

Winter 2024

Focus

Your Investment Trust
newsletter

Make the
most of
your ISA
allowance
before
5 April 2024.

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Welcome to your winter edition of **Focus Magazine**



Ross Duncton
Head of Marketing

It seems UK interest rates have stabilised, with many pundits beginning to predict when they could begin to fall. Inflation also seems to have peaked and has been moving downwards in the past few months.

However, external factors such as geopolitical risks have increased with escalation in the Middle East and increasing tensions between the US and China.

As we look forward to Spring, we remain optimistic and our

investment managers continue to work hard to ensure that portfolios are positioned to withstand these challenges and are well placed for the year ahead.

Ross Duncton,
Head of Marketing

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Fund focus



CT UK Capital and Income Investment Trust

Celebrating 30 years as an AIC dividend hero



This year marks 30 consecutive years of dividend payment increases for CT UK Capital and Income Investment Trust – making it an AIC dividend hero.

The Association of Investment Companies (AIC) awards dividend hero status to investment companies that have increased their annual dividends for 20 years in a row and there are currently only 20 investment

companies that have achieved this standard.

CT UK Capital and Income Investment Trust has increased its dividend every year since its launch in 1992, despite the backdrop of economic challenges such as the UK recession of the early 1990s, the Asian Financial Crisis, the attack on the New York World Trade Centre, the Global Financial Crisis, COVID-19

and more recently the ongoing geo-political backdrop.

The Trust carefully identifies companies that are growing and profitable today and have sustainable foundations that can contribute this profitable growth into the future. Most of the companies invested in generate much of their revenues outside the UK, which means investors can benefit from international growth and diversification.

You can watch a short video with Julian about the trust and being a dividend hero. For more information scan the QR code below or go to

www.ctcapitalandincome.co.uk/aic30



There is no guarantee that dividends will continue to increase.

“Since our launch as a company in 1992, our dividend has grown 257.4%, providing considerably greater growth than either “Consumer Price Index” at 103.7% or the FTSE All-Share Index at 169.7%. We are very aware and proud of our record of having increased the dividend each year since launch and it’s very much the Board of Director’s intention to extend this record”.

**Julian Cane, Fund Manager,
CT UK Capital and Income Investment Trust**

¹ assuming dividends had not been reinvested

² based on the annual dividend yield of the FTSE All-Share Index

Fund focus

CT UK High Income Trust

Investing in UK equities and equity related securities that aim to deliver high levels of growth.

Introducing David Moss, fund manager for CT UK High Income Trust (CT UK HIT)

David Moss has been fund manager for CT UK High Income Trust since July 2023. We take a look at his strategy and provide an update on the trust's objectives.

Introduction to CT UK High Income Trust

The investment strategy for CT UK High Income Trust remains focused on investing in a portfolio of high-quality companies that aim to deliver a high level of growing income for the future, whilst also aiming to deliver strong levels of capital growth.

The trust, launched in 2007 invests predominantly in UK equities. The trust has two classes of share – Ordinary shares and B shares – which pay the same level of quarterly cash distributions. The cash distributions on the Ordinary shares are paid as dividends, while those on the B shares are paid by way of capital returns and therefore taxed under capital gains tax (CGT) rules which can provide tax benefits to certain types of investors. The net asset value attributable to each class of share is the same.

The objective is to achieve a total return in excess of that of the FTSE All-Share Index.

The aim is to maintain an investment portfolio of approximately 40 holdings at any given time.

No single investment in the portfolio may exceed 10% of the Company's gross assets at the time of purchase. What this means is that at the time of purchase, the value of the new asset doesn't exceed 10% of the total value of the company's existing assets. In addition, it is expected that few individual holdings will exceed 5% of the Company's gross assets at the time of purchase. There are no maximum levels set for exposures to sectors.

2024 and the longer-term view

The view for 2024 is to continue to invest in the UK equity markets that are currently valued attractively. The opportunities and challenges for 2024 are linked together. Similar to the past year the UK economic backdrop in 2024 will inform growth and although the UK market is currently attractively valued it remains important to maintain a long-term approach to investing. The trust can invest up to 10% of assets outside of the UK market. This provides an opportunity to access businesses not accessible in the UK market to support the drive for longer term growth.

CT UK HIT at a glance*

Total assets:	£112.9 million
NAV:	85.83p
Management fee rate:	0.60%
Benchmark:	FTSE All-Share Index

*as at 30 November 2023



Meet David Moss, fund manager

What are your first thoughts on the investments you've taken over?

I have been managing and been part of the same team as previous managers of the trust for many years so I am very familiar with the individual companies held in the trust. What I felt needed to be done, now we have definitely moved beyond Covid, was a sharper focus on covering the dividend from income and the change in investments has been driven by that.

How do you assess recent performance and what do you think the prospects are?

Recent performance has begun to improve which is reflective of both the changes we have made and the existing positioning of the portfolio. It was our view for some time that there are many strong UK businesses that were extremely attractively valued but where sentiment towards the UK meant they were being ignored. I am not sure that sentiment has improved very much but evidence that inflation in the UK is slowing and that interest rates may not rise further has certainly highlighted the attractiveness of many of these companies and as a result we are seeing better performance. We anticipate that as this becomes more widely accepted and that the UK is not out of step with other major economies, the prospects for performance as we move into 2024 are very positive.

What's your outlook for the trust in 2024 and beyond?

We must be cogniscent of the geo-political backdrop and indeed any potential changes to

domestic political leadership, but our belief is that that by owning good quality businesses that can pay high levels of dividends now, and have the ability to invest for future growth, we believe that trust is very well positioned for 2024 and beyond.

Why should I invest or continue to invest in CT UK High Income Trust?

The trust is particularly attractive for any investor for whom income is at least part of their needs. We focus on companies that pay high dividends now and have the potential to grow dividend payments into the future. This means shareholders can look forward to growing levels of income over time. The very attractive valuation of the UK market means we are generally buying these businesses at very good prices giving the prospect of strong capital returns as well. Furthermore, we have to accept that there are certain types of company e.g. technology that are limited in the UK and the trust has the unique ability to invest a portion of its assets in world leading businesses listed outside of the UK further increasing the prospects for future growth.



For more information on CT UK High Income Trust scan the QR code or visit the Trust's website www.ctukhighincome.co.uk

CT Private Equity Trust celebrates its 25th anniversary

CT Private Equity Trust celebrates its 25th anniversary this year

The Company was launched in March 1999 as part of the reorganisation of The Scottish Eastern Investment Trust plc with the objective of managing the private equity investments formerly held by that company to return cash to shareholders. Fund manager Hamish Mair has been at the helm since launch and the trust has continued to deliver strong returns to investors through a range of different economic cycles.

CT Private Equity Trust offers access to a diverse spread of private equity investment opportunities in the UK, Europe and North America, through exposure to specialist private equity funds and co-investments in individual companies. The private equity funds in which the trust invests comprise mainly buy-out funds with some venture capital funds. Both the funds and the direct investments are selected in order to create an underlying portfolio which is well diversified by geography, sector, size of company, stage of development, transaction type and management style. Most of the portfolio is invested in the mid-market (companies with enterprise value of below £500m).

Diversified opportunities

In the right hands, a company with an innovative product, the right strategy and a strong brand can significantly grow its business and profitability. Such companies, however, often lie outside of listed markets and are therefore beyond the reach of individual investors.

CT Private Equity Trust offers access to this potent “unlisted” growth potential via specialist proprietary and third party private equity funds and direct investments in companies.

The fund manager looks to identify companies with a proven ability to make excellent absolute returns over the medium to long-term within growing markets, with an expectation of making an annualised return of in excess of 25% pa and holding the company for 4 to 5 years.

The Company is proud to have paid its investors an average annual dividend yield of 4.7% for the last 10 years and aims to continue paying an annual dividend yield of 4% or more every year.*

* Dividend yield calculated as dividends declared for the year divided by period end share price. There is no guarantee that the dividend payment will continue at this level



For more information about CT Private Equity Trust scan the QR code or visit the Trust's website www.ctprivateequitytrust.com

CT Private Equity Trust's dividend policy

- ▶ The trust aims to pay quarterly dividends with an annual yield equivalent to not less than four per cent of the average of the published NAV per Ordinary Share as at the end of each of its last four financial quarters. This is paid prior to the announcement of the relevant quarterly dividend and not less than the prior quarter's dividend.
- ▶ The trust has paid investors an average annual dividend yield of 4.7% for the last 10 years and aims to continue paying an annual dividend yield of 4% of NAV every year.[^]

The value of your investments can go down as well as up, and you may not get back the original amount invested.

[^]Dividend yield calculated as dividends declared for the year divided by period end share price. There is no guarantee that the dividend payment will continue at this level.

CT Private Equity at a glance*

Net assets:	£507m
NAV:	696.30p
Net dividend yield [†]	5.9%
Management fee rate ^{**} :	0.9%

* as at 30 September 2023

[†] the yield is calculated by annualising dividends declared for the Company's current financial year

^{**} please refer to the latest annual report as to how the fee is structured.

ISA focus

Investing made simple with the CT ISA

Individual Savings Accounts – better known as ISAs – allow you to invest for the future in a range of funds in a simple manner, no matter what your investment goals are.

When deciding which type of ISA best suits your needs, it's important to think about your goals, both short and long-term, and factors such as the level of risk you are willing to take with your money.

At Columbia Threadneedle Investments, we offer a stocks and shares ISA, known as the CT ISA. The CT ISA lets you tap into the potential of the stock market and the skills of our fund managers by investing through our range of investment trusts.

Our ISAs make it easy to invest in our range of funds from as little as £25 per month or £100 by lump sum. You have the flexibility to stop and start contributions when you want. Once you've decided which plan is the right one, you can select the funds to place in it.



What you should know:

Tax-efficient

An ISA is the simplest way to invest tax efficiently as it reduces the impact of tax on your investments. Any returns you make are free of capital gains tax and there is no further income tax to pay.

Use it or lose it

For the tax year 2023/24, the ISA allowance is £20,000. This means the maximum amount you can invest in an ISA in the financial year ending 5 April 2024 is £20,000, with the limit being reset on 6 April 2024 for the following year. You cannot roll any of your allowance into the following tax year, so it may be worth looking to add to your investment pot before 5 April.

Invest in a way that suits you

You might not want to invest large sums into your ISA in one go. For some investors, a monthly Direct Debit may provide a better option. With the CT ISA, you can invest from £25 a month and your Direct Debit can be managed by signing up to our online investment service at digital.columbiathreadneedle.co.uk

Tailor it to your needs

Our investment trusts range from the fairly cautious to the more adventurous, offering you the potential for growth, income, or a combination of both. You can choose as many of our investment trusts as you want to build your investment portfolio.

Managing your ISA

Investing should be viewed as a long-term commitment. Over time your circumstances and requirements may change so it is important to regularly review your investments. You can buy, switch, and update your funds on our Investor Portal. digital.columbiathreadneedle.co.uk

Remember there's always an element of risk involved with Stocks and Shares investing. The value of your investments can go down as well as up and you may get back less than you originally put in. You also need to be aged 18 or over and be a UK resident, and you should consider this as a longer-term investment. Tax allowances and the benefits of tax-efficient accounts are subject to change and tax treatment depends upon your individual circumstances.

The value of your investment is dependent on the supply and demand for the shares of the investment trust rather than its underlying assets. The value of your investment will not be the same as the value of the investment trust's underlying assets.

For more information on our savings plans visit www.ctinvest.co.uk

Our other ISA products

➤ The CT Junior ISA (JISA)

If you have children or grandchildren under 18 years old and want to help provide them with a financial boost, for example to help with a deposit on a first home, university fees or to travel the world, a Junior ISA could be the answer.

A JISA can be opened by a parent or guardian and allows investments of up to £9,000 every tax year on the child's behalf. It is also worth knowing the amount you can invest in a JISA for your child is separate from your own ISA annual allowance. A JISA could be a great way to help build a child's financial future and as they take ownership of the investment at 18, provide them with the foundation to continue saving for their own life goals.

➤ CT Lifetime ISA (LISA)

Available to those aged 18 to 39, a Lifetime ISA allows you to get a head start on saving for your first home valued up to £450,000 or retirement.

A LISA is tax efficient, just like an ISA. You can invest up to £4,000 in a LISA and the government will add a 25% bonus to your savings, up to a maximum of £1,000 for each tax year.



Choose Columbia Threadneedle Investments

There are lots of reasons to choose Columbia Threadneedle, here's a few:

- All our saving plans allow you to take advantage of our investment trusts
- With our investment trusts, you'll have access to a diversified and professionally run portfolio of shares and you can invest from as little as £25 per month
- Our range of trusts give you plenty of choice. You can invest in a specific region or assets like property, equities, bonds and private equity.
- We can trace our investment roots back to 1868, when F&C Investment Trust, the world's oldest collective investment fund launched
- No dealing charges (for investments made online using the Investor Portal). Dealing charges apply for postal applications. Government stamp duty and Annual Management charges apply regardless of way of investing.

3

steps towards your investment goals

- 1. Choose a savings plan**
Select the savings plan that's right for you.
- 2. Select your investment funds**
Choose which of our investment trusts you would like to invest in.
- 3. Invest in your future**
Decide how much you'd like to invest. Starts from £25 per month or £100 lump sum.

Opening a new CT Savings Plan is easy:

Apply online digital



For more information go to ctinvest.co.uk

For more information on our savings plans scan the QR code below or visit the website www.ctinvest.co.uk



Capital at risk and you may not get back the original amount invested

Contact us

Your existing account

If you have any queries on your existing accounts you can:

☎ 0345 600 3030* (9.00am – 5.00pm, weekdays)

☎ +44 (0)1268 447 407 from overseas

✉ PO Box 11114, Chelmsford CM99 2DG

💻 email us at: investor.enquiries@columbiathreeneedle.com

Please have your account number handy when you call.

If the account is not in your name we will not be able to speak to you directly unless you have the relevant authorisation in place.

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

For information on our trusts or to find out about opening a new plan

☎ 0345 600 3030*
(8.30am – 5.30pm, weekdays)

💻 ctinvest.co.uk

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Important Information

English language copies of the key information document (KID) and Investor Disclosure Document can be obtained from Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London, EC4N 6AG.

Please read our Key Features Document, relevant Key Information Document (KID) and Pre Sales Cost & Charges Disclosures before investing. For more information about investment risks, visit our website columbiathreeneedle.com

Columbia Threadneedle Investments cannot give advice on the suitability of investing in our investment trusts or savings plans. If you have any doubts as to the suitability of an investment please contact a professional financial adviser.

Articles in this newsletter are intended only to provide a general outline of the subject and should not be considered advice, comprehensive nor a sufficient basis for making decisions. The opinions given are relevant at the time of going to press and may change in the future. Investors requiring advice on their individual circumstances or if unsure about a financial decision should consult a professional financial adviser.

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