

Fund manager
Paul Niven



Manager Commentary

During August, our net asset value return was 1.5% and shareholder returns were -0.7%. Meanwhile, the FTSE All World Index return of 0.8%.

Equities gained in the early part of the month due to a stronger than expected US jobs report, in addition to a lower than predicted inflation reading. This led to growing optimism that 'peak inflation' may have been reached, and hence the US Federal Reserve (Fed) would not need to hike rates as aggressively as feared. However, this optimism diminished over the latter half of the month following a hawkish message from Fed Chair Powell at the Jackson Hole symposium, leading equity markets to give up much of their previous gains for the month.

Elsewhere, Eurozone inflation rose to fresh highs, with a flash August data reading of 9.1%. There has been growing hawkish rhetoric from various European Central Bank members, with a 75 basis point hike at the September meeting now likely.

European gas and energy prices continued to rise over August, further fuelling inflation concerns for the region. The closure of the Nord Stream 1 pipeline, officially for maintenance, for several days at the end of the month is likely to exacerbate uncertainty, given there is a reasonable probability that gas flows may not resume when scheduled. In contrast, Brent crude oil prices fell over the month, driven in part by concerns over slowing global growth.

Equity market returns over August were mixed. Japan was one of the stronger performing regions in local currency terms, outperforming the broader All-World benchmark. Conversely, Developed Europe ex UK lagged in both absolute and relative terms.

Absolute and relative returns across strategies were also mixed over August. There was relative outperformance from our external US value strategy, with absolute returns also positive, while our emerging markets strategy posted positive absolute numbers but lagged strong benchmark returns. In contrast, our European strategy lagged on a relative and absolute basis.

Independent energy company, Hess, was a top performer for the Trust this month, with our overweight position at fund level benefiting overall returns, given the stock's outperformance of the broader market over August. An overweight to Japanese manufacturer, Shimano, also benefited relative returns. In contrast, an overweight stance on pharmaceutical company, GSK, and US company, International Flavors and Fragrances, detracted.

The Company ended the month at a discount of 9.0%, having averaged a discount of 6.7% over August.

We can expect markets to remain volatile in the short term, as inflationary pressures persist and the risk of recession rises. Nonetheless, F&C Investment Trust's corporate structure makes us well placed to withstand further market volatility. We remain focused on the long-term opportunities for the benefit of our shareholders.

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.

Key facts as at 31.08.22

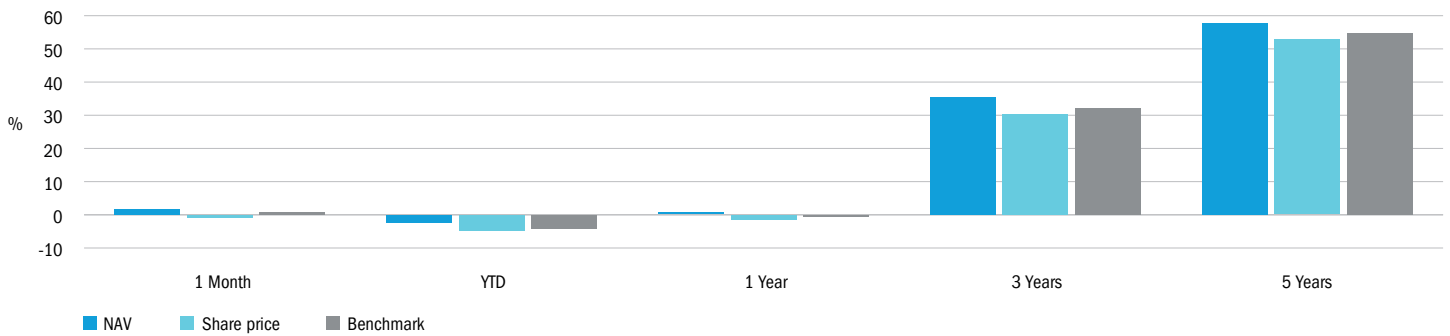
Trust aims: The objective of the trust is to secure long-term growth in capital and income through a policy of investing primarily in an internationally diversified portfolio of publicly listed equities, as well as unlisted securities and private equity, with the use of gearing.

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:	872.00p
NAV:	958.40p
Discount/premium(-/+):	-9.02%
Dividend payment dates:	Feb, May, Aug, Nov
Net dividend yield*:	1.5%
Net gearing*:	3%
Management fee rate**:	0.325% 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:	0.47%
Ongoing charges**:	0.54%
Year end:	31 December
Sector:	Global
Currency:	Sterling
Website:	fandc.com fandc.co.uk

**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 31.08.22



Cumulative performance as at 31.08.22 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	1.55	-2.36	0.57	35.29	57.74
Share price	-0.68	-4.73	-1.30	30.22	52.72
Benchmark	0.81	-4.07	-0.36	32.00	54.77

Discrete annual performance as at 31.08.22 (%)

	2022/21	2021/20	2020/19	2019/18	2018/17
NAV	0.57	28.61	4.60	3.50	12.64
Share price	-1.30	30.10	1.41	-2.26	19.99
Benchmark	-0.36	25.06	5.94	6.29	10.31

Past performance is not a guide to future performance. Source: Lipper and Columbia Threadneedle Investments. 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 (paid)/(declared)

	2017	2018	2019	2020	2021	2022
February	2.45	2.70	2.80	2.90	2.90	3.00
May	2.70	2.70	2.80	2.90	3.40	3.80
August/September	2.50	2.70	2.90	2.90	3.00	3.20
November	2.50	2.70	2.90	2.90	3.00	-
Total	10.15	10.80	11.40	11.60	12.30	10.00

Asset allocation including Private Equity (%)	
UK equity	11.7
Europe ex UK equity	10.7
North America equity	55.7
Japan equity	6.7
Pacific ex Japan equity	2.8
Emerging markets equity	7.9
Liquidity	4.6
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
Microsoft	2.2
Apple	2.0
Alphabet	2.0
UnitedHealth	1.8
Amazon	1.6
Elevance Health	1.2
Dollar General	0.9
Taiwan Semiconductor Manufacturing Company	0.8
Broadcom	0.8
Tesla	0.8
Hess	0.8
VICI Properties	0.8
Merck & Co	0.8
Wells Fargo	0.8
CVS Health	0.8
Pioneer Natural Resources	0.7
International Flavors & Fragrances	0.7
Phillips 66	0.7
John Deere	0.7
AstraZeneca	0.7



To find out more visit columbiathreadneedle.com

All data as at 31.08.2022 unless otherwise stated.

All information is sourced from Columbia Threadneedle Investments, 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 2021. 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.

© 2022 Columbia Threadneedle Investments. Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.

This financial promotion is issued for marketing and information purposes only by Columbia Threadneedle Investments in the UK.

F&C Investment Trust PLC is an investment trust and its Ordinary Shares are traded on the main market of the London Stock Exchange.

English language copies of the key information document (KID) can be obtained from Columbia Threadneedle Investments, Exchange House, Primrose Street, London EC2A 2NY, telephone: Client Services on 0044 (0)20 7011 4444, email: sales.support@columbiathreadneedle.com or electronically at www.columbiathreadneedle.com. Please read before taking any investment decision.

The information provided in the marketing material does not constitute, and should not be construed as, investment advice or a recommendation to buy, sell or otherwise transact in the fund. The manager has the right to terminate the arrangements made for marketing.

FTSE International Limited ("FTSE") © FTSE 2022. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Financial promotions are issued for marketing and information purposes; in the United Kingdom by Columbia Threadneedle Management Limited, which is authorised and regulated by the Financial Conduct Authority; in the EEA by Columbia Threadneedle Netherlands B.V., which is regulated by the Dutch Authority for the Financial Markets (AFM); and in Switzerland by Columbia Threadneedle Management (Swiss) GmbH, acting as representative office of Columbia Threadneedle Management Limited. In the Middle East: This document is distributed by Columbia Threadneedle Investments (ME) Limited, which is regulated by the Dubai Financial Services Authority (DFSA). For Distributors: This document is intended to provide distributors with information about Group products and services and is not for further distribution. For Institutional Clients: The information in this document is not intended as financial advice and is only intended for persons with appropriate investment knowledge and who meet the regulatory criteria to be classified as a Professional Client or Market Counterparties and no other Person should act upon it. (09/22)