

# F&C INVESTMENT TRUST PLC

OCTOBER 2024



INVESTMENT TRUST  
SINCE 1868

## FUND MANAGER PAUL NIVEN



## MANAGER COMMENTARY

During September, our net asset value return was 0.0% and shareholder returns were 0.2%, in comparison to the FTSE All-World Index return of 0.3%.

Equity market performance in September was broadly flat, despite elevated market volatility due to the ongoing conflict in the Middle East and lingering fears of a US recession. However, investor sentiment was supported by stronger US economic data alongside a 0.5% rate cut from the US Federal Reserve – its first cut since March 2020. Elsewhere, China unleashed a swathe of stimulus measures including cuts to its benchmark interest rate as Beijing battles a slowdown in the world's second-largest economy. Sterling gained over the month, rising by 1.9% versus the US dollar, as forward-looking expectations for US interest rates continued to decline.

Across key regions, shares in China (22.1%) outperformed versus the global benchmark, in sterling terms, while the US (0.0%), UK (-1.3%), Europe (-1.5%) and Japan (-2.0%) lagged. While China's economic growth has decelerated in recent months, the authorities delivered a larger and more comprehensive stimulus package than was expected by the market in September, resulting in a rapid re-rating of Chinese stocks. Real estate and consumer-related names benefited significantly from the announcement, where valuations were at historical lows following a prolonged slowdown in the property sector, which has weighed heavily on consumer sentiment and spending. Our

holdings in Trip.com (30.5%) – a leading travel services platform in China – and AIA Group (24.6%) – Asia's largest insurer – were among the top contributors to relative returns over the month, benefiting our Emerging strategy. In contrast, Japanese shares declined following the election of Shigeru Ishiba (a critic of the country's longstanding ultra-low interest rates) as prime minister.

Vistra Energy (36.2%) – the Texas-based energy company – was the Trust's top contributor to relative returns in September. The stock has gained over 300% over the year to date, benefiting from growing demand for electricity driven by the rise of artificial intelligence, having acquired three nuclear plants in Pennsylvania last year. The company's expansion of its zero-carbon generation portfolio makes it the second-largest independent nuclear fleet in the US today. Tesla Motors (19.7%), which is held at an underweight relative to the benchmark, was the most significant detractor from relative returns in September after announcing plans to launch its self-driving software in Europe and China in 2025 (subject to regulatory approval). Improving macroeconomic conditions and rebounding electric vehicle demand in China (Tesla's second largest market) also proved supportive of the shares.

We ended the month at a discount of 9.4%, which was largely unchanged from August. Net gearing continued to be conservative at 5.3% (with debt at fair value) for month-end.

## KEY FACTS AS AT 30.09.24

### 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.

Benchmark:	FTSE All World TR Index
Fund type:	Investment Trust
Launch date:	1868
Total assets:	£5.9 billion
Share price:	1,030.00p
NAV:	1136.33p
Discount/premium(-/+):	-9.36%
Dividend payment dates:	Feb, May, Aug, Nov
Net dividend yield*:	1.4%
Net gearing*:	5%

### 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.

Management fee rate**:	0.30% p.a. based on Market Capitalisation up to £4.0 billion and 0.25% above £4.0 billion
Total expenses:	0.45%
Ongoing charges**:	0.49%
Year end:	31 December
Sector:	Global
Currency:	Sterling
Website:	fandc.com   fandc.co.uk

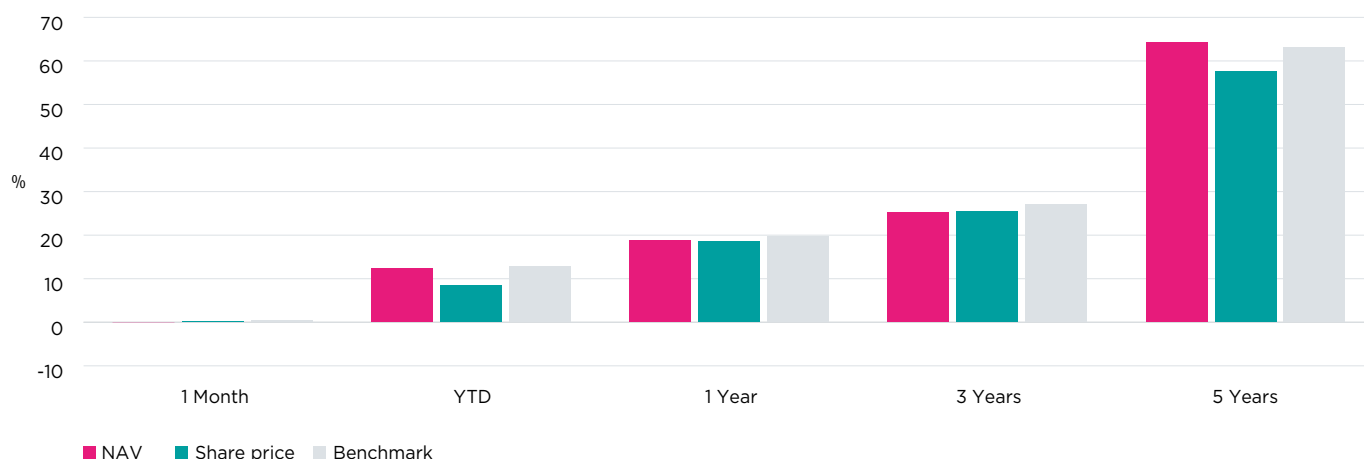
† \* See page 4

\*\*Ongoing charges calculated in accordance with AIC recommendations.

## 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.

## Fund performance as at 30.09.24



## Cumulative performance as at 30.09.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	0.00	12.39	18.66	25.07	64.17
Share price	0.19	8.33	18.49	25.43	57.53
Benchmark	0.29	12.70	19.71	26.95	63.08

## Discrete annual performance as at 30.09.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV	18.66	7.17	-1.64	25.74	4.39
Share price	18.49	-0.37	6.25	27.84	-1.75
Benchmark	19.71	10.57	-4.08	22.16	5.15

**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.

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## 20 largest listed equity holdings (%)

	Percentage of total Investments
Nvidia	3.6
Microsoft	3.1
Alphabet	2.1
Apple	2.0
Amazon	1.8
Mastercard	1.4
Meta Platforms	1.3
Taiwan Semiconductor Manufacturing Company	1.1
Broadcom	1.0
Eli Lilly	1.0
American Tower	0.9
Booking Holdings	0.8
Marathon Petroleum	0.8
Lowe's Companies	0.7
Keyence	0.7
Comcast	0.6
Oracle	0.6
Visa	0.6
Bristol Myers Squibb	0.6
Netflix	0.6

## Net dividend distributions pence per share (paid)/(declared)

	2019	2020	2021	2022	2023	2024
February	2.80	2.90	2.90	3.00	3.20	3.40
May	2.80	2.90	3.40	3.80	3.90	4.50
August/September	2.90	2.90	3.00	3.20	3.40	3.60
November	2.90	2.90	3.00	3.20	3.40	-
Total	11.40	11.60	12.30	13.20	13.90	11.50

## Asset allocation including Private Equity (%)

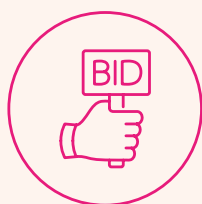
UK equity	9.2
Europe ex UK equity	10.0
North America equity	61.2
Japan equity	6.4
Pacific ex Japan equity	3.5
Emerging markets equity	7.8
Liquidity	1.9
Total	100.0

All figures are subject to rounding.

## Trust codes

Stock exchange	FCIT
Sedol	346607
Legal Entity Identifier	213800W6B18ZHTNG7371

## 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.

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All data as at 30.09.24 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 2023. 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.

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English language copies of the key information document (KID) can be obtained from Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London EC4N 6A. Email: [inv.trusts@columbiathreadneedle.com](mailto:inv.trusts@columbiathreadneedle.com) or electronically at [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com).

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