

**Date:** 30 July 2018

**Contact:** Paul Niven – Fund Manager  
0207 011 4385  
F&C Investment Business Limited

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results**  
**for the half-year ended 30 June 2018**

**SUMMARY OF UNAUDITED RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 2018**

- Our share price was 693.0 pence representing a total return of 8.0%
- Our net asset value total return was 3.7% which compares with 2.1% from our benchmark, the FTSE All-World Index
- Our share price discount to NAV narrowed to just 0.2%; the lowest discount level for over twenty years
- The first interim dividend will be 2.7 pence per share while another above-inflation rise is planned for the 2018 total dividend. This will mark the 48th consecutive annual increase

**Chairman's Statement**

**Markets and performance**

In our 150th year I am pleased to report further outperformance. Our shareholder and Net Asset Value ("NAV") returns exceeded the benchmark: total shareholder return was 8.0% and NAV return 3.7% versus 2.1% from the benchmark FTSE All-World Index. Our share price discount to NAV narrowed to just 0.2% over the first half, the lowest discount level for over twenty years. This starts to meet our long-held aspiration of seeing the Company's shares trading at or close to NAV. There were no buybacks in the period. Year on year, the share price total return was 20.3%.

While positive corporate earnings and a generally robust global economy supported sentiment for much of the period, rising US inflation and worries over Federal Reserve rate tightening weighed on global equity markets as the period progressed. There were also increasing worries about the prospect of a full-blown trade war, especially after the Trump administration unveiled planned tariffs of a variety of foreign imports. The threat of retaliation from China and other nations prompted fears of escalation, with negative repercussions for the global economy and corporate earnings.

With regard to earnings, the US again led globally, with upgrades to expectations helping to drive returns. Indeed, optimism over the outlook took equity markets markedly higher in the early part of the period with accelerating gains driving the US and UK indices to new record highs before a reappraisal of prospects led to a tempering of enthusiasm and, following a sharp setback, more modest returns.

It was, once again, the so-called 'disruptors' which produced a large portion of market gains. Amazon, for example, posted spectacular gains of over 45% in the first six months of the year, closing the gap on Apple

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

in the race to be the first US company to reach a value of \$1 trillion. Gains in these growth stocks, the key drivers of this long bull market, were supplemented by strong returns from oil companies as the crude price rallied in response to renewed sanctions on Iran and concerns over a reduction in supply. By contrast, it was a poor period for performance of banks, with European exposure particularly weak as disappointing economic data, concerns relating to Italian politics and ongoing woes of Deutsche Bank (not held by the portfolio but down by over 40%) weighed on sentiment.

Within our portfolio North American strategies produced the strongest returns in both absolute and relative terms. Gains from US growth stocks, of 14.9%, led to a return of 8.8% from this region. Only our private equity holdings, posting returns of 9.6% in the first half, exceeded this regional gain. Both these areas benefited from a modest decline in sterling versus the US dollar which, after early gains, fell back as sentiment on the ongoing Brexit negotiations continued to weigh.

Other areas of the portfolio generally exceeded market comparators but produced more muted returns. Our European exposure eked out a gain of 0.3%, ahead of market losses there while our UK exposure produced a return of 3.2%, ahead of the 1.6% gain from the market. Elsewhere, our Global Strategies outperformed, buoyed by a 6.4% gain from Small Cap exposure while Emerging Markets lagged developed market returns, suffering from strength in the US dollar, rising US interest rates and concerns over trade. Our exposure here declined by 3.3%, falling by less than market comparators. Japan lagged market returns and also declined in value by 2.2% over the period.

Globally, interest rates now appear to be on a rising path with the US Federal Reserve hiking to 2% and the European Central Bank indicating their intention to cap their bond-buying programme by year-end. Even in the UK, which has seen a marked slowdown in growth and some rise in inflation, the Bank appears more balanced with regards to their intentions on future rates rises. Against this backdrop, we took advantage of attractive borrowing rates to secure a 30 year private placement, borrowing £75m at a rate of 2.92%. Our gearing level rose modestly to end the period at 6.8%.

Contributors to total returns in first half of 2018

%

Portfolio return	3.7
Management fees	(0.2)
Interest and other expenses	(0.1)
Buybacks	0.0
Change in value of debt	0.0
Gearing/other	0.3
<b>Net asset value total return*</b>	<b>3.7</b>
Decrease in discount	4.3
<b>Share price total return</b>	<b>8.0</b>
FTSE All-World Total Return	2.1

\*Debt at market value

Source: F&C

## **Income and Dividends**

Our net revenue return per share rose 7.5%, to 7.78p, in the first six months of the year on the equivalent period of 2017. We benefited from a rise in special dividends, which rose to £3.9m, from £2.1m in the comparative period of 2017.

We paid a third interim dividend of 2.7p per share for the year ended 31 December 2017 in February 2018 and a final dividend of 2.7p in May. The first interim dividend of 2.7p for 2018 will be paid on 1 August. It is the intention of the Board to deliver another real rise in dividends for 2018. This will mark the forty-eighth consecutive rise in annual dividends from your Company.

## **150<sup>th</sup> Anniversary and beyond**

Your Company celebrated its 150<sup>th</sup> anniversary in March of this year. A key feature of its success over time has been its steadfast focus on the longer term.

To ensure this milestone is celebrated in keeping with these values and in a meaningful way for all shareholders, we have taken the opportunity to undertake a wide range of activities designed to strengthen its position in the future financial landscape. These include financial education across schools and universities as we reach out to the next generation of investors.

## **Change of Name and branding of the savings plans**

Following shareholder approval in April, the Directors will change the legal name of your Company to “F&C Investment Trust PLC” later in the year. In deciding on this change, and in keeping with our focus on the future, we took into consideration its identification and ease of access on platforms and other digital media.

Our Fund Manager, F&C Asset Management, recently announced their intention to transition their remaining F&C branded products and funds to their parent company brand later in the year; that is to say, to the “BMO” (Bank of Montreal) brand that has appeared on much of their literature over the past three years. Their savings plans, through which many of our shareholders invest, will also align to the BMO brand.

## **Outlook**

Our current assessment is that, while risks and concerns over issues such as trade and the impact of rising interest rates abound, the fundamental backdrop remains broadly supportive for equity investment. Selectivity within our strategies will again be needed and it will remain important to adopt a diversified approach as risks rise. Over the longer-term our strategies are typically focused on businesses with sustainable business franchises supported by strong cash flow generation and attractive valuations against growth prospects. This selective approach should continue to offer attractive returns against other assets, where valuations appear particularly extended. Your Company remains well positioned to withstand any short-term volatility and to continue to deliver long-term growth in capital and income.

Simon Fraser

Chairman

27 July 2018

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

Weightings, stock selection and performance in each investment portfolio strategy and underlying geographic exposure versus index as at 30 June 2018

Investment portfolio strategy	Our portfolio strategy weighting %	Underlying geographic exposure* %	Benchmark weighting %	Our strategy performance in sterling %	Index performance in sterling %
UK	3.8	6.5	6.0	3.2	1.6
North America	36.0	50.1	55.4	8.8	5.1
Europe ex UK	12.2	18.4	14.6	0.3	(1.0)
Japan	8.1	9.8	8.4	(2.2)	0.5
Emerging Markets	10.5	12.7	11.5	(3.3)	(4.4)
Developed Pacific	-	2.6	4.1	-	0.5
Global Strategies	22.7	-	-	2.9	2.1
Private Equity	6.7	-	-	9.6	-

Source: F&C

\*Represents the geographic exposure of the portfolio, including underlying exposures in private equity and fund holdings

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

**UNAUDITED CONDENSED INCOME STATEMENT**

Notes	6 months to 30 June 2018			6 months to 30 June 2017		
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
	-	99,822	99,822	-	254,320	254,320
	(77)	(1,409)	(1,486)	69	389	458
3 Income	51,851	-	51,851	47,821	-	47,821
4 Fees and other expenses	(4,280)	(6,241)	(10,521)	(3,265)	(5,411)	(8,676)
	<b>47,494</b>	<b>92,172</b>	<b>139,666</b>	44,625	249,298	293,923
4 Interest payable and similar charges	(1,004)	(3,011)	(4,015)	(899)	(2,698)	(3,597)
	<b>46,490</b>	<b>89,161</b>	<b>135,651</b>	43,726	246,600	290,326
5 Taxation on ordinary activities	(4,333)	-	(4,333)	(4,282)	(160)	(4,442)
	<b>42,157</b>	<b>89,161</b>	<b>131,318</b>	39,444	246,440	285,884
6 <b>Net return per share - basic (pence)</b>	<b>7.78</b>	<b>16.44</b>	<b>24.22</b>	7.24	45.22	52.46

The total column is the profit and loss account of the Company.  
All revenue and capital items in the above statement derive from continuing operations.

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY**

Notes	Half-year ended 30 June 2018	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance brought forward 31 December 2017	140,455	122,307	3,313,941	91,320	3,668,023
	<b>Movements during the half-year ended 30 June 2018</b>					
7	Dividends paid	-	-	-	(29,278)	(29,278)
	Return attributable to shareholders	-	-	89,161	42,157	131,318
	<b>Balance carried forward 30 June 2018</b>	<b>140,455</b>	<b>122,307</b>	<b>3,403,102</b>	<b>104,199</b>	<b>3,770,063</b>

Notes	Half-year ended 30 June 2017	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance brought forward 31 December 2016	140,455	122,307	2,867,579	83,094	3,213,435
	<b>Movements during the half-year ended 30 June 2017</b>					
7	Dividends paid	-	-	-	(28,108)	(28,108)
	Shares repurchased by the Company and held in Treasury	-	-	(18,437)	-	(18,437)
	Return attributable to shareholders	-	-	246,440	39,444	285,884
	<b>Balance carried forward 30 June 2017</b>	<b>140,455</b>	<b>122,307</b>	<b>3,095,582</b>	<b>94,430</b>	<b>3,452,774</b>

Notes	Year ended 31 December 2017	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance brought forward 31 December 2016	140,455	122,307	2,867,579	83,094	3,213,435
	<b>Movements during the year ended 31 December 2017</b>					
7	Dividends paid	-	-	-	(55,260)	(55,260)
	Shares repurchased by the Company and held in Treasury	-	-	(25,661)	-	(25,661)
	Return attributable to shareholders	-	-	472,023	63,486	535,509
	<b>Balance carried forward 31 December 2017</b>	<b>140,455</b>	<b>122,307</b>	<b>3,313,941</b>	<b>91,320</b>	<b>3,668,023</b>

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

**UNAUDITED CONDENSED BALANCE SHEET**

Notes	30 June 2018 £'000s	30 June 2017 £'000s	31 Dec 2017 £'000s	
	<b>Fixed assets</b>			
8	Investments	4,020,017	3,671,152	3,926,558
	<b>Current assets</b>			
	Debtors	25,078	14,811	12,663
	Cash and cash equivalents	73,172	21,513	31,136
		98,250	36,324	43,799
	<b>Creditors: amounts falling due within one year</b>			
9	Loans	(20,000)	-	(50,000)
10	Other	(8,230)	(9,098)	(10,397)
		(28,230)	(9,098)	(60,397)
	<b>Net current assets/(liabilities)</b>	<b>70,020</b>	<b>27,226</b>	<b>(16,598)</b>
	<b>Total assets less current assets</b>	<b>4,090,037</b>	<b>3,698,378</b>	<b>3,909,960</b>
	<b>Creditors: amounts falling due after more than one year</b>			
9	Loans	(319,399)	(245,029)	(241,362)
9	Debenture	(575)	(575)	(575)
		(319,974)	(245,604)	(241,937)
	<b>Net assets</b>	<b>3,770,063</b>	<b>3,452,774</b>	<b>3,668,023</b>
	<b>Capital and reserves</b>			
11	Share capital	140,455	140,455	140,455
	Capital redemption reserve	122,307	122,307	122,307
	Capital reserves	3,403,102	3,095,582	3,313,941
	Revenue reserve	104,199	94,430	91,320
12	<b>Total shareholders' funds</b>	<b>3,770,063</b>	<b>3,452,774</b>	<b>3,668,023</b>
12	<b>Net asset value per ordinary share</b>			
	<b>– prior charges at nominal value (pence)</b>	<b>695.35</b>	<b>635.47</b>	<b>676.53</b>

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**

Notes	6 months to 30 June 2018 £'000s	6 months to 30 June 2017 £'000s	Year ended 31 Dec 2017 £'000s
13			
<b>Cash flows from operating activities before dividends received and interest paid</b>	<b>(14,140)</b>	<b>(13,791)</b>	<b>(26,226)</b>
Dividends received	49,843	45,980	77,631
Interest paid	<b>(3,848)</b>	<b>(3,577)</b>	<b>(7,344)</b>
<b>Cash flows from operating activities</b>	<b>31,855</b>	<b>28,612</b>	<b>44,061</b>
<b>Investing activities</b>			
Purchases of Investments	<b>(707,605)</b>	<b>(617,108)</b>	<b>(1,390,393)</b>
Sales of Investments	<b>700,739</b>	<b>631,180</b>	<b>1,384,673</b>
Other capital charges and credits	<b>(34)</b>	<b>(29)</b>	<b>(55)</b>
<b>Cash flows from investing activities</b>	<b>(6,900)</b>	<b>14,043</b>	<b>(5,775)</b>
<b>Cash flows before financing activities</b>	<b>24,955</b>	<b>42,655</b>	<b>38,286</b>
<b>Financing activities</b>			
Equity dividends paid	<b>(29,278)</b>	<b>(28,108)</b>	<b>(55,260)</b>
Repayment of loans	<b>(30,000)</b>	<b>(20,000)</b>	<b>-</b>
Drawdown of loans	<b>75,000</b>	<b>20,000</b>	<b>50,000</b>
Cash flow from share buybacks into treasury	<b>(194)</b>	<b>(17,989)</b>	<b>(25,952)</b>
<b>Cash flows from financing activities</b>	<b>15,528</b>	<b>(46,097)</b>	<b>(31,212)</b>
Net increase/(decrease) in cash and cash equivalents	<b>40,483</b>	<b>(3,442)</b>	<b>7,074</b>
Cash and cash equivalents at the beginning of the period	<b>31,136</b>	<b>26,463</b>	<b>26,463</b>
Effect of movement in foreign exchange	<b>1,553</b>	<b>(1,508)</b>	<b>(2,401)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>73,172</b>	<b>21,513</b>	<b>31,136</b>
Represented by:			
Cash at bank	<b>5,103</b>	<b>3,226</b>	<b>3,461</b>
Short term deposits	<b>68,069</b>	<b>18,287</b>	<b>27,675</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>73,172</b>	<b>21,513</b>	<b>31,136</b>

---

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

---

**UNAUDITED NOTES ON THE CONDENSED ACCOUNTS**

**1 Results**

The results for the six months to 30 June 2018 and 30 June 2017 constitute non-statutory accounts within the meaning of Section 434 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 December 2017; the report of the Auditors thereon was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The condensed financial statements shown for the year ended 31 December 2017 are an extract from those accounts.

**2 Accounting policies**

These condensed financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006, FRS 102, Interim Financial Reporting (FRS 104) and the revised Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (SORP), issued by the AIC in November 2014 and updated in February 2018.

The accounting policies applied for the condensed set of financial statements are set out in the Company's annual report for the year ended 31 December 2017.

**3 Income**

	<b>6 months to 30 June 2018 £'000s</b>	6 months to 30 June 2017 £'000s
Income comprises:		
UK dividends	<b>6,013</b>	6,795
Overseas dividends	<b>45,360</b>	40,618
Rebate on management fees	<b>289</b>	327
Interest on short-term deposits and withholding tax reclaims	<b>184</b>	81
Underwriting commission	<b>5</b>	-
Income	<b>51,851</b>	47,821

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

**4 Fees and other expenses and interest payable and similar charges**

	6 months to 30 June 2018 £'000s	6 months to 30 June 2017 £'000s
Fees and other expenses	10,521	8,676
Interest payable and similar charges	4,015	3,597
<b>Total</b>	<b>14,536</b>	<b>12,273</b>

**Fees and other expenses comprise:**

Allocated to Revenue Account

- Management fees payable directly to the Manager\*

- Other expenses

2,073	1,795
2,207	1,470
<b>4,280</b>	<b>3,265</b>

Allocated to Capital Account

- Management fees payable directly to the Manager\*

- Other expenses

6,220	5,384
21	27
<b>6,241</b>	<b>5,411</b>

**Interest payable and similar charges comprise:**

Allocated to Revenue Account

Allocated to Capital Account

1,004	899
3,011	2,698

\* Including reimbursement in respect of services provided by sub-managers

The primary related party transaction is with the Manager, F&C Investment Business Limited. The Manager receives remuneration of 0.365% per annum of the market capitalisation of the Company, calculated at each month end date on a pro-rata basis. The fee is adjusted for fees earned by the Manager in respect of investment holdings managed or advised by the Manager. Variable fees payable in respect of third party sub-managers are also reimbursed. The services provided by the Manager remain unchanged from those disclosed within the accounts for the year ended 31 December 2017. The level of variable fees payable in respect of third party sub-managers and private equity managers remain unchanged since the year end.

**5 Taxation**

The taxation charge of £4,333,000 (30 June 2017: £4,442,000) relates to irrecoverable overseas taxation.

**6 Net return per share**

Net return per ordinary share attributable to ordinary shareholders reflects the overall performance of the Company in the period. Net revenue recognised in the first six months is not indicative of the total likely to be received in the full accounting year.

	6 months to 30 June 2018 pence	6 months to 30 June 2018 £'000s	6 months to 30 June 2017 pence	6 months to 30 June 2017 £'000s
Revenue return	7.78	42,157	7.24	39,444
Capital return	16.44	89,161	45.22	246,440
<b>Total return</b>	<b>24.22</b>	<b>131,318</b>	<b>52.46</b>	<b>285,884</b>
Weighted average ordinary shares in issue excluding treasury shares (see Note 11)		<b>542,180,712</b>		544,952,303

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

**7 Dividends**

Dividends paid and payable on ordinary shares	Register date	Payment date	<b>6 Months to 30 June 2018</b> £'000s	6 Months to 30 June 2017 £'000s	Year ended 31 Dec 2017 £'000s
2016 Third interim of 2.45p	6-Jan-2017	1-Feb-2017	–	13,390	13,390
2016 Final of 2.70p	31-Mar-2017	2-May-2017	–	14,718	14,718
2017 First interim of 2.50p	7-Jul-2017	1-Aug-2017	–	–	13,583
2017 Second interim of 2.50p	29-Sep-2017	1-Nov-2017	–	–	13,569
2017 Third interim of 2.70p	5-Jan-2018	1-Feb-2018	<b>14,639</b>	–	–
2017 Final of 2.70p	3-Apr-2018	1-May-2018	<b>14,639</b>	–	–
			<b>29,278</b>	28,108	55,260

The Directors have declared a first interim dividend in respect of the year ending 31 December 2018 of 2.70p per share, payable on 1 August 2018 to all shareholders on the register at close of business on 6 July 2018. The amount of this dividend will be £14,639,000 based on 542,180,712 shares in issue at 5 July 2018. This amount has not been accrued in the results for the half-year ended 30 June 2018.

**8 Investments**

**Fair value hierarchy**

The Company's Investments as disclosed in the balance sheet are valued at fair value.

The fair value as at the reporting date has been estimated using the following fair value hierarchy:

Level 1 includes investments and derivatives listed on any recognised stock exchange or quoted on the AIM market in the UK and quoted open-ended funds.

Level 2 includes investments for which the quoted price has been suspended, forward exchange contracts and other derivative instruments.

Level 3 includes investments in private companies or securities, whether invested in directly or through pooled Private Equity vehicles, for which observable market data is not specifically available.

The analysis of the valuation basis for financial instruments based on the hierarchy is as follows:

	<b>As at 30 June 2018</b> £'000s	As at 30 June 2017 £'000s	As at 31 Dec 2017 £'000s
Level 1	<b>3,772,792</b>	3,416,934	3,699,872
Level 3	<b>247,225</b>	254,218	226,686
Total valuation of investments	<b>4,020,017</b>	3,671,152	3,926,558

There were no derivative investments held in the period (half-year ended 30 June 2017 and year ended 31 December 2017: same) and no investments held which are valued in accordance with level 2.

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

**9 Loans and Debenture**

	<b>30 June 2018</b>	30 June 2017	31 Dec 2017
	<b>£'000s</b>	£'000s	£'000s
Loans falling due within one year	<b>20,000</b>	-	50,000
Loans falling due after more than one year	<b>319,399</b>	245,029	241,362
Debenture falling due after more than one year	<b>575</b>	575	575
Comprising:			
Sterling denominated loan, falling due within one year	<b>£20m</b>	-	£50m
US dollar denominated loan, falling due after more than one year	<b>\$80m</b>	\$80m	\$80m
Yen denominated loan, falling due after more than one year	<b>¥6.6bn</b>	¥6.6bn	¥6.6bn
Sterling denominated loan, falling due after more one year	<b>£150m</b>	£75m	£75m
Euro denominated loan, falling due after more than one year	<b>€72m</b>	€72m	€72m
4.25% perpetual debenture stock	<b>£0.575m</b>	£0.575m	£0.575m

**10 Other creditors falling due within one year**

	<b>30 June 2018</b>	30 June 2017	31 Dec 2017
	<b>£'000s</b>	£'000s	£'000s
Cost of ordinary shares repurchased	-	933	194
Investment creditors	<b>4,689</b>	5,071	6,820
Management fee payable to F&C	<b>1,842</b>	1,544	1,734
Other accrued expenses	<b>1,699</b>	1,550	1,649
	<b>8,230</b>	9,098	10,397

**11 Share capital**

	Shares held in treasury Number	Shares entitled to dividend Number	Total shares in issue Number	Total shares in issue nominal £'000s
Equity share capital				
Ordinary shares of 25p each				
Balance at 31 December 2017 and 30 June 2018	<b>19,638,304</b>	<b>542,180,712</b>	<b>561,819,016</b>	<b>140,455</b>

No shares were repurchased either during the period or since 30 June 2018 up to 27 July 2018. Shares held in treasury have no voting rights and no right to dividend distributions and are excluded from the calculations of earnings per share and net asset value per share.

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

**12 Net asset value per ordinary share**

	<b>30 June 2018</b>	30 June 2017	31 Dec 2017
Net asset value per share -pence	<b>695.35</b>	635.47	676.53
Net assets attributable at end of period - £'000s	<b>3,770,063</b>	3,452,774	3,668,023
Ordinary shares of 25p in issue at end of period excluding shares held in treasury - number	<b>542,180,712</b>	543,339,388	542,180,712

Net asset value per share (with the debenture stock and long-term loans at market value) at 30 June 2018 was 694.34p (30 June 2017: 634.88p and 31 December 2017: 675.78p). The market value of debenture stocks at 30 June 2018 was £429,000 (30 June 2017 and 31 December 2017: £429,000). The market value of the long-term loans at 30 June 2018 was £325,012,000 (30 June 2017: £248,382,000 and 31 December 2017: £245,595,000) based on the equivalent benchmark gilts or relevant commercially available current debt.

**13 Reconciliation of net return before taxation to cash flows from operating activities**

	<b>6 months to 30 June 2018</b>	6 months to 30 June 2017	Year ended 31 Dec 2017
	<b>£'000s</b>	£'000s	£'000s
Net return on ordinary activities before taxation	<b>135,651</b>	290,326	542,686
Adjust for non-cash flow items, dividend income and interest expense:			
Gains on investments	<b>(99,822)</b>	(254,320)	(486,348)
Exchange losses/(gains)	<b>1,486</b>	(458)	(3,233)
Non-operating expense of a capital nature	<b>21</b>	27	61
Decrease/(increase) in other debtors	<b>762</b>	44	(793)
Decrease in creditors	<b>(50)</b>	(466)	(201)
Dividends receivable	<b>(51,373)</b>	(47,413)	(77,934)
Interest payable	<b>4,015</b>	3,597	7,432
Tax on overseas income and Indian Capital Gains Tax	<b>(4,830)</b>	(5,128)	(7,896)
	<b>(149,791)</b>	(304,117)	(568,912)
Cash flows from operating activities (before dividends received and interest paid)	<b>(14,140)</b>	(13,791)	(26,226)

**14 Going concern**

The Company's investment objective, strategy and policy are subject to a process of regular Board monitoring and are designed to ensure that the Company is invested mainly in readily realisable, listed securities and that the level of borrowings is restricted. The Company retains title to all assets held by the Custodian and agreements cover its borrowing facilities. Cash is held with banks approved and regularly reviewed by the Manager and the Board.

The Directors believe that; the Company's objective and policy continue to be relevant to investors; the Company operates within a robust regulatory environment; and the Company has sufficient resources and arrangements to continue operating within its stated policy for the 12 month period commencing from the date of this report. Accordingly, the financial statements have been drawn up on the basis that the Company is a going concern.

---

**FOREIGN & COLONIAL INVESTMENT TRUST PLC**  
**Unaudited Statement of Results for the for the half year ended 30 June 2018**

---

**15 Report and accounts**

The half-yearly report and accounts will be posted to shareholders and made available on the internet at [www.foreignandcolonial.com](http://www.foreignandcolonial.com) shortly. Copies may be obtained during normal business hours from the Company's Registered Office, Exchange House, Primrose Street, London EC2A 2NY.

Legal Entity Identifier: 213800W6B18ZHTNG7371

**By order of the Board**

F&C Investment Business Limited, Secretary  
Exchange House, Primrose Street, London EC2A 2NY  
27 July 2018

## **Directors' Statement of Principal Risks and Uncertainties**

Most of the Company's principal risks and uncertainties are market related and no different from those of other investment trusts investing primarily in listed equities. They are described in more detail under the heading "Principal risks and future prospects" within the strategic report in the Company's annual report for the year ended 31 December 2017 and have not changed materially since the date of that report.

The risks include: having an inappropriate strategy in relation to investor needs; failure on the part of the Manager to continue to operate effectively; unfavourable markets or inappropriate asset allocation, sector and stock selection, currency exposure and use of gearing and derivatives leading to investment underperformance; and errors, fraud or control failures at service providers, or loss of data through cyber-threats or business continuity failure. During the period the Company put in place the necessary steps to comply with the General Data Protection Regulation ("GDPR").

## **Directors' Statement of Responsibilities in Respect of the Half-Yearly Financial Report**

In accordance with Chapter 4 of the Disclosure and Transparency Rules, the Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with applicable UK Accounting Standards on a going concern basis and gives a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the half-yearly report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- the Directors' Statement of Principal Risks and Uncertainties shown above is a fair review of the principal risks and uncertainties for the remainder of the financial year; and
- the half-yearly report includes a fair review of the related party transactions that have taken place in the first six months of the financial year.

On behalf of the Board  
Simon Fraser  
Chairman  
27 July 2018