



Manager Commentary Paul Niven



During July our NAV return was 0.7% and shareholder returns were 0.9% in comparison to the FTSE All World Index return of -0.1%.

Covid-related restrictions continued to be rolled back in various countries over July, notably the UK, despite the increasing spread of the more transmissible Delta variant. So far, given its rapid vaccine rollout and the efficacy of the vaccines themselves, hospitalisations in the UK have only increased slightly even as cases increased sharply, although UK case numbers do appear to have since peaked. Elsewhere, lockdowns were reimposed in certain cities in Australia following a pickup in cases, whilst China has also had to contend with a new outbreak. The rapidly spreading Delta variant will likely remain a risk to the global recovery.

There was notable volatility in Chinese markets over July, following reforms to the private education sector alongside increased interest and scrutiny of Tech companies from the government, which weighed on Chinese equities over the month.

Economic data continued to be robust, as US inflation surprised to the upside for June at 5.4% year-on-year and labour data also came in strong, with 850,000 jobs added in June. In the eurozone, the Services sector saw a continued pickup in activity whilst that in manufacturing dipped modestly. In the UK, however, PMI surveys pointed to a slight decline in both services and manufacturing activity.

Equity market returns over July were mixed, with outperformance from the US and Developed Europe ex UK, whilst Asian markets lagged on a relative basis in local currency terms. Developed Markets were ahead of Emerging Markets in general.

Both the absolute and relative performance of our strategies was generally strong over the month. Our European strategy performed well, as did our Global Small Cap and Japan strategies. Our Emerging Markets exposure, whilst negative in absolute terms, outperformed weak benchmark returns.

Wolters Kluwer was a top performer for the Trust this month, with our overweight position at fund level benefitting overall returns given the stock's outperformance of the broader market over July. An underweight to Alibaba and overweight to Nordic Semiconductor also benefited relative returns.

In contrast, an overweight to poor performer Phillips 66 detracted over July, as did an underweight to Apple.

We ended the month at a discount of 8.6%, having averaged a discount of 7.6% over July.

Sentiment remains buoyant as we head into the summer months, supported by the continued progress of vaccine rollouts, easing of various restrictions in many places and the subsequent economic rebound. However, new virus variants remain a risk to this positive momentum, and it is likely that economic and virus-related challenges will continue in 2021. Nonetheless, F&C Investment Trust has a tremendous advantage through its corporate structure which makes us well placed to withstand further market volatility. While we cannot tell with certainty when the current crisis will end, as always, we remain focused on the long-term opportunities, for the benefit of our shareholders.

Key facts as at 30.07.2021

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 400 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: £5.5 billion

Share price: 851.00p

NAV: 930.85p

Discount/Premium(-/+): -8.58%

Dividend payment dates: Feb, May, Aug, Nov

Net dividend yield †: 1.4%

Net gearing: 11%

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: 0.51%

Ongoing charges^{*}: 0.59%

Year end: 31 December

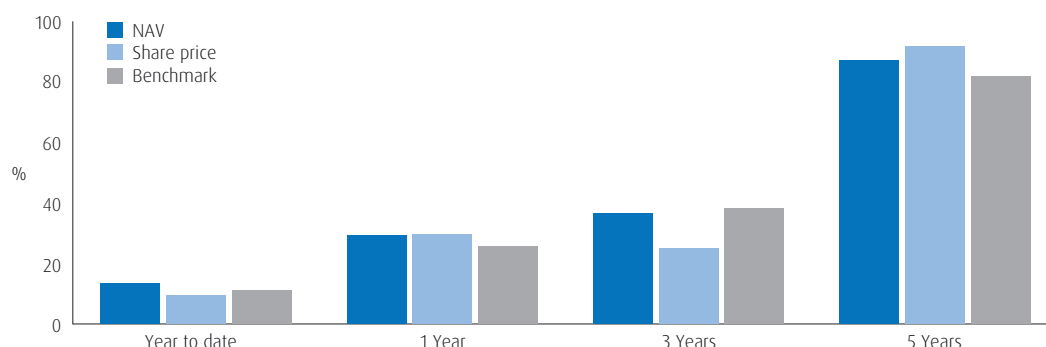
Sector: Global

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.

Fund performance as at 30.07.2021



Cumulative performance (%) as at 30.07.2021

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	1.32	13.53	29.31	36.42	87.00
Share price	0.94	9.34	29.73	25.08	91.53
Benchmark	-0.01	11.12	25.74	38.23	81.62

Discrete annual performance (%) as at 30.07.2021

	2021/2020	2020/2019	2019/2018	2018/2017	2017/2016
NAV	29.31	-2.05	7.70	13.43	20.85
Share price	29.73	-6.96	3.63	21.18	26.36
Benchmark	25.74	-0.09	10.03	11.49	17.85

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.

We previously reported benchmark performance using the gross version of the FTSE All World but, from 1 January 2020, show performance against the net FTSE All World which reflects the impact of withholding taxes.

Lines may be recorded



Trust codes	
Stock exchange	FCIT
Sedol	346607
Legal Entity Identifier	213800W6B18ZHTNG7371

Net dividend distributions pence per share						
	2016	2017	2018	2019	2020	2021
February	2.30	2.45	2.70	2.80	2.90	2.90
May	2.70	2.70	2.70	2.80	2.90	3.40
August/September	2.35	2.50	2.70	2.90	2.90	3.00
November	2.35	2.50	2.70	2.90	2.90	-
Total	9.70	10.15	10.80	11.40	11.60	9.30

Asset allocation including Private Equity (%)	
UK equity	8.6
Europe ex UK equity	14.5
North America equity	54.6
Japan equity	6.8
Pacific ex Japan equity	2.6
Emerging markets equity	11.9
Liquidity	1.0
Total	100.0

All figures are subject to rounding.

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

20 largest listed equity holdings (%)	
	Percentage of total Investments
Alphabet	2.4
Microsoft	2.2
Amazon	2.2
Facebook	1.6
Apple	1.4
UnitedHealth	1.0
Taiwan Semiconductor Manufacturing Company	0.9
International Flavors & Fragrances	0.8
Mastercard	0.8
Paypal	0.7
Goldman Sachs	0.7
Dollar General	0.7
Comcast	0.7
Tencent	0.7
Broadcom	0.7
Visa	0.6
Keyence	0.6
Kerry Group	0.6
Schneider Electric	0.6
Anthem	0.6



All data as at 30.07.2021 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 2020. 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 (08/21).