F&C INVESTMENT TRUST PLC
Unaudited Results for the half-year ended 30 June 2023

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3 August 2023

F&C Investment Trust PLC (**'FCIT'** /the **'Company'**) today announces its results for the six months ended 30 June 2023.

- The Net Asset Value ('NAV') total return was +4.7%; behind the +7.5% return from the benchmark, the FTSE All-World Index.
- The share price total return was -2.6%, in part due to a widening of the discount during the period.
- Over one year's worth of dividends is held in the revenue reserve and the Board aims to increase the total dividend again this year. The first interim dividend of 3.4 pence for 2023 was paid on 1 August.

The Chairman, Beatrice Hollond, said:

"*The valuation excesses in markets overall appear relatively contained and it now seems likely that the US may avoid recession.…Against this background your Manager will continue to adopt a diversified approach and remain focused on the longer term opportunities as they emerge.*"

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

"*Looking forward, while we remain uncertain of the unfolding economic environment, we do expect that performance within equities will broaden and that relative value will be an important consideration for prospective returns. We have a relatively balanced approach within our portfolio between the cheaper, but more cyclically exposed areas of the market, and the higher growth, more expensive segments which have exciting prospects but appear fully priced. A narrow market presents both opportunities and risks and we believe that a diversified approach will, in due course, provide better returns, with lower risk, for shareholders.*"

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.

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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

Chairman's Statement

Markets and Performance

Equity markets were remarkably strong in the first half of 2023 despite further rises in interest rates, higher than forecast inflation and a crisis which led to the collapse of three regional banks in the US and the forced takeover of Credit Suisse. Technology stocks drove returns, with the Nasdaq Index gaining 32% in US dollar terms. A narrow cohort of mega-cap names were responsible for the majority of US equity market gains helped in part by investor enthusiasm for the perceived benefits of Artificial Intelligence. The total return from our benchmark, the FTSE All-World, was +7.5% over the period while the Company produced a net asset value ('NAV') total return of +4.7%. There was a marked widening in the discount level of investment trust companies across the sector and the Company's discount moved out from 3.0% to 9.8%. This led to a negative shareholder total return of -2.6%.

The NAV per share ended the period at 964.7 pence compared with 932.1 pence at the end of 2022. The return from our investment portfolio, i.e. before fees and other effects, of +4.8% lagged the benchmark return, while a further rise in market interest rates reduced the fair value of our outstanding debt, adding 0.4% to our NAV return.

The Company's gearing rose from 7.3% at the start of the year to 8.2% at the end of the period. We held £208.5m in cash and £98m in short dated UK Government bonds.

In response to growth that was better than feared, stubbornly high inflation and a hawkish Bank of England, sterling rose by 5.1% against the US dollar over the six months. This had the effect of reducing the return from our investments in overseas assets. For our Private Equity holdings, the value of our investments declined by 4.1%, partly reflecting the impact of these currency movements. The near-term backdrop for the Private Equity area remains challenging, though we have made good returns from our investments in this area over longer time periods.

Income, Expenses and Dividends

We paid a third interim dividend of 3.2 pence per share for the year ended 31 December 2022 in February 2023 and a final dividend of 3.9 pence in May. Our full year 2022 dividend of 13.5 pence per share was fully covered by earnings of 13.92 pence per share and represented an increase of 5.5% on the previous year.

Our net revenue return per share over the first six months of the year rose by 16.2% to 8.69p, compared to 7.48p over the corresponding period last year. Although sterling strengthened in the first six months of 2023 it was still trading at a lower level than in the first half of 2022 and this added £1.6m to the return. Special dividends totalled £2.2m, up from £1.0m in the first half of 2022.

Our income has risen substantially from the pandemic-induced downturn of 2020 and we anticipate that our earnings will also cover our full year dividend in 2023. It remains the aspiration of the Board to continue the Company's track record of delivering rises in dividends which exceed inflation rates over the long-term and we retain a substantial revenue reserve to help meet this objective if required. We have declared a first interim dividend for the current year of 3.4 pence per share payable on 1 August 2023. The Board plans to deliver another rise in our total dividend for this year, which will be the 53rd consecutive annual rise.

Following the launch of our new branding last year, we are continuing with our marketing campaign to increase awareness of the benefits of investing in the Company and to attract new investors. Early indications are that the campaign is having a positive effect, however, the Company's cost ratio is likely to to increase marginally this year as a result.

The Board

Francesca Ecsery retired from the Board at the conclusion of the AGM in April this year, after almost 10 years' service as a Director. She made a considerable contribution to the effective promotion of the Company's investment proposition through her marketing expertise. I am delighted that Anu Chugh has replaced

Francesca with effect from 1 July 2023. Anu is the Chief Executive of Pukka Herbs where she is responsible for governance and strategy. Anu is a Marketing professional with more than 25 years' experience in the consumer-packaged goods industry, having formerly been Managing Director of Ben & Jerry's Europe, Global Marketing Director of Unilever and Marketing Director of Pepsi Lipton International.

Outlook

While equity markets have delivered strong gains in recent months investors may have become too complacent about the potential near term risks. Although it appears that inflation rates are moderating, we may not have yet seen the peak in interest rates in most developed markets. In addition, the recent economic resilience may not last given the long lag time associated with monetary policy tightening. Furthermore, the enthusiasm for the big technology stocks in the US suggests that valuations there give limited room for disappointment. All these factors may give rise to some near-term caution for equity markets but looking further out there are grounds for optimism. The valuation excesses in markets overall appear relatively contained and it now seems likely that the US may avoid recession. In addition, although there is clearly some near term hype around the immediate benefits of AI, in the longer term there are likely to be significant benefits from the adoption of technology which will benefit both productivity and profitability. Of course disruptive trends create the potential for tremendous gains for the corporate winner as well as substantial challenges. Against this background your Manager will continue to adopt a diversified approach and remain focused on the longer term opportunities as they emerge.

Beatrice Hollond
Chairman

2 August 2023

Fund Manager's Review

Thus far in 2023, equity markets have performed more strongly than we had anticipated and a US recession has been avoided. Returns, however, have been extremely concentrated with Nvidia joining several familiar names, such as Apple, Microsoft and Amazon amongst the largest and best performing stocks in the market. Outside of the 'magnificent seven', which also includes Tesla, Meta and Alphabet, all of which we hold in our portfolio, market returns have generally been more modest overall though both Japan and Europe posted strong gains over the period.

Sterling rose against the US dollar, from 1.21 to 1.27, and the yen posted heavy falls as the Bank of Japan retained a loose monetary policy, while other developed market central banks continued to raise interest rates.

Listed equity regions posted gains, except for Emerging Markets, where a faltering Chinese recovery pushed returns into negative territory. Despite rising interest rates and better than forecast economic growth, it was growth-oriented stocks which were once again dominant in performance terms. The market was also extremely narrow, driven by a small number of stocks which accounted for most of the gains and led to a record level of market concentration in the US, with the top five stocks accounting for around a quarter of market index exposure. Nvidia, which almost trebled in value over the period, was an AI winner given its dominant position in the manufacture of chips that power machine learning and Apple became the first company in history to reach a valuation of $3trn.

Contributors to total returns in first half of 2023	%
Portfolio return	4.8
Management fees	(0.2)
Interest and other expenses	(0.2)
Buybacks	0.1
Change in value of debt	0.4
Gearing/other	(0.2)
Net asset value total return*	**4.7**
Change in share price discount	(7.3)
Share price total return	**(2.6)**
FTSE All-World total return	7.5

*Debt at market value

Source: Columbia Threadneedle/State Street

The return from our investment portfolio (i.e. before fees and other effects) was +4.8%, compared to the market benchmark return of +7.5%, with a negative impact from stock selection as well as a drag on performance from our allocation to private equity, which underperformed listed markets. Overall relative performance of our listed strategies was negatively impacted by an underweight position in many of the names which drove the first half rally. Early in the year, however, after strong relative performance in 2022 we did reduce exposure to large cap value stocks in the US which, while cheap compared to historic norms, were viewed as at risk from economic slowdown. While US recession did not emerge, there was considerable stress in the banking sector, in part due to recent interest rates rises (as well as questionable management decisions) but the US Federal Reserve acted swiftly to contain risks and alleviate the wider economic impact.

Within our US holdings we divested from our US growth manager, T Rowe Price, during the first quarter and allocated their portion of the portfolio to J.P.Morgan Asset Management. This segment of the portfolio produced the strongest gains over the period, with exposure to Nvidia (+175.5%) seeing significant upgrades to earnings expectations in response to AI driven demand for their microchips. Meta (+126.9%) posted strong gains, recovering from depressed valuations and driven by a renewed focus on operating efficiency. By contrast, and in a reversal of the performance picture from 2022, our long-standing value manager Barrow Hanley posted disappointing returns (-1.8%), behind that of the value index and of the broader market. A lack of exposure here to Meta, which formed part of the value index, was particularly detrimental while the holding in Dollar General (-34.2%), the discount retailer, which warned on sales and profits growth, detracted from returns and offset gains from holdings in Vertiv (+72.5%), Broadcom (+49.5%) and Oracle (+39.7%). Within our US holdings, we diversified exposure away from Barrow Hanley and incepted a new US large cap value strategy run by the Manager, Columbia Threadneedle. The backdrop proved challenging to value stocks over the period and, while returns there were in line with value indices, they lagged the broader market.

Our Global Strategies (+3.6% return) performed poorly relative to global comparators. Global Income (+3.2%), Quality Income (+4.5%) and Global Sustainable Opportunities (+3.5%) all lagged market indices. Global Sustainable Opportunities was particularly disappointing, as this segment of the Global Strategies component has a focus on growth oriented stocks but, as was the case elsewhere, an under-exposure to the largest stocks in the universe, which had provided exceptional gains over the six-month period, detracted significantly from returns. Indeed, despite a position in Nvidia, which was the standout performer over the period, a lack of exposure to the other big names in the growth complex, such as Tesla (+102.2%), Apple (+42.4%) and Microsoft (+35.7%), as well as a holding in SVB Financial, which filed for bankruptcy after a bank run, hurt performance. Our Global Income and Quality Income strategies, both of which have a focus on companies with an attractive dividend yield, suffered as income-oriented stocks were shunned by investors, with the picture of significant relative performance drag from a lack of exposure to highly performing US technology names also evident. This negative impact more than offset the positive effect of holdings in stocks such as SAP (+28.0%) and Air Liquide (+22.5%).

Europe inc UK (+13.0%) produced the strongest returns amongst our regional strategies and was substantially ahead of the benchmark. Melrose Industries (+77.9%) was a strong performer, demerging several GKN units and repositioning themselves as a pure play aerospace business. Elsewhere, holdings in discount airlines Wizz Air (+43.6%) and Ryanair (+36.7%) were boosted by buoyant demand from consumers. Ryanair, for example, reported their first profit since the pandemic, helped by a sharp rise in passenger numbers and fares.

Japanese holdings produced returns which were in line with the local benchmark but ahead of the global index. In local currency terms, this region was amongst the strongest performing areas globally during the first half but weakness in the yen, which declined by 13.4% relative to sterling, detracted from returns. Advantest (+96.2%) was one of the strongest performing holdings, helped by their linkages to the semiconductor industry, while holdings in SMC (+24.3%), and longstanding holdings Hoya (+16.6%) and Keyence (+14.2%) performed strongly. Nonetheless, several holdings such as Zozo (-20.2%) and Takeda Pharmaceutical (-2.9%) disappointed over the six month period.

Our Emerging Markets strategy delivered a modestly negative return, in line with the benchmark. While there were strong returns from holdings such as Latin American retailer MercadoLibre (+33.2%) and Taiwanese chip maker TSMC (+21.1%), several Chinese and Hong Kong listed holdings, including Anta Sports (-25.3%) and Hong Kong Exchange (-16.1%), detracted from returns.

Our private equity holdings declined by 4.1% in sterling terms. Our recent commitments, where we hold 8.3% of the portfolio assets, fell in value by 2.5% while our older holdings overseen by Pantheon and Harbourvest declined by 4.4%. The two Pantheon Future Growth programmes, with a combined $360m of commitments, also declined in value, by 4.6%. While our private equity returns were impacted by strength in sterling, they lagged substantially behind the gains delivered by listed markets. As noted previously, these investments are long term in nature and we have, historically, enjoyed good returns from our private equity holdings compared with listed market equivalents. Furthermore, our holdings in this area are, as with the rest of our portfolio, diversified across a range of geographies, sectors and individual businesses and we have limited exposure to late-stage disruptive technology, which has been the focus of the most substantial write-downs in value. Nevertheless, over the six month period, the impact of a near 13% weight in these holdings accounted for around 1.5% of the underperformance which the investment portfolio suffered relative to the market benchmark.

A further rise in market interest rates led to another reduction in the fair value of our debt over the period. The ten-year gilt yields rose from less than 3.7% at the start of the year to just under 4.4% by the end of June. The rise in market yields added 0.4% to our NAV return over the six months.

Current Market Perspective

The recent performance of equity markets can be attributed largely to economic growth being more resilient than had been feared. Investor enthusiasm for the Artificial Intelligence theme has also buoyed valuations amidst a hope for stock-specific winners, such as Nvidia, as well as the prospect for wider benefits to productivity and corporate profits. With the anticipated downturn in economic growth, and potential profits, being delayed (or potentially avoided) equity markets are back trading at valuations which have only been seen twice in recent history; in the market recovery stages of the pandemic and in the late 1990s. Furthermore, valuations of the faster growing segments of the market, which have led the rally so far this year, are trading at a premium which has rarely been seen before.

This near-term backdrop presents a conundrum for investors, with relatively high valuations, despite rising interest rates and generally stubborn inflation, while economic (and earnings) risks are still present. Looking forward, while we remain uncertain of the unfolding economic environment, we do expect that performance within equities will broaden and that relative value will be an important consideration for prospective returns. We have a relatively balanced approach within our portfolio between the cheaper, but more cyclically exposed areas of the market, and the higher growth, more expensive, segments which have exciting prospects but appear fully priced. A narrow market presents both opportunities and risks and we believe that a diversified approach will, in due course, provide better returns, with lower risk, for shareholders.

Paul Niven
Fund Manager
2 August 2023

Weightings, stock selection and performance in each investment portfolio strategy and underlying geographic exposure versus index as at 30 June 2023

Investment portfolio strategy	Our portfolio strategy weighting	Underlying geographic exposure[1]	Benchmark weighting	Our strategy performance in sterling	Index performance in sterling
	%	%	%	%	%
North America	37.7	54.4	63.1	7.6	10.1
Europe inc UK	13.4	26.6	16.2	13.0	7.5
Japan	4.7	7.3	6.3	5.7	6.2
Emerging Markets	6.5	9.0	10.0	(0.2)	(0.2)
Developed Pacific	-	2.7	4.4	-	(1.9)
Global Strategies[2]	25.9	-	-	3.6	7.5
Private Equity[3]	11.8	-	-	(4.1)	-

Source: Columbia Threadneedle/State Street

(1) Represents the geographic exposure of the portfolio, including underlying exposures in private equity and fund holdings
(2) The Global Strategies allocation consists of Global Income, Global Value and Global Sustainable Opportunities.
(3) Includes the holdings in Schiehallion and Syncona.

UNAUDITED CONDENSED INCOME STATEMENT

Notes		**6 months to 30 June 2023**			6 months to 30 June 2022		
		Revenue £'000s	**Capital £'000s**	**Total £'000s**	Revenue £'000s	Capital £'000s	Total £'000s
	Gains/(losses) on investments and derivatives	**-**	**176,352**	**176,352**	-	(649,585)	(649,585)
	Exchange (losses)/gains	**(506)**	**(4,797)**	**(5,303)**	335	(7,158)	(6,823)
3	Income	**58,420**	**-**	**58,420**	50,833	-	50,833
4	Fees and other expenses	**(5,086)**	**(6,287)**	**(11,373)**	(4,848)	(6,784)	(11,632)
	Net return before finance costs and taxation	**52,828**	**165,268**	**218,096**	46,320	(663,527)	(617,207)
4	Interest payable and similar charges	**(1,702)**	**(5,106)**	**(6,808)**	(1,751)	(5,255)	(7,006)
	Net return on ordinary activities before taxation	**51,126**	**160,162**	**211,288**	44,569	(668,782)	(624,213)
5	Taxation on ordinary activities	**(6,116)**	**(543)**	**(6,659)**	(5,373)	(551)	(5,924)
6	**Net return attributable to shareholders**	**45,010**	**159,619**	**204,629**	39,196	(669,333)	(630,137)
6	**Net return per share - basic (pence)**	**8.69**	**30.80**	**39.49**	7.48	(127.67)	(120.19)

The total column is the profit and loss account of the Company.
All revenue and capital items in the above statement derive from continuing operations.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

Notes	Half-year ended 30 June 2023	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance brought forward 31 December 2022	140,455	122,307	4,289,599	97,464	4,649,825
	Movements during the half-year ended 30 June 2023					
11	Shares repurchased by the Company and held in treasury	-	-	(13,213)	-	(13,213)
7	Dividends paid	-	-	-	(54,382)	(54,382)
	Return attributable to shareholders	-	-	159,619	45,010	204,629
	Balance carried forward 30 June 2023	**140,455**	**122,307**	**4,436,005**	**88,092**	**4,786,859**

Notes	Half-year ended 30 June 2022	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance brought forward 31 December 2021	140,455	122,307	4,924,320	93,852	5,280,934
	Movements during the half-year ended 30 June 2022					
	Shares repurchased by the Company and held in treasury	-	-	(54,352)	-	(54,352)
7	Dividends paid	-	-	-	(52,382)	(52,382)
	Return attributable to shareholders	-	-	(669,333)	39,196	(630,137)
	Balance carried forward 30 June 2022	140,455	122,307	4,200,635	80,666	4,544,063

Notes	Year ended 31 December 2022	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance brought forward 31 December 2021	140,455	122,307	4,924,320	93,852	5,280,934
	Movements during the year ended 31 December 2022					
	Shares repurchased by the Company and held in treasury	-	-	(70,749)	-	(70,749)
7	Dividends paid	-	-	-	(68,983)	(68,983)
	Return attributable to shareholders	-	-	(563,972)	72,595	(491,377)
	Balance carried forward 31 December 2022	140,455	122,307	4,289,599	97,464	4,649,825

UNAUDITED CONDENSED BALANCE SHEET

Notes		**30 June 2023 £'000s**	30 June 2022 £'000s	31 December 2022 £'000s
	Fixed assets			
8	Investments	**5,092,930**	4,850,660	4,924,533
	Current assets			
8	Investments	**98,332**	-	59,424
	Debtors	**22,246**	15,589	11,061
14	Cash and cash equivalents	**208,493**	352,290	243,836
	Total current assets	**329,071**	367,879	314,321
	Creditors: amounts falling due within one year			
9	Loans	**-**	(61,981)	-
10	Other	**(54,525)**	(31,765)	(7,190)
	Total current liabilities	**(54,525)**	(93,746)	(7,190)
	Net current assets	**274,546**	274,133	307,131
	Total assets less current liabilities	**5,367,476**	5,124,793	5,231,664
	Creditors: amounts falling due after more than one year			
9, 14	Loans	**(580,042)**	(580,155)	(581,264)
9, 14	Debenture	**(575)**	(575)	(575)
		(580,617)	(580,730)	(581,839)
	Net assets	**4,786,859**	4,544,063	4'649,825
	Capital and reserves			
11	Share capital	**140,455**	140,455	140,455
	Capital redemption reserve	**122,307**	122,307	122,307
	Capital reserves	**4,436,005**	4,200,635	4,289,599
	Revenue reserve	**88,092**	80,666	97,464
12	**Total shareholders' funds**	**4,786,859**	4,544,063	4,649,825
12	**Net asset value per ordinary share – prior charges at nominal value (pence)**	**926.04**	873.36	896.94

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Notes		**Half-year ended 30 June 2023 £'000s**	Half-year ended 30 June 2022 £'000s	Year ended 31 December 2022 £'000s
13	**Cash flows from operating activities before dividends received and interest paid**	**(15,031)**	(18,723)	(34,064)
	Dividends received	**54,895**	49,033	93,292
	Interest paid	**(6,832)**	(6,108)	(13,239)
	Cash flows from operating activities	**33,032**	24,202	45,989
	Investing activities			
	Purchases of Investments	**(2,226,716)**	(1,236,993)	(2,068,248)
	Sales of Investments	**2,212,566**	1,519,188	2,338,540
	Other capital charges and credits	**(21)**	(24)	(50)
	Cash flows from investing activities	**(14,171)**	282,171	270,242
	Cash flows before financing activities	**18,861**	306,373	316,231
	Financing activities			
	Equity dividends paid	**(36,807)**	(35,733)	(68,983)
	Repayment of loans	**-**	(50,000)	(110,329)
	Drawdown of loans	**-**	140,000	140,000
	Cash flows from share buybacks for treasury shares	**(11,280)**	(53,812)	(71,534)
	Cash flows from financing activities	**(48,087)**	455	(110,846)
14	Net (decrease)/increase in cash and cash equivalents	**(29,226)**	306,828	205,385
	Cash and cash equivalents at the beginning of the period	**243,836**	53,111	53,111
14	Effect of movement in foreign exchange	**(6,117)**	(7,649)	(14,660)
	Cash and cash equivalents at the end of the period	**208,493**	352,290	243,836

Represented by:			
Cash at bank	**108,453**	219,657	144,096
Short term deposits	**100,040**	132,633	99,740
Cash and cash equivalents at the end of the period	**208,493**	352,290	243,836

UNAUDITED NOTES ON THE CONDENSED ACCOUNTS

1 Results

The results for the six months to 30 June 2023 and 30 June 2022 constitute non-statutory accounts within the meaning of Section 434 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 December 2022; the report of the Auditors thereon was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The condensed financial statements shown for the year ended 31 December 2022 are an extract from those accounts.

2 Accounting policies

(a) Basis of preparation

These condensed financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006, Interim Financial Reporting (FRS 104) and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP), issued in July 2022.

The accounting policies applied for the condensed set of financial statements are set out in the Company's annual report for the year ended 31 December 2022.

(b) Use of judgements, estimates and assumptions

The presentation of the financial statements in accordance with accounting standards requires the Board to make judgements, estimates and assumptions that affect the accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on perceived risks, historical experience, expectations of plausible future events and other factors. Actual results may differ from these estimates.

The area requiring the most significant judgement and estimation in the preparation of the financial statements is accounting for the value of unquoted investments.

The policy for valuation of unquoted securities is set out in note 8 of the accounts and further information on Board procedures is contained in the Report of the Audit Committee and note 26(d) of the Report and Accounts as at 31 December 2022. The choice to only apply cash flows in the roll forward is a judgment made each year for the indirect investments. Material judgements were applied to the valuation of the Company's direct investment, Inflexion Strategic Partners. This investment was valued using the earnings method multiplied by an average of European listed comparable companies multiple (where the judgement of which comparable companies to select and what discounts to apply are subjective). The fair value of unquoted (Level 3) investments, as disclosed in note 8, represented 11.4% of total investments at 30 June 2023. Under foreseeable market conditions the collective value of such investments may rise or fall in the short term by more than 25%, in the opinion of the Directors. A fall of 25% in the value of the unlisted (Level 3) portfolio at the half-year would equate to £148m or 3.1% of net assets and a similar percentage rise should be construed accordingly.

3 Income

	Half-year ended 30 June 2023 £'000s	Half-year ended 30 June 2022 £'000s
Income comprises:		
UK dividends	**3,992**	4,649
UK bond income	**566**	-
Overseas dividends	**51,066**	45,988
Interest on short-term deposits and other income	**2,796**	196
Income	**58,420**	50,833

Included within income is £2.2m (30 June 2022: £1.0m; 31 December 2022: £1.6m) of special dividends classified as revenue in nature.
The value of special dividends treated as capital in nature is £0.0m (30 June 2022: £0.1m; 31 December 2022: £0.5m).

4 Fees and other expenses and interest payable and similar charges

	Half-year ended 30 June 2023 £'000s	Half-year ended 30 June 2022 £'000s
Fees and other expenses	**11,373**	11,632
Interest payable and similar charges	**6,808**	7,006
Total	**18,181**	18,638
Fees and other expenses comprise:		
Allocated to Revenue Account		
- Management fees payable directly to the Manager*	**2,085**	2,252
- Other expenses	**3,001**	2,596
	5,086	4,848
Allocated to Capital Account		
- Management fees payable directly to the Manager*	**6,256**	6,755
- Other expenses	**31**	29
	6,287	6,784
Interest payable and similar charges comprise:		
Allocated to Revenue Account	**1,702**	1,751
Allocated to Capital Account	**5,106**	5,255

* Including reimbursement in respect of services provided by sub-managers

As detailed in the Report and Accounts to 31 December 2022, with effect from 1 January 2023, the Manager's remuneration is based on a fee of 0.30% per annum of the market capitalisation of the Company up to £4.0 billion and 0.25% above £4.0 billion calculated at each month end date on a pro-rata basis. For the year to 31 December 2022 it was 0.325% per annum of the market capitalisation of the Company up to £3.0 billion, 0.30% between £3.0 and £4.0 billion, and 0.25% above £4.0 billion calculated at each month end date on a pro-rata basis. The fee is adjusted for fees earned by the Manager in respect of investment holdings managed or advised by the Manager. Variable fees payable in respect of third party sub-managers are also reimbursed. The services provided by the Manager remain unchanged from those disclosed within the accounts for the year ended 31 December 2022. The level of variable fees payable in respect of third party sub-managers and private equity managers remain unchanged since the year end.

5 Taxation

The taxation charge of £6,659,000 (30 June 2022: £5,924,000) relates to irrecoverable overseas taxation and Indian tax on capital gains.

6 Net return per share

Net return per ordinary share attributable to ordinary shareholders reflects the overall performance of the Company in the period. Net revenue recognised in the first six months is not indicative of the total likely to be received in the full accounting year.

	Half-year ended 30 June 2023 pence	**Half-year ended 30 June 2023 £'000s**	Half-year ended 30 June 2022 pence	Half-year ended 30 June 2022 £'000s
Revenue return	**8.69**	**45,010**	7.48	39,196
Capital return	**30.80**	**159,619**	(127.67)	(669,333)
Total return	**39.49**	**204,629**	(120.19)	(630,137)
Weighted average ordinary shares in issue excluding treasury shares (see note 11)		**518,236,585**		524,268,795

7 Dividends

Dividends paid and payable on ordinary shares	Register date	Payment date	**Half-year ended 30 June 2023 £'000s**	Half-year ended 30 June 2022 £'000s	Year ended 31 December 2022 £'000s
2021 Third interim of 3.00p	7-Jan-2022	01-Feb-2022	**–**	15,804	15,804
2021 Final of 3.80p	8-Apr-2022	10-May-2022	**–**	19,929	19,929
2022 First interim of 3.20p	1-Jul-2022	1-Aug-2022	**–**	16,649	16,654
2022 Second interim of 3.20p	7-Oct-2022	1-Nov-2022	**–**	–	16,596
2022 Third interim of 3.20p	6-Jan-2023	1-Feb-2023	**16,589**	–	–
2022 Final of 3.90p	11-Apr-2023	11-May-2023	**20,218**	–	–
2023 First interim of 3.40p	30-Jun-2023	1-Aug-2023	**17,575**	–	–
			54,382	52,382	68,983

The Directors have declared a first interim dividend in respect of the year ending 31 December 2023 of 3.40p per share, payable on 1 August 2023 to all shareholders on the register at close of business on 30 June 2023. The amount of this dividend will be £17,575,000 based on 516,919,027 shares in issue at 29 June 2023. This amount has been accrued in the results for the half-year ended 30 June 2023 as the ex-dividend date was 29 June 2023.

8 Investments

Fair value hierarchy

The Company's Investments as disclosed in the balance sheet are valued at fair value.
The fair value as at the reporting date has been estimated using the following fair value hierarchy:

Level 1 includes investments and derivatives listed on any recognised stock exchange or quoted on the AIM market in the UK and quoted open-ended funds. These also include gilts of £98m.

Level 2 includes investments for which the quoted price has been suspended, forward exchange contracts and other derivative instruments.

Level 3 includes investments in private companies or securities, whether invested in directly or through pooled Private Equity vehicles, for which observable market data is not specifically available.

The analysis of the valuation basis for financial instruments based on the hierarchy is as follows:

	As at 30 June 2023 £'000s	As at 30 June 2022 £'000s	As at 31 December 2022 £'000s
Level 1	**4,600,698**	4,259,149	4,408,792
Level 3	**590,564**	591,511	575,165
Total valuation of investments	**5,191,262**	4,850,660	4,983,957

With respect specifically to investments in Private Equity, whether through funds or partnerships, the Directors rely on the latest available unaudited quarterly valuations of the underlying unlisted investments as supplied by the investment advisers or managers of those funds or partnerships. The Directors regularly review the principles applied by the managers to those valuations to ensure they are in compliance with the principal accounting policies as stated in the year end report and accounts.

No investments held at 30 June 2023, 30 June 2022 or 31 December 2022 were valued in accordance with level 2.

Derivative instruments

Derivative instruments included forward exchange contracts with a net unrealised capital gain of £0.3m as at 30 June 2023 (30 June 2022: unrealised capital loss of £1.6m and 31 December 2022: unrealised capital gain of £0.7m).

9 Loans and Debenture

	30 June 2023 £'000s	30 June 2022 £'000s	31 December 2022 £'000s
Loans falling due within one year	**-**	61,981	-
Loans falling due after more than one year	**580,042**	580,155	581,264
Debenture falling due after more than one year	**575**	575	575
Comprising:			
Sterling denominated loan, falling due within one year	**-**	-	-
Euro denominated loan, falling due within one year	**-**	€72m	-
Sterling denominated loan, falling due after more one year	**£544m**	£544m	£544m
Euro denominated loan, falling due after more than one year	**€42m**	€42m	€42m
4.25% perpetual debenture stock	**£0.575m**	£0.575m	£0.575m

10 Other creditors falling due within one year

	30 June 2023 £'000s	30 June 2022 £'000s	31 December 2022 £'000s
Cost of ordinary shares repurchased	**1,933**	1,325	-
Investment creditors	**30,766**	8,346	2,933
Management fee payable to the Manager	**1,958**	1,726	1,863
Foreign exchange contracts	**-**	1,559	-
Dividend payable	**17,575**	16,649	-
Other accrued expenses	**2,293**	2,160	2,394
	54,525	31,765	7,190

11 Share capital

Equity share capital	Shares held in treasury Number	Shares entitled to dividend Number	Total shares in issue Number	Total shares in issue nominal £'000s
Ordinary shares of 25p each				
Balance at 31 December 2022	**43,407,160**	**518,411,856**	**561,819,016**	**140,455**
Shares repurchased by the Company and held in treasury	**1,492,829**	**(1,492,829)**	**-**	**-**
Balance at 30 June 2023	**44,899,989**	**516,919,027**	**561,819,016**	**140,455**

1,492,829 shares were repurchased during the period at a cost of £13,213,000. Shares held in treasury have no voting rights and no right to dividend distributions and are excluded from the calculations of earnings per share and net asset value per share.

12 Net asset value per ordinary share

	30 June 2023	30 June 2022	31 December 2022
Net asset value per share -pence	**926.04**	873.36	896.94
Net assets attributable at end of period - £'000s	**4,786,859**	4,544,063	4,649,825
Ordinary shares of 25p in issue at end of period excluding shares held in treasury - number	**516,919,027**	520,294,833	518,411,856

Net asset value per share (with the debenture stock and long-term loans at market value) at 30 June 2023 was 964.73p (30 June 2022: 892.77p and 31 December 2022: 932.10p). The market value of debenture stocks at 30 June 2023 was £429,000 (30 June 2022 and 31 December 2022: £429,000). The market value of the long-term loans at 30 June 2023 was £380,170,000 (30 June 2022: £479,338,000 and 31 December 2022: £399,134,000) based on the equivalent benchmark gilts or relevant commercially available current debt.

13 Reconciliation of net return before taxation to cash flows from operating activities

	Half-year ended 30 June 2023 £'000s	Half-year ended 30 June 2022 £'000s	Year ended 31 December 2022 £'000s
Net return on ordinary activities before taxation	**211,288**	(624,213)	(480,443)
Adjust for non-cash flow items, dividend income and interest expense:			
(Gains)/losses on investments	**(176,352)**	649,585	527,760
Exchange losses	**5,303**	6,823	10,995
Non-operating expense of a capital nature	**31**	29	46
Decrease/(increase) in other debtors	**24**	(112)	(310)
Increase/(decrease) in creditors	**28**	(635)	(122)
Dividends receivable	**(55,058)**	(50,637)	(94,268)
Interest payable	**6,808**	7,006	13,981
Tax on overseas income and Indian Capital Gains Tax	**(7,103)**	(6,569)	(11,703)
	(226,319)	605,490	446,379
Cash flows from operating activities (before dividends received and interest paid)	**(15,031)**	(18,723)	(34,064)

14 Analysis of changes in net debt

	Cash £'000s	Long term loans £'000s	Debenture £'000s	Forward exchange contracts £'000s	Total £'000s
Opening net debt as at 31 December 2022	**243,836**	**(581,264)**	**(575)**	**737**	**(337,266)**
Cash-flows:					
Net movement in cash and cash equivalents	**(29,226)**	**-**	**-**	**-**	**(29,226)**
Non-cash:					
Effect of foreign exchange movements	**(6,117)**	**(1,222)**	**-**	**(408)**	**(5,303)**
Closing net debt as at 30 June 2023	**208,493**	**(580,042)**	**(575)**	**329**	**(371,795)**

15 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 policy; current cash position; the availability of loan finance; compliance with all financial loan and private placement covenants; and the operational resilience of the Company and its service providers. It is recognised that the Company is mainly invested in readily realisable, globally listed securities that can be sold, if necessary, to repay indebtedness.

Based on this information and their knowledge and experience of the Company's portfolio and stockmarkets, the Directors believe that the Company has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

Statement of Principal and Emerging Risks

The Company's principal and emerging risks are described in detail under the heading 'Principal and Emerging Risks' within the Strategic Report in the Company's annual report for the year ended 31 December 2022. They have been identified as: Investment Performance; Effectiveness of Appointed Manager; Cyber Threats and Data Protections; Loss of Key Person; and Transition to Net Zero.

In the view of the Board, there have not been any material changes to the fundamental nature of these risks and they are applicable to the remainder of the financial year.

Statement of Responsibilities in Respect of the Half Year Financial Report

In accordance with Chapter 4 of the Disclosure Guidance and Transparency Rules, the Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with applicable UK Accounting Standards on a going concern basis and gives a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the half year report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- the Statement of Principal and Emerging Risks shown above is a fair review of the principal and emerging risks for the remainder of the financial year; and
- the half year report includes a fair review of the related party transactions that have taken place in the first six months of the financial year.

On behalf of the Board
Beatrice Hollond
Chairman
2 August 2023

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.

Columbia Threadneedle Investment Business Limited,
Company Secretary

ENDS

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

The half-year report will be posted to shareholders and made available on the internet at www.fandc.com shortly. Copies may be obtained during normal business hours from the Company's Registered Office, Cannon Place, 78 Cannon Street, London EC4N 6AG.

Columbia Threadneedle Investment Business Limited