



Manager Commentary Paul Niven



During October, our net asset value (NAV) return was -1.9% and shareholder returns were -0.1%, compared with the FTSE All World Index return of -2.1%.

Following an initial poor start, as a result of weak economic data from the US and Europe, equity markets rallied throughout October. There were notable gains in Japan and the US, partially as a result of better-than-expected earnings data. Our returns were hindered by the advance of sterling over the month, which gained by over 5% against the US dollar as markets priced out the prospect of a disorderly Brexit. Indeed, Brexit drama continued over the month, with the surprise agreement of a new deal between the EU and UK. However, MPs voted against the accelerated timetable to get the deal done by the Halloween

deadline, resulting in the EU granting an extension to January 2020 and a UK general election being called for 12 December.

Globally, there were positive trade developments between the US and China, with an agreement on the outline of a mini-deal made on October 11. 'Phase one' of the deal is likely to be signed in November. The Federal Reserve continued to respond to softening data with a third rate cut of 25 basis points (bps); however, it also signalled an intention to pause the easing cycle. The final meeting of the European Central Bank (ECB) under Mario Draghi proved fairly non-eventful, with no real forward-looking guidance provided. However, soft inflation and economic data in the eurozone keeps the possibility alive of further stimulus under incoming ECB head Christine Lagarde. The Bank of Japan also kept rates on hold, but altered its forward guidance to ensure the market continued to expect further easing.

Data generally is softening globally, indicating a growth slowdown. October survey data for the eurozone was weaker than expected, especially economic sentiment, flash purchase managers' indexes (PMIs) and the German Ifo business climate index, although there were signs of stabilisation. In the US, the unemployment rate continued its downward trajectory to 3.5%,

while the PMI saw a slight increase in October following poor September numbers.

Emerging markets' performance was comparable to developed markets in September as Chinese data was mixed, with both PMIs and third-quarter GDP disappointing. Despite this, September monthly numbers pointed to a pick-up in economic activity towards the end of the third quarter, and trade and money supply figures also showed an improvement.

In October, our European Strategy performed well in both absolute and relative terms, while our external US Value Manager Barrow Hanley and Global Income strategy also saw good relative outperformance. We ended October at a discount of 3.4%.

Despite the recent recovery, valuation metrics in a number of areas remain reasonable and, providing that growth stays on a positive path globally, equity markets should be well supported. Nonetheless, the cycle is mature and the bull market in stocks is extended, with outlooks for global growth moderating. We expect that volatility will be heightened in coming quarters and we continue to invest in a range of diversified underlying stock-selection strategies. We remain well placed to withstand any further short-term volatility in markets.

Key facts as at 31.10.2019

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 500 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: £4.3 billion

Share price: 703.00p

NAV: 727.61p

Discount/Premium(-/+): -3.38%

Dividend payment dates: Feb, May, Aug, Nov

Net dividend yield †: 1.6%

Net gearing*:: 10%

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: 0.56%

Ongoing charges:** 0.65%

Year end: 31 December

Sector: Global

Currency: Sterling

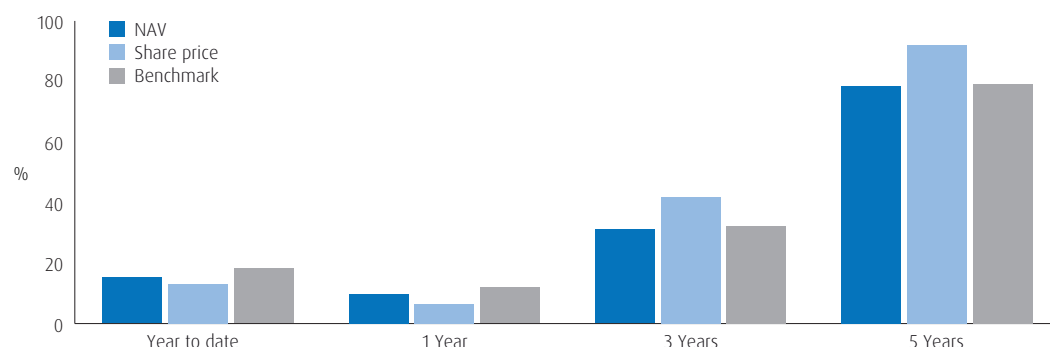
Website: fandcit.com

** Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured.



Lines may be recorded

Fund performance as at 31.10.2019



Cumulative performance (%) as at 31.10.2019

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	-1.86	15.09	9.64	30.93	78.34
Share price	-0.14	12.93	6.38	41.65	91.88
Benchmark	-2.09	17.96	11.75	32.10	78.97

Discrete annual performance (%) as at 31.10.2019

	2019/2018	2018/2017	2017/2016	2016/2015	2015/2014
NAV	9.64	3.95	14.88	26.08	8.04
Share price	6.38	9.80	21.27	22.82	10.29
Benchmark	11.75	3.82	13.86	29.96	4.25

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.



Trust codes

Stock exchange	FCIT
Sedol	346607
Legal Entity Identifier	213800W6B18ZHTNG7371

Net dividend distributions pence per share

	2014	2015	2016	2017	2018	2019
February	2.10	2.20	2.30	2.45	2.70	2.80
May	2.70	2.70	2.70	2.70	2.70	2.80
August/September	2.20	2.30	2.35	2.50	2.70	2.90
November	2.20	2.30	2.35	2.50	2.70	2.90
Total	9.20	9.50	9.70	10.15	10.80	11.40

Asset allocation including Private Equity (%)

UK equity	6.7
Europe ex UK equity	16.2
North America equity	55.0
Japan equity	9.1
Pacific ex Japan equity	1.9
Emerging markets equity	11.1
Liquidity	0.0
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.

Twenty largest Holdings (%)

	Percentage of total Investments
PE Investment Holdings 2018 LP	2.4
Amazon	2.0
Microsoft	1.8
Alphabet	1.3
Facebook	1.3
Dollar General	0.9
Visa	0.8
UnitedHealth	0.8
Comcast	0.8
JPMorgan Chase	0.8
Mastercard	0.8
Alibaba	0.8
Apple	0.8
Anthem	0.8
AstraZeneca	0.7
Boeing	0.7
Novo Nordisk	0.7
Broadcom	0.7
Chevron	0.7
Utilico Emerging Markets	0.7



All data as at 31.10.2019 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 2018. 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 (11/19).