



# BMO Managed Portfolio Trust PLC

Interim Report for the  
six months ended  
30 November 2020

**BMO**



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# Contents

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<b>● Overview</b>			
Company Overview	3	<b>● Financial Report</b>	
Income Shares – Financial Highlights and Performance Summary for the six months	4	Unaudited Condensed Income Statement	14
Growth Shares – Financial Highlights and Performance Summary for the six months	5	Unaudited Condensed Balance Sheet	16
Long-term Summary	6	Unaudited Condensed Statement of Cash Flows	18
		Unaudited Condensed Statement of Changes in Equity	20
<b>● Strategic Report</b>		Notes to the Condensed Financial Statements (unaudited)	23
Chairman’s Statement	7	Statement of Principal Risks and Uncertainties	34
Income Shares – Investment Portfolio	10	Statement of Directors’ Responsibilities in Respect of the Interim Report	35
Growth Shares – Investment Portfolio	12		
		<b>● Other Information</b>	
		Alternative Performance Measures	36
		How to Invest	39
		Corporate Information	41

## Forward-looking statements

This interim report 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 views and on information known to them at the date of this report. Nothing should be construed as a profit forecast.



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# Company Overview

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BMO Managed Portfolio Trust PLC (the “**Company**”) is an investment trust and launched on 16 April 2008. Its shares are listed on the premium segment of the Official List of the Financial Conduct Authority and traded on the London Stock Exchange.

## Purpose

The purpose of the Company is to provide investors with access to a broad spread of investment companies, covering a variety of geographies, sectors and investment managers, with the objective of providing both income and growth, while spreading investment risk. This is intended to appeal, in particular, to investors with smaller investment portfolios and to regular savers.

## Share classes

The Company has two classes of shares with two separate investment portfolios:

- the Income shares, where the investment focus is to provide an attractive level of income, together with some capital growth; and
- the Growth shares, where the investment focus is to achieve capital growth.

The ability to switch between the two share classes annually, in a tax efficient manner, offers flexibility to those investors whose requirements may change over time.

The benchmark index for both the Income portfolio and the Growth portfolio is the FTSE All-Share Index total return.

As at 30 November 2020, the Income shares had a dividend yield of 4.8% and the Income shares and Growth shares had achieved a net asset value total return of 133.7% and 155.0% respectively since launch. The benchmark total return over the period from the Company’s launch to 30 November 2020 was 82.0%.

Visit our website at [bmomanagedportfolio.com](https://www.bmomanagedportfolio.com)

The Company is registered in Scotland with company registration number SC338196  
Legal Entity Identifier: 213800ZA6TW45NM9YY31

# Income Shares – Financial Highlights and Performance Summary for the six months

4.8%

## Dividend yield<sup>(1)</sup>

Dividend yield of 4.8% at 30 November 2020, compared to the yield on the FTSE All-Share Index of 3.7%. Dividends are paid quarterly. First two interim dividends were maintained at the same level as the prior year.

+13.0%

## NAV total return<sup>(1)</sup>

Net asset value total return per Income share of +13.0% for the six months, outperforming the FTSE All-Share Index total return of +6.9% by +6.1%.

Total return <sup>(1)</sup>	Six months to 30 November 2020	Year to 31 May 2020
Net asset value per Income share	+13.0%	-7.3%
Income share price	+11.1%	-8.3%
FTSE All-Share Index	+6.9%	-11.2%

Other financial highlights	30 November 2020	31 May 2020	% Change
Net asset value per Income share – capital only	127.16p	115.71p	9.9%
Income share price – capital only	127.00p	117.50p	8.1%
FTSE All-Share Index – capital only	3542.87	3363.67	5.3%
Dividend yield <sup>(1)</sup>	4.8%	5.2%	
-Discount/+premium <sup>(1)</sup>	-0.1%	+1.5%	
Net gearing <sup>(1)</sup>	-6.3%	-7.3%	

### Notes

<sup>(1)</sup> Yield, total return, discount/premium and net gearing – see Alternative Performance Measures on pages 36 to 38.

Sources: BMO Global Asset Management (“BMO GAM”) and Refinitiv Eikon

Investors are reminded that the value of investments and any income from them may go down as well as up and they may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

# Growth Shares – Financial Highlights and Performance Summary for the six months

**+20.0%**

## NAV total return<sup>(1)</sup>

Net asset value total return per Growth share of +20.0% for the six months, outperforming the FTSE All-Share Index total return of +6.9% by +13.1%.

**+10.0%**  
**CAGR<sup>(1)</sup>**

## Long-term growth record

NAV total return compound annual growth rate of +10.0% over 10 years compared with a return of +5.9% from the FTSE All-Share Index.

Total return <sup>(1)</sup>	Six months to 30 November 2020	Year to 31 May 2020
Net asset value per Growth share	+20.0%	+1.5%
Growth share price	+18.4%	+2.9%
FTSE All-Share Index	+6.9%	-11.2%

Other financial highlights	30 November 2020	31 May 2020	% Change
Net asset value per Growth share – capital only	249.94p	208.35p	20.0%
Growth share price – capital only	251.00p	212.00p	18.4%
FTSE All-Share Index – capital only	3542.87	3363.67	5.3%
Premium <sup>(1)</sup>	+0.4%	+1.8%	
Net cash <sup>(1)</sup>	+3.4%	+4.1%	

## Notes

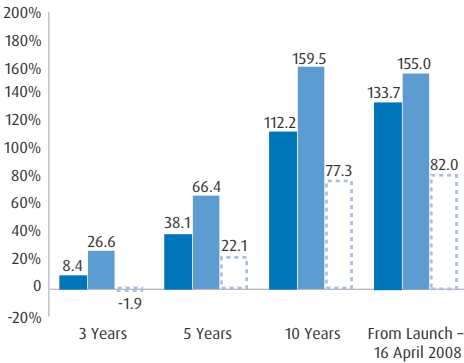
<sup>(1)</sup> Total return, compound annual growth rate, premium and net cash – see Alternative Performance Measures on pages 36 to 38.

Sources: BMO GAM and Refinitiv Eikon.

Investors are reminded that the value of investments and any income from them may go down as well as up and they may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

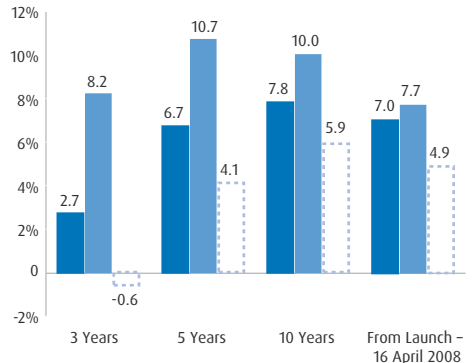
# Long-term Summary

## Cumulative performance to 30 November 2020



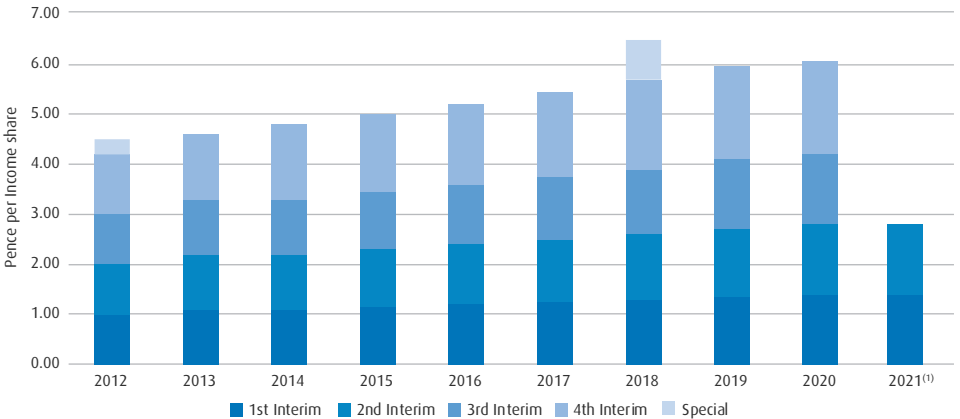
■ BMO Managed Portfolio Trust - Income shares NAV total return  
■ BMO Managed Portfolio Trust - Growth shares NAV total return  
⋯ Benchmark FTSE All-Share Index total return

## Compound annual growth returns to 30 November 2020



■ BMO Managed Portfolio Trust - Income shares NAV total return  
■ BMO Managed Portfolio Trust - Growth shares NAV total return  
⋯ Benchmark FTSE All-Share Index total return

## Ten year dividend history for financial year to 31 May



<sup>(1)</sup> First two interim dividends paid to date for 2021 financial year

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# Chairman's Statement



**Colin S McGill, Chairman**

## Highlights

- Net asset value ("NAV") total return for the six months of +13.0% for the Income shares and +20.0% for the Growth shares, both classes outperforming the FTSE All-Share Index total return of +6.9%
- NAV total return compound annual growth rate over 10 years of +7.8% for the Income shares and +10.0% for the Growth shares compared with a return of +5.9% from the FTSE All-Share Index.
- Income share dividend yield of 4.8% at 30 November 2020

## Investment performance

For the six months to 30 November 2020, the NAV total return was +13.0% for the Income shares and +20.0% for the Growth shares. The total return for the benchmark index for both share classes, the FTSE All-Share Index, was +6.9%. The long-term track record continues to show the NAV total return for both share classes outperforming the benchmark index over 3 years, 5 years and 10 years to 30 November 2020, with the NAV total return over 10 years achieving a compound annual growth rate of +7.8% for the Income shares and +10.0% for the Growth shares compared with a return of +5.9% from the benchmark index.

Given the level of market uncertainty the rate for the first two interim dividends has been maintained at that paid in the prior year and the yield on the Income shares of 4.8% remains higher than the yield of 3.7% on the FTSE All-Share Index as at 30 November 2020.

The period under review witnessed markets operating under the spectre of the COVID-19 pandemic. As a result of strict lockdowns, the European and US economies went into a sharp and deep recession during the second calendar quarter of 2020. Restrictions were gradually eased, only to be tightened again as a second wave of the pandemic became apparent. The UK equity market was particularly hard hit and for most of the period continued to move lower until the announcement of the first vaccine in early November. Equity markets globally rallied strongly, especially in Europe and the UK as investors looked ahead to an opening up of economies and a return to a degree of normality.

The Growth portfolio performed strongly over the period as a number of investment companies with significant exposure to the wider technology sector performed well. This trend was led by **Scottish Mortgage Investment Trust** (the largest listed investment company) which rose over 50%. The trust benefitted from the extraordinary rise in the share price of its largest holding electric vehicle manufacturer Tesla. Its next biggest holding Amazon also performed well as demand for its online shopping was very strong. The next two best performers were UK equity trusts which had both experienced, for long periods, a difficult time in terms of performance. However, following the vaccine announcement in November they enjoyed substantial gains. Over the six months under review, **Artemis Alpha Trust** rose by 42% and **Henderson Opportunities Trust** appreciated by 41%; however, in both cases the majority of the share price rises happened following the vaccine announcement.

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# Chairman's Statement (continued)

Due to the requirement for yield it is challenging for the Income portfolio to gain exposure to the secular growth opportunities offered by investment trusts in the technology sector where the underlying companies often pay no or very low dividends. It is nonetheless encouraging that the Income portfolio outperformed its benchmark. The leading contributor with a 42% gain was **Princess Private Equity Holding** which specialises in mid-sized private companies primarily in the US and Europe with a focus on software, education, and digital platforms in a variety of different sectors. Long-time holding **JPMorgan Global Emerging Markets Income Trust** was ahead by 29% in a better environment for companies in emerging markets and **Law Debenture Corporation** gained 27% as UK equities rallied strongly following the vaccine announcement.

The Trust's excellent performance was recognised when the Growth portfolio once again won the 2020 Investment Week Investment Trust of the Year Award for the Flexible Investment sector.

(All share prices are total return).

## Revenue and dividends

The Company's net revenue for the six months was £1.67 million which is equivalent to 3.57p per Income share (compared to 3.40p per Income share for the corresponding period in 2019). Income shares are entitled to all the dividends paid by the Company. One benefit of the closed-end investment trust structure is the ability to utilise revenue reserves, built up in previous years, to sustain dividend payments during periods when there is a significant reduction in dividend income from underlying holdings. That was the case in the interim period to 30 November 2020 and enabled many of our holdings to sustain or, in some cases, grow their dividend payments.

While the net revenue per Income share has increased in the current period by approximately 5%, given the continuing level of market uncertainty, the Company maintained the dividend rate when it declared a first and second interim dividend in respect of the year to 31 May 2021, each of 1.4p per Income share (1.4p per Income share in the corresponding period in the year to 31 May 2020).

In the absence of unforeseen circumstances, the Board intends to pay three interim dividends, each of 1.4p per Income share, and aggregate dividends for the current financial year to 31 May 2021 will be at least 6.1p per Income share (2020: 6.1p per Income share). The amount of the fourth interim dividend will be determined when a clearer view of income for the year emerges. A minimum expected annual rate of 6.1p per Income share represents a yield on the Income share price at 30 November 2020 of 4.8%.

## Borrowing

At 30 November 2020 the Income portfolio had total borrowings of £5 million (7.8% of gross assets), the investment of which helps to boost net income after allowing for the interest cost. The Growth portfolio had no borrowings.

## Discount to NAV and share buy-backs

In normal circumstances we aim to maintain our discount at not more than 5%, by buying back shares from time to time if necessary. In practice over the years the shares have generally traded close to NAV. During the six months to 30 November 2020 the average discount to NAV for the Income shares and for the Growth shares was 0.2% and 0.4% respectively. At 30 November 2020, the Income shares stood at a discount to NAV of 0.1% and the Growth shares at a premium of 0.4% to NAV.



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### Share conversion facility

Shareholders have the opportunity to convert their Income shares into Growth shares or their Growth shares into Income shares annually subject to minimum and maximum conversion thresholds which may be reduced or increased at the discretion of the Board. On 5 November 2020 the conversion proceeded, for those shareholders who had elected to do so. The net result of those conversions, was a decrease of 115,747 Income shares and an increase of 58,343 Growth shares in issue. The ability to convert without incurring capital gains tax should be an attractive facility for shareholders and the next conversion date (subject to minimum and maximum thresholds) will be in October 2021. Details will be provided when the Company's annual report is published in late July 2021.

### Outlook

After the experience of 2020 where the pandemic caused an unprecedented sharp and deep recession the news of a number of effective vaccines has brought the hope that by the second half of this calendar year economies will be moving towards normalisation. Financial markets are assuming this will be the case. In the meantime, massive monetary and fiscal stimulation from various governments and Central Banks is being undertaken to ensure recovery will be robust as the year unfolds. Valuations of many equity markets (particularly the US) are at high levels, however the expectation is that economic recovery will be accompanied by a rapid and substantial recovery in corporate earnings in 2021.

Since the Brexit referendum in 2016 UK equities have been a persistent underperformer relative to most other major equity markets. This has left the UK very attractively valued when compared to other global equity markets. Conclusion of the post-Brexit trade agreement and the removal of the accompanying prolonged uncertainty should help to clear the way for a revival in the relative performance of the UK equity market. Although current lockdowns may delay the recovery, there is confidence that widespread vaccination will eventually bring about a concerted move towards normality.

**Colin S McGill**

Chairman

27 January 2021

# Income Shares – Investment Portfolio

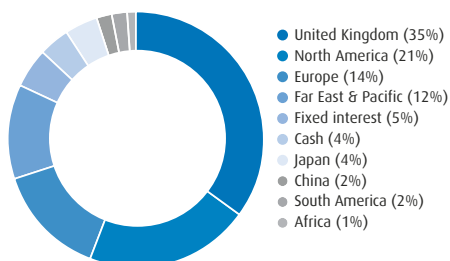
At 30 November 2020			
Investment	Sector	Valuation £'000	% of net assets of income portfolio
BB Healthcare Trust	Biotechnology & Healthcare	2,573	4.3
HBM Healthcare Investments	Biotechnology & Healthcare	2,354	4.0
JPMorgan Global Growth & Income	Global Equity Income	2,173	3.7
Law Debenture Corporation	Global	2,149	3.6
BB Biotech	Biotechnology & Healthcare	2,141	3.6
Scottish American Investment Company	Global Equity Income	2,123	3.6
Princess Private Equity Holding	Private Equity	2,034	3.4
3i Infrastructure	Infrastructure	1,982	3.3
Hipgnosis Songs Fund	Tech Media & Telecomm	1,974	3.3
The Bankers Investment Trust	Global	1,841	3.1
<b>Ten largest investments</b>		<b>21,344</b>	<b>35.9</b>
NB Private Equity Partners	Private Equity	1,837	3.1
Monks Investment Trust	Global	1,764	3.0
Invesco Perpetual UK Smaller Companies Investment Trust	UK Smaller Companies	1,744	2.9
Schroder Oriental Income Fund	Asia Pacific - Ex Japan	1,725	2.9
Murray International Trust	Global Equity Income	1,712	2.9
Mercantile Investment Trust	UK All Companies	1,665	2.8
Henderson International Income Trust	Global Equity Income	1,638	2.8
European Assets Trust†	European Smaller Companies	1,622	2.7
Impact Healthcare REIT	Property Specialist	1,575	2.6
CC Japan Income & Growth Trust	Japan	1,541	2.6
<b>Twenty largest investments</b>		<b>38,167</b>	<b>64.2</b>
Civitas Social Housing REIT	Property Specialist	1,509	2.5
Troy Income & Growth Trust	UK Equity Income	1,504	2.5
City of London Investment Trust	UK Equity Income	1,496	2.5
Secure Income REIT	Property Specialist	1,465	2.5
Henderson Far East Income	Asia Pacific - Ex Japan	1,431	2.4
The Renewables Infrastructure Group	Infrastructure - Renewable Energy	1,402	2.4
Jupiter Emerging & Frontier Income Trust	Global Emerging Markets	1,350	2.3
Invesco Enhanced Income	Global High Income	1,346	2.3
Supermarket Income REIT	Property Specialist	1,331	2.2
JPMorgan Global Emerging Markets Income Trust	Global Emerging Markets	1,310	2.2
<b>Thirty largest investments</b>		<b>52,311</b>	<b>88.0</b>

## At 30 November 2020

Investment	Sector	Valuation £'000	% of net assets of Income portfolio
GCP Asset Backed Income Fund	Debt	1,296	2.2
Assura	Property Specialist	1,268	2.1
CQS New City High Yield Fund	UK Equity & Bond Income	1,264	2.1
Biopharma Credit	Biotechnology & Healthcare	1,160	2.0
Lowland Investment Company	UK Equity Income	1,130	1.9
Henderson High Income Trust	UK Equity & Bond Income	1,080	1.8
Aberdeen Asian Income Fund	Asia Pacific - Ex Japan	1,050	1.8
Tetragon Financial Management	Flexible Investment	1,020	1.7
Murray Income Trust	UK Equity Income	950	1.6
Utilico Emerging Markets Trust	Global Emerging Markets	937	1.6
<b>Total investments</b>		<b>63,466</b>	<b>106.8</b>
<b>Net current assets</b>		<b>976</b>	<b>1.6</b>
<b>Borrowing</b>		<b>(5,000)</b>	<b>(8.4)</b>
<b>Net assets</b>		<b>59,442</b>	<b>100.0</b>

† Investment managed by the Manager, BMO GAM

### Analysis of the investment areas of the Income portfolio's investments on a 'look-through' basis



Note: This analysis is gross of any gearing in the underlying investee companies. Source: AIC (underlying data at 30 November 2020)

# Growth Shares – Investment Portfolio

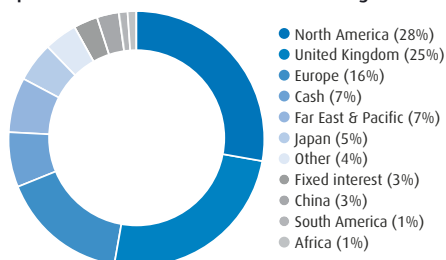
At 30 November 2020			
Investment	Sector	Valuation £'000	% of net assets of Growth portfolio
Allianz Technology Trust	Tech Media & Telecomm	4,416	4.9
Monks Investment Trust	Global	4,410	4.9
Scottish Mortgage Investment Trust	Global	3,836	4.2
Polar Capital Technology Trust	Tech Media & Telecomm	3,416	3.8
HgCapital Trust	Private Equity	2,990	3.3
BH Macro	Hedge Funds	2,984	3.3
Impax Environmental Markets	Environmental	2,855	3.1
Worldwide Healthcare Trust	Biotechnology & Healthcare	2,852	3.1
Herald Investment Trust	Small Media, Comms & IT Cos	2,660	2.9
Edinburgh Worldwide Investment Trust	Global	2,648	2.9
<b>Ten largest investments</b>		<b>33,067</b>	<b>36.4</b>
Mid Wynd International Investment Trust	Global	2,614	2.9
Biotech Growth Trust	Biotechnology & Healthcare	2,576	2.8
Baillie Gifford Japan Trust	Japan	2,364	2.6
Personal Assets Trust	Flexible Investment	2,255	2.5
Syncona	Biotechnology & Healthcare	2,190	2.4
Capital Gearing Trust	Flexible Investment	2,162	2.4
Merian Chrysalis Investment Company	Private Equity	2,142	2.3
Ruffer Investment Company	Flexible Investment	2,082	2.3
RIT Capital Partners	Flexible Investment	2,050	2.2
Henderson Smaller Companies Investment Trust	UK Smaller Companies	1,932	2.1
<b>Twenty largest investments</b>		<b>55,434</b>	<b>60.9</b>
Finsbury Growth & Income Trust	UK Equity Income	1,915	2.1
Aurora Investment Trust	UK All Companies	1,899	2.1
Schroder Asian Total Return Investment Company	Asia Pacific - Ex Japan	1,852	2.0
Templeton Emerging Markets Investment Trust	Global Emerging Markets	1,814	2.0
TR Property Investment Trust <sup>†</sup>	Property Securities	1,773	2.0
Artemis Alpha Trust	UK All Companies	1,772	1.9
ICG Enterprise Trust	Private Equity	1,718	1.9
JPMorgan American Investment Trust	North America	1,689	1.9
Baillie Gifford UK Growth Fund	UK All Companies	1,656	1.8
Hipgnosis Songs Fund	Tech Media & Telecomm	1,635	1.8
<b>Thirty largest investments</b>		<b>73,157</b>	<b>80.4</b>

## At 30 November 2020

Investment	Sector	Valuation £'000	% of net assets of Growth portfolio
European Opportunities Trust	Europe	1,633	1.8
Henderson Opportunities Trust	UK All Companies	1,530	1.7
Fidelity Special Values	UK All Companies	1,508	1.7
Baillie Gifford European Growth Trust	Europe	1,468	1.6
Henderson European Focus Trust	Europe	1,390	1.5
AVI Global Trust	Global	1,350	1.5
Diverse Income Trust	UK Equity Income	1,297	1.4
Murray International Trust	Global Equity Income	1,284	1.4
Law Debenture Corporation	Global	1,044	1.2
Mobius Investment Trust	Global Emerging Markets	1,020	1.1
<b>Forty largest investments</b>		<b>86,681</b>	<b>95.3</b>
Lowland Investment Company	UK Equity Income	960	1.0
Schroder UK Public Private Trust	UK All Companies	518	0.6
<b>Total investments</b>		<b>88,159</b>	<b>96.9</b>
<b>Net current assets</b>		<b>2,811</b>	<b>3.1</b>
<b>Net assets</b>		<b>90,970</b>	<b>100.0</b>

† Investment managed by the Manager, BMO GAM

### Analysis of the investment areas of the Growth portfolio's investments on a 'look-through' basis



Note: This analysis is gross of any gearing in the underlying investee companies. Source: AIC (underlying data at 30 November 2020)

# Unaudited Condensed Income Statement

Six months to 30 November 2020			
Notes	Revenue £'000	Capital £'000	Total £'000
	-	20,873	20,873
	-	(13)	(13)
2	2,109	-	2,109
3	(138)	(619)	(757)
	(281)	-	(281)
	<b>1,690</b>	<b>20,241</b>	<b>21,931</b>
	(22)	(33)	(55)
	1,668	20,208	21,876
	-	-	-
	<b>1,668</b>	<b>20,208</b>	<b>21,876</b>
5	<b>3.57p</b>	<b>11.12p</b>	<b>14.69p</b>
5	-	<b>41.58p</b>	<b>41.58p</b>

The total column of this statement is the Profit and Loss Account of the Company. The supplementary revenue and capital columns are prepared under guidance published by The Association of Investment Companies. All revenue and capital items in the Income Statement derive from continuing operations. Return attributable to shareholders represents the profit/(loss) for the period and also total comprehensive income.

Previous Periods

Six months to 30 November 2019			Year to 31 May 2020 <sup>‡</sup>		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	5,852	5,852	-	(5,376)	(5,376)
-	(1)	(1)	-	(13)	(13)
1,927	-	1,927	3,851	-	3,851
(130)	(342)	(472)	(257)	(1,093)	(1,350)
(272)	-	(272)	(537)	-	(537)
1,525	5,509	7,034	3,057	(6,482)	(3,425)
(22)	(33)	(55)	(44)	(66)	(110)
1,503	5,476	6,979	3,013	(6,548)	(3,535)
-	-	-	(13)	-	(13)
1,503	5,476	6,979	3,000	(6,548)	(3,548)
3.40p	4.80p	8.20p	6.69p	(17.13p)	(10.44p)
-	9.44p	9.44p	-	3.18p	3.18p

<sup>‡</sup> These figures are audited.

# Unaudited Condensed Balance Sheet

		As at 30 November 2020		
Notes		Income shares £'000	Growth shares £'000	Total £'000
	<b>Fixed assets</b>			
4	Investments	63,466	88,159	151,625
	<b>Current assets</b>			
	Debtors	230	77	307
	Cash at bank and on deposit	1,237	3,127	4,364
		1,467	3,204	4,671
	<b>Creditors</b>			
	Amounts falling due within one year	(491)	(393)	(884)
	<b>Net current assets</b>	976	2,811	3,787
	<b>Creditors</b>			
12	Amounts falling due in more than one year	(5,000)	-	(5,000)
	<b>Net assets</b>	59,442	90,970	150,412
	<b>Capital and reserves</b>			
7	Called-up share capital	4,446	3,458	7,904
	Share premium	27,359	23,019	50,378
	Capital redemption reserve	252	364	616
	Special reserve	18,990	17,162	36,152
	Capital reserves	5,442	46,967	52,409
	Revenue reserve	2,953	-	2,953
	<b>Shareholders' funds</b>	59,442	90,970	150,412
8	<b>Net asset value per share (pence)</b>	127.16p	249.94p	

Approved by the Board and authorised for issue on 27 January 2021 and signed on its behalf by:

Colin S McGill, Director  
27 January 2021

Previous Periods

		As at 30 November 2019			As at 31 May 2020 <sup>†</sup>		
		Income shares £'000	Growth shares £'000	Total £'000	Income shares £'000	Growth shares £'000	Total £'000
		64,170	71,939	136,109	57,887	72,356	130,243
		252	81	333	219	79	298
		1,860	4,543	6,403	1,061	3,071	4,132
		2,112	4,624	6,736	1,280	3,150	4,430
		(311)	(453)	(764)	(173)	(733)	(906)
		1,801	4,171	5,972	1,107	2,417	3,524
		(5,000)	-	(5,000)	(5,206)	-	(5,206)
		60,971	76,110	137,081	53,788	74,773	128,561
		4,457	3,558	8,015	4,415	3,408	7,823
		25,082	21,726	46,808	26,909	22,006	48,915
		54	206	260	252	364	616
		18,745	16,435	35,180	19,147	17,034	36,181
		10,040	34,185	44,225	240	31,961	32,201
		2,593	-	2,593	2,825	-	2,825
		60,971	76,110	137,081	53,788	74,773	128,561
		136.75	214.62		115.71p	208.35p	

<sup>†</sup> These figures are audited.

# Unaudited Condensed Statement of Cash Flows

		Six months to 30 November 2020		
Notes		Income shares £'000	Growth shares £'000	Total £'000
9	Net cash outflow from operations before dividends and interest	(277)	(942)	(1,219)
	Dividends received	1,519	531	2,050
	Interest received	-	-	-
	Interest paid	(52)	-	(52)
	Net cash inflow/(outflow) from operating activities	1,190	(411)	779
	<b>Investing activities</b>			
	Purchases of investments	(1,327)	(2,777)	(4,104)
	Sales of investments	1,529	2,053	3,582
	<b>Cash flows from investing activities</b>	202	(724)	(522)
	<b>Cash flows before financing activities</b>	1,392	(1,135)	257
	<b>Financing activities</b>			
6	Equity dividends paid	(1,540)	-	(1,540)
	Net proceeds from issuance of new shares	488	1,056	1,544
	Sale of shares from treasury	-	-	-
	Shares purchased to be held in treasury	(29)	-	(29)
	Share conversion	(135)	135	-
	<b>Cash flows from financing activities</b>	(1,216)	1,191	(25)
	Net movement in cash and cash equivalents	176	56	232
	Cash and cash equivalents at the beginning of the period	1,061	3,071	4,132
	<b>Cash and cash equivalents at the end of the period</b>	1,237	3,127	4,364
	<b>Represented by:</b>			
	Cash at bank and short-term deposits	1,237	3,127	4,364

		Six months to 30 November 2019			Year to 31 May 2020 <sup>‡</sup>		
		Income shares £'000	Growth shares £'000	Total £'000	Income shares £'000	Growth shares £'000	Total £'000
		(387)	(388)	(775)	(720)	(758)	(1,478)
		1,431	474	1,905	2,829	1,028	3,857
		4	12	16	10	18	28
		(51)	-	(51)	(102)	-	(102)
		997	98	1,095	2,017	288	2,305
		(1,606)	(301)	(1,907)	(6,668)	(3,428)	(10,096)
		1,494	533	2,027	3,617	1,111	4,728
		(112)	232	120	(3,051)	(2,317)	(5,368)
		885	330	1,215	(1,034)	(2,029)	(3,063)
		(1,448)	-	(1,448)	(2,713)	-	(2,713)
		1,081	-	1,081	3,466	594	4,060
		-	150	150	-	443	443
		-	(422)	(422)	-	(422)	(422)
		86	(86)	-	86	(86)	-
		(281)	(358)	(639)	839	529	1,368
		604	(28)	576	(195)	(1,500)	(1,695)
		1,256	4,571	5,827	1,256	4,571	5,827
		1,860	4,543	6,403	1,061	3,071	4,132
		1,860	4,543	6,403	1,061	3,071	4,132

<sup>‡</sup> These figures are audited.



# Unaudited Condensed Statement of Changes in Equity

## Six months to 30 November 2020

Notes	Income shares							Total shareholders' funds £000
	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserves £000	Revenue reserve £000	Revenue reserve £000	
As at 31 May 2020	4,415	26,909	252	19,147	240	2,825	53,788	
7 Increase in share capital in issue, net of issuance expenses	38	450	-	-	-	-	488	
7 Shares purchased for treasury	-	-	-	(29)	-	-	(29)	
7 Share conversion	(7)	-	-	(128)	-	-	(135)	
Transfer of net income from Growth to Income portfolio	-	-	-	-	-	310	310	
Transfer of capital from Income to Growth portfolio	-	-	-	-	(310)	-	(310)	
6 Dividends paid	-	-	-	-	-	(1,540)	(1,540)	
Return attributable to shareholders	-	-	-	-	5,512	1,358	6,870	
As at 30 November 2020	4,446	27,359	252	18,990	5,442	2,953	59,442	
Notes	Growth shares							Total shareholders' funds £000
	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserves £000	Revenue reserve £000	Revenue reserve £000	
As at 31 May 2020	3,408	22,006	364	17,034	31,961	-	74,773	
7 Increase in share capital in issue, net of issuance expenses	43	1,013	-	-	-	-	1,056	
7 Share conversion	7	-	-	128	-	-	135	
Transfer of net income from Growth to Income portfolio	-	-	-	-	-	(310)	(310)	
Transfer of capital from Income to Growth portfolio	-	-	-	-	310	-	310	
Return attributable to shareholders	-	-	-	-	14,696	310	15,006	
As at 30 November 2020	3,458	23,019	364	17,162	46,967	-	90,970	
Notes	Total							Total shareholders' funds £000
	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserves £000	Revenue reserve £000	Revenue reserve £000	
As at 31 May 2020	7,823	48,915	616	36,181	32,201	2,825	128,561	
7 Increase in share capital in issue, net of share issuance expenses	81	1,463	-	-	-	-	1,544	
7 Shares purchased for treasury	-	-	-	(29)	-	-	(29)	
7 Share conversion	-	-	-	-	-	-	-	
6 Dividends paid	-	-	-	-	-	(1,540)	(1,540)	
Return attributable to shareholders	-	-	-	-	20,208	1,668	21,876	
Total Company as at 30 November 2020	7,904	50,378	616	36,152	52,409	2,953	150,412	

## Six months to 30 November 2019

Notes	Income shares							Total shareholders' funds £000
	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserves £000	Revenue reserve £000	Revenue reserve £000	
As at 31 May 2019	4,372	23,703	30	19,066	7,919	2,538	57,628	
Increase in share capital in issue, net of issuance expenses	80	1,001	-	-	-	-	1,081	
Share conversion	5	378	24	(321)	-	-	86	
Transfer of net income from Growth to Income portfolio	-	-	-	-	-	321	321	
Transfer of capital from Income to Growth portfolio	-	-	-	-	(321)	-	(321)	
6 Dividends paid	-	-	-	-	-	(1,448)	(1,448)	
Return attributable to shareholders	-	-	-	-	2,442	1,182	3,624	
As at 30 November 2019	4,457	25,082	54	18,745	10,040	2,593	60,971	
Notes	Growth shares							Total shareholders' funds £000
	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserves £000	Revenue reserve £000	Revenue reserve £000	
As at 31 May 2019	3,563	21,417	186	17,117	30,830	-	73,113	
Shares sold from treasury	-	3	-	147	-	-	150	
Shares purchased for treasury	-	-	-	(422)	-	-	(422)	
Share conversion	(5)	306	20	(407)	-	-	(86)	
Transfer of net income from Growth to Income portfolio	-	-	-	-	-	(321)	(321)	
Transfer of capital from Income to Growth portfolio	-	-	-	-	321	-	321	
Return attributable to shareholders	-	-	-	-	3,034	321	3,355	
As at 30 November 2019	3,558	21,726	206	16,435	34,185	-	76,110	
Notes	Total							Total shareholders' funds £000
	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserves £000	Revenue reserve £000	Revenue reserve £000	
As at 31 May 2019	7,935	45,120	216	36,183	38,749	2,538	130,741	
Increase in share capital in issue, net of share issuance expenses	80	1,001	-	-	-	-	1,081	
Shares sold from treasury	-	3	-	147	-	-	150	
Shares purchased for treasury	-	-	-	(422)	-	-	(422)	
Share conversion	-	684	44	(728)	-	-	-	
6 Dividends paid	-	-	-	-	-	(1,448)	(1,448)	
Return attributable to shareholders	-	-	-	-	5,476	1,503	6,979	
Total Company as at 30 November 2019	8,015	46,808	260	35,180	44,225	2,593	137,081	

# Unaudited Condensed Statement of Changes in Equity (continued)

Year to 31 May 2020 <sup>†</sup>							
Notes	Income shares						
	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserves £000	Revenue reserve £000	Total shareholders' funds £000
As at 31 May 2019	4,372	23,703	30	19,066	7,919	2,538	57,628
Increase in share capital in issue, net of share issuance expenses	260	3,206	-	-	-	-	3,466
Share conversion	5	-	-	81	-	-	86
Cancellation of deferred shares	(222)	-	222	-	-	-	-
Transfer of net income from Growth to Income portfolio	-	-	-	-	-	680	680
Transfer of capital from Income to Growth portfolio	-	-	-	-	(680)	-	(680)
6 Dividends paid	-	-	-	-	-	(2,713)	(2,713)
Return attributable to shareholders	-	-	-	-	(6,999)	2,320	(4,679)
As at 31 May 2020	4,415	26,909	252	19,147	240	2,825	53,788
	Growth shares						
	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserves £000	Revenue reserve £000	Total shareholders' funds £000
As at 31 May 2019	3,563	21,417	186	17,117	30,830	-	73,113
Increase in share capital in issue, net of share issuance expenses	28	566	-	-	-	-	594
Shares sold from treasury	-	23	-	420	-	-	443
Shares purchased for treasury	-	-	-	(422)	-	-	(422)
Share conversion	(5)	-	-	(81)	-	-	(86)
Cancellation of deferred shares	(178)	-	178	-	-	-	-
Transfer of net income from Growth to Income portfolio	-	-	-	-	-	(680)	(680)
Transfer of capital from Income to Growth portfolio	-	-	-	-	680	-	680
Return attributable to shareholders	-	-	-	-	451	680	1,131
As at 31 May 2020	3,408	22,006	364	17,034	31,961	-	74,773
	Total						
	Share capital £000	Share premium account £000	Capital redemption reserve £000	Special reserve £000	Capital reserves £000	Revenue reserve £000	Total shareholders' funds £000
As at 31 May 2019	7,935	45,120	216	36,183	38,749	2,538	130,741
Increase in share capital in issue, net of share issuance expenses	288	3,772	-	-	-	-	4,060
Shares sold from treasury	-	23	-	420	-	-	443
Shares purchased for treasury	-	-	-	(422)	-	-	(422)
Share conversion	-	-	-	-	-	-	-
Cancellation of deferred shares	(400)	-	400	-	-	-	-
6 Dividends paid	-	-	-	-	-	(2,713)	(2,713)
Return attributable to shareholders	-	-	-	-	(6,548)	3,000	(3,548)
Total Company as at 31 May 2020	7,823	48,915	616	36,181	32,201	2,825	128,561

<sup>†</sup> These figures are audited.

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# Notes to the Condensed Financial Statements (unaudited)

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## 1. Accounting policies

These condensed financial statements have been prepared on a going concern basis in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, FRS 102, FRS 104 Interim Financial Reporting and the Statement of Recommended Practice (“SORP”) “Financial Statements of Investment Trust Companies and Venture Capital Trusts” issued by The Association of Investment Companies (“AIC”).

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 May 2020.

## 2. Income

	Six months to 30 November 2020 £’000	Six months to 30 November 2019 £’000	Year to 31 May 2020 £’000
UK dividends	1,579	1,285	2,679
Overseas dividends	530	626	1,144
Deposit income	-	16	28
Total income	2,109	1,927	3,851

## 3. Investment management and performance fees

During the period, the Company incurred investment management fees of £483,000 (30 November 2019: £447,000; 31 May 2020: £881,000), of which £250,000 was payable to BMO Investment Business Limited at the period end.

At 30 November 2020 the adjusted total return of the Income portfolio for the period since 31 May 2020 (being the date a performance fee was last accrued) exceeded that of the FTSE All-Share Index and a performance fee of £114,000 was accrued in the Income portfolio at 30 November 2020 (30 November 2019: £25,000; 31 May 2020: £206,000).

At 30 November 2020 the adjusted total return of the Growth portfolio for the period since 31 May 2020 (being the date a performance fee was last payable) exceeded that of the FTSE All-Share Index and a performance fee of £160,000 was accrued in the Growth portfolio at 30 November 2020 (30 November 2019: £nil; 31 May 2020: £263,000)

# Notes to the Condensed Financial Statements (unaudited) (continued)

## 3. Investment management and performance fees (continued)

As the NAV per Income share at 31 May 2020 was less than the Watermark NAV at 31 May 2019 (the date a performance fee was last payable in the Income portfolio) payment of the performance fee of £206,000 which was accrued in the Income portfolio at 31 May 2020 is deferred until the end of the next financial year when the NAV per share for the Income portfolio is in excess of the Watermark NAV. If the Watermark NAV is not reached by the end of the fourth financial year subsequently, it will no longer be payable.

## 4. Investments

	Income shares Level 1* £'000	Growth shares Level 1* £'000	Total £'000
Cost at 31 May 2020	51,603	46,858	98,461
Gains at 31 May 2020	6,284	25,498	31,782
Valuation at 31 May 2020	57,887	72,356	130,243
Movement in the period:			
Purchases at cost	1,314	2,777	4,091
Sales proceeds	(1,529)	(2,053)	(3,582)
(Losses)/gains on investments sold in period	(575)	178	(397)
Gains on investments held at period end	6,369	14,901	21,270
<b>Valuation of investments held at 30 November 2020</b>	<b>63,466</b>	<b>88,159</b>	<b>151,625</b>

	Income shares Level 1* £'000	Growth shares Level 1* £'000	Total £'000
Cost at 30 November 2020	50,813	47,760	98,573
Gains at 30 November 2020	12,653	40,399	53,052
<b>Valuation at 30 November 2020</b>	<b>63,466</b>	<b>88,159</b>	<b>151,625</b>

\*Fair value hierarchy

	Income shares £'000	Growth shares £'000	Total £'000
<b>Gains on investments</b>			
(Losses)/gains on investments sold in period	(575)	178	(397)
Gains on investments held at period end	6,369	14,901	21,270
<b>Total gains on investments</b>	<b>5,794</b>	<b>15,079</b>	<b>20,873</b>

#### 4. Investments (continued)

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 – quoted prices (unadjusted) in active markets for identical assets;

Level 2 – investments whose value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables includes only data from observable markets; and

Level 3 – investments whose value is not based on observable market data.

There were no investments held which are valued in accordance with Levels 2 or 3.

#### 5. Return per share

The return per share for the six months to 30 November 2020 is as follows:

	Income shares			Growth shares		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return attributable to portfolios	1,358	5,512	6,870	310	14,696	15,006
Transfer of net income from Growth to Income portfolio	310	-	310	(310)	-	(310)
Transfer of capital from Income to Growth portfolio	-	(310)	(310)	-	310	310
Return attributable to shareholders	1,668	5,202	6,870	-	15,006	15,006
Return per share	3.57p	11.12p	14.69p	-	41.58p	41.58p
Weighted average number of shares in issue during the period		46,766,360			36,089,942	

# Notes to the Condensed Financial Statements (unaudited) (continued)

## 5. Return per share (continued)

The return per share for the comparative six months to 30 November 2019 is as follows:

	Income shares			Growth shares		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return attributable to portfolios	1,182	2,442	3,624	321	3,034	3,355
Transfer of net income from Growth to Income portfolio	321	-	321	(321)	-	(321)
Transfer of capital from Income to Growth portfolio	-	(321)	(321)	-	321	321
Return attributable to shareholders	1,503	2,121	3,624	-	3,355	3,355
Return per share	3.40p	4.80p	8.20p	-	9.44p	9.44p
Weighted average number of shares in issue during the period		44,164,590			35,522,627	

The return per share for the comparative year to 31 May 2020 is as follows:

	Income shares			Growth shares		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return attributable to portfolios	2,320	(6,999)	(4,679)	680	451	1,131
Transfer of net income from Growth to Income portfolio	680	-	680	(680)	-	(680)
Transfer of capital from Income to Growth portfolio	-	(680)	(680)	-	680	680
Return attributable to shareholders	3,000	(7,679)	(4,679)	-	1,131	1,131
Return per share	6.69p	(17.13p)	(10.44p)	-	3.18p	3.18p
Weighted average number of shares in issue during the period		44,837,359			35,573,520	

## 6. Dividends

		Six months to 30 November 2020 £'000	Six months to 30 November 2019 £'000	Year to 31 May 2020 £'000
<b>Dividends on Income shares</b>	Payment date			
<b>Amounts recognised as distributions during the period:</b>				
<b>In respect of the previous financial year:</b>				
- fourth interim of 1.9p (prior period:1.9p) per share	10-Jul-2020	883	831	831
<b>In respect of the period under review:</b>				
- first interim of 1.4p (prior period: 1.4p) per share	9-Oct-2020	657	617	617
- second interim (prior period: 1.4p per share)	-	-	-	628
- third interim (prior period: 1.4p per share)	-	-	-	637
		<b>1,540</b>	1,448	2,713

A second interim dividend in respect of the year to 31 May 2021 of 1.4p per Income share was paid on 8 January 2021 to shareholders on the register on 18 December 2020. This amount has not been accrued in the results for the six months to 30 November 2020.

For the financial year to 31 May 2020 interim dividends totalled 6.1p per Income share.

The Growth shares do not carry an entitlement to receive dividends.

# Notes to the Condensed Financial Statements (unaudited) (continued)

## 7. Share capital

	Listed		Held in treasury		In issue	
	Number	£'000	Number	£'000	Number	£'000
<b>Income shares</b>						
Balance at 1 June 2020 <sup>^</sup>	46,485,537	4,415	-	-	46,485,537	4,415
Issued	400,000	38	-	-	400,000	38
Share conversion:						
- Income to Growth	(258,490)	(25)	-	-	(258,490)	(25)
- Growth to Income	142,743	14	-	-	142,743	14
Purchased for treasury	-	-	(25,000)	(2)	(25,000)	(2)
<b>Balance at 30 November 2020<sup>^</sup></b>	<b>46,769,790</b>	<b>4,442</b>	<b>(25,000)</b>	<b>(2)</b>	<b>46,744,790</b>	<b>4,440</b>
	Deferred shares – Income					
	Number	£'000				
<b>Deferred shares – Income</b>						
Balance at 1 June 2020	-	-				
Issue of 258,490 shares <sup>*†</sup>	258,490	4				
<b>Balance at 30 November 2020</b>	<b>258,490</b>	<b>4</b>				
<b>Total called-up share capital</b>		<b>4,446</b>				

<sup>^</sup> The nominal value of each Income share is £0.094976101 per Income share.

<sup>\*†</sup> The nominal value of a Deferred share is £0.0164991878 per share.

During the period, the Company issued 400,000 Income shares (30 November 2019: 800,000; 31 May 2020: 2,700,000) from the block listing facilities receiving net proceeds of £488,000 (30 November 2019: £1,081,000; 31 May 2020: £3,466,000) and purchased for treasury 25,000 Income shares at a cost of £29,000. At 30 November 2020, the Company held 25,000 Income shares in treasury (30 November 2019: nil; 31 May 2020: nil).

During the period, valid conversion notices were received to convert 258,490 Income shares (which represented a value of £301,000). These were converted into 130,294 Growth shares in accordance with the Company's Articles and by reference to the ratio of the relative underlying net asset values of the Growth shares and Income shares on the conversion date.

The Company's Articles allow for Deferred shares to be allotted as part of the share conversion to ensure that the conversion does not result in a reduction of the aggregate par value of the Company's issued share capital. The Deferred shares issued as part of the share conversion in the current period are set out above. The Deferred shares will be repurchased by the Company from time to time as authorised by shareholders at the September 2020 AGM.



## 7. Share capital (continued)

	Listed		Held in treasury		In issue	
	Number	£'000	Number	£'000	Number	£'000
<b>Growth shares</b>						
Balance at 1 June 2020 <sup>^</sup>	35,888,210	3,408	-	-	35,888,210	3,408
Issued	450,000	43	-	-	450,000	43
Share conversion:						
- Growth to Income	(71,951)	(6)	-	-	(71,951)	(6)
- Income to Growth	130,294	12	-	-	130,294	12
<b>Balance at 30 November 2020<sup>^</sup></b>	<b>36,396,553</b>	<b>3,457</b>	<b>-</b>	<b>-</b>	<b>36,396,553</b>	<b>3,457</b>
	Deferred shares - Growth					
	Number	£'000				
<b>Deferred shares - Growth</b>						
Balance at 1 June 2020	-	-				
Issue of 71,951 shares <sup>*</sup>	71,951	1				
<b>Balance at 30 November 2020</b>	<b>71,951</b>	<b>1</b>				
<b>Total called-up share capital</b>		<b>3,458</b>				

<sup>^</sup> The nominal value of each Growth share is £0.094976101 per Growth share.

<sup>\*</sup> The nominal value of a Deferred share is £0.0164991878 per share.

During the period, the Company issued 450,000 Growth shares (30 November 2019: nil; 31 May 2020: 295,000) from the block listing facilities receiving net proceeds of £1,056,000 (30 November 2019: £nil; 31 May 2020: £594,000). At 30 November 2020, the Company held nil Growth shares in treasury (30 November 2019: 130,000; 31 May 2020: nil).

During the period, valid conversions were received to convert 71,951 Growth shares (which represented a value of £166,000). These were converted into 142,743 Income shares in accordance with the Company's Articles and by reference to the ratio of the relative underlying net asset values of the Growth shares and Income shares on the conversion date.

The Company's Articles allow for Deferred shares to be allotted as part of the share conversion to ensure that the conversion does not result in a reduction of the aggregate par value of the Company's issued share capital. The Deferred shares issued as part of the share conversion in the current period are set out above. The Deferred shares will be repurchased by the Company from time to time as authorised by shareholders at the September 2020 AGM.

# Notes to the Condensed Financial Statements (unaudited) (continued)

## 8. Net asset value per share

	30 November 2020	30 November 2019	31 May 2020
<b>Income shares</b>			
Net asset value per share – pence	127.16p	136.75p	115.71p
Net assets attributable at end of period – £'000	59,442	60,971	53,788
Shares in issue at end of period – number	46,744,790	44,585,537	46,485,537
<b>Growth shares</b>			
Net asset value per share – pence	249.94p	214.62p	208.35p
Net assets attributable at end of period – £'000	90,970	76,110	74,773
Shares in issue at end of period – number	36,396,553	35,463,210	35,888,210

## 9. Reconciliation of return on ordinary activities before tax to net cash flows from operating activities

	Income shares £'000	Growth shares £'000	Total £'000
<b>Six months to 30 November 2020</b>			
Return on ordinary activities before tax	6,870	15,006	21,876
Adjust for returns from non-operating activities:			
Gains on investments	(5,794)	(15,079)	(20,873)
Exchange losses	13	–	13
<b>Return from operating activities</b>	<b>1,089</b>	<b>(73)</b>	<b>1,016</b>
Decrease in prepayments	5	5	10
Increase/(decrease) in creditors	112	(340)	(228)
Withholding tax recovered	37	–	37
Dividend income	(1,575)	(534)	(2,109)
Interest expense	55	–	55
<b>Net cash outflow from operations before dividends and interest</b>	<b>(277)</b>	<b>(942)</b>	<b>(1,219)</b>

## 9. Reconciliation of return on ordinary activities before tax to net cash flows from operating activities (continued)

	Income shares £'000	Growth shares £'000	Total £'000
<b>Six months to 30 November 2019</b>			
Return on ordinary activities before tax	3,624	3,355	6,979
Adjust for returns from non-operating activities:			
Gains on investments	(2,624)	(3,228)	(5,852)
Exchange losses	1	-	1
<b>Return from operating activities</b>	<b>1,001</b>	<b>127</b>	<b>1,128</b>
Increase in prepayments	-	(4)	(4)
(Decrease)/increase in creditors	(45)	5	(40)
Withholding tax recovered	13	-	13
Dividend income	(1,407)	(504)	(1,911)
Interest income	(4)	(12)	(16)
Interest expense	55	-	55
<b>Net cash outflow from operations before dividends and interest</b>	<b>(387)</b>	<b>(388)</b>	<b>(775)</b>
	Income shares £'000	Growth shares £'000	Total £'000
<b>Year to 31 May 2020</b>			
Return on ordinary activities before tax	(4,666)	1,131	(3,535)
Adjust for returns from non-operating activities:			
Losses/(gains) on investments	6,472	(1,096)	5,376
Exchange losses	13	-	13
<b>Return from operating activities</b>	<b>1,819</b>	<b>35</b>	<b>1,854</b>
Decrease in prepayments	(3)	(6)	(9)
Increase in creditors	138	285	423
Withholding tax suffered	(5)	-	(5)
Dividend income	(2,769)	(1,054)	(3,823)
Interest income	(10)	(18)	(28)
Interest expense	110	-	110
<b>Net cash outflow from operations before dividends and interest</b>	<b>(720)</b>	<b>(758)</b>	<b>(1,478)</b>

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# Notes to the Condensed Financial Statements (unaudited) (continued)

## 10. Earnings

Earnings for the six months to 30 November 2020 should not be taken as a guide to the results for the full year to 31 May 2021.

## 11. Tax

The effective revenue tax rate for the period to 30 November 2020 is nil% (30 November 2019: nil%; 31 May 2020: 0.4%). This is lower than the rate of corporation tax for small companies due to the level of non-taxable dividend income.

## 12. Bank borrowing

The Company has a £5 million fixed term loan to 10 February 2022 with The Royal Bank of Scotland International Limited. £5 million of the fixed term loan was drawn down as at 30 November 2020 at a fixed interest rate of 2.03% per annum.

During the period there were no changes in the amount borrowed and therefore no change in liabilities arising from financing activities.

## 13. Going concern

In assessing the going concern basis of accounting, the Directors have had regard to the guidance issued by the Financial Reporting Council (including that related to COVID-19) and have undertaken a rigorous review of the Company's ability to continue as a going concern and specifically in the context of the COVID-19 pandemic.

The Company's investment objective and policy, which is subject to regular Board monitoring processes, is designed to ensure that the Company is invested principally in listed securities. The value of these investments exceeds the Company's liabilities by a significant margin.

The Company retains title to all assets held by its Custodian and has an agreement relating to its borrowing facility with which it has complied. Cash is only held with banks approved and regularly reviewed by the Manager.

The Directors believe, having assessed the principal risks and other matters, including the COVID-19 pandemic and in light of the controls and review processes and bearing in mind the nature of the Company's business and assets and revenue and expenditure projections, that the Company has adequate resources to continue in operational existence within its stated investment policy for a period of at least twelve months commencing from the date of approval of the financial statements. Accordingly, the financial statements have been drawn up on the basis that the Company is a going concern.

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### **13. Going concern (continued)**

The Company does not have a fixed life. However, the Company's Articles of Association require the Board to put a resolution to shareholders at every fifth AGM to continue the Company. An ordinary resolution to approve the continuation of the Company was passed at the AGM held on 19 September 2018 and will next be put to shareholders at the AGM in 2023.

### **14. Related party transactions**

The Directors of the Company are considered a related party. There have been no transactions with related parties during the first six months of the current financial year that have materially affected the financial position or performance of the Company during the period and there have been no changes in the related party transactions described in the last Annual Report that could do so.

### **15. Results**

The Company's auditor, KPMG LLP, has not audited or reviewed the Interim Report to 30 November 2020 pursuant to the Auditing Practices Board guidance on 'Review of Interim Financial Information'. These are not full statutory financial statements in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory financial statements for the year ended 31 May 2020, which received an unqualified audit report, and which did not contain a statement under Section 498 of the Companies Act 2006, have been lodged with the Registrar of Companies. The abridged financial statements included for the year ended 31 May 2020 are an extract from those financial statements. No full statutory financial statements in respect of any period after 31 May 2020 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

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# Statement of Principal Risks and Uncertainties

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Most of the Company's principal risks and uncertainties that could threaten the achievement of its objective; strategy, future performance, liquidity and solvency are market related and comparable to those of other investment trusts investing primarily in listed securities.

These risks, and the way in which they are managed, are described in more detail under the heading "Principal Risks and Uncertainties and Viability Statement" within the Strategic Report in the Company's Annual Report for the year ended 31 May 2020.

The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remainder of the Company's financial year.

The principal risks identified in the Annual Report were:

- **Market Risk.** The Company's assets consist mainly of listed closed-end investment

companies and its principal financial risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk

- Investment Risk
- Custody Risk
- Operational Risk

These include risks in relation to failures at service providers or loss or sabotage of data through cyber threats or business continuity failure.

The Board has also considered the impact of Coronavirus (COVID-19) which has increased uncertainty and volatility in markets and has impacted the value of investments. In addition the operational resilience of the Manager and the Company's other third party service providers has been considered. This is included within financial risk and operational risk.

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# Statement of Directors' Responsibilities in Respect of the Interim Report

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We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with applicable UK Accounting Standards on a going concern basis and give a true and fair view of the assets, liabilities, financial position and return of the Company;
- the Chairman's Statement and the Statement of Principal Risks and Uncertainties (together constituting the Interim Management Report) include a fair review of the information required by the Disclosure Guidance and Transparency Rule ('DTR') 4.2.7R, being an indication of 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 Risks and Uncertainties is a fair review of the principal risks and uncertainties for the remainder of the financial year; and
- the Interim Report includes a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during the period, and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board

**Colin S McGill**

Director

27 January 2021

# Alternative Performance Measures (“APMs”)

The Company uses the following APMs:

**Discount/premium** – the share price of an investment company is derived from buyers and sellers trading their shares on the stock market. This price is not identical to the net asset value (NAV) per share of the underlying assets less liabilities of the Company. If the share price is lower than the NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers of shares than buyers. Shares trading at a price above NAV per share are deemed to be at a premium usually indicating there are more buyers of shares than sellers.

		30 November 2020		31 May 2020	
		Income shares	Growth shares	Income shares	Growth shares
Net asset value per share	(a)	127.16p	249.94p	115.71p	208.35p
Share price	(b)	127.00p	251.00p	117.50p	212.00p
-Discount/+premium (c = (b-a)/(a))	(c)	-0.1%	+0.4%	+1.5%	+1.8%

**Total return** – the return to shareholders calculated on a per share basis taking into account both any dividends paid in the period and the increase or decrease in the share price or NAV in the period. The dividends are assumed to have been re-invested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex-dividend.

The effect of reinvesting these dividends on the respective ex-dividend dates and the share price total returns and NAV total returns are shown below.

	Six months to 30 November 2020		Year to 31 May 2020	
	Income shares	Growth shares	Income shares	Growth shares
NAV per share at start of financial period/year	115.71p	208.35p	131.81p	205.17p
NAV per share at end of financial period/year	127.16p	249.94p	115.71p	208.35p
Change in the period/year	9.9%	20.0%	-12.2%	1.5%
Impact of dividend reinvestments <sup>(1)</sup>	3.1%	n/a	4.9%	n/a
NAV total return for the period/year	13.0%	20.0%	-7.3%	1.5%

<sup>(1)</sup> During the six months to 30 November 2020 dividends totalling 3.3p went ex-dividend with respect to the Income shares. During the year to 31 May 2020 the equivalent figure was 6.1p.



	Six months to 30 November 2020		Year to 31 May 2020	
	Income shares	Growth shares	Income shares	Growth shares
Share price per share at start of financial period/year	117.5p	212.0p	134.5p	206.0p
Share price per share at end of financial period/year	127.0p	251.0p	117.5p	212.0p
Change in the period/year	8.1%	18.4%	-12.6%	2.9%
Impact of dividend reinvestment <sup>(1)</sup>	3.0%	n/a	4.3%	n/a
Share price total return for the period/year	11.1%	18.4%	-8.3%	2.9%

<sup>(1)</sup> During the six months to 30 November 2020 dividends totalling 3.3p went ex-dividend with respect to the Income shares. During the year to 31 May 2020 the equivalent figure was 6.1p.

**Yield** – the total annual dividend expressed as a percentage of the period-end share price.

		30 November 2020	31 May 2020
Annual dividend	(a)	6.1p <sup>(1)</sup>	6.1p
Income share price	(b)	127.0p	117.5p
Yield (c = a/b)	(c)	4.8%	5.2%

<sup>(1)</sup> Based on dividends at the expected minimum annual rate of 6.10 pence per Income share for the financial year to 31 May 2021.

**Net gearing/net cash** – this is the ratio of the borrowings of the Company to its net assets. If the Company has cash assets, these may be assumed to net off against borrowings giving a “net” gearing percentage. Where cash assets exceed borrowings, the Company is described as having “net cash”.

	30 November 2020		31 May 2020	
	Income shares £'000	Growth shares £'000	Income shares £'000	Growth shares £'000
Borrowings	(5,000)	–	(5,000)	–
Cash	1,237	3,127	1,061	3,071
Net assets	(3,763)	3,127	(3,939)	3,071
-Net gearing/+net cash	-6.3%	+3.4%	-7.3%	+4.1%

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## Alternative Performance Measures (“APMs”) (continued)

**Compound annual growth rate** – converts the NAV total return over a period of more than one year to a constant annual rate of return applied to the compounded value at the start of each year.

	30 November 2020	
	Income shares	Growth shares
Indexed NAV total return at 30 November 2010	100.0	100.0
Indexed NAV total return at 30 November 2020	212.2	259.5
Period (years)	10.0	10.0
Compound annual growth rate	7.8%	10.0%

# How to Invest

One of the most convenient ways to invest in BMO Managed Portfolio Trust PLC is through one of the savings plans run by BMO.

## **BMO Investment Trust ISA**

You can use your ISA allowance to make an annual tax-efficient investment of up to £20,000 for the 2020/21 tax year with a lump sum from £500 or regular savings from £50 a month per Trust. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

## **BMO Junior ISA (JISA)\***

You can invest up to £9,000 for the tax year 2020/21 from £500 lump sum or £30 a month per Trust, or a combination of both. Please note, if your child already has a Child Trust Fund (CTF), then you cannot open a separate JISA, however you can transfer the existing CTF (held either with BMO or another provider) to a BMO JISA.

## **BMO Child Trust Fund (CTF)\***

If your child has a CTF you can invest up to £9,000 for the 2020/21 tax year, from £100 lump sum or £25 a month per Trust, or a combination of both. You can also transfer a CTF from another provider to a BMO CTF. Please note, the CTF has been replaced by the JISA and is only available to investors who already hold a CTF.

## **BMO General Investment Account (GIA)**

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £500 lump sum or £50 a month per Trust. You can also make additional lump sum top-ups at any time from £250 per Trust.

## **BMO Junior Investment Account (JIA)**

This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £250 lump sum or £25 a month per Trust. You can also make additional lump sum top-ups at any time from £100 per Trust.

## **Charges**

Annual management charges and other charges apply according to the type of plan.

## **Annual account charge**

**ISA:** £60+VAT

**GIA:** £40+VAT

**JISA/JIA/CTF:** £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits).

## **Dealing charges**

**ISA:** 0.2%

**GIA/JIA/JISA:** postal instructions £12, online instructions £8 per Trust.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits for the GIA, JIA and JISA.

There are no dealing charges on a CTF but a switching charge of £25 applies if more than 2 switches are carried out in one year.

Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

There may be additional charges made if you transfer a plan to another provider or transfer the shares from your plan.

The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing. For regulatory purposes, please ensure you have read the Pre-sales cost disclosures related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you are wanting to invest into.

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# How to Invest (continued)

## How to Invest

To open a new BMO plan, apply online at [bmogam.com/apply](https://bmogam.com/apply)

Note, this is not available if you are transferring an existing plan with another provider to BMO, or if you are applying for a new plan in more than one name.

### New Customers

Call: **0800 136 420\*\***  
(8.30am – 5.30pm, weekdays)  
Email: [info@bmogam.com](mailto:info@bmogam.com)

### Existing Plan Holders

Call: **0345 600 3030\*\***  
(9.00am – 5.00pm, weekdays)  
Email: [investor.enquiries@bmogam.com](mailto:investor.enquiries@bmogam.com)  
By post: BMO Administration Centre  
PO Box 11114  
Chelmsford  
CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **Barclays Stockbrokers, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, Selftrade, The Share Centre**

### Notes

\* The CTF and JISA accounts are opened in the child's name and they have access to the money at age 18.

\*\* Calls may be recorded or monitored for training and quality purposes.



**BMO Asset Management Limited**

0345 600 3030, 9.00am - 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.

BMO Asset Management Limited is authorised and regulated by the Financial Conduct Authority and is a member of BMO Global Asset Management EMEA of which the ultimate parent company is the Bank of Montreal. LS6\_04/19\_CM11982

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# Corporate Information

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## Directors

Colin S McGill (Chairman)<sup>(1)</sup>  
David Harris<sup>(2)</sup>  
Susan P Inglis<sup>(3)</sup>  
Alistair G Stewart (retired  
24 September 2020)  
David Warnock

## Alternative Investment Fund Manager ('AIFM'), Investment Manager and Company Secretary

BMO Investment Business  
Limited  
6th Floor, Quatermile 4  
7a Nightingale Way  
Edinburgh EH3 9EG

## Auditor

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh EH1 2EG

## Broker

Winterflood Investment Trusts  
The Atrium Building  
Cannon Bridge House  
25 Dowgate Hill  
London EC4R 2GA

## Depository

JPMorgan Europe Limited  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Principal Banker and Custodian

JPMorgan Chase Bank  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Bankers

The Royal Bank of Scotland  
International Limited  
1 Princes Street  
London EC2R 8BP

## Solicitors

Dickson Minto W.S.  
16 Charlotte Square  
Edinburgh EH2 4DF

## Company Number

SC338196

## Website

[bmomanagedportfolio.com](http://bmomanagedportfolio.com)

## Legal Entity identifier

213800ZA6TW45NM9YY31

<sup>(1)</sup> Chairman of the Management Engagement Committee and Nomination Committee


<sup>(2)</sup> Senior Independent Director

<sup>(3)</sup> Sue Inglis was appointed Chair of The Audit Committee following Alistair Stewart's retirement on 24 September 2020

# BMO Managed Portfolio Trust PLC

## Interim Report 2020

### Registered Office

-  6th Floor, Quatermile 4, 7a Nightingale Way, Edinburgh EH3 9EG
-  Tel: 0207 628 8000 Fax: 0131 718 1280
-  [bmomanagedportfolio.com](http://bmomanagedportfolio.com)

### Registrars

-  Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
-  Registrars' Shareholder Helpline: 0371 384 2923\*  
Registrars' Broker Helpline: 0906 559 6025†  
Registrars' Overseas Helpline: +44 121 415 7012\*\*
-  [shareview.co.uk](http://shareview.co.uk)

\* Lines open 9.00 am to 5.00 pm, Monday to Friday, excluding public holidays in England and Wales.

† Calls to this number are charged at £1 per minute from a BT landline. Other telephony providers' costs may vary.

Lines open 9.00 am to 5.00 pm, Monday to Friday, excluding public holidays in England and Wales.

\*\* Local overseas call rates will apply.

