



Manager Commentary  
Paul Niven



During October, our net asset value (NAV) fell by -6.4%, lagging the -5.6% decline in the FTSE All World Index. Shareholder returns were -6.8%.

October was a challenging month for equities, with a number of markets showing their sharpest monthly declines for a number of years. The technology-focused NASDAQ Composite Index had its largest fall (-9.2%) since November 2008, while the bellwether S&P 500 Index was similarly down the most (-6.8%) since September 2011. Globally, very few assets

delivered a positive return and most global equity indices ended the month with negative returns for the full year to date.

With equity markets under stress, the only areas providing some protection for investors in sectoral terms were defensives such as utilities and consumer staples. In emerging markets, which also fell sharply, Brazil was a bright spot as the market reacted positively to the election result.

Despite steep declines at the market level and a sharp rotation from growth and technology-related stocks to value and defensives, there was strong fundamental data flow from third-quarter earnings, which look to be growing in excess of 25% year on year and are beating analyst expectations. Despite this support, there are ongoing concerns over future guidance from the corporate sector, while

there remains a long list of macroeconomic-related worries, with a hawkish US Federal Reserve and trade tensions weighing on investor sentiment.

We continue to invest in a range of diversified underlying stock-selection strategies to help protect the portfolio from any further short-term volatility in markets.

### Key facts as at 31.10.2018

**Trust aims:** The objective of the trust is to secure long-term growth in capital and income through a policy of investing primarily in an internationally diversified portfolio of publicly listed equities, as well as unlisted securities and private equity, with the use of gearing.

**Trust highlights:** The first ever investment trust, launched in 1868. A diversified portfolio gives exposure to most of the world markets. Invests in more than 500 companies in 35 countries. Among the largest investment trusts in its sector.

**Benchmark:** FTSE All World TR Index

**Fund type:** Investment Trust

**Launch date:** 1868

**Total assets:** £4.0 billion

**Share price:** 672.00p

**NAV:** 674.56p

**Discount/Premium(-/+):** -0.38%

**Dividend payment dates:** Feb, May, Aug, Nov

**Net dividend yield †:** 1.6%

**Net gearing\*\*:** 8%

**Management fee rate\*\*:** 0.365% p.a. based on Market Capitalisation

**Total expenses:** 0.52%

**Ongoing charges\*\*:** 0.79%

**Year end:** 31 December

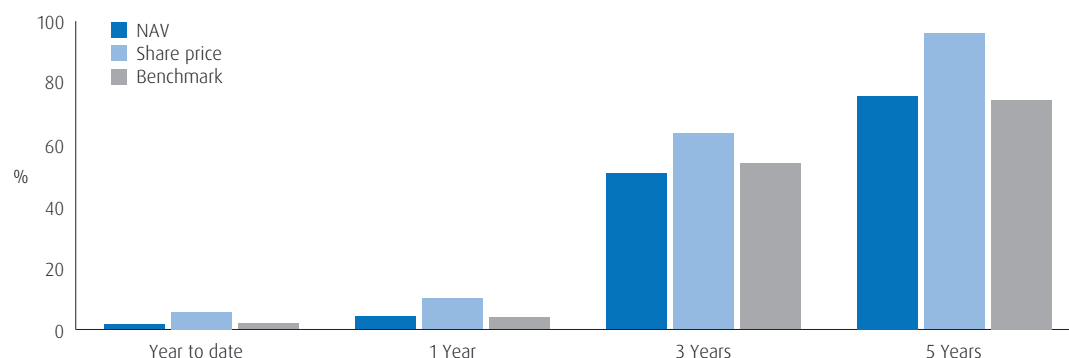
**Sector:** Global

**Currency:** Sterling

**Website:** fandcit.com

\*\* Ongoing charges calculated in accordance with AIC recommendations.

### Fund performance as at 31.10.2018



### Cumulative performance (%) as at 31.10.2018

	1 Month	Year to date	1 Year	3 Years	5 Years
<b>NAV</b>	-6.39	1.49	3.95	50.55	75.61
<b>Share price</b>	-6.83	5.55	9.80	63.54	95.94
<b>Benchmark</b>	-5.56	1.92	3.82	53.62	74.27

### Discrete annual performance (%) as at 31.10.2018

	2018/2017	2017/2016	2016/2015	2015/2014	2014/2013
<b>NAV</b>	3.95	14.88	26.08	8.04	7.96
<b>Share price</b>	9.80	21.27	22.82	10.29	8.63
<b>Benchmark</b>	3.82	13.86	29.96	4.25	8.82

### Key risks

Stock market movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. Where investments are made in emerging markets their potential volatility may increase the risks to the value of and the income from the investment. Political or economic change may be more likely to occur and have a greater effect on the economies and markets of the emerging countries. Smaller companies carry a higher degree of risk and their value can be more sensitive to market movement; their shares may be less liquid and performance may be more volatile. The fund may invest in private equity funds which are not normally available to individual investors, exposing the fund to the performance, liquidity and valuation issues of these funds. Such funds typically have high minimum investment levels and may restrict or suspend redemptions or repayment to investors. The asset value of these private equity funds and prospects may be more difficult to assess. If markets fall, gearing can magnify the negative impact on performance.

### Past performance is not a guide to future performance.

Source: Lipper and BMO. Basis: Percentage growth, Total return, net income reinvested. The discrete annual performance table refers to 12 month periods, ending at the date shown.

Lines may be recorded



### Trust codes

Stock exchange	FCIT
Sedol	346607
Legal Entity Identifier	213800W6B18ZHTNG7371

### Net dividend distributions pence per share

	2013	2014	2015	2016	2017	2018
February	2.00	2.10	2.20	2.30	2.45	2.70
May	2.50	2.70	2.70	2.70	2.70	2.70
August/September	2.10	2.20	2.30	2.35	2.50	2.70
November	2.10	2.20	2.30	2.35	2.50	2.70
Total	8.70	9.20	9.50	9.70	10.15	10.80

### Asset allocation including Private Equity (%)

UK equity	6.1
Europe ex UK equity	17.1
North America equity	53.3
Japan equity	9.5
Pacific ex Japan equity	2.2
Emerging markets equity	11.0
Liquidity	0.8
Total	100.0

All figures are subject to rounding.

### Glossary

<b>Bid price</b>	Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.
<b>Dividend</b>	Income paid to shareholders by the company they invest in.
<b>Net asset value</b>	A key measure of the value of a company or trust – the total value of assets less liabilities, divided by the number of shares.



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### Twenty largest Holdings (%)

	Percentage of total Investments
Amazon	1.9
Microsoft	1.6
Anthem	1.2
UnitedHealth	1.2
Alphabet	1.1
Pfizer	0.9
Facebook	0.8
Boeing	0.8
Apple	0.8
JPMorgan Chase	0.7
Comcast	0.7
Novo Nordisk	0.7
Dollar General	0.7
Lowe	0.7
Artemis US Extended Alpha Fund	0.7
Booking Holdings	0.7
Visa	0.7
Syncona	0.7
Chevron	0.6
CVS Health	0.6

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All data as at 31.10.2018 unless otherwise stated.

All information is sourced from BMO, unless otherwise stated. All percentages are based on gross assets. † The yield is calculated on an historic basis using the actual dividends paid during the last twelve months and the closing share price as at the end of the relevant month. \* Net gearing is total assets less cash and cash equivalents divided by shareholders' funds and expressed as a percentage. Net cash is net exposure to cash and cash equivalents expressed as a percentage of shareholders funds after any offset against gearing. \*\*Ongoing charges and management fee information as at the end of 31 December 2017. Please refer to the latest annual report as to how the fee is structured. The share price may either be below (at a discount) or above (at a premium) the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the Key Investor Document ("KID") for the relevant product. The factsheet is issued and approved by BMO, a trading name of BMO Asset Management Limited. Authorised and regulated in the UK by the Financial Conduct Authority. Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895 (11/18).