

# F&C INVESTMENT TRUST PLC

JULY 2024



INVESTMENT TRUST  
SINCE 1868

## FUND MANAGER PAUL NIVEN



## MANAGER COMMENTARY

During June, our net asset value return was 2.6% and shareholder returns were 0.6% in comparison to the FTSE All-World Index return of 2.9%.

June saw stronger equity markets as the 'Magnificent Seven' – Alphabet +6.5%, Microsoft +8.4%, Amazon +10.3%, Apple +10.3%, Nvidia +13.5%, Meta +8.9% and Tesla +11.1% – all of which we hold in our portfolio, continued to drive US equities higher despite signs of slowing US economic activity. While US inflation remained 'sticky' in areas, notably shelter, consumer price inflation fell to 3.0% in June, while UK inflation returned to the Bank of England's 2.0% target during May. Eurozone inflation cooling to 2.5% prompted the first 25 basis point rate cut from the European Central Bank, which lowered the deposit rate to 3.75%, meaning that four of the G10 central banks have now cut rates so far this year. June also saw politics take centre stage, with French President Emmanuel Macron announcing a snap legislative election that resulted in a broad-based sell-off of French assets, while Keir Starmer delivered a landslide victory in the UK general election for the Labour Party.

Across regions, equities in the US (+4.4%) – predominantly driven by technology – and emerging markets (+3.8%) delivered outperformance versus the global benchmark, while Japan (-0.3%), the UK (-1.3%), China (-1.5%) and Europe (-1.6%) underperformed in sterling terms. Performance from emerging markets has lagged significantly over the past year, with persistent concerns around the health of the Chinese economy, and a potentially consequential US presidential election in November, acting to cool investor sentiment. China's property market recovery has not unfolded as had been hoped, with stimulus measures thus far largely targeted elsewhere, such as towards strategic industries including electric vehicle manufacturing. However, within emerging markets, there were

clear areas of strength, including Taiwan (+12.4%) and India (+7.8%), with our largest Indian holding, HDFC Bank, gaining by 10.8% in June. While the Nikkei Index returned +2.9% in local currency terms over the month, further yen depreciation remained a headwind, reducing sterling returns. In Europe, following President Macron's surprise decision to call a snap election, growing popularity for Marine Le Pen's Eurosceptic National Rally (RN) party sent French shares lower, with the CAC 40 Index down 6.7% in sterling terms during June. Despite this, our European strategy outperformed, being broadly flat over the month in absolute terms, with SAP (+13.6%) and Novo Nordisk (+7.9%) delivering robust returns as European healthcare and technology shares proved less sensitive to election-related volatility.

Broadcom (+22.0%), which is a top-10 listed holding within the Trust's portfolio, was our strongest performer in June. The US-based chipmaker announced that revenue climbed around 40% year-on-year in the second quarter, with artificial intelligence (AI) revenues surging by 280% over the same period. The company's recent \$69bn VMware acquisition – the US-based cloud computing giant – has accelerated Broadcom's expansion into the enterprise software space and successfully diversified its revenue stream, with this part of the business now contributing to over 40% of revenues. In contrast, our underweight in Apple (+10.3%) was a drag on relative returns, as the company announced a partnership with OpenAI to integrate ChatGPT into Apple devices, in its first major advance into the AI space.

We ended the month at a discount of 11.4%. Net gearing continued to be conservative at 4.9% (with debt at fair value) for month-end.

## KEY FACTS AS AT 30.06.24

### 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:	£6.1 billion
Share price:	1,012.00p
NAV:	1142.67p
Discount/premium(-/+):	-11.44%
Dividend payment dates:	Feb, May, Aug, Nov
Net dividend yield*:	1.5%
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

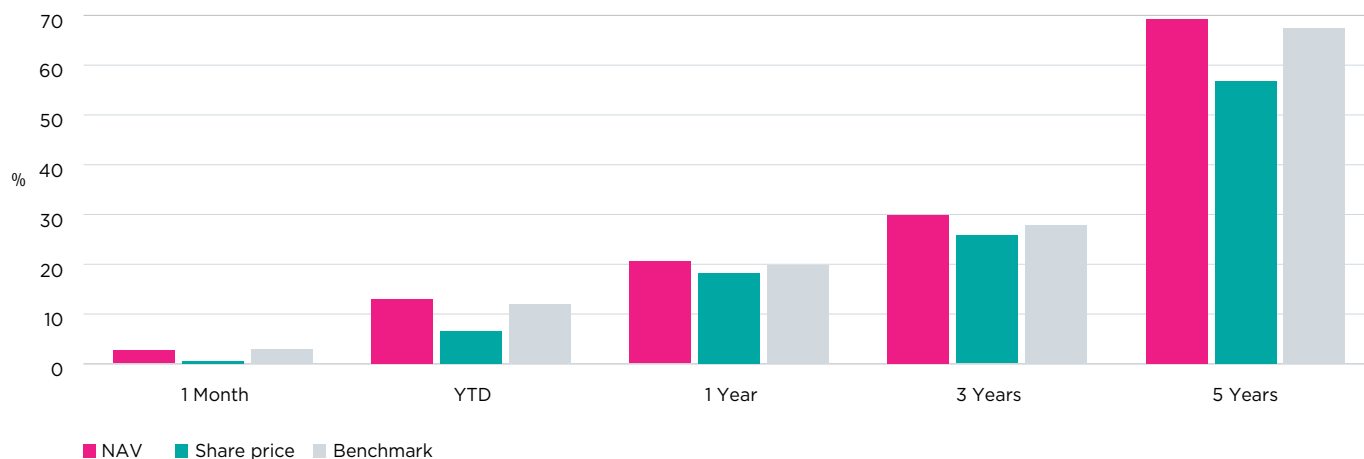
+ \* See page 4

\*\*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 30.06.24



## Cumulative performance as at 30.06.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	2.59	12.99	20.47	29.75	69.19
Share price	0.56	6.44	18.16	25.71	56.74
Benchmark	2.86	11.96	19.85	27.85	67.40

## Discrete annual performance as at 30.06.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV	20.47	9.75	-1.87	26.74	2.89
Share price	18.16	9.47	-2.82	25.84	-0.92
Benchmark	19.85	11.14	-4.02	24.49	5.18

**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.

## 20 largest listed equity holdings (%)

	Percentage of total Investments
Microsoft	3.3
Nvidia	3.1
Alphabet	2.2
Amazon	2.0
Apple	1.7
Broadcom	1.6
Meta Platforms	1.3
Eli Lilly	1.2
Mastercard	1.1
Taiwan Semiconductor Manufacturing Company	1.0
Booking Holdings	0.9
Marathon Petroleum	0.8
Comcast	0.8
Visa	0.7
Lowe's Companies	0.7
Netflix	0.6
Oracle	0.6
Wells Fargo	0.6
Novo Nordisk	0.6
Keyence	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	8.6
Europe ex UK equity	10.2
North America equity	61.6
Japan equity	6.0
Pacific ex Japan equity	3.4
Emerging markets equity	7.7
Liquidity	2.5
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 30.06.2024 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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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, 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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