



Manager Commentary Paul Niven



During June, our net asset value (NAV) return was 3.6% and shareholder returns were -0.6%, in comparison to the FTSE All World Index return of 4.1%. Equities continued their run of positive performance in June, with the US market a leader.

As vaccine rollouts continue, many developed markets have continued to ease virus-related restrictions, even as cases of the Delta variant continue to increase. Notably in the UK, the easing of the remaining restrictions, dubbed 'Freedom Day', was delayed by four weeks to mid-July, to allow more time to vaccinate a greater number of people with the aim of minimising the link between case numbers and the rate of hospitalisations.

Economic data remains strong, with the US registering a growth rate of 6.4% on an annualised basis in the first quarter of the year, while purchasing managers' surveys (PMI) continue to point to a recovery in Europe, the UK and US. Inflation is still a concern in certain countries, notably the US, where CPI for May increased 5% on a year-on-year basis, although some of the underlying contributors to this are likely to be temporary. Rising inflation has created increased concern among investors that central banks will reduce their levels of stimulus. At its most recent meeting, the US Federal Reserve did become slightly more hawkish and the timing of expected rate hikes has been brought forward; however, these are still not expected to take place for several years.

Equity market returns over June were generally positive, with outperformance from the US compared to the broad index, while the UK lagged on a relative basis in local currency terms. Developed markets were ahead of emerging markets in general.

While the absolute performance of our strategies was generally strong over the month, relative returns were more mixed. Our European strategy performed strongly in both absolute and relative terms, as did our Global Sustainable strategy. Our external US Growth manager T. Rowe Price posted strong returns, but lagged benchmark numbers.

Descartes Systems Group, the logistics software company, was a top performer for the Trust this month, with our overweight position at a fund level benefiting overall returns, given the stock's outperformance of the broader market over June. An overweight in both PayPal Holdings and Illumina also benefited relative returns.

In contrast, our holding in poor performer Melrose Industries detracted over June, as did an underweight exposure to Apple.

We ended the month at a discount of 8.2%, having averaged a discount of 6.5% over June.

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 our 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 30.06.2021

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: £5.4 billion

Share price: 846.00p

NAV: 921.85p

Discount/Premium(-/+): -8.23%

Dividend payment dates: Feb, May, Aug, Nov

Net dividend yield †: 1.4%

Net gearing*: 9%

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

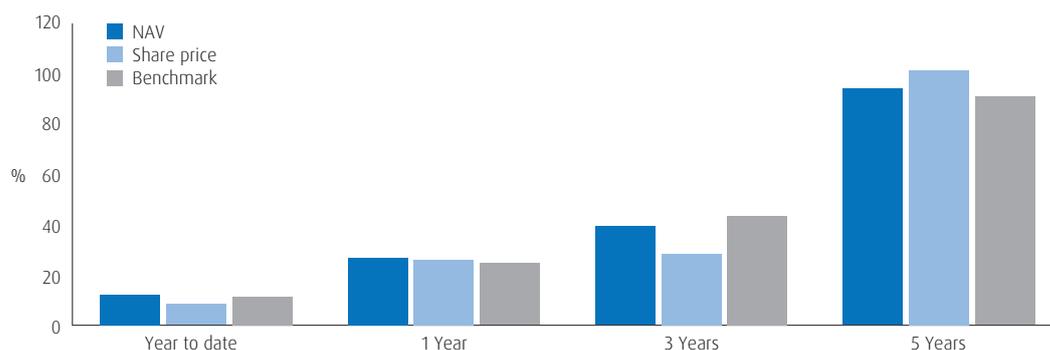
Sector: Global

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 30.06.2021



Cumulative performance (%) as at 30.06.2021

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	3.60	12.05	26.74	39.10	93.92
Share price	-0.59	8.32	25.84	28.17	101.30
Benchmark	4.14	11.13	24.49	43.35	90.78

Discrete annual performance (%) as at 30.06.2021

	2021/2020	2020/2019	2019/2018	2018/2017	2017/2016
NAV	26.74	2.89	6.68	11.11	25.47
Share price	25.84	-0.92	2.80	20.26	30.59
Benchmark	24.49	5.18	9.48	8.83	22.29

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.



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	-
November	2.35	2.50	2.70	2.90	2.90	-
Total	9.70	10.15	10.80	11.40	11.60	6.30

Asset allocation including Private Equity (%)	
UK equity	8.2
Europe ex UK equity	14.8
North America equity	56.2
Japan equity	6.9
Pacific ex Japan equity	2.7
Emerging markets equity	10.1
Liquidity	1.1
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
Amazon	2.3
Alphabet	2.2
Microsoft	2.0
Facebook	1.6
Apple	1.3
UnitedHealth	1.0
Tencent	0.9
Taiwan Semiconductor Manufacturing Company	0.9
Paypal	0.9
International Flavors & Fragrances	0.8
Goldman Sachs	0.8
Mastercard	0.7
Anthem	0.7
Broadcom	0.7
Dollar General	0.7
Comcast	0.7
Visa	0.6
Raytheon Technologies	0.6
Keyence	0.6
Kerry Group	0.6



All data as at 30.06.2021 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 (07/21).