

F&C INVESTMENT TRUST PLC
(formerly Foreign & Colonial Investment Trust PLC)
Unaudited Results for the half-year ended 30 June 2019

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29 July 2019

F&C Investment Trust PLC ('**FCIT**' / '**Company**') today announces its results for the six months ended 30 June 2019.

- FCIT's share price was 701.0 pence representing a total return of 11.7%.
- FCIT's Net Asset Value ("NAV") total return gained 14.4%, delivering the strongest first half NAV returns for over twenty years.
- The NAV total return nevertheless lagged the exceptional 16.4% return from FCIT's benchmark, the FTSE All-World Index, with markets fully recovering from the sharp falls seen in the latter part of 2018.
- The sharp recovery in the public equity markets has yet to feed through to valuations in the private equity market and therefore the Private Equity portfolio returns of -1.4% were detrimental to the relative returns of the total investment portfolio. This was the single largest contributor to the underperformance against the benchmark. Private Equity has a strong record of delivering higher returns than listed equities in FCIT's portfolio and is expected to continue to enhance returns over the long term.
- The first interim dividend will be 2.9 pence per share while another above-inflation rise is planned for the 2019 total dividend. This will mark the 49th consecutive annual increase.
- For much of the period the shares traded at a premium to NAV and 1.4m shares were reissued from Treasury. The shares moved from a discount of 1.5% to 4.0% by the end of the period and a small number were bought back, consistent with the policy of pursuing a sustainably low deviation between the share price and NAV per share.
- Gearing was 6.9% at the end of the period and continues to contribute positively to performance. Advantage has been taken of low interest rates to fix more borrowings through long-term private placement loans. At the end of June, £150m was drawn down in tranches of maturities ranging between 7 to 40 years. The blended rate of this latest issue of debt is 2.2% and it takes the average rate on borrowings down below 2.5%.
- Beatrice Hollond will succeed Simon Fraser as Chairman on his retirement from the Board with effect from 31 December 2019.

Commenting on the markets, Paul Niven, Fund Manager of FCIT, said:

"Equity markets remain supported by reasonable valuations and fundamentals and investors have so far viewed the more accommodative stance recently taken by policymakers as positive, despite increased risks. In any event we will adhere to our strategy of holding concentrated individual portfolios that are managed, as a whole and on a sustainable basis, to provide global diversification, lower volatility and lower risk with the aim of achieving outperformance and real rises in dividends over the longer term."

The Chairman, Simon Fraser, said:

“The political and economic backdrop can be expected to remain uncertain, particularly for the UK given the unclear outcome of the Brexit negotiations. As ever, there will be opportunities for FCIT. As a closed-ended listed investment company, we are not constrained by asset sales to meet redemptions. Our share capital structure gives us the flexibility to take a longer term view and stay invested while taking advantage of illiquidity throughout normal and volatile markets. Our debt profile is now highly diversified by maturity and we have locked in borrowing at historically low rates of interest. This and our Ongoing Charges figure of 0.65% leaves us very well positioned to continue the delivery of long-term growth in capital and income for our shareholders.”

The full results statement is attached.

Past performance should not be seen as an indication of future performance. The value of investments and income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

Contacts

Paul Niven – Fund Manager
0207 011 4385

Campbell Hood
campbell.hood@bmogam.com
Tel: +44 (0)20 7011 4243

FTI Consulting
bmo@fticonsulting.com
Tel: +44 (0) 20 3727 1888

About FCIT:

- Founded in 1868 – the oldest collective investment trust
- A diversified portfolio provides exposure to most of the world's stock markets, with exposure to over 500 individual companies across the globe
- Its aim is to generate long-term growth in capital and income by investing primarily in an international portfolio of listed equities

Chairman's Statement

Markets and performance

Over the first half of the year the markets fully recovered from the sharp falls seen in the latter part of 2018 and our total shareholder return, although constrained by some pressure on the discount, was 11.7%. Our Net Asset Value ("NAV") total return gained 14.4%, delivering the strongest first half NAV returns for over twenty years, but nevertheless lagged the exceptional returns from the market indices.

Despite signs that the global economy and earnings cycle were losing momentum and fluctuating sentiment on growth prospects, global equities were buoyed by rising expectations that central banks, led by the US Federal Reserve, would soon cut interest rates and suggestions the European Central Bank could restart quantitative easing. In addition, while concerns over trade continued to weigh periodically on markets some signs of progress between China and the US led investors to the conclusion that tariffs would be unlikely to materially dampen the overall outlook for the global economy and corporate earnings.

Investors in equities continued to look to bond markets for signs that the fragile growth backdrop may be tipping over into a more marked downturn. Interest rate expectations declined as the US Federal Reserve gave a dovish assessment and as inflationary pressures continued to prove elusive. Yields on longer dated bonds fell heavily, leading some to conclude that recession is likely in coming quarters. Historically the yield curve, representing the gap between long-term and short-term interest rates, is a reasonably accurate predictor of a future downturn. This warning sign, however, was largely viewed as a less reliable indicator in a world of low interest rates and investors chose to regard the backdrop as benign, with moderate growth and inflation and central bankers seemingly willing and able to continue to supply liquidity, supporting asset prices further.

The sharp recovery in the public equity markets has yet to feed through to valuations in the private equity market and therefore our Private Equity portfolio returns of -1.4% were detrimental to the relative returns of the total investment portfolio. This was the single largest contributor to the underperformance against the benchmark. Private Equity has a strong record of delivering higher returns than listed equities in our portfolio and is expected to continue to enhance returns over the long term. The ultimate test with our Private Equity holdings has always been, and will always be, the cash returns we earn from the cash we invest.

Within our publicly listed equity portfolio in North America, US growth stocks led performance, beating cheaper 'value' stocks by a wide margin once again. This theme of lowly priced stocks lagging more highly rated companies was seen both across and within sectors globally and caused underperformance from a number of our strategies where managers seek to identify attractively valued stocks from a fundamental perspective. Within our Global Strategies, our Global Smaller Companies exposure performed well, with returns in line with the market, but our Global Income Strategy, which invests into cheaper and higher yielding stocks, substantially lagged the market as investors shunned income related strategies, despite the sharp decline in bond yields. Our European holdings produced the strongest returns in absolute and relative terms with a gain of 18.0%. Other areas of the portfolio delivered strong absolute returns with gains of 7.4% from our Japanese and 11.8% from Emerging Markets holdings.

Our discount widened from 1.5% to 4.0%, but for much of the period our shares had traded at a premium to NAV and we issued 1.4m shares from Treasury during the first quarter. Towards the end of the period we bought back a small number of shares when the share price moved to a discount, consistent with our policy of pursuing a sustainably low deviation between the price and NAV per share in normal market conditions.

F&C INVESTMENT TRUST PLC**Unaudited Statement of Results for the half year ended 30 June 2019**

During the first half of the year, we took advantage of low interest rates to fix more of our borrowings through long-term private placement loans. At the end of June, we drew down £150m in tranches of maturities ranging between 7 to 40 years. The blended rate of this latest issue of debt is 2.2% and it takes the average rate on our borrowings down below 2.5%. Our debt profile is now highly diversified by maturity and we have locked in borrowing at historically low rates of interest. Our gearing level was 6.9% at the end of the period and continues to contribute positively to performance.

Contributors to total returns in first half of 2019

%

Portfolio return	13.8
Management fees	(0.2)
Interest and other expenses	(0.1)
Buybacks	0.0
Change in value of debt	(0.2)
Gearing/other	1.1
Net asset value total return*	14.4
Decrease in discount	(2.7)
Share price total return	11.7
FTSE All-World Total Return	16.4

*Debt at market value

Source: BMO GAM

Income and Dividends

Our net revenue return per share made further progress rising by 3.9%, to 8.08p, in comparison to the equivalent six-month period of 2018. Sterling fell on average against overseas currencies which was modestly accretive for our income but special dividends fell on the year to £2.3m, from £3.9m in the first half of 2018.

We paid a third interim dividend of 2.8p per share for the year ended 31 December 2018 in February 2019 and a final dividend of 2.8p in May. The first interim dividend of 2.9p for 2019 will be paid on 1 August. It is the intention of the Board to deliver another real rise in dividends for 2019. This will mark the forty-ninth consecutive rise in annual dividends from your Company.

Chairmanship

In May we announced that Beatrice Hollond will succeed me as Chairman. Her in-depth investment knowledge, expertise and experience in asset management and her directorship and chairmanship skills make her very well suited in leading FCIT forward in the years ahead. Beatrice will be appointed Chairman with immediate effect upon my retirement from the Board on 31 December 2019.

Outlook

By most metrics the past decade has seen the longest uninterrupted economic expansion in US history and the longest bull market ever. Equity investors have enjoyed a period of extraordinary returns following the Global Financial Crisis.

Looking forward, equity markets remain supported by reasonable valuations and fundamentals. Policymakers have shifted to a more accommodative stance given still low inflation and rising risks to growth. Investors have so far viewed this move positively, considering the reduction of interest rates as warranting higher valuations on future earnings, despite the increased risks.

The political and economic backdrop can be expected to remain uncertain, particularly for the UK given the unclear outcome of the Brexit negotiations. The risks are many but, as ever for FCIT throughout its long history, so too will there be opportunities. As a closed-ended listed investment company, we are not constrained by asset sales to meet redemptions. Our share capital structure gives us the flexibility to take a longer term view and stay invested while taking advantage of illiquidity throughout normal and volatile markets. Shareholders can therefore be assured that we will continue to adhere to our strategy of holding concentrated individual portfolios that are managed, as a whole and on a sustainable basis, to provide global diversification, lower volatility and lower risk. With this approach to prudent risk taking across a diversified portfolio of shares, the benefit of a varied range of debt maturities at historically low rates and an Ongoing Charges figure of 0.65, we are very well positioned to seek and take opportunities as they arise and to continue to deliver on our objective of achieving long term growth in capital and income for shareholders.

Simon Fraser

Chairman

26 July 2019

F&C INVESTMENT TRUST PLC**Unaudited Statement of Results for the half year ended 30 June 2019**

Weightings, stock selection and performance in each investment portfolio strategy and underlying geographic exposure versus index as at 30 June 2019
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Investment portfolio strategy	Our portfolio strategy weighting	Underlying geographic exposure*	Benchmark weighting	Our strategy performance in sterling	Index performance in sterling
	%	%	%	%	%
North America	43.6	55.1	56.9	17.5	18.9
Europe inc UK	15.3	22.3	19.4	18.0	16.5
Japan	7.6	8.8	7.7	7.4	7.5
Emerging Markets	10.3	11.6	11.9	11.8	10.7
Developed Pacific	-	2.2	4.1	-	18.1
Global Strategies	16.5	-	-	12.9	16.4
Private Equity	6.7	-	-	(1.4)	-

Source: BMO GAM

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

F&C INVESTMENT TRUST PLC**Unaudited Statement of Results for the half year ended 30 June 2019**

UNAUDITED CONDENSED INCOME STATEMENT

Notes	6 months to 30 June 2019			6 months to 30 June 2018		
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
	-	482,028	482,028	-	99,822	99,822
	444	(3,521)	(3,077)	(77)	(1,409)	(1,486)
3	53,306	-	53,306	51,851	-	51,851
4	(4,190)	(6,264)	(10,454)	(4,280)	(6,241)	(10,521)
	49,560	472,243	521,803	47,494	92,172	139,666
4	(1,096)	(3,289)	(4,385)	(1,004)	(3,011)	(4,015)
	48,464	468,954	517,418	46,490	89,161	135,651
5	(4,535)	-	(4,535)	(4,333)	-	(4,333)
6	43,929	468,954	512,883	42,157	89,161	131,318
6	8.08	86.30	94.38	7.78	16.44	24.22

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.

F&C INVESTMENT TRUST PLC
Unaudited Statement of Results for the half year ended 30 June 2019
UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

Notes	Half-year ended 30 June 2019	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance brought forward 31 December 2018	140,455	122,307	3,126,949	102,202	3,491,913
	Movements during the half-year ended 30 June 2019					
	Shares issued by the Company from treasury	-	-	9,325	-	9,325
	Shares repurchased by the Company and held in Treasury	-	-	(297)	-	(297)
7	Dividends paid	-	-	-	(30,407)	(30,407)
	Return attributable to shareholders	-	-	468,954	43,929	512,883
	Balance carried forward 30 June 2019	140,455	122,307	3,604,931	115,724	3,983,417

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
	Movements during the half-year ended 30 June 2018					
7	Dividends paid	-	-	-	(29,278)	(29,278)
	Return attributable to shareholders	-	-	89,161	42,157	131,318
	Balance carried forward 30 June 2018	140,455	122,307	3,403,102	104,199	3,770,063

Notes	Year ended 31 December 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
	Movements during the year ended 31 December 2018					
	Shares issued by the Company from treasury	-	-	667	-	667
7	Dividends paid	-	-	-	(58,556)	(58,556)
	Return attributable to shareholders	-	-	(187,659)	69,438	(118,221)
	Balance carried forward 31 December 2018	140,455	122,307	3,126,949	102,202	3,491,913

F&C INVESTMENT TRUST PLC**Unaudited Statement of Results for the half year ended 30 June 2019****UNAUDITED CONDENSED BALANCE SHEET**

Notes	30 June 2019 £'000s	30 June 2018 £'000s	31 December 2018 £'000s	
	Fixed assets			
8	Investments	4,254,412	4,020,017	3,717,610
	Current assets			
	Debtors	12,260	25,078	38,698
	Cash and cash equivalents	97,572	73,172	96,439
	Total current assets	109,832	98,250	135,137
	Creditors: amounts falling due within one year			
9	Loans	-	(20,000)	(110,047)
10	Other	(14,246)	(8,230)	(35,587)
	Total current liabilities	(14,246)	(28,230)	(145,634)
	Net current assets/(liabilities)	95,586	70,020	(10,497)
	Total assets less current assets/(liabilities)	4,349,998	4,090,037	3,707,113
	Creditors: amounts falling due after more than one year			
9	Loans	(366,006)	(319,399)	(214,625)
9	Debenture	(575)	(575)	(575)
		(366,581)	(319,974)	(215,200)
	Net assets	3,983,417	3,770,063	3,491,913
	Capital and reserves			
11	Share capital	140,455	140,455	140,455
	Capital redemption reserve	122,307	122,307	122,307
	Capital reserves	3,604,931	3,403,102	3,126,949
	Revenue reserve	115,724	104,199	102,202
12	Total shareholders' funds	3,983,417	3,770,063	3,491,913
12	Net asset value per ordinary share			
	– prior charges at nominal value (pence)	732.73	695.35	643.93

F&C INVESTMENT TRUST PLC

Unaudited Statement of Results for the half year ended 30 June 2019

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Notes	Half-year ended 30 June 2019 £'000s	Half-year ended 30 June 2018 £'000s	Year ended 31 December 2018 £'000s
13	Cash flows from operating activities before dividends received and interest paid		
	(14,026)	(14,140)	(27,695)
	Dividends received	49,843	84,873
	Interest paid	(3,848)	(8,521)
	Cash flows from operating activities	31,855	48,657
	Investing activities		
	Purchases of Investments	(707,605)	(1,840,994)
	Sales of Investments	700,739	1,886,950
	Other capital charges and credits	(34)	(57)
	Cash flows from investing activities	(6,900)	45,899
	Cash flows before financing activities	24,955	94,556
	Financing activities		
	Equity dividends paid	(29,278)	(58,556)
14	Repayment of loans	(30,000)	(50,000)
14	Drawdown of loans	75,000	75,000
	Cash flows from share issues	-	667
	Cash flows from share buybacks for treasury shares	(194)	(194)
	Cash flows from financing activities	15,528	(33,083)
	Net increase in cash and cash equivalents	40,483	61,473
	Cash and cash equivalents at the beginning of the period	31,136	31,136
	Effect of movement in foreign exchange	1,553	3,830
	Cash and cash equivalents at the end of the period	73,172	96,439
	Represented by:		
	Cash at bank	5,103	27,875
	Short term deposits	68,069	68,564
	Cash and cash equivalents at the end of the period	73,172	96,439

F&C INVESTMENT TRUST PLC**Unaudited Statement of Results for the half year ended 30 June 2019**

UNAUDITED NOTES ON THE CONDENSED ACCOUNTS**1 Results**

The results for the six months to 30 June 2019 and 30 June 2018 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 2018; 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 2018 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 (March 2018), 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 2018.

3 Income

	Half-year ended 30 June 2019 £'000s	Half-year ended 30 June 2018 £'000s
Income comprises:		
UK dividends	5,198	6,013
Overseas dividends	47,592	45,360
Rebate on management fees	167	289
Interest on short-term deposits and withholding tax reclaims	349	184
Underwriting commission	-	5
Income	53,306	51,851

Included within income is £2.3m (30 June 2018: £3.9m; 31 December 2018: £3.9m) of special dividends classified as revenue in nature.

The value of special dividends treated as capital in nature is £0.4m (30 June 2018: £0.0m; 31 December 2018: £0.6m).

F&C INVESTMENT TRUST PLC**Unaudited Statement of Results for the half year ended 30 June 2019****4 Fees and other expenses and interest payable and similar charges**

	Half-year ended 30 June 2019 £'000s	Half-year ended 30 June 2018 £'000s
Fees and other expenses	10,454	10,521
Interest payable and similar charges	4,385	4,015
Total	14,839	14,536

Fees and other expenses comprise:

Allocated to Revenue Account

- Management fees payable directly to the Manager*	2,082	2,073
- Other expenses	2,108	2,207
	4,190	4,280

Allocated to Capital Account

- Management fees payable directly to the Manager*	6,244	6,220
- Other expenses	20	21
	6,264	6,241

Interest payable and similar charges comprise:

Allocated to Revenue Account	1,096	1,004
Allocated to Capital Account	3,289	3,011

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

The primary related party transaction is with the Manager, BMO Investment Business Limited. With effect from 1 January 2019 the Manager receives remuneration of 0.35% per annum of the market capitalisation of the Company up to £3.0 billion, 0.30% between £3.0 and £4.0 billion, and 0.25% above £4.0 billion calculated at each month end date on a pro-rata basis. Prior to 1 January 2019, the fee was 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 2018. 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 £4,535,000 (30 June 2018: £4,333,000) 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.

	Half-year ended 30 June 2019 pence	Half-year ended 30 June 2019 £'000s	Half-year ended 30 June 2018 pence	Half-year ended 30 June 2018 £'000s
Revenue return	8.08	43,929	7.78	42,157
Capital return	86.30	468,954	16.44	89,161
Total return	94.38	512,883	24.22	131,318
Weighted average ordinary shares in issue excluding treasury shares (see note 11)		543,437,152		542,180,712

F&C INVESTMENT TRUST PLC**Unaudited Statement of Results for the half year ended 30 June 2019****7 Dividends**

Dividends paid and payable on ordinary shares	Register date	Payment date	Half-year ended 30 June 2019 £'000s	Half-year ended 30 June 2018 £'000s	Year ended 31 December 2018 £'000s
2017 Third interim of 2.70p	5-Jan-2018	1-Feb-2018	–	14,639	14,639
2017 Final of 2.70p	3-Apr-2018	1-May-2018	–	14,639	14,639
2018 First interim of 2.70p	6-Jul-2018	1-Aug-2018	–	–	14,639
2018 Second interim of 2.70p	5-Oct-2018	1-Nov-2018	–	–	14,639
2018 Third interim of 2.80p	4-Jan-2019	1-Feb-2019	15,184	–	–
2018 Final of 2.80p	5-Apr-2019	8-May-2019	15,223	–	–
			30,407	29,278	58,556

The Directors have declared a first interim dividend in respect of the year ending 31 December 2019 of 2.90p per share, payable on 1 August 2019 to all shareholders on the register at close of business on 5 July 2019. The amount of this dividend will be £15,765,000 based on 543,619,804 shares in issue at 4 July 2019. This amount has not been accrued in the results for the half-year ended 30 June 2019.

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:

	As at 30 June 2019 £'000s	As at 30 June 2018 £'000s	As at 31 December 2018 £'000s
Level 1	3,984,269	3,772,792	3,449,880
Level 3	270,143	247,225	267,730
Total valuation of investments	4,254,412	4,020,017	3,717,610

With respect specifically to investments in Private Equity, whether through funds or partnerships, the Directors rely on the latest available unaudited quarterly valuations of the underlying unlisted investments as supplied by the investment advisers or managers of those funds or partnerships. The Directors regularly review the principles applied by the managers to those valuations to ensure they are in compliance with the principal accounting policies as stated in the year end report and accounts.

There were no derivative investments held in the period (half-year ended 30 June 2018 and year ended 31 December 2018: same) and no investments held which are valued in accordance with level 2.

F&C INVESTMENT TRUST PLC**Unaudited Statement of Results for the half year ended 30 June 2019****9 Loans and Debenture**

	30 June 2019	30 June 2018	31 December 2018
	£'000s	£'000s	£'000s
Loans falling due within one year	-	20,000	110,047
Loans falling due after more than one year	366,006	319,399	214,625
Debenture falling due after more than one year	575	575	575
Comprising:			
Sterling denominated loan, falling due within one year	-	£20m	-
US dollar denominated loan, falling due within one year	-	-	\$80m
Yen denominated loan, falling due within one year	-	-	¥6.6bn
US dollar denominated loan, falling due after more than one year	-	\$80m	-
Yen denominated loan, falling due after more than one year	-	¥6.6bn	-
Sterling denominated loan, falling due after more one year	£264m	£150m	£150m
Euro denominated loan, falling due after more than one year	€114m	€72m	€72m
4.25% perpetual debenture stock	£0.575m	£0.575m	£0.575m

During the half year, the Yen and US denominated loans were repaid in full. In June 2019 the Company issued fixed rate senior unsecured notes in tranches of EUR42 million, £57 million, £37 million and £20 million expiring in June 2026, June 2042, June 2049 and June 2059 respectively. Interest rates applying to the notes are commercially competitive and fixed until the expiry dates.

10 Other creditors falling due within one year

	30 June 2019	30 June 2018	31 December 2018
	£'000s	£'000s	£'000s
Cost of ordinary shares repurchased	297	-	-
Investment creditors	7,346	4,689	30,757
Management fee payable to the Manager	1,977	1,842	1,858
Foreign exchange contracts	3,186	-	878
Other accrued expenses	1,440	1,699	2,094
	14,246	8,230	35,587

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 2018	19,538,304	542,280,712	561,819,016	140,455
Shares sold from treasury	(1,400,000)	1,400,000	-	-
Shares repurchased by the Company and held in treasury	42,146	(42,146)	-	-
Balance at 30 June 2019	18,180,450	542,180,712	561,819,016	140,455

1,400,000 shares were issued out of treasury raising proceeds of £9,325,000. 42,146 shares were repurchased during the period at a cost of £297,000. 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.

F&C INVESTMENT TRUST PLC**Unaudited Statement of Results for the half year ended 30 June 2019****12 Net asset value per ordinary share**

	30 June 2019	30 June 2018	31 December 2018
Net asset value per share -pence	732.73	695.35	643.93
Net assets attributable at end of period - £'000s	3,983,417	3,770,063	3,491,913
Ordinary shares of 25p in issue at end of period excluding shares held in treasury - number	543,638,566	542,180,712	542,280,712

Net asset value per share (with the debenture stock and long-term loans at market value) at 30 June 2019 was 730.00p (30 June 2018: 694.34p and 31 December 2018: 642.87p). The market value of debenture stocks at 30 June 2019 was £429,000 (30 June 2018 and 31 December 2018: £429,000). The market value of the long-term loans at 30 June 2019 was £380,982,000 (30 June 2018: £325,012,000 and 31 December 2018: £220,534,000) 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

	Half-year ended 30 June 2019 £'000s	Half-year ended 30 June 2018 £'000s	Year ended 31 December 2018 £'000s
Net return on ordinary activities before taxation	517,418	135,651	(110,177)
Adjust for non-cash flow items, dividend income and interest expense:			
(Gains)/losses on investments	(482,028)	(99,822)	162,535
Exchange losses	3,077	1,486	5,358
Non-operating expense of a capital nature	20	21	44
(Increase)/decrease in other debtors	(18)	762	782
Increase/(decrease) in creditors	151	(50)	324
Dividends receivable	(52,790)	(51,373)	(86,692)
Interest payable	4,385	4,015	8,885
Tax on overseas income and Indian Capital Gains Tax	(4,241)	(4,830)	(8,754)
	(531,444)	(149,791)	82,482
Cash flows from operating activities (before dividends received and interest paid)	(14,026)	(14,140)	(27,695)

F&C INVESTMENT TRUST PLC**Unaudited Statement of Results for the half year ended 30 June 2019**

14 Analysis of changes in net debt

	Bank loans £'000s	Debenture £'000s	Total £'000s
Opening net debt as at 31 December 2018	324,672	575	325,247
Cash-flows:			
Drawdown of bank loans	151,666	-	151,666
Repayment of bank loans	(103,435)	-	(103,435)
Non-cash:			
Effect of foreign exchange movements	(6,897)	-	(6,897)
Closing net debt as at 30 June 2019	366,006	575	366,581

15 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.

16 Report and accounts

The half-yearly report and accounts will be posted to shareholders and made available on the internet at www.fandcit.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

BMO Investment Business Limited, Secretary
Exchange House, Primrose Street, London EC2A 2NY
26 July 2019

Directors' Statement of Principal Risks

The Company's principal risks and uncertainties are described in 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 2018. They 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. In the view of the Board, the risks and uncertainties are applicable to the remainder of the financial year.

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

In accordance with Chapter 4 of the Disclosure Guidance 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
26 July 2019