BMO Capital and Income Investment Trust PLC

Report and Accounts for the half-year ended 31 March 2021

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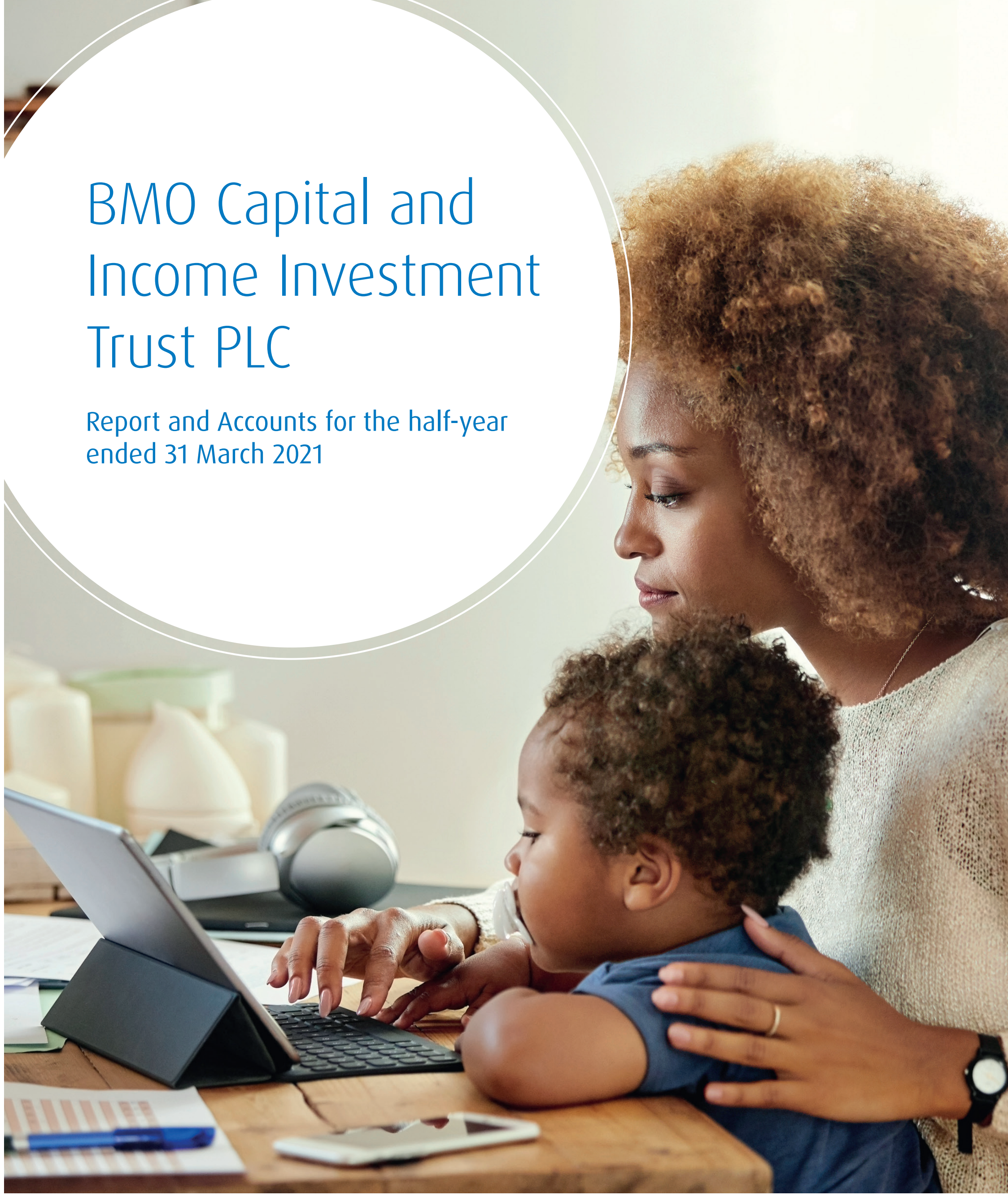

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Company Overview

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

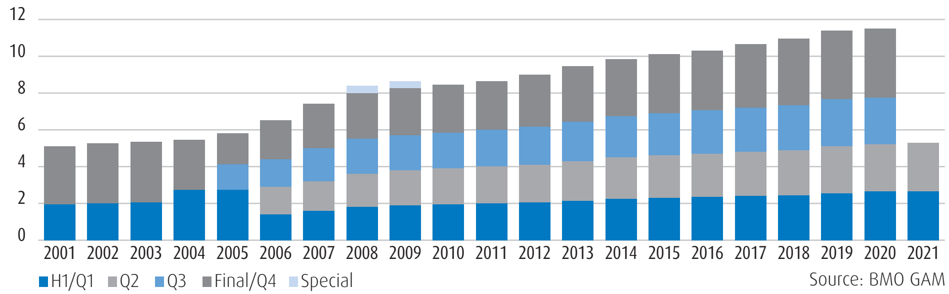
- Our well-diversified portfolio has outperformed its benchmark over the short, medium and long-term under Julian Cane, our Fund Manager for over 24 years.
- A recognised "AIC Dividend Hero", our dividend has increased every year since launch in 1992 and grown at more than twice the rate of inflation.
- Investor demand remains robust and the Company's shares continue to trade close to the underlying Net Asset Value.
- Ongoing Charges* of 0.58% represent very good value for Shareholders.

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 2020.

Visit our website at **bmocapitalandincome.com**

Dividend Progression (pence per share) for BMO Capital and Income Investment Trust



Source: BMO GAM

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

Legal Entity Identifier: 21380052ETTRKV2A6Y19

Financial Highlights

for the half-year ended 31 March 2021

5.25p

The dividend[(1)] for this half-year of 5.25p represents an increase of 1% in comparison to the six-months ended 31 March 2020 and provides Shareholders with an annual yield[(2)] of 3.8%.

26.0%

Share price total return[(3)] of 26.0%. The share price ended the period at 307p.

25.4%

Net Asset Value total return[(3)] of 25.4%, outperforming the benchmark FTSE All-Share Index which returned 18.5%. Net Asset Value total return is once again ahead of the benchmark over 1, 5, 10, 20 years and since launch in 1992.

0.1%

The share price ended the period at a premium* to Net Asset Value of 0.1% with the shares having traded at an average discount* of 1.6%.

(1) The first interim dividend of 2.65 pence per share was paid on 31 March 2021 and the second interim dividend of 2.60 pence per share is payable on 30 June 2021 to Shareholders registered on 11 June 2021.

(2) Calculated as the total of the four most recent quarterly dividends declared divided by the period end share price.

(3) 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.

* See full details of the explanation and calculation of Alternative Performance Measures in the Report and Accounts as at 30 September 2020.

Chairman's Statement

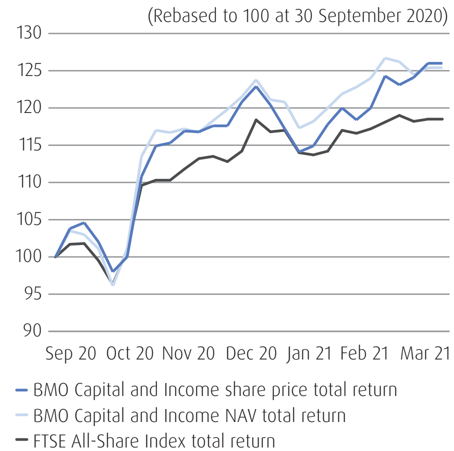
Dear Shareholder,

Social and economic conditions have remained truly extraordinary since my last report to you with further lockdowns preceding the rapid roll out of the highly effective vaccines. I very much hope that you and your families have stayed well.

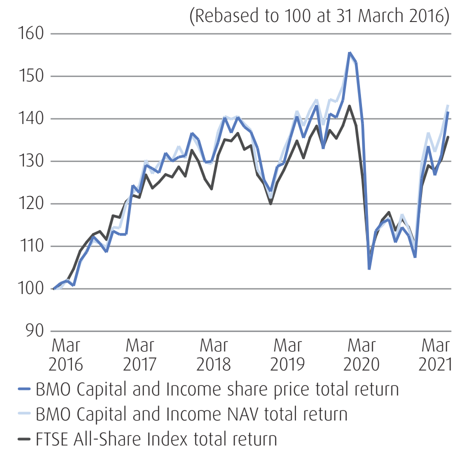
As a Company, we have continued to operate as close to 'normality' as possible. We are not fully able to insulate Shareholders from the impact on capital values caused by the volatility of the equity markets in which we are invested, but we have been able to maintain our record as an AIC Dividend Hero through once again increasing our dividend. I report in this statement on our progress over the half-year to 31 March 2021.

Total Return and Share Price Performance:
Markets in October started poorly with a rise in the number of infections in the UK leading to a second national lockdown. This led to a decline in investor confidence in the UK stock market and, as a consequence, a fall in indices. News the following month that three vaccines had been found in trials to be very successful in protecting against infection quickly restored investor confidence and swung the market substantially higher. The change in sentiment largely continued throughout the rest of the period, helped by the speed of the subsequent vaccine roll out in the UK and the real world experience of the effectiveness of the vaccines, which appears to be even greater than initially thought from the trials.

Performance over six months (%)



Performance over five years (%)



Source: Refinitiv Eikon

Although most countries have not returned fully to activities that would have been considered 'normal' pre-pandemic, stock markets, as usual, have moved in anticipation. Even though most companies continue to report financial results negatively impacted by the pandemic and lockdowns, this has not held back the wider market. In effect, diminished historic earnings are being valued more highly in expectation of a strong recovery.

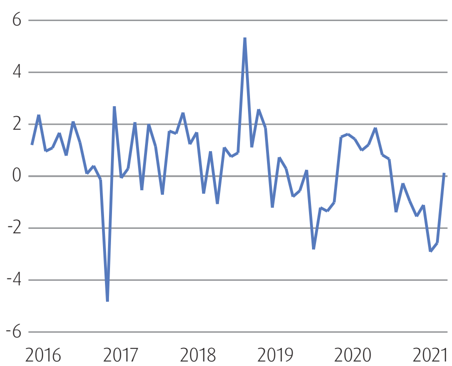
Our own results over the six months to 31 March 2021 show gains in Net Asset Value (NAV) total return per share of 25.4% and a share price total return of 26.0%. Not only are these very strong returns in a relatively short period of time, but they are also well ahead of our benchmark, the FTSE All-Share Index, which recorded a total return of 18.5%.

The strongest contributor to our returns in the period was Arrow Global, a specialist investor in non-performing debt, whose shares gained 140%, initially on hopes of an improving economic background and latterly on a take-over bid by funds managed by TDR Capital. The housebuilders Vistry (+96%) and Countryside Properties (+51%) were strong contributors as building activity was not badly curtailed by restrictions, and demand for housing remains strong. This was also behind the strength of the brick manufacturers Forterra (+62%) and Ibstock (+41%). The financial companies, OSB Group and Intermediate Capital are our largest individual investments and their share prices gained 53% and 56% respectively. Of course, the strong gains in these share prices (and many others) far outstrip any rational assessment of the gain in value made by the companies over the six months. They are more reflective of how some share prices fell precipitously and more than could logically be explained in the early stages of the pandemic.

As Shareholders may recall, we suffered adverse performance in late February and early March 2020 compared with the UK stock market which itself fell steeply in response to the first wave of the virus. Our subsequent results have recovered the vast majority of that performance relative to the Index, such that our share price and NAV total returns are once again ahead of the Index over 1, 5, 10, 20 years and indeed, since our launch in 1992.

Share Price Premium / Discount: During the six months under review, the share price on average traded at a discount of 1.6% to the underlying NAV per share. This is in contrast to our experience in recent years when our shares have generally traded at a premium. It is impossible to attribute a precise reason for the change, but it is likely to reflect, amongst other things, less investor appetite for UK equities in general and specifically the UK equity income sector over the period. It should be noted, however, that demand for our shares remains encouraging and, at the end of the period under review, the share price stood at a premium to underlying NAV per share.

Share price premium/(discount) to NAV over 5 years (%)



Source: BMO GAM

Share Issuance and Buy-backs: As the Board has stated on numerous occasions, we are willing and able to try to ensure that there is no material difference between the share price and the NAV per share. This was exemplified during the six months under review as we issued 479,754 shares to satisfy demand for the shares, mostly from dividend reinvestment, and subsequently as we undertook the Company's first share buybacks in over a decade as the discount started to widen. The total number of shares bought back into Treasury totalled 150,000 and I am pleased to report that post the reporting period end, these shares have subsequently been re-issued. As we have assured investors in the past, the shares were bought at a discount and were re-issued at a premium to their then prevailing NAV. We believe this process is advantageous both to the Company (adding very marginally to NAV per share) and also to Shareholders buying or selling our shares as it reduces the risk of trading when the share price is materially adrift from the underlying NAV per share.

Revenue, Earnings and Dividends: Many companies' response to the pandemic was to reduce, delay or cancel dividend payments. For some it was a precautionary measure when facing the unknown, for others it was necessary to ensure liquidity and solvency, whilst still others had the decision forced on them by regulators. Our income is primarily the dividends we receive from our investments so the impact of the dividend reductions has been clearly noticeable since the start of the pandemic. In last year's interim report it was noted that dividend reductions were the main factor behind the fall in revenue return per share of 9.5%. It is even more evident in this report as the impact of the pandemic has affected all six months of the period under review rather than just the two months of the comparable reporting period; this has led to a further reduction in revenue return per share of 37.4%.

"...our share price and NAV total returns are once again ahead of the index over 1, 5, 10, 20 years and indeed, since our launch in 1992."

We paid an unchanged dividend for our first quarter of 2.65p per share and with this set of results, announce a dividend for the second quarter of 2.6p per share. This gives a combined dividend for the first half of 5.25p per share, an increase of 1.0% compared to the same period last year (5.2p per share).

Dividend Cover and Revenue Reserve: With our income levels lower as a result of the pandemic, our earnings over the period are insufficient to cover fully the cost of the dividend and we have decided to use our Revenue Reserve in order to pay the uncovered balance. After this, the amount in our Revenue Reserve is £8.4m, which compares to the cost of the dividend for the financial year 2020 of £12.0m. The Revenue Reserve was accumulated in previous years when not all our net earnings were paid to Shareholders as dividends. A key purpose of the Revenue Reserve is to be able to support dividend payments when conditions are more challenging, such as now, and therefore the Board is willing to use this Reserve to support the payment of an increased dividend this half-year.

Many investors have suffered reductions in income as dividends have been cut elsewhere and interest rates are so low, but we have always put great emphasis on increasing our dividend each year; we have done this every year since launch in 1992. As a consequence of this, we are proud to be an AIC Dividend Hero and this is a record we will strive to maintain.

Balance Sheet and Gearing: Throughout the majority of the six months under review, we borrowed £20m under our loan facility. The additional returns gained from investing this in our portfolio helped to contribute to our performance, over and above the gains from the stock selection decisions made by Julian Cane, our fund manager. This loan facility expired at the end of March and after a competitive tendering process, we opted to renew the facility with Scotiabank and enlarge the amount we can potentially borrow from £30m to £40m. Given the increase in assets over the last six months, this will allow us to keep gearing at a similar percentage as before. At the half-year end we were borrowing £25m from the new facility and our gearing level was 6.4% compared to 7.1% as at 30 September 2020.

Ownership of the Manager: As you may be aware, on 12 April 2021 BMO announced that it had reached an agreement to sell its asset management business in Europe, the Middle East and Africa which will, subject to completion, become part of Columbia Threadneedle Investments, the global asset management business of Ameriprise Financial, Inc. Details have not yet been finalised and published but both companies have confirmed the importance of maintaining the stability and continuity of the teams which presently support your Company.

Your Board welcomes that assurance of stability and continuity and remains focused as always on ensuring the delivery of the highest levels of performance and standards of service for our Shareholders as the new relationship develops. We shall ensure that you are kept informed of developments.

Outlook: UK stock markets have recovered most of the ground that had been lost as a result of the pandemic, and in some specific areas, such as the FTSE Mid 250 and FTSE Small Cap, share prices are generally back to or above pre-pandemic levels. This strongly suggests that stock market price increases from this point will not be anything like as strong as the recovery-fuelled gains experienced in the immediate past. Furthermore economic and social conditions need to return to those occurring pre-pandemic in order to justify current stock market valuations overall.

Our portfolio is well diversified and we believe the companies within it should be able to generate attractive returns. Although their success is largely expected to be driven by their own efforts, we are conscious the companies do not operate in a vacuum and benefit from a wider, healthy and liquid economy.

Although Government enforced restrictions on activity are still in place, the path to a post-pandemic environment is becoming clearer and this is leading to many companies having sufficient confidence to restart or grow their dividends. We fully expect this to have a positive impact on our income and earnings in the second half of our financial year. We believe there are interesting opportunities to invest in a good number of companies at still attractive valuations.

On behalf of the Board
Jonathan Cartwright
Chairman
28 May 2021

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 2020.

The principal risks identified in the Annual Report were:

- Unfavourable markets or asset allocation, sector and stock selection and use of gearing and derivatives are inappropriate giving rise to investment underperformance as well as impacting capacity to pay dividends;

- Errors, fraud or control failures at service providers, or loss of data through increasing cyber-threats or business continuity failure could damage reputation or investors interests or result in losses; and

- An inappropriate business or marketing strategy particularly in relation to investor needs or sentiment giving rise to a share price discount to NAV per share.

Since the beginning of 2020 the global economy has suffered considerable disruption due to the effects of the COVID-19 pandemic. The Directors continue to review the key risk register for the Company which identifies the risks that the Company is exposed to, the controls in place and the actions being taken to mitigate them.

The Board considers that since the beginning of the COVID-19 pandemic the threat from the principal risks has increased and have considered this in relation to going concern, see page 23.

Twenty Largest Holdings

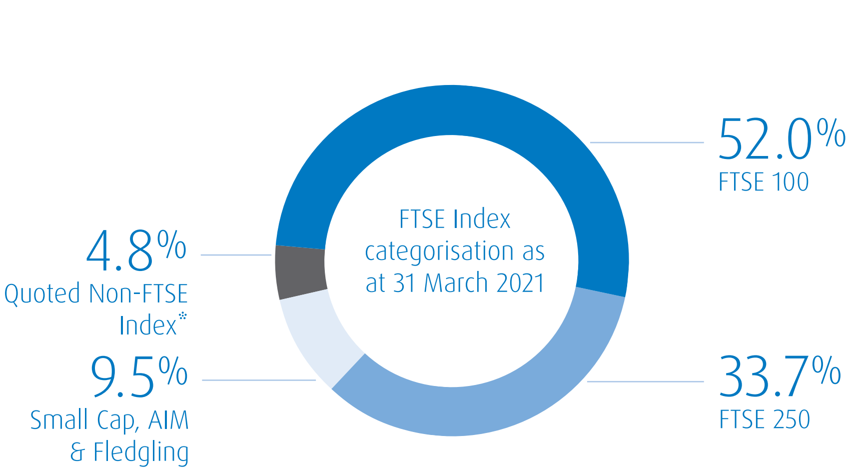
31-Mar 2021	30-Sep 2020		% of total investments	Value £'000s
1	7	OSB Group (formerly OneSavings Bank Group) (Financials) This specialist challenger bank has been generating good returns and growing well at carefully controlled risk levels. These factors, together with the synergies arising from its merger with Charter Court Financial Services, are helping it to come strongly through this crisis.	5.5	19,179
2	6	Intermediate Capital (Financials) A specialist lender to private companies both on its own behalf and increasingly for third-party investors. It has been experiencing very strong demand for its funds and generating strong returns. It it coming through this crisis well, with the potential to grow the business further and faster.	4.7	16,385
3	9	Legal and General (Financials) A focus on generating a strong and growing cash flow allows this UK life assurer to pay an attractive and growing dividend. Concerns over its credit exposure and solvency appear overdone, just as they were during the Global Financial Crisis.	4.0	13,955
4	2	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 only current exposure to the mining sector.	4.0	13,875
5	3	Diageo (Consumer Staples) The largest producer of premium branded spirits in the world and also a major brewer. The strength of the brands and substantial exposure to markets with greater growth potential should lead to attractive returns.	3.7	13,004
6	10	Countryside Properties (Consumer Discretionary) Its main strength is its specialisation in urban regeneration of public sector land. These are typically long-term contracts, which although less profitable than mainstream house building bear fewer associated risks. The industry appears to be navigating the pandemic reasonably well.	3.7	12,700
7	1	Unilever (Consumer Staples) A leading manufacturer of branded fast-moving consumer goods with more than half of its sales in emerging markets which have greater growth potential.	3.2	11,073
8	21	Vistry Group (Consumer Discretionary) The company has made strong progress recovering from the problems experienced when it was Bovis Homes. Its merger with the home building division of Galliford Try further strengthens and diversifies the business.	3.2	10,958
9	8	Phoenix (Financials) A UK domestic life assurer 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	10,568
10	11	Secure Income REIT (Real Estate)* The highly successful Prestbury property management team has brought together a group of assets (hospitals, leisure parks and hotels) let to strong tenants. Last year was clearly very challenging to some of these, but there should be a full return to scheduled rents in 2022.	3.0	10,397

31-Mar 2021	30-Sep 2020		% of total investments	Value £'000s
11	18	Beazley (Financials) A specialist insurer with a diverse underwriting portfolio that has historically generated good returns and growth. In the short-term, results will continue to be badly impacted by COVID-19 related losses, but they should recover strongly in future.	2.9	10,196
12	5	GlaxoSmithKline (Health Care) One of the world's leading pharmaceutical companies with valuable healthcare and vaccines businesses. There are no major patent expiries until 2027 which should help to support the current dividend.	2.8	9,659
13	4	AstraZeneca (Health Care) A major international pharmaceutical company. Despite a pipeline of new drugs that appeared unexciting in the short-term it is producing strong earnings growth now with more potential further out.	2.8	9,566
14	31	Arrow Global (Financials) An investor in and asset manager of non-performing loans. A bid for the company from funds managed by TDR Capital has been agreed by Arrow's board.	2.6	9,135
15	17	Informa (Consumer Discretionary) 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). Having raised more equity in 2020 to survive the pandemic, we believe it should experience a good recovery once conditions allow.	2.6	8,918
16	32	IG (Financials) A global leader in online trading and investments, IG has been a beneficiary of market volatility and working from home, seeing a sharp increase in active clients and revenue. Its proposed US acquisition should expand the business much further.	2.5	8,560
17	26	Close Brothers Group (Financials) A leading independent merchant bank providing customers with lending, deposit taking, wealth management and securities trading. It is run in a conservative way and has historically generated good returns, even through difficult economic times.	2.5	8,531
18	13	Compass (Consumer Discretionary) Compass is the global leader in outsourced catering. There has been a structural shift towards increased outsourcing and although this has been temporarily disrupted by the pandemic, with its unrivalled scale, Compass is able to offer its clients good value.	2.4	8,184
19	14	Coca Cola HBC (Consumer Staples) This is the third largest independent bottler in the global Coca-Cola system, operating in 28 countries, particularly in Eastern Europe and Nigeria, where long-term growth prospects should be attractive. It generates attractive returns.	2.2	7,739
20	24	Melrose Industries (Industrials) The management team is focused on improving the operations of the acquisitions it has made in order to enhance shareholder value against a very adverse economic background.	2.2	7,508

The value of the twenty largest holdings represents 63.5% (30 September 2020: 59.5%) of the Company's total investments.

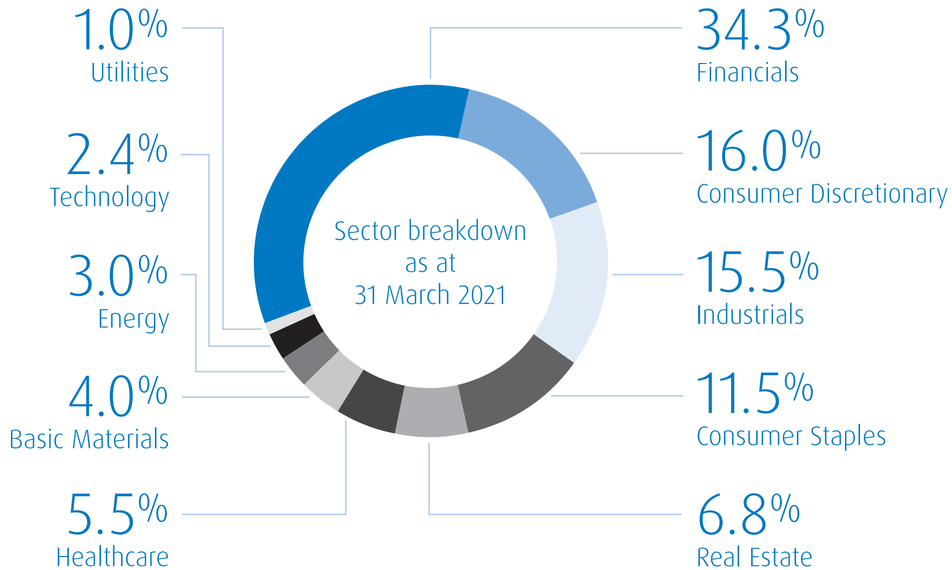
* Quoted on the Alternative Investment Market in the UK.

Portfolio Weightings



Source: BMO GAM

*Includes Overseas and Specialist investments, and non-voting shares.



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.

Condensed Income Statement

Notes		Half-year ended 31 March 2021 (Unaudited)			Half-year ended 31 March 2020 (Unaudited)			Year ended 30 September 2020 (Audited)		
		Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
5	Gains/(losses) on investments	–	64,732	64,732	–	(97,277)	(97,277)	–	(79,247)	(79,247)
	Foreign exchange (losses)/gains	(2)	20	18	–	–	–	2	(25)	(23)
2	Income	4,030	–	4,030	5,912	–	5,912	10,097	938	11,035
	Management fee	(339)	(339)	(678)	(319)	(319)	(638)	(609)	(609)	(1,218)
	Other expenses	(258)	–	(258)	(318)	(1)	(319)	(583)	(2)	(585)
	Net return before finance costs and taxation	3,431	64,413	67,844	5,275	(97,597)	(92,322)	8,907	(78,945)	(70,038)
	Finance costs	(56)	(56)	(112)	(51)	(51)	(102)	(141)	(141)	(282)
	Net return before taxation	3,375	64,357	67,732	5,224	(97,648)	(92,424)	8,766	(79,086)	(70,320)
	Taxation	–	–	–	–	–	–	(8)	–	(8)
	Net return attributable to Shareholders	3,375	64,357	67,732	5,224	(97,648)	(92,424)	8,758	(79,086)	(70,328)
3	**Return per share - basic and diluted (pence)**	3.15	60.14	63.29	5.03	(93.99)	(88.96)	8.34	(75.33)	(66.99)

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	Half-year ended 31 March 2021 (Unaudited)	Share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Special reserve £'000s	Capital reserve £'000s	Revenue reserve £'000s	Total Shareholders' funds £'000s
	Balance at 30 September 2020	**26,677**	**139,814**	**4,146**	**4,434**	**79,475**	**11,849**	**266,395**
	Movements during the half-year ended 31 March 2021							
4	Dividends paid	**–**	**–**	**–**	**–**	**–**	**(6,844)**	**(6,844)**
9	Ordinary shares issued	**120**	**1,250**	**–**	**–**	**–**	**–**	**1,370**
9	Ordinary shares bought back and held in treasury	**–**	**–**	**–**	**–**	**(445)**	**–**	**(445)**
	Net return attributable to Shareholders	**–**	**–**	**–**	**–**	**64,357**	**3,375**	**67,732**
	Balance at 31 March 2021	**26,797**	**141,064**	**4,146**	**4,434**	**143,387**	**8,380**	**328,208**

Notes	Half-year ended 31 March 2020 (Unaudited)	Share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Special reserve £'000s	Capital reserve £'000s	Revenue reserve £'000s	Total Shareholders' funds £'000s
	Balance at 30 September 2019	25,696	130,197	4,146	4,434	158,561	15,115	338,149
	Movements during the half-year ended 31 March 2020:							
4	Dividends paid	–	–	–	–	–	(6,600)	(6,600)
	Ordinary shares issued	316	3,802	–	–	–	–	4,118
	Net return attributable to Shareholders	–	–	–	–	(97,648)	5,224	(92,424)
	Balance at 31 March 2020	26,012	133,999	4,146	4,434	60,913	13,739	243,243

Notes	Year ended 30 September 2020 (Audited)	Share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Special reserve £'000s	Capital reserve £'000s	Revenue reserve £'000s	Total Shareholders' funds £'000s
	Balance at 30 September 2019	25,696	130,197	4,146	4,434	158,561	15,115	338,149
	Movements during the year ended 30 September 2020:							
4	Dividends paid	–	–	–	–	–	(12,024)	(12,024)
	Ordinary shares issued	981	9,617	–	–	–	–	10,598
	Net return attributable to Shareholders	–	–	–	–	(79,086)	8,758	(70,328)
	Balance at 30 September 2020	26,677	139,814	4,146	4,434	79,475	11,849	266,395

Condensed Balance Sheet

Notes		31 March 2021 (Unaudited) £'000s	31 March 2020 (Unaudited) £'000s	30 September 2020 (Audited) £'000s
	Fixed assets			
5	Investments	**347,692**	263,473	284,843
	Current assets			
6	Debtors	**2,012**	2,016	731
	Cash and cash equivalents	**3,889**	–	1,183
	Total current assets	**5,901**	2,016	1,914
	Current liabilities			
7	Creditors: amounts falling due within one year	**(385)**	(325)	(362)
	Bank overdraft	**–**	(1,921)	–
8	Loan	**(25,000)**	(20,000)	(20,000)
	Total current liabilities	**(25,385)**	(22,246)	(20,362)
	Net current liabilities	**(19,484)**	(20,230)	(18,448)
	Net assets	**328,208**	243,243	266,395
	Capital and reserves			
9	Share capital	**26,797**	26,012	26,677
	Share premium account	**141,064**	133,999	139,814
	Capital redemption reserve	**4,146**	4,146	4,146
	Special reserve	**4,434**	4,434	4,434
	Capital reserve	**143,387**	60,913	79,475
	Revenue reserve	**8,380**	13,739	11,849
	Total Shareholders' funds	**328,208**	243,243	266,395
10	**Net Asset Value per ordinary share – pence**	**306.62**	233.78	249.65

Condensed Statement of Cash Flows

Notes		Half-year ended 31 March 2021 (Unaudited) £'000s	Half-year ended 31 March 2020 (Unaudited) £'000s	Year ended 30 September 2020 (Audited) £'000s
11	**Cash flows from operating activities before dividends received and interest**	**(1,033)**	(1,087)	(1,111)
	Dividends received	**2,781**	5,148	10,649
	Interest received	**–**	10	11
	Interest paid	**(109)**	(101)	(282)
	Cash flows from operating activities	**1,639**	3,970	9,267
	Investing activities			
	Purchase of investments	**(22,152)**	(35,290)	(48,257)
	Sale of investments	**24,120**	17,653	27,395
	Other capital charges	**–**	(1)	(2)
	Cash flows from investing activities	**1,968**	(17,638)	(20,864)
	Cash flows before financing activities	**3,607**	(13,668)	(11,597)
	Financing activities			
4	Equity dividends paid	**(6,844)**	(6,600)	(12,024)
	Net proceeds from issuance of new shares	**1,370**	4,118	10,598
	Cost of shares bought back and held in treasury	**(445)**	–	–
8	Drawdown of bank loan	**5,000**	10,000	10,000
	Cash flows from financing activities	**(919)**	7,518	8,574
	Net movement in cash and cash equivalents	**2,688**	(6,150)	(3,023)
	Cash and cash equivalents at the beginning of the period	**1,183**	4,229	4,229
	Effect of movement in foreign exchange	**18**	–	(23)
	Cash and cash equivalents at the end of the period	**3,889**	(1,921)	1,183
	Represented by:			
	Cash at bank	**9**	–	43
	Short term deposits	**3,880**	–	1,140
	Bank overdraft	**–**	(1,921)	–
		3,889	(1,921)	1,183

Notes to the Condensed Accounts

1. Basis of preparation

These condensed financial statements, which are unaudited, have been prepared on a going concern basis in accordance with the Companies Act 2006, FRS 102, Interim Financial Reporting (FRS104) and the revised Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued by the AIC in October 2019.

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 2020.

2. Income

	Half-year ended 31 March 2021 £'000s	Half-year ended 31 March 2020 £'000s	Year ended 30 September 2020 £'000s
Income from investments:			
UK dividend income	**3,719**	5,078	8,798
UK dividend income - special dividends [(1)]	**167**	33	54
Overseas dividend income	**–**	–	239
Property income distributions	**144**	373	577
SCRIP Dividend Income	**–**	418	418
	4,030	5,902	10,086
Other income:			
Interest on cash and cash equivalents	**–**	10	11
	4,030	5,912	10,097

[(1)] Special dividends are classified as either revenue or capital in nature in accordance with note 2(c)(xiv) 'Use of judgements, estimates and assumptions' of the Annual Report & Accounts. For the half-year ended 31 March 2021 no special dividends have been recognised in capital (31 March 2020: £nil; 30 September 2020: £938,000).

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 2021 £'000s	Half-year ended 31 March 2020 £'000s	Year ended 30 September 2020 £'000s
Revenue return	**3,375**	5,224	8,758
Capital return	**64,357**	(97,648)	(79,086)
Total return	**67,732**	(92,424)	(70,328)
	Number	Number	Number
Weighted average ordinary shares in issue	**107,026,853**	103,899,595	104,977,759
Total return per share	**63.29**	(88.96)	(66.99)

4. Dividends

Dividends paid on ordinary shares	Payment date	**Half-year ended 31 March 2021 £'000s**	Half-year ended 31 March 2020 £'000s	Year ended 30 September 2020 £'000s
Fourth of four interims for the year ended 30 September 2019 of 3.75p per share	30 December 2019	**–**	3,854	3,854
First of four interims for the year ended 30 September 2020 of 2.65p per share	31 March 2020	**–**	2,746	2,746
Second of four interims for the year ended 30 September 2020 of 2.55p per share	30 June 2020	**–**	–	2,703
Third of four interims for the year ended 30 September 2020 of 2.55p per share	30 September 2020	**–**	–	2,721
Fourth of four interims for the year ended 30 September 2020 of 3.75p per share	17 December 2020	**4,007**	–	–
First of four interims for the year ended 30 September 2021 of 2.65p per share	31 March 2021	**2,837**	–	–
		6,844	6,600	12,024

The second interim dividend of 2.60 pence per share in respect of the year ending 30 September 2021 will be paid on 30 June 2021 to all Shareholders on the register at close of business on 11 June 2021, with an ex-dividend date of 10 June 2021. The total cost of this dividend, based on 107,289,022 shares in issue and entitled to the dividend on 11 June 2021, is £2,790,000.

5. Investments

	Total (Level 1*) £'000s
Cost at 30 September 2020	246,295
Gains at 30 September 2020	38,548
Fair value of investments at 30 September 2020	284,843
Purchases at cost	40,873
Sales proceeds	(42,850)
Gains on investments sold during the period	4,588
Gains on investments held at period end	60,238
Fair value of investments at 31 March 2021	**347,692**
Cost at 31 March 2021	249,000
Gains at 31 March 2021	98,692
Fair value of investments at 31 March 2021	**347,692**

Gains on investments held at fair value	Total £'000s
Gains on investments sold during the period	4,588
Gains on investments held at period end	60,238
Investment transaction costs	(94)
Total gains on investments	**64,732**

* All assets held by the Company were classified as Level 1 in nature as described in note 2(c)(i) of the Annual Report and Accounts and includes investments and derivatives listed on any recognised stock exchange or quoted on AIM in the UK.

Investments sold during the year have been revalued over time since their original purchase, and until they were sold any unrealised gains or losses was included in the fair value of the investments.

6. Debtors

	31 March 2021 £'000s	31 March 2020 £'000s	30 September 2020 £'000s
Accrued income	**1,842**	1,918	593
Investments sold awaiting settlement	**59**	–	50
Prepayments	**31**	21	23
Income tax recoverable	**2**	8	8
Overseas taxation recoverable	**78**	69	57
	2,012	2,016	731

7. Creditors: amounts falling due within one year

	31 March 2021 £'000s	31 March 2020 £'000s	30 September 2020 £'000s
Management fee	**343**	263	287
Loan interest	**3**	1	–
Accruals	**39**	61	75
	385	325	362

8. Loans

In March 2018 the Company entered in to a £30 million multi-currency revolving loan facility with Scotiabank expiring March 2021. In March 2021 this was increased to £40 million and extended to March 2022. The loan is subject to compliance with the loan covenants which have all been met during the period. The amount utilised and the interest rate thereon are set on a short term basis. Interest rates and commitment fees payable on non-utilised amounts are based on the commercial terms agreed with Scotiabank.

At the period end the amount of the loan drawn down was £25 million (31 March 2020: £20 million; 30 September 2020: £20 million).

9. Share capital

		Total listed		Held in Treasury		Issued and fully paid
Equity share capital	Number	£'000s	Number	£'000s	Number	£'000s
Ordinary shares of 25 pence each						
Balance at 30 September 2020	106,709,268	26,677	–	–	106,709,268	26,677
Ordinary shares issued	479,754	120	–	–	479,754	120
Ordinary Shares bought back & held in Treasury	–	–	150,000	38	(150,000)	(38)
Balance at 31 March 2021	**107,189,022**	**26,797**	**150,000**	**38**	**107,039,022**	**26,759**

In the half-year ended 31 March 2021, 479,754 new ordinary shares were issued for net proceeds of £1,370,000 and 150,000 ordinary shares were subsequently bought back and held in treasury by the Company at a net cost of £445,000.

Since 31 March 2021, 100,000 new ordinary shares and 150,000 ordinary shares held in treasury have been issued for total proceeds of £786,000.

10. Net Asset Value per ordinary share

	31 March 2021	31 March 2020	30 September 2020
Net Asset Value per share – pence	**306.62**	233.78	249.65
Net assets attributable at the period end – (£'000s)	**328,208**	243,243	266,395
Number of ordinary shares in issue at the period end	**107,039,022**	104,049,268	106,709,268

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

	Half-year ended 31 March 2021 £'000s	Half-year ended 31 March 2020 £'000s	Year ended 30 September 2020 £'000s
Net return on ordinary activities before taxation	**67,732**	(92,424)	(70,320)
Adjustments for non-cash flow items, dividend income and interest expense:			
(Gains)/losses on investments	**(64,826)**	97,277	79,082
Foreign exchange (gains)/losses	**(18)**	–	23
Non-operating expenses of a capital nature	**–**	1	2
Dividend income receivable	**(4,030)**	(5,902)	(10,086)
Interest receivable	**–**	(10)	(11)
Interest payable	**112**	102	282
Increase in other debtors	**(23)**	(34)	(24)
Increase/(decrease) in other creditors	**20**	(97)	(59)
	(68,765)	91,337	69,209
Net cash flow from operating activities (before dividends received and interest)	**(1,033)**	(1,087)	(1,111)

12. Analysis of changes in net debt

	Cash/(overdraft) £'000s	Bank loan £'000s	Total £'000s
Opening net cash/(debt) at 30 September 2020	1,183	(20,000)	(18,817)
Cash-flows:			
Drawdown of bank loan	–	(5,000)	(5,000)
Net movement in cash and cash equivalents	2,688	–	2,688
Non-cash:			
Effect of movement in foreign exchange	18	–	18
Closing net debt at 31 March 2021	3,889	(25,000)	(21,111)

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. They have also considered the Company's objective, strategy and policy, the current cash position of the Company, the availability of the loan facility and compliance with its covenants and the operational resilience of the Company and its service providers.

At present the global economy is suffering considerable disruption due to the effects of the COVID-19 pandemic and the Directors have given careful consideration to the consequences for this Company. The Company has a number of banking covenants and at present the Company's financial position does not suggest that any of these are close to being breached.

The primary risk is that there is a very substantial decrease in the Net Asset Value of the Company in the short to medium term. The Directors have considered the remedial measures that are open to the Company if such a covenant breach appears possible. As at 26 May 2021, the last practicable date before publication of this report, borrowings amounted to £25 million. This is in comparison to a Net Asset Value of £352.1 million. In accordance with its investment policy the Company is mainly invested in readily realisable, FTSE All-Share listed securities. These can be realised, if necessary, to repay the loan facility and fund the cash requirements for future dividend payments.

The Company operates within a robust regulatory environment. The Company retains title to all assets held by the Custodian. Cash is held with banks approved and regularly reviewed by the Manager and the Board. The Directors have noted that home working arrangements have been implemented at the Manager and many of the Company's key suppliers without any impact upon service delivery and operations.

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

14. Results

The results for the half-year ended 31 March 2021 and 31 March 2020, 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 2020; 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 on prior pages for the year ended 30 September 2020 are an extract from those accounts.

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

28 May 2021

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 on page 7 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
Jonathan Cartwright
Chairman
28 May 2021

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 2021/22 tax year with a lump sum from £500 or regular savings from £50 a month per Trust. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

BMO Junior ISA ("JISA")*
You can invest up to £9,000 for the tax year 2021/22 from £500 lump sum or £30 a month per Trust, or a combination of both. Please note, if your child already has a Child Trust Fund (CTF), then you cannot open a separate JISA, however you can transfer the existing CTF (held either with BMO or another provider) to a BMO JISA.

BMO Child Trust Fund ("CTF")*
If your child has a CTF you can invest up to £9,000 per birthday 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**

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: **Barclays Stockbrokers, EQi, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, 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.

BMO Asset Management Limited

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

BMO Asset Management Limited is authorised and regulated by the Financial Conduct Authority and is a member of BMO Global Asset Management EMEA of which the ultimate parent company is the Bank of Montreal. 737510_L56_04/21_UK

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 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 £12,300 in the tax year ended 5 April 2022 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 (£37,700 in 2021-22 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 2.60 pence per share is payable on 30 June 2020. From April 2021 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.

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 at 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.