



Manager Commentary Paul Niven



During March, our net asset value (NAV) return was -12.3% while shareholder returns were -15.2%, compared with the FTSE All World Index return of -10.9%. Given the sharp declines in markets, gearing detracted from returns over the month, and we saw a rise in the fair value of our debt due to declining gilt yields.

Coronavirus (COVID-19) continued to dominate news flow and was the key driver of market falls through March, as a growing proportion of the world's population entered unprecedented lockdowns in an attempt to slow the spread of the disease. Over the month we saw unprecedented levels of market volatility, with steep declines in equity and credit markets, and yet also the fastest bounce-back in equities since the 1930s.

A severe global recession is now widely expected and appears unavoidable, with economists downgrading estimates for 2020 global growth to expect shrinkage of 2-3% this year. 2020 is shaping up to be the worst year for the global economy since the Great Depression. Headline figures do not capture the true scale of the contraction, as there is potential for major developed economies to contract at annualised rates of over 30% during the second quarter.

Massive monetary stimulus from central banks globally, including the Federal Reserve, European Central Bank and Bank of England, as well as aggressive fiscal stimulus measures, have been announced to accommodate the economic shock. But these measures will not prevent the serious downturn that is currently unfolding. Central banks have been focused on ensuring that credit and funding markets remain open and that companies can continue to access liquidity. Fiscal policy has been unveiled, including a package amounting to \$2trillion in the US, and we are now routinely seeing national stimulus deals that equate to 5-10% of a country's GDP. From a positive perspective, policymakers are acting with a level of urgency and in greater scale than during the global financial crisis, which took place more than a decade ago.

We can already see the impact of the virus on some economic data, notably US weekly initial jobless claims. These rose to a record 3.28 million during March, which is five times the amount seen during the worst week of the global financial crisis. Global purchasing managers' indices (PMIs), notably services, are also registering large falls.

Equity markets ended March down. However, our Japan and Global Sustainable strategies, as well as that run by Pyrford, all saw positive relative performance. The Global Trust sector saw a marked derating, and we ended March at a discount of 7.0%, having averaged a discount of 8.1%. We saw a significant derating taking place in the middle of March, although this ultimately reduced in the final days of the month.

The current crisis represents an existential threat to many businesses and is unlike any of the challenges that we have faced in recent times. 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 31.03.2020

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: £3.8 billion

Share price: 570.00p

NAV: 612.63p

Discount/Premium(-/+): -6.96%

Dividend payment dates: Feb, May, Aug, Nov

Net dividend yield †: 2.0%

Net gearing*: 13%

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: 0.53%

Ongoing charges:** 0.63%

Year end: 31 December

Sector: Global

Currency: Sterling

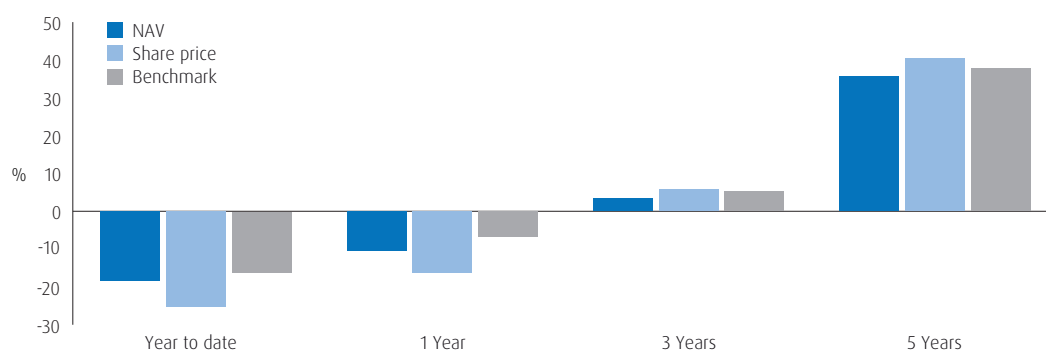
Website: fandcit.com

** 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 31.03.2020



Cumulative performance (%) as at 31.03.2020

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	-12.26	-18.33	-10.32	3.42	35.48
Share price	-15.18	-25.21	-16.29	5.72	40.43
Benchmark	-10.92	-16.06	-6.73	5.13	37.72

Discrete annual performance (%) as at 31.03.2020

	2020/2019	2019/2018	2018/2017	2017/2016	2016/2015
NAV	-10.32	8.91	5.88	31.00	0.00
Share price	-16.29	12.07	12.69	32.45	0.29
Benchmark	-6.73	10.13	2.34	32.37	-1.03

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

	2015	2016	2017	2018	2019	2020
February	2.20	2.30	2.45	2.70	2.80	2.90
May	2.70	2.70	2.70	2.70	2.80	–
August/September	2.30	2.35	2.50	2.70	2.90	–
November	2.30	2.35	2.50	2.70	2.90	–
Total	9.50	9.70	10.15	10.80	11.40	2.90

Asset allocation including Private Equity (%)

UK equity	7.8
Europe ex UK equity	17.0
North America equity	53.7
Japan equity	6.6
Pacific ex Japan equity	2.5
Emerging markets equity	11.2
Liquidity	1.2
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	2.7
Microsoft	2.5
Alphabet	1.9
Facebook	1.6
Apple	1.4
Mastercard	1.1
Alibaba	1.1
Visa	1.0
UnitedHealth	1.0
Dollar General	0.9
Novo Nordisk	0.8
SAP	0.7
AstraZeneca	0.7
Tencent	0.7
Broadcom	0.7
GlaxoSmithKline	0.7
Wolters Kluwer	0.6
Air Liquide	0.6
Paypal	0.6
Anthem	0.6



All data as at 31.03.2020 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 2019. 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 (04/20).