

F&C Investment Trust PLC

Exchange House, Primrose Street, London EC2A 2NY
Telephone +44 (0)20 7628 8000 **Facsimile** +44 (0)20 7628 8188
fandcit.com

F&C INVESTMENT TRUST PLC

Audited Statement of Results for the year ended 31 December 2021.

LEI: 213800W6B18ZHTNG7371

10 March 2022

F&C Investment Trust PLC ('**FCIT**'/'**Company**') today announces its results for the year ended 31 December 2021.

- FCIT's share price at the year end was 926.0 pence. The share price total return was 19.4%, in line with the return of 19.5% from the benchmark, the FTSE All-World Index.
- FCIT's Net Asset Value ('NAV') total return of 21.7%, with debt at market value, was ahead of the benchmark.
- The difference between the strong gains reflected in FCIT's NAV total return and the share price total return was the effect of the discount widening over the year, from 5.4% to 7.3%.
- Our private equity holdings outperformed against listed market equivalents, with both our recent commitments and our older holdings producing strong gains.
- Our portfolios of listed investments delivered strong absolute returns, led by North American equities.
- The Company has delivered a total shareholder return of 291.9% over the ten-year period to the end of 2021, equivalent to 14.6% per annum.
- The final dividend will be 3.8 pence per share, subject to shareholder approval, and will bring the total dividend for the year to 12.8 pence per share. This will be a 5.8% increase, the 51st consecutive annual increase, and ahead of the Consumer Price Index of 5.4% for the 12 months to 31 December 2021.
- The Company holds very limited exposure to two Russian securities which was approximately 0.3% of total assets as at the end of the year. They have been written down and, once liquidity permits, we will seek to divest all direct exposure to Russian equities.
- FCIT is committed to transition its portfolio to net zero carbon emissions by 2050, at the latest.

The Chairman, Beatrice Hollond, said:

"2021 was a good year for our shareholders, despite a very uncertain backdrop, and our objective remains firmly focused on the delivery of growth in both capital and income for shareholders over the long-term."

Commenting on the markets, Paul Niven, Fund Manager of FCIT, said:

“The Russian invasion of Ukraine is an historically significant event which is exerting a terrible toll on the Ukrainian people. Events are fast moving and causing significant volatility in markets and creating challenges to the fundamental outlook for the global economy.”

The full results statement is attached.

Past performance should not be seen as an indication of future performance. The value of investments and income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

Contacts

Paul Niven – Fund Manager
0207 011 4385

Campbell Hood
campbell.hood@bmogam.com
Tel: +44 (0)20 7011 4243

FTI Consulting
bmo@fticonsulting.com
Tel: +44 (0) 20 3727 1888

About FCIT:

- Founded in 1868 – the oldest collective investment trust
- A diversified portfolio provides exposure to most of the world's stock markets, with exposure to over 400 individual companies across the globe
- Its aim is to generate long-term growth in capital and income by investing primarily in an international portfolio of listed equities

The Chairman's Statement

Dear Shareholder,

While Covid-19 continued to dominate the political, economic and market backdrop during 2021, a sharp recovery in global growth and continued monetary and fiscal support led to strong gains. The Company's share price total return for the year was 19.4%. Our Net Asset Value ('NAV') total return, taking debt at market value, of 21.7% exceeded the gains from our benchmark of 19.5%.

Our NAV per share, with debt at market value, rose from 831.8p per share to 998.7p per share and our share price rose from 787.0p to 926.0p, ending the year close to record highs. The discount on which our shares traded relative to NAV widened, from 5.4% at the start of year, to 7.3% at the year end.

It was a year of outperformance from our private equity holdings where both our recent and our older investments produced strong gains. Our portfolios of listed investments delivered strong absolute returns led by North American equities, notably with the value component outperforming the growth portfolio. In aggregate, the listed portfolios slightly lagged the return from the benchmark while gearing enhanced our overall returns in the strong market environment. This was helped further by global interest rate rises having the effect of reducing the fair value of our outstanding debt. Further information on investment performance can be found in the Fund Manager's Review on page 14 of the Report and Accounts.

Our long-term focus

2021 was a good year for our shareholders, despite a very uncertain backdrop, and our objective remains firmly focused on the delivery of growth in both capital and income for shareholders over the long-term. The past decade has seen exceptional returns for investors in global equities and your Company has delivered a total shareholder return of 291.9% over the ten-year period to the end of 2021, equivalent to 14.6% per annum. Indeed, shareholder returns have been positive in nine of the past ten calendar years, with only 2018 seeing a small loss in value.

Reflecting further on longer-term returns and the power of compounding, over the twenty-year period to 31 December 2021 the Company's share price total return was 536.1%, equivalent to 9.7% per annum. Our capital-only returns over the past twenty years were 318.1%. Dividends paid to shareholders have risen by 80.3% over the past decade and by 287.9% over the past twenty years. Such results continue to demonstrate the importance of compounding income and capital gains over long periods of time in the process of value creation for shareholders, together with effective risk management and taking a long-term view through market volatility.

Increased returns and dividend

Following the most challenging year for our revenue for over a decade, we enjoyed a robust recovery in 2021. Our income rose on the year to £58.5m (after tax) while special dividends increased slightly to £1.4m (2020: £1.2m). The impact of currency movements is estimated to have detracted £4.0m from our income (2020: £0.4m). Our Net Revenue Return per share rose to 10.99 pence per share from 9.71 pence per share in 2020.

Throughout the pandemic the Board has carefully considered the revenue position of your Company and the increasing significance of rising inflationary pressures. While our revenue increased during 2021, it remains below pre-pandemic levels and below the level of our recent annual dividend payments. However, one of our strengths as an investment trust company is to be able to utilise the revenue reserve to make up such shortfalls in annual revenue and continue to increase dividend payments for shareholders.

I am therefore delighted to report another rise in the proposed annual dividend, which will in part be funded by our revenue reserve. Subject to approval at the Annual General Meeting ('AGM'), shareholders will receive a final dividend of 3.8 pence per share on 10 May 2022, bringing the total dividend for 2021 to 12.8 pence: an increase of 5.8% over that of 2020. The increase is ahead of the 5.4% rise in inflation as measured by the Consumer Price Index for the 12 months to 31 December 2021 and therefore represents a real rise in the dividend for the calendar year. In addition, as well as being our fifty first consecutive rise in annual dividends, it is our one hundred and fifty fourth annual dividend payment.

Shareholders can also take comfort that, in addition to our substantial revenue reserve, we have the authority to utilise our capital reserves, which stood at £4.9bn at the year end, to support dividend payments should we need to. We therefore remain in a very strong position to continue our track record of increasing annual dividends in the future. It also remains the hope and aspiration of the Board to continue to deliver real rises in these dividends over the long-term.

Discount/Premium

For several years your Company's share price moved closer to parity with the NAV per share and, at times in 2018 and 2019, traded at a premium, enabling us to reissue shares from treasury. At the onset of the pandemic in 2020, however, our share price returned to a discount in the face of the sharp fall in equity markets and the consequent fall in retail demand. Our shares continued to trade at a discount throughout 2021 and we bought back a total of 9.9m shares into treasury as part of our ongoing commitment towards achieving a sustainably low deviation between the share price and NAV. The discount moved from 5.4% to 7.3% over the year, averaging 7.2%, compared with 6.1% in 2020.

Cost efficiency and Management fee reduction

Our Ongoing Charges figure fell again this year from 0.59% to 0.54%, representing a further improvement in this measure of cost efficiency and continuing the trend of recent years. This partly reflects the management fee structure which is designed to bring down our cost ratios as the Company grows and to pass the benefits of scale on to shareholders. The Board remains focused on delivering value for money for shareholders as part of its performance objectives.

I am also very pleased to report that, following constructive discussions with our Manager, the Company's management fee rate has been reduced and with effect from 1 January 2022 it will be charged at a rate of 0.325% per annum of the market capitalisation of the Company up to £3.0 billion, then at 0.3% up to £4.0 billion and 0.25% beyond that level. With effect from 1 January 2023, the rate of 0.3% will be applied to a revised first tier of up to £4.0 billion and of 0.25% thereafter. These reductions will help to bring down our cost ratio further as the Company continues to grow.

Contributors to total return in 2021	%
Portfolio return	19.2
Management fees	(0.4)
Interest and other Expenses	(0.3)
Buy backs	0.1
Change of value of debt	0.6
Gearing/other	2.5
NAV total return	21.7
Increase in discount	(2.3)
Share price total return	19.4
FTSE All-World total return	19.5

Source: BMO GAM

Borrowings

Interest rates remain at historically low levels despite recent rises in inflation. The Board continues to view this as an attractive environment in which to lock in low rates on long-dated borrowings that should enhance our NAV returns from the investments made over their lifetime. During the year we therefore issued, and drew down, long-dated private placement loan notes totalling £140m. In December, we agreed to issue a further £140m which have also now been drawn down.

Currency Hedge

As reported last year, in late 2020 we bought £300m of sterling as a strategic, partial hedge on our overseas currency exposure. Towards the end of 2021, we reduced the size of the hedge to £200m. During the year, this position realised a capital gain of £9.1m. At the end of the year, we carried forward an unrealised capital loss of £4.8m.

Responsible Investment and our commitment to Net Zero

Last year we announced our commitment to transition the Company's portfolio to net zero carbon emissions by 2050, at the latest. During the year the Board has considered how it will implement that transition and how our progress towards achieving it is measured. We recognise the importance of reporting our progress in a clear and consistent way and therefore detailed information is provided in the report on Our Approach to Responsible Investment on pages 20 to 27 of the Report and Accounts. In the Fund Manager's report you will find information on our very limited holdings in Russian securities. In summary, while the current regime exists in Russia, our approach will be to sell the very small holdings in the portfolio as soon as is practical.

F&C Investment Trust Lecture

Following the success of the lectures that the Company sponsored in 2018 and 2020, I am pleased to advise that the Company will again be sponsoring a lecture this year. Providing Covid-19 related restrictions do not prevent us from doing so, the lecture will be held at The Guildhall, London on Wednesday 13 July. The theme of our lecture this summer is 'Smart choices for a smarter future', emphasising the positive impact that our financial, social and environmental choices can have. The lecture will feature thought-provoking sessions from some renowned speakers and will include information on the Company's investment approach.

As tickets will be limited, they will be made available to shareholders and the public via a ballot, with successful applicants selected at random. Video clips will be made available to everyone on the Company's website following the event.

The Company is also refreshing its brand, ensuring that it stays relevant for new and existing investors. We are updating how we communicate and these changes will be introduced at this year's lecture.

The Manager

I reported at the half year stage that the Bank of Montreal had announced its intention to sell its asset management business covering Europe, the Middle East and Africa to Ameriprise Financial, Inc. ('Ameriprise'), the parent company of Columbia Threadneedle Investments ('Columbia Threadneedle'). The sale transaction, which included your Company's Manager, BMO Investment Business Limited, was completed on 8 November 2021. Your Board looks favourably on this development and has welcomed an assurance that there will be little change for your Company. Nevertheless, it recognises that any move of this nature will inevitably create a degree of risk. It is therefore closely monitoring the integration of the two businesses as it progresses.

Simon Fraser

It was with great shock and sadness that we learned of the untimely death of Simon Fraser in August last year. Simon was Chairman of your Company for nine years, from 2010 until 2019, during which time the Company flourished under his inspiring leadership. He held dear the heritage and values of the Company. He gave a great deal to the wider investment trust sector and is sorely missed by those who had the privilege of knowing him.

Board composition

In addition to the appointment of Rain Newton-Smith in May 2021, Stephen Russell joined the Board on 1 February 2022. Both Rain and Stephen's appointments continue our planned sequence of Board changes and reflect our focus on maintaining the highest level of investment skills and economic and political insight on the Board. They replace Sir Roger Bone, who retired at the conclusion of the 2021 AGM, and Sarah Arkle, who retired on 31 January 2022. I would like to thank both Roger and Sarah for their hard work and significant contributions to the Board and its committees throughout their time as Directors of the Company.

Jeffrey Hewitt will retire from the Board at the conclusion of the forthcoming AGM and the process to appoint his successor is underway. He will be a hard act to follow as Jeffrey has been an outstanding Chairman of the Audit Committee for the past 10 years, a role in which he has been a driving force for change and continual improvement in disclosure in our annual report. On behalf of the Board and shareholders, we thank him for his service to the Company and wish him well for the future.

AGM

It has been a great disappointment not to be able to meet shareholders in person at the last two AGMs as a result of the Covid-19 pandemic and consequent Government restrictions. Thankfully, the situation has eased somewhat and therefore we are proposing to hold an in-person AGM on Tuesday 3 May 2022. Last year shareholders approved the adoption of new Articles of Association which allow the Company to hold shareholder meetings in person and at the same time allow attendance and participation online for those who are unable, or who prefer not, to attend in person. This year we are utilising that new power to hold a "hybrid" meeting, which will allow many more of our shareholders to view the AGM and participate by asking questions and voting online. Full details of how to do so are set out in the letter that accompanies your Form of Proxy or Form of Direction. Therefore, voting at this year's AGM will be conducted by way of a poll and you are requested to lodge your votes ahead of the meeting by completing your Form of Proxy or Form of Direction in accordance with the instructions. Their completion and return will not preclude you from attending the meeting and voting in person. If you are unable to attend the AGM, you are requested to submit any questions you may have with regard to the resolutions proposed at the AGM or the performance of the Company, in advance of the meeting to fcitagm@bmogam.com. Following the AGM, the Fund Manager's presentation will be available on the Company's website www.fandcit.com.

Outlook

Geopolitical risks have risen markedly in recent weeks with the Russian invasion of Ukraine. Indeed, it has been shocking on a humanitarian level and raised significant concerns over President Putin's future ambitions on a regional and global level. While direct linkages to major Western economies from Russia tend to be small, the impact of sanctions will be significant and the rise in commodity prices are likely to be the main transmission mechanism to markets. Rising commodity prices and further disruption to supply chains will exacerbate inflationary pressure and it will also create a negative impact on global growth, with Europe at particular risk. In recent decades, most conflicts have been short term in nature and the wider impacts have been relatively contained. It remains too early to assess the long-term impact of Russia's actions but it will remain at least a near term concern for investors.

Recent decades have seen both equity and fixed income markets buoyed by a long-term decline in inflation. Lower interest rates, abundant liquidity and, in response to the pandemic, fiscal largesse, have all helped to propel global equity markets to record highs. Valuation levels in equities provide limited scope for disappointment in either earnings or in interest rates and the recent rise in inflation, which has been broad based and which will be exacerbated by the Ukrainian conflict, is troubling.

Despite there being grounds for optimism initially that much of the recent spike in inflation would prove to be transitory as supply chain disruption diminished and economies re-opened more fully, this does not seem to be the case. As Covid-19 appears to be becoming endemic in many countries, it still poses significant risks and new variants may yet cause further disruption. Investors should be prepared for slowing growth, higher but moderating inflation and abundant but diminishing liquidity and fiscal support. The resultant combination of moderating growth in earnings and rises in interest rates is likely to present a challenge to equity markets in 2022 and beyond.

Global equity markets have been led by US exceptionalism in recent years and, within the US and globally, a small cohort of stocks have dominated returns. Companies such as Microsoft and Alphabet feature amongst our largest listed holdings and represent exceptional businesses which have been able to deliver tremendous growth in earnings, high margins and an enviable competitive position versus their peers. Although these businesses are likely to continue to thrive, we do expect, as was the case in 2021, a more balanced market and greater sensitivity of investors to valuations. For this reason, we have been moving away from some of these highly performing, but highly valued, businesses in favour of companies which also have a strong competitive position, but which have better valuation support. More detail can be found in the Fund Manager's Report.

Our flexible and pragmatic approach to capital allocation has served your Company well over many decades and, as the economic and market environment shifts, perhaps in a significant change, we will continue to adapt and seek profitable opportunities within the listed and private markets. We remain confident in the prospects for your Company and continue to focus on the long-term delivery of growth in both capital and income for our shareholders.

Beatrice Hollond
Chairman
9 March 2022

Forward-looking statements

This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward looking statements are based on the Directors' current view and on information known to them at the date of this document. Nothing should be construed as a profit forecast.

Weighting, stock selection and performance over one year in each investment portfolio strategy and underlying geographic exposure versus Index at 31 December 2021					
Investment Portfolio Strategy	Our portfolio strategy weighting %	Underlying geographic exposure* %	Benchmark weighting %	Our strategy performance in Sterling %	Gross index performance in Sterling %
North America	40.6	57.8	62.4	23.7	27.6
Europe inc UK	10.0	23.5	16.7	13.9	17.0
Japan	4.6	6.9	6.3	2.6	2.1
Emerging Markets	7.2	9.3	10.1	3.8	(1.6)

Developed Pacific	-	2.5	4.5	-	-
Global Strategies**	27.6	-	-	19.0	19.5
Private Equity***	10.0	-	-	30.1	-

Source: BMO GAM

*Represents the geographic exposure of the portfolio, including underlying exposures in private equity and fund holdings.

**The Global Strategies allocation consisted of Global Income, Global Smaller Companies, Global Value and Global Sustainable Opportunities.

***Includes the holdings in Schiehallion and Syncona.

Principal Risks and Future Prospects

The Board's processes for monitoring the principal risks and identifying emerging risks are set out in note 26 to the Report and Accounts. Economic and market shocks in one form or another, and their consequences, are risks that have long been on the Board's risk assessment. The effects of the Covid-19 pandemic appear to be easing somewhat but its duration and future impact remain unknown and there can be no complacency. Nevertheless, the Company's purpose, strategy, investment policy and innate characteristics, most notably portfolio diversification and an embedded long-term outlook, have again demonstrated its strong resilience in the face of a global crisis. Our risk evaluation forms an inherent part of our strategy determination, described on page 9 of the Report and Accounts, which looks to mitigate risks and to pursue the opportunities that arise not least at times of great turmoil. Last year we highlighted, as emerging risks, the extent and impact of the eventual response from governments to meet the costs of Covid-19 and the potential for the imposition of controls and taxes that could be detrimental to the savings industry and investors themselves. Although these risks remain, the impact of the Covid-19 pandemic and the resulting actions have been articulated in each of the principal risks rather than as a separate risk.

As reported on page 6 of the Report and Accounts, BMO GAM has been acquired by Ameriprise and its business is to be merged with Columbia Threadneedle. The Board looks favourably upon this acquisition and expects there to be little change for your Company. Nevertheless, any acquisition of such magnitude will introduce some uncertainty until integration of systems and personnel is fully implemented. Therefore the Board is treating this aspect as an emerging risk that it will monitor closely.

Risk description: Investment proposition and its promotion – Failure to access the targeted market or meet investor needs or expectations, including Responsible Investment policies not resulting in demonstrable progress towards our net zero commitment, leading to significant pressure on the share price.

Unchanged throughout the year.

Mitigation by strategy: Our investment and business strategies aim to position us as a clear and core investment choice through all available channels.

Our discount is a KPI measured by the Board on a continual basis and is reported on page 13 of the Report and Accounts.

Risk description: Investment performance - Inappropriate asset allocation, sector and stock selection, currency exposure and use of gearing and derivatives may give rise to under-performance and impact dividend paying capacity. Political risk factors, including the potential emergence of restrictive government controls, could also impact performance as could market shocks such as those experienced as a result of Covid-19 and geo political factors.

Increased during the year.

Mitigation by strategy: Under our Business Model, a manager is appointed with the capability and resources to manage the Company's assets, asset allocation, gearing, stock and sector selection and risk and can delegate the management of investment portfolios externally. The individual global and regional investment portfolios are managed as a whole to provide diversification, lower volatility and risk.

The performance of FCIT relative to its benchmark, its peers and inflation is a KPI measured by the Board on a continual basis and is reported on page 13 of the Report and Accounts.

Risk description: Appointed Manager - Failure of BMO GAM to continue to operate effectively resulting from inadequate systems or resources or through the loss of key staff.

Increased during the year.

Mitigation by strategy: The Business Model is based on the premise of an effective and strong working relationship with the appointed Manager while an important responsibility of the Board is the robust annual evaluation of its performance, capabilities and resources, leading to the decision on whether to reappoint it. Succession planning concerning any potential significant management changes is shared with the Board.

Internal performance KPIs and Manager errors are monitored by the Board for indications of continuity or other Manager issues.

Risk description: Service providers and systems security – Covid-19 and the implementation of working from home and increased sophistication of cyber threats have heightened risks of loss through errors, fraud or control failures at service providers or loss of data through business continuity failure.

Unchanged throughout the year.

Mitigation by strategy: The ancillary functions of administration, company secretarial, accounting and marketing services are all carried out by the Manager.

The Board monitors effectiveness and efficiency of service providers' processes through internal efficiency KPIs.

Ten Year Horizon

Through a series of connected stress tests ranging from moderate to extreme scenarios including the impact of market shocks and based on historical information, but forward-looking over the ten years commencing 1 January 2022, the Board assessed the effects of:

- falls in the value of the publicly listed investments;
- widening discount and increased buyback levels;
- illiquidity and early calls on private equity commitments;
- adverse fluctuations in exchange rates; and
- adverse fluctuations in annual revenue.

The assumptions used for these tests purposefully did not take into account that under such severe conditions the Board and Manager would have taken action to mitigate the risks and offset the impact. Furthermore, the tests were a theoretical and illustrative scenario exercise, the assumptions for which are extreme and highly unlikely. Their purpose was to help inform the Directors of the Company's resilience under conditions so severe that they would impact global economies, markets, companies and businesses alike. The tests help to support the Board's assessment of the Company's long-term viability. The results do not represent its views or give an indication of the likely outcome.

The Company has proved resilient and prosperous for more than 150 years. There will inevitably be risks, but we believe that the future will continue to present tremendous opportunities for investors and for shareholder returns to be enhanced through a focus on companies that engage in sustainable business practices. Shareholders can be assured that our focus on delivering sustainable growth in capital and income over the longer term will be maintained. Having considered its current position and the principal and emerging risks that the Company faces and having applied stress tests under worst-case scenarios that would severely impact global economies and markets alike, the Board confirms that it has assessed the Company's prospects, to the extent that it is able to do so, over the next ten years. In concluding that ten years is an appropriate period for this assessment, the Board considers that this approximates to:

- a suitable period over which its longer term investment performance is measurable and comparable;
- the periods over which it would typically commit to and benefit from its private equity investments; and
- the tenure of the Directors from a corporate governance perspective.

The Board also took into consideration the long-term duration of the Company's debt, the perceived viability of the Company's principal service providers, the potential effects of expected regulatory changes and the potential threat from competition. The Company's business model, strategy and the embedded characteristics shown opposite have helped define and maintain its stability over many decades. The Board expects this to continue over many more years to come.

The Directors confirm therefore, that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities in full over the coming ten years to 31 December 2031.

Statement of Directors' Responsibilities in Respect of the Financial Statements

In accordance with Chapter 4.1.12 of the Disclosure Guidance and Transparency Rules the Directors confirm, that to the best of their knowledge:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- in the opinion of the Directors the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board
Beatrice Hollond
Chairman
9 March 2022

Income Statement

For the year ended 31 December	Revenue £'000s	Capital £'000s	2021 Total £'000s	Revenue £'000s	Capital £'000s	2020 Total £'000s
Gains on investments	-	879,862	879,862	-	475,886	475,886
Exchange movements on foreign currency loans, cash balances and derivatives	(176)	4,251	4,075	(167)	(1,249)	(1,416)
Income	77,629	-	77,629	70,178	-	70,178
Management fees	(4,935)	(14,805)	(19,740)	(4,297)	(12,892)	(17,189)
Other expenses	(3,500)	(57)	(3,557)	(3,416)	(70)	(3,486)
Net return before finance costs and taxation	69,018	869,251	938,269	62,298	461,675	523,973
Finance costs	(2,778)	(8,335)	(11,113)	(2,349)	(7,049)	(9,398)
Net return on ordinary activities before taxation	66,240	860,916	927,156	59,949	454,626	514,575
Taxation on ordinary activities	(7,740)	(138)	(7,878)	(7,469)	-	(7,469)
Net return attributable to shareholders	58,500	860,778	919,278	52,480	454,626	507,106
Net return per share – basic (pence)	10.99	161.74	172.73	9.71	84.09	93.80

The total column of this statement is the profit and loss account of the Company.
All revenue and capital items in the above statement derive from continuing operations.
The net return attributable to Shareholders is also the total comprehensive income.

Statement of Changes in Equity

	Share Capital	Capital Redemption Reserve	Capital Reserves	Revenue Reserve	Total Shareholders' Funds
For the year ended 31 December 2021	£'000s	£'000s	£'000s	£'000s	£'000s
Balance brought forward 31 December 2020	140,455	122,307	4,147,868	100,930	4,511,560
Dividends paid	-	-	-	(65,578)	(65,578)
Shares repurchased by the Company and held in treasury	-	-	(84,326)	-	(84,326)
Net return attributable to shareholders	-	-	860,778	58,500	919,278
Balance carried forward 31 December 2021	140,455	122,307	4,924,320	93,852	5,280,934

	Share Capital	Capital Redemption Reserve	Capital Reserves	Revenue Reserve	Total Shareholders' Funds
For the year ended 31 December 2020	£'000s	£'000s	£'000s	£'000s	£'000s
Balance brought forward 31 December 2019	140,455	122,307	3,735,063	111,224	4,109,049
Dividends paid	-	-	-	(62,774)	(62,774)
Shares repurchased by the Company and held in treasury	-	-	(41,821)	-	(41,821)
Net return attributable to shareholders	-	-	454,626	52,480	507,106
Balance carried forward 31 December 2020	140,455	122,307	4,147,868	100,930	4,511,560

Balance Sheet

At 31 December	£'000s	2021 £'000s	£'000s	2020 £'000s
Fixed assets				
Investments		5,779,123		4,856,368
Current assets				
Debtors	8,267		23,675	
Cash at Bank and short-term deposits	53,111		46,654	
	61,378		70,329	
Creditors: amounts falling due within one year				
Loans	(110,452)		(40,000)	
Other	(9,277)		(8,521)	
	(119,729)		(48,521)	
Net current (liabilities)/assets		(58,351)		21,808
Total assets less current liabilities		5,720,772		4,878,176
Creditors: amounts falling due after more than one year				
Loans	(439,263)		(366,041)	
Debenture	(575)		(575)	
		(439,838)		(366,616)
Net assets		5,280,934		4,511,560
Capital and Reserves				
Share capital		140,455		140,455
Capital redemption reserve		122,307		122,307
Capital reserves		4,924,320		4,147,868
Revenue reserve		93,852		100,930
Total shareholders' funds		5,280,934		4,511,560
Net asset value per share – prior charges at nominal value (pence)		1,002.49		840.69

Statement of Cash Flows

for the year ended 31 December

	2021 £'000s	2020 £'000s
Cash flows from operating activities before dividends received and interest paid	(27,576)	(32,127)
Dividends received	77,652	70,055
Interest paid	(11,037)	(9,429)
Cash flows from operating activities	39,039	28,499
Investing activities		
Purchases of investments	(2,527,995)	(2,548,873)
Sales of investments	2,483,392	2,681,183
Other capital charges and credits	(56)	(76)
Cash flows from investing activities	(44,659)	132,234
Cash flows before financing activities	(5,620)	160,733
Financing activities		
Equity dividends paid	(65,578)	(62,774)
Repayment of loans	(120,000)	(75,000)
Drawdown of loans	270,000	40,000
Cash flows from share issues	-	1,931
Cash flows from share buybacks for treasury shares	(83,961)	(41,401)
Cash flows from financing activities	461	(137,244)
Net (decrease)/increase in cash and cash equivalents	(5,159)	23,489
Cash and cash equivalents at the beginning of the year	46,654	28,196
Effect of movement in foreign exchange	11,616	(5,031)
Cash and cash equivalents at the end of the year	53,111	46,654
Represented by:		
Cash at bank	27,798	16,177
Short-term deposits	25,313	30,477
Cash and cash equivalents at the end of the year	53,111	46,654

Notes

1 NET RETURN PER SHARE

	2021 pence	2021 £'000s	2020 pence	2020 £'000s
Total return	172.73	919,278	93.80	507,106
Revenue return	10.99	58,500	9.71	52,480
Capital return	161.74	860,778	84.09	454,626
Weighted average ordinary shares in issue, excluding shares held in treasury - number		532,196,543		540,641,336

2 DIVIDENDS

The Directors have proposed a final dividend in respect of the year ended 31 December 2021 of 3.80p per share payable on 10 May 2022 to all shareholders on the register at close of business on 8 April 2022.

3 FINANCIAL RISK MANAGEMENT

The Company is an investment company, listed on the London Stock Exchange, and conducts its affairs so as to qualify in the United Kingdom (UK) as an investment trust under the provisions of Section 1158 of the Corporation Tax Act 2010. In so qualifying, the Company is exempted in the UK from corporation tax on capital gains on its portfolio of investments.

The Company's investment objective is to secure long-term growth in capital and income through a policy of investing primarily in an internationally diversified portfolio of public listed equities, as well as unlisted securities and private equity, with the use of gearing. In pursuing the objective, the Company is exposed to financial risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit. The Board of Directors, together with the Manager, is responsible for the Company's risk management.

The full details of financial risks are contained in note 26 of the Report and Accounts.

4 GOING CONCERN

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have also considered the Company's objective, strategy and investment policy, the current cash position of the Company, the availability of the loan facility and compliance with its covenants and the operational resilience of the Company and its service providers. More information on the Board's assessment is provided on pages 34 and 35 of the Report and Accounts.

5 ANNUAL GENERAL MEETING

The annual general meeting will be held on 3 May 2022 at 12 noon.

6 REPORT AND ACCOUNTS

This statement was approved by the Board on 9 March 2022. It is not the Company's statutory accounts. The statutory accounts for the financial year ended 31 December 2021 have been approved and audited, and received an audit report which was unqualified and did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report. The statutory accounts for the financial year ended 31 December 2020 received an audit report which was unqualified and did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report.

The Report and Accounts for the financial year ended 31 December 2021 will be posted to shareholders on or around 29 March 2022 and copies may be obtained thereafter during normal business hours from the Company's Registered Office, Exchange House, Primrose Street, London EC2A 2NY.

Information disclosed in accordance with Disclosure Guidance and Transparency Rule 4.1

**By order of the Board
BMO Investment Business Limited
Company Secretary,
9 March 2022**

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

ENDS

A copy of the Report and Accounts will be submitted to the National Storage Mechanism and will shortly be available for inspection at www.fca.org.uk

The Report and Accounts will also be available on the Company's website at fandcit.com from 10 March 2022, where up to date information on the Company, including daily NAV and share prices, factsheets and portfolio information can also be found.