

BMO Capital and Income Investment Trust PLC

Report and Accounts for the half-year
ended 31 March 2019

Formerly F&C Capital and Income
Investment Trust PLC

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Our name changed from F&C Capital and Income Investment Trust PLC on 9 November 2018.

Company Overview

Our objective is to secure long-term capital and income growth from a portfolio consisting mainly of FTSE All-Share companies.

Our well-diversified portfolio has outperformed the FTSE All-Share Index benchmark over the medium and long term under Julian Cane, our Fund Manager for over 22 years.

A recognised "AIC Dividend Hero", our dividend has increased every year for the last 25 years and grown at more than twice the rate of inflation.

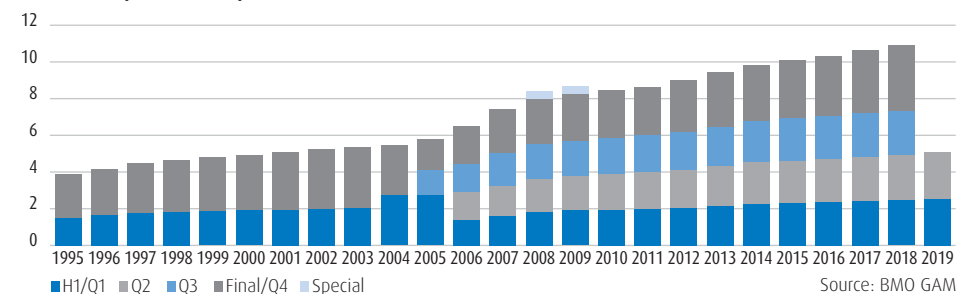
Strong investor demand enables the Company to continue to grow through regular share issues.

Our Ongoing Charges* of 0.58% is well below the AIC sector average of 0.66% and competitive with other actively managed products.

BMO Capital and Income Investment Trust is suitable for retail investors in the UK, professionally advised private clients and institutional investors who seek growth over the longer term in capital and income and who understand and are willing to accept the risks, and rewards, of exposure to equities.

*See full details of the explanation and calculation of Alternative Performance Measures in the Report and Accounts as at 30 September 2018.

Dividends per share – pence



Visit our website at bmocapitalandincome.com

The Company is registered in England and Wales with company registration number 02732011

Legal Entity Identifier: 21380052ETTRKV2A6Y19



Financial Highlights for the half-year

-1.0%

Share price total return⁽¹⁾ was -1.0% with the price ending the period at 317.0p.

-0.8%

Net Asset Value per share total return⁽¹⁾ was -0.8%, outperforming the -1.8% return from the benchmark FTSE All-Share Index.

5.1p

The dividend for the period of 5.1p represents an increase of 4.1% over the previous period.⁽²⁾

0.7%

The share price ended the period at a premium* to Net Asset Value of 0.7% with the shares having traded at an average premium of 1.0%.

(1) Total Return – the return to Shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or Net Asset Value 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.

(2) The first interim dividend of 2.55 pence per share was paid on 29 March 2019 and the second interim dividend of 2.55 pence per share is payable on 28 June 2019 to Shareholders registered on 07 June 2019.

* See full details of the explanation and calculation of Alternative Performance Measures in the Report and Accounts as at 30 September 2018.

Chairman's Statement

Dear Shareholder,

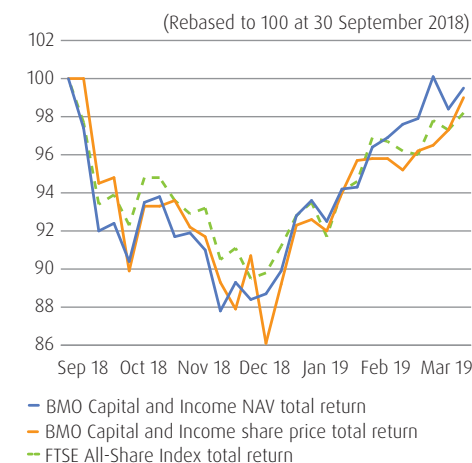
While it is often said that a game has two halves, in the case of the first half of our fiscal year, it was a half of two halves. From the end of September to the end of 2018, our Net Asset Value (NAV) per share fell from 324.1 pence to 282.7 pence, a decline of 12.8%, before bouncing to end the March quarter at 314.7 pence, a jump of 11.3% from the low, but still slightly down on the period overall.

As an investor, you would have avoided a lot of angst if you had simply not looked at markets or listened to the economic prognosticators in the period. While there was a decline, it was nothing out of the normal experience of

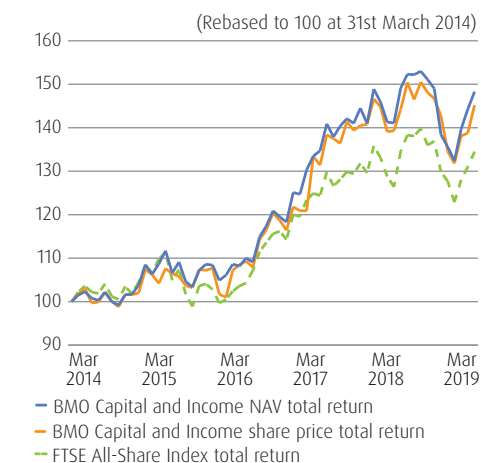
investing in equity markets. In between times, if you had been following the news, you would have thought the financial world was coming to an end, only to discover eventually that its death had been somewhat exaggerated.

The reason for this frenetic grinding through the gears in both directions was the expectation that the era of easy money (known in the jargon as quantitative easing) was finishing. Interest rates in most countries were expected to rise, there was trade tension between the US and China and growth was disappointing. This was a perfect storm, and investors ran for cover. At the beginning of the New Year, the Federal Reserve in the US changed tack, alarmed by the market reaction, and responding to soggy

Outperformance over six months



Outperformance over five years



Source: Refinitiv Eikon

Chairman's Statement (continued)

economic data from the US. While things may not be completely rosy, they are reasonably benign with little prospect of rate rises and a nascent recovery in China which is the most important stimulus of global growth.

It is important to remember in these unusual times that economies are cyclical animals, and downturns are a natural corollary of economic activity. A downturn will come, but for now the can has been firmly kicked down the road.

The UK market has had its own specific Brexit flavour to add to this global recipe, and that has only served to confuse the picture even further.

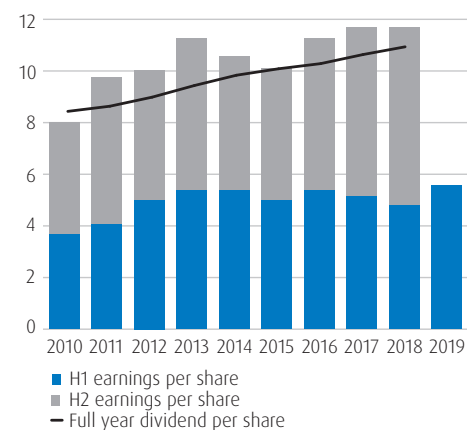
Over the six-month review period, the NAV per share on a total return basis dropped by 0.8% and the share price total return by 1.0%, compared with a decline of 1.8% in the FTSE All-Share Index, our benchmark. While it is always disappointing to have to report a decline in absolute terms, the returns relative to the benchmark have held up well and show over five years a return of 47.8% compared to 34.5% for the index. I don't doubt that the consistency of performance benefits from the long tenure and level-headed approach of Julian Cane, your portfolio manager.

Earnings and Dividends

A second interim dividend of 2.55 pence per ordinary share will be paid on 28 June 2019 in respect of the year ending 30 September 2019 to Shareholders registered at the close of business on 7 June 2019. This will bring dividends announced for the first six months of the financial year to 5.1 pence per share an increase of 4.1% from the 4.9 pence paid in the same period last year. Revenue return per share increased sharply year on year (+16.1%). This partly reflects the fact that the previous year's

figure was depressed due to the timing and incidence of special dividends in particular and also a reorientation of the portfolio away from the high yielding but static dividends of some of the largest companies towards opportunities with greater prospects for dividend growth. Looking at the change over two years, revenue return per share has increased from 5.13p to 5.56p – an increase of 8.4%. This is more reflective of the underlying rate of dividend growth provided by the holdings in the portfolio. Our revenue reserve is well in excess of a full year's dividend payments and, together with the robust growth we see, gives the Board confidence that the Company can extend its record of 25 consecutive years of dividend growth.

BMO Capital and Income Investment Trust earnings and dividend progression



Source: BMO GAM

Portfolio

As ever, the contribution of individual holdings to overall returns is something of a curate's egg. On the positive side of the equation, the strongest contribution was from Dunelm, the

“Our revenue reserve is well in excess of a full year's dividend payments and, together with the robust growth we see, gives the Board confidence that the Company can extend its record of 25 consecutive years of dividend growth.”

home furnishing retailer, with a total return of +67% on better trading and a change in management. Ironically, but as an example of the value of research and not throwing in the towel, in last year's interim report Dunelm was the second largest detractor. Two property companies, Secure Income REIT and LondonMetric Property were the two next strongest contributors – posting gains of +6.2% and +14.7% respectively in a down market.

On the negative front, DS Smith, the diversified packaging business, was the largest detractor (-28.3%) reflecting concerns about cyclical and a stretched balance sheet after a series of acquisitions. Burford Capital, a company which provides finance for litigation, was the next largest detractor (-13.1%) following very strong prior performance. There was no deterioration in the fundamentals of the business, with earnings reported recently growing by 24% and accompanying a 14% increase in the dividend. It is holdings like these which underpin the acceleration in revenue growth experienced by the Company.

Operational Matters

The shares traded at a premium to NAV for most of the six-month period, in a range of -2.0% to +5.5%. On average, the premium was 1.0%, which allowed us to issue a total of 1.4 million new shares, taking outstanding shares to over 102 million. For some, the issue of shares on a non pre-emptive basis is controversial, but your Board thinks that the advantages of gradual issuance of stock into clear demand is a cheap and effective way of increasing the size of the Company. There is no dilution to existing Shareholders, it improves liquidity and allows the fixed costs of the Company to be spread over a larger base.

As you may recall, the Company has a loan facility; this was partially drawn down during the period resulting in gearing of 2.3% at the period end.

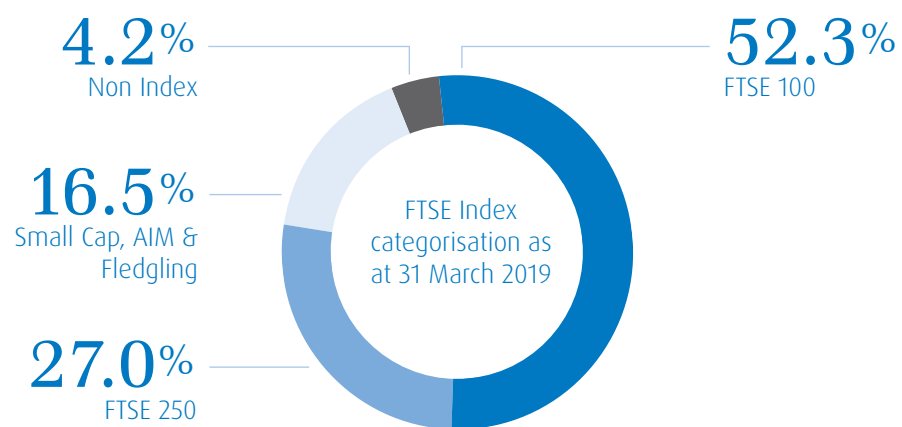
Outlook

The UK stock market is quite an outward looking beast, as much affected by the volatility in the global economy as it is by the vicissitudes of our home-grown variety. Having said that, the UK market is also a source of value at present, with many international investors staying away until the uncertainty of Brexit is resolved. This has led to attractive valuations in an environment where monetary conditions are likely to remain supportive. Concerns about the global economy have also dissipated in recent weeks and the backdrop is broadly positive. Of course, the political uncertainty in Westminster can and will lead to bouts of nerves, but your portfolio is well positioned in areas which are not especially sensitive to shenanigans of the sort we have seen all too often.

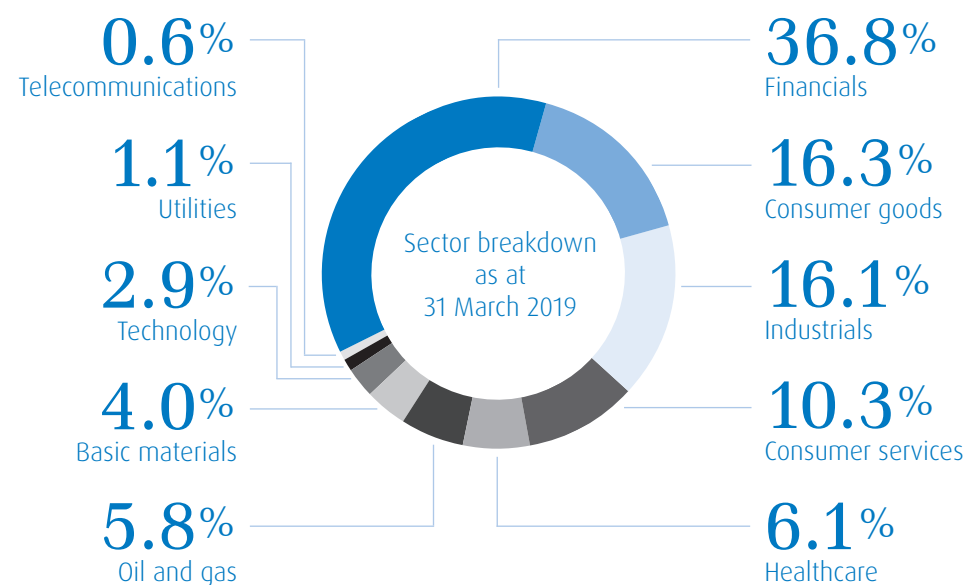
On behalf of the Board

Steven Bates
Chairman
23 May 2019

Portfolio Weightings



Source: BMO GAM



Source: BMO GAM

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

Twenty Largest Holdings

31-Mar 2019	30-Sep 2018		% of total investments	Value £'000s
1	2	Diageo (Consumer goods) The largest producer of premium branded spirits in the world and also a major producer of beer. The strength of the brands and substantial exposure to faster growing markets should lead to attractive returns.	4.1	13,650
2	4	Unilever (Consumer goods) A leading manufacturer of branded fast moving consumer goods with more than half of its sales in faster growing emerging markets.	3.6	11,998
3	3	GlaxoSmithKline (Healthcare) One of the world's leading pharmaceutical companies with valuable healthcare and vaccines businesses. The acquisition of Novartis's stake in their healthcare joint venture should support the dividend and there are no major patent expiries until 2027.	3.6	11,973
4	5	Secure Income REIT (Financials) The highly successful Prestbury property management team has brought together a group of assets (hospitals, leisure parks and hotels) let to strong tenants with leases that should provide a steadily rising stream of income.	3.6	11,919
5	8	Rio Tinto (Basic materials) One of the world's foremost mining companies. It has a diversified asset base, but its most significant interests are in low cost, high quality iron ore. It is our principal exposure to the mining sector.	3.4	11,151
6	1	Royal Dutch Shell (Oil & gas) A leading international oil exploration, production and marketing group. Shell responded to the falling oil price of 2014 and 2015 by restructuring its cost base and acquiring BG.	3.1	10,319
7	11	Legal and General (Financials) A focus on generating a strong and growing cash flow allows this UK life insurer to pay an attractive and growing dividend to their shareholders.	3.1	10,306
8	7	Phoenix (Financials) A UK domestic life insurer actively taking part in consolidation of the sector. The operational and capital efficiencies and diversification benefits that come from increased scale underpin and drive an attractive dividend.	3.0	9,754
9	30	Bovis Homes (Consumer goods) The company had got into difficulties with poor incentives and management. Both have improved which is leading to a strong rebound in returns.	2.7	9,036
10	9	BP (Oil & gas) A leading international oil exploration, production and marketing group. BP increased its focus on cost cutting to counter the fall in the oil price and is now expected to benefit from its rebound.	2.7	8,934

31-Mar 2019	30-Sep 2018		% of total investments	Value £'000s
11	6	Beazley (Financials) A specialist insurer with a diverse underwriting portfolio that has generated strong returns and growth. Its vulnerability to natural catastrophes is less than some other insurers as it has grown strongly in other areas.	2.7	8,875
12	13	Prudential (Financials) International life insurer seeing rapid growth in the Far East, together with attractive returns from its operations in the UK and US. The partial separation of the divisions should help to close the gap in value between the group and the sum of its parts.	2.6	8,456
13	10	AstraZeneca (Healthcare) A major international pharmaceutical company. The pipeline of new drugs is disappointing in the very short term but shows more potential further out.	2.5	8,098
14	16	OneSavings Bank (Financials) This specialist challenger bank is generating good returns and growing well at carefully controlled risk levels. The recently proposed merger with Charter Court Financial Services should bring further benefits of scale and diversification.	2.4	7,895
15	15	Informa (Consumer services) A worldwide provider of information to a variety of end users (businesses, academics, individuals) across a range of sectors through a number of media (books and journals, internet, exhibitions and events). Its merger with UBM is providing more growth opportunities and synergies.	2.3	7,580
16	14	Burford Capital (Financials) Burford is the leading provider of finance to fund litigation cases. It is a fast evolving and growing market with attractive returns for those able to navigate its complexities well.	2.3	7,557
17	18	Intermediate Capital (Financials) A specialist lender to private companies both on its own behalf and increasingly for third party investors. It's experiencing good demand for its products, generating strong returns and pays an attractive dividend.	2.2	7,342
18	22	Lloyds Banking (Financials) The core banking operations generate good returns, but these have been somewhat hidden in recent years by PPI claims. Once the deadline for these pass, the bank's reported returns will increase sharply.	2.2	7,144
19	-	Countryside Properties (Consumer goods) The main strength of the business is its specialisation in urban regeneration of public sector land. These are typically long-term contracts, and although less profitable than mainstream house building, there are fewer associated risks.	2.1	6,817
20	19	Ibstock (Industrials) One of the UK's leading manufacturers of clay and concrete building products. It has a very strong position in a consolidated market which shows good demand characteristics.	2.0	6,589

The value of the twenty largest holdings represents 56.2% (30 September 2018: 54.4%) of the Company's total investments

Condensed Income Statement

Notes	Half-year ended 31 March 2019 (Unaudited)			Half-year ended 31 March 2018 (Unaudited)			Year ended 30 September 2018 (Audited)		
	Revenue £'000s	Capital £'000s	Total* £'000s	Revenue £'000s	Capital £'000s	Total* £'000s	Revenue £'000s	Capital £'000s	Total* £'000s
5 (Losses)/gains on investments	-	(8,678)	(8,678)	-	(5,889)	(5,889)	-	6,841	6,841
Foreign exchange gains/(losses)	-	8	8	1	(6)	(5)	5	(6)	(1)
2 Income	6,376	459	6,835	5,493	-	5,493	13,143	-	13,143
Management fee	(313)	(313)	(626)	(336)	(336)	(672)	(688)	(688)	(1,376)
Other expenses	(278)	(1)	(279)	(260)	(10)	(270)	(519)	(11)	(530)
Net return before finance costs and taxation	5,785	(8,525)	(2,740)	4,898	(6,241)	(1,343)	11,941	6,136	18,077
Finance costs	(94)	(94)	(188)	(136)	(136)	(272)	(223)	(223)	(446)
Net return on ordinary activities before taxation	5,691	(8,619)	(2,928)	4,762	(6,377)	(1,615)	11,718	5,913	17,631
Taxation on ordinary activities	(4)	-	(4)	-	-	-	(8)	-	(8)
Net return attributable to Shareholders	5,687	(8,619)	(2,932)	4,762	(6,377)	(1,615)	11,710	5,913	17,623
3 Net return per share – pence	5.56	(8.43)	(2.87)	4.79	(6.42)	(1.63)	11.70	5.90	17.60

* The total column of this statement is the profit and loss account of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

A statement of Comprehensive Income is not required as all gains and losses of the Company have been reflected in the above statement.

Condensed Statement of Changes in Equity

Notes	Share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Special reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
Half-year ended 31 March 2019 (Unaudited)							
Balance at 30 September 2018	25,265	125,380	4,146	4,434	155,053	13,194	327,472
Movements during the half-year ended 31 March 2019:							
4 Dividends paid	-	-	-	-	-	(6,272)	(6,272)
9 Ordinary shares issued	350	3,820	-	-	-	-	4,170
Net return attributable to Shareholders	-	-	-	-	(8,619)	5,687	(2,932)
Balance at 31 March 2019	25,615	129,200	4,146	4,434	146,434	12,609	322,438
Half-year ended 31 March 2018 (Unaudited)							
Balance at 30 September 2017	24,634	117,822	4,146	4,434	149,140	12,287	312,463
Movements during the half-year ended 31 March 2018:							
4 Dividends paid	-	-	-	-	-	(5,859)	(5,859)
Ordinary shares issued	368	4,426	-	-	-	-	4,794
Net return attributable to Shareholders	-	-	-	-	(6,377)	4,762	(1,615)
Balance at 31 March 2018	25,002	122,248	4,146	4,434	142,763	11,190	309,783
Year ended 30 September 2018 (Audited)							
Balance at 30 September 2017	24,634	117,822	4,146	4,434	149,140	12,287	312,463
Movements during the year ended 30 September 2018:							
4 Dividends paid	-	-	-	-	-	(10,803)	(10,803)
Ordinary shares issued	631	7,558	-	-	-	-	8,189
Net return attributable to Shareholders	-	-	-	-	5,913	11,710	17,623
Balance at 30 September 2018	25,265	125,380	4,146	4,434	155,053	13,194	327,472

Condensed Balance Sheet

Notes	31 March 2019 (Unaudited) £'000s	31 March 2018 (Unaudited) £'000s	30 September 2018 (Audited) £'000s
Fixed assets			
5	329,917	328,221	341,034
Current assets			
6	4,360	2,330	1,582
	9,790	-	5,280
	14,150	2,330	6,862
Current liabilities			
7	(1,530)	(390)	(390)
	(99)	(378)	(34)
8	(20,000)	(20,000)	(20,000)
	(21,629)	(20,768)	(20,424)
	(7,479)	(18,438)	(13,562)
	322,438	309,783	327,472
Capital and reserves			
9	25,615	25,002	25,265
	129,200	122,248	125,380
	4,146	4,146	4,146
	4,434	4,434	4,434
	146,434	142,763	155,053
	12,609	11,190	13,194
	322,438	309,783	327,472
10	314.70	309.75	324.04

Condensed Statement of Cash Flows

Notes	Half-year ended 31 March 2019 (Unaudited) £'000s	Half-year ended 31 March 2018 (Unaudited) £'000s	Year ended 30 September 2018 (Audited) £'000s
11	(472)	(914)	(1,830)
	5,222	4,321	12,664
	(189)	(276)	(450)
	4,561	3,131	10,384
Investing activities			
	(22,502)	(26,055)	(42,351)
	24,481	18,664	34,877
	(1)	(10)	(11)
	1,978	(7,401)	(7,485)
	6,539	(4,270)	2,899
Financing activities			
4	(6,272)	(5,859)	(10,803)
	4,170	4,794	8,189
8	-	20,000	20,000
8	-	(20,000)	(20,000)
	(2,102)	(1,065)	(2,614)
	4,437	(5,335)	285
	5,246	4,962	4,962
	8	(5)	(1)
	9,691	(378)	5,246
Represented by:			
	9,790	-	5,280
	(99)	(378)	(34)
	9,691	(378)	5,246

Notes to the Condensed Accounts

1. Significant accounting policies

These condensed financial statements, which are unaudited, have been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, FRS 102, Interim Financial Reporting (FRS 104) issued by the FRC in March 2016 and the revised Statement of Recommended Practice ("SORP") "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the AIC in November 2014 and updated in February 2018.

The accounting policies applied in the condensed set of financial statements are set out in the Company's annual report for the year ended 30 September 2018.

2. Income

	Half-year ended 31 March 2019 £'000s	Half-year ended 31 March 2018 £'000s	Year ended 30 September 2018 £'000s
Dividends from investments	6,364	5,454	13,044
Interest on cash and short-term deposits	12	9	39
Underwriting commission	-	30	60
	6,376	5,493	13,143

Special dividends of £459,000 (31 March 2018: £nil; 30 September 2018: £nil) have been recognised in capital.

3. Net return per ordinary share

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

	Half-year ended 31 March 2019 £'000s	Half-year ended 31 March 2018 £'000s	Year ended 30 September 2018 £'000s
Revenue return	5,687	4,762	11,710
Capital return	(8,619)	(6,377)	5,913
Total return	(2,932)	(1,615)	17,623
	Number	Number	Number
Weighted average ordinary shares in issue	102,220,021	99,367,098	100,117,008
Total return per share – pence	(2.87)	(1.63)	17.60

4. Dividends

	Payment date	Half-year ended 31 March 2019 £'000s	Half-year ended 31 March 2018 £'000s	Year ended 30 September 2018 £'000s
Dividends paid on ordinary shares				
Fourth of four interims for the year ended 30 September 2017 of 3.45p per share	27 December 2017	-	3,413	3,413
First of four interims for the year ended 30 September 2018 of 2.45p per share	29 March 2018	-	2,446	2,446
Second of four interims for the year ended 30 September 2018 of 2.45p per share	29 June 2018	-	-	2,468
Third of four interims for the year ended 30 September 2018 of 2.45p per share	28 September 2018	-	-	2,476
Fourth of four interims for the year ended 30 September 2018 of 3.60p per share	28 December 2018	3,659	-	-
First of four interims for the year ended 30 September 2019 of 2.55p per share	29 March 2019	2,613	-	-
		6,272	5,859	10,803

The second interim dividend of 2.55p per share in respect of the year ending 30 September 2019 will be paid on 28 June 2019 to Shareholders on the register on 7 June 2019. The total cost of this dividend, based on 102,459,268 shares in issue and entitled to the dividend on 23 May 2019, is £2,613,000.

5. Investments

	Level 1* £'000s	Level 3* £'000s	Total £'000s
Cost at 30 September 2018	226,510	1,795	228,305
Gains/(losses) at 30 September 2018	114,524	(1,795)	112,729
Valuation at 30 September 2018	341,034	-	341,034
Purchases at cost	23,663	-	23,663
Sales proceeds	(26,102)	-	(26,102)
Gains on investments sold in period	7,373	-	7,373
Losses on investments held at period end	(16,051)	-	(16,051)
Valuation of investments at 31 March 2019	329,917	-	329,917
Cost at 31 March 2019	231,443	1,795	233,238
Gains/(losses) at 31 March 2019	98,474	(1,795)	96,679
Valuation of investments at 31 March 2019	329,917	-	329,917

* The hierarchy of investments is described in note 2(c)(i) of the annual report and accounts. Level 1 includes investments listed on any recognised stock exchange or quoted on AIM in the UK. Level 3 includes any unquoted investments.

6. Debtors

	31 March 2019 £'000s	31 March 2018 £'000s	30 September 2018 £'000s
Accrued income	2,661	2,285	1,524
Investments sold awaiting settlement	1,621	-	-
Prepayments	16	13	21
Overseas taxation recoverable	62	32	37
	4,360	2,330	1,582

7. Creditors: amounts falling due within one year

	31 March 2019 £'000s	31 March 2018 £'000s	30 September 2018 £'000s
Management fee	318	327	347
Investments purchased awaiting settlement	1,161	-	-
Loan interest	3	4	4
Accruals	48	59	39
	1,530	390	390

8. Loans

In March 2018 the Company entered in to a £30 million multi-currency revolving loan facility with ScotiaBank expiring March 2021 and subject to compliance with the loan covenants. These covenants have all been met during the period. The interest rate on the amount drawn down and commitment fees payable on undrawn amounts are based on the commercial terms agreed with ScotiaBank.

At the period end the amount of the loan drawn down was £20 million (2018: £20 million).

9. Share capital

Equity share capital	Issued and fully paid	
	Number	£'000s
Ordinary shares of 25p each		
Balance at 30 September 2018	101,059,268	25,265
Ordinary shares issued	1,400,000	350
Balance at 31 March 2019	102,459,268	25,615

In the half-year ended 31 March 2019, 1,400,000 ordinary shares were issued for total proceeds of £4,225,000.

Since 31 March 2019 no further shares have been issued.

10. Net Asset Value per ordinary share

	31 March 2019	31 March 2018	30 September 2018
Net Asset Value per share – pence	314.70	309.75	324.04
Net assets attributable at the period end – (£'000s)	322,438	309,783	327,472
Number of ordinary shares in issue at the period end	102,459,268	100,009,268	101,059,268

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

	Half-year ended 31 March 2019 £'000s	Half-year ended 31 March 2018 £'000s	Year ended 30 September 2018 £'000s
Net return on ordinary activities before taxation	(2,928)	(1,615)	17,631
Adjustments for non-cash flow items, dividend income and interest expense:			
Losses/(gains) on investments	8,678	5,889	(6,841)
Foreign exchange (gains)/losses	(8)	5	1
Non-operating expenses of a capital nature	1	10	11
Dividend income receivable	(6,364)	(5,454)	(13,044)
Interest payable	189	272	446
(Increase) / decrease in other debtors	(20)	18	5
Decrease in other creditors	(20)	(39)	(39)
	2,456	701	(19,461)
Net cash flow from operating activities (before dividends received and interest paid)	(472)	(914)	(1,830)

12. Going concern

The Company's investment objective, strategy and policy are subject to a process of regular Board monitoring and are designed to ensure that the Company is invested mainly in readily realisable, listed securities and that the level of borrowings is restricted. The Company retains title to all assets held by the Custodian and an agreement covers its borrowing facility. Cash is held with banks approved and regularly reviewed by the Manager and the Board.

The Directors believe that: the Company's objective and policy continue to be relevant to investors; the Company operates within a robust regulatory environment; and the Company has sufficient resources and arrangements to continue operating within its stated policy for the 12 month period commencing from the date of this report. Accordingly, the financial statements have been drawn up on the basis that the Company is a going concern.

13. Results

The results for the half-year ended 31 March 2019 and 31 March 2018, which are unaudited, constitute non-statutory accounts within the meaning of Section 434 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 30 September 2018; the report of the independent auditors thereon was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The abridged financial statements shown above for the year ended 30 September 2018 are an extract from those accounts.

By order of the Board
BMO Investment Business Limited, Secretary
Exchange House
Primrose Street
London EC2A 2NY
23 May 2019

Directors' Statement of Principal Risks and Uncertainties

Most of the Company's principal risks and uncertainties are market related and no different from those of other investment trusts investing primarily in listed equities. They are described in more detail under the heading "Principal risks and future prospects" within the strategic report in the Company's annual report for the year ended 30 September 2018. They 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 risks include having an inappropriate strategy in relation to investor needs; unfavourable markets or inappropriate asset allocation, sector and stock selection, currency exposure, and use of gearing and derivatives leading to investment underperformance. Also included are risks in relation to errors, fraud or control failures at service providers, or loss of data through cyber-threats or business continuity failure.

Directors' Statement of Responsibilities in Respect of the Half-Yearly Financial Report

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

- the condensed set of financial statements has been prepared in accordance with applicable UK Accounting Standards on a going concern basis, and gives a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the half-yearly report includes a fair review of the development and performance of the Company and important events that have occurred during the first six months of the financial year and their impact on the financial statements;

- the Directors' Statement of Principal Risks and Uncertainties shown above is a fair review of the principal risks and uncertainties for the remainder of the financial year; and
- the half-yearly report includes a fair review of the related party transactions that have taken place in the first six months of the financial year.

On behalf of the Board
Steven Bates
Chairman
23 May 2019

How to Invest

One of the most convenient ways to invest in BMO Capital and Income Investment 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 2019/20 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 £4,368 for the tax year 2019/20 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 £4,368 for the 2019/20 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 instruction £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.

How to Invest

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

Existing Plan Holders:

Call: **0345 600 3030****
(9:00am – 5:00pm, weekdays)

Email: 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: **Alliance Trust Savings, 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 can have access to the account at age 18.

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

 A part of BMO Financial Group

BMO Asset Management Limited

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Information for Shareholders

Net asset value and share price

The Company's Net Asset Value per share is released daily, on the working day following the calculation date, to the London Stock Exchange. The current share price of BMO Capital and Income Investment Trust PLC is shown in the investment trust section of the stock market page in most leading newspapers, usually under "BMO Capital and Income".

Performance information

Information on the Company's performance is provided in the half-yearly and final reports which are sent to Shareholders in June and December respectively. More up-to-date performance information is available on the Internet at bmocapitalandincome.com. This website also provides a monthly update on the Company's geographic spread and largest holdings, along with comments from the Fund Manager.

UK capital gains tax ("CGT")

An approved investment trust does not pay tax on capital gains. Most UK resident individuals may realise net capital gains of up to £12,000 in the tax year ended 5 April 2020 without incurring any tax liability.

A rate of CGT of 10% will apply where taxable income and gains do not exceed the income tax higher rate threshold (£37,500 in 2019-20 tax year). A higher rate of 20% will apply to those whose income and gains exceed this figure.

Income tax

The second interim dividend of 2.55 pence per share is payable on 28 June 2019. From April 2019

the annual tax-free allowance to UK residents on dividend income received in their entire share portfolios is £2,000. Dividend income received in excess of this amount will be taxed at rates of 7.5% (basic rate taxpayers), 32.5% (higher rate taxpayers) or 38.1% (additional rate taxpayers).

AIC

BMO Capital and Income Investment Trust PLC is a member of the AIC, which publishes a monthly statistical information service in respect of member companies. The publication also has details of ISA and other investment plans available. For further details, please contact the AIC on 020 7282 5555, or visit the website: theaic.co.uk

Electronic communications

Computershare provides a service to enable Shareholders to receive Shareholder correspondence electronically (including annual and half yearly financial reports) if they wish. If a Shareholder opts to receive documents in this way, paper documents will only be available on request. Shareholders who opt for this service will receive a Notice of Availability via e-mail from Computershare with a link to the relevant section of the Company's website where the documents can be viewed or printed. For more information, to view the terms and conditions and to register for this service, please visit Computershare's internet site at investorcentre.co.uk (you will need your Shareholder reference number which can be found on your share certificate or dividend confirmation).

Common reporting standards

Tax legislation requires investment fund companies to provide information annually to

the local tax authority on the tax residencies of a number of non-UK based certificated Shareholders and corporate entities who have purchased shares in investment trusts. All new Shareholders, excluding those whose shares are held in CREST, who are entered onto the share register are sent a certification form for the purpose of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders gov.uk/government/publications/exchange-of-information-account-holders.

Availability of report and accounts

The Company's report and accounts are available on the Internet at bmocapitalandincome.com. Printed copies may be obtained from the Company's registered office, Exchange House, Primrose Street, London EC2A 2NY

If you have trouble reading small print, please let us know. We can provide literature in alternative formats, for example large print or on audiotape. Please call 0345 600 3030**.

Warning to Shareholders – Beware of Share Fraud.

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register from fca.org.uk to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority ("FCA") on 0800 111 6768 if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at fca.org.uk/scams
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at fca.org.uk/scams where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768. If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.

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