50	105.00
F&C Active Return - Class I Shares - Euro	€	105.44	106.64	105.56
F&C Active Return - Class I Shares - GBP (Hedged)	£	104.14	105.79	105.53
F&C Asia Pacific Dynamic - Class A Shares - Euro	€	10.01	12.66	10.94
F&C Asia Pacific Dynamic - Class I Shares - Euro	€	9.67	12.58	10.77
F&C Asia Pacific Dynamic - Class X Shares - Euro	€	10.06	12.69	10.85
F&C Diversified Growth - Class A Shares - Euro ⁽¹⁾	€	9.41	N/A	N/A
F&C Diversified Growth - Class A Shares - GBP (Hedged)	£	9.84	10.50	N/A
F&C Diversified Growth - Class A Shares - US\$ (Hedged)	\$	152.01	162.16	151.56
F&C Diversified Growth - Class I Shares - Euro	€	95.31	100.43	93.91
F&C Diversified Growth - Class X Shares - Euro	€	119.38	124.86	115.88
F&C Diversified Growth - Class X Shares - GBP (Hedged)	£	77.25	81.20	75.46
F&C Emerging Markets Bond - Class A Shares - US\$	\$	13.91	14.80	13.54
F&C Emerging Markets Bond - Class B Shares - US\$	\$	14.41	14.83	13.62
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	€	108.35	115.22	115.67
F&C Enhanced Alpha UK Equity - Class I Shares - GBP	£	74.55	79.18	66.33
F&C Enhanced Alpha UK Equity - Class X Shares - GBP	£	77.01	81.01	67.33
F&C Euro Corporate Bond - Class A Shares - Euro ⁽²⁾	€	N/A	N/A	14.53
F&C Euro Inflation Linked Bond - Class A Shares - Euro	€	9.85	10.46	10.38
F&C Euro Inflation Linked Bond - Class I Shares - Euro	€	9.73	10.27	10.18
F&C European Equity - Class A Shares - Euro	€	9.81	10.57	9.64
F&C European Growth and Income - Class A Shares - Euro ⁽¹⁾	€	9.07	N/A	N/A
F&C European Growth and Income - Class A Shares - GBP ⁽¹⁾	£	9.02	N/A	N/A
F&C European High Yield Bond - Class A Shares - Euro	€	12.16	13.71	12.99
F&C European SmallCap - Class A Shares - Euro	€	11.96	11.77	10.30
F&C Global Climate Opportunities - Class A Shares - Euro	€	37.39	42.61	38.09
F&C Global Climate Opportunities - Class A Shares - GBP	£	46.79	53.63	50.58
F&C Global Climate Opportunities - Class I Shares - Euro	€	37.94	43.16	38.44
F&C Global Climate Opportunities - Class I Shares - GBP	£	47.15	53.95	50.70
F&C Global Climate Opportunities - Class X Shares - GBP	£	47.76	54.56	51.18
F&C Global Climate Opportunities - Hong Kong Class A Shares - US\$	\$	10.37	12.02	11.50
F&C Global Convertible Bond - Class A Shares - Euro	€	13.48	14.13	12.78
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	€	13.34	14.19	13.28
F&C Global Convertible Bond - Class A Shares - GBP	£	11.70	12.29	11.58
F&C Global Convertible Bond - Class I Shares - Euro	€	9.65	9.98	N/A
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	€	13.27	14.13	13.37
F&C Global Convertible Bond - Class I Shares - Euro Accumulating (Hedged) ⁽³⁾	€	8.99	N/A	N/A
F&C Global Convertible Bond - Hong Kong Class A Shares - US\$	\$	11.46	12.24	11.63
F&C Global Emerging Markets Portfolio - Class A Shares - US\$	\$	19.98	24.73	21.72
F&C Global Emerging Markets Portfolio - Class X Shares - GBP	£	8.42	10.17	N/A
F&C GTAA Alpha Fund - Class I Shares - Euro ⁽⁴⁾	€	N/A	N/A	72.03

F&C Portfolios Fund

Comparative Table (continued)

NET ASSET VALUE PER SHARE (continued)

Portfolio	Currency	30th September 2011	30th September 2010	30th September 2009
F&C Japanese Equity - Class A Shares - Euro	€	17.40	18.53	17.92
F&C Japanese Equity - Class I Shares - Euro	€	9.90	10.53	10.18
F&C Japanese Equity - Class I Shares - GBP	£	10.05	10.76	10.94
F&C Japanese Equity - Class X Shares - GBP	£	8.66	9.20	N/A
F&C Latin American Equity - Class I Shares - Euro	€	122.92	154.16	119.84
F&C Latin American Equity - Class I Shares - GBP	£	91.69	115.54	95.17
F&C Latin American Equity - Class I Shares - US\$	\$	10.53	13.41	11.12
F&C North American Equity - Class A Shares - Euro	€	18.50	18.83	16.46
F&C Pacific Equity - Class A Shares - Euro	€	35.44	40.02	35.76
F&C Pacific Equity - Class X Shares - GBP	£	8.82	9.91	N/A
F&C Plus Fund - Class I Shares - Euro	€	55.37	61.42	60.46
F&C Sharia Sustainable Opportunities - Class X Shares – US\$ ⁽⁵⁾	\$	8.56	N/A	N/A
F&C Stewardship International - Class A Shares - Euro	€	8.02	8.49	7.50
F&C Stewardship International - Class A Shares - US\$	\$	9.79	10.55	N/A
F&C Stewardship International - Class B Shares - Euro	€	7.87	8.38	7.44
F&C Stewardship International - Class I Shares - Euro	€	8.42	8.89	7.82
F&C US Smaller Companies - Class A Shares - US\$	\$	83.66	83.32	78.96

⁽¹⁾ Launched on 30th September 2010

⁽²⁾ Liquidated as from 3rd August 2010

⁽³⁾ Launched on 22nd June 2011

⁽⁴⁾ Liquidated as from 7th December 2009

⁽⁵⁾ Launched on 22nd March 2011

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 Fund's Portfolios (each a "Portfolio" and together the "Portfolios") are not to track or follow a specific benchmark.

F&C Portfolios Fund

F&C Active Return

Performance

This report covers the 12 month period to 30th September 2011.

The year ended 30th September 2011 has been yet another challenging and, ultimately, disappointing year for investors. Investors now find themselves operating in a very different environment to any seen prior to the collapse of Lehman Brothers: an environment where quantitative easing, special liquidity provisions and inter-central bank swap lines are discussed in the same fashion as monetary and fiscal policy. The capital markets are now primarily driven by macro factors and different risky assets are exhibiting high levels of correlation making diversification difficult and, at times, fruitless.

Against this difficult backdrop the Portfolio's euro institutional share class produced a total return of -1.13%, whilst the sterling institutional share class produced a total return of -1.56%. The performance differential between the two share classes being due to the interest rate differential between the two currencies.

The Portfolio seeks to trade three broad categories of risk: equity market volatility, equity dividends and equity market correlation. Just as the main asset classes have been challenging so has investing in these three alternative sources of risk.

The Portfolio's performance breaks down into two clear phases. Firstly, the slow accretion of value up to the end of June and then the significant drawdown in the fund price as the macro concerns, chief amongst them the European debt situation, once again come to the fore.

The loss of confidence in July, driven by the failure of the European politicians to grasp the enormity of the situation, the US politicians contriving to bring the US to the brink of default and growing concerns for global growth, resulted in equity markets falling in fairly dramatic fashion.

The growing risk aversion saw investors selling out of risky assets and seeking protection either in the form of purchased insurance e.g. put options or by investing in the perceived safe havens of US and German government bonds. This "panic" drove volatility and correlation higher and, as investors feared the impact of slowing growth (or worse), equity dividends lower. The ultimate result was the fund price falling 3.65% over the final three months of the year.

Market Review

It is not possible, in this report, to do a full review of the events of the past 12 months. However the 12 months have been interesting for a number of reasons. The final quarter of 2010 saw the Federal Reserve Bank implement a second round of quantitative easing (QE2) citing the risk of deflation as good cause for this further economic stimulus. The cynic would argue that QE2 only resulted in rising commodity prices and certainly US economic growth has failed to move beyond stall speed and to generate much needed jobs growth.

The earthquake and subsequent Tsunami that devastated the Miyagi Prefecture in Japan sadly causing massive loss of life, resulted in a more significant disruption of the global manufacturing supply chain than initially thought. It is still unclear to what extent the slow down, particularly in the US, is due to this disruption as opposed to a genuine mid-cycle slowdown or even the early signs of a recession.

Within Europe Greece continued to cause concern as it consistently failed to implement austerity measures which had already been agreed upon. As a result the market is now of the opinion that Greece is insolvent and a default of some sort is now the most likely outcome. The member countries of the Euro agreed to increase the size of the European Financial Stability Facility ("EFSF") but the recent ratification process has demonstrated that further increases to this facility will be difficult to achieve. As it stands the EFSF is not thought to be of sufficient size to convince the markets that Spain and Italy can avoid the loss of confidence that has resulted in Greece, Ireland and Portugal having to turn to the European Union/International Monetary Fund.

Amazingly given the round of austerity measures imposed by a number of countries, the poor growth outlook in both Europe and America and the concerns that China will not avoid an economic hard landing, the European Central Bank ("ECB") still found cause to raise interest rates within Europe from 1% to 1.5%. At the same time the ECB re-started a program to buy Eurozone Government bonds to ensure a stable market. This seemingly resulted in some disagreement within the ECB evidenced by the early departure of Jürgen Stark from the ECB Governing Council (following the earlier departure of Axel Weber). It also took the ECB one step closer to quantitative easing.

F&C Portfolios Fund

F&C Active Return

Outlook

All told it has been a roller coaster of a year. The outlook for the markets is very unclear. Yields on many bonds are very low, often offering a negative real yield. Equity markets are reacting to each change in the perceived probability that European politicians find a solution to their sovereign debt issues. The solution to most of the problems i.e. economic growth, is proving elusive as Governments and consumers attempt to bring their debt situations under control. In all probability the heightened volatility and high levels of correlation are likely to persist for some time.

The Portfolio is an absolute return fund and seeks to generate positive returns in all market environments. In many ways the current turbulent times should offer opportunities, perhaps most probably when the dust begins to settle.

Chris Childs/Stephen Crewe

Portfolio Managers

October 2011

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F&C Portfolios Fund - F&C Active Return

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
BONDS						
Australia						
Australia & New Zealand Banking Group	2.63%	16 November 2012	EUR	4,000,000	4,032,136	4.89
Commonwealth Bank of Australia, V/R	1.66%	02 November 2011	EUR	3,500,000	3,500,613	4.24
					7,532,749	9.13
France						
BNP Paribas, V/R	1.79%	21 June 2012	EUR	3,000,000	2,985,408	3.62
HSBC France, V/R	1.67%	06 December 2013	EUR	1,000,000	985,291	1.19
Société Générale, V/R	1.59%	05 March 2012	EUR	1,700,000	1,691,228	2.05
					5,661,927	6.86
Germany						
Bundesrepublik Deutschland	5.00%	04 January 2012	EUR	13,000,000	13,153,179	15.94
Deutsche Bank, V/R	1.94%	14 February 2013	EUR	3,000,000	2,990,826	3.62
					16,144,005	19.56
Jersey						
UBS/Jersey, V/R	1.65%	18 April 2012	EUR	4,000,000	3,990,504	4.83
Netherlands						
Coöperatieve Centrale Raiffeisen- Boerenleenbank/Netherlands, V/R	1.90%	14 January 2013	EUR	6,000,000	6,002,328	7.27
Spain						
BBVA Senior Finance, V/R	1.84%	23 December 2011	EUR	3,500,000	3,494,008	4.24
Santander International Debt Unipersonal, V/R	2.16%	26 April 2012	EUR	1,500,000	1,487,746	1.80
					4,981,754	6.04
Sweden						
Svenska Handelsbanken, V/R	2.00%	14 January 2013	EUR	2,000,000	2,002,788	2.43
United Kingdom						
Barclays Bank, V/R	2.42%	28 January 2013	EUR	2,000,000	1,985,304	2.41
Barclays Bank	4.25%	27 October 2011	EUR	2,000,000	2,003,328	2.43
Crédit Agricole/London, V/R	1.66%	27 April 2012	EUR	1,500,000	1,491,809	1.81
Crédit Agricole/London, V/R	1.91%	12 March 2013	EUR	2,500,000	2,443,510	2.96
Credit Suisse/London, V/R	1.59%	04 June 2012	EUR	2,500,000	2,494,265	3.02
Credit Suisse/London, V/R	2.17%	07 January 2013	EUR	2,000,000	1,993,096	2.41
HSBC Bank, V/R	2.07%	08 April 2013	EUR	3,000,000	2,990,148	3.62
Lloyds TSB Bank	3.75%	17 November 2011	EUR	3,000,000	3,008,349	3.65
Tesco	5.63%	12 September 2012	EUR	3,000,000	3,106,488	3.76
					21,516,297	26.07
TOTAL BONDS					67,832,352	82.19

F&C Portfolios Fund - F&C Active Return

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
Exchange Traded Notes					
Germany					
iPath VSTOXX Mid-Term Futures Index	27 September 2020	EUR	84,000	2,339,820	2.83
TOTAL EXCHANGE TRADED NOTES				2,339,820	2.83
SHARES					
France					
Air Liquide			11,440	1,006,491	1.22
L'Oreal			15,552	1,141,206	1.38
				2,147,697	2.60
Netherlands					
Unilever			69,231	1,644,582	1.99
TOTAL SHARES				3,792,279	4.59
Total Investments				73,964,451	89.61
Other Net Assets				8,574,019	10.39
Total Net Assets				82,538,470	100.00

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

F&C Portfolios Fund - F&C Active Return
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Financial Services	65.32
Sovereign	15.94
Food & Beverages	5.75
Cosmetics & Personal Care	1.38
Chemicals	1.22
Total Investments	89.61
Other Net Assets	10.39
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Asia Pacific Dynamic

Performance

In the twelve months to 30th September 2011 the Portfolio's Class A Shares returned -20.7%, its Class I Shares returned -20.1% and its Class X Shares returned -19.5%. The median return of the sector – which is the Portfolio's benchmark – was -13.6%. By comparison, the FTSE World Asia Pacific ex-Japan Index fell by 11.1% in euro terms.

The Portfolio posted a disappointing year of absolute and relative performance. Having fallen behind the index at the start of the year due to too much smaller company exposure, the Portfolio was repositioned more towards the faster growing markets of SE Asia at the expense of Australia. This yielded encouraging progress with the Portfolio moving ahead of the index over the six months to the end of June 2011. Unfortunately, the extreme moves in global risk aversion over August and September, coupled with specific stock incidents, mostly based on rumour or association and which subsequently have proven to be unwarranted, led to a disastrous final few months. The losses were concentrated in holdings in commodity and energy stocks in China, Korea and Thailand and holding a relative underweight position in Australia compounded the pain versus the benchmark. The underweight stance in Indian proved correct and the overweight in Korean autos has been sequentially positive with automotive parts manufacturer Mando being the best single stock contributor.

Market Review

Asia Pacific equities posted losses during the year in review as nervous investors sold down investments that were perceived to be higher risk. It was a volatile twelve months, with share prices being hit by events such as unrest in the Middle East, the Japanese earthquake and tsunami and the ongoing sovereign debt crisis in the eurozone. Domestically, inflation remained a concern, with a number of monetary authorities hiking interest rates to combat rising prices. This, together with deepening concerns about the immediate prospects for the Chinese economy, led to choppy trading as the period came to a close.

Outlook

The region's equity markets will remain sensitive to investors' perception of the health of the global economy, with the ongoing financial crisis in the eurozone continuing to be the primary risk. Whether defensive shares continue to lead the market will depend on the magnitude of the economic slowdown in China, and how the authorities there react, as much as the West's ability to avoid a recession and re-establish some semblance of financial sector stability. As the markets are not expecting an imminent relaxation of monetary or fiscal policy in China, any surprise move could well prompt a positive move in share prices. However, it may require a further deterioration of the property market or signs of corporate financial stress to force the authorities' hand. In this scenario, Chinese financials and certain materials stocks would be vulnerable to a short-term dip in investor sentiment. The region remains attractive based on relative Gross Domestic Product ("GDP") growth prospects versus the Western world, and with valuations meaningfully beneath their historical averages, Asian markets are well positioned to enjoy a period of outperformance once investor sentiment stabilises and risk appetite returns.

Peter Dalglish

Portfolio Manager

October 2011

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F&C Portfolios Fund - F&C Asia Pacific Dynamic

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
SHARES			
Australia			
Amcor	178,221	894,661	1.95
Australia & New Zealand Banking Group	47,047	665,239	1.45
Computershare	105,426	570,472	1.24
Iluka Resources	81,541	738,924	1.61
National Australia Bank	70,277	1,138,794	2.48
Newcrest Mining	33,834	835,255	1.82
Orica	50,459	858,228	1.87
Rio Tinto	29,529	1,321,914	2.87
Sonic Healthcare	85,348	704,798	1.53
WorleyParsons	38,341	730,441	1.59
		8,458,726	18.41
China			
Agricultural Bank of China 'H'	2,652,000	655,078	1.43
China Coal Energy 'H'	1,165,000	791,925	1.72
China Construction Bank 'H'	2,389,040	1,095,617	2.38
Focus Media Holding ADR	58,458	731,542	1.59
Ping An Insurance Group Co of China 'H'	131,500	553,960	1.21
		3,828,122	8.33
Hong Kong			
Cheung Kong Holdings	77,000	632,894	1.38
China Gas Holdings	1,223,000	234,183	0.51
China Mengniu Dairy	492,000	1,121,094	2.44
China Overseas Land & Investment	612,250	662,380	1.44
China Resources Cement Holdings	876,000	436,960	0.95
CNOOC	690,600	856,903	1.86
Haier Electronics Group	517,000	270,261	0.59
Hang Lung Properties	276,000	624,943	1.36
Noble Group	669,000	508,914	1.11
		5,348,532	11.64
India			
Glenmark Pharmaceuticals	130,430	641,136	1.40
ICICI Bank	42,224	562,196	1.22
Infosys Technologies	18,998	732,052	1.59
Larsen & Toubro	25,485	526,282	1.15
Mahindra & Mahindra	75,571	924,659	2.01
Reliance Industries	57,054	699,437	1.52
		4,085,762	8.89
Indonesia			
Bank Mandiri	1,329,998	710,472	1.55
Lippo Karawaci	8,403,000	484,506	1.06
PT Astra International	96,500	520,812	1.13
		1,715,790	3.74

F&C Portfolios Fund - F&C Asia Pacific Dynamic

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
Malaysia			
Axiata Group	766,000	822,622	1.79
Bumi Armada	233,000	182,772	0.40
CIMB Group Holdings	375,500	611,021	1.33
		1,616,415	3.52
Papua New Guinea			
Oil Search	129,940	532,752	1.16
Philippines			
SM Investments	53,270	473,989	1.03
Singapore			
Keppel	166,700	738,931	1.61
Straits Asia Resources	572,000	654,324	1.42
United Overseas Bank	75,000	729,251	1.59
		2,122,506	4.62
South Korea			
GS Engineering & Construction	11,627	720,899	1.57
GS Holdings	15,810	575,149	1.25
Hana Financial Group	11,320	250,666	0.55
Hyundai Motor	4,890	652,788	1.42
Hyundai Steel	10,403	580,508	1.26
Mando	7,112	875,169	1.91
Samsung Electronics	3,253	1,728,798	3.76
Samsung Heavy Industries	29,850	524,069	1.14
Shinhan Financial Group	34,948	928,651	2.02
		6,836,697	14.88
Taiwan			
Advanced Semiconductor Engineering	532,000	344,793	0.75
Asustek Computer	125,000	706,192	1.54
Catcher Technology GDR	197,686	1,175,215	2.56
Chinatrust Financial Holding	100,840	44,886	0.10
Hon Hai Precision Industry	483,652	818,540	1.78
HTC	30,100	504,264	1.10
MediaTek	45,000	371,439	0.81
Mega Financial Holding	1,603,820	837,441	1.82
Synnex Technology International Corp	458,000	747,123	1.62
		5,549,893	12.08
Thailand			
Kasikornbank	390,100	1,094,348	2.38
Krung Thai Bank	1,980,600	731,326	1.59
Thai Oil	431,600	525,184	1.15
		2,350,858	5.12

F&C Portfolios Fund - F&C Asia Pacific Dynamic Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
United Kingdom			
HSBC Holdings	112,400	653,751	1.42
TOTAL SHARES		43,573,793	94.84
Total Investments		43,573,793	94.84
Other Net Assets		2,370,947	5.16
Total Net Assets		45,944,740	100.00

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

F&C Portfolios Fund - F&C Asia Pacific Dynamic

Distribution of Investments by Economic Sector

as at 30th September 2011

Sector	% of Net Assets
Financial Services	23.31
Metals & Mining	11.99
Oil & Gas	6.09
Auto Parts & Equipment	5.34
Semiconductors	5.32
Real Estate	5.24
Engineering & Construction	4.31
Electrical Equipment	3.99
Holding Companies	3.97
Coal	3.14
Telecommunication	2.89
Computers	2.78
Food & Beverages	2.44
Retail	2.16
Packaging & Containers	1.95
Advertising	1.59
Software	1.59
Healthcare	1.53
Pharmaceuticals	1.40
Insurance	1.21
Shipbuilding	1.14
Building Materials	0.95
Pipelines	0.51
Total Investments	94.84
Other Net Assets	5.16
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Diversified Growth

Performance

Over the twelve months to 30th September 2011, the net asset value of the Class X Shares - GBP (Hedge) returned -4.9%. The Class A Shares - US\$ (Hedge) shares returned -6.3%. The Class I Shares - Euro returned -5.1%. All returns are net of fees.

The Portfolio fell in value over the year in review. In the first half of the period, gains in global equities, commodities and high-yield corporates were partially offset by losses in Japan stocks, FX and defensive options hedges. We reduced cash, credit and commodities to fund selective hedges as well as to increase exposure to equities and gold. As risk appetite deteriorated the negative impact of the sell-off in risk assets was partially offset by our long positions in defensive hedges in volatility, US dollar and our holdings in cash, which we had increased. Within equities, our preferred emerging markets underperformed the global average. However, relative returns were helped by the minimum exposure to European stocks, while an overweight position in the US also assisted performance as the majority of our holdings were unhedged.

Market Review

Large swings in investor sentiment saw risk assets trade lower in aggregate during the twelve months in review. The rapid rebound in share prices following the 2008/09 recession reversed as doubts grew about the sustainability of the recovery of the developed economies. Compounding the fears of a double-dip recession was a deepening of the sovereign debt crisis in Europe, with Greece teetering on the brink of default and contagion threatening to spread across the eurozone periphery. Areas of the markets suffering the greatest volatility included banks and resources-related stocks. In regional terms, emerging markets suffered the heaviest losses as they were perceived as being most vulnerable to deteriorating risk appetite. Commodities experienced mixed fortunes, with oil rising to within range of its all time high before falling back on global macro-economic fears. Gold was perceived as a safe haven and made strong gains during the year.

Outlook

We continue to position the Portfolio for a “risk-off” environment. We have cut exposure to equities, cyclical commodities and emerging markets in favour of cash and gold. In developed markets, we generally prefer fixed income and especially high-yield over equities as credit is pricing in worse scenarios. Within equities, we are most constructive on emerging markets in the long term but have reduced our overweight as ongoing market headwinds are likely make it difficult for them to outperform in the near term. We have added to our positions in gold and gold miners. We think the price correction in gold is not based on fundamental factors but is a result of forced liquidation sales and profit taking.

Paul Niven

Portfolio Manager

October 2011

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F&C Portfolios Fund - F&C Diversified Growth

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
BONDS						
Germany						
German Treasury Bill	0.00%	11 January 2012	EUR	2,000,000	1,998,486	1.83
TOTAL BONDS					1,998,486	1.83
FUNDS						
France						
Lyxor ETF China Enterprise HSCEI				10,200	856,086	0.78
Germany						
iShares STOXX Europe Small 200 DE				51,998	762,291	0.70
Ireland						
iShares II PLC - iShares JPMorgan \$ Emerging Markets Bond Fund				57,722	4,476,866	4.10
iShares Markit iBoxx Euro Corporate Bond				8,160	970,071	0.89
Neuberger Berman High Yield Bond Fund/Ireland				546,921	6,224,554	5.71
Nomura Voltage Mid-Term Source ETF				15,817	1,421,490	1.30
Source Physical Markets Gold P-ETC				83,269	9,994,514	9.17
Stone Harbor Investment Funds PLC - Emerging Markets Local Currency Debt Fund				22,564	2,297,266	2.11
Vanguard Investment Series PLC - Euro Investment Grade Bond Index Fund				15,434	2,531,630	2.32
Vanguard Investment Series PLC - US Investment Grade Credit Index Fund				34,743	3,694,714	3.39
					31,611,105	28.99
Japan						
Nikko Exchange Traded Index Fund				96,153	706,609	0.65
Nomura TOPIX Exchange Traded Fund				422,300	3,152,400	2.89
					3,859,009	3.54
Jersey						
3i Infrastructure				1,094,489	1,537,634	1.41
DB Physical Gold ETC				27,526	3,312,783	3.04
Lyxor Focus Fund				978,592	1,113,484	1.02
					5,963,901	5.47
Luxembourg						
Credit Suisse Allhedge S				5,965	5,190,052	4.76
DB X-Trackers DJ Euro Stoxx				40,221	878,024	0.80
DB X-Trackers II iTraxx Crossover 'II'				8,145	894,402	0.82
DB X-Trackers MSCI Emerging Market				412,527	10,127,927	9.29
DB X-Trackers MSCI Pacific				230,060	6,203,750	5.69
Lyxor Active Edge Fund				8,890	892,885	0.82
					24,187,040	22.18

F&C Portfolios Fund - F&C Diversified Growth

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
United Kingdom						
F&C Investment Funds ICVC - FTSE All-Share Tracker Fund 'TR'				1,663,000	5,385,140	4.94
F&C UK Property Fund ICVC - F&C UK Property Fund				2,074,000	2,334,120	2.14
					7,719,260	7.08
United States						
iShares Russell 2000 Index Fund				29,832	1,428,565	1.31
Market Vectors Gold Miners ETF				72,304	2,974,180	2.73
SPDR S&P 500 ETF Trust				16,152	1,362,393	1.25
					5,765,138	5.29
TOTAL FUNDS					80,723,830	74.03
Total Investments					82,722,316	75.86
Other Net Assets					26,319,470	24.14
Total Net Assets					109,041,786	100.00

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

F&C Portfolios Fund - F&C Diversified Growth Distribution of Investments by Economic Sector as at 30th September 2011

Sector	% of Net Assets
Financial Services	71.07
Real Estate Fund	2.14
Sovereign	1.83
Alternative Investment	0.82
Total Investments	75.86
Other Net Assets	24.14
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Emerging Markets Bond

Performance

In the twelve months to 30th September 2011 the A share class returned -0.40% (net of fees) underperforming its benchmark, the JP Morgan EMBI Plus Index which returned 1.36%. The B share class returned -1.64% (net of fees) over the same period. The C share class (hedged) returned -0.36% while the EMBI Plus hedged (Euros) benchmark returned 0.81%.

Early in the period under review we reduced interest rate duration in anticipation of higher US yields, and we also cut back exposure to less liquid off-benchmark positions in response to political tensions in the Middle East, and the natural disasters in Japan. However, emerging market debt remained remarkably resilient and this cost the Fund performance. A holding in the Kazak state-owned bank BTAS was amongst positions that impacted returns negatively. Its bonds fell sharply in June, following the release of audited accounts which showed deterioration in solvency. We exited our position as we were not confident in the government's commitment to support the Bank. On a more positive note, our decision to underweight Eastern Europe (Hungary, Croatia and Bulgaria) ahead of the most recent escalation in the eurozone sovereign debt crisis and our purchase of long-maturity bonds in investment-grade Latin American credits such as Brazil, were more successful and partially compensated negative performance elsewhere.

Market review

Emerging Markets spreads widened by 145 basis points to 422 basis points during the year. 10-year US Treasuries rallied during this time and the yield came down from 2.51% to 1.91%. The year in review was volatile and characterised by a spike in global risk aversion. The factors behind this included the downgrade of US government debt from AAA to AA+ (by S&P) and the escalation of sovereign debt problems in the periphery of the eurozone. While the rally in US Treasuries was positive for credits in Latin America with sound fundamentals, the weaker countries such as Argentina underperformed. Central and Eastern European countries suffered contagion from the eurozone crisis, as weak domestic growth could be exacerbated by a downturn in exports to Western Europe. The best performing countries over the year in review were Ecuador (+33.95%), Venezuela (+7.25%) and Colombia (+4.48%) while the worst performers were Argentina (-9.19%), Ukraine (-2.90%) and Indonesia (-1.03%).

Market Outlook

We expect the divergent trends between emerging market countries and developed countries to persist, as emerging market countries generally benefit from healthy sovereign balance sheets, low fiscal deficits, strong balance of payments, well-capitalised banks and greater policy flexibility. Nonetheless, the impact of slower growth in the US, Japan, and the eurozone will act as a drag on emerging market growth. The channels of contagion could be via export volumes, commodity prices, and capital flows. If, as we currently expect, emerging market growth in 2012 slows only to a pace of around 5%, then creditworthiness could continue to improve and spreads still tighten.

The main risks for the asset class are the contagion of a Greek default to other eurozone sovereign countries and the banking sector, a sharper than expected slowdown in China and lower global growth impacting commodity prices.

Jonathan Mann

Portfolio Manager

October 2011

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F&C Portfolios Fund - F&C Emerging Markets Bond

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation \$	% of Net Assets
BONDS						
Argentina						
Argentina Government International Bond, S/U	2.50%	31 December 2038	USD	4,638,000	1,576,920	1.24
Brazil						
Brazil Notas do Tesouro Nacional Serie B	6.00%	15 May 2017	BRL	1,000,000	1,171,257	0.92
Brazilian Government International Bond	4.88%	22 January 2021	USD	2,050,000	2,193,500	1.73
Brazilian Government International Bond	5.63%	07 January 2041	USD	2,100,000	2,270,625	1.79
Brazilian Government International Bond	5.88%	15 January 2019	USD	900,000	1,038,600	0.82
Brazilian Government International Bond	6.00%	17 January 2017	USD	600,000	686,700	0.54
Brazilian Government International Bond	7.13%	20 January 2037	USD	1,600,000	2,048,000	1.62
Brazilian Government International Bond	8.00%	15 January 2018	USD	758,333	899,573	0.71
Brazilian Government International Bond	8.25%	20 January 2034	USD	650,000	915,688	0.72
Brazilian Government International Bond	8.75%	04 February 2025	USD	400,000	564,000	0.45
Brazilian Government International Bond	8.88%	15 April 2024	USD	850,000	1,214,437	0.96
Brazilian Government International Bond	10.13%	15 May 2027	USD	850,000	1,349,375	1.06
Brazilian Government International Bond	11.00%	17 August 2040	USD	1,050,000	1,388,625	1.10
					15,740,380	12.42
Cayman Islands						
Petrobras International Finance Co. - Pifco	6.88%	20 January 2040	USD	200,000	215,867	0.17
China						
China Government Bond	1.60%	20 December 2012	CNH	8,550,000	1,334,076	1.05
Colombia						
Colombia Government International Bond	4.38%	12 July 2021	USD	1,350,000	1,383,750	1.09
Colombia Government International Bond	6.13%	18 January 2041	USD	1,100,000	1,248,500	0.99
Colombia Government International Bond	7.38%	18 September 2037	USD	400,000	522,000	0.41
Colombia Government International Bond	7.38%	18 March 2019	USD	850,000	1,051,875	0.83
Colombia Government International Bond	7.38%	27 January 2017	USD	650,000	778,375	0.61
					4,984,500	3.93
Croatia						
Croatia Government International Bond	6.75%	05 November 2019	USD	350,000	335,125	0.27
Hungary						
Hungary Government International Bond	6.38%	29 March 2021	USD	550,000	530,750	0.42
Indonesia						
Indonesia Government International Bond	4.88%	05 May 2021	USD	800,000	811,500	0.64
Indonesia Government International Bond	5.88%	13 March 2020	USD	1,000,000	1,085,000	0.86
Indonesia Government International Bond	6.63%	17 February 2037	USD	600,000	675,000	0.53
Indonesia Government International Bond	6.88%	17 January 2018	USD	1,250,000	1,425,000	1.12
Indonesia Government International Bond	6.88%	09 March 2017	USD	900,000	1,017,000	0.80
Indonesia Government International Bond	7.50%	15 January 2016	USD	400,000	457,000	0.36
Indonesia Government International Bond	7.75%	17 January 2038	USD	950,000	1,197,000	0.95
Indonesia Government International Bond	8.50%	12 October 2035	USD	450,000	608,625	0.48
					7,276,125	5.74

F&C Portfolios Fund - F&C Emerging Markets Bond

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation \$	% of Net Assets
Luxembourg						
Gazprom Via Gaz Capital	6.51%	07 March 2022	USD	579,000	571,763	0.45
Malaysia						
Malaysia Government Bond	3.70%	25 February 2013	MYR	2,000,000	632,451	0.50
Mexico						
Mexican Bonos	7.75%	14 December 2017	MXN	18,300,000	1,469,837	1.16
Mexico Government International Bond	5.13%	15 January 2020	USD	1,900,000	2,066,250	1.63
Mexico Government International Bond	5.95%	19 March 2019	USD	1,600,000	1,825,600	1.44
Mexico Government International Bond	6.05%	11 January 2040	USD	3,650,000	4,151,875	3.27
Petroleos Mexicanos	6.50%	02 June 2041	USD	1,050,000	1,110,375	0.88
United Mexican States	5.63%	15 January 2017	USD	2,250,000	2,508,750	1.98
United Mexican States	5.75%	12 October 2110	USD	620,000	607,600	0.48
United Mexican States	6.75%	27 September 2034	USD	1,350,000	1,663,875	1.31
United Mexican States	7.50%	08 April 2033	USD	400,000	531,000	0.42
					15,935,162	12.57
Panama						
Panama Government International Bond	6.70%	26 January 2036	USD	1,050,000	1,270,500	1.00
Panama Government International Bond	7.13%	29 January 2026	USD	380,000	476,900	0.38
					1,747,400	1.38
Peru						
Peruvian Government International Bond	6.55%	14 March 2037	USD	1,300,000	1,521,000	1.20
Peruvian Government International Bond	7.13%	30 March 2019	USD	500,000	605,000	0.48
Peruvian Government International Bond	7.35%	21 July 2025	USD	1,000,000	1,245,000	0.98
Peruvian Government International Bond	8.75%	21 November 2033	USD	414,000	590,985	0.47
					3,961,985	3.13
Philippines						
Philippine Government International Bond	5.50%	30 March 2026	USD	1,250,000	1,308,594	1.03
Philippine Government International Bond	6.38%	23 October 2034	USD	1,250,000	1,431,250	1.13
Philippine Government International Bond	6.38%	15 January 2032	USD	1,000,000	1,135,000	0.89
Philippine Government International Bond	6.50%	20 January 2020	USD	1,000,000	1,161,875	0.92
Philippine Government International Bond	7.75%	14 January 2031	USD	450,000	578,812	0.46
Philippine Government International Bond	8.00%	15 January 2016	USD	1,000,000	1,198,750	0.95
Philippine Government International Bond	8.38%	17 June 2019	USD	1,150,000	1,463,375	1.15
Philippine Government International Bond	9.38%	18 January 2017	USD	350,000	443,625	0.35
					8,721,281	6.88
Russia						
Russian Foreign Bond - Eurobond	3.63%	29 April 2015	USD	800,000	788,000	0.62
Russian Foreign Bond - Eurobond	5.00%	29 April 2020	USD	900,000	886,500	0.70
Russian Foreign Bond - Eurobond, S/U	7.50%	31 March 2030	USD	9,719,400	10,939,185	8.63
Russian Foreign Bond - Eurobond	12.75%	24 June 2028	USD	1,320,000	2,208,360	1.74
					14,822,045	11.69
South Africa						
South Africa Government International Bond	5.50%	09 March 2020	USD	1,000,000	1,087,500	0.86

F&C Portfolios Fund - F&C Emerging Markets Bond

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation \$	% of Net Assets
South Africa (continued)						
South Africa Government International Bond	5.88%	30 May 2022	USD	525,000	587,344	0.46
South Africa Government International Bond	6.25%	08 March 2041	USD	125,000	139,531	0.11
					1,814,375	1.43
Turkey						
Turkey Government International Bond	5.63%	30 March 2021	USD	900,000	923,625	0.73
Turkey Government International Bond	6.00%	14 January 2041	USD	1,700,000	1,619,250	1.28
Turkey Government International Bond	6.75%	30 May 2040	USD	1,350,000	1,417,500	1.12
Turkey Government International Bond	6.75%	03 April 2018	USD	1,000,000	1,102,500	0.87
Turkey Government International Bond	7.00%	05 June 2020	USD	1,250,000	1,406,250	1.11
Turkey Government International Bond	7.00%	26 September 2016	USD	600,000	666,000	0.52
Turkey Government International Bond	7.25%	15 March 2015	USD	1,700,000	1,880,625	1.48
Turkey Government International Bond	7.38%	05 February 2025	USD	750,000	858,750	0.68
Turkey Government International Bond	7.50%	07 November 2019	USD	400,000	463,000	0.36
Turkey Government International Bond	7.50%	14 July 2017	USD	2,100,000	2,394,000	1.89
Turkey Government International Bond	11.88%	15 January 2030	USD	300,000	491,625	0.39
					13,223,125	10.43
Ukraine						
NAK Naftogaz Ukraine	9.50%	30 September 2014	USD	500,000	476,250	0.37
Ukraine Government International Bond	7.95%	23 February 2021	USD	400,000	365,000	0.29
					841,250	0.66
Venezuela						
Petroleos de Venezuela	5.38%	12 April 2027	USD	1,850,000	855,625	0.68
Petroleos de Venezuela	8.50%	02 November 2017	USD	900,000	592,875	0.47
Venezuela Government International Bond	5.75%	26 February 2016	USD	1,350,000	975,375	0.77
Venezuela Government International Bond	7.75%	13 October 2019	USD	2,000,000	1,285,000	1.01
Venezuela Government International Bond	8.25%	13 October 2024	USD	900,000	529,875	0.42
Venezuela Government International Bond	9.00%	07 May 2023	USD	1,950,000	1,228,500	0.97
Venezuela Government International Bond	9.25%	15 September 2027	USD	4,510,000	2,858,212	2.25
Venezuela Government International Bond	9.38%	13 January 2034	USD	850,000	533,375	0.42
Venezuela Government International Bond	12.75%	23 August 2022	USD	1,220,000	972,035	0.77
					9,830,872	7.76
TOTAL BONDS					104,095,452	82.12
ASSET BACKED SECURITIES						
Argentina						
Argentina Government International Bond	8.28%	31 December 2033	USD	724,503	496,285	0.39
TOTAL ASSET BACKED SECURITIES					496,285	0.39

F&C Portfolios Fund - F&C Emerging Markets Bond Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Valuation \$	% of Net Assets
Total Investments	104,591,737	82.51
Other Net Assets	22,163,477	17.49
Total Net Assets	126,755,214	100.00

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

F&C Portfolios Fund - F&C Emerging Markets Bond
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Sovereign	79.49
Oil & Gas	3.02
Total Investments	82.51
Other Net Assets	17.49
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Enhanced Alpha UK Equity

Performance

Over the twelve months to 30th September 2011, the Class I Shares returned -5.9% and the Class X Shares returned -4.9%. By comparison, the Portfolio's benchmark, the FTSE All Share Index, returned -4.4%.

The Portfolio benefited from the position in Velti, the mobile phone advertising business, which has seen strong revenue growth and has relisted onto the NASDAQ market. We saw a strong contribution from stock selection in the mining sector where long positions in Patagonia Gold and Petra Diamonds added value, as did our short positions in Vedanta and BHP Billiton. One of our largest overweight positions was in Shire, which returned over 40% during the period. Our short position in troubled consumer electronics retailer Kesa (owners of Comet) made a significant positive contribution as did a short in Carpetright where the valuation still looks expensive. Principal detractors from performance were our short position in National Grid (where we continue to believe the business is challenged by a high level of future capital expenditure, a difficult regulatory environment and a stretched balance sheet) and by underweight positions in tobacco, where we believe that market valuations are too high given the longer term outlook for this sector. The share prices of our holdings in oil and gas exploration companies were impacted by the market's reduced risk appetite towards the end of the period. Shares in ReNeron performed poorly during the market sell-off although we remained reassured that the company's clinical trial into stem cell use for stroke victims remains on track.

Market review

The UK economic recovery faltered over the course of the period, causing confidence in equities to ebb and the FTSE All-Share Index to fall in value. Although the UK market's high exposure to a more buoyant global economy helped support corporate earnings in aggregate, consumer-focused sectors came under increasing pressure as austerity measures designed to reduce the country's record budget deficit took effect. Banks were also weak as a result of ongoing stresses in the eurozone financial system and prospects of tighter regulation. Interest rates were held at their all time low of 0.5% throughout the period in review, despite inflation climbing to more than double the Bank of England's 2.0% target.

Outlook

Overall, the Portfolio is dominated by long positions in companies that possess good long-term prospects helped by strong balance sheets and capable management. We take short positions in those companies that do not. The valuations of our favoured companies do not fully reflect their prospects and hence we expect the Fund to make continued progress over the medium term.

Peter Lees

Portfolio Manager

October 2011

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 Enhanced Alpha UK Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation £	% of Net Assets
BONDS						
Australia						
Australia & New Zealand Banking Group, V/R	1.38%	23 October 2012	GBP	600,000	600,991	1.62
Commonwealth Bank of Australia, V/R	1.53%	20 January 2014	GBP	600,000	600,403	1.62
National Australia Bank, V/R	1.55%	12 November 2013	GBP	600,000	601,177	1.63
Westpac Banking, V/R	1.54%	03 June 2014	GBP	600,000	597,449	1.61
					2,400,020	6.48
Canada						
Bank of Nova Scotia, V/R	1.00%	21 December 2011	GBP	600,000	599,700	1.62
Export Development Canada	4.50%	17 October 2011	GBP	600,000	600,762	1.62
Royal Bank of Canada, V/R	0.98%	14 December 2011	GBP	600,000	600,086	1.62
Toyota Credit Canada	5.13%	17 January 2012	GBP	300,000	303,074	0.82
					2,103,622	5.68
Finland						
Finland Government International Bond, V/R	0.97%	25 March 2015	GBP	600,000	601,042	1.62
Pohjola Bank, V/R	0.92%	21 November 2011	GBP	600,000	599,746	1.62
					1,200,788	3.24
France						
BNP Paribas, V/R	1.11%	25 May 2012	GBP	600,000	593,197	1.60
Caisse d'Amortissement de la Dette Sociale, V/R	1.07%	17 June 2013	GBP	600,000	601,279	1.63
Societe Financement de l'Economie Francaise, V/R	0.88%	16 July 2012	GBP	700,000	700,283	1.89
					1,894,759	5.12
Germany						
Kreditanstalt fuer Wiederaufbau, V/R	0.90%	15 February 2013	GBP	700,000	701,488	1.89
Ireland						
GE Capital UK Funding, V/R	0.93%	30 January 2012	GBP	600,000	599,471	1.62
Luxembourg						
European Investment Bank, V/R	0.90%	30 January 2014	GBP	700,000	701,436	1.89
Netherlands						
Bank Nederlandse Gemeenten	5.75%	07 March 2012	GBP	600,000	612,096	1.65
Cooperatieve Centrale Raiffeisen-Boerenleenbank /Netherlands, V/R	1.39%	06 June 2014	GBP	600,000	599,002	1.62
SNS Bank, V/R	1.48%	27 April 2012	GBP	700,000	702,274	1.90
					1,913,372	5.17
Philippines						
Asian Development Bank, V/R	0.89%	08 February 2016	GBP	400,000	399,167	1.08

F&C Portfolios Fund - F&C Enhanced Alpha UK Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation £	% of Net Assets
Spain						
Santander International Debt Unipersonal, V/R	1.00%	08 March 2012	GBP	600,000	594,895	1.61
Sweden						
Nordea Bank, V/R	1.59%	18 February 2013	GBP	600,000	601,805	1.62
United Kingdom						
Barclays Bank, V/R	1.82%	18 March 2013	GBP	600,000	595,989	1.61
Coventry Building Society	2.00%	05 April 2012	GBP	500,000	502,827	1.36
Deutsche Bank/London, V/R	0.88%	26 April 2012	GBP	600,000	599,355	1.62
Lloyds TSB Bank, V/R	1.13%	27 November 2011	GBP	100,000	100,012	0.27
Lloyds TSB Bank, V/R	1.33%	24 April 2012	GBP	500,000	501,958	1.35
Royal Bank of Scotland/The, V/R	2.83%	13 July 2012	GBP	400,000	403,199	1.09
Tesco Personal Finance, V/R	1.38%	27 February 2012	GBP	500,000	501,778	1.35
UBS/London, V/R	1.59%	28 September 2012	GBP	600,000	599,244	1.62
United Kingdom Gilt	3.25%	07 December 2011	GBP	1,150,000	1,155,607	3.12
					4,959,969	13.39
United States						
International Bank for Reconstruction & Development, V/R	0.88%	19 January 2016	GBP	400,000	400,508	1.08
JPMorgan Chase & Co, V/R	1.04%	27 June 2012	GBP	600,000	596,517	1.61
Wells Fargo & Co, V/R	0.92%	25 January 2012	GBP	600,000	599,398	1.62
					1,596,423	4.31
TOTAL BONDS					19,667,215	53.10
COLLATERALIZED MORTGAGE OBLIGATIONS						
United Kingdom						
Arkle Master Issuer- Series 2006-1X, V/R - Series 2006-1X	0.96%	17 February 2052	GBP	500,000	496,033	1.34
Eurohome UK Mortgage- Series 2007-2, V/R - Series 2007-2	1.03%	15 September 2044	GBP	492,867	477,362	1.29
Fosse Master Issuer PLC- Series 2011-1X, V/R - Series 2011-1X	2.23%	18 October 2054	GBP	500,000	498,449	1.34
Holmes Master Issuer- Series 2007-2X, V/R - Series 2007-2X	0.92%	15 July 2021	GBP	266,667	266,443	0.72
					1,738,287	4.69
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS					1,738,287	4.69
ASSET BACKED SECURITIES						
United Kingdom						
Gracechurch Mortgage Financing- Series 2007-1X '3A3', V/R	0.97%	20 November 2056	GBP	371,327	368,444	1.00
Gracechurch Mortgage Financing PLC- Series 2006-1 'A7', V/R	0.98%	20 November 2056	GBP	200,000	195,629	0.53
Lothian Mortgages PLC- Series 4X 'A3', V/R	0.93%	24 April 2040	GBP	533,191	529,311	1.43

F&C Portfolios Fund - F&C Enhanced Alpha UK Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation £	% of Net Assets
United Kingdom (continued)						
Turbo Finance- Series 2011-1 'A', V/R	2.53%	20 January 2019	GBP	490,747	494,155	1.33
					1,587,539	4.29
TOTAL ASSET BACKED SECURITIES					1,587,539	4.29
SHARES						
Australia						
African Petroleum				765,645	143,304	0.38
Oilex				2,851,799	402,817	1.09
					546,121	1.47
Bermuda						
Gulf Keystone Petroleum				400,587	579,850	1.57
British Virgin Islands						
Zanaga Iron Ore				310,559	304,348	0.82
United Kingdom						
Digital Barriers				250,000	337,500	0.91
ReNeuron Group				8,181,818	321,136	0.87
					658,636	1.78
TOTAL SHARES					2,088,955	5.64
FUNDS						
United Kingdom						
F&C Money Markets Fund				24,999	1,287,101	3.47
TOTAL FUNDS					1,287,101	3.47
MONEY MARKET INSTRUMENTS						
Netherlands						
ABN Amro Bank	0.00%	25 October 2011	GBP	500,000	499,728	1.35
Norway						
DnB Nor Bank	0.00%	10 October 2011	GBP	600,000	599,904	1.62

F&C Portfolios Fund - F&C Enhanced Alpha UK Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation £	% of Net Assets
Sweden						
SBAB Bank	0.00%	14 October 2011	GBP	500,000	499,868	1.35
Skandinaviska Enskilda Banken	0.00%	14 October 2011	GBP	500,000	499,867	1.35
Swedbank	0.00%	26 October 2011	GBP	500,000	499,754	1.35
					1,499,489	4.05
United Kingdom						
ING Bank NV	0.87%	06 December 2011	GBP	500,000	500,000	1.35
Nationwide Building society	0.80%	18 November 2011	GBP	500,000	500,007	1.35
Svenska Handelsbanken	0.76%	27 October 2011	GBP	600,000	600,004	1.62
Transport for London	0.00%	17 November 2011	GBP	700,000	699,325	1.89
United Kingdom Treasury Bill	0.00%	20 February 2012	GBP	100,000	99,822	0.27
United Kingdom Treasury Bill	0.00%	31 October 2011	GBP	687,000	686,721	1.85
United Kingdom Treasury Bill	0.00%	24 October 2011	GBP	2,000,000	1,999,394	5.40
United Kingdom Treasury Bill	0.00%	17 October 2011	GBP	1,000,000	999,779	2.70
United Kingdom Treasury Bill	0.00%	10 October 2011	GBP	500,000	499,938	1.35
					6,584,990	17.78
TOTAL MONEY MARKET INSTRUMENTS					9,184,111	24.80
OTHER TRANSFERABLE SECURITIES						
SHARES						
United Kingdom						
Hurricane Exploration				36,000	399,600	1.08
					399,600	1.08
TOTAL SHARES					399,600	1.08
Total Investments					35,952,808	97.07
Other Net Assets					1,085,883	2.93
Total Net Assets					37,038,691	100.00

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

F&C Portfolios Fund - F&C Enhanced Alpha UK Equity
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Financial Services	61.63
Sovereign	23.34
Oil & Gas	4.12
Supranational	4.05
Automobile ABS	1.33
Commercial Services	0.91
Biotechnology	0.87
Metals & Mining	0.82
Total Investments	97.07
Other Net Assets	2.93
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Euro Inflation Linked Bond

Performance

Over the 12 months to 30th September 2011 the total return for the Class I Share was -2.40% (net of fees) against -1.38% for the Barclays European Inflation Linked Index. The Class A Share returned -2.91% (net of fees) against the same benchmark.

The Portfolio was modestly lower in absolute terms and performance on a relative basis was behind the benchmark. The Portfolio performed well in the first half of the period in review, outperforming its benchmark, benefiting from our short duration positioning and country allocation. We had been overweight Italy, and spreads tightened significantly, and underweight bonds linked to French inflation and these bonds underperformed those linked to eurozone inflation. Later, these positions detracted performance as real yields generally declined, French inflation-linked bonds outperformed our preferred overweight of German inflation-linked bonds. Italian inflation-linked bonds also underperformed the broader market as they became increasingly aligned to the troubled eurozone periphery. An escalation in the eurozone crisis, specifically the precarious position of Greece, was a further blow to the Fund's performance as we held a small position in Greek inflation-linked bonds and this was negatively impacted.

Market Review

Sovereign debt concerns dominated the 12 months in review. First Ireland was forced to request and then accept an EU/IMF bailout and then a series of credit rating downgrades were directed at Spain, Portugal and Greece. The crisis was most acute in Greece where despite bailouts and the implementation of austerity measures, the markets continued to speculate on a default. Against this backdrop there was a huge disparity between the performance of bonds from the various different European countries, While German inflation-linked bonds rallied Greek and Italian inflation-linked bonds weakened. Meanwhile, eurozone-wide consumer prices were rising and inflation crept above the ECBs 2.0% target prompting firstly strong rhetoric and then interest rate rises. Rising fuel, food, alcohol and tobacco prices were cited as the drivers of higher inflation which reached 2.7% ahead of the first of the Bank's rate hikes, in April, when the benchmark interest rate was lifted by 0.25% to 1.25%. The second rate rise followed in July and took the eurozone's benchmark interest rate to 1.50%. This was ahead of September's inflation report, which came out on the last day of the month and showed that eurozone headline inflation had shot up to 3.0%, from 2.5% in August.

Outlook

The September rise in European inflation, by much more than expected, complicates the European Central Bank's ("ECB") task of fighting the region's worsening sovereign debt crisis. While investors had hoped the ECB would move to lower interest rates in the eurozone soon, after raising them twice since April, the September numbers make such a move much more difficult but given the turmoil in the markets a move cannot be excluded. With uncertainty in Europe we are strategically neutral duration but may trade tactically from here to take advantage of shifting market opportunities. On a country allocation, we are underweight bonds linked to French inflation (as opposed to eurozone wide inflation) and remain holding a small position in Greek inflation-linked bonds in the expectation that prices can recover from the current price level.

Michiel de Bruin

Portfolio Manager

October 2011

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 Euro Inflation Linked Bond

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
BONDS						
France						
Caisse d'Amortissement de la Dette Sociale	1.85%	25 July 2019	EUR	3,904,425	4,250,006	5.14
France Government Bond OAT	1.00%	25 July 2017	EUR	6,581,957	6,881,633	8.33
France Government Bond OAT	1.10%	25 July 2022	EUR	3,739,656	3,815,758	4.62
France Government Bond OAT	1.60%	25 July 2015	EUR	261,635	277,807	0.34
France Government Bond OAT	1.80%	25 July 2040	EUR	1,773,844	2,007,796	2.43
France Government Bond OAT	1.85%	25 July 2027	EUR	2,042,840	2,223,795	2.69
France Government Bond OAT	2.25%	25 July 2020	EUR	4,803,673	5,432,185	6.57
France Government Bond OAT	2.50%	25 July 2013	EUR	4,767,634	5,018,555	6.07
France Government Bond OAT	3.15%	25 July 2032	EUR	3,099,836	4,166,211	5.04
France Government Bond OAT	3.40%	25 July 2029	EUR	1,938,196	2,653,196	3.21
					36,726,942	44.44
Germany						
Bundesrepublik Deutschland						
Bundesobligation Inflation Linked	2.25%	15 April 2013	EUR	7,128,514	7,435,468	9.00
Bundesrepublik Deutschland						
Bundesobligation Inflation Linked Bond	0.75%	15 April 2018	EUR	1,349,546	1,415,822	1.71
Deutsche Bundesrepublik Inflation Linked	1.50%	15 April 2016	EUR	7,702,359	8,350,204	10.10
Deutsche Bundesrepublik Inflation Linked	1.75%	15 April 2020	EUR	2,397,080	2,709,516	3.28
					19,911,010	24.09
Greece						
Hellenic Republic Government Bond						
Inflation Linked	2.30%	25 July 2030	EUR	1,777,127	548,226	0.66
Hellenic Republic Government Bond						
Inflation Linked	2.90%	25 July 2025	EUR	982,875	316,898	0.39
					865,124	1.05
Italy						
Italy Buoni Poliennali Del Tesoro	2.10%	15 September 2021	EUR	13,997,839	11,399,560	13.79
Italy Buoni Poliennali Del Tesoro	2.10%	15 September 2017	EUR	4,674,052	4,186,455	5.07
Italy Buoni Poliennali Del Tesoro	2.15%	15 September 2014	EUR	4,777,512	4,595,250	5.56
Italy Buoni Poliennali Del Tesoro	2.35%	15 September 2035	EUR	759,583	528,564	0.64
Italy Buoni Poliennali Del Tesoro	2.55%	15 September 2041	EUR	2,900,535	1,968,187	2.38
Italy Buoni Poliennali Del Tesoro	2.60%	15 September 2023	EUR	2,405,368	1,953,039	2.36
					24,631,055	29.80
TOTAL BONDS					82,134,131	99.38
Total Investments					82,134,131	99.38
Other Net Assets					509,377	0.62
Total Net Assets					82,643,508	100.00

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

F&C Portfolios Fund - F&C Euro Inflation Linked Bond
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Sovereign	99.38
Total Investments	99.38
Other Net Assets	0.62
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 12 month period to 30th September 2011 the net asset value of the portfolio fell by 6.12% compared with the benchmark FTSE All World Europe Index, which returned -10.71%.

Although the Portfolio suffered a negative absolute return our performance relative to the benchmark index was more encouraging. Both sector allocation and stock selection contributed positively with the latter making the biggest impact. Booker Group was the largest positive with its shares performing well on the back of good results that demonstrated the strength of its business model. Irish dairy food specialist Glanbia also enjoyed the benefit of robust corporate performance. Our holdings amongst the under pressure financials sector suffered as investors failed to differentiate between strong and weak companies. ING Groep and BNP Paribas both fell sharply. At the sector level our overweight and then stock selection among life insurers detracted as did our underweight oil and gas producers. Good stock selection among food & drug retailers was strong and our overweight software & computer services proved positive.

Market Review

Continental European stocks fell in the year under review as confidence was buffeted by increasing fears of a collapse of the eurozone financial system. Initially, investor sentiment was supported by solid growth in the 'core' European countries, which offset the stagnation seen in peripheral states. However, this effect began to fade towards the end of the period in review when data relating to the French and German economies pointed to a sharp deceleration in activity. In the meantime, higher fuel and food prices globally caused inflation to rise and the ECB raised its benchmark interest rate from 1.00% to 1.25% in April and then to 1.5% in July. In the final two months of the period, stocks sustained heavy losses as an increasingly likely default by Greece on its sovereign debt threatened to trigger a new banking crisis. Shares were rocked further as investors doubted the policy makers' ability to deliver a workable solution.

Outlook

Uncertainty surrounding the macro economic outlook and the response of the authorities to the ongoing sovereign debt crisis means that markets will likely remain volatile and lacking in clear direction. Against this backdrop, however, we believe that there are opportunities for well-capitalised companies across Europe to build on dominant market positions. Now, more than ever, the importance of capital allocation will come to the fore in determining corporate fortunes and, ultimately, the share prices of individual European companies. In this lower growth environment we think high-quality companies with strong franchises and proven management teams will thrive. European companies therefore selectively offer significant value at current prices. We continue to favour those names with the potential to strengthen their franchises and whose share prices do not reflect this outcome.

Paras Anand

Portfolio Manager

October 2011

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 Portfolio Fund - F&C European Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
SHARES			
Finland			
Nokia	76,299	324,118	1.00
France			
BNP Paribas	19,534	586,997	1.81
Dassault Systemes	16,815	895,062	2.77
Sanofi-Aventis	11,462	565,650	1.75
Schneider Electric	8,796	356,854	1.10
		2,404,563	7.43
Germany			
Adidas	11,534	527,969	1.63
Allianz	12,384	877,530	2.71
Bayer	14,636	606,662	1.88
Deutsche Post	74,789	719,844	2.22
SAP	22,764	872,203	2.70
Siemens	12,588	857,495	2.65
		4,461,703	13.79
Ireland			
C&C Group	330,014	930,639	2.87
Glanbia	311,307	1,370,685	4.24
Kerry Group 'A'	21,399	562,687	1.74
		2,864,011	8.85
Italy			
Ansaldo	45,598	341,301	1.05
Netherlands			
Aegon	118,708	363,721	1.13
Akzo Nobel	22,506	750,013	2.32
Exact Holding	18,880	331,344	1.02
Heineken	14,869	498,706	1.54
ING Groep	176,017	938,699	2.90
Reed Elsevier	103,743	853,701	2.64
Unilever	34,725	824,892	2.55
		4,561,076	14.10
Norway			
DnB NOR	103,638	781,516	2.42
Sweden			
Svenska Handelsbanken 'A'	44,364	847,797	2.62

F&C Portfolio Fund - F&C European Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
Switzerland			
Credit Suisse Group	24,069	474,007	1.47
Novartis	28,517	1,188,729	3.67
Roche Holding	10,045	1,212,489	3.75
Syngenta	2,479	485,154	1.50
UBS	67,397	582,903	1.80
		3,943,282	12.19
United Kingdom			
Booker Group	2,695,084	2,276,468	7.04
BP	85,412	385,271	1.19
Diageo	113,644	1,625,599	5.02
Fidessa Group	22,581	411,623	1.27
G4S	121,028	375,192	1.16
GlaxoSmithKline	55,956	866,030	2.68
HSBC Holdings	171,389	988,799	3.06
Kofax	221,152	740,786	2.29
Laird	184,520	296,079	0.91
Pearson	119,082	1,574,803	4.87
Robert Wiseman Dairies	216,822	755,233	2.33
Sage Group	272,439	811,042	2.51
Tesco	137,509	603,503	1.87
		11,710,428	36.20
TOTAL SHARES		32,239,795	99.65
Total Investments		32,239,795	99.65
Other Net Assets		111,958	0.35
Total Net Assets		32,351,753	100.00

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

F&C Portfolio Fund - F&C European Equity Distribution of Investments by Economic Sector as at 30th September 2011

Sector	% of Net Assets
Food & Beverages	29.20
Financial Services	13.18
Software	12.56
Pharmaceuticals	11.85
Media	7.51
Insurance	6.74
Chemicals	5.70
Transportation	3.27
Miscellaneous Manufacturers	2.65
Retail	1.63
Oil & Gas	1.19
Commercial Services	1.16
Electrical Component & Equipment	1.10
Telecommunication	1.00
Electrical Equipment	0.91
Total Investments	99.65
Other Net Assets	0.35
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C European Growth and Income

Performance

In the 12 month period to 30th September 2011 the net asset value of the Fund's Class A Shares - Euro fell by 9.3% and the Class A Shares - GBP by 9.8%. This compared with the benchmark FTSE All World Developed Europe Index falling 10.71% (euro basis) and 11.23% (sterling basis) respectively.

Although the Portfolio suffered a negative absolute return our performance relative to the benchmark index was more encouraging. Both sector allocation and stock selection contributed positively with the latter making the biggest impact. Booker Group was the largest positive with its shares performing well on the back of good results that demonstrated the strength of its business model. Irish dairy food specialist Glanbia also enjoyed the benefit of robust corporate performance. Our holdings amongst the under pressure financials sector suffered as investors failed to differentiate between strong and weak companies. Credit Suisse, ING Groep and BNP Paribas all fell sharply. At the sector level our underweight oil and gas producers detracted. Stock selection was good among food & drug retailers and media and our overweight software & computer services proved positive.

Market Review

Continental European stocks fell in the year under review as confidence was buffeted by increasing fears of a collapse of the eurozone financial system. Initially, investor sentiment was supported by solid growth in the 'core' European countries, which offset the stagnation seen in peripheral states. However, this effect began to fade towards the end of the period in review when data relating to the French and German economies pointed to a sharp deceleration in activity. In the meantime, higher fuel and food prices globally caused inflation to rise and the ECB raised its benchmark interest rate from 1.00% to 1.25% in April and then to 1.5% in July. In the final two months of the period, stocks sustained heavy losses as an increasingly likely default by Greece on its sovereign debt threatened to trigger a new banking crisis. Shares were rocked further as investors doubted the policy makers' ability to deliver a workable solution.

Outlook

Uncertainty surrounding the macro economic outlook and the response of the authorities to the ongoing sovereign debt crisis means that markets will likely remain volatile and lacking in clear direction. Against this backdrop, however, we believe that there are opportunities for well-capitalised companies across Europe to build on dominant market positions. Now, more than ever, the importance of capital allocation will come to the fore in determining corporate fortunes and, ultimately, the share prices of individual European companies. In this lower growth environment we think high-quality companies with strong franchises and proven management teams will thrive. European companies therefore selectively offer significant value at current prices. We continue to favour those names with the potential to strengthen their franchises and whose share prices do not reflect this outcome.

Paras Anand

Portfolio Manager

October 2011

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F&C Portfolios Fund - F&C European Growth and Income

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
SHARES			
Belgium			
Dexia	4,633	9	0.00
Denmark			
AP Moeller - Maersk 'B'	52	230,049	0.41
Finland			
Nokia	127,696	542,453	0.97
France			
AXA	98,241	972,586	1.75
BNP Paribas	28,761	864,268	1.55
Sanofi-Aventis	34,376	1,696,456	3.04
Schneider Electric	14,640	593,945	1.07
Total	34,853	1,158,339	2.08
		5,285,594	9.49
Germany			
Allianz	26,879	1,904,646	3.42
BASF	23,113	1,065,163	1.91
Bayer	21,779	902,739	1.62
Deutsche Boerse	25,755	972,251	1.75
Deutsche Post	130,133	1,252,530	2.25
SAP	30,178	1,156,270	2.08
		7,253,599	13.03
Ireland			
C&C Group	538,958	1,521,051	2.73
CRH	42,624	502,324	0.90
Glanbia	437,770	1,933,001	3.47
Kerry Group 'A'	32,058	841,551	1.51
Origin Enterprises	173,517	581,282	1.05
		5,379,209	9.66
Italy			
Ansaldo	55,639	416,458	0.75
Netherlands			
Akzo Nobel	42,861	1,428,343	2.56
Exact Holding	60,787	1,066,812	1.91
Heineken	16,958	568,771	1.02
ING Groep	218,962	1,167,724	2.10
Reed Elsevier	153,443	1,262,683	2.27
Royal Dutch Shell 'A'	43,306	1,005,621	1.81
Unilever	55,327	1,314,293	2.36

F&C Portfolios Fund - F&C European Growth and Income

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
Netherlands (continued)			
Wolters Kluwer	92,956	1,136,387	2.04
		8,950,634	16.07
Norway			
DnB NOR	224,082	1,689,763	3.04
Sweden			
Svenska Handelsbanken 'A'	93,978	1,795,921	3.23
Swedish Match	29,346	726,081	1.30
		2,522,002	4.53
Switzerland			
Credit Suisse Group	76,127	1,499,219	2.69
EFG International	74,815	414,389	0.75
Novartis	45,294	1,888,077	3.39
Roche Holding	15,540	1,875,767	3.37
		5,677,452	10.20
United Kingdom			
Berendsen	190,491	952,147	1.71
Booker Group	3,535,119	2,986,024	5.36
Daily Mail & General Trust	197,565	832,899	1.50
Diageo	105,354	1,507,017	2.71
Fidessa Group	26,475	482,605	0.87
G4S	184,135	570,826	1.02
GlaxoSmithKline	117,492	1,818,422	3.26
HSBC Holdings	349,152	2,014,373	3.62
Kofax	168,039	562,875	1.01
Laird	347,429	557,481	1.00
Pearson	174,051	2,301,741	4.13
Robert Wiseman Dairies	452,336	1,575,574	2.83
Sage Group	263,226	783,616	1.41
Tesco	226,775	995,275	1.79
		17,940,875	32.22
TOTAL SHARES		55,888,097	100.37
Total Investments		55,888,097	100.37
Other Net Assets		(204,941)	(0.37)
Total Net Assets		55,683,156	100.00

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

F&C Portfolios Fund - F&C European Growth and Income
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Food & Beverages	23.78
Financial Services	16.63
Pharmaceuticals	13.06
Media	9.94
Software	7.28
Insurance	7.27
Chemicals	6.09
Oil & Gas	3.89
Transportation	3.41
Commercial Services	2.73
Agriculture	2.35
Electrical Component & Equipment	1.07
Electrical Equipment	1.00
Telecommunication	0.97
Building Materials	0.90
Total Investments	100.37
Other Net Assets	(0.37)
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C European High Yield Bond

Performance

For the year ended 30th September 2011, the portfolio returned -4.4% versus a return of -3.2% for the benchmark, the Merrill Lynch European High Yield BB-B Constrained Index, ex subordinated financials.

Despite several positive credit events within the portfolio, which contributed significantly to performance, the Portfolio underperformed over the year. Our underweight position in BB tier bonds detracted from returns as an escalation of the eurozone sovereign debt crisis in Europe caused a spike in risk aversion which resulted in the highest quality bonds outperforming. European high yield bonds underperformed their US counterparts as a consequence of the European crisis. Amongst the most significant individual detractors from performance were Lottomatica, Wind and Fiat.

Market Review

At the start of the period under review, the market remained firm with continued low interest rates and a gradual, if sluggish, recovery all being positive for credits. Concerns over the stability of the Irish Banking system and other peripheral sovereign risk dominated investor sentiment in the final months of 2010 and into 2011. Continued low base rate policies in place in Europe and the US, and low yields in investment grade and money markets fuelled the search for yield, resulting in a shift into higher yielding assets such as high yield. At the same time, credit fundamentals continued to improve with default rates falling and margins and earnings recovering. This supported the opportunity for companies to refinance upcoming 2012 (and later) maturities. Despite some positive elements, such as first quarter corporate earnings generally being ahead of expectations and the new issue market remaining active over the period, an escalation of the sovereign debt crisis in Europe (specifically Greece) and continued political unrest in the Middle East, caused widespread volatility and a widening of spreads for high yield bonds. On-going issues in the European debt crisis and the downgrade of the US sovereign debt proved extremely negative for markets. The sell-off was exacerbated by the thin, seasonal, liquidity as the markets entered the August holiday period. The sell-off continued amid escalating uncertainty about how eurozone leaders would prevent a Greek default and move to contain the crisis. There were strong outflows from the high yield asset class, but the pace of redemptions had begun to slow by the end of the period. Furthermore, liquidity improved after August and the new issue market remained active for higher rated high yield issuers and demand for these bonds was strong with most of them trading well above par.

Outlook

Macro-economic data both in Europe and the US has continued to disappoint and the risk of a second recession has increased. The high yield market remains under pressure as spreads have widened dramatically in recent months. However, the asset class remains attractive on a relative basis. We believe quality has become increasingly important and better quality high yield bonds have fared best. Valuations in all sectors now appear cheap compared to recent trading ranges. This presents some attractive opportunities but there are also reasons to be cautious as there is an increased likelihood of defaults if the economic slowdown becomes more entrenched. On a fundamental assessment we have a preference for US high yield, although valuations of European high yield bonds continue to be appealing, especially in the single B tier.

Chris Brils

Portfolio Manager

October 2011

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F&C Portfolio Fund - F&C European High Yield Bond

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
BONDS						
Australia						
Fairfax Media Group	6.25%	15 June 2012	EUR	200,000	191,000	0.50
Santos Finance, V/R	8.25%	22 September 2070	EUR	613,000	539,440	1.41
					730,440	1.91
Austria						
PE Paper Escrow	11.75%	01 August 2014	EUR	445,000	461,688	1.21
Sappi Papier Holding	6.63%	15 April 2018	EUR	250,000	203,750	0.53
					665,438	1.74
Bermuda						
Central European Media	11.63%	15 September 2016	EUR	457,000	388,450	1.02
Seadrill	6.50%	05 October 2015	USD	400,000	277,260	0.72
					665,710	1.74
Cayman Islands						
BES Finance, V/R	5.58%	29 July 2049	EUR	301,000	100,986	0.26
Seagate HDD	7.00%	01 November 2021	USD	265,000	182,697	0.48
UPCB Finance	7.63%	15 January 2020	EUR	126,000	117,810	0.31
					401,493	1.05
Czech Republic						
CET 21 spol sro	9.00%	01 November 2017	EUR	125,000	113,125	0.30
France						
Alcatel-Lucent/France	8.50%	15 January 2016	EUR	660,000	623,700	1.63
Cie Generale de Geophysique - Veritas	7.75%	15 May 2017	USD	600,000	442,722	1.16
Crown European Holdings	7.13%	15 August 2018	EUR	500,000	487,500	1.28
Lafarge	5.38%	29 November 2018	EUR	200,000	174,915	0.46
Lafarge	5.50%	16 December 2019	EUR	210,000	181,222	0.47
Rexel	8.25%	15 December 2016	EUR	444,000	446,220	1.17
Rhodia	6.88%	15 September 2020	USD	500,000	430,424	1.13
Tereos Europe	6.38%	15 April 2014	EUR	460,000	460,000	1.20
					3,246,703	8.50
Germany						
ALBA Group	8.00%	15 May 2018	EUR	430,000	395,063	1.04
ATU Auto-Teile-Unger Handels	11.00%	15 May 2014	EUR	500,000	395,000	1.04
FMC Finance VIII	6.50%	15 September 2018	EUR	250,000	260,625	0.68
Franz Haniel & Cie	6.75%	23 October 2014	EUR	555,000	578,110	1.51
Kabel Deutschland Vertrieb und Service	6.50%	29 June 2018	EUR	200,000	198,000	0.52
KION Finance, V/R	5.86%	15 April 2018	EUR	100,000	71,500	0.19
KION Finance	7.88%	15 April 2018	EUR	185,000	131,350	0.34
Kronos International	6.50%	15 April 2013	EUR	360,000	347,400	0.91
					2,377,048	6.23
Hungary						
MOL Hungarian Oil & Gas	5.88%	20 April 2017	EUR	750,000	673,125	1.76

F&C Portfolio Fund - F&C European High Yield Bond

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
Ireland						
Ardagh Glass Finance	7.13%	15 June 2017	EUR	575,000	451,375	1.18
Ardagh Packaging Finance	7.38%	15 October 2017	EUR	548,000	513,065	1.34
Bord Gais Eireann	5.75%	16 June 2014	EUR	450,000	429,691	1.13
Inaer Aviation Finance	9.50%	01 August 2017	EUR	215,000	166,625	0.44
RZD Capital	7.49%	25 March 2031	GBP	210,000	232,090	0.61
Smurfit Kappa Acquisitions	7.25%	15 November 2017	EUR	175,000	165,375	0.43
Smurfit Kappa Acquisitions	7.75%	15 November 2019	EUR	600,000	576,000	1.51
					2,534,221	6.64
Italy						
Lottomatica, V/R	8.25%	31 March 2066	EUR	577,000	441,405	1.16
Japan						
eAccess	8.38%	01 April 2018	EUR	260,000	235,950	0.62
Jersey						
Aston Martin Capital	9.25%	15 July 2018	GBP	400,000	357,608	0.94
Corsair Jersey, V/R	6.42%	24 March 2017	EUR	300,000	197,220	0.51
					554,828	1.45
Liberia						
Royal Caribbean Cruises	5.63%	27 January 2014	EUR	176,000	164,120	0.43
Luxembourg						
Bormioli Rocco Holdings	10.00%	01 August 2018	EUR	200,000	195,000	0.51
Calcipar	6.88%	01 May 2018	USD	255,000	165,350	0.43
Cirsa Funding Luxembourg	8.75%	15 May 2018	EUR	543,000	414,716	1.09
Codere Finance Luxembourg	8.25%	15 June 2015	EUR	562,000	497,370	1.30
Fiat Finance & Trade	6.38%	01 April 2016	EUR	350,000	289,188	0.76
Fiat Finance & Trade	7.38%	09 July 2018	EUR	215,000	172,537	0.45
Fiat Industrial Finance Europe	6.25%	09 March 2018	EUR	550,000	441,375	1.15
GCL Holdings	9.38%	15 April 2018	EUR	210,000	162,750	0.43
Greif Luxembourg Finance	7.38%	15 July 2021	EUR	490,000	463,050	1.21
Sunrise Communications Holdings	8.50%	31 December 2018	EUR	320,000	291,200	0.76
Sunrise Communications International	7.00%	31 December 2017	EUR	107,000	102,185	0.27
Wind Acquisition Finance	11.75%	15 July 2017	EUR	600,000	498,000	1.30
Wind Acquisition Holdings Finance	12.25%	15 July 2017	EUR	229,278	178,837	0.47
Xefin Lux	8.00%	01 June 2018	EUR	500,000	445,625	1.17
Zinc Capital	8.88%	15 May 2018	EUR	250,000	193,750	0.51
					4,510,933	11.81
Netherlands						
Cable & Wireless International Finance	8.63%	25 March 2019	GBP	250,000	274,301	0.72
Conti-Gummi Finance	7.50%	15 September 2017	EUR	739,000	699,279	1.83
GMAC International Finance	7.50%	21 April 2015	EUR	788,000	719,050	1.88
Goodyear Dunlop Tires Europe	6.75%	15 April 2019	EUR	420,000	379,050	0.99
HeidelbergCement Finance	7.50%	03 April 2020	EUR	500,000	453,750	1.19
HeidelbergCement Finance BV	9.50%	15 December 2018	EUR	250,000	255,625	0.67
Hertz Holdings Netherlands	8.50%	31 July 2015	EUR	750,000	727,500	1.91
Intergen	8.50%	30 June 2017	EUR	719,000	729,785	1.91
InterXion Holding	9.50%	12 February 2017	EUR	200,000	211,500	0.55
New World Resources	7.88%	01 May 2018	EUR	355,000	308,850	0.81

F&C Portfolio Fund - F&C European High Yield Bond

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
Netherlands (continued)						
NXP Funding, V/R	4.36%	15 October 2013	EUR	193,955	186,197	0.49
OI European Group	6.88%	31 March 2017	EUR	603,000	572,850	1.50
Polish Television Holding, S/U	11.25%	15 May 2017	EUR	373,000	378,595	0.99
UPC Holding	8.00%	01 November 2016	EUR	600,000	564,000	1.48
UPC Holding	8.38%	15 August 2020	EUR	182,000	157,430	0.41
VimpelCom Holdings	7.50%	01 March 2022	USD	370,000	222,684	0.58
Ziggo Bond	8.00%	15 May 2018	EUR	862,000	831,830	2.18
Ziggo Finance	6.13%	15 November 2017	EUR	496,000	482,360	1.26
					8,154,636	21.35
Norway						
Ocean Rig UDW	9.50%	27 April 2016	USD	200,000	131,922	0.35
South Africa						
Edcon	9.50%	01 March 2018	EUR	150,000	112,875	0.30
Edcon Holdings, V/R	7.03%	15 June 2015	EUR	288,000	180,000	0.47
Peermont Global	7.75%	30 April 2014	EUR	350,000	273,000	0.71
Savcio Holdings	8.00%	15 February 2013	EUR	150,000	144,000	0.38
					709,875	1.86
Spain						
Abengoa	8.50%	31 March 2016	EUR	250,000	228,750	0.60
Campofrio Food	8.25%	31 October 2016	EUR	286,000	265,980	0.70
					494,730	1.30
Sweden						
Cyfrowy Polsat Finance	7.13%	20 May 2018	EUR	215,000	194,037	0.51
Nobina Europe	9.13%	01 August 2012	EUR	196,000	194,695	0.51
Stena	6.13%	01 February 2017	EUR	229,000	188,925	0.49
TVN Finance	10.75%	15 November 2017	EUR	100,000	103,500	0.27
					681,157	1.78
United Kingdom						
Anglian Water/Osprey Financing	7.00%	31 January 2018	GBP	400,000	442,946	1.16
BAA	7.13%	01 March 2017	GBP	263,000	285,218	0.75
Barclays Bank, V/R	4.75%	29 March 2049	EUR	600,000	303,000	0.79
Care UK Health & Social Care	9.75%	01 August 2017	GBP	100,000	99,271	0.26
Eco-Bat Finance	10.13%	31 January 2013	EUR	162,500	164,125	0.43
Enterprise Inns	6.50%	06 December 2018	GBP	690,000	582,896	1.53
Exova	10.50%	15 October 2018	GBP	214,000	221,447	0.58
Global Crossing UK Finance	11.75%	15 December 2014	GBP	274,000	324,494	0.85
Ineos Group Holdings	7.88%	15 February 2016	EUR	300,000	207,000	0.54
Infinis	9.13%	15 December 2014	GBP	175,000	202,170	0.53
ISS Financing	11.00%	15 June 2014	EUR	310,000	323,175	0.85
ITV	7.38%	05 January 2017	GBP	761,000	874,743	2.29
Jaguar Land Rover	8.13%	15 May 2018	GBP	100,000	98,981	0.26
Kerling	10.63%	01 February 2017	EUR	840,000	688,800	1.80
Ladbroke Group Finance	7.63%	05 March 2017	GBP	235,000	271,486	0.71
LBG Capital No.1	7.59%	12 May 2020	GBP	120,000	103,103	0.27
Odeon & UCI Finco	9.00%	01 August 2018	GBP	214,000	221,136	0.58
Rexam, V/R	6.75%	29 June 2067	EUR	418,000	367,840	0.96
RI Finance Bonds, V/R	6.13%	29 December 2049	GBP	151,000	117,488	0.31

F&C Portfolio Fund - F&C European High Yield Bond

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
United Kingdom (continued)						
Virgin Media Finance	9.50%	15 August 2016	EUR	680,000	736,100	1.93
William Hill	7.13%	11 November 2016	GBP	510,000	586,221	1.53
					7,221,640	18.91
United States						
Ameristar Casinos	7.50%	15 April 2021	USD	275,000	199,327	0.52
Chesapeake Energy	6.25%	15 January 2017	EUR	854,000	841,190	2.20
CommScope	8.25%	15 January 2019	USD	65,000	47,477	0.12
Iron Mountain	6.75%	15 October 2018	EUR	635,000	558,800	1.46
Nalco	6.88%	15 January 2019	EUR	300,000	327,000	0.86
Reynolds Group	8.75%	15 October 2016	EUR	174,000	167,910	0.44
Rockwood Specialties Group	7.63%	15 November 2014	EUR	248,000	242,792	0.64
					2,384,496	6.24
TOTAL BONDS					37,092,995	97.13
ASSET BACKED SECURITIES						
United States						
Lyondell Chemical	8.00%	01 November 2017	EUR	194,022	204,693	0.54
TOTAL ASSET BACKED SECURITIES					204,693	0.54
Total Investments					37,297,688	97.67
Other Net Assets					889,679	2.33
Total Net Assets					38,187,367	100.00

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

F&C Portfolio Fund - F&C European High Yield Bond

Distribution of Investments by Economic Sector

as at 30th September 2011

Sector	% of Net Assets
Telecommunication	11.78
Oil & Gas	8.73
Packaging & Containers	7.47
Leisure & Tourism	7.45
Financial Services	7.15
Media	6.82
Chemicals	6.42
Commercial Services	4.60
Building Materials	4.39
Retail	4.28
Holding Companies	4.15
Forest Products & Paper	3.68
Electrical Equipment	3.57
Auto Parts & Equipment	3.08
Food & Beverages	1.90
Transportation	1.56
Environmental Control	1.55
Engineering & Construction	1.35
Water	1.16
Healthcare	0.94
Coal	0.81
Internet	0.62
Software	0.55
Energy	0.53
Machinery-Diversified	0.53
Housewares	0.51
Computers	0.48
Consumer Goods	0.44
Manufacturing	0.43
Metals & Mining	0.43
Insurance	0.31
Total Investments	97.67
Other Net Assets	2.33
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C European SmallCap

Performance

During the twelve months to 30th September 2011, the Fund rose by 2.0%. This compared with a benchmark return of -11.1% by the HSBC Smaller Companies Europe (incl. UK) TR Index.

Whilst the wider market suffered a double digit loss we are pleased to report that the Fund generated a positive return. Both sector positioning and stock selection proved positive with the latter making the most significant contribution. UK food wholesaler Booker Group was the largest single contributor as it again delivered strong results. Our holdings in Irish betting firm Paddy Power and dairy foods specialist Glanbia also felt the positive impact of continued good corporate performance. In terms of negatives our holding in commercial vehicle manufacturer SAF-Holland fell on the back of poorly communicated results following an equity issue and management change. Greek jewellery and accessories retailer Folli Follie felt the impact of ongoing concerns around Greece's sovereign debt crisis.

Market Review

European small caps fell in the year under review as confidence was buffeted by increasing fears of a collapse of the eurozone financial system. Initially, investor sentiment was supported by solid growth in the 'core' European countries, which offset the stagnation seen in peripheral states. However, this effect began to fade towards the end of the period in review when data relating to the French and German economies pointed to a sharp deceleration in activity. In the meantime, higher fuel and food prices globally caused inflation to rise and the ECB raised its benchmark interest rate from 1.00% to 1.25% in April and then to 1.5% in July. In the final two months of the period, stocks sustained heavy losses as an increasingly likely default by Greece on its sovereign debt threatened to trigger a new banking crisis. Shares were rocked further as investors doubted the policy makers' ability to deliver a workable solution.

Outlook

The Portfolio's strategy remains consistent; we aim to buy quality businesses at good prices. In our view there will be acceleration in the differentiation between market share gainers and losers in the low growth environment that we are witnessing. This will benefit quality businesses and the distinction that we have seen of late will continue. The two themes that we are focusing on in the portfolio are M&A and technology which we expect to be big drivers of performance from here, as companies look to invest their capital wisely.

The market backdrop is moving towards excessively pessimistic level, where any resolution to the Euro crisis will be taken extremely well. Valuations are looking very attractive and there are areas of the market which now look particularly interesting. Within financials, insurance looks good value, with most companies trading at material discounts to NAV and offering good, sustainable dividend yields.

Sam Cosh

Portfolio Manager

October 2011

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 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
SHARES			
Austria			
Andritz	8,064	496,743	1.54
Belgium			
D'ieteren	13,492	506,220	1.57
Denmark			
Christian Hansen Holding	30,783	477,804	1.48
Novo Nordisk 'B'	4,491	335,564	1.04
Ringkjoebing Landbobank	9,060	675,738	2.09
Topdanmark	3,848	451,446	1.39
		1,940,552	6.00
Finland			
Amer Sports 'A'	91,400	867,386	2.68
France			
Dassault Systemes	8,193	436,113	1.35
Ingenico	12,800	360,832	1.12
Neopost	5,868	322,975	1.00
		1,119,920	3.47
Germany			
CTS Eventim	28,496	636,886	1.97
ElringKlinger	20,655	364,148	1.13
Fuchs Petrolub (Preferred)	15,306	475,787	1.47
Gerresheimer	18,676	588,294	1.82
KUKA	46,760	630,559	1.95
Rational	3,845	651,727	2.02
SAF-Holland	166,715	619,179	1.92
Wincor Nixdorf	13,048	441,022	1.36
		4,407,602	13.64
Greece			
Folli Follie Group	47,982	310,923	0.96
Ireland			
Aer Lingus	896,857	596,410	1.85
C&C Group	337,280	951,130	2.94
Glanbia	228,255	1,005,007	3.11
Irish Continental Group	32,885	479,956	1.49
Kenmare Resources	756,733	298,729	0.92
Kerry Group 'A'	12,312	323,744	1.00
Origin Enterprises	213,229	714,317	2.21

F&C Portfolios Fund - F&C European SmallCap

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
Ireland (continued)			
Paddy Power	17,217	668,364	2.07
		5,037,657	15.59
Italy			
Ansaldo	90,203	675,170	2.09
Azimut Holding	94,053	490,486	1.52
Tod's	6,072	386,786	1.19
		1,552,442	4.80
Netherlands			
ASM International	26,503	498,256	1.54
Delta Lloyd NV	47,221	564,291	1.75
Exact Holding	57,183	1,003,562	3.11
ING Groep	97,013	517,370	1.60
Kendrion	27,373	452,750	1.40
Wolters Kluwer	26,688	326,261	1.01
		3,362,490	10.41
Norway			
Tomra Systems	90,372	438,258	1.36
Poland			
Continental Farmers Group	1,530,000	524,046	1.62
Spain			
Bolsas y Mercados Espanoles	23,679	475,711	1.47
Mediaset Espana Comunicacion	91,009	390,429	1.21
Obrascon Huarte Lain	27,761	516,077	1.60
		1,382,217	4.28
Sweden			
Swedish Match	19,650	486,182	1.50
Switzerland			
EFG International	82,274	455,703	1.41
Lindt & Spruengli	184	400,109	1.24
Partners Group Holding	2,776	341,685	1.06
		1,197,497	3.71
United Kingdom			
AG BARR	42,576	588,753	1.82
Berendsen	95,220	475,946	1.47
Booker Group	1,904,786	1,608,924	4.98
Devro	312,217	852,247	2.64

F&C Portfolios Fund - F&C European SmallCap Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
United Kingdom (continued)			
Dignity	52,238	515,539	1.60
Fidessa Group	26,120	476,134	1.47
Jazztel	175,745	655,529	2.03
Johnson Matthey	27,258	502,258	1.55
Kofax	228,754	766,251	2.37
Laird	250,666	402,216	1.25
Nanoco Group	305,904	177,587	0.55
Robert Wiseman Dairies	190,264	662,726	2.05
Sage Group	106,470	316,958	0.98
Spectris	22,791	309,074	0.96
		8,310,142	25.72
TOTAL SHARES		31,940,277	98.85
Total Investments		31,940,277	98.85
Other Net Assets		370,015	1.15
Total Net Assets		32,310,292	100.00

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

F&C Portfolios Fund - F&C European SmallCap

Distribution of Investments by Economic Sector

as at 30th September 2011

Sector	% of Net Assets
Food & Beverages	21.26
Software	9.28
Financial Services	7.55
Leisure & Tourism	6.72
Agriculture	5.33
Insurance	4.74
Electrical Equipment	4.23
Transportation	3.58
Engineering & Construction	3.55
Commercial Services	3.07
Auto Parts & Equipment	3.05
Computers	2.48
Media	2.22
Retail	2.15
Semiconductors	2.09
Telecommunication	2.03
Airline	1.85
Packaging & Containers	1.82
Distribution & Wholesale	1.57
Chemicals	1.55
Machinery-Diversified	1.54
Oil & Gas	1.47
Holding Companies	1.40
Environmental Control	1.36
Pharmaceuticals	1.04
Office & Business Equipment	1.00
Metals & Mining	0.92
Total Investments	98.85
Other Net Assets	1.15
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Global Climate Opportunities

Performance

On a net of fees basis, over the 12 months to 30th September 2011 the Class I Shares - Euro returned -11.8% and the Class I Shares - GBP returned -12.3%. The Class A Shares - Euro returned -12.3%, the Class A Shares - GBP returned -12.7%. By comparison, the benchmark MSCI World TR Index returned -2.7% in euro terms and -3.2% in sterling terms.

It was a difficult year for climate funds. European and US debt concerns, natural disasters and civil unrest resulted in an environment of heightened volatility and risk aversion which did not suit the mid cap and industrial bias off the Fund.

Our performance versus peers was good and we were placed 6th out of the 32 funds in the Lipper new energy universe (19th percentile).

Both sector and stock selection had an overall negative impact. Our limited ability to invest in consumer staples, healthcare and telecommunications detracted from performance and unfortunately our only defensive sector, utilities, underperformed as a result of fiscal constraints, changing energy policies and a reduction in subsidies or introduction of taxes. The only natural bias of the Fund to benefit performance was our lack of exposure to banks. Stock selection within sectors was negative and reflected the inherent nature of many climate change investments (less mature, lower market cap and industrially biased). At the regional level, the largest detractor was being overweight the emerging markets, however positive stock selection here resulted in a neutral outcome overall. We continued trimming our European position throughout the year, having reduced exposure there by 6% by the end of last year. However, investments here still had a negative impact on performance. Our best performing region was Japan where we held an underweight position pre the earthquake, neutral within a month post the earthquake and overweight in the last quarter.

At the stock level, our position in Dart Energy was our greatest underperformer. We benefited from owning its predecessor Arrow Energy and Dart was a strong performer in its first year from listing. However, following an equity raise and the market's increasing aversion to hold stocks perceived as risky, it did not perform so well last year. Our best performing stock was Bridgestone, which was able to continue raising prices throughout the year as a result of resilient demand.

Market Review

The 12-month period to 30th September 2011 saw volatile swings in sentiment and risk appetite. A few markets retained previously acquired gains but many succumbed to weakness and registered a loss over the year. The key events over the period included an ongoing fiscal crisis in the periphery of the eurozone, the loss of momentum in the recovery of developed economies, a spike in the price of oil and other commodity prices and a devastating earthquake and tsunami in Japan.

Outlook

We continue to hold a higher than normal level of cash, reflecting the uncertainty in stock markets and the global economy. We are mindful of valuations appearing attractive but having the potential to become yet cheaper as a result of the risk to global growth forecasts. As a result of this, we are focused on investing in high quality, resilient, business models that are not predicated on a high growth environment and have proved their durability in the 2008/9 period. We also plan to add some exposure to cyclical names but only when valuations are compelling (e.g. at trough levels) or in business models and industries in which we have a high degree of conviction.

On a regional perspective, we continue to be underweight Europe and the Americas. Our largest overweight is to Japan and we are also overweight the emerging markets.

This period is reminiscent of what we experienced in late 2008 and early 2009. At that point we saw climate funds underperform, and then outperform once the market had bottomed. We are confident that our themes and stocks are structural growers and that these investments will continue to perform well in the long term.

Our confidence in long term outperformance is driven by two things. Firstly, that climate change is increasing in awareness due to real world physical effects, increased consumer and corporate support and increased focus in the political arena. Secondly, these investments make sense from an economic point of view - energy security, electricity prices, access to water, food prices and the more dramatic, extreme weather events are relevant to everyone, and the companies we invest in will continue to play a growing role in addressing these issues.

Richard Mercado

Portfolio Manager
October 2011

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F&C Portfolios Fund - F&C Global Climate Opportunities

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
SHARES			
Australia			
Dart Energy	312,164	118,716	0.32
Paladin Energy	139,065	122,394	0.32
Woodside Petroleum	22,368	526,271	1.39
		767,381	2.03
Belgium			
Umicore	26,751	734,716	1.94
Brazil			
AES Tiete (Preferred)	54,900	518,022	1.37
Tractebel Energia	36,200	379,365	1.00
		897,387	2.37
China			
ENN Energy Holdings	418,000	1,026,511	2.71
France			
Cie de St-Gobain	13,069	377,302	1.00
Suez Environnement	44,169	461,566	1.22
		838,868	2.22
Germany			
Centrotec Sustainable	26,103	356,828	0.94
E.ON	18,470	302,077	0.80
		658,905	1.74
Hong Kong			
China Everbright International	2,465,000	434,245	1.15
Italy			
Prysmian	17,864	177,211	0.47
Japan			
Bridgestone	71,900	1,231,957	3.25
Ebara Corp	135,000	404,667	1.07
Hitachi Metals	60,000	522,151	1.38
Kubota	119,000	723,770	1.91
Kurita Water Industries	54,100	1,141,968	3.02
Torishima Pump Manufacturing	61,500	654,735	1.73
Yamatake	47,200	764,012	2.02
		5,443,260	14.38

F&C Portfolios Fund - F&C Global Climate Opportunities

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
Norway			
Tomra Systems	137,000	664,380	1.75
Yara International	23,800	687,672	1.82
		1,352,052	3.57
Philippines			
Manila Water	1,452,000	469,762	1.24
Singapore			
Hyflux	372,000	317,027	0.84
Switzerland			
ABB ADR	29,900	380,630	1.01
Swiss Re	10,953	382,157	1.01
		762,787	2.02
United Kingdom			
BG Group	79,015	1,138,971	3.01
Intertek Group	41,862	901,613	2.38
United Utilities Group	165,227	1,197,076	3.17
		3,237,660	8.56
United States			
Aecom Technology	50,855	669,753	1.77
Air Products & Chemicals	21,658	1,232,780	3.26
Amyris	13,601	205,176	0.54
Clean Energy Fuels Corp	63,643	527,473	1.39
Deere & Co	18,589	894,605	2.36
eBay	45,877	1,008,357	2.66
F5 Networks	4,900	259,480	0.69
HUB Group 'A'	17,431	367,276	0.97
IHS 'A'	25,324	1,412,006	3.73
Informatica	36,044	1,100,098	2.91
Intel	55,914	888,906	2.35
IntercontinentalExchange	14,466	1,275,061	3.37
ITT	20,651	646,450	1.71
Johnson Controls	18,929	372,034	0.98
Monsanto	16,885	755,590	2.00
NetApp	11,172	282,610	0.75
Norfolk Southern	22,458	1,021,381	2.70
Praxair	17,978	1,252,578	3.31
Quanta Services	14,649	205,154	0.54
Roper Industries	18,345	942,203	2.49
Sims Metal Management	38,963	349,978	0.92
Trimble Navigation	17,863	446,675	1.18
Union Pacific	14,815	901,797	2.38
Waste Management	29,736	721,625	1.91

F&C Portfolios Fund - F&C Global Climate Opportunities

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
United States (continued)			
Whirlpool	9,337	347,328	0.92
		18,086,374	47.79
TOTAL SHARES		35,204,146	93.03
Total Investments		35,204,146	93.03
Other Net Assets		2,637,851	6.97
Total Net Assets		37,841,997	100.00

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

F&C Portfolios Fund - F&C Global Climate Opportunities
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Chemicals	10.39
Machinery-Diversified	9.56
Environmental Control	8.67
Electrical Equipment	7.76
Oil & Gas	7.43
Transportation	6.05
Water	5.63
Metals & Mining	4.56
Computers	4.48
Auto Parts & Equipment	4.23
Financial Services	3.37
Internet	3.35
Commercial Services	2.92
Software	2.91
Engineering & Construction	2.78
Semiconductors	2.35
Building Materials	1.94
Energy	1.93
Manufacturing	1.71
Insurance	1.01
Total Investments	93.03
Other Net Assets	6.97
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Global Convertible Bond

Performance

The return on the Class A Shares – Euro over the 12 months to 30th September 2011 was -3.63% (net of fees) this compares to a return of -1.89% for the benchmark UBS Customised Global Focus Index. The Class A Share - Euro (Hedged) returned -5.07% and the Class I Share - Euro (Hedged) -4.68% (both net of fees) over the same period. This compares to a return of -8.00% for the EUR hedged benchmark UBS Customised Global Focus Index.

Over a volatile 12 months, the Portfolio underperformed its benchmark. Performance had been ahead in the first six months as the portfolio was positioned for an economic and equity market recovery and global growth gathered momentum. During this time the best returns came from our holdings in basic materials (Anglo-American, ArcelorMittal and Petrominerales), industrials (Danaher, Roper, Faurecia) and oil & gas (Mol, Alpha Natural, Cameron). As the global recovery faltered and new challenges emerged (see market review below) there was renewed volatility in the markets and equities fell putting substantial pressure on convertible returns.

For the Portfolio, performance was lost as a result of our focus on quality holdings and diversification of risk. Two notable detractors in this respect were Alcatel Lucent and Autonomy. Alcatel Lucent (a B rated convertible) had an index weight of around 3% and although we were positive on the outlook for the company, our focus on high quality meant that we were underweight relative to the index. In the early months of 2011, the company's share price increased by some 80% and the convertible by around 43%. This position alone cost the Fund around 1% of relative performance. English software company Autonomy was acquired by Hewlett Packard at a 90% take-over premium and the convertible traded up by 50%, as it benefited by 30 points from its takeover protection terms. The GBP 500m convertible had an index weight of 1.85% while in our Fund it was 0.5% (we were already invested in 2% of the overall issue size) and this obviously dented performance on a relative basis.

Market Review

At the start of the period in review economic data releases supported the scenario of a recovery in the global economy and this in turn boosted confidence amongst equity investors, driving stock markets higher. This was positive for convertibles. As the year progressed the data became more mixed and later, in the case of the US, appeared to be turning negative. Other hurdles to progress also appeared. The most dominant of these was the sovereign debt crisis in the eurozone - centring on Ireland, Greece, Portugal, Italy and Spain. Political unrest in the Middle East, an earthquake/tsunami in Japan and a credit rating downgrade for US debt were other factors that instigated volatility and negative sentiment. The blend of equity and bond characteristics enjoyed by convertibles helped the asset class to weather the worst of the turbulence but could not prevent overall losses. The closing months of the period in review were perhaps the most damaging as the inability of European policy makers to control the debt crisis saw contagion to the banking and finance sectors. This strained the valuations of convertible bonds through a sharply fall in equity prices as well as widening credit spreads.

Outlook

The global economic outlook has deteriorated in the last three months as a result of lower GDP forecasts. However, for the US and the world as a whole, we do not expect a recession yet. The recent economic data in the U.S. underpins this vision. The main risk at the moment is the lack of accurate measures in Europe to control the spreading of the Sovereign debt crisis, which could result in a banking crisis (as banks hold too much of these Government bonds on their balance sheets). On the other hand, valuations in the markets are becoming cheap and quite attractive. We believe the current uncertain environment is supportive for investing in convertibles, as investors are protected on the downside, while the upside is unlimited to benefit from recovery potential.

Anja Eijking
Portfolio Manager
October 2011

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 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
BONDS						
Finland						
Talvivaara Mining	4.00%	16 December 2015	EUR	2,200,000	2,013,704	0.36
France						
Crédit Agricole	0.00%	27 July 2015	EUR	2,050,000	1,871,650	0.33
Jersey						
Lah Jersey	7.00%	15 October 2015	USD	1,510,000	1,138,943	0.20
Netherlands						
BNP Paribas Arbitrage Issuance	0.00%	15 June 2016	EUR	2,050,000	2,005,515	0.36
United Kingdom						
Sainsbury	4.25%	16 July 2014	GBP	2,350,000	2,965,117	0.53
TOTAL BONDS					9,994,929	1.78
CONVERTIBLE BONDS						
Australia						
Aquarius Platinum	4.00%	18 December 2015	USD	3,700,000	2,482,009	0.44
CFS Retail Property Trust	5.75%	04 July 2016	AUD	4,600,000	3,188,713	0.57
Commonwealth Property Office Fund	5.25%	11 December 2016	AUD	3,000,000	2,019,193	0.36
					7,689,915	1.37
Austria						
Steinhoff Finance Holding	4.50%	31 March 2018	EUR	3,300,000	2,654,949	0.47
Steinhoff Finance Holding	5.00%	22 May 2016	EUR	3,150,000	2,978,986	0.53
					5,633,935	1.00
Belgium						
Fortis Bank	5.16%	31 December 2049	EUR	11,500,000	3,811,905	0.68
UCB	4.50%	22 October 2015	EUR	2,450,000	2,687,870	0.48
					6,499,775	1.16
Bermuda						
Bunge (Preferred)	4.88%	31 December 2049	USD	28,600	1,961,094	0.35
Seadrill	3.38%	27 October 2017	USD	19,100,000	14,492,768	2.58
					16,453,862	2.93
British Virgin Islands						
Billion Express Investments	0.75%	18 October 2015	USD	4,000,000	3,435,373	0.61
Newford Capital	0.00%	12 May 2016	USD	3,300,000	2,042,375	0.36
Power Regal Group	2.25%	02 June 2014	HKD	20,160,000	2,104,787	0.38
					7,582,535	1.35

F&C Portfolios Fund - F&C Global Convertible Bond

Schedule of Investments as at 30th September 2011

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Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
Canada						
Goldcorp	2.00%	01 August 2014	USD	2,100,000	1,954,517	0.35
Cayman Islands						
BES Finance	1.63%	15 April 2013	USD	2,200,000	1,264,824	0.23
Pyrus	7.50%	20 December 2015	USD	2,700,000	1,927,329	0.34
					3,192,153	0.57
China						
Soho China	3.75%	02 July 2014	HKD	22,100,000	2,227,816	0.39
Colombia						
Petrominerales	2.63%	25 August 2016	USD	3,100,000	2,121,456	0.38
France						
Air France-KLM	4.97%	01 April 2015	EUR	4,298,834	4,071,416	0.73
Alcatel-Lucent/France	5.00%	01 January 2015	EUR	8,086,305	7,993,833	1.42
Atos Origin	2.50%	01 January 2016	EUR	1,149,633	1,217,171	0.22
AXA	3.75%	01 January 2017	EUR	1,332,275	1,706,270	0.30
Capital Gemini	3.50%	01 January 2014	EUR	3,400,000	3,672,643	0.65
Cie Generale de Geophysique - Veritas	1.75%	01 January 2016	EUR	2,435,280	2,194,267	0.39
Etablissements Maurel et Prom	7.13%	31 July 2014	EUR	3,404,606	3,696,204	0.66
Eurazeo	6.25%	10 June 2014	EUR	6,302,330	7,597,608	1.35
Faurecia	4.50%	01 January 2015	EUR	2,936,199	3,243,068	0.58
Gecina	2.13%	01 January 2016	EUR	5,030,565	4,849,802	0.86
Ingenico	2.75%	01 January 2017	EUR	1,404,000	1,572,184	0.28
Misarte	3.25%	01 January 2016	EUR	5,998,912	6,114,765	1.09
Nexans	4.00%	01 January 2016	EUR	627,170	666,868	0.12
Orpea	3.88%	01 January 2016	EUR	3,073,985	2,966,030	0.53
Peugeot	4.45%	01 January 2016	EUR	9,472,740	9,448,317	1.68
Pierre & Vacances	4.00%	01 October 2015	EUR	1,159,912	1,120,746	0.20
Publicis Groupe	3.13%	30 July 2014	EUR	5,651,703	6,933,378	1.23
Société Générale Option Europe - Series RDSA	1.00%	19 April 2012	EUR	2,510,000	2,644,096	0.47
Technip	0.50%	01 January 2016	EUR	12,548,100	13,177,937	2.35
TEM	4.25%	01 January 2015	EUR	3,839,112	3,900,408	0.69
Unibail-Rodamco	3.50%	01 January 2015	EUR	8,262,022	10,445,141	1.86
					99,232,152	17.66
Germany						
KFW	1.50%	30 July 2014	EUR	13,700,000	14,434,731	2.57
KFW	3.25%	27 June 2013	EUR	8,900,000	9,143,771	1.63
SGL Carbon	0.75%	16 May 2013	EUR	2,450,000	2,778,961	0.49
					26,357,463	4.69
Hong Kong						
Chaoda Modern Agriculture Holdings	3.70%	01 September 2015	USD	3,000,000	894,388	0.16
Glory River Holdings	1.00%	29 July 2015	HKD	20,400,000	1,780,351	0.32
Hengdeli Holdings	2.50%	20 October 2015	HKD	14,000,000	1,258,992	0.22
PB Issuer No 2	1.75%	12 April 2016	USD	3,330,000	2,058,981	0.37

F&C Portfolios Fund - F&C Global Convertible Bond

Schedule of Investments as at 30th September 2011

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Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
Hong Kong (continued)						
Sino-Forest	4.25%	15 December 2016	USD	2,300,000	394,276	0.07
					6,386,988	1.14
Hungary						
Magyar Nemzeti Vagyonkezel	4.40%	25 September 2014	EUR	3,200,000	2,762,112	0.49
India						
Sesa Goa	5.00%	31 October 2014	USD	3,000,000	2,004,703	0.36
Shiv-Vani Oil & Gas Exploration Services	5.00%	17 August 2015	USD	2,050,000	1,148,089	0.21
Tata Power	1.75%	21 November 2014	USD	3,500,000	2,321,290	0.41
Tata Steel	4.50%	21 November 2014	USD	4,350,000	2,985,766	0.53
Welspun	4.50%	17 October 2014	USD	2,500,000	1,590,184	0.28
					10,050,032	1.79
Ireland						
Shire	2.75%	09 May 2014	USD	8,280,000	7,013,654	1.25
WPP	5.75%	19 May 2014	GBP	4,100,000	5,839,205	1.04
					12,852,859	2.29
Italy						
Beni Stabili	3.88%	23 April 2015	EUR	1,800,000	1,484,586	0.26
Hera	1.75%	01 October 2013	EUR	2,900,000	2,722,694	0.49
					4,207,280	0.75
Japan						
Aeon	0.30%	22 November 2013	JPY	410,000,000	4,684,078	0.83
Asahi Breweries	0.00%	26 May 2028	JPY	314,000,000	3,115,066	0.55
Asahi Glass	0.00%	14 November 2014	JPY	425,000,000	4,188,060	0.75
Hitachi	0.10%	12 December 2014	JPY	222,000,000	2,760,042	0.49
Nippon Meat Packers	0.00%	03 March 2014	JPY	190,000,000	1,890,718	0.34
ORIX	1.00%	31 March 2014	JPY	329,000,000	3,456,690	0.62
Sawai Pharmaceutical	0.00%	17 September 2015	JPY	217,000,000	2,285,463	0.41
Sekisui House	0.00%	05 July 2016	JPY	270,000,000	2,721,167	0.48
Unicharm	0.00%	24 September 2015	JPY	380,000,000	4,046,286	0.72
					29,147,570	5.19
Jersey						
Derwent London Capital Jersey	2.75%	15 July 2016	GBP	3,300,000	3,718,483	0.66
International Power Finance Jersey III	4.75%	05 June 2015	EUR	5,750,000	5,989,947	1.06
Magnolia Finance, V/R	4.00%	29 March 2049	EUR	6,300,000	3,975,111	0.71
Nero Finance	4.50%	15 April 2013	EUR	3,200,000	2,816,576	0.50
Premier Oil Finance Jersey	2.88%	27 June 2014	USD	2,450,000	1,951,947	0.35
UBS	3.22%	31 July 2012	EUR	4,250,000	1,638,163	0.29
					20,090,227	3.57
Luxembourg						
ArcelorMittal	5.00%	15 May 2014	USD	2,550,000	1,999,347	0.35
ArcelorMittal	7.25%	01 April 2014	EUR	10,687,950	12,213,268	2.17

F&C Portfolios Fund - F&C Global Convertible Bond

Schedule of Investments as at 30th September 2011

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Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
Luxembourg (continued)						
Kloeckner & Co Financial Services	6.00%	09 June 2014	EUR	2,150,000	2,192,871	0.39
Qiagen Euro Finance	3.25%	16 May 2026	USD	2,500,000	1,944,902	0.35
					18,350,388	3.26
Malaysia						
YTL Finance Labuan	1.88%	18 March 2015	USD	2,800,000	2,015,741	0.36
Mexico						
Cemex	4.88%	15 March 2015	USD	2,800,000	999,106	0.18
Netherlands						
BNP Paribas Arbitrage Issuance	0.00%	15 June 2016	EUR	2,800,000	2,601,480	0.46
BNP Paribas Arbitrage Issuance	0.00%	20 May 2013	EUR	3,020,000	2,986,780	0.53
Celesio Finance	2.50%	07 April 2018	EUR	2,300,000	1,830,179	0.33
Lehman Brothers Treasury	0.00%	21 May 2010	EUR	350,000	0	0.00
Lukoil International Finance	2.63%	16 June 2015	USD	12,600,000	9,559,641	1.70
Portugal Telecom International Finance	4.13%	28 August 2014	EUR	8,800,000	7,368,416	1.31
Wereldhave	4.38%	16 September 2014	EUR	3,500,000	3,344,915	0.60
					27,691,411	4.93
Philippines						
San Miguel	2.00%	05 May 2014	USD	5,800,000	4,436,004	0.79
Portugal						
Parpublica - Participacoes Publicas	5.25%	28 September 2017	EUR	6,750,000	5,331,285	0.95
Singapore						
Capitaland	2.88%	03 September 2016	SGD	4,000,000	2,131,792	0.38
First Resources	5.63%	22 September 2014	USD	2,900,000	2,705,363	0.48
Olam International	6.00%	15 October 2016	USD	2,900,000	2,431,076	0.43
Ruby Assets	1.60%	01 February 2017	SGD	4,250,000	2,384,845	0.43
Wilmar International	0.00%	18 December 2012	USD	2,900,000	2,587,672	0.46
					12,240,748	2.18
South Korea						
Lotte Shopping	0.00%	05 July 2016	USD	3,200,000	2,140,687	0.38
SK Telecom	1.75%	07 April 2014	USD	5,134,000	4,031,627	0.72
					6,172,314	1.10
Spain						
Abengoa	4.50%	03 February 2017	EUR	2,100,000	1,748,628	0.31
Sweden						
Industrivarden	1.88%	27 February 2017	EUR	4,300,000	3,745,859	0.66
Industrivarden	2.50%	27 February 2015	EUR	10,000,000	10,557,100	1.88
					14,302,959	2.54

F&C Portfolios Fund - F&C Global Convertible Bond

Schedule of Investments as at 30th September 2011

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Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
Taiwan						
Epistar Corp	0.00%	27 January 2016	USD	2,000,000	1,197,645	0.21
TPK Holding	0.00%	20 April 2014	USD	2,600,000	1,708,148	0.31
					2,905,793	0.52
United Arab Emirates						
Aabar Investments	4.00%	27 May 2016	EUR	7,600,000	6,792,956	1.21
Polarcus	2.88%	27 April 2016	USD	3,300,000	1,867,819	0.33
					8,660,775	1.54
United Kingdom						
Anglo American	4.00%	07 May 2014	USD	6,200,000	6,411,642	1.14
International Consolidated Airlines Group	5.80%	13 August 2014	GBP	2,834,000	3,565,144	0.63
Subsea 7	2.25%	11 October 2013	USD	6,900,000	5,600,689	1.00
TUI Travel	6.00%	05 October 2014	GBP	3,700,000	3,270,755	0.58
					18,848,230	3.35
United States						
AGCO	1.25%	15 December 2036	USD	2,500,000	2,084,576	0.37
Allegheny Technologies	4.25%	01 June 2014	USD	2,000,000	1,807,811	0.32
Alliance Data Systems	1.75%	01 August 2013	USD	2,800,000	2,697,095	0.48
Alpha Natural Resources	2.38%	15 April 2015	USD	2,400,000	1,698,102	0.30
Amgen	0.38%	01 February 2013	USD	6,030,000	4,428,726	0.79
Apollo Investment	5.75%	15 January 2016	USD	2,100,000	1,382,311	0.25
Archer-Daniels-Midland	0.88%	15 February 2014	USD	1,550,000	1,151,115	0.20
Ares Capital	5.75%	01 February 2016	USD	2,200,000	1,554,462	0.28
Bank of America - Series L (Preferred)	7.25%	31 December 2049	USD	10,400	5,937,464	1.06
BioMed Realty	3.75%	15 January 2030	USD	2,200,000	1,798,435	0.32
Chesapeake Energy	2.75%	15 November 2035	USD	5,627,000	4,292,281	0.76
D.R. Horton	2.00%	15 May 2014	USD	2,650,000	1,985,278	0.35
Danaher	0.00%	22 January 2021	USD	4,295,000	3,899,913	0.69
Dominion Resources	2.13%	15 December 2023	USD	2,860,000	3,096,589	0.55
EMC	1.75%	01 December 2013	USD	10,135,000	10,650,399	1.90
General Cable, S/U	4.50%	15 November 2029	USD	2,480,000	1,712,876	0.30
Gilead Sciences	0.63%	01 May 2013	USD	4,180,000	3,567,627	0.63
Gilead Sciences	1.63%	01 May 2016	USD	4,760,000	4,107,784	0.73
Hartford Financial Services Group (Preferred)	7.25%	01 April 2013	USD	127,500	1,830,253	0.33
Health Care REIT	3.00%	01 December 2029	USD	3,040,000	2,405,377	0.43
Host Hotels & Resorts	2.50%	15 October 2029	USD	2,420,000	1,894,714	0.34
Intel	2.95%	15 December 2035	USD	9,350,000	7,105,010	1.26
International Game Technology	3.25%	01 May 2014	USD	1,830,000	1,588,910	0.28
Kilroy Realty	4.25%	15 November 2014	USD	2,300,000	1,846,411	0.33
Lam Research Corp	1.25%	15 May 2018	USD	4,800,000	3,327,516	0.59
Lennar	2.75%	15 December 2020	USD	3,000,000	2,072,386	0.37
Liberty Media	3.13%	30 March 2023	USD	4,900,000	3,939,685	0.70
Liberty Media	3.25%	15 March 2031	USD	1,752,000	1,047,713	0.19
Life Technologies	1.50%	15 February 2024	USD	2,000,000	1,511,843	0.27
Linear Technology	3.00%	01 May 2027	USD	3,150,000	2,388,619	0.43
Medtronic	1.63%	15 April 2013	USD	4,518,000	3,372,185	0.60
MetLife (Preferred)	5.00%	11 September 2013	USD	50,200	2,116,205	0.38
Micron Technology	1.50%	01 August 2031	USD	2,850,000	1,903,809	0.34
Microsoft	0.00%	15 June 2013	USD	10,050,000	7,597,686	1.35

F&C Portfolios Fund - F&C Global Convertible Bond Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
United States (continued)						
Molson Coors Brewing - Series B	2.50%	30 July 2013	USD	4,550,000	3,589,742	0.64
Molycorp (Preferred)	5.50%	01 March 2014	USD	26,700	1,375,099	0.24
Mylan	1.25%	15 March 2012	USD	2,250,000	1,688,967	0.30
Navistar International Corp	3.00%	15 October 2014	USD	2,200,000	1,708,415	0.30
Newmont Mining	1.25%	15 July 2014	USD	2,050,000	2,238,437	0.40
NextEra Energy (Preferred)	7.00%	01 September 2013	USD	52,600	1,956,279	0.35
Novellus Systems	2.63%	15 May 2041	USD	2,000,000	1,280,495	0.23
Nuance Communications	2.75%	15 August 2027	USD	1,836,000	1,719,781	0.31
Old Republic International	3.75%	15 March 2018	USD	2,400,000	1,624,494	0.29
Omnicom Group	0.00%	01 July 2038	USD	6,500,000	5,008,105	0.89
Peabody Energy	4.75%	15 December 2041	USD	5,000,000	3,853,954	0.69
ProLogis	3.25%	15 March 2015	USD	2,220,000	1,640,570	0.29
Rayonier TRS Holdings	4.50%	15 August 2015	USD	1,800,000	1,683,685	0.30
Roper Industries, S/U	0.00%	15 January 2034	USD	1,820,000	1,176,753	0.21
SanDisk	1.50%	15 August 2017	USD	3,600,000	2,804,442	0.50
Stanley Black & Decker (Preferred)	4.75%	17 November 2015	USD	32,800	2,523,867	0.45
Stillwater Mining	1.88%	15 March 2028	USD	2,300,000	1,602,817	0.29
Symantec	1.00%	15 June 2013	USD	4,940,000	4,223,393	0.75
Tech Data	2.75%	15 December 2026	USD	3,060,000	2,290,610	0.41
Teleflex	3.88%	01 August 2017	USD	2,910,000	2,360,989	0.42
Teva Pharmaceutical Finance	0.25%	01 February 2026	USD	4,650,000	3,580,157	0.64
Vornado Realty	3.88%	15 April 2025	USD	2,200,000	1,698,019	0.30
Wells Fargo & Co (Preferred)	7.50%	31 December 2049	USD	8,350	6,429,196	1.14
Xilinx	2.63%	15 June 2017	USD	2,000,000	1,737,244	0.31
					163,596,676	29.12
TOTAL CONVERTIBLE BONDS					551,742,705	98.20
Total Investments					561,737,634	99.98
Other Net Assets					124,789	0.02
Total Net Assets					561,862,423	100.00

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

F&C Portfolios Fund - F&C Global Convertible Bond

Distribution of Investments by Economic Sector

as at 30th September 2011

Sector	% of Net Assets
Financial Services	16.57
Oil & Gas	10.71
Real Estate	8.72
Metals & Mining	7.62
Holding Companies	5.11
Electrical Equipment	4.43
Computers	3.55
Telecommunication	3.45
Pharmaceuticals	3.41
Semiconductors	3.37
Advertising	3.16
Auto Parts & Equipment	2.56
Biotechnology	2.42
Agriculture	1.97
Food & Beverages	1.96
Software	1.66
Healthcare	1.55
Retail	1.43
Airline	1.36
Private Equity	1.35
Insurance	1.30
Construction	1.20
Engineering & Construction	1.12
Leisure & Tourism	1.06
Coal	0.99
Sovereign	0.95
Building Materials	0.93
Media	0.89
Internet	0.75
Cosmetics & Personal Care	0.72
Chemicals	0.69
Manufacturing	0.69
Machinery-Diversified	0.58
Food Products	0.53
Commercial Services	0.48
Forest Products & Paper	0.37
Transportation	0.37
Total Investments	99.98
Other Net Assets	0.02
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Global Emerging Markets Portfolio

Performance

Over the twelve months to 30th September 2011, the net asset value of the Class A Shares – US\$ fell by 19.2%. By comparison, the benchmark, the MSCI Emerging Markets index, fell by 16.2%.

The Portfolio's underperformance during the period related predominantly to our decision in July to raise the risk profile of the portfolio to position it for a better economic environment in the emerging regions. External events in August and September revealed this to have been a little premature. We made this move because of clearer evidence of an approaching peak in inflation and interest rates in our key markets. This had been the single biggest worry for the asset class and we believed that this would lead to a better market environment going forward. Overall during the year, stock selection in Taiwan, Mexico and China was the major drag on returns. On the positive side, our stock picks in Brazil and Korea added the most value.

Market Review

Emerging market equities suffered significant falls during the year under review as nervous investors sold down riskier assets. While economic growth rates remained well ahead of those of the developed regions, the markets were spooked by the potential impact of a double-dip recession in the US and problems in the eurozone. Countries in the vicinity of the troubled Middle East and North Africa suffered particular weakness, while Latin America and Russia were hurt by a fall in resources prices in the second half of the year. Across Asia, confidence was sapped by rising inflation, which was met by a series of interest rate hikes. Compounding this was the growing fear of a sharper-than-expected slowdown in the Chinese economy.

Outlook

We intend to stay fully invested in countries and companies we like and maintain a pro-growth bias as the valuation argument has significantly improved and we expect emerging markets to outperform the developed markets as we exit this crisis. We clearly cannot ignore external events but assume European policy makers will take the necessary action to avoid a fully fledged sovereign debt and bank meltdown. If we are wrong then all risk assets including emerging markets will fall further. If we are right the asset class will rally significantly. We are positioned in the BRIC (Brazil, Russia, India, China) countries because we expect growth to hold up, interest rates to fall in the next 12 months and these economies to be more resilient than weak Organisation for Economic Cooperation and Development ("OECD") markets.

Sam Mahtani

Portfolio Manager

October 2011

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 Emerging Markets Portfolio

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation \$	% of Net Assets
SHARES			
Brazil			
Banco do Brasil	95,600	1,279,302	1.06
BR Malls Participações	145,200	1,502,649	1.25
BR Properties	68,600	631,212	0.52
CE'TIP - Balcao Organizado de Ativos e Derivativos	73,500	930,505	0.77
Compania de Bebidas das Americas ADR	30,099	922,534	0.77
Compania Energetica de Minas Gerais (Preferred)	55,900	835,075	0.69
Drogasil	89,200	540,606	0.45
Itau Unibanco Banco Multiplo ADR	146,400	2,272,128	1.89
Lojas Renner	52,000	1,418,882	1.18
Petroleo Brasileiro ADR	63,667	1,429,324	1.19
Petroleo Brasileiro PFD 'A'	125,160	1,686,910	1.40
Redecard	59,700	823,337	0.68
Souza Cruz	84,300	859,236	0.71
Telecomunicacoes de Sao Paulo ADR	39,111	1,034,486	0.86
Vale 'B'	158,569	3,461,889	2.88
		19,628,075	16.30
Chile			
Centros Comerciales Sudamericanos	150,761	802,081	0.67
Empresa Nacional de Electricidad/Chile	557,158	801,452	0.66
		1,603,533	1.33
China			
Agricultural Bank of China 'H'	3,113,000	1,031,702	0.86
China Construction Bank 'H'	2,747,000	1,690,244	1.40
China Pacific Insurance Group 'H'	279,400	816,513	0.68
China Petroleum & Chemical 'H'	1,488,000	1,467,978	1.22
China Shenhua Energy 'H'	453,000	1,803,911	1.50
China Telecom 'H'	2,750,000	1,748,611	1.45
Dongfeng Motor Group 'H'	850,000	1,170,494	0.97
Golden Eagle Retail Group	345,000	712,624	0.59
Industrial & Commercial Bank of China 'H'	2,299,000	1,128,126	0.94
Jiangxi Copper 'H'	358,000	630,946	0.52
Tencent Holdings	93,800	1,973,659	1.64
		14,174,808	11.77
Hong Kong			
Belle International Holdings 'A'	705,000	1,235,261	1.03
China Mengniu Dairy	290,970	889,571	0.74
China Mobile	246,000	2,437,959	2.02
CNOOC	1,161,000	1,932,825	1.60
		6,495,616	5.39
Hungary			
OTP Bank	40,691	604,380	0.50
India			
Bharti Airtel	157,047	1,213,727	1.01

F&C Portfolios Fund - F&C Global Emerging Markets Portfolio

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation \$	% of Net Assets
India (continued)			
Coal India	103,926	705,572	0.59
HDFC Bank	131,261	1,252,440	1.04
ICICI Bank	71,810	1,282,830	1.06
ITC	391,236	1,579,323	1.31
Lupin	124,422	1,204,207	1.00
Mahindra & Mahindra	118,452	1,944,572	1.61
Reliance Industries	89,721	1,475,748	1.23
Sun Pharmaceutical Industries	76,387	720,588	0.60
Tata Consultancy Services	70,398	1,486,300	1.23
		12,865,307	10.68
Indonesia			
Bank Mandiri	1,217,000	872,253	0.73
Harum Energy	729,500	589,243	0.49
Indocement Tunggul Prakarsa	471,000	750,171	0.62
PT Astra International	165,000	1,194,795	0.99
		3,406,462	2.83
Italy			
Prada	227,000	956,434	0.79
Mexico			
America Movil ADR- Series L	47,502	1,048,844	0.87
Fomento Economico Mexicano ADR	20,800	1,348,256	1.12
Grupo Financiero Banorte 'O'	446,054	1,321,737	1.10
		3,718,837	3.09
Nigeria			
First Bank of Nigeria	9,995,486	611,687	0.51
Poland			
Powszechny Zakład Ubezpieczeń	13,104	1,254,352	1.04
Russia			
Gazprom ADR	10,300	98,365	0.08
Gazprom Level 1 ADR	201,148	1,920,963	1.60
Mail.ru Group GDR	36,389	1,064,378	0.88
NovaTek GDR 'N.A.'	14,440	1,677,928	1.39
Rosneft Oil GDR	189,100	1,110,963	0.92
Sberbank of Russia ADR	211,230	1,816,578	1.51
X 5 Retail Group GDR	43,800	1,213,260	1.01
		8,902,435	7.39
South Africa			
Exxaro Resources	35,730	757,792	0.63

F&C Portfolios Fund - F&C Global Emerging Markets Portfolio

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation \$	% of Net Assets
South Africa (continued)			
Mr Price Group	128,500	1,075,589	0.89
MTN Group	114,106	1,880,689	1.56
Naspers 'N'	29,528	1,289,129	1.07
Shoprite Holdings	119,746	1,690,633	1.41
		6,693,832	5.56
South Korea			
Grand Korea Leisure	34,870	617,155	0.51
GS Engineering & Construction	10,297	856,590	0.71
GS Holdings	17,570	857,582	0.71
Hana Financial Group	29,950	889,818	0.74
Hotel Shilla	18,820	567,132	0.47
Hyundai Department Store	6,320	901,286	0.75
Hyundai Motor	6,730	1,205,407	1.00
Kia Motors Corp	25,760	1,572,212	1.31
KT&G	11,937	744,764	0.62
LG Chem	4,900	1,335,173	1.11
LG Household & Health Care	2,387	1,079,981	0.90
Mando	4,525	747,093	0.62
POSCO	2,607	821,015	0.68
Samsung Electronics	5,981	4,264,709	3.54
Shinhan Financial Group	41,921	1,494,573	1.24
		17,954,490	14.91
Taiwan			
Asustek Computer	41,000	310,779	0.26
E.Sun Financial Holding	1,426,858	706,991	0.59
Far Eastern Department Stores	449,180	592,520	0.49
Far Eastern New Century	17,130	17,706	0.01
Foxconn Technology	215,250	699,254	0.58
Hon Hai Precision Industry	623,081	1,414,839	1.18
HTC	57,350	1,289,081	1.07
Largan Precision	30,000	705,824	0.59
MediaTek	110,000	1,218,212	1.01
Taiwan Mobile	332,000	815,974	0.68
Taiwan Semiconductor Manufacturing	1,206,000	2,770,139	2.30
Uni-President Enterprises Corp	626,000	819,603	0.68
Wistron	674,270	773,281	0.64
		12,134,203	10.08
Thailand			
Bank of Ayudhya	972,600	625,768	0.52
Kasikornbank	449,000	1,689,979	1.40
		2,315,747	1.92
Turkey			
Akbank	247,437	976,734	0.81
BİM Birlesik Magazalar	38,150	1,056,616	0.88
TAV Havalimanlari Holding	166,439	658,792	0.55

F&C Portfolios Fund - F&C Global Emerging Markets Portfolio

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation \$	% of Net Assets
Turkey (continued)			
Turkiye Garanti Bankasi	285,511	1,111,673	0.92
		3,803,815	3.16
United Kingdom			
Anglo American	35,056	1,199,233	1.00
TOTAL SHARES		118,323,246	98.25
WARRANTS			
Switzerland			
UBS 5.07.2012	109,135	831,478	0.69
TOTAL WARRANTS		831,478	0.69
Total Investments		119,154,724	98.94
Other Net Assets		1,274,627	1.06
Total Net Assets		120,429,351	100.00

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

F&C Portfolios Fund - F&C Global Emerging Markets Portfolio
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Financial Services	20.96
Oil & Gas	10.63
Telecommunication	9.52
Food & Beverages	7.28
Retail	7.17
Semiconductors	6.85
Auto Parts & Equipment	5.51
Metals & Mining	5.08
Coal	3.21
Computers	2.71
Agriculture	2.64
Electrical Equipment	2.53
Internet	2.52
Real Estate	1.77
Insurance	1.72
Pharmaceuticals	1.60
Engineering & Construction	1.26
Chemicals	1.11
Media	1.07
Leisure & Tourism	0.98
Cosmetics & Personal Care	0.90
Holding Companies	0.71
Building Materials	0.62
Manufacturing	0.59
Total Investments	98.94
Other Net Assets	1.06
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Japanese Equity

Performance

In the twelve months to 30th September 2011, the net asset value of the Class I Shares - Euro fell by 5.4%. By comparison the benchmark rose by 2.4%.

The Portfolio underperformed its benchmark during the period. In the final quarter of 2010, returns were pared back by the portfolio's defensive bias in a rising market. There were also some stock selection disappointments, notably companies that were orientated towards the domestic economy. The most negative stock holding over the year was Tokyo Electric Power, the owner of the stricken Fukushima nuclear reactor, which fell by almost ninety percent in euro terms as the market factored in the possibility of significant clean-up costs, compensation liabilities, increased fuel costs and, ultimately, nationalisation. As concerns mounted about the US relapsing into recession, the fund experienced a torrid final quarter of the period as our overweight in cyclicals/exporters and underweight in domestic stocks strategy came under severe pressure. The biggest impact came from being overweight IT hardware, electronic components and consumer electronic.

Market Review

Japanese equities made a modest gain during the year in review. They outperformed the global average as investors viewed the market as a relatively safe haven from the fall-out from the eurozone crisis. Share prices nevertheless had to overcome a number of negative events, notably the devastating earthquake and tsunami, which hit the north-east coast in March. The ensuing power outages caused major disruption to the economy and pushed it back into recession. As the period drew to a close, however, growth appeared to be recovering. The country's trade surplus widened by more than expected and the prospects for exporters were boosted by the intervention of the Japanese government and central bank to weaken the yen.

Outlook

Our core stance is that the Japanese's market is very cheap at current levels and offers significant upside once economic conditions improve. While Japan remains a highly cyclical economy as the main drivers of growth are exporting companies, we are cautiously optimistic that we are beginning to see signs that the developed economies are beginning to move away from the spectre of a double-dip recession. Low valuations, combined with the current level of negative market sentiment and already very strong outperformance of defensive stocks versus cyclical stocks have led us to increase our exposure to more economy sensitive companies.

Jamie Jenkins

Portfolio Manager

October 2011

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F&C Portfolios Fund - F&C Japanese Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
SHARES			
Japan			
Benesse	73,500	2,434,169	1.67
Canon	98,800	3,391,471	2.32
Chiyoda	210,000	1,553,401	1.06
Daikin Industries	87,400	1,889,671	1.29
Daiwa House Industry	157,000	1,524,180	1.04
East Japan Railway	100,600	4,581,648	3.13
Elpida Memory	138,600	664,734	0.45
FamilyMart	105,500	3,027,744	2.07
Fujitsu	398,000	1,420,078	0.97
Funai Electric	55,300	812,243	0.56
Hitachi Construction Machinery	185,900	2,358,392	1.61
Hitachi Metals	263,000	2,288,765	1.57
Honda Motor	83,800	1,862,884	1.27
Hoya	151,000	2,632,543	1.80
Inpex	399	1,867,330	1.28
Japan Tobacco	289	1,015,793	0.70
JFE Holdings	146,900	2,240,043	1.53
JX Holdings	829,600	3,529,590	2.41
Kansai Paint	305,000	2,200,095	1.50
KAO	112,000	2,343,571	1.60
Kawasaki Kisen Kaisha	360,000	567,405	0.39
KDDI	380	1,969,478	1.35
Keyence	5,300	1,096,712	0.75
Kirin Holdings	346,000	3,402,514	2.33
Koito Manufacturing	108,000	1,287,626	0.88
Kyocera	43,000	2,719,250	1.86
Miraca Holdings	67,700	2,238,812	1.53
Mitsubishi	295,200	4,544,251	3.11
Mitsubishi Electric	204,000	1,370,938	0.94
Mitsubishi UFJ Financial Group	2,361,581	8,083,677	5.53
Mitsui	183,060	2,007,287	1.37
Mitsui Fudosan	263,619	3,168,478	2.17
Nihon Kohden	78,900	1,598,321	1.09
Nintendo	14,100	1,548,818	1.06
Nippon Electric Glass	299,000	2,058,515	1.41
Nippon Telegraph & Telephone	113,334	4,087,633	2.80
Nissan Motor	400,600	2,684,399	1.84
Nomura Holdings	410,304	1,134,683	0.78
Nomura Real Estate Holdings	196,000	2,238,251	1.53
Osaka Securities Exchange	511	1,763,973	1.21
Ricoh	208,000	1,315,358	0.90
SBI Holdings/Japan	38,744	2,551,258	1.75
Shimamura	33,600	2,651,138	1.81
Shin-Etsu Chemical	59,700	2,210,935	1.51
Shinko Electric Industries	62,100	335,065	0.23
Shiseido	132,000	1,923,490	1.32
Softbank	130,700	2,896,630	1.98
Sony	189,000	2,754,089	1.88
Square Enix Holdings	66,200	898,087	0.61
Sumitomo Electric Industries	229,500	2,034,955	1.39
Sumitomo Mitsui Financial Group	257,700	5,496,963	3.76
Sysmex	61,100	1,651,300	1.13
TDK	90,400	2,388,971	1.63
Tokio Marine Holdings	124,251	2,383,661	1.63
Tokyo Electric Power	117,200	271,983	0.19
Tokyo Gas	978,000	3,413,885	2.33

F&C Portfolios Fund - F&C Japanese Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
Japan (continued)			
Toshiba	936,000	2,896,201	1.98
Toshiba Plant Systems & Services	114,000	849,889	0.58
Toyota Motor	247,215	6,425,500	4.39
Toyota Tsusho	239,900	3,110,727	2.13
Yamaha Motor	124,500	1,247,188	0.85
		142,916,639	97.74
TOTAL SHARES		142,916,639	97.74
Total Investments		142,916,639	97.74
Other Net Assets		3,311,708	2.26
Total Net Assets		146,228,347	100.00

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

F&C Portfolios Fund - F&C Japanese Equity

Distribution of Investments by Economic Sector

as at 30th September 2011

Sector	% of Net Assets
Electrical Equipment	11.37
Financial Services	11.28
Auto Parts & Equipment	9.77
Distribution & Wholesale	6.61
Telecommunication	6.13
Oil & Gas	6.02
Retail	3.88
Real Estate	3.70
Transportation	3.52
Office & Business Equipment	3.22
Metals & Mining	3.10
Chemicals	3.01
Cosmetics & Personal Care	2.92
Computers	2.60
Food & Beverages	2.33
Healthcare	2.22
Internet	1.75
Commercial Services	1.67
Engineering & Construction	1.64
Insurance	1.63
Machinery-Diversified	1.61
Pharmaceuticals	1.53
Building Materials	1.29
Toys & Games	1.06
Construction	1.04
Leisure & Tourism	0.85
Agriculture	0.70
Semiconductors	0.68
Software	0.61
Total Investments	97.74
Other Net Assets	2.26
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Latin American Equity

Performance

Over the twelve months to 30th September 2011, the net asset value of the Class I Shares - GBP fell by 20.6%. This compared to a fall in the Fund's benchmark, the MSCI Latin America TR index, of 20.3%.

The Portfolio marginally underperformed the benchmark index. Negative influences included the overweighting of Peru, which sold off on political concerns. The overweight in beer giant Ambev and newly created Telefónica Brasil, as well as holdings in various medium-sized domestically focused stocks in Brazil were positive. Not owning Brazil's largest bank, Itau, added particular value as the stock continued to struggle after posting disappointing earnings. The toll road operator CCR also performed well as investors favoured defensive companies.

Market Review

Latin American equities slumped by a fifth in value during the year as emerging markets fell from favour in an environment of fragile confidence. Brazil was the weakest market as concerns about global growth and uncertainty over the policies of the new administration hurt both commodities producers and financials. While domestic growth momentum remained strong in the region's largest economy, sentiment was hit by a series of interest rate hikes to combat rising inflation. Then, towards the end of the period, the market was thrown into confusion by a surprise rate cut by the Central Bank. Peru corrected sharply on political concerns but then rebounded as the new president positively surprised investors. Mexico traded only slightly lower, shrugging off concerns about its sensitivity to the faltering US economy as the market is largely composed of defensive consumer-orientated stocks.

Outlook

The Latin American economies continue to grow, although the rate is likely to slow given the challenging global environment. Both public and private sector indebtedness remains relatively low while fiscal and monetary policies have some space for loosening. Valuations are quite attractive across the region. Nevertheless, Latin markets are likely to remain volatile due to the uncertainty of the international context. The Portfolio has been positioned so that it is heavily exposed to more defensive domestic growth across the region. The Portfolio's most overweight market is Colombia, where the economy is more insulated from global trends while domestic pension funds have plenty of liquidity which they continue to invest in local equities. The most overweight sectors are real estate (high occupancy rates and inflation indexed leases in Brazil), food and staples retailing, which continues to benefit from a resilient consumer and transportation, where companies benefit from structural demand in Brazil.

Urban Larson

Portfolio Manager

October 2011

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F&C Portfolios Fund - F&C Latin American Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation \$	% of Net Assets
SHARES			
Brazil			
Amil Participacoes	95,200	859,044	1.14
Banco Bradesco ADR	396,700	5,867,193	7.80
Banco do Brasil	173,900	2,327,098	3.09
BR Malls Participações	195,700	2,025,264	2.69
BR Properties	166,300	1,530,184	2.03
Bradespar (Preferred)	151,200	2,695,331	3.58
BRF - Brasil Foods ADR	127,500	2,235,075	2.97
Companhia de Bebidas das Americas (Preferred)	106,896	3,268,066	4.34
Companhia de Concessões Rodoviárias	82,300	2,170,282	2.89
EDP - Energias do Brasil	63,800	1,306,074	1.74
International Meal Holdings	147,900	952,137	1.27
Localiza Rent A CAR	96,300	1,291,782	1.72
Lojas Renner	54,300	1,481,641	1.97
OGX Petroleo e Gas Participacoes	333,300	2,064,889	2.74
PDG Realty Empreendimentos e Participacoes	306,000	1,010,521	1.34
Petroleo Brasileiro ADR	110,026	2,470,084	3.28
Petroleo Brasileiro PFD ADR 'A'	158,837	3,291,103	4.37
Telecomunicacoes de Sao Paulo ADR	90,180	2,385,261	3.17
Totvs	63,300	1,091,232	1.45
Tractebel Energia	84,500	1,188,121	1.58
Vale 'B'	309,374	6,769,374	9.00
		48,279,756	64.16
Chile			
Banco Santander Chile ADR	15,300	1,124,244	1.49
Centros Comerciales Sudamericanos	272,158	1,447,939	1.92
Empresa Nacional de Electricidad ADR	29,611	1,283,341	1.71
		3,855,524	5.12
Colombia			
Almacenes Exito	47,971	570,858	0.76
Cementos Argos	194,653	1,099,678	1.46
Ecopetrol ADR	45,608	1,837,546	2.44
		3,508,082	4.66
Luxembourg			
Tenaris ADR	25,200	641,340	0.85
Ternium ADR	56,100	1,168,563	1.56
		1,809,903	2.41
Mexico			
America Movil ADR- Series L	262,788	5,802,359	7.71
El Puerto de Liverpool	113,600	735,086	0.98
Fomento Economico Mexicano ADR	34,000	2,203,880	2.93
Grupo Financiero Banorte 'O'	550,100	1,630,044	2.16
Wal-Mart de Mexico- Series V	1,124,500	2,585,665	3.44
		12,957,034	17.22

F&C Portfolios Fund - F&C Latin American Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation \$	% of Net Assets
Peru			
Companhia de Minas Buenaventura ADR 'A'	57,200	2,158,728	2.87
United Kingdom			
Antofagasta	86,833	1,253,262	1.67
TOTAL SHARES		73,822,289	98.11
Total Investments		73,822,289	98.11
Other Net Assets		1,423,093	1.89
Total Net Assets		75,245,382	100.00

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

F&C Portfolios Fund - F&C Latin American Equity
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Metals & Mining	19.53
Financial Services	14.54
Oil & Gas	12.83
Food & Beverages	12.16
Telecommunication	10.88
Retail	8.42
Real Estate	6.06
Electrical Equipment	5.03
Commercial Services	4.61
Building Materials	1.46
Software	1.45
Healthcare	1.14
Total Investments	98.11
Other Net Assets	1.89
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C North American Equity

Performance

Over the year ending 30 September 2011, the net asset value of the portfolio fell by 1.8% (net of fees) in euro terms. This compares to a rise of 1.5% for the benchmark FTSE All-World North America Index.

The Value and Growth components proved positive over the year but Quality was negative for overall performance.

At a stock specific level, Apollo Group came under pressure following an investigation by the US government into how they were recruiting their students. Peabody Energy also contributed negatively to performance as coal miners sold off heavily. Furthermore, the coal sector came under pressure amid fears of a slowdown. Semiconductor stock, Micron Technology also detracted from returns amid growing concerns of a slowdown.

In contrast, being underweight Hewlett Packard was positive as the stock sold off very heavily following its expensive acquisition of the software maker, Autonomy.

Market Review

Two rounds of quantitative easing and other fiscal stimulus measures temporarily lifted confidence in the equity markets and supported a brief pick-up in economic growth. On the whole, however, the recovery remained below expectations and towards the end of the period in review data turned negative, heightening fears of a new recession. This prompted the ratings agency Standard & Poor's to express concerns about the administration's ability to reduce its huge budget deficit and it downgraded its rating for US debt from AAA to AA+. The fears of the fragility of the global financial system as well as the growing expectation that China will face a sharp slowdown saw earlier acquired gains eroded. Meanwhile, persistently high unemployment and depressed consumer confidence added to the gloom.

Outlook

The Portfolio is run using a purely quantitative stock selection approach. We apply a proprietary alpha model and portfolio construction methodology to come to an active portfolio, without taking exposures to styles – market direction, momentum, market capitalization, and traditional value – industries and countries. The investment process is based on quarterly rebalancing. The next rebalance will take place at the end of November/Early December, when the majority of Q3 results will be filed.

Erik Rubingh

Portfolio Manager

October 2011

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 North American Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
SHARES			
Bermuda			
Axis Capital Holdings	5,200	100,535	0.43
Marvell Technology Group	18,100	196,015	0.83
		296,550	1.26
Canada			
Bank of Montreal	7,200	302,138	1.29
Bank of Nova Scotia	2,500	94,270	0.40
Canadian Natural Resources	14,200	312,516	1.33
Iamgold	2,600	38,736	0.16
Imperial Oil	1,300	34,999	0.15
Magna International 'A'	2,700	66,915	0.28
National Bank of Canada	1,200	59,986	0.26
Nexen	2,400	27,980	0.12
Pacific Rubiales Energy	5,300	84,156	0.36
Potash Corp of Saskatchewan	3,500	113,903	0.48
Research In Motion	6,400	96,832	0.41
Rogers Communications 'B'	1,458	37,406	0.16
Royal Bank of Canada	824	28,325	0.12
Sun Life Financial	1,600	28,644	0.12
Tim Hortons	800	27,872	0.12
Toronto-Dominion Bank	8,800	469,482	2.00
Yamana Gold	7,700	79,196	0.34
		1,903,356	8.10
Ireland			
Accenture 'A'	1,768	69,418	0.29
Covidien	1,355	44,537	0.19
Warner Chilcott 'A'	7,700	82,068	0.35
		196,023	0.83
Singapore			
Avago Technologies	4,700	114,794	0.49
Switzerland			
ACE	8,900	401,983	1.71
TE Connectivity	1,300	27,265	0.12
		429,248	1.83
United States			
3M Co	6,200	331,742	1.41
Abbott Laboratories	4,100	156,275	0.67
Adobe Systems	2,100	37,830	0.16
Aetna	2,600	70,440	0.30
Aflac	1,150	29,956	0.13
Agilent Technologies	3,000	69,874	0.30
Amazon.com	900	145,045	0.62
American Express	4,200	140,553	0.60
AMETEK	1,500	36,860	0.16

F&C Portfolios Fund - F&C North American Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
United States (continued)			
Apollo Group 'A'	9,860	291,089	1.24
Apple	2,410	684,686	2.91
Baker Hughes	2,205	75,861	0.32
Bank of New York Mellon	8,600	119,158	0.51
BlackRock 'A'	500	55,158	0.24
Brookfield Office Properties	5,300	54,929	0.23
Cablevision Systems Corp 'A'	4,000	46,896	0.20
Capital One Financial	1,200	35,445	0.15
Caterpillar	1,700	93,559	0.40
CF Industries Holdings	3,000	275,896	1.17
Chevron	900	62,062	0.26
Chubb	3,882	173,572	0.74
Cliffs Natural Resources	5,100	194,505	0.83
Coach	800	30,904	0.13
Coca-Cola	940	47,333	0.20
Coca-Cola Enterprises	8,400	155,766	0.66
Colgate-Palmolive	1,400	92,533	0.39
Comcast 'A'	29,900	461,722	1.97
ConocoPhillips	11,250	530,931	2.26
Corning	4,200	38,691	0.17
Costco Wholesale	1,110	67,939	0.29
Dell	40,230	424,278	1.81
Delta Air Lines	33,100	185,026	0.79
DIRECTV 'A'	7,870	247,825	1.06
DTE Energy	6,168	225,352	0.96
Eaton	1,000	26,459	0.11
eBay	13,850	304,417	1.30
Eli Lilly & Co	3,000	82,664	0.35
Equifax	3,200	73,316	0.31
Exelon	2,400	76,220	0.32
Express Scripts	6,100	168,538	0.72
Exxon Mobil	19,853	1,074,699	4.57
FirstEnergy	12,900	431,795	1.84
Ford Motor	9,100	65,586	0.28
Forest Laboratories	15,500	355,702	1.51
Freeport-McMoRan Copper & Gold	2,600	59,007	0.25
General Electric	35,575	404,087	1.72
Goldman Sachs Group	1,400	98,658	0.42
Google 'A'	625	239,612	1.02
H&R Block	11,200	111,107	0.47
Halliburton	2,100	47,769	0.20
Honeywell International	4,700	153,817	0.66
Humana	800	43,366	0.18
IAC/InterActive	4,000	117,910	0.50
Illinois Tool Works	1,400	43,408	0.19
Intel	14,360	228,292	0.97
International Paper	1,500	25,993	0.11
Johnson & Johnson	7,238	343,693	1.46
JPMorgan Chase & Co	10,800	242,451	1.03
Kimberly-Clark	8,267	437,534	1.86
Las Vegas Sands	2,100	60,009	0.26
Legg Mason	2,500	47,906	0.20
Liberty Media - Liberty Starz 'A'	600	28,424	0.12
Lincare Holdings	2,700	45,278	0.19
Lowe's Cos	29,600	426,671	1.82
Marathon Oil	4,400	70,770	0.30
Marathon Petroleum	2,090	42,152	0.18
Maxim Integrated Products	4,100	71,292	0.30

F&C Portfolios Fund - F&C North American Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
United States (continued)			
McKesson	700	37,929	0.16
MDU Resources Group	3,500	50,060	0.21
Medtronic	10,400	257,655	1.10
Merck & Co	3,067	74,772	0.32
MetroPCS Communications	6,200	40,249	0.17
Micron Technology	27,000	101,424	0.43
Microsoft	42,265	784,062	3.34
Moody's	1,400	31,773	0.14
Motorola Solutions	900	28,106	0.12
Newmont Mining	8,000	375,047	1.60
Northrop Grumman	790	30,712	0.13
Novellus Systems	1,300	26,413	0.11
NRG Energy	2,100	33,197	0.14
Occidental Petroleum	7,387	393,658	1.68
PACCAR	14,900	375,582	1.60
Peabody Energy	8,500	214,638	0.91
PepsiCo	4,940	227,909	0.97
Pfizer	48,071	633,447	2.70
Philip Morris International	4,800	223,168	0.95
Procter & Gamble	7,390	347,991	1.48
Prudential Financial	1,300	45,404	0.19
Safeway	14,600	180,963	0.77
SanDisk	8,100	243,598	1.04
SEI Investments	3,000	34,389	0.15
SLM	5,400	50,108	0.21
Southwest Airlines	20,500	122,844	0.52
Sprint Nextel	155,000	351,196	1.49
TECO Energy	3,000	38,302	0.16
Texas Instruments	11,800	234,382	1.00
Time Warner Cable 'A'	908	42,412	0.18
Travelers	10,496	381,210	1.62
Union Pacific	2,400	146,089	0.62
United Technologies	983	51,549	0.22
UnitedHealth Group	9,100	312,806	1.33
US Bancorp	27,500	482,485	2.05
Walgreen	16,500	404,476	1.72
Wal-Mart Stores	15,800	611,180	2.60
Weight Watchers International	1,300	56,440	0.24
Wells Fargo	31,170	560,349	2.39
Williams Cos	9,600	174,155	0.74
Wynn Resorts	1,700	145,812	0.62
		20,696,234	88.08
TOTAL SHARES		23,636,205	100.59
Total Investments		23,636,205	100.59
Other Net Assets		(138,585)	(0.59)
Total Net Assets		23,497,620	100.00

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

F&C Portfolios Fund - F&C North American Equity

Distribution of Investments by Economic Sector

as at 30th September 2011

Sector	% of Net Assets
Financial Services	11.87
Oil & Gas	11.73
Pharmaceuticals	6.78
Retail	6.68
Computers	6.46
Insurance	4.94
Healthcare	4.75
Electrical Equipment	4.21
Semiconductors	4.13
Manufacturing	4.09
Media	3.53
Software	3.50
Internet	3.44
Metals & Mining	3.18
Food & Beverages	2.60
Commercial Services	2.55
Auto Parts & Equipment	2.16
Telecommunication	2.11
Cosmetics & Personal Care	1.87
Consumer Goods	1.86
Chemicals	1.65
Airline	1.31
Agriculture	0.95
Coal	0.91
Leisure & Tourism	0.88
Pipelines	0.74
Transportation	0.62
Machinery-Diversified	0.40
Aerospace & Defense	0.35
Real Estate	0.23
Forest Products & Paper	0.11
Total Investments	100.59
Other Net Assets	(0.59)
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Pacific Equity

Performance

Over the twelve months to 30th September 2011, the net asset value of the Class A Shares - Euro returned -10.4%. By comparison, the benchmark FTSE AW Developed Asia Pacific ex Japan TR Index returned -9.2%.

The Portfolio posted a modest outperformance of its benchmark in what was a volatile twelve months for Pacific equities. Stock selection in Australia was particularly profitable during the period, with Iluka Resources and WorleyParsons, the provider of professional services to the resources and energy sectors, adding the most value. In Korea, Samsung Heavy Industries and the auto parts manufacturer Mando Group also made strong contributions. The principal drag on returns was the overweight exposure to Hong Kong listed stocks. The market lost ground as concerns mounted about monetary policy and the possibility of a sharper than expected slowdown in growth. Stock selection in Singapore was also disappointing.

Market Review

Asia Pacific equities posted losses during the year in review as nervous investors sold down investments that were perceived to be higher risk. It was a volatile twelve months, with share prices being hit by events such as unrest in the Middle East, the Japanese earthquake and tsunami and the ongoing sovereign debt crisis in the eurozone. Domestically, inflation remained a concern, with a number of monetary authorities hiking interest rates to combat rising prices. This, together with deepening concerns about the immediate prospects for the Chinese economy, led to choppy trading as the period came to a close.

Outlook

The region's equity markets will remain sensitive to investors' perception of the health of the global economy, with the ongoing financial crisis in the eurozone continuing to be the primary risk. Whether defensive shares continue to lead the market will depend on the magnitude of the economic slowdown in China, and how the authorities there react, as much as the West's ability to avoid a recession and re-establish some semblance of financial sector stability. As the markets are not expecting an imminent relaxation of monetary or fiscal policy in China, any surprise move could well prompt a positive move in share prices. However, it may require a further deterioration of the property market or signs of corporate financial stress to force the authorities' hand. In this scenario, Chinese financials and certain materials stocks would be vulnerable to a short-term dip in investor sentiment. The region remains attractive based on relative GDP growth prospects versus the Western world, and with valuations meaningfully beneath their historical averages, Asian markets are well positioned to enjoy a period of outperformance once investor sentiment stabilises and risk appetite returns.

Anthony Linehan

Portfolio Manager

October 2011

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F&C Portfolios Fund - F&C Pacific Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
SHARES			
Australia			
Amtcor	56,917	285,720	2.18
Aston Resources	22,608	164,750	1.26
Australia & New Zealand Banking Group	36,390	514,551	3.92
BHP Billiton	35,125	891,043	6.79
Computershare	28,537	154,417	1.18
Iluka Resources	29,879	270,763	2.06
Macquarie Group	10,385	172,044	1.31
National Australia Bank	30,004	486,196	3.71
Newcrest Mining	5,632	139,036	1.06
Orica	12,131	206,329	1.57
QBE Insurance Group	9,812	91,546	0.70
Sonic Healthcare	27,555	227,547	1.74
Suncorp Group	42,949	248,269	1.89
Wesfarmers	15,620	357,435	2.73
Westpac Banking	27,292	402,117	3.07
WorleyParsons	11,633	221,622	1.69
		4,833,385	36.86
China			
Focus Media Holding ADR	8,695	108,809	0.83
Tencent Holdings	19,500	305,808	2.33
		414,617	3.16
Hong Kong			
AIA Group	132,800	284,804	2.17
Belle International Holdings 'A'	160,000	208,946	1.59
BOC Hong Kong Holdings	126,500	203,954	1.56
Cheung Kong Holdings	29,000	238,363	1.82
Cheung Kong Infrastructure Holdings	42,000	184,168	1.40
China Mengniu Dairy	103,000	234,701	1.79
China Resources Enterprise	66,000	164,292	1.25
Haier Electronics Group	271,000	141,665	1.08
Hang Lung Properties	95,000	215,107	1.64
Hutchison Whampoa	52,000	290,996	2.22
Noble Group	222,909	169,569	1.29
Power Assets Holdings	42,500	244,954	1.87
Wharf Holdings	52,300	195,284	1.49
		2,776,803	21.17
Papua New Guinea			
Oil Search	48,352	198,243	1.51
Singapore			
Genting Singapore	198,000	174,403	1.33
Keppel	57,100	253,107	1.93
Singapore Telecommunications	182,000	331,029	2.52
Straits Asia Resources	127,000	145,278	1.11

F&C Portfolios Fund - F&C Pacific Equity

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
Singapore (continued)			
United Overseas Bank	27,000	262,530	2.00
		1,166,347	8.89
South Korea			
Daum Communications	1,131	102,611	0.78
DGB Financial Group	15,570	137,418	1.05
GS Engineering & Construction	2,838	175,962	1.34
GS Holdings	4,510	164,068	1.25
Hana Financial Group	13,150	291,189	2.22
Hynix Semiconductor	2,980	40,253	0.31
Hyundai Heavy Industries	493	87,646	0.67
Hyundai Motor	2,800	373,784	2.85
Kia Motors	5,380	244,733	1.87
LG	3,764	143,836	1.10
LG Chem	1,240	251,830	1.92
Lotte Shopping	443	112,671	0.86
Mando	1,442	177,446	1.35
POSCO	794	186,370	1.42
Samsung Electronics	1,356	720,642	5.49
Samsung Fire & Marine Insurance	1,435	196,558	1.50
Shinhan Financial Group	5,320	141,365	1.08
		3,548,382	27.06
TOTAL SHARES		12,937,777	98.65
Total Investments		12,937,777	98.65
Other Net Assets		177,157	1.35
Total Net Assets		13,114,934	100.00

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

F&C Portfolios Fund - F&C Pacific Equity
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Financial Services	21.32
Metals & Mining	12.90
Holding Companies	10.53
Insurance	6.26
Auto Parts & Equipment	6.07
Semiconductors	5.80
Retail	5.18
Real Estate	3.46
Internet	3.11
Engineering & Construction	3.03
Electrical Equipment	2.95
Telecommunication	2.52
Coal	2.37
Packaging & Containers	2.18
Chemicals	1.92
Food & Beverages	1.79
Healthcare	1.74
Oil & Gas	1.51
Leisure & Tourism	1.33
Computers	1.18
Advertising	0.83
Shipbuilding	0.67
Total Investments	98.65
Other Net Assets	1.35
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Plus Fund

Performance

In the year to 30th September 2011 the Class I Shares - Euro returned -9.85% (net of fees).

Market Review

Since the end of 2010 fears about global growth and eurozone sovereign debt have been the major market drivers. The global recovery entered a soft patch in the middle of this year due to strong headwinds from higher oil prices, the Japanese earthquake and policy tightening in Asia. Investor sentiment deteriorated quarter upon quarter at the same pace as the EU leaders got together in endless summits. As the Greek situation worsens tension has been spreading to major economies such as Spain and Italy due to the inability to contain public debt while political uncertainty gathers steam.

In the US the recent slowdown has curbed consumer and producer sentiment while the Federal Reserve ("FeD") kept his intervention rate at 0.25%. Although increasingly volatile US markets still managed to have positive returns during the period: NASDAQ Composite rose 3%, Dow Jones Industrial Average rose almost 4% and S&P increased more than 1%.

In Europe, as solvency concerns have not been fully addressed, the sovereign debt crisis in peripheral Europe intensified and markets continued to suffer. Since the beginning of this period, the ECB twice increased the repo rate from 1% to 1.5% on the back of higher consumer prices. In the equity markets, the most important indices reflected the ongoing stressed situation; DAX fell more than 11% and EUROSTOXX50 lost almost 17%.

After a dramatic reaction to the March 2011 disaster, Japanese economic indicators have recently started to normalise and look generally reassuring for the underlying trend activity. The most important aspect of this turnaround is probably the moderation in deflation. NIKKEI fell more than 5%.

In emerging economies, overheating concerns have slightly eased as tightening measures continue to gradually moderate growth in Asia and Latin America. The Chinese economy is still the engine of Emerging Markets with a robust 9% GDP projected for the current year. The Shenzhen stock exchange 300 however lost more than 10%.

During this period the Euro currency was very volatile reflecting the world economic and financial situation. The Euro/US dollar exchange rate closed at 1.33.

Outlook

The majority of assets in F&C Plus Fund are Eurobonds with banking and other financial services being the most representative sectors. Government Bonds are the most representative asset class. Equity exposure has reached 5.6% due to the participation in the Banco Comercial Português exchange offer of subordinated debt into equity. There were several exchange offers during this period which the Fund has accepted.

Liquidity continues to be the funds main concern, investments undertaken were mainly Government bonds, which maintains the Fund with a high degree of liquid positions.

Paulo Quintino

Portfolio Manager

October 2011

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F&C Portfolios Fund - F&C Plus Fund

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
BONDS						
Belgium						
Belgacom	4.13%	23 November 2011	EUR	3,000,000	3,009,792	0.85
Belgium Government Bond	3.50%	28 March 2015	EUR	20,000,000	20,635,792	5.81
					23,645,584	6.66
Cayman Islands						
BCP Finance, V/R	4.24%	29 October 2049	EUR	4,000,000	1,480,000	0.42
BES Finance, V/R	5.77%	07 February 2035	EUR	3,000,000	1,308,480	0.37
BPI Capital Finance, V/R	3.10%	29 August 2049	EUR	2,500,000	1,150,154	0.32
Caixa Geral De Depositos Finance, V/R	2.31%	29 September 2049	EUR	7,000,000	3,394,831	0.96
Caixa Geral De Depositos Finance, V/R	2.34%	29 June 2049	EUR	6,002,000	2,748,821	0.77
Caixa Geral De Depositos Finance, V/R	2.83%	29 December 2049	EUR	5,000,000	3,477,978	0.98
					13,560,264	3.82
France						
Caixa Geral De Depositos Finance, V/R	2.69%	05 December 2011	EUR	5,000,000	4,986,715	1.41
Crédit Agricole, V/R	4.50%	22 February 2026	EUR	2,500,000	2,113,500	0.60
Dexia Credit Series E	2.82%	25 February 2015	EUR	2,500,000	2,167,950	0.61
France Government Bond OAT	5.00%	25 October 2011	EUR	20,000,000	20,043,460	5.64
Société Générale	7.50%	23 February 2033	EUR	1,500,000	1,681,650	0.47
					30,993,275	8.73
Germany						
Bundesrepublik Deutschland	3.25%	04 July 2015	EUR	4,000,000	4,351,093	1.23
Deutsche Bank, V/R	2.34%	20 September 2016	EUR	5,000,000	4,474,852	1.26
Landesbank Baden-Wuerttemberg, V/R	1.89%	21 March 2016	EUR	3,000,000	2,355,300	0.66
Landesbank Baden-Wuerttemberg, V/R	1.89%	15 December 2015	EUR	5,000,000	4,986,812	1.40
					16,168,057	4.55
Italy						
BBG Finance	0.00%	12 December 2011	EUR	10,000,000	9,566,205	2.69
Intesa Sanpaolo	5.13%	03 February 2015	EUR	2,000,000	1,863,741	0.52
Italy Buoni Poliennali Del Tesoro	3.75%	01 August 2015	EUR	24,000,000	23,367,780	6.58
Italy Buoni Poliennali Del Tesoro	4.00%	15 April 2012	EUR	8,000,000	8,036,150	2.26
Italy Buoni Poliennali Del Tesoro	5.00%	01 August 2034	EUR	5,000,000	4,174,848	1.18
UniCredit SpA	5.00%	31 October 2021	EUR	5,000,000	4,960,940	1.40
					51,969,664	14.63
Jersey						
HSBC Capital Funding, V/R	8.03%	29 December 2049	EUR	5,000,000	5,003,495	1.41
Luxembourg						
Ageas Hybrid Financing	8.00%	29 June 2049	EUR	2,500,000	1,940,000	0.55
European Investment Bank, V/R	0.00%	10 October 2020	EUR	2,000,000	1,735,000	0.49
Fortis Hybrid Financing, V/R	5.13%	29 June 2049	EUR	5,000,000	2,424,838	0.68
					6,099,838	1.72
Netherlands						
ABN Amro Bank	1.74%	20 September 2015	EUR	1,000,000	824,200	0.23
ABN Amro Bank, V/R	4.31%	29 March 2049	EUR	2,000,000	1,149,971	0.33

F&C Portfolios Fund - F&C Plus Fund

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
Netherlands (continued)						
Cooperatieve Centrale Raiffeisen-Boerenleenbank, V/R	0.00%	15 July 2015	EUR	3,000,000	2,591,010	0.73
Portugal Telecom International Finance	5.00%	04 November 2019	EUR	2,000,000	1,500,000	0.42
					6,065,181	1.71
Norway						
DnB NOR Bank, V/R	1.64%	22 November 2011	EUR	4,500,000	4,507,944	1.27
Portugal						
Banco BPI	3.25%	15 January 2015	EUR	5,650,000	4,475,320	1.26
Banco Espirito Santo	3.75%	19 January 2012	EUR	10,000,000	9,679,420	2.72
Caixa Economica Montepio Geral	3.25%	27 July 2012	EUR	10,000,000	9,243,120	2.60
Parpublica - Participacoes Publicas	4.19%	15 October 2014	EUR	2,290,000	1,648,740	0.46
Portugal Government International Bond, V/R	3.91%	25 January 2013	EUR	6,100,000	6,134,270	1.73
Portugal Obrigacoes do Tesouro OT	3.35%	15 October 2015	EUR	4,000,000	2,826,863	0.80
Portugal Obrigacoes do Tesouro OT	4.20%	15 October 2016	EUR	10,000,000	6,898,000	1.94
Portugal Obrigacoes do Tesouro OT	4.38%	16 June 2014	EUR	10,000,000	7,563,156	2.13
Portugal Obrigacoes do Tesouro OT	5.45%	23 September 2013	EUR	10,000,000	8,311,800	2.34
Portugal Obrigacoes do Tesouro OT	6.40%	15 February 2016	EUR	4,000,000	3,076,000	0.87
					59,856,689	16.85
Spain						
BBVA International Preferred Unipersonal, V/R	8.50%	29 October 2049	EUR	4,050,000	3,785,185	1.07
Caixa d'Estalvis de Catalunya Tarragona i Manresa, V/R	1.71%	06 July 2012	EUR	3,000,000	2,816,958	0.79
FADE	4.40%	17 September 2013	EUR	3,000,000	3,006,051	0.85
Fund for Ordered Bank Restructuring	5.50%	12 July 2016	EUR	3,000,000	3,067,824	0.86
Iberdrola Finanzas	4.63%	07 April 2017	EUR	500,000	494,493	0.14
Instituto de Credito Oficial	3.75%	15 July 2013	EUR	15,000,000	14,907,885	4.20
Spain Government Bond	3.15%	31 January 2016	EUR	20,000,000	19,362,838	5.45
					47,441,234	13.36
Sweden						
Svenska Handelsbanken, V/R	1.84%	29 March 2049	EUR	5,000,000	4,875,098	1.37
United Kingdom						
Bank of Scotland, V/R	4.86%	16 March 2020	EUR	2,500,000	2,179,298	0.61
Clydesdale Bank, V/R	1.62%	30 May 2012	EUR	3,000,000	2,923,969	0.82
Crédit Agricole/London	6.00%	24 June 2013	EUR	3,000,000	3,128,169	0.88
HSBC Bank, V/R	1.84%	30 September 2020	EUR	3,000,000	2,664,500	0.75
Lloyds Bank	4.13%	06 April 2016	EUR	2,000,000	2,080,386	0.59
Lloyds Bank, V/R	5.11%	15 April 2014	EUR	2,500,000	2,528,341	0.71
					15,504,663	4.36
United States						
Bear Stearns, V/R	1.91%	27 July 2012	EUR	3,500,000	3,494,052	0.98
JPMorgan Chase, V/R	0.00%	02 November 2015	EUR	2,000,000	1,933,381	0.55
Merrill Lynch	6.75%	21 May 2013	EUR	2,500,000	2,496,494	0.70

F&C Portfolios Fund - F&C Plus Fund

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
United States (continued)						
Morgan Stanley, V/R	1.84%	29 November 2013	EUR	3,000,000	2,736,779	0.77
					10,660,706	3.00
TOTAL BONDS					296,351,692	83.44
COLLATERALIZED MORTGAGE OBLIGATIONS						
Germany						
Promise- Series XXS6-1, V/R - Series XXS6-1	1.72%	12 May 2024	EUR	2,860,572	2,755,710	0.78
Netherlands						
Astir/Gauguin- Series 17, V/R - Series 17	2.30%	04 October 2013	EUR	2,000,000	614,720	0.17
Astir/Pearl Series 22, V/R	1.91%	30 December 2014	EUR	855,686	0	0.00
					614,720	0.17
Spain						
BBVA Hipotecario Fondo de Titulizacion de Activos- Series 3, V/R - Series 3	1.71%	21 November 2038	EUR	567,858	537,047	0.15
Hipocat- Series HIPO-7, V/R - Series HIPO-7	1.78%	15 July 2036	EUR	1,672,076	1,300,777	0.37
					1,837,824	0.52
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS					5,208,254	1.47
ASSET BACKED SECURITIES						
Netherlands						
Astir/Regatta- Series 14 'A1', V/R	2.54%	21 December 2013	EUR	2,000,000	866,560	0.24
TOTAL ASSET BACKED SECURITIES					866,560	0.24
SHARES						
Portugal						
Banco Comercial Portugues 'R'				63,278,089	12,339,227	3.47
BANIF				240,000	98,400	0.03
Epri Estudos Planif				6,560	61,336	0.02
Proscia Sociedade de Estudos Planificaco e Realizacao de Instalacoes Industriais				33,000	447,150	0.12
					12,946,113	3.64
TOTAL SHARES					12,946,113	3.64

F&C Portfolios Fund - F&C Plus Fund

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Rate	Maturity Date	Currency	Number of Shares/ Nominal Value	Valuation €	% of Net Assets
FUNDS						
Luxembourg						
BCP Global Institutional Euro Equities				68,375	3,731,908	1.05
DB X-Trackers DJ Euro Stoxx				160,000	3,492,800	0.98
					7,224,708	2.03
TOTAL FUNDS					7,224,708	2.03
MONEY MARKET INSTRUMENTS						
Portugal						
Portugal Treasury Bill	0.00%	18 November 2011	EUR	5,000,000	4,967,382	1.40
TOTAL MONEY MARKET INSTRUMENTS					4,967,382	1.40
Total Investments					327,564,709	92.22
Other Net Assets					27,620,542	7.78
Total Net Assets					355,185,251	100.00

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

F&C Portfolios Fund - F&C Plus Fund
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Sovereign	45.73
Financial Services	44.59
Telecommunication	1.27
Supranational	0.49
Electrical Equipment	0.14
Total Investments	92.22
Other Net Assets	7.78
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C Sharia Sustainable Opportunities

Performance

In the period from launch, the net asset value of the Class X Shares – US\$ fell by 14.4% which was broadly in line with the return of the benchmark MSCI Islamic World TR Index, which fell 14.2%.

The F&C Sharia Sustainable Opportunities Fund was launched on 22nd March 2011 with an initial investment of \$25m. A thematic approach to idea generation is employed by the fund manager to help identify potential opportunities. Some key themes chosen by the manager include Water Stress, represented in the fund by holdings such as Roper (metering) and Torishima Pump (desalination pumps); Resource Efficiency, represented in the Fund by stocks such as Regal-Beloit (high efficiency motors) and Fanuc (factory automation); and Social Health, for example Henry Schein, a medical products distributor, and Mednax, who operate neonatal intensive care units within hospitals.

Over the period since inception positive performance has come from investments in the US, and particularly in Japan, where the economy has recovered much more quickly from the earthquake in March than anyone anticipated. On the downside our holdings in Brazil and China (via Hong Kong) detracted with the broader underperformance of the emerging markets, as investors became more risk averse. On a sector basis the Portfolio benefited from an underweight to the oil & gas sector, but our lack of holdings in the pharmaceutical sector (due to the animal welfare criteria) was detrimental to relative performance. Business services have performed well through 2011 as late cycle spending by corporates came through as we had hoped. Our holdings in Towers Watson and Accenture were the greatest beneficiaries of this. The largest negative stock contribution came from Esprit, a Hong Kong based clothing retailer, as it became apparent that much greater investment was necessary to turn around the business than had been thought.

Market Review

The 12-month period to 30th September 2011 saw volatile swings in sentiment and risk appetite. A few markets retained previously acquired gains but many succumbed to weakness and registered a loss over the year. The key events over the period included an ongoing fiscal crisis in the periphery of the eurozone, the loss of momentum in the recovery of developed economies, a spike in the price of oil and other commodity prices and a devastating earthquake and tsunami in Japan.

Outlook

We remain cautious on the global economic outlook, but we are continuing to use valuation opportunities emerging from the current market turmoil to add to higher quality conviction positions. It should also be noted that many companies we speak to are still seeing record order backlogs, and manufacturing lead indicators actually remain positive. Portfolio positioning continues to reflect several themes that we expect to play out regardless of the nearer term macroeconomic backdrop. We still see strength in corporate spending relative to public spending as a major theme and believe companies are better placed to weather a slowdown than in the last economic cycle although we have selectively reduced our holdings in certain industrial and consumer companies.

Alice Evans

Portfolio Manager

October 2011

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 Sharia Sustainable Opportunities

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation \$	% of Net Assets
SHARES			
Australia			
Woodside Petroleum	11,069	349,419	1.63
Belgium			
Umicore	15,368	566,308	2.65
Brazil			
AES Tiete (Preferred)	25,400	321,562	1.50
Anhanguera Educacional Participacoes	16,185	211,005	0.99
Diagnosticos da America	32,900	283,405	1.32
		815,972	3.81
France			
Cie Générale d'Optique Essilor International	5,340	386,821	1.81
Vallourec	830	48,442	0.22
		435,263	2.03
Germany			
SAP	6,512	334,764	1.57
Guernsey			
Amdocs	24,074	652,887	3.05
Hong Kong			
China Everbright International	788,000	186,251	0.87
Ireland			
Accenture 'A'	6,100	321,348	1.50
Japan			
Fanuc	3,700	519,863	2.43
Keyence	1,500	416,450	1.95
Kurita Water Industries	13,800	390,833	1.83
Secom	6,800	330,825	1.54
Shimano	7,900	422,775	1.97
Torishima Pump Manufacturing	19,800	282,820	1.32
USS	5,640	482,927	2.26
		2,846,493	13.30
Netherlands			
QIAGEN	25,654	354,795	1.66

F&C Portfolios Fund - F&C Sharia Sustainable Opportunities Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation \$	% of Net Assets
Norway			
StatoilHydro	18,375	397,483	1.86
Tomra Systems	34,000	221,223	1.03
Yara International	11,550	447,757	2.09
		1,066,463	4.98
Singapore			
ComfortDelGro	331,000	332,752	1.55
Raffles Medical Group	195,000	335,201	1.57
		667,953	3.12
Switzerland			
Geberit	1,798	333,945	1.56
United Kingdom			
BG Group	33,882	655,281	3.06
Intertek Group	19,188	554,479	2.59
Pearson	29,587	524,972	2.45
Rotork	22,626	547,383	2.56
		2,282,115	10.66
United States			
Agilent Technologies	9,841	307,531	1.44
CVS Caremark	15,356	515,654	2.41
eBay	13,520	398,705	1.86
Haemonetics	7,918	463,045	2.16
Henry Schein	10,544	653,833	3.05
Informatica	10,601	434,111	2.03
Intel	12,245	261,186	1.22
Johnson Controls	12,660	333,844	1.56
Mednax	9,735	609,800	2.85
Mettler-Toledo International	3,775	528,349	2.47
Microsoft	10,139	252,360	1.18
PepsiCo	6,536	404,578	1.89
Praxair	7,303	682,684	3.19
Quanta Services	17,625	331,174	1.55
Regal-Beloit Corp	5,728	259,937	1.21
ResMed	12,463	358,810	1.68
Roper Industries	6,292	433,582	2.03
Towers Watson & Co 'A'	11,215	670,433	3.13
Union Pacific	5,157	421,172	1.97
		8,320,788	38.88
TOTAL SHARES		19,534,764	91.27

F&C Portfolios Fund - F&C Sharia Sustainable Opportunities Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Valuation \$	% of Net Assets
Total Investments	19,534,764	91.27
Other Net Assets	1,867,980	8.73
Total Net Assets	21,402,744	100.00

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

F&C Portfolios Fund - F&C Sharia Sustainable Opportunities
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Healthcare	16.10
Electrical Equipment	9.92
Commercial Services	9.80
Oil & Gas	6.55
Machinery-Diversified	5.78
Chemicals	5.28
Software	4.78
Retail	4.67
Environmental Control	3.73
Transportation	3.52
Telecommunication	3.05
Metals & Mining	2.87
Media	2.45
Leisure & Tourism	1.97
Food & Beverages	1.89
Internet	1.86
Building Materials	1.56
Auto Parts & Equipment	1.56
Computers	1.50
Semiconductors	1.22
Engineering & Construction	1.21
Total Investments	91.27
Other Net Assets	8.73
Total Net Assets	100.00

The accompanying notes form an integral part of these financial statements

F&C Portfolios Fund

F&C Stewardship International

Performance

In the twelve months to 30th September 2011 the Class A Shares - Euro and Class A Shares – US\$ returned -5.5% and -7.2% respectively. The Class I Shares - Euro returned -4.8%. All figures are net of fees. By comparison, the benchmark, the MSCI World TR Index, returned -2.7% in euros and -4.4% in dollars.

The underperformance of the Portfolio versus the benchmark was concentrated in the first quarter of 2011, in which both stock selection and allocation impacted negatively. On a sector basis our positions in the consumer discretionary was the most significant detractor. Our holdings in Brazil and China (via Hong Kong) also subtracted value as emerging markets suffered from falling risk appetite.

On the positive side, our Japanese holdings were beneficial as the economy has recovered much more quickly from the earthquake in March than had been anticipated. Business services also performed well through 2011 as late cycle spending by corporates came through as we had hoped. Our holdings in Towers Watson and Accenture were the greatest beneficiaries of this.

Market Review

Large swings in investor sentiment saw global equities trade lower in aggregate during the twelve months in review. The rapid rebound in share prices following the 2008/09 recession reversed as doubts grew about the sustainability of the recovery of the developed economies. Compounding the fears of a double-dip recession was a deepening of the sovereign debt crisis in Europe, with Greece teetering on the brink of default and contagion threatening to spread across the eurozone periphery. Areas of the markets suffering the greatest volatility included banks and resources-related stocks. In regional terms, emerging markets suffered the heaviest losses as they were perceived as being most vulnerable to deteriorating risk appetite.

Outlook

We remain cautious on the global economic outlook, but we are continuing to use valuation opportunities emerging from the current market turmoil to add to higher quality conviction positions. It should also be noted that many companies we speak to are still seeing record order backlogs, and manufacturing leading-indicators actually remain positive. Portfolio positioning continues to reflect several themes that we expect to play out regardless of the nearer term macroeconomic backdrop, such as greater investment in energy and resource efficiency. Despite weakening sentiment we are still seeing corporate investment flow into areas such as Information Technology (“IT”), and we are seeing ongoing spending in business services consulting which benefits fund holdings such as Towers Watson and Accenture. Overall we still see strength in corporate spending relative to public spending as a major theme and believe companies are better placed to weather a slowdown than in the last cycle.

Sophie Horsfall

Portfolio Manager

October 2011

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 Stewardship International

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
SHARES			
Australia			
Computershare	141,776	767,166	1.18
Westfield Group	106,777	599,440	0.92
Woodside Petroleum	37,140	873,824	1.34
		2,240,430	3.44
Belgium			
Umicore	31,677	870,009	1.34
Brazil			
Anhanguera Educacional Participacoes	37,793	367,227	0.56
Diagnosticos da America	44,500	285,704	0.44
Itau Unibanco Banco Multiplo ADR	37,528	434,102	0.67
Tractebel Energia	49,300	516,649	0.79
		1,603,682	2.46
Cyprus			
ProSafe	130,600	636,493	0.98
France			
Nexans	12,549	549,646	0.84
Suez Environnement	60,724	634,566	0.97
Vallourec	3,076	133,806	0.21
		1,318,018	2.02
Germany			
Rhoen Klinikum	64,533	981,869	1.51
SAP	10,269	393,457	0.60
		1,375,326	2.11
Guernsey			
Amdocs	70,781	1,430,708	2.20
Ireland			
Accenture 'A'	30,000	1,177,909	1.81
Japan			
Benesse	44,100	1,460,502	2.24
Fanuc	8,500	890,123	1.37
Keyence	5,566	1,151,754	1.77
Kurita Water Industries	40,300	850,671	1.30
Shimano	32,500	1,296,314	1.99
USS	23,250	1,483,781	2.28
Yamada Denki	15,880	836,854	1.28

F&C Portfolios Fund - F&C Stewardship International

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
Japan (continued)			
Yamatake	39,200	634,519	0.97
		8,604,518	13.20
Mexico			
Compartamos	556,892	562,733	0.86
Urbi Desarrollos Urbanos	213,100	214,646	0.33
		777,379	1.19
Norway			
StatoilHydro	36,081	581,721	0.89
Tomra Systems	112,800	547,022	0.84
Yara International	48,000	1,386,903	2.13
		2,515,646	3.86
Philippines			
Manila Water	1,116,000	361,057	0.56
Singapore			
Hyflux	568,500	484,489	0.74
Spain			
Ebro Foods	33,575	431,271	0.66
Switzerland			
Informa	301,892	1,148,290	1.76
United Kingdom			
BG Group	92,467	1,332,876	2.05
HSBC Holdings	118,853	685,702	1.05
Intertek Group	64,520	1,389,615	2.13
Marks & Spencer Group	300,517	1,097,701	1.68
Pearson	63,623	841,384	1.29
Rotork	70,794	1,276,510	1.96
Standard Chartered	84,485	1,262,450	1.94
United Utilities Group	95,510	691,974	1.06
		8,578,212	13.16
United States			
Agilent Technologies	20,143	469,158	0.72
Apple	6,148	1,746,661	2.68
Crown Castle International	42,350	1,283,725	1.97
CVS Caremark	31,966	800,043	1.23
DaVita	25,711	1,200,945	1.84
eBay	56,340	1,238,329	1.90

F&C Portfolios Fund - F&C Stewardship International

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation €	% of Net Assets
United States (continued)			
Haemonetics	12,695	553,331	0.85
Henry Schein	37,313	1,724,513	2.65
Informatica	29,128	889,015	1.36
Intel	43,346	689,104	1.06
IntercontinentalExchange	13,330	1,174,932	1.80
Johnson Controls	41,355	812,798	1.25
Kellogg	23,005	912,004	1.40
Mednax	24,748	1,155,411	1.77
Mettler-Toledo International	6,388	666,367	1.02
Microsoft	60,287	1,118,390	1.72
PepsiCo	20,039	924,509	1.42
Praxair	27,802	1,937,043	2.97
Principal Financial Group	46,046	778,015	1.19
Quanta Services	86,256	1,207,983	1.85
ResMed	40,682	872,948	1.34
Sims Metal Management	59,233	532,049	0.82
Spectra Energy	90,012	1,645,669	2.52
Towers Watson & Co 'A'	41,108	1,831,584	2.81
Union Pacific	18,174	1,106,261	1.70
US Bancorp	57,164	1,002,937	1.54
		28,273,724	43.38
TOTAL SHARES		61,827,161	94.87
Total Investments		61,827,161	94.87
Other Net Assets		3,345,356	5.13
Total Net Assets		65,172,517	100.00

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

F&C Portfolios Fund - F&C Stewardship International
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Healthcare	10.40
Commercial Services	9.59
Electrical Equipment	8.07
Financial Services	7.86
Retail	6.47
Computers	5.67
Oil & Gas	5.26
Chemicals	5.10
Telecommunication	4.17
Software	3.68
Food & Beverages	3.48
Media	3.05
Environmental Control	2.88
Water	2.59
Pipelines	2.52
Metals & Mining	2.37
Leisure & Tourism	1.99
Internet	1.90
Transportation	1.70
Machinery-Diversified	1.37
Auto Parts & Equipment	1.25
Insurance	1.19
Semiconductors	1.06
Real Estate	0.92
Building Materials	0.33
Total Investments	94.87
Other Net Assets	5.13
Total Net Assets	100.00

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

F&C Portfolios Fund

F&C US Smaller Companies

Performance

Over the 12-month period to 30 September 2011, the Class A Shares - US\$ rose 0.4% (net of fees), outperforming the Russell 2000 TR Index, which fell by 3.9%.

The Portfolio's strong outperformance was primarily the result of good stock selection in financials, producer durables and consumer discretionary. This more than offset weaker stock selection within the energy and healthcare sectors. Our margin-of-safety investment approach proved positive this year. Our holdings in retailer Conn's, claims adjuster Crawford & Co and used car retailer America's Car-Mart all contributed positively to performance. We had participated in a rights issue for Conn's in the final quarter of 2010 and the stock has more than doubled in price since. Furthermore, our position in the waste services provider, Waste Connections, added value as the company benefited from a flight to safety, solid results and the announced of an acquisition of Alaska Waste.

Market Review

Two rounds of quantitative easing and other fiscal stimulus measures temporarily lifted confidence in the equity markets and supported a brief pick-up in economic growth. On the whole, however, the recovery remained below expectations and towards the end of the period in review data turned negative, heightening fears of a new recession. This prompted the ratings agency Standard & Poor's to express concerns about the administration's ability to reduce its huge budget deficit and it downgraded its rating for US debt from AAA to AA+. The fears of the fragility of the global financial system as well as the growing expectation that China will face a sharp slowdown saw earlier acquired gains eroded. Meanwhile, persistently high unemployment and depressed consumer confidence added to the gloom.

Outlook

In the last quarter we have moved away from economically sensitive stocks, especially those that are energy-related, and moved to more defensive ones with strong cash flow and/or balance sheets. There is still a good weighting in the portfolio towards producer durables (that include rail, selected manufacturers, consultants and defence/aerospace). We retain the underweight in banks, believing it is still too early here after the housing bubble burst in 2007. Looking beyond the near term problems, the US has a lot going for it, including a dynamic manufacturing sector. Furthermore, huge finds of natural gas reserves in shale deposits mean low energy prices in the US for decades to come and a manufacturing renaissance in chemicals and metals.

Robert Siddles

Portfolio Manager

October 2011

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F&C Portfolio Fund - F&C US Smaller Companies

Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation \$	% of Net Assets
SHARES			
United States			
ACI Worldwide	24,299	669,194	1.92
Airgas	14,153	903,244	2.59
Allegheny	2,570	741,445	2.13
Allegheny Technologies	8,845	327,177	0.94
Amedisys	24,094	357,073	1.03
American Railcar Industries	28,355	436,100	1.25
America's Car-Mart	27,924	810,354	2.33
Andersons	15,730	529,472	1.52
Astec Industries	19,613	574,269	1.65
Atlantic Tele-Network	23,649	777,579	2.23
Bottomline Technologies	32,516	654,872	1.88
Brown & Brown	15,865	282,397	0.81
CapitalSource	96,626	593,284	1.70
Cardinal Financial	64,135	552,844	1.59
Career Education	40,033	522,431	1.50
Conn's	91,916	659,957	1.89
CRA International	24,256	485,363	1.39
Crawford 'B'	92,044	493,356	1.42
DENTSPLY International	19,320	592,931	1.70
DeVry	16,785	620,374	1.78
FLIR Systems	24,618	616,681	1.77
Flowers Foods	38,341	746,116	2.14
FTI Consulting	19,679	724,384	2.08
GATX	19,192	594,760	1.71
Genesee & Wyoming 'A'	12,931	601,550	1.73
Granite Construction	37,605	705,846	2.03
Harvard Bioscience	121,885	514,355	1.48
HCC Insurance Holdings	26,168	707,844	2.03
HUB Group 'A'	22,100	624,767	1.79
ICF International	32,686	614,824	1.77
Intrepid Potash	17,355	431,619	1.24
Kirby	13,522	711,798	2.04
Knology	52,900	686,642	1.97
Lincare Holdings	33,423	752,017	2.16
LKQ	28,032	677,253	1.94
Markel	1,616	577,122	1.66
Mohawk Industries	15,433	662,230	1.90
National American University Holdings	8,085	57,889	0.17
NTELOS Holdings	40,515	718,331	2.06
Orbital Sciences	48,629	622,451	1.79
Pool	29,833	781,028	2.24
Premiere Global Services	92,023	590,788	1.70
Prestige Brands Holdings	46,230	418,381	1.20
Quanta Services	38,658	726,384	2.09
Rex Energy	64,985	822,060	2.36
Roper Industries	9,561	658,848	1.89
Sanderson Farms	21,416	1,017,260	2.92
SBA Communications 'A'	23,090	796,143	2.29
Simpson Manufacturing	28,782	717,535	2.06
Teledyne Technologies	11,500	561,890	1.61
Universal Truckload Services	36,534	474,942	1.36
Viasat	18,600	619,566	1.78
Waste Connections	17,042	576,360	1.65
Willbros Group	91,662	382,230	1.10

F&C Portfolio Fund - F&C US Smaller Companies Schedule of Investments as at 30th September 2011

Transferable securities admitted to an official exchange listing or traded on other regulated markets

Security Description	Number of Shares	Valuation \$	% of Net Assets
United States (continued)			
WR Berkley	23,817	707,127	2.03
		33,782,737	96.99
TOTAL SHARES		33,782,737	96.99
Total Investments		33,782,737	96.99
Other Net Assets		1,048,094	3.01
Total Net Assets		34,830,831	100.00

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

F&C Portfolio Fund - F&C US Smaller Companies
Distribution of Investments by Economic Sector
as at 30th September 2011

Sector	% of Net Assets
Commercial Services	10.78
Insurance	10.08
Telecommunication	10.06
Transportation	6.92
Food & Beverages	5.06
Healthcare	4.89
Retail	4.22
Distribution & Wholesale	4.18
Chemicals	3.83
Software	3.80
Machinery-Diversified	3.54
Oil & Gas	3.46
Aerospace & Defense	3.40
Building Materials	2.06
Engineering & Construction	2.03
Media	1.97
Textiles	1.90
Electrical Equipment	1.77
Trucking & Leasing	1.71
Real Estate	1.70
Environmental Control	1.65
Financial Services	1.59
Agriculture	1.52
Biotechnology	1.48
Manufacturing	1.25
Consumer Goods	1.20
Metals & Mining	0.94
Total Investments	96.99
Other Net Assets	3.01
Total Net Assets	100.00

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

F&C Portfolios Fund
Combined Statement of Net Assets
as at 30th September 2011

	Notes	F&C Active Return €	F&C Asia Pacific Dynamic €	F&C Diversified Growth €	F&C Emerging Markets Bond \$
ASSETS					
Investments at market value	2	73,964,451	43,573,793	82,722,316	104,591,737
Investment at cost		73,353,542	48,790,441	84,416,883	104,062,097
Purchased options at market value	2, 14	1,315,034	-	218,522	-
Contracts for difference at market value	2, 16	2,663,839	-	-	-
Unrealised gain on futures contracts	2, 13	898,755	-	176,000	-
Unrealised gain on forward foreign exchange contracts	2, 12	134,341	-	594,463	75,415
Unrealised gain on swaps	2, 15	157,807	-	797,699	-
Investments sold		54,715,918	-	1,239,150	16,251,947
Subscriptions receivable		3,278	-	-	31,194
Dividends and interest receivable		872,860	153,286	36,223	1,878,796
Formation expenses	8	-	-	3,516	-
Balance at bankers:		-	-	-	-
Cash and deposits	2	10,114,188	3,537,519	31,418,889	6,195,115
Total Assets		144,840,471	47,264,598	117,206,778	129,024,204
LIABILITIES					
Written options at market value	2, 14	1,014,593	-	507,738	-
Unrealised loss on futures contracts	2, 13	888,798	-	17,385	-
Unrealised loss on forward foreign exchange contracts	2, 12	6,431	-	307,981	869,013
Unrealised loss on swaps	2, 15	1,646,801	-	829,594	-
Investment purchased		58,590,356	1,064,139	335,623	376,474
Redemption payable		17,540	46,910	110,533	37,726
Investment management fees	4	85,198	17,716	111,934	157,946
Expenses and taxes		52,284	190,954	154,260	827,831
Bank overdraft	2	-	139	5,789,944	-
Total Liabilities		62,302,001	1,319,858	8,164,992	2,268,990
NET ASSETS		82,538,470	45,944,740	109,041,786	126,755,214

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

F&C Portfolios Fund

Combined Statement of Net Assets (continued)

as at 30th September 2011

	Notes	F&C Enhanced Alpha UK Equity £	F&C Euro Inflation Linked Bond €	F&C European Equity €	F&C European Growth and Income* €
ASSETS					
Investments at market value	2	35,952,808	82,134,131	32,239,795	55,888,097
Investment at cost		36,855,167	86,385,679	30,872,910	62,225,367
Purchased options at market value	2, 14	-	-	-	-
Contracts for difference at market value	2, 16	34,050,045	-	-	-
Unrealised gain on futures contracts	2, 13	-	-	-	-
Unrealised gain on forward foreign exchange contracts	2, 12	-	-	-	-
Unrealised gain on swaps	2, 15	-	-	-	-
Investments sold		10,841,879	-	-	924
Subscriptions receivable		-	-	10	-
Dividends and interest receivable		103,247	312,512	135,295	130,297
Formation expenses	8	-	-	-	-
Balance at bankers:					
Cash and deposits	2	3,472,804	329,221	214,034	146
Total Assets		84,420,783	82,775,864	32,589,134	56,019,464
LIABILITIES					
Written options at market value	2, 14	-	-	-	-
Unrealised loss on futures contracts	2, 13	-	-	-	-
Unrealised loss on forward foreign exchange contracts	2, 12	-	-	-	-
Unrealised loss on swaps	2, 15	-	-	-	-
Investment purchased		47,263,618	-	-	133
Redemption payable		-	-	109,527	109,428
Investment management fees	4	14,553	31,116	52,740	81,002
Expenses and taxes		103,921	101,240	75,114	80,598
Bank overdraft	2	-	-	-	65,147
Total Liabilities		47,382,092	132,356	237,381	336,308
NET ASSETS		37,038,691	82,643,508	32,351,753	55,683,156

* The Portfolio was launched on 30th September 2010 and the first NAV was calculated on 1st October 2010.

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

F&C Portfolios Fund

Combined Statement of Net Assets (continued)

as at 30th September 2011

	Notes	F&C European High Yield Bond €	F&C European SmallCap €	F&C Global Climate Opportunities €	F&C Global Convertible Bond €
ASSETS					
Investments at market value	2	37,297,688	31,940,277	35,204,146	561,737,634
Investment at cost		40,601,861	31,780,334	35,875,860	583,381,065
Purchased options at market value	2, 14	-	-	-	-
Contracts for difference at market value	2, 16	-	-	-	-
Unrealised gain on futures contracts	2, 13	-	-	-	-
Unrealised gain on forward foreign exchange contracts	2, 12	3,826	-	-	369,518
Unrealised gain on swaps	2, 15	-	-	-	-
Investments sold		209,385	513,173	5,882	2,782,901
Subscriptions receivable		208	23	473	144,886
Dividends and interest receivable		1,037,446	221,196	101,719	5,174,805
Formation expenses	8	-	-	-	-
Balance at bankers:					
Cash and deposits	2	323,317	327,116	2,752,946	3,346,914
Total Assets		38,871,870	33,001,785	38,065,166	573,556,658
LIABILITIES					
Written options at market value	2, 14	-	-	-	-
Unrealised loss on futures contracts	2, 13	-	-	-	-
Unrealised loss on forward foreign exchange contracts	2, 12	291,215	-	-	6,594,974
Unrealised loss on swaps	2, 15	-	-	-	-
Investment purchased		248,260	575,398	145,959	1,365,419
Redemption payable		41,750	5,851	3,946	2,456,415
Investment management fees	4	38,662	48,033	19,221	481,352
Expenses and taxes		64,616	62,211	53,462	796,075
Bank overdraft	2	-	-	581	-
Total Liabilities		684,503	691,493	223,169	11,694,235
NET ASSETS		38,187,367	32,310,292	37,841,997	561,862,423

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

F&C Portfolios Fund

Combined Statement of Net Assets (continued)

as at 30th September 2011

	Notes	F&C Global Emerging Markets Portfolio \$	F&C Japanese Equity €	F&C Latin American Equity \$	F&C North American Equity €
ASSETS					
Investments at market value	2	119,154,724	142,916,639	73,822,289	23,636,205
Investment at cost		140,499,996	153,672,587	87,252,098	24,632,593
Purchased options at market value	2, 14	-	-	-	-
Contracts for difference at market value	2, 16	-	-	-	-
Unrealised gain on futures contracts	2, 13	-	-	-	-
Unrealised gain on forward foreign exchange contracts	2, 12	-	-	-	-
Unrealised gain on swaps	2, 15	-	-	-	-
Investments sold		1,716,823	2,803,993	1,208,514	2,290
Subscriptions receivable		41	8,400	-	1,500
Dividends and interest receivable		349,233	1,418,590	255,225	30,428
Formation expenses	8	-	-	-	-
Balance at bankers:					
Cash and deposits	2	2,434,475	1,901,195	1,140,121	112,613
Total Assets		123,655,296	149,048,817	76,426,149	23,783,036
LIABILITIES					
Written options at market value	2, 14	-	-	-	-
Unrealised loss on futures contracts	2, 13	-	-	-	-
Unrealised loss on forward foreign exchange contracts	2, 12	-	-	-	-
Unrealised loss on swaps	2, 15	-	-	-	-
Investment purchased		2,638,774	2,332,902	913,307	1,628
Redemption payable		-	193,196	-	116,800
Investment management fees	4	90,385	115,392	66,888	63,837
Expenses and taxes		496,786	178,980	192,206	103,151
Bank overdraft	2	-	-	8,366	-
Total Liabilities		3,225,945	2,820,470	1,180,767	285,416
NET ASSETS		120,429,351	146,228,347	75,245,382	23,497,620

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

F&C Portfolios Fund

Combined Statement of Net Assets (continued)

as at 30th September 2011

	Notes	F&C Pacific Equity €	F&C Plus Fund €	F&C Sharia Sustainable Opportunities* \$	F&C Stewardship International €
ASSETS					
Investments at market value	2	12,937,777	327,564,709	19,534,764	61,827,161
Investment at cost		14,111,488	368,506,673	22,331,363	61,024,554
Purchased options at market value	2, 14	-	-	-	-
Contracts for difference at market value	2, 16	-	-	-	-
Unrealised gain on futures contracts	2, 13	-	-	-	-
Unrealised gain on forward foreign exchange contracts	2, 12	-	-	-	-
Unrealised gain on swaps	2, 15	-	-	-	-
Investments sold		291,532	-	-	-
Subscriptions receivable		119	-	-	34,902
Dividends and interest receivable		28,632	5,601,982	27,916	179,069
Formation expenses	8	-	16,199	-	-
Balance at bankers:					
Cash and deposits	2	346,369	49,809,993	1,895,510	3,558,376
Total Assets		13,604,429	382,992,883	21,458,190	65,599,508
LIABILITIES					
Written options at market value	2, 14	-	-	-	-
Unrealised loss on futures contracts	2, 13	-	-	-	-
Unrealised loss on forward foreign exchange contracts	2, 12	-	-	-	-
Unrealised loss on swaps	2, 15	-	-	-	-
Investment purchased		412,159	27,108,266	7,225	76
Redemption payable		607	-	-	266,995
Investment management fees	4	11,026	384,170	19,272	67,949
Expenses and taxes		65,703	315,196	28,949	91,971
Bank overdraft	2	-	-	-	-
Total Liabilities		489,495	27,807,632	55,446	426,991
NET ASSETS		13,114,934	355,185,251	21,402,744	65,172,517

* The Portfolio was launched on 22nd March 2011.

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

F&C Portfolios Fund

Combined Statement of Net Assets (continued)

as at 30th September 2011

	Notes	F&C US Smaller Companies \$	Combined €
ASSETS			
Investments at market value	2	33,782,737	1,908,851,923
Investment at cost		34,434,385	2,032,040,610
Purchased options at market value	2, 14	-	1,533,556
Contracts for difference at market value	2, 16	-	42,198,120
Unrealised gain on futures contracts	2, 13	-	1,074,755
Unrealised gain on forward foreign exchange contracts	2, 12	-	1,158,357
Unrealised gain on swaps	2, 15	-	955,506
Investments sold		-	89,446,534
Subscriptions receivable		174	217,209
Dividends and interest receivable		27,257	17,446,164
Formation expenses	8	-	19,715
Balance at bankers:			
Cash and deposits	2	1,374,374	121,843,694
Total Assets		35,184,542	2,184,745,533
LIABILITIES			
Written options at market value	2, 14	-	1,522,331
Unrealised loss on futures contracts	2, 13	14,220	916,781
Unrealised loss on forward foreign exchange contracts	2, 12	-	7,848,296
Unrealised loss on swaps	2, 15	-	2,476,395
Investment purchased		146,599	150,099,094
Redemption payable		56,461	3,549,698
Investment management fees	4	59,118	1,919,611
Expenses and taxes		77,313	3,716,197
Bank overdraft	2	-	5,862,046
Total Liabilities		353,711	177,910,449
NET ASSETS		34,830,831	2,006,835,084

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 30th September 2011

	Notes	F&C Active Return €	F&C Asia Pacific Dynamic €	F&C Diversified Growth €	F&C Emerging Markets Bond \$
INCOME					
Dividends (net of withholding taxes)	2	75,713	1,460,089	933,303	-
Income received on contracts for difference	2	42,980	-	-	-
Interest (net of withholding taxes)	2	995,010	839	65,189	8,147,231
Interest Income (Future Margins)	2	2,311	-	621	-
Security lending income	2	-	12,687	23,622	-
Other income		14	9,749	1,451	521,339
Total Income		1,116,028	1,483,364	1,024,186	8,668,570
EXPENDITURE					
Investment management fees	4	1,014,980	209,148	1,199,919	1,871,329
Custodian and administration fees	5	130,732	65,803	139,504	160,890
Taxe d'abonnement	9	15,174	8,972	30,785	59,487
Directors' fees	6	560	184	147	118
Amortisation of formation expenses	8	-	-	-	-
Bank interest and charges		349	2,784	5,858	1,702
Commission fees for futures contracts	2	97,455	-	4,883	-
Dividends and fees paid on contracts for difference	2	22,799	-	-	-
Overseas financial transaction tax		-	-	-	23,893
Distribution fees		44,999	33,679	58,451	72,414
Sundry expenses		164,028	204,625	149,740	191,967
Performance fees	17	-	-	-	238
Total Operating Expenses		1,491,076	525,195	1,589,287	2,382,038
Net income/(loss) from investments		(375,048)	958,169	(565,101)	6,286,532
Net realised gains/(losses) on investments		2,437,940	5,074,111	527,750	4,891,898
Net realised gains/(losses) on futures contracts		6,966	-	(1,461,112)	-
Net realised gains/(losses) on foreign exchange and forward foreign exchange contracts		(428,016)	9,543	(246,976)	897,954
Net realised gain/(loss) for the year		1,641,842	6,041,823	(1,745,439)	12,076,384

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 30th September 2011

	Notes	F&C Active Return €	F&C Asia Pacific Dynamic €	F&C Diversified Growth €	F&C Emerging Markets Bond \$
Net realised gain/(loss) for the year		1,641,842	6,041,823	(1,745,439)	12,076,384
Net change in unrealised appreciation/(depreciation) on investments	2	754,596	(17,683,614)	(4,210,259)	(10,601,931)
Net change in unrealised appreciation/(depreciation) on options	2	(1,171,490)	-	(289,217)	-
Net change in unrealised appreciation/(depreciation) on forward foreign exchange contracts	2	461,219	-	152,462	(1,417,817)
Net change in unrealised appreciation/(depreciation) on futures contracts	2	19,597	-	158,615	-
Net change in unrealised appreciation/(depreciation) on contracts for differences	2	93,125	-	-	-
Net change in unrealised appreciation/(depreciation) on swaps	2	(2,572,990)	-	(31,895)	-
Net change in unrealised appreciation/(depreciation) on foreign currencies	2	(204,989)	86,573	(58,804)	(73,984)
Total Net Investment Income/(Loss) for the year		(979,090)	(11,555,218)	(6,024,537)	(17,348)
Subscriptions of shares		7,935,513	11,069,303	87,484,106	52,315,399
Redemptions of shares		(16,256,737)	(49,495,490)	(12,108,307)	(58,295,738)
Dividends paid from income	20	-	(1,296,790)	-	(7,917,202)
Total finance costs		(8,321,224)	(39,722,977)	75,375,799	(13,897,541)
Net Assets at the beginning of the year		91,838,784	97,222,935	39,690,524	140,670,103
Currency translation adjustment		-	-	-	-
Net assets at the end of the year		82,538,470	45,944,740	109,041,786	126,755,214

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 30th September 2011

	Notes	F&C Enhanced Alpha UK Equity £	F&C Euro Inflation Linked Bond €	F&C European Equity €	F&C European Growth and Income* €
INCOME					
Dividends (net of withholding taxes)	2	3,798	-	1,142,735	2,142,946
Income received on contracts for difference	2	1,147,544	-	-	-
Interest (net of withholding taxes)	2	344,047	1,820,864	378	646
Interest Income (Future Margins)	2	-	-	-	-
Security lending income	2	-	-	58,009	138,766
Other income		-	1,957,698	44,993	33,174
Total Income		1,495,389	3,778,562	1,246,115	2,315,532
EXPENDITURE					
Investment management fees	4	140,784	286,710	519,458	972,177
Custodian and administration fees	5	59,103	45,468	22,364	52,644
Taxe d'abonnement	9	4,162	8,644	19,085	31,186
Directors' fees	6	49	118	14	1,978
Amortisation of formation expenses	8	-	-	-	-
Bank interest and charges		734	149	1,176	1,098
Commission fees for futures contracts	2	-	-	-	-
Dividends and fees paid on contracts for difference	2	471,653	-	-	-
Overseas financial transaction tax		-	-	-	-
Distribution fees		21,157	42,146	19,659	31,616
Sundry expenses		42,369	90,218	32,006	109,633
Performance fees	17	317,849	43	-	-
Total Operating Expenses		1,057,860	473,496	613,762	1,200,332
Net income/(loss) from investments		437,529	3,305,066	632,353	1,115,200
Net realised gains/(losses) on investments		3,947,535	976,023	266,532	(683,666)
Net realised gains/(losses) on futures contracts		-	-	-	-
Net realised gains/(losses) on foreign exchange and forward foreign exchange contracts		-	-	-	(1,167)
Net realised gain/(loss) for the year		4,385,064	4,281,089	898,885	430,367

* The Portfolio was launched on 30th September 2010 and the first NAV was calculated on 1st October 2010.

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 30th September 2011

	Notes	F&C Enhanced Alpha UK Equity £	F&C Euro Inflation Linked Bond €	F&C European Equity €	F&C European Growth and Income* €
Net realised gain/(loss) for the year		4,385,064	4,281,089	898,885	430,367
Net change in unrealised appreciation/(depreciation) on investments	2	(795,877)	(6,243,147)	(2,716,796)	(6,337,270)
Net change in unrealised appreciation/(depreciation) on options	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on forward foreign exchange contracts	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on futures contracts	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on contracts for differences	2	(5,631,685)	-	-	-
Net change in unrealised appreciation/(depreciation) on swaps	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on foreign currencies	2	8,598	-	4,118	1,657
Total Net Investment Income/(Loss) for the year		(2,033,900)	(1,962,058)	(1,813,793)	(5,905,246)
Subscriptions of shares		-	12,705,578	4,001,521	66,515,135
Redemptions of shares		-	(5,657,847)	(8,487,180)	(4,926,733)
Dividends paid from income	20	-	(2,453,196)	(466,121)	-
Total finance costs		-	4,594,535	(4,951,780)	61,588,402
Net Assets at the beginning of the year		39,072,591	80,011,031	39,117,326	-
Currency translation adjustment		-	-	-	-
Net assets at the end of the year		37,038,691	82,643,508	32,351,753	55,683,156

* The Portfolio was launched on 30th September 2010 and the first NAV was calculated on 1st October 2010.

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 30th September 2011

	Notes	F&C European High Yield Bond €	F&C European SmallCap €	F&C Global Climate Opportunities €	F&C Global Convertible Bond €
INCOME					
Dividends (net of withholding taxes)	2	-	1,129,428	756,606	1,447,013
Income received on contracts for difference	2	-	-	-	-
Interest (net of withholding taxes)	2	3,567,715	665	2,577	6,006,597
Interest Income (Future Margins)	2	-	-	-	-
Security lending income	2	-	-	56,027	-
Other income		202,727	20,845	3,949	1,066
Total Income		3,770,442	1,150,938	819,159	7,454,676
EXPENDITURE					
Investment management fees	4	465,182	566,724	213,736	6,240,558
Custodian and administration fees	5	58,780	24,384	50,160	276,422
Taxe d'abonnement	9	21,678	18,205	5,823	209,337
Directors' fees	6	42	1,375	68	1,066
Amortisation of formation expenses	8	-	-	-	-
Bank interest and charges		546	625	164	3,701
Commission fees for futures contracts	2	-	-	-	-
Dividends and fees paid on contracts for difference	2	-	-	-	-
Overseas financial transaction tax		-	-	7,202	-
Distribution fees		22,418	18,430	22,153	359,801
Sundry expenses		47,143	25,564	54,776	1,350,609
Performance fees	17	-	-	-	-
Total Operating Expenses		615,789	655,307	354,082	8,441,494
Net income/(loss) from investments		3,154,653	495,631	465,077	(986,818)
Net realised gains/(losses) on investments		1,542,780	5,084,293	(1,877,850)	16,035,934
Net realised gains/(losses) on futures contracts		-	-	-	-
Net realised gains/(losses) on foreign exchange and forward foreign exchange contracts		(16,542)	-	(287)	12,681,949
Net realised gain/(loss) for the year		4,680,891	5,579,924	(1,413,060)	27,731,065

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 30th September 2011

	Notes	F&C European High Yield Bond €	F&C European SmallCap €	F&C Global Climate Opportunities €	F&C Global Convertible Bond €
Net realised gain/(loss) for the year		4,680,891	5,579,924	(1,413,060)	27,731,065
Net change in unrealised appreciation/(depreciation) on investments	2	(5,881,796)	(4,885,505)	(3,355,994)	(55,906,570)
Net change in unrealised appreciation/(depreciation) on options	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on forward foreign exchange contracts	2	(364,850)	-	-	(16,771,464)
Net change in unrealised appreciation/(depreciation) on futures contracts	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on contracts for differences	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on swaps	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on foreign currencies	2	12,891	281	895	337,766
Total Net Investment Income/(Loss) for the year		(1,552,864)	694,700	(4,768,159)	(44,609,203)
Subscriptions of shares		7,229,782	23,621,646	549,854	591,323,953
Redemptions of shares		(9,526,259)	(27,806,631)	(639,057)	(551,798,938)
Dividends paid from income	20	(3,384,373)	(141,814)	(399,621)	(6,924,109)
Total finance costs		(5,680,850)	(4,326,799)	(488,824)	32,600,906
Net Assets at the beginning of the year		45,421,081	35,942,391	43,098,980	573,870,720
Currency translation adjustment		-	-	-	-
Net assets at the end of the year		38,187,367	32,310,292	37,841,997	561,862,423

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 30th September 2011

	Notes	F&C Global Emerging Markets Portfolio \$	F&C Japanese Equity €	F&C Latin American Equity \$	F&C North American Equity €
INCOME					
Dividends (net of withholding taxes)	2	3,106,187	3,289,321	2,722,427	549,730
Income received on contracts for difference	2	-	-	-	-
Interest (net of withholding taxes)	2	2,727	314	665	300
Interest Income (Future Margins)	2	-	-	-	-
Security lending income	2	5,503	17,925	2,353	21,764
Other income		3,283	90,800	19,180	-
Total Income		3,117,700	3,398,360	2,744,625	571,794
EXPENDITURE					
Investment management fees	4	1,015,444	1,361,123	822,570	563,086
Custodian and administration fees	5	204,743	92,849	123,394	23,167
Taxe d'abonnement	9	36,639	23,820	11,052	8,367
Directors' fees	6	119	42	138	1,375
Amortisation of formation expenses	8	-	-	-	-
Bank interest and charges		6,350	1,923	2,002	443
Commission fees for futures contracts	2	-	-	-	-
Dividends and fees paid on contracts for difference	2	-	-	-	-
Overseas financial transaction tax		428,021	-	892,077	-
Distribution fees		67,388	80,633	52,248	18,312
Sundry expenses		654,054	168,331	135,910	97,028
Performance fees	17	-	-	75,746	-
Total Operating Expenses		2,412,758	1,728,721	2,115,137	711,778
Net income/(loss) from investments		704,942	1,669,639	629,488	(139,984)
Net realised gains/(losses) on investments		1,313,952	(6,340,919)	5,593,378	5,888,456
Net realised gains/(losses) on futures contracts		-	-	-	-
Net realised gains/(losses) on foreign exchange and forward foreign exchange contracts		(533,257)	56,896	9,920	1,038
Net realised gain/(loss) for the year		1,485,637	(4,614,384)	6,232,786	5,749,510

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 30th September 2011

	Notes	F&C Global Emerging Markets Portfolio \$	F&C Japanese Equity €	F&C Latin American Equity \$	F&C North American Equity €
Net realised gain/(loss) for the year		1,485,637	(4,614,384)	6,232,786	5,749,510
Net change in unrealised appreciation/(depreciation) on investments	2	(32,318,202)	(7,010,520)	(27,701,745)	(2,805,241)
Net change in unrealised appreciation/(depreciation) on options	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on forward foreign exchange contracts	2	(1,751)	-	-	-
Net change in unrealised appreciation/(depreciation) on futures contracts	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on contracts for differences	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on swaps	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on foreign currencies	2	11,166	50,075	(41,708)	(12,838)
Total Net Investment Income/(Loss) for the year		(30,823,150)	(11,574,829)	(21,510,667)	2,931,431
Subscriptions of shares		108,701,304	35,961,214	7,377,237	7,272,802
Redemptions of shares		(38,432,181)	(35,428,602)	(15,351,981)	(52,770,467)
Dividends paid from income	20	(103,439)	(1,068,000)	(43,951)	-
Total finance costs		70,165,684	(535,388)	(8,018,695)	(45,497,665)
Net Assets at the beginning of the year		81,086,817	158,338,564	104,774,744	66,063,854
Currency translation adjustment		-	-	-	-
Net assets at the end of the year		120,429,351	146,228,347	75,245,382	23,497,620

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 30th September 2011

	Notes	F&C Pacific Equity €	F&C Plus Fund €	F&C Sharia Sustainable Opportunities* \$	F&C Stewardship International €
INCOME					
Dividends (net of withholding taxes)	2	467,376	203,200	214,595	1,177,902
Income received on contracts for difference	2	-	-	-	-
Interest (net of withholding taxes)	2	556	15,694,716	-	4,046
Interest Income (Future Margins)	2	-	-	-	-
Security lending income	2	1,398	-	-	19,859
Other income		21,621	-	-	18,197
Total Income		490,951	15,897,916	214,595	1,220,004
EXPENDITURE					
Investment management fees	4	123,454	4,819,887	135,242	766,415
Custodian and administration fees	5	37,029	165,277	17,084	75,986
Taxe d'abonnement	9	4,187	37,094	1,835	18,601
Directors' fees	6	42	-	1,954	138
Amortisation of formation expenses	8	-	5,997	-	-
Bank interest and charges		183	4,921	81	25
Commission fees for futures contracts	2	-	-	-	-
Dividends and fees paid on contracts for difference	2	-	-	-	-
Overseas financial transaction tax		-	-	26,947	13,351
Distribution fees		9,064	-	6,518	35,117
Sundry expenses		50,681	122,257	30,584	90,778
Performance fees	17	-	-	-	-
Total Operating Expenses		224,640	5,155,433	220,245	1,000,411
Net income/(loss) from investments		266,311	10,742,483	(5,650)	219,593
Net realised gains/(losses) on investments		1,939,013	1,689,429	(794,766)	(701,040)
Net realised gains/(losses) on futures contracts		-	-	-	-
Net realised gains/(losses) on foreign exchange and forward foreign exchange contracts		(11,621)	-	-	1,595
Net realised gain/(loss) for the year		2,193,703	12,431,912	(800,416)	(479,852)

*The Portfolio was launched on 22nd March 2011.

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 30th September 2011

	Notes	F&C Pacific Equity €	F&C Plus Fund €	F&C Sharia Sustainable Opportunities* \$	F&C Stewardship International €
Net realised gain/(loss) for the year		2,193,703	12,431,912	(800,416)	(479,852)
Net change in unrealised appreciation/(depreciation) on investments	2	(2,733,612)	(51,239,640)	(2,796,599)	(3,483,117)
Net change in unrealised appreciation/(depreciation) on options	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on forward foreign exchange contracts	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on futures contracts	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on contracts for differences	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on swaps	2	-	-	-	-
Net change in unrealised appreciation/(depreciation) on foreign currencies	2	(628)	-	(241)	7,946
Total Net Investment Income/(Loss) for the year		(540,537)	(38,807,728)	(3,597,256)	(3,955,023)
Subscriptions of shares		3,852,686	2,538,612	25,000,000	14,638,725
Redemptions of shares		(16,524,054)	(2,538,613)	-	(9,016,635)
Dividends paid from income	20	(262,596)	-	-	(233,669)
Total finance costs		(12,933,964)	(1)	25,000,000	5,388,421
Net Assets at the beginning of the year		26,589,435	393,992,980	-	63,739,119
Currency translation adjustment		-	-	-	-
Net assets at the end of the year		13,114,934	355,185,251	21,402,744	65,172,517

*The Portfolio was launched on 22nd March 2011.

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 30th September 2011

	Notes	F&C US Smaller Companies \$	Combined €
INCOME			
Dividends (net of withholding taxes)	2	318,728	19,521,470
Income received on contracts for difference	2	-	1,375,352
Interest (net of withholding taxes)	2	1,192	34,635,608
Interest Income (Future Margins)	2	-	2,932
Security lending income	2	-	355,912
Other income		11	2,811,600
Total Income		319,931	58,702,874
EXPENDITURE			
Investment management fees	4	975,788	23,078,751
Custodian and administration fees	5	53,052	1,745,948
Taxe d'abonnement	9	28,142	568,015
Directors' fees	6	126	9,036
Amortisation of formation expenses	8	-	5,997
Bank interest and charges		-	32,351
Commission fees for futures contracts	2	3,238	104,751
Dividends and fees paid on contracts for difference	2	-	570,418
Overseas financial transaction tax		-	1,042,345
Distribution fees		31,733	992,691
Sundry expenses		373,216	3,839,427
Performance fees	17	-	425,719
Total Operating Expenses		1,465,295	32,415,449
Net income/(loss) from investments		(1,145,364)	26,287,425
Net realised gains/(losses) on investments		9,057,720	51,394,932
Net realised gains/(losses) on futures contracts		220,271	(1,289,973)
Net realised gains/(losses) on foreign exchange and forward foreign exchange contracts		-	12,325,623
Net realised gain/(loss) for the year		8,132,627	88,718,007

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 30th September 2011

	Notes	F&C US Smaller Companies \$	Combined €
Net realised gain/(loss) for the year		8,132,627	88,718,007
Net change in unrealised appreciation/(depreciation) on investments	2	(1,618,310)	(230,589,192)
Net change in unrealised appreciation/(depreciation) on options	2	-	(1,460,707)
Net change in unrealised appreciation/(depreciation) on forward foreign exchange contracts	2	-	(17,580,670)
Net change in unrealised appreciation/(depreciation) on futures contracts	2	(28,584)	156,908
Net change in unrealised appreciation/(depreciation) on contracts for differences	2	-	(6,445,622)
Net change in unrealised appreciation/(depreciation) on swaps	2	-	(2,604,885)
Net change in unrealised appreciation/(depreciation) on foreign currencies	2	-	156,841
Total Net Investment Income/(Loss) for the year		6,485,733	(169,649,320)
Subscriptions of shares		28,506,840	1,042,088,185
Redemptions of shares		(75,149,961)	(942,528,272)
Dividends paid from income	20	-	(22,641,015)
Total finance costs		(46,643,121)	76,918,898
Net Assets at the beginning of the year		74,988,219	2,094,152,530
Currency translation adjustment		-	5,412,976
Net assets at the end of the year		34,830,831	2,006,835,084

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

F&C Portfolios Fund

Number of Shares Outstanding

as at 30th September 2011

Portfolio	Currency	
F&C Active Return - Class A Shares - Euro	€	149,761.77
F&C Active Return - Class I Shares - Euro	€	460,990.00
F&C Active Return - Class I Shares - GBP (Hedged)	£	152,106.57
F&C Asia Pacific Dynamic - Class A Shares - Euro	€	187,182.27
F&C Asia Pacific Dynamic - Class I Shares - Euro	€	307,486.06
F&C Asia Pacific Dynamic - Class X Shares - Euro	€	4,085,908.00
F&C Diversified Growth - Class A Shares - Euro	€	60,163.29
F&C Diversified Growth - Class A Shares - GBP (Hedged)	£	5,943,823.34
F&C Diversified Growth - Class A Shares - US\$ (Hedged)	\$	2,436.10
F&C Diversified Growth - Class I Shares - Euro	€	17,074.05
F&C Diversified Growth - Class X Shares - Euro	€	226,054.00
F&C Diversified Growth - Class X Shares - GBP (Hedged)	£	130,559.00
F&C Emerging Markets Bond - Class A Shares - US\$	\$	4,866,972.77
F&C Emerging Markets Bond - Class B Shares - US\$	\$	30,945.55
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	€	403,103.13
F&C Enhanced Alpha UK Equity - Class I Shares - GBP	£	146,090.00
F&C Enhanced Alpha UK Equity - Class X Shares - GBP	£	339,544.00
F&C Euro Inflation Linked Bond - Class A Shares - Euro	€	36,156.95
F&C Euro Inflation Linked Bond - Class I Shares - Euro	€	8,454,775.18
F&C European Equity - Class A Shares - Euro	€	3,296,622.01
F&C European Growth and Income - Class A Shares - Euro	€	436,911.75
F&C European Growth and Income - Class A Shares - GBP	£	4,938,451.96
F&C European High Yield Bond - Class A Shares - Euro	€	3,140,633.76
F&C European SmallCap - Class A Shares - Euro	€	2,702,616.26
F&C Global Climate Opportunities - Class A Shares - Euro	€	17,491.35
F&C Global Climate Opportunities - Class A Shares - GBP	£	4,760.60
F&C Global Climate Opportunities - Class I Shares - Euro	€	243,138.49
F&C Global Climate Opportunities - Class I Shares - GBP	£	104,134.40
F&C Global Climate Opportunities - Class X Shares - GBP	£	392,310.00
F&C Global Climate Opportunities - Hong Kong Class A Shares - US\$	\$	32,059.12
F&C Global Convertible Bond - Class A Shares - Euro	€	10,296,453.52
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	€	13,173,965.19
F&C Global Convertible Bond - Class A Shares - GBP	£	89,150.79
F&C Global Convertible Bond - Class I Shares - Euro	€	2,847,943.49
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	€	15,493,503.07
F&C Global Convertible Bond - Class I Shares - Euro Accumulating (Hedged)	€	626,800.44
F&C Global Convertible Bond - Hong Kong Class A Shares - US\$	\$	855,503.12
F&C Global Emerging Markets Portfolio - Class A Shares - US\$	\$	2,533,079.74
F&C Global Emerging Markets Portfolio - Class X Shares - GBP	£	5,320,179.23
F&C Japanese Equity - Class A Shares - Euro	€	1,011,945.06
F&C Japanese Equity - Class I Shares - Euro	€	3,800,954.00
F&C Japanese Equity - Class I Shares - GBP	£	7,176,926.74
F&C Japanese Equity - Class X Shares - GBP	£	718,541.00
F&C Latin American Equity - Class I Shares - Euro	€	1,079.97
F&C Latin American Equity - Class I Shares - GBP	£	510,788.52
F&C Latin American Equity - Class I Shares - US\$	\$	200,000.00
F&C North American Equity - Class A Shares - Euro	€	1,270,315.00
F&C Pacific Equity - Class A Shares - Euro	€	160,900.44
F&C Pacific Equity - Class X Shares - GBP	£	723,617.00
F&C Plus Fund - Class I Shares - Euro	€	6,414,849.12
F&C Sharia Sustainable Opportunities - Class X Shares - US\$	\$	2,500,000.00
F&C Stewardship International - Class A Shares - Euro	€	3,446,063.85
F&C Stewardship International - Class A Shares - US\$	\$	39,856.61
F&C Stewardship International - Class B Shares - Euro	€	642.68
F&C Stewardship International - Class I Shares - Euro	€	4,424,424.59
F&C US Smaller Companies - Class A Shares - US\$	\$	416,337.89

F&C Portfolios Fund

Notes to the Financial Statements

as at 30th September 2011

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 Law of 17th December 2010 relating to undertakings for collective investment (the “Law”).

RBS (Luxembourg) S.A. was designated by the Directors of the Fund as management company by an agreement dated 30th December 2005 (the “Management Company”). The list of the 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 10th November 2004 and its articles have been amended for the last time on 16th September 2010 which was published in the Mémorial on 5th November 2010. The Management Company is approved as a management company and regulated by chapter 15 of the Law. The Management Company is a member of the Royal Bank of Scotland Group (“RBS Group”), which provides services to the UK collective investment schemes market, principally in the role of trustee to unit trusts.

As at 30th September 2011, the Fund consisted of the following Portfolios and share classes:

F&C Active Return, expressed in EUR, offering

Class A Shares – Euro

Class I Shares – Euro

Class I Shares – GBP (Hedged)

F&C Asia Pacific Dynamic, expressed in EUR, offering

Class A Shares – Euro

Class I Shares – Euro

Class X Shares – Euro

F&C Diversified Growth, expressed in EUR, offering

Class A Shares – Euro (launch date: 30th September 2010)

Class A Shares – GBP (Hedged)

Class A Shares – US\$ (Hedged)

Class I Shares – Euro

Class X Shares – Euro

Class X Shares – GBP (Hedged)

F&C Emerging Markets Bond, expressed in USD, offering

Class A Shares – US\$

Class B Shares – US\$

Class C Shares – Euro (Hedged)

F&C Enhanced Alpha UK Equity, expressed in GBP, offering

Class I Shares – GBP

Class X Shares – GBP

F&C Euro Inflation Linked Bond, expressed in EUR, offering

Class A Shares – Euro

Class I Shares – Euro

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

F&C European Equity, expressed in EUR, offering

Class A Shares – Euro

F&C European Growth and Income, expressed in EUR, offering (Launch date: 30th September 2010)

Class A Shares – Euro

Class A Shares – GBP

F&C European High Yield Bond, expressed in EUR, offering

Class A Shares – Euro

F&C European SmallCap, expressed in EUR, offering

Class A Shares – Euro

F&C Global Climate Opportunities, expressed in EUR, offering

Class A Shares – Euro

Class A Shares – GBP

Class I Shares – Euro

Class I Shares – GBP

Class X Shares – GBP

Hong Kong Class A Shares – US\$

F&C Global Convertible Bond, expressed in EUR, offering

Class A Shares – Euro

Class A Shares – Euro (Hedged)

Class A Shares – GBP

Class I Shares – Euro

Class I Shares – Euro (Hedged)

Class I Shares – Euro Accumulating (Hedged) (Launch date: 22nd June 2011)

Hong Kong Class A Shares – US\$

F&C Global Emerging Markets Portfolio, expressed in USD, offering

Class A Shares – US\$

Class X Shares – GBP

F&C Japanese Equity, expressed in EUR, offering

Class A Shares – Euro

Class I Shares – Euro

Class I Shares – GBP

Class X Shares – GBP

F&C Latin American Equity, expressed in USD, offering

Class I Shares – Euro

Class I Shares – GBP

Class I Shares – US\$

F&C North American Equity, expressed in EUR, offering

Class A Shares – Euro

F&C Pacific Equity, expressed in EUR, offering

Class A Shares – Euro

Class X Shares – GBP

F&C Plus Fund, expressed in EUR, offering

Class I Shares – Euro

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

F&C Sharia Sustainable Opportunities, expressed in USD, offering (launch date: 22nd March 2011)

Class X Shares – US\$

F&C Stewardship International, expressed in EUR, offering

Class A Shares – Euro

Class A Shares – US\$

Class B Shares – Euro

Class I Shares – Euro

F&C US Smaller Companies, expressed in USD, offering

Class A Shares – US\$

The Fund continues to be run and valued on available market prices; based on the current liquidity conditions and the nature of the investments held some of the Portfolios would not achieve the full valuations if the entire portfolio had to be disposed of at short notice, including:

F&C Emerging Markets Bond

F&C Enhanced Alpha UK Equity

F&C European High Yield Bond

F&C European SmallCap

F&C Global Convertible Bond

F&C US Smaller Companies

The Fund's Board of Directors (the "Board") has adopted the ALFI Code of Conduct issued in September 2009, 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 30th September 2011. Any subsequent amendment to the ALFI Code of Conduct will be considered by the Board prior to adoption and necessary disclosures will be made in the annual financial statements.

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. Financial Statements stated in currencies other than Euro have been combined at exchange rates ruling at 30th September 2011 (€ 1:\$1.3417, € 1: £0.8613). For the purpose of the combined financial statements, the investments are valued on the basis of the closing prices as of 30th September 2011.

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 30th September 2011.

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

Securities which are not quoted or dealt in on an official or another regulated market, 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.

Investment income

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

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 30th September 2011. Cost of investments, income and expenditure 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.

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 Option Written

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

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

Swaps

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.

Variance Swaps

A variance swap is an over-the-counter financial derivative that allows to speculate on or hedge risks associated with the volatility of some underlying product, like an exchange rate, interest rate or stock index. One leg of the swap will pay an amount based upon the realised variance of the price changes of the underlying product. Conventionally, these price changes will be daily log returns, based upon the most commonly used closing price. The other leg of the swap will pay a fixed amount, which is the strike, quoted at the deal's inception. Thus the net payoff to the counterparties will be the difference between these two and will be settled in cash at the expiration of the deal, though some cash payments will likely be made along the way by one or the other counterparties to maintain the agreed upon margin.

Correlation Swaps

A correlation swap is an over-the-counter financial derivative that allows to speculate on or hedge risks associated with the observed average correlation of a collection of underlying products, where each product has periodically observable prices, as with a commodity, exchange rate, interest rate or stock index. The fixed leg of a correlation swap pays the notional times the agreed strike, while the floating leg pays the annualised realised correlation.

Dispersion Swaps

A dispersion swap allows investors to buy or sell volatility on an index and sell or buy volatility on the stated component of that index.

Dividend Swaps

Dividend swaps allow investors to take a view on the future cash dividend payouts attached to an individual share, stock index or bundle of shares without the need to own the underlying securities. Payments are made when the dividend swap matures and are calculated according to the dividends paid out.

Volatility Swaps

Certain Portfolios may invest volatility swap agreements. Volatility swap agreements involve two parties agreeing to exchange cash flows based on the measured volatility of a specified underlying asset. One party agrees to exchange a "fixed rate" or volatility strike payment for the "floating rate" or unrealised volatility on the underlying asset with respect to the notional amount. At inception, the volatility strike is generally chosen such that the fair value of the swap is zero. At the maturity date, a net cash flow is exchanged, where the payoff amount is equivalent to the difference between the unrealised volatility of the underlying asset and the volatility strike multiplied by the notional amount. As a receiver of the realised price volatility, the Portfolio would receive the payoff amount when the realised volatility of the underlying asset is greater than the volatility strike and would owe the payoff amount when the volatility is less than the strike. As a payer of the realised price volatility the Portfolio would owe the payoff amount when the realised volatility of the underlying asset is greater than the volatility strike and would receive the payoff amount when the volatility is less than the strike. This type of agreement is essentially a forward contract on the future realised volatility of the underlying asset.

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

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

Unrealised gains or losses on swaps are recorded under “Unrealised gain/ Unrealised loss on swaps” in the Combined Statement of Net Assets. Realised gains or losses and change in unrealised gains or losses are recorded under “Net realised gains/ (losses) on swaps” and under “Net change in unrealised appreciation/(depreciation) on swaps” in the Combined Statement of Operations and Changes in Net Assets. The change in the value of the swap is reported as “Net change in unrealised appreciation/(depreciation) on swaps”, until termination of the contract when it is realised. Periodic interest payments to be paid or received are accrued on a daily basis and included in interest income or interest expense.

Contracts for Difference

Contracts for Difference are valued based on the closing market price of the underlying security, less any financing charges attributable to each contract. Upon entering into Contracts for Difference, the Fund may be required to pledge to the broker an amount of cash and/or other assets equal to certain percentage of the contract amount (“initial margin”). Subsequently, payments known as “variation margin” are made or received by the Fund periodically, depending on fluctuations in the value of the underlying security. During the period the contracts are open, changes in the value of the contracts are recognised as unrealised gains and losses by marking to market at each valuation date in order to reflect the value of the underlying security. Realised gains or losses upon closure of the contract are equal to the difference between the value of the contract at the time it was opened including financial charges and the value at the time it was closed. Dividends received on underlying securities are recognised in income. Dividends attributable to open Contracts for Difference are also included in the value of unrealised gain/(loss) at the end of the year.

Cash and cash equivalents

Cash and other liquid assets will be valued at their face value with interest accrued, where applicable. Interest is also accrued on bank overdrafts. All cash at bank balances are held either by Brown Brothers Harriman & Co., on overnight deposit with a third party institution approved by the Board or directly with a sub-custodian.

Income from securities lending

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

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

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 and payment for the Fund's shares redeemed.

4. INVESTMENT MANAGEMENT FEES

The Fund entered into an agreement with RBS (Luxembourg) 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:

Portfolios	Investment Management Fee rates per annum
F&C Active Return – Class A Shares – Euro	1.50%
F&C Active Return – Class I Shares – Euro	1.00%
F&C Active Return – Class I Shares – GBP (Hedged)	1.00%
F&C Asia Pacific Dynamic – Class A Shares – Euro	1.50%
F&C Asia Pacific Dynamic – Class I Shares – Euro	0.75%
F&C Diversified Growth – Class A Shares – Euro ⁽¹⁾	1.50%
F&C Diversified Growth – Class A Shares – GBP (Hedged)	1.50%
F&C Diversified Growth – Class A Shares – US\$ (Hedged)	1.50%
F&C Diversified Growth – Class I Shares – Euro	0.75%
F&C Emerging Markets Bond – Class A Shares – US\$	1.25%
F&C Emerging Markets Bond – Class B Shares – US\$	2.50%
F&C Emerging Markets Bond – Class C Shares – Euro (Hedged)	1.25%
F&C Enhanced Alpha UK Equity – Class I Shares – GBP	1.00%

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

Portfolios	Investment Management Fee rates per annum
F&C Euro Inflation Linked Bond – Class A Shares – Euro	0.75%
F&C Euro Inflation Linked Bond – Class I Shares – Euro	0.30%
F&C European Equity – Class A Shares – Euro	1.25%
F&C European Growth and Income – Class A Shares – Euro ⁽¹⁾	1.50%
F&C European Growth and Income – Class A Shares – GBP ⁽¹⁾	1.50%
F&C European High Yield Bond – Class A Shares – Euro	1.00%
F&C European SmallCap – Class A Shares – Euro	1.50%
F&C Global Climate Opportunities – Class A Shares – Euro	1.50%
F&C Global Climate Opportunities – Class A Shares – GBP	1.50%
F&C Global Climate Opportunities – Class I Shares – Euro	1.00%
F&C Global Climate Opportunities – Class I Shares – GBP	1.00%
F&C Global Climate Opportunities – Hong Kong Class A Shares – US\$	1.50%
F&C Global Convertible Bond – Class A Shares – Euro	1.00%
F&C Global Convertible Bond – Class A Shares – Euro (Hedged)	1.00%
F&C Global Convertible Bond – Class A Shares – GBP	1.00%
F&C Global Convertible Bond – Class I Shares – Euro	0.65%
F&C Global Convertible Bond – Class I Shares – Euro (Hedged)	0.65%
F&C Global Convertible Bond – Class I Shares – Euro Accumulating (Hedged) ⁽²⁾	0.65%
F&C Global Convertible Bond – Hong Kong Class A Shares – US\$	1.00%
F&C Global Emerging Markets Portfolio – Class A Shares – US\$	1.50%
F&C Japanese Equity – Class A Shares – Euro	1.50%
F&C Japanese Equity – Class I Shares – Euro	0.75%
F&C Japanese Equity – Class I Shares – GBP	0.75%
F&C Latin American Equity – Class I Shares – Euro	0.75%
F&C Latin American Equity – Class I Shares – GBP	0.75%
F&C Latin American Equity – Class I Shares – US\$	0.75%
F&C North American Equity – Class A Shares – Euro	1.50%
F&C Pacific Equity – Class A Shares – Euro	1.50%
F&C Sharia Sustainable Opportunities – Class X Shares – US\$ ⁽³⁾	1.00%
F&C Stewardship International – Class A Shares – Euro	1.50%
F&C Stewardship International – Class A Shares – US\$	1.50%
F&C Stewardship International – Class B Shares – Euro	2.00%
F&C Stewardship International – Class I Shares – Euro	0.75%
F&C US Smaller Companies – Class A Shares – US\$	1.50%

⁽¹⁾ Launched on 30th September 2010.

⁽²⁾ Launched on 22nd June 2011.

⁽³⁾ Launched on 22nd March 2011.

FCM is a company incorporated in England and regulated by the Financial Services Authority (FSA).

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

The Fund entered into an agreement with F&C Luxembourg S.A., RBS (Luxembourg) S.A. and F&C Portugal, Gestão de Patrimonios S.A., 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

1.25%

Except for F&C Sharia Sustainable Opportunities – Class X Shares – US\$ to which an Investment Management Fee of 1.00% applies, there are no Investment Management Fees payable on Class X shares.

5. CUSTODY AND ADMINISTRATION FEES

Brown Brothers Harriman (Luxembourg) S.C.A. is entitled to fees payable by the Fund, accruing daily and payable monthly in arrears, in accordance with normal banking practice in Luxembourg for acting as Registrar, Transfer, Domiciliary, Administrative and Paying Agent and Custodian to the Fund. Such fees are expressed as a percentage of the net assets of the Fund as a fixed amount per transaction or as a fixed amount for a set period of time.

In addition Brown Brothers Harriman (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 Brown Brothers Harriman (Luxembourg) S.C.A. fund accounting fixed percentage fee.

6. DIRECTORS' FEES

Directors' fees are subject to the approval of Shareholders at the next Annual General Meeting. Those Directors of the Fund who are employees of the Investment Manager, or its parent or subsidiary company, waive their fees in carrying out their duties as Directors of the Fund. Directors' fees are paid to the remaining directors.

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

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

9. TAXATION

Under current Luxembourg legislation, no Luxembourg tax on the Fund's income or capital gains is presently payable. However, the Fund is subject to an annual 'taxe d'abonnement' (subscription tax) of 0.05% per annum, based on its total net assets at the end of each calendar quarter, except for the institutional share classes denoted I and D for which the rate is 0.01% per annum.

Dividend and interest income received by the Fund may be subject to non-recoverable withholding taxes in countries of origin. Dividend and interest income are recognised in the Combined Statement of Operations and Changes in Net Assets on a net basis.

Gains realised upon disposal of securities held in certain countries by a Portfolio are subject to capital gains tax, payable prior to repartition of sale proceeds. The tax is computed on net realised gains. In addition, the Portfolio accrues a deferred tax liability for net realised gain on such securities.

As from 1st 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.

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

Investors should be aware that a new United Kingdom offshore funds regime was introduced applicable to United Kingdom investors into “offshore funds”. The Board applied and 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 1st October 2010 onwards and from the date of launch, for the two new share classes which were launched during the year.

The following share classes were not included in the application:

F&C Active Return - Class A Shares - Euro

F&C Active Return - Class I Shares - Euro

F&C Diversified Growth - Class A Shares - Euro

F&C Diversified Growth - Class A Shares - GBP (Hedged)

F&C Diversified Growth - Class A Shares - USD (Hedged)

F&C Diversified Growth - Class I Shares - Euro

F&C Diversified Growth - Class X Shares - Euro

F&C Diversified Growth - Class X Shares - GBP (Hedged)

F&C Enhanced Alpha UK Equity - Class I Shares - GBP

F&C Enhanced Alpha UK Equity - Class X Shares - GBP

F&C Plus Fund - Class I Shares - Euro

The directors intend to issue the annual investor report on or around 31st March each year from 2012 onwards via the website www.fandc.com/reportingstatus.

The Board expects the Fund to comply with the German Investment Tax Act for German tax reporting and the Austrian tax requirements to give ‘Brighter than White Status’ for year end 30th September 2011 except for the following share classes:

F&C Diversified Growth - Class A Shares - Euro

F&C Diversified Growth - Class A Shares - GBP (Hedged)

F&C Diversified Growth - Class A Shares - USD (Hedged)

F&C Diversified Growth - Class I Shares - Euro

F&C Diversified Growth - Class X - Euro

F&C Diversified Growth - Class X - GBP (Hedged)

F&C Plus Fund - Class I - Euro

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. Brown Brothers Harriman (Luxembourg) S.C.A. is entitled to receive fees in accordance with normal banking practice in Luxembourg for acting as Custodian, Registrar, Transfer, Domiciliary, Paying and Administrative Agent.

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

Laurence Llewellyn (Chairman) is Corporate Executive at F&C Asset Management plc, the parent company of the Investment Manager.

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

John Karachalios is currently an independent consultant as well as a member of the board in other entities including investment funds. He was formerly a Senior Executive of Citibank and has served in key positions in Greece and overseas including Managing Director of Citibank Greece Mutual Fund Company. He was also an advisor to MetLife Services Limited and F&C Asset Management plc and a member of the board of directors of INTERTRUST Mutual Funds Company Greece.

João Santos is the 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.

Dominic Sheridan was Head of Global Fund Services, F&C Asset Management plc, the parent company of the Investment Manager. He resigned from the Board effective 4th November 2011.

Hugh Moir is head of Client Solutions and Strategy, F&C Asset Management plc, the parent company of the Investment Manager. He was appointed to the Board effective 22nd November 2011.

Connected Parties of RBS (Luxembourg) S.A. (the “Management Company”), F&C Management Limited (the “Investment Manager”) and the Directors of the F&C Portfolios Fund are those as defined in the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission in Hong Kong (the “UT Code”). To the best of the Management Company’s and the Directors’ knowledge, the Authorised Portfolios (refer note 21) did not enter into any transactions with Connected Parties during the year ending 30th September 2011.

In April 2010 the Fund entered into an Agency Agreement for the lending of securities in return for a loan fee. During the year under review, Brown Brothers Harriman (Luxembourg) S.C.A. earned EUR 69,809 as securities lending agent and the Investment Manager earned EUR 46,539 for their monitoring and oversight of the securities lending programme.

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 per cent 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 per cent of the net asset value of the Fund or the respective Portfolio(s).

In accordance with the UT Code, no marketing expenses or distribution fee will be charged to the Hong Kong Share Classes of any portfolio. Any costs occurring 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 per cent of the equity and bond investments of the Fund for its Responsible Engagement Overlay services as described in the Prospectus. This service will not be charged to the Hong Kong Share Classes for any Portfolio.

11. STATEMENT OF CHANGES IN INVESTMENTS

A list, specifying for each investment 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, Custodian, or Paying Agent in the relevant jurisdiction.

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

12. FORWARD FOREIGN EXCHANGE CONTRACTS

As at 30th September 2011, the Fund had the following outstanding forward foreign exchange contracts:

F&C Active Return

Buy	Counterparty	Nominal	Sell	Nominal	Settlement Date	Unrealised Gain/(Loss) EUR
EUR	Citibank	66,315	JPY	(7,500,000)	14.03.2012	(6,431)
GBP	BBH	15,690,434	EUR	(18,082,370)	28.10.2011	134,341
Total Unrealised Gain						134,341
Total Unrealised (Loss)						(6,431)

F&C Diversified Growth

Buy	Counterparty	Nominal	Sell	Nominal	Settlement Date	Unrealised Gain/(Loss) EUR
EUR	Citibank	48,826	JPY	(5,067,600)	28.10.2011	(206)
EUR	Deutsche Bank London	5,030,801	GBP	(4,375,222)	28.10.2011	(48,805)
EUR	HSBC Bank	21,050,586	USD	(28,575,391)	28.10.2011	(251,537)
EUR	Royal Bank of Canada	1,744,903	JPY	(181,074,000)	28.10.2011	(7,078)
EUR	Royal Bank of Scotland	46,285	JPY	(4,820,400)	28.10.2011	(355)
GBP	BBH	57,833,485	EUR	(66,641,164)	28.10.2011	503,509
GBP	BBH	9,977,043	EUR	(11,496,426)	28.10.2011	86,921
USD	BBH	369,398	EUR	(271,342)	28.10.2011	4,033
Total Unrealised Gain						594,463
Total Unrealised (Loss)						(307,981)

F&C Emerging Markets Bond

Buy	Counterparty	Nominal	Sell	Nominal	Settlement Date	Unrealised Gain/(Loss) USD
USD	BBH	1,149,888	BRL	(2,000,000)	14.10.2011	75,415
EUR	BBH	29,155,219	USD	(39,926,748)	28.10.2011	(869,013)
Total Unrealised Gain						75,415
Total Unrealised (Loss)						(869,013)

F&C European High Yield Bond

Buy	Counterparty	Nominal	Sell	Nominal	Settlement Date	Unrealised Gain/(Loss) EUR
EUR	Westpac Banking	5,369,738	GBP	(4,750,000)	05.10.2011	(145,310)
EUR	Westpac Banking	1,978,287	USD	(2,850,000)	05.10.2011	(145,905)
GBP	Chase Manhattan Bank London	100,000	EUR	(114,195)	05.10.2011	1,911
GBP	Rabobank Nederland	100,000	EUR	(114,191)	05.10.2011	1,915
Total Unrealised Gain						3,826
Total Unrealised (Loss)						(291,215)

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

F&C Global Convertible Bond

Buy	Counterparty	Nominal	Sell	Nominal	Settlement Date	Unrealised Gain/(Loss)
AUD	Société Générale	100,000	EUR	(72,302)	15.12.2011	(480)
EUR	Citibank	3,246,475	SGD	(5,538,000)	15.12.2011	77,224
EUR	Citibank	5,402,242	HKD	(57,690,000)	15.12.2011	(127,809)
EUR	HSBC Bank	14,358,286	GBP	(12,490,000)	15.12.2011	(137,294)
EUR	HSBC Bank	22,337,758	JPY	(2,342,000,000)	15.12.2011	(341,913)
EUR	Westpac Banking	3,739,036	AUD	(5,060,000)	15.12.2011	104,856
EUR	Westpac Banking	571,670	GBP	(500,000)	15.12.2011	(8,617)
EUR	Westpac Banking	195,842,241	USD	(270,700,000)	15.11.2011	(5,972,827)
GBP	Barclays Bank	405,000	EUR	(464,745)	15.12.2011	5,288
GBP	Barclays Bank	300,000	EUR	(343,403)	15.12.2011	4,769
GBP	Deutsche Bank London	657,000	EUR	(751,433)	15.12.2011	11,065
HKD	Barclays Bank	940,000	EUR	(88,234)	15.12.2011	1,873
HKD	Barclays Bank	2,080,000	EUR	(197,823)	15.12.2011	1,562
HKD	Société Générale	770,000	EUR	(72,597)	15.12.2011	1,214
	Canadian Imperial Bank of					
JPY	Commerce	67,000,000	EUR	(654,680)	15.12.2011	(5,860)
JPY	HSBC Bank	215,000,000	EUR	(2,062,358)	15.12.2011	19,678
JPY	Société Générale	45,000,000	EUR	(432,311)	15.12.2011	3,464
SGD	Société Générale	100,000	EUR	(57,401)	15.12.2011	(174)
USD	Barclays Bank	4,400,000	EUR	(3,278,188)	15.11.2011	2,146
	Canadian Imperial Bank of					
USD	Commerce	6,900,000	EUR	(5,039,697)	15.11.2011	104,463
USD	Royal Bank of Canada	6,800,000	EUR	(5,037,690)	15.11.2011	31,916
Total Unrealised Gain						369,518
Total Unrealised (Loss)						(6,594,974)

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

13. FUTURES CONTRACTS

As at the 30th September 2011, the Fund had the following outstanding futures contracts:

F&C Active Return

BUY	Number of Contracts	Settlement Date	Unrealised Gain/(Loss) EUR
Stoxx 5E Dividend	126	Dec-11	45,360
CBOE VIX	100	Jan-12	853,395
			898,755
SELL	Number of Contracts	Settlement Date	Unrealised Gain/(Loss) in EUR
CBOE VIX	(100)	Dec-11	(888,798)
			(888,798)
Total unrealised gain on futures contracts			898,755
Total unrealised loss on futures contracts			(888,798)

F&C Diversified Growth

BUY	Number of Contracts	Settlement Date	Unrealised Gain/(Loss) EUR
S&P 500 Mini	15	Dec-11	(17,385)
Dax Index	22	Dec-11	176,000
			158,615
Total unrealised gain on futures contracts			176,000
Total unrealised loss on futures contracts			(17,385)

F&C US Smaller Companies

BUY	Number of Contracts	Settlement Date	Unrealised Gain/(Loss) USD
Russell 2000 Mini	4	Dec-11	(14,220)
			(14,220)
Total unrealised gain on futures contracts			–
Total unrealised loss on futures contracts			(14,220)

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

14. OPTIONS

As at the 30th September 2011, the Fund had the following outstanding options contracts:

F&C Active Return

Currency	Nominal Amount	Description	Maturity Date	Cost EUR	Market Value EUR	Unrealised Gain/(Loss) EUR
Purchased Options						
EUR	25,000	Call SG Stoxx 50E Dividend, Strike Price: 115	Dec-12	287,500	247,750	(39,750)
EUR	25,000	Call Deutsche Bank Stoxx 50E Dividend, Strike Price: 105	Dec-11	212,500	249,141	36,641
USD	60,000	Put BNP SPX, Strike Price: 22% Var	Dec-11	135,513	276	(135,237)
USD	50	Call S&P 500 Index, Strike Price: 1350	Dec-11	200,697	13,789	(186,909)
EUR	15,000	Call JPM Stoxx 50E, Strike Price: 60% Var	Dec-11	11,625	8,610	(3,015)
EUR	49,000	Call SG Stoxx 50E Dividend, Strike Price: 120	Dec-12	389,500	130,830	(258,670)
EUR	32,000	Call Barclays Stoxx 50E Dividend, Strike Price: 120	Dec-12	233,600	70,977	(162,623)
JPY	1,000,000	Call Nikkei Dividend, Strike Price: 173	Apr-13	125,955	61,527	(64,428)
HKD	645,000	Put Hong Kong Hang Seng Index, Strike Price: 23.00 Var	Dec-11	215,393	2,151	(213,242)
USD	490	Put CBOE Volatility, Strike Price: 21.00	Oct-11	83,928	1,826	(82,102)
KRW	107,400,000	Put Korea Stock Exchange Index, Strike Price: 23% Var	Dec-11	218,245	–	(218,245)
USD	90,000	Put CS SPX, Strike Price: 19% Var	Nov-11	171,169	–	(171,169)
USD	80,000	Put SPX, Strike Price: 19% Var	Nov-11	158,559	–	(158,559)
EUR	52,000	Call JPMorgan Stoxx 50 Dividend, Strike Price: 120	Dec-12	183,300	112,617	(70,683)
EUR	147	Call DAX, Strike Price: 6300	Dec-11	86,828	64,680	(22,148)
EUR	2,348	Put Euro Stoxx 50 Index, Strike Price: 2050	Mar-16	92,480	39,214	(53,266)
GBP	80	Put FTSE 100 Index, Strike Price: 4750	Oct-11	104,287	61,304	(42,982)
EUR	100,000	Call Barriers Euro USD DNT, Strike Price: 1.26	Nov-11	23,000	23,000	–
EUR	15,000	Call Stoxx 50E, Strike Price: 30% Var	Dec-11	204,545	173,338	(31,207)
EUR	15,000	Put Stoxx 50E, Strike Price: 30% Var	Dec-11	–	–	–
EUR	200	Put SX5E, Strike Price: 2050	Oct-11	99,200	100,400	1,200
USD	2,500,000	Call Asia SPX Cliquet, Strike Price: 0%	Dec-12	23,262	(46,396)	(69,658)
Total					1,315,034	(1,946,052)

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

F&C Active Return

Currency	Nominal Amount	Description	Maturity Date	Cost EUR	Market Value Gain/(Loss) EUR	Unrealised (Loss) EUR
Written Options						
EUR	(25,000)	Call SG Stoxx 50E Dividend, Strike Price: 129	Dec-12	(126,250)	(12,500)	113,750
EUR	(25,000)	Call SG Stoxx 50E Dividend, Strike Price: 122	Dec-12	(178,750)	(73,500)	105,250
EUR	(25,000)	Call Deutsche Bank Stoxx 50E Dividend, Strike Price: 115	Dec-11	(95,000)	—	95,000
EUR	(25,000)	Put Deutsche Bank Stoxx 50E Dividend, Strike Price: 80	Dec-11	(61,250)	—	61,250
USD	(120,000)	Put BNP SPX, Strike Price: 17% Var	Dec-11	(73,498)	—	73,498
USD	(50)	Call S&P 500 Index, Strike Price: 1450	Dec-11	(80,873)	(1,491)	79,383
USD	(50)	Call S&P 500 Index, Strike Price: 1425	Dec-11	(102,957)	(2,795)	100,162
EUR	(15,000)	Put JPM Stoxx 50E, Strike Price: 30% Var	Dec-11	(82,500)	—	82,500
EUR	(15,000)	Call JPM Stoxx 50E, Strike Price: 30% Var	Dec-11	(82,500)	(199,925)	(117,425)
EUR	(49,000)	Call SG Stoxx 50E Dividend, Strike Price: 140	Dec-12	(55,050)	(24,500)	30,550
EUR	(32,000)	Call Barclays Stoxx 50E Dividend, Strike Price: 140	Dec-12	(22,400)	(316)	22,084
JPY	(1,000,000)	Call Nikkei Dividend, Strike Price: 193	Apr-13	(60,806)	(9,692)	51,114
HKD	(1,290,000)	Put Hong Kong Hang Seng Index, Strike Price: 18.00 Var	Dec-11	(139,714)	—	139,714
USD	(490)	Put CBOE Volatility, Strike Price: 21.00	Nov-11	(83,755)	(1,826)	81,929
KRW	(214,800,000)	Put Korea Stock Exchange Index, Strike Price: 18% Var	Dec-11	(124,711)	—	124,711
GBP	(58,000)	Call SG AZN LN, Strike Price: 30	Oct-11	(113,745)	(12,347)	101,398
USD	(180,000)	Put CS SPX, Strike Price: 15% Var	Nov-11	(114,113)	—	114,113
USD	(160,000)	Put SPX , Strike Price: 15% Var	Nov-11	(100,143)	—	100,143
GBP	(460,000)	Call SG Tesco, Strike Price: 3.9	Oct-11	(70,258)	(16,084)	54,174
GBP	(51,480)	Call JPM RB, Strike Price: 34	Oct-11	(106,294)	(16,293)	90,000
EUR	(52,000)	Put JPMorgan Stoxx 50 Dividend, Strike Price: 130	Dec-12	—	(13,738)	(13,738)
USD	(50)	Call S&P 500 Index, Strike Price: 1335	Dec-11	(52,282)	(19,751)	32,531
EUR	(22,000)	Call SG AI FP, Strike Price: 88	Nov-11	(103,620)	(93,960)	9,660
EUR	(26,730)	Call JPM or FP, Strike Price: 72	Nov-11	(112,266)	(114,015)	(1,749)
GBP	(1,089,000)	Call JPM VOD LN, Strike Price: 1.6	Nov-11	(116,289)	(128,845)	(12,556)
EUR	(90,000)	Call JPM UNA NA, Strike Price: 22	Nov-11	(94,500)	(153,538)	(59,038)
GBP	(80)	Put FTSE 100 Index, Strike Price: 4500	Oct-11	(58,333)	(30,652)	27,681
EUR	(15,000)	Call Stoxx 50E, Strike Price: 60% Var	Dec-11	(23,182)	(13,225)	9,957
EUR	(200)	Put SX5E, Strike Price: 2000	Oct-11	(72,000)	(75,600)	(3,600)
Total					(1,014,593)	1,492,446

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

F&C Diversified Growth

Currency	Nominal Amount	Description	Maturity Date	Cost EUR	Market Value Gain/(Loss) EUR	Unrealised EUR
Purchased Options						
GBP	90	Call UKX, Strike Price: 5550	Dec-11	171,013	100,316	(70,697)
USD	7,400,000	Put OTC S&P OCME, Strike Price:1247.35	Dec-11	159,899	118,206	(41,693)
				Total	218,522	(112,390)
Written Options						
GBP	(90)	Put UKX, Strike Price: 4900	Dec-11	(171,013)	(243,998)	(72,985)
USD	(7,400,000)	Call OTC S&P OPME, Strike Price:1071.53	Dec-11	(159,899)	(263,740)	(103,842)
				Total	(507,738)	(176,827)

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

15. SWAPS

As at the 30th September 2011, the Fund had the following outstanding swaps:

F&C Active Return

Correlation Swaps

Currency	Nominal Amount	Underlying asset	Maturity Date	Unrealised Gain/(Loss)EUR
EUR	1,400,000	Multi Market Basket	17.05.2012	(184,660)
USD	1,890,000	Multi Market Basket	14.05.2012	(293,283)
Total				(477,943)

A positive notional amount indicates that the Company is the correlation seller.

Dispersion Swaps

Currency	Nominal Amount	Share/Index Basket Variance Swap underlying	Maturity Date	Unrealised Gain/(Loss)EUR
USD	2,000,000	Asian Basket and S&P 500	19.11.2012	(122,229)
EUR	50,000	DJ Euro Stoxx 50	16.03.2012	16,810
EUR	48,800	DJ Euro Stoxx 50	19.06.2012	(21,908)
USD	63,000	S&P 500	20.01.2012	(152,897)
USD	72,000	S&P 500	15.06.2012	(215,116)
Total				(495,340)

A positive notional amount indicates that the Company pays the Index Variance Swap.

Dividend Swaps

Currency	Nominal Amount	Dividend declared from	Maturity Date	Unrealised Gain/(Loss)EUR
JPY	1,000,000	Nikkei 225	31.12.2013	(91,098)
Total				(91,098)

A positive notional amount indicates that the Company pays the fixed amount.

Total Return Swaps

Currency	Nominal Amount	Description	Maturity Date	Unrealised Gain/(Loss)EUR
USD	8,000	NZD CAD	24.02.2012	(254,469)
NZD	12,000	USD CAD	30.09.2011	(135,702)
Total				(390,171)

Variance Swaps

Currency	Nominal Amount	Underlying asset	Maturity Date	Unrealised Gain/(Loss)EUR
USD	41,000	S&P 500	16.12.2011	34,075
Total				34,075

A positive notional amount indicates that the Company is the variance seller.

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

Volatility Swaps

Currency	Nominal Amount	Underlying asset	Maturity Date	Unrealised Gain/(Loss)EUR
HKD	500,000	Hang Seng Index	29.03.2012	106,922
AUD	84,197	S&P/ASX 200 Index	02.07.2012	(175,439)
Total				(68,517)

A positive notional amount indicates that the Company is the volatility seller.

Total unrealised gain on Swaps	157,807
Total unrealised loss on Swaps	(1,646,801)

F&C Diversified Growth

Total Return Swaps

Currency	Nominal Amount	Description	Maturity Date	Unrealised Gain/(Loss)EUR
USD	1,282,627	Industrial Metals	01.06.2012	(149,667)
USD	3,653,907	DBLCI OY Energy	01.06.2012	(261,768)
USD	1,500,000	DBLCI OY Energy Index	01.06.2012	54,453
USD	4,408,332	DJ UBS Agriculture F3	01.06.2012	(418,159)
USD	1,500,000	DJ UBS Agriculture F3 Index	01.06.2012	64,105
EUR	1,202,538	European Volatility	25.05.2012	298,162
USD	2,401,748	US Volatility	09.04.2012	380,979
Total				(31,895)

A positive notional amount indicates that the Company is the variance seller.

Total unrealised gain on Swaps	797,699
Total unrealised loss on Swaps	(829,594)

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

16. CONTRACTS FOR DIFFERENCE

As at the 30th September 2011, the Fund had the following outstanding contracts for difference:

F&C Active Return

Security Description	Number of contracts	Market value EUR
Britain		
Vodafone Group	630,300	1,216,649
		1,216,649
United Kingdom		
AstraZeneca	10,820	360,299
Tesco	129,640	568,967
		929,266
United States		
JPMorgan Chase & Co	13,629	517,924
		517,924
	Total	2,663,839

F&C Enhanced Alpha UK Equity

Security Description	Number of contracts	Market value GBP
Australia		
BHP Billiton	(39,474)	(686,058)
Greenland Minerals and Energy	370,143	113,155
		(572,903)
Bermuda		
Petra Diamonds	510,301	571,537
		571,537
Canada		
First Quantum Minerals	16,123	141,721
		141,721
Ireland		
Johnson Matthey	26,150	415,000
		415,000
Jersey		
Informa	212,684	696,753
		696,753
Switzerland		
Xstrata	131,734	1,081,273
		1,081,273

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

Security Description	Number of contracts	Market value GBP
United Kingdom		
Babcock International Group	154,468	1,017,944
BAE Systems	208,363	556,954
Barclays	604,954	976,093
BBA Aviation	322,372	539,973
BG Group	173,817	2,157,938
BP	468,358	1,819,571
Burberry Group	48,672	571,409
Carnival	21,374	430,686
Carpentright	(102,225)	(505,298)
Compass Group	151,028	786,856
Cove Energy	974,100	737,881
Croda International	34,559	570,224
Daily Mail and General Trust	103,528	375,910
Diageo	86,664	1,067,700
Elementis	274,040	338,439
GKN	287,671	506,013
Glaxosmithkline	168,942	2,251,997
Hikma Pharmaceuticals	(97,023)	(553,031)
HomeServe	168,960	775,864
IG Group Holdings	196,598	878,990
Inchape	165,770	463,161
International Power	240,267	737,139
J Sainsbury	(275,920)	(758,228)
Kenmare Resources	935,861	318,193
Kesa Electricals	(459,814)	(385,324)
Kingfisher	237,006	588,960
Legal General Group	562,210	543,376
London & Stamford Property	508,460	595,407
London Mining	147,552	460,362
MAN Group	307,984	518,953
Mcbride	(495,974)	(592,689)
Meggitt	116,934	391,612
Melrose	220,102	640,497
National Grid	(89,516)	(571,560)
Patagonia Gold	2,079,951	1,071,175
Petrofac	42,350	507,353
Prudential	128,728	717,659
Restaurant Group	226,317	623,051
Rio Tinto	42,612	1,230,848
SAB Miller	(18,009)	(379,540)
SDL	106,912	694,928
Shaftesbury	129,269	602,264
Shire	73,777	1,482,918
St James' Place Capital	123,439	382,784

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

Security Description	Number of contracts	Market value GBP
United Kingdom		
Standard Chartered	121,910	1,568,982
Standard Life Assurance	(214,742)	(429,484)
Talk Talk Telecom	(476,166)	(600,921)
Tesco Personal Finance	278,531	1,052,847
Tullett Prebon	244,975	830,710
Tullow Oil	41,726	546,193
Ultra Electronics Holdings	42,613	641,326
Vedanta Resources	(30,303)	(333,636)
Vodafone Group	1,609,271	2,675,413
Weir Group	37,432	579,822
		31,716,664
	Total	34,050,045

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

17. PERFORMANCE FEE

The Investment Manager may, in addition to the management fee, be entitled to a performance fee for F&C Emerging Markets Bond, F&C Enhanced Alpha UK Equity, F&C Euro Inflation Linked Bond and F&C Latin American Equity.

For F&C Emerging Markets Bond, the annual performance fee will be payable annually on the last business day of the accounting period, if the percentage change of the net asset value per share over the previous 12-month period (after adding back any accrual for the performance fee) exceeds the percentage change of the JP Morgan EMBI (the "Benchmark") over the same 12-month period.

No performance fee will be payable if the percentage change of the net asset value calculated at the end of such a 12-month period is equal to or less than the percentage change of the Benchmark over the same 12-month period.

The performance fee, if any, will amount to 20% of the outperformance of the Benchmark and will accrue daily. Such performance fee accrual will crystallise and be payable to the Investment Manager:

- (i) upon redemption of shares during the accounting year; and
- (ii) annually at the end of the relevant accounting year, by reference to the net asset value per share.

For F&C Enhanced Alpha UK Equity (all share classes), a performance fee will be payable annually to the Investment Manager, in addition to the management fee, if the percentage change of the Net Asset Value per Share over the previous 12 month period, (after adding back any accrual for the performance fee), exceeds over the same 12 month period the benchmark return per annum (the "Hurdle Rate"). For the purposes of performance fee calculation the benchmark will be FTSE All share and will be calculated in respect of each period of 12 months ending on 31st December in each year. No performance fee will be payable if the percentage change in the Net Asset Value calculated at the end of such a 12 month period is equal to or less than the percentage change of the Hurdle Rate over the same 12 month period. The performance fee, (if any), will amount to 20 per cent. of the out performance of the Hurdle Rate and will accrue daily. If the Investment Management Agreement is terminated, the performance fee will be calculated and paid from the preceding 31st December up to and including the effective date of termination. Full details of the performance fee are contained in the F&C Enhanced Alpha UK Equity Appendix of the Fund's Prospectus.

For F&C Euro Inflation Linked Bond (all share classes), a performance fee is payable annually on the last Business Day of the Calculation Period (as defined below) to the Investment Manager, in addition to the management fee, if the percentage change of the Net Asset Value per Share over the preceding 12-month period (after adding back any accrual for the performance fee) exceeds the percentage change of the Barclays Euro Inflation-Linked All Maturities (the "Benchmark"), over the same 12-month period. The performance fee is calculated in respect of each period of 12 months ending on 31st December in each year (a "Calculation Period"). Full details of the performance fee are contained in the F&C Euro Inflation Linked Bond Appendix of the Fund's Prospectus.

For F&C Latin American Equity, a performance fee will be payable annually, if the percentage change of the Net Asset Value per share over the previous 12-month period (after adding back any accrual for the performance fee) exceeds over the same 12-month period the MSCI EM (Emerging Markets) Latin America Index (the "Benchmark") return.

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

No performance fee will be payable if the percentage charge of the Net Asset Value calculated at the end of such a 12-month period is equal or less than the percentage change of the Benchmark over the same 12-month period.

The performance fee; if any, will amount to 20% of the outperformance of the Benchmark and will accrue daily.

Portfolios	Currency	Performance Fee
F&C Emerging Markets Bond	\$	238
F&C Enhanced Alpha UK Equity	£	317,849
F&C Euro Inflation Linked Bond	€	43
F&C Latin American Equity	\$	75,746

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

The TER with performance fees for each Portfolio are as follows:

Portfolios	TER with performance fees (unaudited)
F&C Emerging Markets Bond - Class A Shares - US\$	1.63%
F&C Emerging Markets Bond - Class B Shares - US\$	2.88%
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	1.61%
F&C Enhanced Alpha UK Equity - Class I Shares - GBP	2.05%
F&C Enhanced Alpha UK Equity - Class X Shares - GBP	1.11%
F&C Euro Inflation Linked Bond - Class A Shares - Euro	1.06%
F&C Euro Inflation Linked Bond - Class I Shares - Euro	0.56%
F&C Latin American Equity - Class I Shares - GBP	1.08%
F&C Latin American Equity - Class I Shares - Euro	1.42%
F&C Latin American Equity - Class I Shares - US\$	1.03%

Performance fees have been accrued in respect of the relevant Portfolios for the period under review.

18. USE OF DEALING COMMISSION

The Investment Manager is regulated by the Financial Services Authority ("FSA") for the conduct of its business in the United Kingdom. The rules of the FSA restrict the use of dealing commission to execution and research services. Services may be paid for from commission but only if they are integral to either the execution of trades or to research. 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 or its connected persons has entered or may enter into arrangements ("Commission Arrangements") whereby the broker agrees to set aside a proportion of the commission earned on transactions and to use this to discharge the cost of certain permitted services related to the execution of transactions on behalf of the Fund and the provision of investment research to the Investment Manager.

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

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.

19. 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, which recommenced in April 2010, is reflected in the Statement of Operations and Changes in Net Assets as disclosed in Note 2.

The table below shows the value of securities on loan by Portfolio at 30th September 2011 and was €11,369,347. The total value of collateral held was €12,219,975 giving coverage of 107.48%.

Portfolios	Market Value of Securities on Loan in EUR
F&C Diversified Growth	4,438,229
F&C Global Climate Opportunities	935,207
F&C Global Emerging Markets Portfolio	1,502,633
F&C Japanese Equity	3,793,898
F&C North American Equity	605,607
F&C Stewardship International	93,773

20. DIVIDENDS DISTRIBUTION

For all distributing classes of share 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.

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

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 30th September 2011, dividends have been paid out to Shareholders as follows:

Name	Ex-Dividend Date	Payment Date	Currency	Dividend per Share	Amount of Dividends paid out to Shareholders
F&C Asia Pacific Dynamic - Class A Shares - Euro	3 January 2011	31 January 2011	EUR	0.0452	23,647
F&C Asia Pacific Dynamic - Class I Shares - Euro	3 January 2011	31 January 2011	EUR	0.5163	380,002
F&C Asia Pacific Dynamic - Class X Shares - Euro	3 January 2011	31 January 2011	EUR	0.2186	893,141
F&C Emerging Market Bond - Class A Shares - US\$	3 January 2011	31 January 2011	USD	0.7508	4,299,169
F&C Emerging Market Bond - Class B Shares - US\$	3 January 2011	31 January 2011	USD	0.1059	7,546
F&C Emerging Market Bond - Class C Shares - Euro (Hedged)	3 January 2011	31 January 2011	EUR	5.8133	2,697,211
F&C Euro Inflation linked Bond - Class A Shares - Euro	3 January 2011	31 January 2011	EUR	0.3086	21,359
F&C Euro Inflation linked Bond - Class I Shares - Euro	3 January 2011	31 January 2011	EUR	0.2943	2,431,837
F&C European Equity - Class A Shares - Euro	3 January 2011	31 January 2011	EUR	0.1257	466,121
F&C European High Yield Bond - Class A Shares - Euro	3 January 2011	31 January 2011	EUR	1.0047	3,384,373
F&C European Small Cap - Class A Shares - Euro	3 January 2011	31 January 2011	EUR	0.0525	141,814
F&C Global Climate Opportunities - Class I Shares - Euro	3 January 2011	31 January 2011	EUR	0.1737	42,072
F&C Global Climate Opportunities - Class I Shares - GBP	3 January 2011	31 January 2011	GBP	0.2186	23,819
F&C Global Climate Opportunities - Class X Shares - GBP	3 January 2011	31 January 2011	GBP	0.7260	284,817
F&C Global Convertible Bond - Class A Shares - Euro	3 January 2011	31 January 2011	EUR	0.1524	1,717,524
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	3 January 2011	31 January 2011	EUR	0.1448	1,664,626
F&C Global Convertible Bond - Class A Shares - GBP	3 January 2011	31 January 2011	GBP	0.0896	5,013
F&C Global Convertible Bond - Class I Shares - Euro	3 January 2011	31 January 2011	EUR	0.0037	15,559
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	3 January 2011	31 January 2011	EUR	0.2196	3,423,918
F&C Global Convertible Bond - Hong Kong Class A Shares - US\$	3 January 2011	31 January 2011	USD	0.1517	129,408
F&C Global Emerging Markets Portfolio - Class X Shares - GBP	3 January 2011	31 January 2011	GBP	0.0225	66,713
F&C Japanese Equity - Class I Shares - Euro	3 January 2011	31 January 2011	EUR	0.0740	314,591
F&C Japanese Equity - Class I Shares - GBP	3 January 2011	31 January 2011	GBP	0.0887	577,125
F&C Japanese Equity - Class X Shares - GBP	3 January 2011	31 January 2011	GBP	0.0753	73,790
F&C Latin American Equity - Class I Shares - GBP	3 January 2011	31 January 2011	GBP	0.0541	27,621
F&C Latin American Equity - Class I Shares - US\$	3 January 2011	31 January 2011	USD	0.0056	1,125
F&C Pacific Equity - Class A Shares - Euro	3 January 2011	31 January 2011	EUR	0.5438	93,721
F&C Pacific Equity - Class X Shares - GBP	3 January 2011	31 January 2011	GBP	0.1807	145,773
F&C Stewardship International - Class I Shares - Euro	3 January 2011	31 January 2011	EUR	0.0520	233,669

F&C Portfolios Fund

Notes to the Financial Statements (continued)

as at 30th September 2011

21. AUTHORISED PORTFOLIOS IN HONG KONG

The following Portfolios are authorised for public distribution in Hong Kong:

F&C Asia Pacific Dynamic

F&C Global Climate Opportunities

F&C Global Convertible Bond

F&C Global Emerging Markets Portfolio

F&C Pacific Equity

Only these Portfolios are authorised by the Securities and Futures Commission in Hong Kong (the "SFC"). None of the other Portfolios referred to in this annual report are authorised for sale in Hong Kong nor are they available to Hong Kong residents.

No soft commission arrangements were entered into by the Management Company or the Investment Manager with brokers during the year.

22. 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, a threshold (the "Threshold") set by the Board from time to time.

Description of the swing pricing methodology:

If the net capital activity on a given Valuation Date leads to a net inflow 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 by the swing factor set by the Board from time to time.

If the net capital activity on a given Valuation Date leads to a net 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 downwards by the swing factor set by the Board from time to time.

In any case, the swing factor shall not exceed 2 per cent 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.

23. SUBSEQUENT EVENTS

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

24. APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on 14th December 2011.

F&C Portfolios Fund

Portfolio Turnover Ratio

(Unaudited)

The Portfolio Turnover Ratio is calculated as follows:

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

The rate of rotation is calculated on the basis of the past twelve months.

Portfolios	Currency	Total Net Assets, average during the year	Portfolio Turnover Ratio as of 30 September 2011 (annualised), %
F&C Active Return	€	89,983,628.81	178.02
F&C Asia Pacific Dynamic	€	66,980,217.24	198.96
F&C Diversified Growth	€	117,093,392.74	37.32
F&C Emerging Markets Bond	\$	144,726,090.75	200.71
F&C Enhanced Alpha UK Equity	£	42,273,712.27	353.13
F&C Euro Inflation Linked Bond	€	84,271,162.05	102.97
F&C European Equity	€	39,262,463.51	(9.16)
F&C European Growth & Income	€	63,183,262.97	36.22
F&C European High Yield Bond	€	44,787,650.99	116.52
F&C European SmallCap	€	36,825,910.36	(11.16)
F&C Global Climate Opportunities	€	44,558,910.19	176.99
F&C Global Convertible Bond	€	728,704,812.54	(33.34)
F&C Global Emerging Markets Portfolio	\$	135,133,552.05	325.73
F&C Japanese Equity	€	161,099,820.92	136.08
F&C Latin American Equity	\$	104,345,460.55	175.91
F&C North American Equity	€	36,522,163.39	80.58
F&C Pacific Equity	€	18,096,401.85	164.54
F&C Plus Fund	€	375,474,131.62	57.86
F&C Sharia Sustainable Opportunities	\$	24,605,009.07	36.81
F&C Stewardship International	€	70,234,602.66	57.82
F&C US Smaller Companies	\$	63,270,285.52	(7.27)

F&C Portfolios Fund

Total Expense Ratio

(Unaudited)

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

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

Portfolios	Currency	Total Expense Ratio as of 30 September 2011 (annualised), % *
F&C Active Return - Class A Shares - Euro	€	1.94%
F&C Active Return - Class I Shares - Euro	€	1.40%
F&C Active Return - Class I Shares - GBP (Hedged)	£	1.40%
F&C Asia Pacific Dynamic - Class A Shares - Euro	€	1.83%
F&C Asia Pacific Dynamic - Class I Shares - Euro	€	1.06%
F&C Asia Pacific Dynamic - Class X Shares - Euro	€	0.26%
F&C Diversified Growth Fund - Class A Shares - Euro	€	1.89%
F&C Diversified Growth Fund - Class A Shares - GBP (Hedged)	£	1.88%
F&C Diversified Growth Fund - Class A Shares - US\$ (Hedged)	\$	1.89%
F&C Diversified Growth Fund - Class I Shares - Euro	€	1.10%
F&C Diversified Growth Fund - Class X Shares - Euro	€	0.35%
F&C Diversified Growth Fund - Class X Shares - GBP (Hedged)	£	0.34%
F&C Emerging Markets Bond - Class A Shares - US\$	\$	1.63%
F&C Emerging Markets Bond - Class B Shares - US\$	\$	2.88%
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	€	1.61%
F&C Enhanced Alpha UK Equity - Class I Shares - GBP	£	1.34%
F&C Enhanced Alpha UK Equity - Class X Shares - GBP	£	0.34%
F&C Euro Inflation Linked Bond - Class A Shares - Euro	€	1.05%
F&C Euro Inflation Linked Bond - Class I Shares - Euro	€	0.56%
F&C European Equity - Class A Shares - Euro	€	1.56%
F&C European Growth and Income - Class A Shares - Euro	€	1.88%
F&C European Growth and Income - Class A Shares - GBP	£	1.87%
F&C European High Yield Bond - Class A Shares - Euro	€	1.37%
F&C European SmallCap - Class A Shares - Euro	€	1.78%
F&C Global Climate Opportunities - Class A Shares - Euro	€	1.88%
F&C Global Climate Opportunities - Class A Shares - GBP	£	1.88%
F&C Global Climate Opportunities - Hong Kong Class A Shares - US\$	\$	1.81%
F&C Global Climate Opportunities - Class I Shares - Euro	€	1.33%
F&C Global Climate Opportunities - Class I Shares - GBP	£	1.33%
F&C Global Climate Opportunities - Class X Shares - GBP	£	0.33%
F&C Global Convertible Bond - Class A Shares - GBP	£	1.34%
F&C Global Convertible Bond - Hong Kong Class A Shares - US\$	\$	1.26%
F&C Global Convertible Bond - Class A Shares - Euro	€	1.32%

*The Performance fees are not included in the calculation of the TERs disclosed. For share classes that opened during the year, 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.

F&C Portfolios Fund

Total Expense Ratio (continued)

(Unaudited)

Portfolios	Currency	Total Expense Ratio
		as of 30 September 2011 (annualised), %
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	€	1.33%
F&C Global Convertible Bond - Class I Shares - Euro	€	0.93%
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	€	0.93%
F&C Global Convertible Bond - Class I Shares - Euro Accumulating (Hedged)	€	1.13%
F&C Global Emerging Markets Portfolio - Class A Shares - US\$	\$	1.93%
F&C Global Emerging Markets Portfolio - Class X Shares - GBP	£	0.41%
F&C Japanese Equity - Class A Shares - Euro	€	1.80%
F&C Japanese Equity - Class I Shares - Euro	€	1.01%
F&C Japanese Equity - Class I Shares - GBP	£	1.01%
F&C Japanese Equity - Class X Shares - GBP	£	0.26%
F&C Latin American Equity - Class I Shares - GBP	£	1.03%
F&C Latin American Equity - Class I Shares - Euro	€	1.04%
F&C Latin American Equity - Class I Shares - US\$	\$	1.03%
F&C North American Equity - Class A Shares - Euro	€	1.83%
F&C Pacific Equity - Class A Shares - Euro	€	2.10%
F&C Pacific Equity - Class X Shares - GBP	£	0.53%
F&C Plus Fund - Class I Shares - Euro	€	1.37%
F&C Sharia Sustainable Opportunities - Class X Share - US\$	\$	1.42%
F&C Stewardship International - Class A Shares - Euro	€	1.88%
F&C Stewardship International - Class A Shares - US\$	\$	1.88%
F&C Stewardship International - Class B Shares - Euro	€	2.39%
F&C Stewardship International - Class I Shares - Euro	€	1.08%
F&C US Smaller Companies - Class A Shares - US\$	\$	1.78%

Additional Information:

The list of purchases and sales is available from the Swiss representative and paying agent.

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

In respect to its distribution in Switzerland retrocessions can be paid by the Investment Manager out of its management fee to the following Qualified Investors who, from a commercial perspective, are holding shares of the Fund for third parties:

- life insurance companies
- pension funds and other retirement provision institutions
- investment foundations
- Swiss fund management companies
- foreign fund management companies and providers
- investment companies.

In connection with distribution in Switzerland, the Investment Manager may pay out of its management fee distribution remunerations to the following distributors and sales partners:

- distributors subject to the duty to obtain authorisation pursuant to Art. 19.1 CISA
- distributors exempt from the duty to obtain authorisation pursuant to Art. 19.4 CISA and Art. 8 CISO
- sales partners who place the units of collective investment schemes exclusively with institutional investors with professional treasury facilities
- sales partners who place the units of collective investment schemes exclusively on the basis of a written asset management mandate.

F&C Portfolios Fund

Performance Data

The performance data is calculated based on the movement of the net asset value per share during the year. Performance figures shown in the Investment Managers reports are based on total return figures, inclusive of distributions, and may differ from the above.

Portfolio	30th September 2011 %	30th September 2010 %	30th September 2009 %
F&C Active Return - Class A Shares - Euro	(1.66)	0.48	5.07
F&C Active Return - Class I Shares - Euro	(1.13)	1.02	5.63
F&C Active Return - Class I Shares - GBP (Hedged)	(1.56)	0.25	(8.58)
F&C Asia Pacific Dynamic - Class A Shares - Euro	(20.93)	15.72	11.41
F&C Asia Pacific Dynamic - Class I Shares - Euro	(23.13)	16.81	9.01
F&C Asia Pacific Dynamic - Class X Shares - Euro	(20.72)	16.96	9.05
F&C Diversified Growth - Class A Shares - Euro ⁽¹⁾	(5.85)	N/A	N/A
F&C Diversified Growth - Class A Shares - GBP (Hedged)	(6.29)	5.00	N/A
F&C Diversified Growth - Class A Shares - US\$ (Hedged)	(6.26)	6.99	(8.64)
F&C Diversified Growth - Class I Shares - Euro	(5.10)	6.94	(10.71)
F&C Diversified Growth - Class X Shares - Euro	(4.39)	7.75	15.94
F&C Diversified Growth - Class X Shares - GBP (Hedged)	(4.86)	7.61	(11.08)
F&C Emerging Markets Bond - Class A Shares - US\$	(6.01)	9.31	13.59
F&C Emerging Markets Bond - Class B Shares - US\$	(2.83)	8.88	9.31
F&C Emerging Markets Bond - Class C Shares - Euro (Hedged)	(5.96)	(0.39)	15.89
F&C Enhanced Alpha UK Equity - Class I Shares - GBP	(5.85)	19.37	(3.25)
F&C Enhanced Alpha UK Equity - Class X Shares - GBP	(4.94)	20.32	(2.46)
F&C Euro Corporate Bond - Class A Shares – Euro ⁽²⁾	N/A	3.58	(0.41)
F&C Euro Inflation Linked Bond - Class A Shares - Euro	(5.83)	0.77	3.49
F&C Euro Inflation Linked Bond - Class B Shares - Euro	N/A	N/A	(0.40)
F&C Euro Inflation Linked Bond - Class I Shares - Euro	(5.26)	0.88	3.88
F&C European Equity - Class A Shares - Euro	(7.19)	9.65	(16.68)
F&C European Growth and Income - Class A Shares - Euro ⁽¹⁾	(9.30)	N/A	N/A
F&C European Growth and Income - Class A Shares - GBP ⁽¹⁾	(9.80)	N/A	N/A
F&C European High Yield Bond - Class A Shares - Euro	(11.31)	5.54	10.74
F&C European High Yield Bond - Class B Shares - Euro	N/A	N/A	(18.17)
F&C European SmallCap - Class A Shares - Euro	1.61	14.27	(9.09)

F&C Portfolios Fund

Performance Data (continued)

Portfolio	30th September 2011 %	30th September 2010 %	30th September 2009 %
F&C Global Climate Opportunities - Class A Shares - Euro	(12.25)	11.87	(3.81)
F&C Global Climate Opportunities - Class A Shares - GBP	(12.75)	6.03	11.53
F&C Global Climate Opportunities - Class I Shares - Euro	(12.09)	12.28	(3.30)
F&C Global Climate Opportunities - Class I Shares - GBP	(12.60)	6.41	12.19
F&C Global Climate Opportunities - Class X Shares - GBP	(12.46)	6.60	13.08
F&C Global Climate Opportunities - Class A Shares - US\$	N/A	N/A	(19.45)
F&C Global Climate Opportunities - Class B Shares - Euro	N/A	N/A	(25.08)
F&C Global Climate Opportunities - Hong Kong Class A Shares - US\$	(13.73)	4.52	14.66
F&C Global Convertible Bond - Class A Shares - Euro	(4.60)	10.56	16.93
F&C Global Convertible Bond - Class A Shares - Euro (Hedged)	(5.99)	6.85	18.68
F&C Global Convertible Bond - Class A Shares - GBP	(4.80)	6.13	15.68
F&C Global Convertible Bond - Class I Shares - Euro	(3.31)	(0.20)	N/A
F&C Global Convertible Bond - Class I Shares - Euro (Hedged)	(6.09)	5.68	33.97
F&C Global Convertible Bond - Class I Shares - Euro Accumulating (Hedged) ⁽³⁾	(10.10)	N/A	N/A
F&C Global Convertible Bond - Hong Kong Class A Shares - US\$	(6.37)	5.25	15.84
F&C Global Emerging Markets Portfolio - Class A Shares - US\$	(19.21)	13.86	17.85
F&C Global Emerging Markets Portfolio - Class B Shares - Euro	N/A	N/A	(29.34)
F&C Global Emerging Markets Portfolio - Class X Shares - GBP	(17.21)	1.70	N/A
F&C Global Real Estate Securities - Class A Shares - Euro	N/A	N/A	(31.89)
F&C GTAA Alpha Fund - Class A Shares - Euro	N/A	N/A	(2.81)
F&C GTAA Alpha Fund - Class I Shares - Euro ⁽⁴⁾	N/A	4.03	(14.12)
F&C GTAA Alpha Fund - Class I Shares - GBP	N/A	N/A	(3.21)
F&C Japanese Equity - Class A Shares - Euro	(6.10)	3.40	(4.38)
F&C Japanese Equity - Class I Shares - Euro	(5.98)	3.44	1.09
F&C Japanese Equity - Class I Shares - GBP	(6.60)	(1.65)	1.10
F&C Japanese Equity - Class X Shares - GBP	(5.87)	(8.00)	N/A

F&C Portfolios Fund

Performance Data (continued)

Portfolio	30th September 2011 %	30th September 2010 %	30th September 2009 %
F&C Latin American Equity - Class I Shares - Euro	(20.26)	28.64	28.10
F&C Latin American Equity - Class I Shares - GBP	(20.64)	21.40	30.03
F&C Latin American Equity - Class I Shares - US\$	(21.48)	20.59	13.70
F&C North American Equity - Class A Shares - Euro	(1.75)	14.40	(9.21)
F&C Pacific Equity - Class A Shares - Euro	(11.44)	11.91	12.42
F&C Pacific Equity - Class X Shares - GBP	(11.00)	(0.90)	N/A
F&C Plus Fund - Class I Shares - Euro	(9.85)	1.59	4.58
F&C Sharia Sustainable Opportunities - Class X Shares – US\$ ⁽⁵⁾	(14.40)	N/A	N/A
F&C Stewardship International - Class A Shares - Euro	(5.54)	13.20	(3.85)
F&C Stewardship International - Class A Shares - US\$	(7.20)	5.50	N/A
F&C Stewardship International - Class B Shares - Euro	(6.09)	12.63	(4.37)
F&C Stewardship International - Class I Shares - Euro	(5.29)	13.68	(3.93)
F&C US Smaller Companies - Class A Shares - US\$	0.41	5.52	3.47
F&C US Smaller Companies - Class C Shares - US\$	N/A	N/A	(14.53)

Above mentioned data is unaudited.

⁽¹⁾ Launched on 30th September 2010

⁽²⁾ Liquidated as from 3rd August 2010

⁽³⁾ Launched on 22nd June 2011

⁽⁴⁾ Liquidated as from 7th December 2009

⁽⁵⁾ Launched on 22nd March 2011

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 units.

F&C Portfolios Fund Administration

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Custodian, Registrar, Transfer, Domiciliary, Paying and Administrative Agent in Luxembourg

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F&C Portfolios Fund

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