

BMO Capital and Income Investment Trust PLC

Report and Accounts for the half-year
ended 31 March 2022

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Part of



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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.

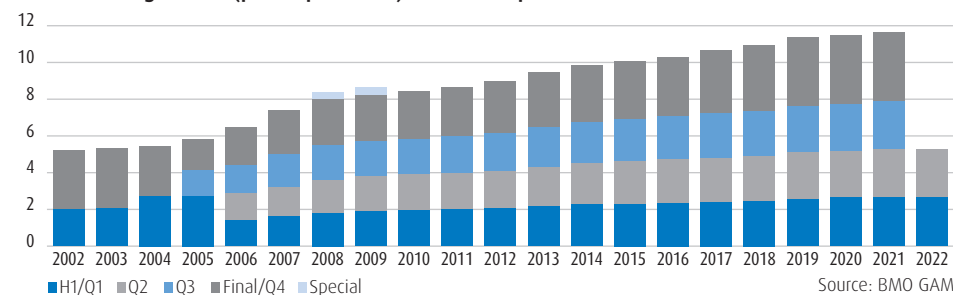
- Our well-diversified portfolio has outperformed its benchmark over the long-term under Julian Cane, our Fund Manager for over 25 years.
- A recognised "AIC Dividend Hero", our dividend has increased every year since launch in 1992 and grown at more than twice the average rate of inflation since then.
- Our Ongoing Charges* of 0.59% represents 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 2021.

Visit our website at bmocapitalandincome.com

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



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 2022

5.30p

The dividend⁽¹⁾ for this half-year of 5.30p represents an increase of 1% in comparison to the six-months ended 31 March 2021 and provides Shareholders with an annual yield⁽²⁾ of 3.6%.

2.1%

Share price total return⁽³⁾ was 2.1%, with the price ending the period at 325p.

-1.3%

Net Asset Value total return⁽³⁾ was -1.3%, underperforming the benchmark FTSE All-Share Index which returned 4.7%.

1.4%

The share price ended the period at a premium* to Net Asset Value of 1.4% with the shares having traded at an average discount* of 1.8% over the six months to 31 March 2022.

(1) The first interim dividend of 2.65 pence per share was paid on 31 March 2022 and the second interim dividend of 2.65 pence per share is payable on 30 June 2022 to Shareholders registered on 10 June 2022 with an ex-dividend date of 9 June 2022.

(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 2021.

Chairman's Statement

Dear Shareholder,

I report below on the progress of your Company over the first half-year to 31 March 2022 and am pleased to announce another increase in dividend payment.

Total Return and Share Price Performance:

An analysis of the performance of the UK stock market and the Company would separate the six month period neatly into two calendar quarters. During the first quarter, from 1 October 2021 to 31 December 2021, the stock market experienced some recovery as the economies of the western world continued their rebound from the COVID-19 pandemic. During this period the Company's performance was a little ahead of our benchmark, the FTSE All-Share Index.

Just as the outlook was starting to appear relatively benign, a combination of increasing macro-economic and geopolitical uncertainty was unleashed during the first quarter of calendar 2022. Inflation had been edging higher throughout 2021, largely a function of economic recovery and compromised supply chains, but the hope that it would prove to be transitory has been shown to be wishful thinking from Central Banks. The prospect of higher interest rates, together with a cost-of-living squeeze from higher food and energy prices are negative for economies and markets. In addition, of course, there is the tragedy of the Russian invasion of Ukraine. The

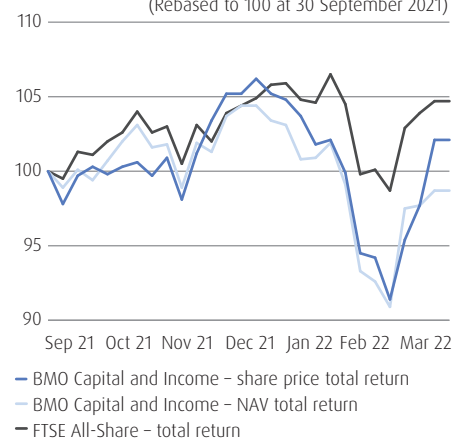
suffering and loss for those involved is clearly unimaginable for those of us not directly affected, but during the period, many financial markets have responded better than might have been expected. This is particularly true in the UK. The direct impact of the Russian invasion is very limited for most companies, but it has had a significant impact on commodity prices and hence a much greater effect on some areas of the market than others. Rising commodity prices are proving to be favourable for the earnings of both the oil and mining companies and hence the share price performances of these two sectors have been strongly positive. Although your Company has investments in BP, Rio Tinto and Shell, in aggregate these are considerably less than the weighting of the oil and mining companies in the FTSE All-Share Index. Therefore, the strength of the share prices of companies in these sectors was overall a negative factor for the performance of the portfolio relative to its benchmark. Our holding in Coca-Cola HBC is directly impacted by the war in Ukraine as previously around 20% of group sales were in Russia and Ukraine; the fall in its share price has been far in excess of the loss of sales.

Our own results over the six months to 31 March 2022 show a decline in Net Asset Value (NAV) total return per share of 1.3% and a gain in the share price total return of 2.1%. This compares to a return of 4.7% from our benchmark.

Chairman's Statement (continued)

Performance over six months (%)

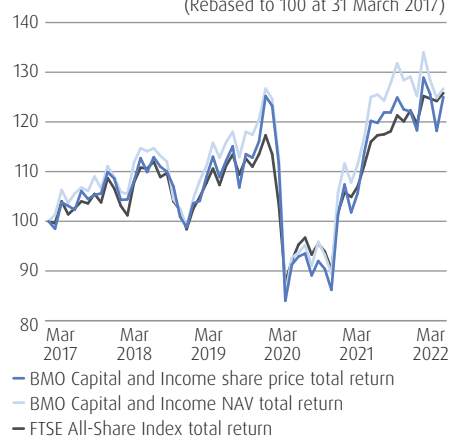
(Rebased to 100 at 30 September 2021)



Source: Refinitiv Eikon

Performance over five years (%)

(Rebased to 100 at 31 March 2017)



Source: Refinitiv Eikon

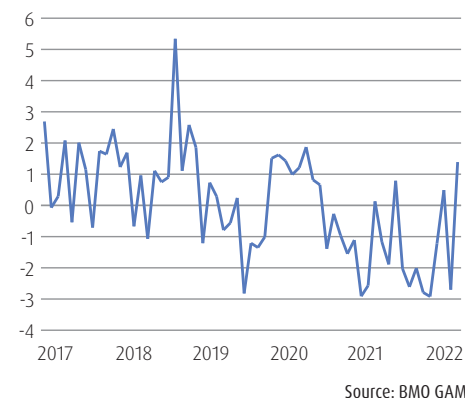
The set-back in our relative performance over the six months is clearly unwelcome, but the overall performance of the majority of our investments is encouraging and it is our Investment Manager's belief that the share prices of those investments will recover over the medium term to reflect better their long-term prospects. Our longer-term performance record clearly shows there are shorter-term periods when our progress is adrift from that of our benchmark. In an actively managed fund, this is only to be expected. Over the longer-term, we can show that our investment approach has been beneficial for Shareholders as the Company's performance remains ahead of our benchmark over longer time periods. We have also been able to maintain our record of unbroken annual dividend increases.

Share Price Premium / Discount: During the six months under review, the share price traded at an average discount to the underlying NAV per share of 1.8%. This is similar to our experience during the previous year and reflects, at least in part,

our belief that the share price should not become too detached from the underlying NAV per share. At the close of business on 31 March 2022, the share price was trading at a premium of 1.4% to underlying NAV per share.

Share Issuance and Buy-backs: To put our beliefs into action, we are willing and able to buy or sell the Company's own shares when they trade too far away from the underlying NAV per share. In the first six months of this financial year, we bought just over 320,000 shares and we sold 175,000. As we have reassured investors in the past, the shares were bought at a discount and were sold at a premium to their concurrent NAV. This process helps to add some liquidity to the market, adds marginally to NAV per share and also helps to reduce the risk that the share price may come adrift from the underlying NAV per share. For these reasons, we believe this process is advantageous for the Company and Shareholders.

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



“Over the longer-term, we can show that our investment approach has been beneficial for Shareholders as the Company's performance remains ahead of our benchmark over longer time periods.”

Revenue, Earnings and Dividends: Since early 2020, our income, which is the dividends we receive from our investments, has been disrupted by COVID-19. In this report, there is still a legacy impact, but a strong rebound is very clear as most companies have now started to pay dividends again to their shareholders. The Company's income increased more than 60% compared to the same period in the previous financial year and our Earnings Per Share increased by almost 70% to 5.34 pence per share. This figure is just 4% below the rate recorded for the six months from 30 September 2018 to 31 March 2019, the last directly comparable period before the impact of COVID-19, thus suggesting that the most obvious elements of income disruption have dissipated.

We paid an unchanged dividend for our first quarter of 2.65 pence per share and with this set of results I am pleased to announce an increase in the second quarterly dividend from 2.60 pence in 2021 to 2.65 pence per share for 2022. The combined dividend for the first half of 5.30 pence

per share represents an increase of 1% compared to the same period last year.

Dividend Cover and Revenue Reserve: The Revenue Reserve was accumulated in previous years when not all our net earnings were paid to Shareholders as dividends and we have drawn on this over the last two years to fill the gap created by the COVID-19-driven dip in portfolio income. Positively, the strong rebound in our income over the last six months has helped to build our Revenue Reserve. As of 31 March 2021, the Revenue Reserve was £8.4m and it has now increased to £9.6m.

Having increased our dividend to Shareholders every year since launch in 1992, we are proud of our record of dividend growth and that the Company is recognised as a “Dividend Hero” by the Association of Investment Companies. We will strive to extend our dividend record further.

Balance Sheet and Gearing: In March 2021 we entered into a one-year loan facility with The Bank of Nova Scotia, London Branch. This was extended on revised terms in March 2022 for a further one-year period. We started the financial year having borrowed £25m and this was increased to £27m during the six months, giving gearing as at 31 March 2022 of 7.7%.

Ownership of the Manager: My statement in the Report and Accounts 2021 noted that the acquisition by Ameriprise Financial, Inc. the parent company of Columbia Threadneedle Investments, of the asset management business of BMO in Europe, the Middle East and Africa (“BMO GAM EMEA”) completed on 8 November 2021. BMO GAM EMEA has since announced its intention to bring the combined business under the Columbia Threadneedle brand and your Board will take this as an opportunity to review the name of this Company. The Board will ensure that Shareholders are kept informed of any changes, including any amendments to the name of this Company, as this new relationship develops.

Outlook: There is a great deal of uncertainty at present, from inflationary pressures not seen in decades, rising commodity prices, supply-chain disruption and China still struggling with COVID-19, to a nuclear-armed aggressor starting a major war in Europe. It would clearly be foolhardy to try to predict individually how any of these will evolve, but at the same time it is not unreasonable to recognise that these circumstances are exceptional.

These factors make it very complex for companies to plan and operate at present and we are very mindful of that, but it does appear that there are still interesting opportunities to invest for the longer term in high quality companies with robust balance sheets at attractive valuations.

On behalf of the Board
Jonathan Cartwright
Chairman
27 May 2022

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 2021.

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.

At present the global economy continues to suffer considerable disruption due to the effects of the COVID-19 pandemic, inflationary concerns and the war in Ukraine. 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 the principal risks have not changed materially since 24 November 2021, the date of the Company’s Annual Report. The Board has also considered these principal risks in relation to going concern, see page 23.

Twenty Largest Holdings

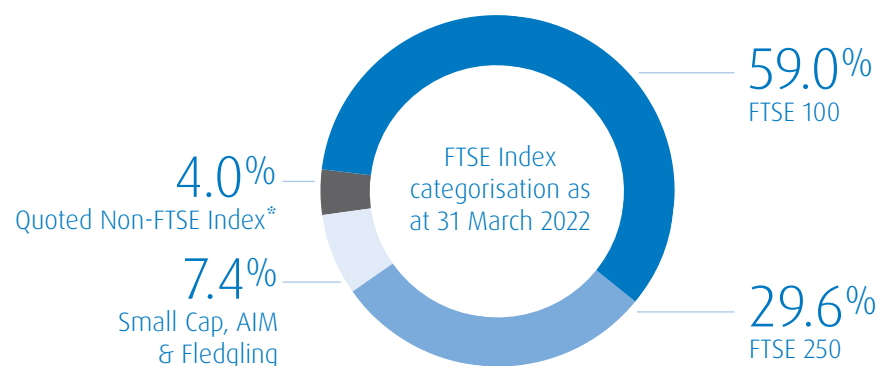
31-Mar 30-Sep 2022 2021			% of total investments	Value £'000s
1	1	OSB Group (Financials) This specialist challenger bank has been generating good returns and growing well at carefully controlled risk levels. These factors, together with the synergies arising from its merger with Charter Court Financial Services, are helping it to perform strongly.	6.9	25,425
2	3	AstraZeneca (Health Care) A major international pharmaceutical company. Its pipeline of new drugs is proving successful and producing strong growth now with more potential further out.	5.0	18,238
3	4	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.	4.6	16,806
4	2	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 and generating strong returns despite the difficult conditions. It has great potential to grow the business further.	4.3	15,891
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 only current exposure to the mining sector.	4.1	15,203
6	6	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. Concerns over its credit exposure and solvency appear overdone, just as they were during the Global Financial Crisis, leading to the valuation being attractive.	3.7	13,600
7	10	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. The leases are extremely long in duration with over half of the annual rent roll having upwards only inflation-linked reviews.	3.6	13,079
8	5	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.	3.4	12,438
9	12	GlaxoSmithKline (Health Care) After many years of lacklustre performance, current management is under significant pressure to reinvigorate the business. The demerger of the health care business later this year should help to create value.	3.4	12,354
10	11	Beazley (Financials) A specialist insurer with a diverse underwriting portfolio that has historically generated good returns and growth. Results have been badly impacted by COVID-19 related losses and the war in Ukraine will further add to these, but they should recover strongly in future.	3.3	12,203

31-Mar 30-Sep 2022 2021			% of total investments	Value £'000s
11	9	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.	2.7	10,075
12	16	Informa (Consumer Discretionary) A global provider of information to a wide variety of end users across a range of sectors through a number of media (books and journals, internet, exhibitions and events). As economic recovery from the pandemic comes through, it should recover strongly.	2.6	9,587
13	19	LondonMetric Property (Real Estate) This Real Estate Investment Trust owns a desirable and differentiated portfolio of properties. It has a particular focus on delivering reliable and growing income-led total returns.	2.6	9,427
14	17	Compass (Consumer Discretionary) Compass is the global leader in outsourced catering. A structural shift towards more outsourcing was disrupted by the pandemic, but good rates of growth should return. It has unrivalled scale helping it to offer its clients great value.	2.5	9,237
15	27	Shell (formerly Royal Dutch Shell) (Energy) A leading international oil exploration, production and marketing group. For a while the industry has struggled to generate good returns, but the spike in oil prices has caused profits and returns to increase sharply.	2.4	8,961
16	20	RELX (Consumer Discretionary) RELX is a global provider of information-based analytics and decision tools for professional and business customers across a range of industries. It also has a leading global events business. It generates high returns which we expect will improve further.	2.4	8,933
17	14	Phoenix (Financials) A UK domestic life insurer actively taking part in consolidation of the sector. Increased scale drives operational and capital efficiencies and diversification benefits that underpin an attractive dividend.	2.4	8,840
18	13	Burford Capital (Financials)* Burford is the leading provider of litigation funding. It is a fast evolving and growing market with attractive returns for those able to navigate its complexities well.	2.2	8,035
19	22	IG (Financials) IG is a global leader in online trading and investments and has been a beneficiary of market volatility, having seen a sharp increase in active clients and revenue. Its recent US acquisition expands the business much further.	2.1	7,781
20	15	Howden Joinery (Consumer Discretionary) This business designs, manufactures and sells fitted kitchens, mostly in the UK. Its integrated value chain and efficiency make it a high returning business with the potential to grow and improve returns further.	2.1	7,524

The value of the twenty largest holdings represents 66.3% (30 September 2021: 63.6%) of the Company's total investments.

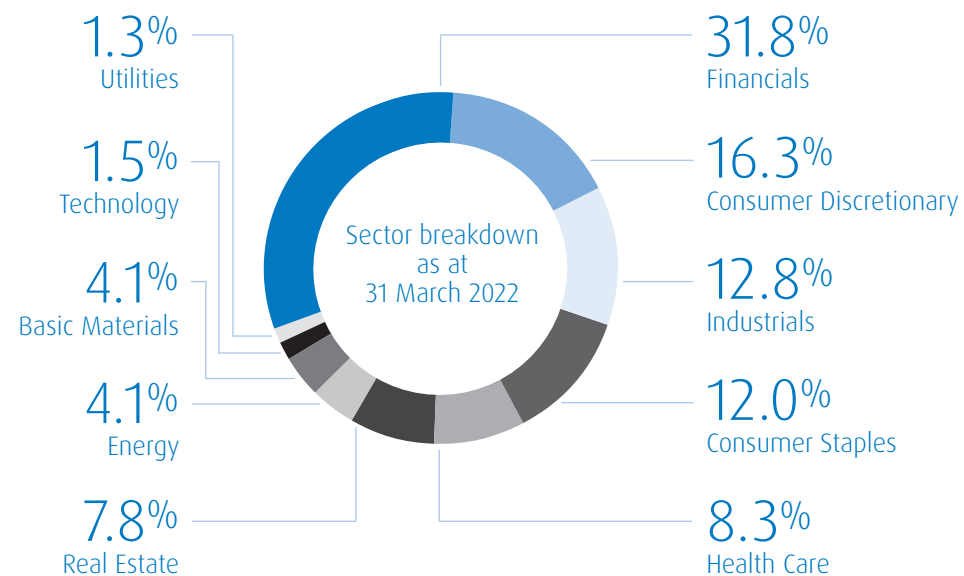
* Quoted on the Alternative Investment Market in the UK.

Portfolio Weightings



Source: BMO GAM

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



Source: BMO GAM

Forward-looking statements

This half-year 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 2022 (Unaudited)			Half-year ended 31 March 2021 (Unaudited)			Year to 30 September 2021 (Audited)		
	Revenue £'000s	Capital £'000s	Total* £'000s	Revenue £'000s	Capital £'000s	Total* £'000s	Revenue £'000s	Capital £'000s	Total* £'000s
5 (Losses)/gains on investments	-	(10,402)	(10,402)	-	64,732	64,732	-	89,657	89,657
Foreign exchange (losses)/gains	(2)	(59)	(61)	(2)	20	18	(4)	13	9
2 Income	6,536	-	6,536	4,030	-	4,030	12,697	58	12,755
Management fee	(377)	(377)	(754)	(339)	(339)	(678)	(721)	(721)	(1,442)
Other expenses	(356)	-	(356)	(258)	-	(258)	(535)	(2)	(537)
Net return before finance costs and taxation	5,801	(10,838)	(5,037)	3,431	64,413	67,844	11,437	89,005	100,442
Finance costs	(72)	(72)	(144)	(56)	(56)	(112)	(114)	(114)	(228)
Net return before taxation	5,729	(10,910)	(5,181)	3,375	64,357	67,732	11,323	88,891	100,214
Taxation	-	-	-	-	-	-	(13)	-	(13)
Net return attributable to Shareholders	5,729	(10,910)	(5,181)	3,375	64,357	67,732	11,310	88,891	100,201
3 Earnings per share - basic and diluted (pence)	5.34	(10.17)	(4.83)	3.15	60.14	63.29	10.56	82.95	93.51

* 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 2022 (Unaudited)							
Balance at 30 September 2021	26,822	141,374	4,146	4,432	168,366	10,735	355,875
Movements during the half-year ended 31 March 2022							
4 Dividends paid	-	-	-	-	-	(6,860)	(6,860)
9 Ordinary shares issued from treasury	-	21	-	567	-	-	588
9 Ordinary shares bought back and held in treasury	-	-	-	(1,036)	-	-	(1,036)
Costs relating to broker	-	(8)	-	-	-	-	(8)
Net return attributable to Shareholders	-	-	-	-	(10,910)	5,729	(5,181)
Balance at 31 March 2022	26,822	141,387	4,146	3,963	157,456	9,604	343,378
Half-year ended 31 March 2021 (Unaudited)							
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)
Ordinary shares issued	120	1,250	-	-	-	-	1,370
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	3,989	143,832	8,380	328,208
Year ended 30 September 2021 (Audited)							
Balance at 30 September 2020	26,677	139,814	4,146	4,434	79,475	11,849	266,395
Movements during the year ended 30 September 2021:							
4 Dividends paid	-	-	-	-	-	(12,424)	(12,424)
Ordinary shares issued	145	1,549	-	-	-	-	1,694
Ordinary shares issued from treasury	-	29	-	443	-	-	472
Ordinary shares bought back and held in treasury	-	-	-	(445)	-	-	(445)
Costs relating to broker	-	(18)	-	-	-	-	(18)
Net return attributable to Shareholders	-	-	-	-	88,891	11,310	100,201
Balance at 30 September 2021	26,822	141,374	4,146	4,432	168,366	10,735	355,875

Condensed Balance Sheet

Notes	31 March 2022 (Unaudited) £'000s	31 March 2021 (Unaudited) £'000s	30 September 2021 (Audited) £'000s
Fixed assets			
5 Investments	366,869	347,692	378,420
Current assets			
6 Debtors	3,308	2,012	1,087
Cash and cash equivalents	643	3,889	1,813
Total current assets	3,951	5,901	2,900
Current liabilities			
7 Creditors: amounts falling due within one year	(442)	(385)	(445)
8 Loan	(27,000)	(25,000)	(25,000)
Total current liabilities	(27,442)	(25,385)	(25,445)
Net current liabilities	(23,491)	(19,484)	(22,545)
Net assets	343,378	328,208	355,875
Capital and reserves			
9 Share capital	26,822	26,797	26,822
Share premium account	141,387	141,064	141,374
Capital redemption reserve	4,146	4,146	4,146
Special reserve	3,963	3,989	4,432
Capital reserves	157,456	143,832	168,366
Revenue reserve	9,604	8,380	10,735
Total Shareholders' funds	343,378	328,208	355,875
10 Net Asset Value per ordinary share – pence	320.49	306.62	331.70

Condensed Statement of Cash Flows

Notes	Half-year ended 31 March 2022 (Unaudited) £'000s	Half-year ended 31 March 2021 (Unaudited) £'000s	Year ended 30 September 2021 (Audited) £'000s
11 Cash flows from operating activities before dividends received and interest	(1,128)	(1,033)	(2,038)
Dividends received	4,318	2,781	12,279
Interest received	1	-	15
Interest paid	(139)	(109)	(227)
Cash flows from operating activities	3,052	1,639	10,029
Investing activities			
5 Purchase of investments	(1,892)	(22,152)	(42,713)
5 Sale of investments	3,047	24,120	39,028
Other capital charges	-	-	(2)
Cash flows from investing activities	1,155	1,968	(3,687)
Cash flows before financing activities	4,207	3,607	6,342
Financing activities			
4 Equity dividends paid	(6,860)	(6,844)	(12,424)
9 Net proceeds from issuance of new shares	-	1,370	1,694
9 Net proceeds from issuance of shares held in treasury	588	-	472
Costs associated with share issues	(8)	-	(18)
9 Cost of shares bought back and held in treasury	(1,036)	(445)	(445)
8 Drawdown of bank loan	2,000	5,000	5,000
Cash flows from financing activities	(5,316)	(919)	(5,721)
Net movement in cash and cash equivalents	(1,109)	2,688	621
Cash and cash equivalents at the beginning of the period	1,813	1,183	1,183
Effect of movement in foreign exchange	(61)	18	9
Cash and cash equivalents at the end of the period	643	3,889	1,813
Represented by:			
Cash at bank	13	9	3
Short term deposits	630	3,880	1,810
	643	3,889	1,813

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 Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued by the AIC.

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 2021.

2. Income

	Half-year ended 31 March 2022 £'000s	Half-year ended 31 March 2021 £'000s	Year ended 30 September 2021 £'000s
Income from investments:			
UK dividend income	6,270	3,719	10,877
UK dividend income - special dividends ⁽¹⁾	114	167	1,285
Overseas dividend income	-	-	286
Property income distributions	151	144	234
	6,535	4,030	12,682
Other income:			
Interest on cash and cash equivalents	1	-	1
Underwriting commission	-	-	14
	6,536	4,030	12,697

⁽¹⁾ Special dividends are classified as either revenue or capital in nature in accordance with note 2(c)(xiiiv) 'Use of judgements, estimates and assumptions' of the Annual Report & Accounts. No special dividends have been recognised in capital in the half-year ended 31 March 2022 (31 March 2021: £nil; 30 September 2021: £58,000).

3. Earnings per share

Earnings 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 2022 £'000s	Half-year ended 31 March 2021 £'000s	Year ended 30 September 2021 £'000s
Revenue return	5,729	3,375	11,310
Capital return	(10,910)	64,357	88,891
Total return	(5,181)	67,732	100,201
	Number	Number	Number
Weighted average ordinary shares in issue	107,210,621	107,026,853	107,151,511
Total return per share	(4.83)	63.29	93.51

4. Dividends

	Half-year ended 31 March 2022 £'000s	Half-year ended 31 March 2021 £'000s	Year ended 30 September 2021 £'000s
Dividends paid on ordinary shares			
Fourth of four interims for the year ended 30 September 2020 of 3.75p per share	-	4,007	4,007
First of four interims for the year ended 30 September 2021 of 2.65p per share	-	2,837	2,837
Second of four interims for the year ended 30 September 2021 of 2.60p per share	-	-	2,790
Third of four interims for the year ended 30 September 2021 of 2.60p per share	-	-	2,790
Fourth of four interims for the year ended 30 September 2021 of 3.75p per share	4,019	-	-
First of four interims for the year ended 30 September 2022 of 2.65p per share	2,841	-	-
	6,860	6,844	12,424

The second interim dividend of 2.65 pence per share in respect of the year ending 30 September 2022 will be paid on 30 June 2022 to all Shareholders on the register at close of business on 10 June 2022 with an ex-dividend date of 9 June 2022. The total cost of this dividend, based on 107,141,203 shares in issue and entitled to the dividend on 25 May 2022, being the last practicable date before publication is £2,839,000.

5. Investments

	Level 1* £'000s
Cost at 30 September 2021	256,643
Gains at 30 September 2021	121,777
Fair value of investments at 30 September 2021	378,420
Purchases at cost	1,892
Sales proceeds	(3,047)
Gains on investments sold during the period	281
Losses on investments held at period end	(10,677)
Fair value of investments at 31 March 2022	366,869
Cost at 31 March 2022	255,775
Gains at 31 March 2022	111,094
Fair value of investments at 31 March 2022	366,869

	£'000s
Losses on investments held at fair value	£'000s
Gains on investments sold during the period	281
Losses on investments held at period end	(10,677)
Investment transaction costs	(6)
Total losses on investments	(10,402)

* 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 2022 £'000s	31 March 2021 £'000s	30 September 2021 £'000s
Accrued income	3,200	1,842	983
Investments sold awaiting settlement	-	59	-
Prepayments	48	31	21
Income tax recoverable	-	2	-
Overseas taxation recoverable	60	78	83
	3,308	2,012	1,087

7. Creditors: amounts falling due within one year

	31 March 2022 £'000s	31 March 2021 £'000s	30 September 2021 £'000s
Management fee	362	343	382
Loan interest	6	3	1
Accruals	74	39	62
	442	385	445

8. Loans

In March 2021 the Company entered into a one-year multicurrency revolving credit facility agreement of up to £40 million with The Bank of Nova Scotia, London Branch. This was extended on revised terms in March 2022 for a further one year period. The interest rate margin and commitment fees payable on non-utilised amounts have been set at commercial rates.

At the period end the amount of the loan drawn down was £27 million (31 March 2021: £25 million; 30 September 2021: £25 million).

9. Share capital

Equity share capital	Number	Total listed £'000s	Held in Treasury Number	£'000s	Issued and fully paid Number	£'000s
Ordinary shares of 25 pence each						
Balance at 30 September 2021	107,289,022	26,822	-	-	107,289,022	26,822
Ordinary shares issued from treasury	-	-	(175,000)	(44)	175,000	44
Ordinary shares bought back & held in treasury	-	-	322,819	81	(322,819)	(81)
Balance at 31 March 2022	107,289,022	26,822	147,819	37	107,141,203	26,785

In the half-year ended 31 March 2022, 175,000 ordinary shares were issued from treasury for net proceeds of £588,000 and 322,819 ordinary shares were bought back and held in treasury by the Company at a net cost of £1,036,000.

Since 31 March 2022, no ordinary shares have been issued or bought back by the Company.

10. Net Asset Value per ordinary share

	31 March 2022	31 March 2021	30 September 2021
Net Asset Value per share – pence	320.49	306.62	331.70
Net assets attributable at the period end – (£'000s)	343,378	328,208	355,875
Number of ordinary shares in issue at the period end	107,141,203	107,039,022	107,289,022

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

	Half-year ended 31 March 2022 £'000s	Half-year ended 31 March 2021 £'000s	Year ended 30 September 2021 £'000s
Net return on ordinary activities before taxation	(5,181)	67,732	100,214
Adjustments for non-cash flow items, dividend income and interest expense:			
Losses/(gains) on investments	10,396	(64,826)	(89,842)
Foreign exchange losses/(gains)	61	(18)	(9)
Non-operating expenses of a capital nature	-	-	2
Dividend income receivable	(6,535)	(4,030)	(12,682)
Interest receivable	(1)	-	(15)
Interest payable	144	112	228
Increase in other debtors	(4)	(23)	(16)
(Decrease)/increase in other creditors	(8)	20	82
	4,053	(68,765)	(102,252)
Net cash flow from operating activities (before dividends received and interest paid)	(1,128)	(1,033)	(2,038)

12. Analysis of changes in net debt

	Half-year ended 31 March 2022 Total £'000s			Half-year ended 31 March 2021 Total £'000s		
	Cash £'000s	Bank loan £'000s		Cash £'000s	Bank loan £'000s	
Net cash/(debt) brought forward	1,813	(25,000)	(23,187)	1,183	(20,000)	(18,817)
Cash-flows:						
Drawdown of bank loan	-	(2,000)	(2,000)	-	(5,000)	(5,000)
Net movement in cash and cash equivalents	(1,109)	-	(1,109)	2,688	-	2,688
Non-cash:						
Effect of movement in foreign exchange	(61)	-	(61)	18	-	18
Net cash/(debt) carried forward	643	(27,000)	(26,357)	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.

The global economy continues to suffer considerable disruption due to the effects of the COVID-19 pandemic, inflationary concerns and the war in Ukraine 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 25 May 2022, the last practicable date before publication of this report, borrowings amounted to £25 million. This is in comparison to a Net Asset Value of £336.8 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.

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 2022 and 31 March 2021, 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 2021; 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 2021 are an extract from those accounts.

By order of the Board
BMO Investment Business Limited, Secretary
Exchange House
Primrose Street
London EC2A 2NY
27 May 2022

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

We confirm that to the best of our knowledge:

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

On behalf of the Board
Jonathan Cartwright
Chairman
27 May 2022

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 ISA

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

BMO Junior ISA ("JISA")*

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

BMO Lifetime ISA (LISA) *

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

BMO Child Trust Fund ("CTF")*

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

BMO General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £100 lump sum or £25 a month.

BMO Junior Investment Account (JIA)

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

Charges

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

Annual account charge

ISA/LISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

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

Dealing charges

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

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

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

How to Invest

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

Online applications are not available if you are transferring an existing plan with another provider to BMO, or if you are applying for a new plan in more than one name but paper applications are available at [bmoinvestments.co.uk/documents](https://www.bmoinvestments.co.uk/documents) or by contacting BMO.

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 by parents in the child's name and they have access to the money at age 18.

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

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

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

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



Part of



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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 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 2023 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 2022-23 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 2.65 pence per share is payable on 30 June 2022. 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 8.75% (basic rate taxpayers), 33.75% (higher rate taxpayers) or 39.35% (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.