

Fund manager
Julian Cane



Manager Commentary

The UK stock market built on its strength in March, when it rose 4.8%, with a gain of almost 2.5% in April. Indeed, the FTSE 100 Index breached 8000 for the first time ever. There were some positive macroeconomic developments during the month that helped to give some support to the market. Firstly, UK inflation fell to 3.2% during March (down from 3.4% in the year to February). Although not unexpected, the announcement did help to strengthen the evidence that inflation in the UK is coming under control and heading towards the Bank of England’s 2% target level. This, in turn, helps to establish the conditions for short-term interest rates to be reduced, which would then be positive for those affected by higher interest rates and help market sentiment. UK GDP data was also slightly more positive, with the figures for February showing a small 0.1% month-on-month improvement, together with a small upward revision to January’s outcome. Although growth is extremely pedestrian, these figures do at least suggest the UK economy is turning and leaving its recession behind.

There has been much talk from UK investors about how lowly valued the equity market is. I suspect most reckon this is self-interested propaganda and akin to salesmen peddling their own wares. Increasingly, though, there is evidence to back up the observation. Last month alone, within our portfolio, we had two companies receive competing bids – in both cases from industry peers. DS Smith received an improved bid from International Paper to exceed the bid from Mondi, while Hipgnosis Songs Fund received bids from Concord and Blackstone. The UK equity market has struggled with the complexities of the two music royalty funds that were launched, with the result that both will shortly be back in private hands. It is positive that, if International Paper were to be successful in its bid for DS Smith, it is committed to maintaining a quote for the newly merged company in the UK.

The state and constituents of the UK equity market are not just a matter of theoretical interest, as it is rapidly losing a number of companies, either to international peers through take-over or as they move their stock market quotations overseas. Flutter is the latest example of this, following CRH and Ferguson, which we own in our portfolio; there is also the possible threat that Shell is looking to do the same. Three other bids in the market (one for the mining giant Anglo American (from BHP, which used to be listed in the UK before moving to Australia), Darktrace and Tyman) do raise serious concerns about the hollowing out of the local market.

Key risks

Stock market movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. If markets fall, gearing can magnify the negative impact on performance.

Key facts as at 30.04.24

Trust aims: To generate long-term capital and income growth from a portfolio consisting mainly of FTSE All-Share companies.

Trust highlights:

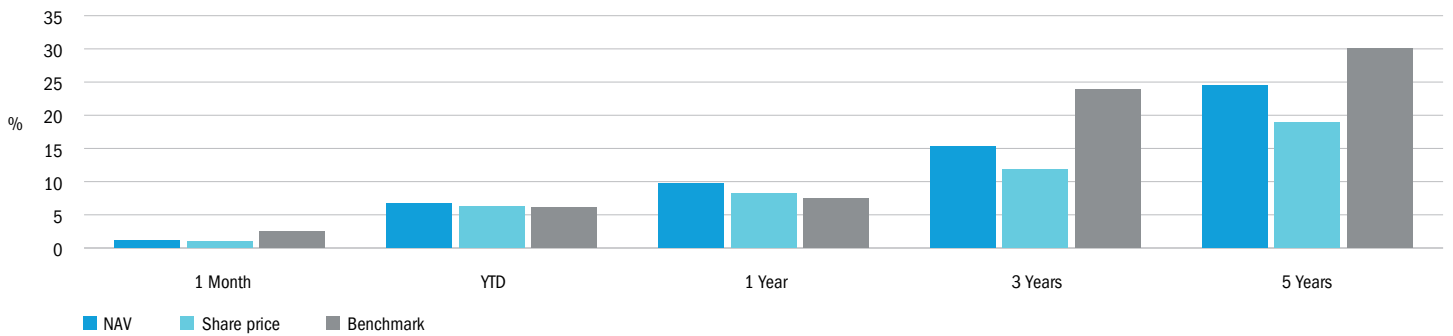
- A recognised “AIC Dividend Hero”, our dividend has increased every year since launch in 1992 and grown at almost twice the rate of inflation.
- Investor demand remains robust and the Company’s shares continue to trade close to the underlying Net Asset Value.

See page 4 for more information on dividend growth

Benchmark:	FTSE All-Share Index
Fund type:	Investment Trust
Launch date:	1992
Total assets:	£368.9m
Share price:	322.00p
NAV:	337.15p
Discount/premium(-/+):	-4.49%
Dividend payment dates:	Mar, Jun, Sep, Dec
Net dividend yield[†]:	3.80%
Net gearing/Net cash[†]:	5.4%
Management fee rate^{**}:	0.40%
Performance fee:	None
Ongoing charges^{**}:	0.66%
Year end:	30 September
Sector:	UK Equity Income
Currency:	Sterling
Website:	ctcapitalandincome.co.uk

^{††}Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured.

Fund performance as at 30.04.24



Cumulative performance as at 30.04.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	1.09	6.72	9.69	15.28	24.43
Share price	0.94	6.19	8.25	11.80	18.89
Benchmark	2.47	6.13	7.50	23.94	30.07

Discrete annual performance as at 30.04.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV	9.69	3.67	1.37	34.81	-19.93
Share price	8.25	1.12	2.14	31.58	-19.18
Benchmark	7.50	6.04	8.72	25.95	-16.68

Past performance is not a guide to future performance. Source: Thomson Reuters Eikon, Lipper and Columbia Threadneedle Investments. Basis: Percentage growth, total return, bid to bid price with net income reinvested in sterling. The discrete performance table refers to 12 month periods, ending at the date shown.

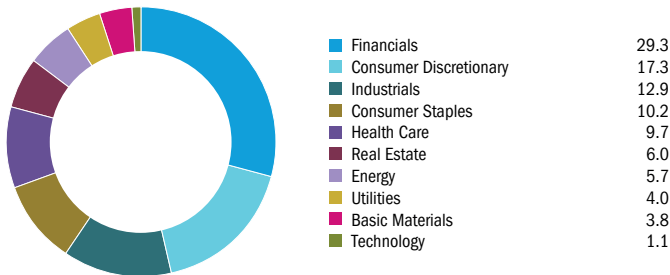
Trust codes

Stock exchange	CTUK
Sedol	346328
Legal Entity Identifier	21380052ETTRKV2A6Y19

Top 10 holdings (%)

	Portfolio Weight	Benchmark Weight	Difference	Sector
Intermediate Capital	5.9	0.2	5.7	Financials
AstraZeneca	5.9	7.4	-1.5	Health Care
Vistry	5.3	0.2	5.1	Consumer Discretionary
OSB Group	5.1	0.1	5.0	Financials
LondonMetric Property	4.7	0.2	4.5	Real Estate
RELX	4.5	2.6	1.9	Consumer Discretionary
Unilever	4.5	4.3	0.2	Consumer Staples
Burford Capital	4.0	0.0	4.0	Financials
Rio Tinto	3.8	2.5	1.3	Basic Materials
Beazley	3.7	0.2	3.5	Financials

Sector breakdown (%)



Net dividend distributions pence per share

	2019	2020	2021	2022	2023	2024
March	2.55	2.65	2.65	2.65	2.75	2.85
June	2.55	2.55	2.60	2.65	2.75	
September	2.55	2.55	2.60	2.65	2.75	
December	3.75	3.75	3.75	3.85	3.90	
Total	11.40	11.50	11.60	11.80	12.15	2.85

Glossary

Bid price	Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.
Dividend	Income paid to shareholders by the company they invest in.
Net asset value	A key measure of the value of a company or trust – the total value of assets less liabilities, divided by the number of shares.



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All data as at 30.04.2024 unless otherwise stated.

All information is sourced from Columbia Threadneedle Investments, unless otherwise stated. All percentages are based on gross assets. *The yield is calculated on an historic basis using the actual dividends paid during the last twelve months and the closing share price as at the end of the relevant month. *Net gearing is total assets less cash and cash equivalents divided by shareholders' funds and expressed as a percentage. Net cash is net exposure to cash and cash equivalents expressed as a percentage of shareholders funds after any offset against gearing. **Please refer to the latest annual report as to how the fee is structured. The share price may either be below (at a discount) or above (at a premium) the NAV. Discounts and premiums vary continuously. Performance information excludes any product charges which can be found in the Key Investor Document ("KID") for the relevant product.

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CT UK Capital & Income Investment Trust PLC is an investment trust and its Ordinary Shares are traded on the main market of the London Stock Exchange.

English language copies of the key information document (KID) can be obtained from Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London EC4N 6A. Email: inv.trusts@columbiathreadneedle.com or electronically at www.columbiathreadneedle.com. Please read before taking any investment decision.

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CT UK Capital and Income Investment Trust seeks to achieve its objective of long-term capital and income growth by investing in companies with good long-term prospects which may not be fully reflected in their share prices; many of its stocks have a higher than average dividend yield. While the majority of holdings are in large and mid-cap UK companies, the Trust also invests in some smaller companies.

The Trust has built up an impressive record of paying dividends. In every year since the Trust's launch in 1992, it has succeeded in increasing the dividend paid to investors. Since 1998, the Trust has beaten the average dividend paid by the broad UK stock market (as represented by the FTSE All-Share Index). It has also significantly outpaced the rate of inflation as measured by the CPI (Consumer Price Index).

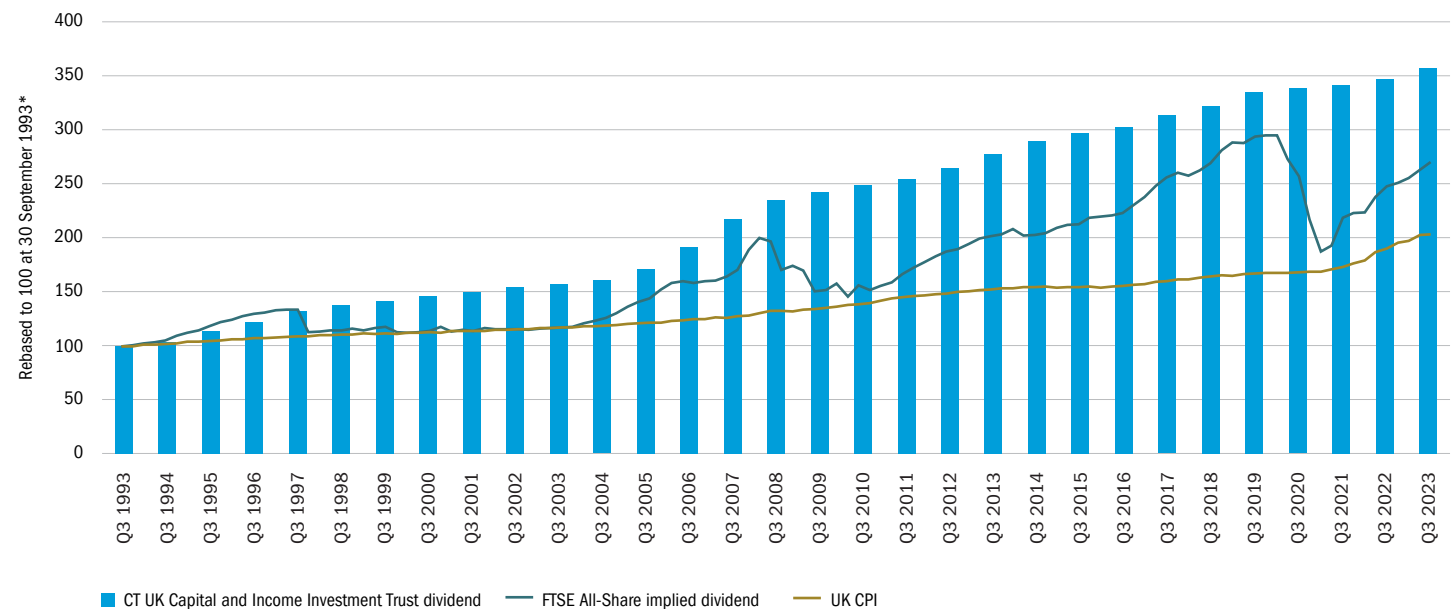
Maintaining a diversified portfolio helps reduce risk and improves reliability. The fund manager has the flexibility to invest internationally to help secure superior dividends at the right price. The fund manager's approach allows the Trust to achieve long-term growth in both income and capital.

With dividends paid four times a year, the Trust is a great option for investors looking for a regular income. For investors with a longer-term horizon, taking the option to reinvest the dividends could be a highly effective way of increasing the total return from their investment.

All in all this Trust is an effective solution for investors who want long-term capital and income growth.

Past performance is not a guide to future results. The value of investments can go down as well as up and you may not get back the full amount that you invested.

A growing dividend that historically has beaten the stock market and inflation



*All three data series have been rebassed to 100 as at 30 September 1993, the end of the Columbia Threadneedle Investments Capital and Income's first year, to allow direct comparison.