



### Manager Commentary Paul Niven



During April, our net asset value (NAV) return was 3.2% and shareholder returns were 1.4%. In comparison, the FTSE All World Index gained 3.4%.

The equity market rally continued in April, with the S&P 500 index ending the month above the highs of 2018. Lyft, the online ride hailing and sharing app, came to the market for the first time at the very end of March. It was the highest profile stock sale of the year so far (although Uber has since listed at the beginning of May) and the first of a number of well-known 'unicorns' to undergo an initial public offering (IPO). While we did not participate, early performance may serve as an indicator for broader sentiment (and pricing attitudes) towards

future issues. Performance has thus far been poor, as analysts cited concerns over future growth.

US first-quarter GDP exceeded expectations, coming in at 3.2% (annualised) versus consensus of 2.3%, with strong contributions from net foreign trade, inventories and stronger consumption. Inflation data, however, was to the downside, with the quarterly core personal consumption expenditure (PCE) deflator index rising only 1.3%. These conflicting signals, along with ongoing decreases in unemployment and increasing wage growth, may put the Federal Reserve in a difficult position; however, the market continues to price in at least one US rate cut in 2019.

In Europe, headline manufacturing indicators picked up slightly, but manufacturing data in Germany was still weak. Concerns over European growth linger, although certain data suggests that the region is entering a period of stabilisation. With inflation persistently low, the European Central Bank, along with many other central banks, kept rates on hold.

In the UK, growth improved slightly, although other data was mixed and Brexit continued to weigh on sentiment.

With the Brexit deadline extended yet again to 31 October 2019, the UK is no closer to an agreement on any kind of deal. Prime Minister Theresa May has been having talks with the Labour opposition leader Jeremy Corbyn, but these talks have yet to yield any meaningful breakthroughs. Despite the government's hopes, it looks likely that the UK will have to participate in European elections at the end of May.

We ended the month at a modest discount of 2.2%, having averaged a discount of 1.2% over the month and a premium of 0.1% over the first quarter of 2019.

Despite the recent recovery, valuation metrics in a number of areas remain reasonable and, providing that growth stays on a positive path globally, 2019 may see better returns than the year just past. Nonetheless, the cycle is mature, the bull market in stocks is extended, and outlooks for global growth in 2019 are starting to moderate. We expect that volatility will be heightened in the coming quarters, and we continue to invest in a range of diversified underlying stock-selection strategies. We remain well placed to withstand any further short-term volatility in markets.

### Key facts as at 30.04.19

**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:** £4.2 billion

**Share price:** 699.00p

**NAV:** 713.43p

**Discount/Premium(-/+):** -2.02%

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

**Net dividend yield †:** 1.6%

**Net gearing\*:** 7%

**Management fee rate\*\*:** 0.35% p.a. based on Market Capitalisation up to £3.0 billion, 0.30% between £3.0 and £4.0 billion, and 0.25% above £4.0 billion

**Total expenses:** 0.56%

**Ongoing charges\*\*:** 0.65%

**Year end:** 31 December

**Sector:** Global

**Currency:** Sterling

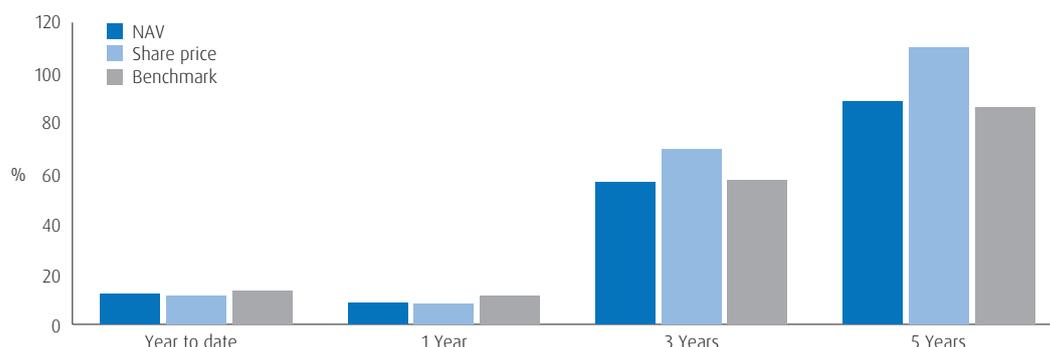
**Website:** fandcit.com

\*\* Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured.



Lines may be recorded

### Fund performance as at 30.04.19



### Cumulative performance (%) as at 30.04.19

	1 Month	Year to date	1 Year	3 Years	5 Years
<b>NAV</b>	3.24	11.96	8.52	56.63	88.66
<b>Share price</b>	1.42	11.36	8.28	69.53	109.95
<b>Benchmark</b>	3.37	13.32	11.26	57.33	86.41

### Discrete annual performance (%) as at 30.04.19

	2019/2018	2018/2017	2017/2016	2016/2015	2015/2014
<b>NAV</b>	8.52	10.77	30.29	0.60	19.73
<b>Share price</b>	8.28	18.39	32.24	1.97	21.45
<b>Benchmark</b>	11.26	7.77	31.22	-0.34	18.89

### 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.



#### Trust codes

Stock exchange	FCIT
Sedol	346607
Legal Entity Identifier	213800W6B18ZHTNG7371

#### Net dividend distributions pence per share

	2014	2015	2016	2017	2018	2019
February	2.10	2.20	2.30	2.45	2.70	2.80
May	2.70	2.70	2.70	2.70	2.70	2.80
August/September	2.20	2.30	2.35	2.50	2.70	-
November	2.20	2.30	2.35	2.50	2.70	-
Total	9.20	9.50	9.70	10.15	10.80	2.80

#### Asset allocation including Private Equity (%)

UK equity	5.9
Europe ex UK equity	16.3
North America equity	54.2
Japan equity	8.6
Pacific ex Japan equity	2.2
Emerging markets equity	11.8
Liquidity	1.0
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.

#### Twenty largest Holdings (%)

	Percentage of total Investments
Amazon	2.3
Microsoft	2.0
PE Investment Holdings 2018 LP	1.7
Alphabet	1.3
Facebook	1.2
Anthem	0.9
UnitedHealth	0.9
Comcast	0.9
Visa	0.8
Lowe	0.8
JPMorgan Chase	0.8
Dollar General	0.8
Mastercard	0.7
Alibaba	0.7
Boeing	0.7
Chevron	0.7
Broadcom	0.7
Utilico Emerging Markets	0.7
SAP	0.6
Apple	0.6



All data as at 30.04.19 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 2018. 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. Views and opinions have been arrived at by BMO Global Asset Management and should not be considered to be a recommendation or solicitation to buy or sell any funds that may be mentioned. 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 (05/19).