



# BMO Managed Portfolio Trust PLC

Interim Report for the  
six months ended  
30 November 2021

**BMO**



Part of



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## 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.



# Company Overview

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.

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

4.3%

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

Dividend yield of 4.3% at 30 November 2021, compared to the yield on the FTSE All-Share Index of 3.2%. Dividends are paid quarterly and this year the aim is to make the payments of more equal amounts.

+1.7%

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

Net asset value total return per Income share of +1.7% for the six months underperforming the FTSE All-Share Index total return of +1.9% by -0.2%.

Total Return <sup>(1)</sup>		
	Six months to 30 November 2021	Year to 31 May 2021
Net asset value per Income share	+1.7%	+29.0%
Income share price	+2.8%	+28.2%
FTSE All-Share Index	+1.9%	+23.1%

Other Financial Highlights			
	30 November 2021	31 May 2021	% Change
Net asset value per Income share – capital only	141.07p	142.22p	-0.8%
Income share price – capital only	144.00p	143.50p	+0.3%
FTSE All-Share Index – capital only	4,025.87	4,016.13	+0.2%
Dividend yield <sup>(1)</sup>	4.3%	4.3%	
Premium <sup>(1)</sup>	+2.1%	+0.9%	
Net gearing <sup>(1)</sup>	-7.3%	-7.4%	

#### Notes

<sup>(1)</sup> Yield, total return, premium and net gearing – see Alternative Performance Measures on pages 39 to 41.

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

+5.0%

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

Net asset value total return per Growth share of +5.0% for the six months outperforming the FTSE All-Share Index total return of +1.9% by +3.1%.

+12.1%  
CAGR<sup>(1)</sup>

### Long-term growth

The net asset value per Growth share has increased by +214.0% over 10 years, the equivalent of +12.1% compound per year. This has outperformed the FTSE All-Share Index total return of +103.0%, the equivalent of +7.3% compound per year.

Total Return <sup>(1)</sup>		
	Six months to 30 November 2021	Year to 31 May 2021
Net asset value per Growth share	+5.0%	+32.5%
Growth share price	+6.1%	+30.7%
FTSE All-Share Index	+1.9%	+23.1%

Other Financial Highlights			
	30 November 2021	31 May 2021	% Change
Net asset value per Growth share – capital only	289.81p	276.01p	+5.0%
Growth share price – capital only	294.00p	277.00p	+6.1%
FTSE All-Share Index – capital only	4,025.87	4,016.13	+0.2%
Premium <sup>(1)</sup>	+1.4%	+0.4%	
Net cash <sup>(1)</sup>	+5.3%	+3.6%	

#### Notes

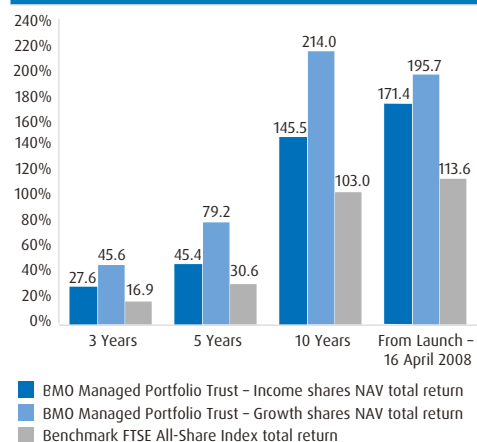
<sup>(1)</sup> Total return, compound annual growth rate, premium and net cash – see Alternative Performance Measures on pages 39 to 41.

Sources: BMO GAM and Refinitiv Eikon.

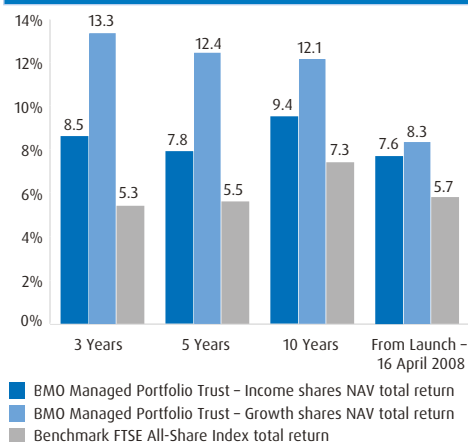
Investors are reminded that the value of investments and any income from them may go down as well as up and they may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

## Long-term Summary

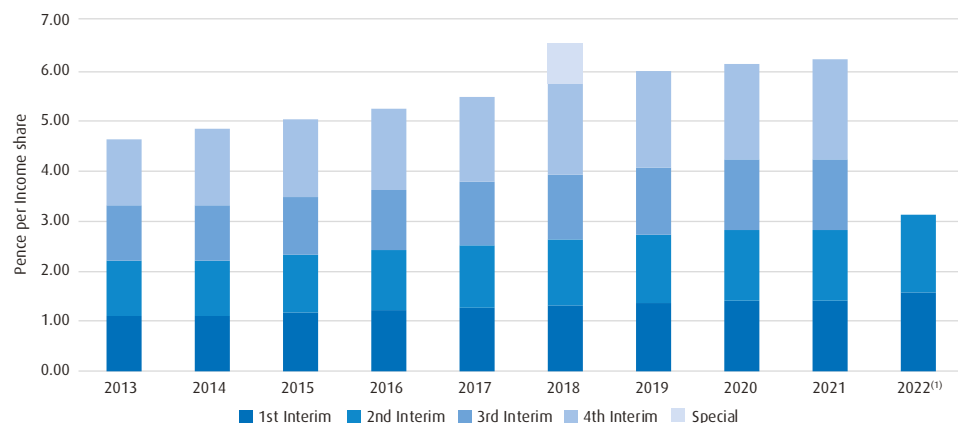
### Cumulative Performance to 30 November 2021



### Compound Annual Growth Rate to 30 November 2021



### Ten Year Dividend History for Financial Year to 31 May



<sup>(1)</sup> First two interim dividends paid to date for 2022 financial year.

## Chairman's Statement



David Warnock, Chairman

### Highlights

- Net asset value ("NAV") total return for the six months of +1.7% for the Income shares and +5.0% for the Growth shares as compared to the FTSE All-Share Index total return of +1.9%
- NAV total return compound annual growth rate over 10 years of +9.4% for the Income shares and +12.1% for the Growth shares compared with +7.3% from the FTSE All-Share Index
- Income share dividend yield of 4.3% at 30 November 2021

### Investment Performance

For the six months to 30 November 2021, the NAV total return was +1.7% for the Income shares and +5.0% for the Growth shares. The total return for the benchmark index for both share classes, the FTSE All-Share Index, was +1.9%. 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 2021, with the NAV total return

over 10 years achieving a compound annual growth rate of +9.4% for the Income shares and +12.1% for the Growth shares compared with +7.3% from the benchmark index.

The period under review experienced a reversal of the trend that had been evident in financial markets since the announcement of the first vaccines for COVID-19 in November 2020. Equity markets, sectors and individual stocks that had been perceived to benefit from a re-opening of economies had recovered strongly. However, from the beginning of June 2021 this changed, and bond yields, which had been rising in anticipation of very robust economic growth, began to subside. Growth, though still strong, was less than expected. The UK equity market which had been one of the best performers amongst global markets began to lag, and sectors and stocks previously leading the recovery also started to underperform on a relative basis and stocks that had done well earlier in the pandemic resumed their trend of outperformance. These were led by the US technology sector; as an illustration the Nasdaq Composite Index gained 21.8% over the period.

## Chairman's Statement (continued)

This trend benefitted the Growth Portfolio, which outperformed the benchmark index over the six months to 30 November 2021. A number of investment companies with exposure to the wider technology sector were the leading performers. This was led by the portfolio's largest holding **Allianz Technology Trust** which gained 30%. This was closely followed by **HgCapital Trust** ('HGT') which rose 27%. HGT is a private equity trust that specialises in business-critical software companies mainly based in Europe. Over the year to 30 September 2021, their top 20 holdings which account for over 80% of the assets of the trust grew earnings at 29% and revenues at 25%. The next best performer was another long-time holding, **Scottish Mortgage Investment Trust**, which experienced a 25% rise in its share price mainly as a result of its technology and healthcare holdings.

Due to the requirement for yield, it is always a challenge for the Income Portfolio to gain exposure to the secular growth opportunities offered by investment companies investing in the technology sector where the underlying companies pay no or low dividends. This was the main reason why the Income Portfolio was slightly behind the benchmark index over the six months to 30 November 2021. The leading performer and the largest holding was **NB Private Equity Partners** ('NBPE') whose share price gained 33%. NBPE is managed in the US where the majority of its portfolio is located. Most of its holdings are co-investments with other well known private equity managers

like Blackstone and KKR. Recently its largest holding Autostore, which provides warehouse robot technology solutions for customers worldwide, was successfully listed on the Oslo Stock Exchange. NBPE pays a dividend equivalent to 3% of its NAV annually. The next best performer with a 14% rise in its share price was **3i Infrastructure**. This has been one of the best performers in the Income Portfolio over the long term and also increased its dividend by 7% in its recent interim results.

(All share prices are total return).

### Revenue and Dividends

The Company's net revenue return for the six months was £1.67 million which is equivalent to 3.54p per Income share (compared to 3.57p per Income share for the corresponding period in 2020). Income shareholders 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 has been the case over the course of the COVID-19 pandemic and enabled many of our holdings to sustain or, in some cases, grow their dividend payments. Over recent months a number of holdings in the Income Portfolio have begun to announce increased dividend payments which is an encouraging sign of a return to health after the worst effects of the pandemic.

With the aim of making the quarterly interim dividends of more equal amounts, the rate for each of the first and second interim dividends in respect of the year to 31 May 2022 was increased to 1.55p per Income share (1.4p per Income share in the corresponding periods in the year to 31 May 2021).

In the absence of unforeseen circumstances, the Board intends to pay three quarterly interim dividends, each of 1.55p per Income share, and that the aggregate dividends for the current financial year to 31 May 2022 will be at least 6.2p per Income share (2021: 6.2p per Income share). As a result of making the interim dividends of more equal amounts and the increase in each of the first two interim dividends and the anticipated increase in the third interim dividend, the fourth interim dividend is expected to be lower than last year. The amount of the fourth interim dividend will be determined when a clearer view emerges of income for the year. A minimum expected annual rate of 6.2p per Income share represents a yield on the Income share price at 30 November 2021 of 4.3% which is materially higher than the yield of 3.2% on the FTSE All-Share Index at the same date.

### Borrowing

At 30 November 2021 the Income Portfolio had total borrowings of £7 million (9.4% of gross assets), the investment of which helps to boost net income after allowing for the interest cost. The Growth Portfolio had no borrowings.

### Management of Share Premium and Discount to NAV

In normal circumstances we aim to maintain the discount to NAV at which our shares trade at not more than 5%. In practice over the years the shares have generally traded close to NAV. During the six months to 30 November 2021 the average premium to NAV for the Income shares and for the Growth shares was 1.0% and 0.7% respectively. At 30 November 2021, the Income shares stood at a premium to NAV of 2.1% and the Growth shares at a premium of 1.4% to NAV.

### 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 4 November 2021 the conversion proceeded for those shareholders who had elected to do so. The net result of those conversions was a decrease of 27,625 Income shares and an increase of 13,595 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 2022. Details will be provided when the Company's annual report is published in late July 2022.

## Chairman's Statement (continued)

### Board Changes

Following the Annual General Meeting on 30 September 2021, the Chairman Colin McGill retired from the Board and I was pleased to accept the Board's invitation to become Chairman. Colin was a director of your Company for over 13 years since its launch in 2008 and served as Chairman of the Audit Committee until January 2019 at which point he was appointed Chairman of the Board. I would like to thank Colin for his exceptional contribution and commitment to the Company throughout this time.

Following Colin's retirement I have also become Chairman of the Management Engagement Committee and Nomination Committee.

As noted in the last Annual Report, David Harris was also appointed as a director at the launch of the Company in 2008 and has now served on the Board for close to 14 years. It is anticipated that David will retire at the AGM in September 2022 and a recruitment process to identify a new non-executive director will be undertaken in the first half of 2022.

### Ownership of the Manager

On 8 November 2021, Columbia Threadneedle Investments, part of Ameriprise Financial, acquired BMO's EMEA asset management business ('BMO GAM (EMEA)'). This added £97 billion of assets under management ('AUM') to Columbia Threadneedle increasing its AUM to £530 billion. This was a transaction that

was discussed in the Chairman's Statement in respect of the year to 31 May 2021. Your Board maintained a regular dialogue with BMO and has met with the CEO of Columbia Threadneedle Investments. We look forward to benefitting from the increase in scale and resources that the combined BMO/Columbia Threadneedle business can provide, and we are assured there will be no changes to the personnel running the activities of your Company in terms of both Fund Management and Administration.

### Outlook

As Governments and Central Banks acknowledge that inflation has moved from being "transitory" to "sustained", this has reflected in a tapering down of monetary stimulus and the start (albeit from very low levels) of increases in interest rates. The Bank of England increased UK rates in December. The key theme in 2022 will be the speed and magnitude of interest rate rises and the chances of a policy mistake have increased.

For equity markets, volatility will likely increase and against a background of higher inflation and rising interest rates, positive equity returns may be harder to achieve. One of the features of the past decade has been the superior level of corporate earnings growth in the US, almost entirely due to the technology sector. In particular, the Growth Portfolio has benefitted from a number of investment companies with significant exposure in this area. Although earnings growth will remain

strong from the US, the high valuations accorded to many companies in the technology sector may come under pressure in an environment when inflation is higher and interest rates start to rise. As economies continue to recover, the ability to grow earnings may not be so scarce and investors may begin to question the extent of the valuation premium of "growth" companies. At a market level this favours non-US equities, with European stock markets well placed, as is the UK stock market which is the most lowly valued.

In terms of investment strategy, the aim is to continue increasing exposure to UK equity trusts, especially those with a medium and smaller company bias, and also certain trusts with a decent exposure to Europe. This would be funded by some reduction in investment companies with significant exposure to technology and/or high growth companies.

**David Warnock**  
Chairman

24 January 2022

## Income Shares – Investment Portfolio

At 30 November 2021

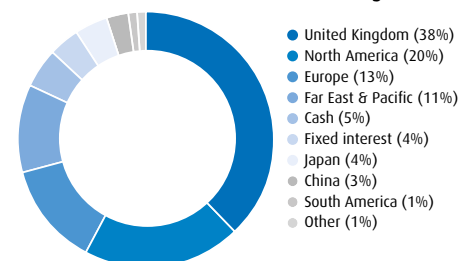
Investment	Sector	Valuation £'000	% of net assets of Income Portfolio
NB Private Equity Partners	Private Equity	3,080	4.6
HBM Healthcare Investments	Biotechnology & Healthcare	2,793	4.1
BB Healthcare Trust	Biotechnology & Healthcare	2,793	4.1
Law Debenture Corporation	Global	2,639	3.9
JPMorgan Global Growth & Income	Global Equity Income	2,536	3.8
Scottish American Investment Company	Global Equity Income	2,451	3.6
Secure Income REIT	Property Specialist	2,376	3.5
Princess Private Equity Holding	Private Equity	2,280	3.4
3i Infrastructure	Infrastructure	2,267	3.4
Invesco Perpetual UK Smaller Companies Investment Trust	UK Smaller Companies	2,205	3.3
<b>Ten largest investments</b>		<b>25,420</b>	<b>37.7</b>
Hipgnosis Songs Fund	Tech Media & Telecomm	2,063	3.1
The Bankers Investment Trust	Global	2,042	3.0
European Assets Trust†	European Smaller Companies	2,021	3.0
Mercantile Investment Trust	UK All Companies	1,942	2.9
BB Biotech	Biotechnology & Healthcare	1,926	2.9
Henderson International Income Trust	Global Equity Income	1,838	2.7
Schroder Oriental Income Fund	Asia Pacific – Ex Japan	1,782	2.6
Impact Healthcare REIT	Property Specialist	1,779	2.6
Supermarket Income REIT	Property Specialist	1,762	2.6
Murray International Trust	Global Equity Income	1,754	2.6
<b>Twenty largest investments</b>		<b>44,329</b>	<b>65.7</b>
CC Japan Income & Growth Trust	Japan	1,698	2.5
City of London Investment Trust	UK Equity Income	1,617	2.4
Digital 9 Infrastructure	Infrastructure	1,608	2.4
Lowland Investment Company	UK Equity Income	1,600	2.4
Jupiter Emerging & Frontier Income Trust	Global Emerging Markets	1,500	2.2
The Renewables Infrastructure Group	Infrastructure – Renewable Energy	1,462	2.2
Murray Income Trust	UK Equity Income	1,436	2.1
GCP Asset Backed Income Fund	Debt	1,419	2.1
QOS New City High Yield Fund	UK Equity & Bond Income	1,414	2.1
JPMorgan Global Emerging Markets Income Trust	Global Emerging Markets	1,400	2.1
<b>Thirty largest investments</b>		<b>59,483</b>	<b>88.2</b>

At 30 November 2021

Investment	Sector	Valuation £'000	% of net assets of Income Portfolio
Monks Investment Trust	Global	1,390	2.1
Diverse Income Trust	UK Equity Income	1,375	2.0
Civitas Social Housing REIT	Property Specialist	1,356	2.0
Invesco Bond Income Plus	Global High Income	1,337	2.0
Henderson Far East Income	Asia Pacific – Ex Japan	1,307	1.9
Henderson High Income Trust	UK Equity & Bond Income	1,238	1.8
Assura	Property Specialist	1,149	1.7
Biopharma Credit	Biotechnology & Healthcare	1,146	1.7
Aberdeen Asian Income Fund	Asia Pacific – Ex Japan	1,120	1.7
JPMorgan China Growth & Income	China/Greater China	776	1.2
<b>Forty largest investments</b>		<b>71,677</b>	<b>106.3</b>
Atrato Onsite Energy	Infrastructure – Renewable Energy	538	0.8
<b>Total investments</b>		<b>72,215</b>	<b>107.1</b>
<b>Net current assets</b>		<b>2,203</b>	<b>3.3</b>
<b>Borrowing</b>		<b>(7,000)</b>	<b>(10.4)</b>
<b>Net assets</b>		<b>67,418</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 2021)

## Growth Shares – Investment Portfolio

At 30 November 2021

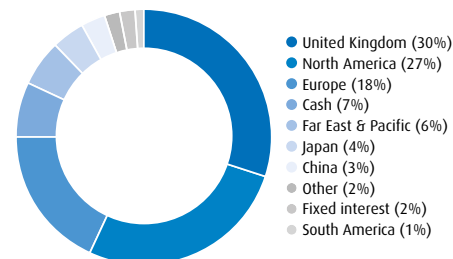
Investment	Sector	Valuation £'000	% of net assets of Growth Portfolio
Allianz Technology Trust	Tech Media & Telecomm	5,640	5.1
Scottish Mortgage Investment Trust	Global	5,215	4.7
Monks Investment Trust	Global	4,865	4.4
HgCapital Trust	Private Equity	4,170	3.8
Chrysalis Investments	Private Equity	3,332	3.0
Herald Investment Trust	Small Media, Comms & IT Cos	3,332	3.0
Impax Environmental Markets	Environmental	3,306	3.0
Fidelity Special Values	UK All Companies	3,223	2.9
Polar Capital Technology Trust	Tech Media & Telecomm	3,199	2.9
Mid Wynd International Investment Trust	Global	3,146	2.8
<b>Ten largest investments</b>		<b>39,428</b>	<b>35.6</b>
Worldwide Healthcare Trust	Biotechnology & Healthcare	2,824	2.6
RIT Capital Partners	Flexible Investment	2,804	2.5
TR Property Investment Trust <sup>†</sup>	Property Securities	2,749	2.5
Ruffer Investment Company	Flexible Investment	2,524	2.3
Personal Assets Trust	Flexible Investment	2,493	2.3
Capital Gearing Trust	Flexible Investment	2,392	2.2
AVI Global Trust	Global	2,358	2.1
ICG Enterprise Trust	Private Equity	2,356	2.1
Henderson Smaller Companies Investment Trust	UK Smaller Companies	2,324	2.1
BH Macro	Hedge Funds	2,292	2.1
<b>Twenty largest investments</b>		<b>64,544</b>	<b>58.4</b>
Henderson Opportunities Trust	UK All Companies	2,270	2.1
Baillie Gifford Japan Trust	Japan	2,268	2.1
Law Debenture Corporation	Global	2,262	2.0
Baillie Gifford European Growth Trust	Europe	2,215	2.0
JPMorgan American Investment Trust	North America	2,193	2.0
Edinburgh Worldwide Investment Trust	Global	2,163	2.0
Aurora Investment Trust	UK All Companies	2,150	1.9
Biotech Growth Trust	Biotechnology & Healthcare	2,016	1.8
Schroder Asian Total Return Investment Company	Asia Pacific – Ex Japan	2,000	1.8
Artemis Alpha Trust	UK All Companies	1,990	1.8
<b>Thirty largest investments</b>		<b>86,071</b>	<b>77.9</b>

At 30 November 2021

Investment	Sector	Valuation £'000	% of net assets of Growth Portfolio
Finsbury Growth & Income Trust	UK Equity Income	1,987	1.8
Henderson European Focus Trust	Europe	1,969	1.8
Syncona	Biotechnology & Healthcare	1,920	1.7
Baillie Gifford UK Growth Fund	UK All Companies	1,856	1.7
European Opportunities Trust	Europe	1,847	1.7
Hipgnosis Songs Fund	Tech Media & Telecomm	1,704	1.5
Lowland Investment Company	UK Equity Income	1,664	1.5
Schiehallion Fund	Private Equity	1,584	1.4
Diverse Income Trust	UK Equity Income	1,567	1.4
Mobius Investment Trust	Global Emerging Markets	1,530	1.4
<b>Forty largest investments</b>		<b>103,699</b>	<b>93.8</b>
Baillie Gifford China Growth Trust	China / Greater China	1,255	1.1
Schroder UK Public Private Trust	UK All Companies	650	0.6
<b>Total investments</b>		<b>105,604</b>	<b>95.5</b>
<b>Net current assets</b>		<b>4,914</b>	<b>4.5</b>
<b>Net assets</b>		<b>110,518</b>	<b>100.0</b>

<sup>†</sup> 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 2021)



# Unaudited Condensed Income Statement

		Six months to 30 November 2021		
Notes		Revenue £'000	Capital £'000	Total £'000
	Gains on investments	-	5,364	5,364
	Foreign exchange losses	-	(2)	(2)
2	Income	2,178	-	2,178
3	Investment management and performance fees	(171)	(675)	(846)
	Other expenses	(307)	-	(307)
	<b>Return on ordinary activities before finance costs and tax</b>	<b>1,700</b>	<b>4,687</b>	<b>6,387</b>
	Finance costs	(28)	(42)	(70)
	Return on ordinary activities before tax	1,672	4,645	6,317
	Tax on ordinary activities	-	-	-
	<b>Return attributable to shareholders</b>	<b>1,672</b>	<b>4,645</b>	<b>6,317</b>
4	<b>Return per Income share (pence)</b>	<b>3.54p</b>	<b>(1.23p)</b>	<b>2.31p</b>
4	<b>Return per Growth share (pence)</b>	<b>-</b>	<b>13.75p</b>	<b>13.75p</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 2020			Year to 31 May 2021 <sup>‡</sup>		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
		-	20,873	20,873	-	38,132	38,132
		-	(13)	(13)	-	(17)	(17)
		2,109	-	2,109	4,022	-	4,022
		(138)	(619)	(757)	(290)	(1,360)	(1,650)
		(281)	-	(281)	(589)	-	(589)
		1,690	20,241	21,931	3,143	36,755	39,898
		(22)	(33)	(55)	(47)	(69)	(116)
		1,668	20,208	21,876	3,096	36,686	39,782
		-	-	-	(16)	-	(16)
		1,668	20,208	21,876	3,080	36,686	39,766
		3.57p	11.12p	14.69p	6.59p	25.94p	32.53p
		-	41.58p	41.58p	-	67.27p	67.27p

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

# Unaudited Condensed Balance Sheet

		As at 30 November 2021		
Notes		Income shares £'000	Growth shares £'000	Total £'000
	<b>Fixed assets</b>			
6	Listed investments	72,215	105,604	177,819
	<b>Current assets</b>			
	Debtors	380	63	443
	Cash at bank and on deposit	2,053	5,847	7,900
		2,433	5,910	8,343
	<b>Creditors</b>			
7	Amounts falling due within one year	(7,230)	(996)	(8,226)
	<b>Net current (liabilities)/assets</b>	<b>(4,797)</b>	<b>4,914</b>	<b>117</b>
	<b>Creditors</b>			
	Amounts falling due in more than one year	-	-	-
	<b>Net assets</b>	<b>67,418</b>	<b>110,518</b>	<b>177,936</b>
	<b>Capital and reserves</b>			
8	Called-up share capital	4,540	3,622	8,162
	Share premium	28,793	27,594	56,387
	Capital redemption reserve	256	365	621
	Special reserve	18,980	17,199	36,179
	Capital reserves	11,794	61,738	73,532
	Revenue reserve	3,055	-	3,055
	<b>Shareholders' funds</b>	<b>67,418</b>	<b>110,518</b>	<b>177,936</b>
9	<b>Net asset value per share (pence)</b>	<b>141.07p</b>	<b>289.81p</b>	

Approved by the Board and authorised for issue on 24 January 2022 and signed on its behalf by:

David Warnock, Director

		Previous Periods					
		As at 30 November 2020			As at 31 May 2021 <sup>‡</sup>		
		Income shares £'000	Growth shares £'000	Total £'000	Income shares £'000	Growth shares £'000	Total £'000
		63,466	88,159	151,625	72,121	101,052	173,173
		230	77	307	272	54	326
		1,237	3,127	4,364	2,040	3,769	5,809
		1,467	3,204	4,671	2,312	3,823	6,135
		(491)	(393)	(884)	(7,667)	(649)	(8,316)
		976	2,811	3,787	(5,355)	3,174	(2,181)
		(5,000)	-	(5,000)	-	-	-
		59,442	90,970	150,412	66,766	104,226	170,992
		4,446	3,458	7,904	4,459	3,586	8,045
		27,359	23,019	50,378	27,608	26,599	54,207
		252	364	616	256	365	621
		18,990	17,162	36,152	19,017	17,162	36,179
		5,442	46,967	52,409	12,373	56,514	68,887
		2,953	-	2,953	3,053	-	3,053
		59,442	90,970	150,412	66,766	104,226	170,992
		127.16p	249.94p		142.22p	276.01p	

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

# Unaudited Condensed Statement of Cash Flows

		Six months to 30 November 2021		
Notes		Income shares £'000	Growth shares £'000	Total £'000
10	Net cash outflow from operations before dividends and interest	(841)	(921)	(1,762)
	Dividends received	1,540	573	2,113
	Interest received	-	-	-
	Interest paid	(59)	-	(59)
	Net cash inflow/(outflow) from operating activities	640	(348)	292
	<b>Investing activities</b>			
	Purchases of investments	(1,620)	(2,120)	(3,740)
	Sales of investments	1,506	3,478	4,984
	<b>Cash flows from investing activities</b>	<b>(114)</b>	<b>1,358</b>	<b>1,244</b>
	<b>Cash flows before financing activities</b>	<b>526</b>	<b>1,010</b>	<b>1,536</b>
	<b>Financing activities</b>			
5	Equity dividends paid	(1,670)	-	(1,670)
	Net proceeds from issuance of new shares	1,196	1,029	2,225
	Sale of shares from treasury	-	-	-
	Shares purchased to be held in treasury	-	-	-
	Share conversion	(39)	39	-
	Loan drawn down	-	-	-
	<b>Cash flows from financing activities</b>	<b>(513)</b>	<b>1,068</b>	<b>555</b>
	Net movement in cash and cash equivalents	13	2,078	2,091
	Cash and cash equivalents at the beginning of the period	2,040	3,769	5,809
	<b>Cash and cash equivalents at the end of the period</b>	<b>2,053</b>	<b>5,847</b>	<b>7,900</b>
	<b>Represented by:</b>			
	Cash at bank and short-term deposits	2,053	5,847	7,900

		Previous Periods					
		Six months to 30 November 2020			Year to 31 May 2021 <sup>†</sup>		
		Income shares £'000	Growth shares £'000	Total £'000	Income shares £'000	Growth shares £'000	Total £'000
		(277)	(942)	(1,219)	(606)	(1,413)	(2,019)
		1,519	531	2,050	2,891	1,072	3,963
		-	-	-	1	-	1
		(52)	-	(52)	(118)	-	(118)
		1,190	(411)	779	2,168	(341)	1,827
		(1,327)	(2,777)	(4,104)	(4,363)	(8,174)	(12,537)
		1,529	2,053	3,582	3,409	4,313	7,722
		202	(724)	(522)	(954)	(3,861)	(4,815)
		1,392	(1,135)	257	1,214	(4,202)	(2,988)
		(1,540)	-	(1,540)	(2,852)	-	(2,852)
		488	1,056	1,544	710	4,765	5,475
		-	-	-	599	-	599
		(29)	-	(29)	(557)	-	(557)
		(135)	135	-	(135)	135	-
		-	-	-	2,000	-	2,000
		(1,216)	1,191	(25)	(235)	4,900	4,665
		176	56	232	979	698	1,677
		1,061	3,071	4,132	1,061	3,071	4,132
		1,237	3,127	4,364	2,040	3,769	5,809
		1,237	3,127	4,364	2,040	3,769	5,809

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

# Unaudited Condensed Statement of Changes in Equity

## Six months to 30 November 2021

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 2021	4,459	27,608	256	19,017	12,373	3,053	66,766
8 Increase in share capital in issue, net of issuance expenses	83	1,185	-	-	-	-	1,268
8 Share conversion	(2)	-	-	(37)	-	-	(39)
Transfer of net income from Growth to Income portfolio	-	-	-	-	-	327	327
Transfer of capital from Income to Growth portfolio	-	-	-	-	(327)	-	(327)
5 Dividends paid	-	-	-	-	-	(1,670)	(1,670)
Return attributable to shareholders	-	-	-	-	(252)	1,345	1,093
As at 30 November 2021	4,540	28,793	256	18,980	11,794	3,055	67,418
Notes	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 2021	3,586	26,599	365	17,162	56,514	-	104,226
8 Increase in share capital in issue, net of issuance expenses	34	995	-	-	-	-	1,029
8 Share conversion	2	-	-	37	-	-	39
Transfer of net income from Growth to Income portfolio	-	-	-	-	-	(327)	(327)
Transfer of capital from Income to Growth portfolio	-	-	-	-	327	-	327
Return attributable to shareholders	-	-	-	-	4,897	327	5,224
As at 30 November 2021	3,622	27,594	365	17,199	61,738	-	110,518
Notes	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 2021	8,045	54,207	621	36,179	68,887	3,053	170,992
Increase in share capital in issue, net of share issuance expenses	117	2,180	-	-	-	-	2,297
Share conversion	-	-	-	-	-	-	-
5 Dividends paid	-	-	-	-	-	(1,670)	(1,670)
Return attributable to shareholders	-	-	-	-	4,645	1,672	6,317
Total Company as at 30 November 2021	8,162	56,387	621	36,179	73,532	3,055	177,936

## Six months to 30 November 2020

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 2020	4,415	26,909	252	19,147	240	2,825	53,788
Increase in share capital in issue, net of issuance expenses	38	450	-	-	-	-	488
Shares purchased for treasury	-	-	-	(29)	-	-	(29)
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)
5 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						
	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 2020	3,408	22,006	364	17,034	31,961	-	74,773
Increase in share capital in issue, net of issuance expenses	43	1,013	-	-	-	-	1,056
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						
	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 2020	7,823	48,915	616	36,181	32,201	2,825	128,561
Increase in share capital in issue, net of share issuance expenses	81	1,463	-	-	-	-	1,544
Shares purchased for treasury	-	-	-	(29)	-	-	(29)
Share conversion	-	-	-	-	-	-	-
5 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

# Unaudited Condensed Statement of Changes in Equity (continued)

Year to 31 May 2021 <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 2020	4,415	26,909	252	19,147	240	2,825	53,788
Increase in share capital in issue, net of share issuance expenses	55	655	-	-	-	-	710
Shares sold from treasury	-	44	-	555	-	-	599
Shares purchased from treasury	-	-	-	(557)	-	-	(557)
Share conversion	(7)	-	-	(128)	-	-	(135)
Cancellation of deferred shares	(4)	-	4	-	-	-	-
Transfer of net income from Growth to Income portfolio	-	-	-	-	-	564	564
Transfer of capital from Income to Growth portfolio	-	-	-	-	(564)	-	(564)
5 Dividends paid	-	-	-	-	-	(2,852)	(2,852)
Return attributable to shareholders	-	-	-	-	12,697	2,516	15,213
As at 31 May 2021	4,459	27,608	256	19,017	12,373	3,053	66,766
Notes	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 2020	3,408	22,006	364	17,034	31,961	-	74,773
Increase in share capital in issue, net of share issuance expenses	172	4,593	-	-	-	-	4,765
Share conversion	7	-	-	128	-	-	135
Cancellation of deferred shares	(1)	-	1	-	-	-	-
Transfer of net income from Growth to Income portfolio	-	-	-	-	-	(564)	(564)
Transfer of capital from Income to Growth portfolio	-	-	-	-	564	-	564
Return attributable to shareholders	-	-	-	-	23,989	564	24,553
As at 31 May 2021	3,586	26,599	365	17,162	56,514	-	104,226
Notes	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 2020	7,823	48,915	616	36,181	32,201	2,825	128,561
Increase in share capital in issue, net of share issuance expenses	227	5,248	-	-	-	-	5,475
Shares sold from treasury	-	44	-	555	-	-	599
Shares purchased from treasury	-	-	-	(557)	-	-	(557)
Share conversion	-	-	-	-	-	-	-
Cancellation of deferred shares	(5)	-	5	-	-	-	-
5 Dividends paid	-	-	-	-	-	(2,852)	(2,852)
Return attributable to shareholders	-	-	-	-	36,686	3,080	39,766
Total Company as at 31 May 2021	8,045	54,207	621	36,179	68,887	3,053	170,992

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

# Notes to the Condensed Financial Statements (unaudited)

## 1. Accounting policies

These condensed financial statements, which are unaudited, 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 2021.

## 2. Income

	Six months to 30 November 2021 £'000	Six months to 30 November 2020 £'000	Year to 31 May 2021 £'000
UK dividends	1,738	1,579	2,772
Overseas dividends	440	530	1,249
Deposit income	-	-	1
<b>Total income</b>	<b>2,178</b>	<b>2,109</b>	<b>4,022</b>

## 3. Investment management and performance fees

	Six months to 30 November 2021 £'000	Six months to 30 November 2020 £'000	Year to 31 May 2021 £'000
Investment management fee	609	483	1,025
Performance fee	237	274	625
	<b>846</b>	<b>757</b>	<b>1,650</b>

At 30 November 2021 the adjusted total return of the Income portfolio for the period since 31 May 2021 (being the date a performance fee was last payable and including the outperformance brought forward in excess of the cap of 0.35% of total assets at 31 May 2021) exceeded that of the FTSE All-Share Index and a performance fee of £42,000 was accrued in the Income portfolio (30 November 2020: £114,000; 31 May 2021: £259,000).

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

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

At 30 November 2021 the adjusted total return of the Growth portfolio for the period since 31 May 2021 (being the date a performance fee was last payable and including the outperformance brought forward in excess of the cap of 0.35% of total assets at 31 May 2021) exceeded that of the FTSE All-Share Index and a performance fee of £1,473,000 has been calculated (30 November 2020: £1,695,000; 31 May 2021: £1,471,000). However, as the performance fee is capped at 0.35% of total assets of the relevant portfolio, the fee has been scaled back, in line with the cap, and an amount of £195,000 (30 November 2020: £160,000; 31 May 2021: £366,000) has been recognised.

### 4. Return per share

The return per share for the six months to 30 November 2021 is as follows:

	Income shares			Growth shares		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return attributable to portfolios	1,345	(252)	1,093	327	4,897	5,224
Transfer of net income from Growth to Income portfolio	327	-	327	(327)	-	(327)
Transfer of capital from Income to Growth portfolio	-	(327)	(327)	-	327	327
Return attributable to shareholders	1,672	(579)	1,093	-	5,224	5,224
Return per share	3.54p	(1.23p)	2.31p	-	13.75p	13.75p
Weighted average number of shares in issue during the period	47,256,712			37,999,706		

### 4. Return per share (continued)

The return per share for the comparative 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		

The return per share for the comparative year to 31 May 2021 is as follows:

	Income shares			Growth shares		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return attributable to portfolios	2,516	12,697	15,213	564	23,989	24,553
Transfer of net income from Growth to Income portfolio	564	-	564	(564)	-	(564)
Transfer of capital from Income to Growth portfolio	-	(564)	(564)	-	564	564
Return attributable to shareholders	3,080	12,133	15,213	-	24,553	24,553
Return per share	6.59p	25.94p	32.53p	-	67.27p	67.27p
Weighted average number of shares in issue during the period	46,772,385			36,497,458		

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

## 5. Dividends

	Payment date	Six months to 30 November 2021 £'000	Six months to 30 November 2020 £'000	Year to 31 May 2021 £'000
<b>Dividends on Income shares</b>				
<b>Amounts recognised as distributions during the period:</b>				
<b>In respect of the previous financial year:</b>				
- fourth interim of 2.0p (prior period: 1.9p) per share	9-Jul-2021	939	883	883
<b>In respect of the period under review:</b>				
- first interim of 1.55p (prior period: 1.4p) per share	8-Oct-2021	731	657	657
- second interim (prior period: 1.4p per share)	-	-	-	655
- third interim (prior period: 1.4p per share)	-	-	-	657
		<b>1,670</b>	<b>1,540</b>	<b>2,852</b>

A second interim dividend in respect of the year to 31 May 2022 of 1.55p per Income share was paid on 7 January 2022 to shareholders on the register on 17 December 2021. This amount has not been accrued in the results for the six months to 30 November 2021.

For the financial year to 31 May 2021 interim dividends totalled 6.2p per Income share.

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

## 6. Investments

	Income shares Level 1* £'000	Growth shares Level 1* £'000	Total £'000
Cost at 31 May 2021	52,669	51,601	104,270
Gains at 31 May 2021	19,452	49,451	68,903
Valuation at 31 May 2021	72,121	101,052	173,173
Movement in the period			
Purchases at cost	1,618	2,648	4,266
Sales proceeds	(1,506)	(3,478)	(4,984)
(Losses)/gains on investments sold in period	(252)	1,942	1,690
Gains on investments held at period end	234	3,440	3,674
<b>Valuation of investments held at 30 November 2021</b>	<b>72,215</b>	<b>105,604</b>	<b>177,819</b>

## 6. Investments (continued)

	Income shares Level 1* £'000	Growth shares Level 1* £'000	Total £'000
Cost at 30 November 2021	52,529	52,713	105,242
Gains at 30 November 2021	19,686	52,891	72,577
<b>Valuation at 30 November 2021</b>	<b>72,215</b>	<b>105,604</b>	<b>177,819</b>

\*Fair value hierarchy

	Income shares £'000	Growth shares £'000	Total £'000
<b>Total (losses)/gains on investments</b>			
(Losses)/gains on investments sold in period	(252)	1,942	1,690
Gains on investments held at period end	234	3,440	3,674
<b>Total (losses)/gains on investments</b>	<b>(18)</b>	<b>5,382</b>	<b>5,364</b>

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.

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

## 7 Creditors

Amounts falling due within one year

	Income shares £'000	Growth shares £'000	Total £'000
<b>30 November 2021</b>			
£5 million fixed rate term loan maturing 10 February 2022	5,000	-	5,000
Revolving credit facility	2,000	-	2,000
Management fee accrued	124	182	306
Performance fee provision	42	195	237
Secretarial fee accrued	10	16	26
Amount due to brokers	-	528	528
Other accruals	54	75	129
	<b>7,230</b>	<b>996</b>	<b>8,226</b>

	Income shares £'000	Growth shares £'000	Total £'000
<b>30 November 2020</b>			
Management fee accrued	105	145	250
Performance fee provision	320	160	480
Secretarial fee accrued	11	15	26
Other accruals	55	73	128
	<b>491</b>	<b>393</b>	<b>884</b>

	Income shares £'000	Growth shares £'000	Total £'000
<b>31 May 2021</b>			
£5 million fixed rate term loan maturing 10 February 2022	5,000	-	5,000
Revolving credit facility	2,000	-	2,000
Management fee accrued	119	169	288
Performance fee accrued	465	366	831
Secretarial fee accrued	10	15	25
Other accruals	73	99	172
	<b>7,667</b>	<b>649</b>	<b>8,316</b>

## 7 Creditors (continued)

The Company has a £5 million unsecured fixed rate term loan and a £5 million unsecured revolving credit facility with The Royal Bank of Scotland International Limited. The fixed rate term loan and the unsecured revolving credit facility are available until 10 February 2022. £5 million of the fixed rate term loan was drawn down as at 30 November 2021 (30 November 2020: £5 million; 31 May 2021: £5 million) and the interest rate on the amount drawn down is fixed at 2.03% per annum. £2 million of the unsecured revolving credit facility was drawn down as at 30 November 2021 (30 November 2020: nil; 31 May 2021: £2 million). The interest rate on the amounts drawn down are variable, and a non-utilisation fee is payable on undrawn amounts.

During the six months to 30 November 2021 there were no changes in the amount borrowed and therefore no change in liabilities arising from financing activities.

## 8. Share capital

	Listed		Held in treasury		In issue	
	Number	£'000	Number	£'000	Number	£'000
<b>Income shares</b>						
Balance at 1 June 2021 <sup>^</sup>	46,944,790	4,459	-	-	46,944,790	4,459
Issued	875,000	83	-	-	875,000	83
Share conversion:						
- Income to Growth	(150,027)	(15)	-	-	(150,027)	(15)
- Growth to Income	122,402	12	-	-	122,402	12
<b>Balance at</b>						
<b>30 November 2021<sup>^</sup></b>	<b>47,792,165</b>	<b>4,539</b>	<b>-</b>	<b>-</b>	<b>47,792,165</b>	<b>4,539</b>

	Deferred shares – Income	
	Number	£'000
<b>Deferred shares – Income</b>		
Balance at 1 June 2021	-	-
Issue of 150,027 shares <sup>*</sup>	150,027	1
<b>Balance at 30 November 2021</b>	<b>150,027</b>	<b>1</b>
<b>Total called-up share capital</b>		<b>4,540</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 £0.006337311 per share.



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

### 8. Share capital (continued)

During the period, the Company issued 875,000 Income shares (30 November 2020: 400,000; 31 May 2021: 575,000) from the block listing facilities receiving net proceeds of £1,268,000 (30 November 2020: £488,000; 31 May 2021: £710,000).

During the period, valid conversion notices were received to convert 150,027 Income shares (which represented a value of £212,000). These were converted into 73,833 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 2021 AGM.

	Listed		Held in treasury		In issue	
	Number	£'000	Number	£'000	Number	£'000
<b>Growth shares</b>						
Balance at 1 June 2021 <sup>^</sup>	37,761,553	3,586	-	-	37,761,553	3,586
Issued	360,000	34	-	-	360,000	34
Share conversion:						
- Growth to Income	(60,238)	(5)	-	-	(60,238)	(5)
- Income to Growth	73,833	7	-	-	73,833	7
<b>Balance at 30 November 2021<sup>^</sup></b>	<b>38,135,148</b>	<b>3,622</b>	<b>-</b>	<b>-</b>	<b>38,135,148</b>	<b>3,622</b>

	Deferred shares – Growth	
	Number	£'000
<b>Deferred shares – Growth</b>		
Balance at 1 June 2021	-	-
Issue of 60,238 shares <sup>*</sup>	60,238	-
<b>Balance at 30 November 2021</b>	<b>60,238</b>	<b>-</b>
<b>Total called-up share capital</b>		<b>3,622</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 £0.006337311 per share.

### 8. Share capital (continued)

During the period, the Company issued 360,000 Growth shares (30 November 2020: 450,000; 31 May 2021: 1,815,000) from the block listing facilities receiving net proceeds of £1,029,000 (30 November 2020: £1,056,000; 31 May 2021: £4,765,000).

During the period, valid conversions were received to convert 60,238 Growth shares (which represented a value of £173,000). These were converted into 122,402 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 2021 AGM.

### 9. Net asset value per share

	30 November 2021	30 November 2020	31 May 2021
<b>Income shares</b>			
Net asset value per share – pence	141.07p	127.16p	142.22p
Net assets attributable at end of period – £'000	67,418	59,442	66,766
Shares in issue at end of period – number	47,792,165	46,744,790	46,944,790
<b>Growth shares</b>			
Net asset value per share – pence	289.81p	249.94p	276.01p
Net assets attributable at end of period – £'000	110,518	90,970	104,226
Shares in issue at end of period – number	38,135,148	36,396,553	37,761,553

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

## 10. 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 2021</b>			
Return on ordinary activities before tax	1,093	5,224	6,317
Adjust for returns from non-operating activities:			
Losses/(gains) on investments	18	(5,382)	(5,364)
Exchange losses	2	-	2
<b>Returns from operating activities</b>	<b>1,113</b>	<b>(158)</b>	<b>955</b>
Decrease in prepayments	2	8	10
Decrease in creditors	(437)	(181)	(618)
Withholding tax recovered	(1)	-	(1)
Dividend income	(1,588)	(590)	(2,178)
Interest expense	70	-	70
<b>Net cash outflow from operations before dividends and interest</b>	<b>(841)</b>	<b>(921)</b>	<b>(1,762)</b>

	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>

## 10. 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>Year to 31 May 2021</b>			
Return on ordinary activities before tax	15,229	24,553	39,782
Adjust for returns from non-operating activities:			
Gains on investments	(13,297)	(24,835)	(38,132)
Exchange losses	17	-	17
<b>Returns from operating activities</b>	<b>1,949</b>	<b>(282)</b>	<b>1,667</b>
Decrease/(increase) in prepayments	2	(7)	(5)
Increase/(decrease) in creditors	288	(84)	204
Withholding tax recovered	21	-	21
Dividend income	(2,981)	(1,040)	(4,021)
Interest income	(1)	-	(1)
Interest expense	116	-	116
<b>Net cash outflow from operations before dividends and interest</b>	<b>(606)</b>	<b>(1,413)</b>	<b>(2,019)</b>

## 11. Earnings

Earnings for the six months to 30 November 2021 should not be taken as a guide to the results for the full year to 31 May 2022.

## 12. Tax

The effective revenue tax rate for the period to 30 November 2021 is nil% (30 November 2020: nil%; 31 May 2021: 0.5%). This is lower than the rate of corporation tax for small companies due to the level of non-taxable dividend income.

## 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.

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

### 13. Going concern (continued)

The Company retains title to all assets held by its Custodian and has agreements relating to its borrowing facilities 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.

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 2021 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 2021, 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 2021 are an extract from those financial statements. No full statutory financial statements in respect of any period after 31 May 2021 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

## Statement of Principal Risks and Uncertainties

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 2021. 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 attacks or business continuity failure.

The Board has also considered the impact of the COVID-19 pandemic 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 market risk and operational risk.

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

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

**David Warnock**  
Director

24 January 2022

## 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 2021		31 May 2021	
		Income shares	Growth shares	Income shares	Growth shares
Net asset value per share	(a)	141.07p	289.81p	142.22p	276.01p
Share price	(b)	144.00p	294.00p	143.50p	277.00p
Premium (c = (b-a)/(a))	(c)	+2.1%	+1.4%	+0.9%	+0.4%

**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 2021		Year to 31 May 2021	
	Income shares	Growth shares	Income shares	Growth shares
NAV per share at start of financial period/year	142.22p	276.01p	115.71p	208.35p
NAV per share at end of financial period/year	141.07p	289.81p	142.22p	276.01p
Change in the period/year	-0.8%	+5.0%	+22.9%	+32.5%
Impact of dividend reinvestments <sup>(1)</sup>	2.5%	n/a	6.1%	n/a
NAV total return for the period/year	+1.7%	+5.0%	+29.0%	+32.5%

<sup>(1)</sup> During the six months to 30 November 2021 dividends totalling 3.55p went ex-dividend with respect to the Income shares. During the year to 31 May 2021 the equivalent figure was 6.2p.

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

	Six months to 30 November 2021		Year to 31 May 2021	
	Income shares	Growth shares	Income shares	Growth shares
Share price per share at start of financial period/year	143.5p	277.0p	117.5p	212.0p
Share price per share at end of financial period/year	144.0p	294.0p	143.5p	277.0p
Change in the period/year	+0.3%	+6.1%	+22.1%	+30.7%
Impact of dividend reinvestment <sup>(1)</sup>	2.5%	n/a	6.1%	n/a
Share price total return for the period/year	+2.8%	+6.1%	+28.2%	+30.7%

<sup>(1)</sup> During the six months to 30 November 2021 dividends totalling 3.55p went ex-dividend with respect to the Income shares. During the year to 31 May 2021 the equivalent figure was 6.2p.

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

		30 November 2021	31 May 2021
Annual dividend	(a)	6.2p <sup>(1)</sup>	6.2p
Income share price	(b)	144.0p	143.5p
Yield (c = a/b)	(c)	4.3%	4.3%

<sup>(1)</sup> Based on dividends at the expected minimum annual rate of 6.20 pence per Income share for the financial year to 31 May 2022.

**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 2021		31 May 2021	
	Income shares £'000	Growth shares £'000	Income shares £'000	Growth shares £'000
Borrowings	(7,000)	-	(7,000)	-
Cash	2,053	5,847	2,040	3,769
	(4,947)	5,847	(4,960)	3,769
Net assets	67,418	110,518	66,766	104,226
-Net gearing/+net cash	-7.3%	+5.3%	-7.4%	+3.6%

**Compound annual growth rate** – converts the 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 2021	
	Income shares	Growth shares
Indexed NAV total return at 30 November 2011	100.0	100.0
Indexed NAV total return at 30 November 2021	245.5	314.0
Period (years)	10.0	10.0
Compound annual growth rate	9.4%	12.1%

# 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 ISA

You can use your ISA allowance to make an annual tax-efficient investment of up to £20,000 for the current tax year with a lump sum from £100 or regular savings from £25 a month. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

## BMO Junior ISA (JISA)\*

A tax efficient way to invest up to £9,000 per tax year for a child. Contributions start from £100 lump sum or £25 a month. JISAs or CTFs with other providers can be transferred to BMO.

## BMO Lifetime ISA (LISA)

For those aged 18-39, a Lifetime ISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year. Invest with a lump sum from £100 or regular savings from £25 a month.

## BMO Child Trust Fund (CTF)\*

If your child already has a CTF you can invest up to £9,000 per birthday year, from £100 lump sum or £25 a month. CTFs with other providers can be transferred to BMO.

## 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 £100 lump sum or £25 a month.

## 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 £100 lump sum or £25 a month per account. You can also make additional lump sum top-ups at any time from £100 per account.

## Charges

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

## Annual account charge

ISA/LISA: £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

£12 per fund (reduced to £0 for deals placed through the online BMO Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

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 & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to invest into.

## How to Invest

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

Online applications are 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 but paper applications are available at [bmoinvestments.co.uk/documents](https://bmoinvestments.co.uk/documents) or by contacting BMO.

## 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 Asset Management Limited  
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, EQi, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, The Share Centre**

 [bmoinvestments.co.uk](https://bmoinvestments.co.uk)

 [facebook.com/bmoinvestmentsuk](https://facebook.com/bmoinvestmentsuk)

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

## Notes

\* The CTF and JISA accounts are opened by parents 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.

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# Corporate Information

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## Directors

David Warnock (Chairman)<sup>(1)</sup>

David Harris<sup>(2)</sup>

Susan P Inglis<sup>(3)</sup>

Simon M Longfellow

(appointed 14 July 2021)

Colin S McGill

(retired 30 September 2021)

## 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

## Depositary

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

## 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> Chairman of Audit Committee

# BMO Managed Portfolio Trust PLC

## Interim Report 2021

### Registered Office

-  6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG
-  Tel: 0207 628 8000
-  [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: +44 371 384 2923\*\*
-  [shareview.co.uk](http://shareview.co.uk)

\* Lines open 8.30 am to 5.30 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 8.30 am to 5.30 pm, Monday to Friday, excluding public holidays in England and Wales.

\*\* Local overseas call rates will apply.



Part of

