

BMO Capital & Income Investment Trust plc



May 2019

Manager Commentary
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The UK stock market continued to make good progress in April, with the FTSE All-Share Index making a total return of 2.7% (coincidentally the same as in March). Of course, this was despite the ongoing paralysis of the UK government.

The total gain of the FTSE All-Share Index for the calendar year to the end of April of 12.3% is clearly pretty strong, especially as the key political uncertainties remain. Rather than attribute the gain

to particular events, it can perhaps be viewed more simply as a direct response to the weakness of the equity market in the last quarter of 2018. The fall and rise almost exactly cancel each other out, and that feels about right. Volatile, excitable, but no real progress.

Of course, within the market, there have been many announcements and a good deal of activity among the individual companies. Although not directly impacting the portfolio, the block of the proposed merger of Sainsbury and Asda possibly signifies a tougher line from regulators on mergers, and so could have implications elsewhere. Results for the first quarter from Unilever showed that underlying sales grew 3.1%, with 1.2% from volume and 1.9% from price, and sales from emerging markets were up 5.0%. The quarterly dividend was also increased by 6%; this is all very encouraging.

At the more evolving end of the portfolio, we noted that Hipgnosis Songs Fund acquired two more music catalogues, and we supported the company's fundraising to give it more fire power for acquisitions. As the number of people streaming music increases rapidly, particularly through paid-for providers, the music industry is seeing good growth in revenues, and this should start to show through in results.

Key facts as at 30.04.19

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

Trust highlights:

- Dividends increased annually since launch in 1992, paid quarterly and grown significantly faster than inflation
- Diversified portfolio focusing on well-established UK companies
- Targets long-term capital and income growth.

See page 3 for more information on dividend growth

Benchmark: FTSE All-Share Index

Fund type: Investment Trust

Launch date: 1992

Total assets: £356.1m

Share price: 329.00p

NAV: 328.05p

Discount/Premium(-/+): 0.29%

Dividend payment dates: Mar, Jun, Sep, Dec

Net dividend yield †: 3.36%

Net gearing/Net cash*: 2.1%

Management fee rate:** 0.40%

Performance fee: None

Ongoing charges:** 0.58%

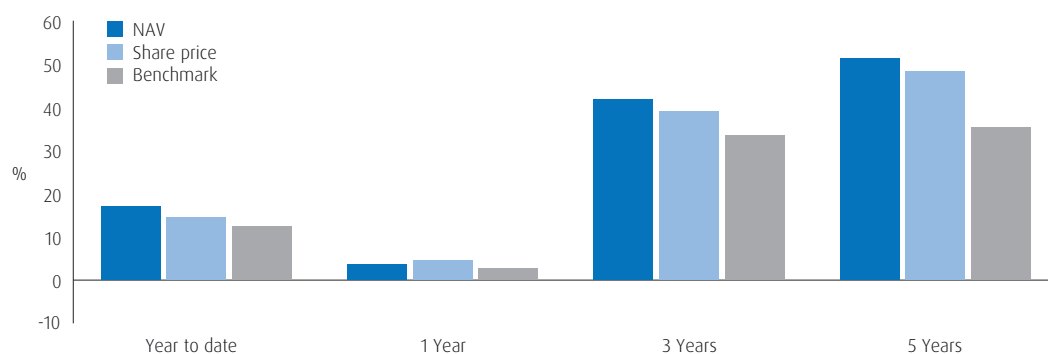
Year end: 30 September

Sector: UK Equity Income

Currency: Sterling

Website: bmcapitalandincome.com

Fund performance as at 30.04.19



Cumulative performance (%) as at 30.04.19

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	4.24	17.00	3.56	41.83	51.27
Share price	3.79	14.39	4.54	38.87	48.17
Benchmark	2.68	12.35	2.62	33.33	35.16

Discrete performance (%) as at 30.04.19

	2019/2018	2018/2017	2017/2016	2016/2015	2015/2014
NAV	3.56	10.38	24.07	-0.20	6.87
Share price	4.54	9.72	21.06	4.14	2.46
Benchmark	2.62	8.16	20.14	-5.69	7.48

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.

Past performance is not a guide to future performance.

Source: Thomson Reuters Eikon, Lipper and BMO. 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.



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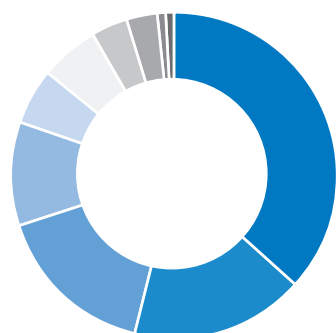
Trust codes

Stock exchange	BCI
Sedol	346328
Legal Entity Identifier	21380052ETTRKV2A6Y19

Top 10 holdings (%)

	Portfolio Weight	Benchmark Weight	Difference	Sector
Diageo	4.1	3.3	0.8	Consumer Goods
Unilever	3.7	2.2	1.5	Consumer Goods
Secure Income REIT	3.5	0.0	3.5	Financials
GlaxoSmithKline	3.4	3.3	0.1	Health Care
Rio Tinto	3.3	2.1	1.2	Basic Materials
Royal Dutch Shell	3.1	8.7	-5.6	Oil & Gas
Legal & General Group	3.0	0.7	2.3	Financials
Phoenix Group Holdings	3.0	0.2	2.8	Financials
Beazley	2.9	0.1	2.8	Financials
Prudential	2.8	1.9	0.9	Financials

Sector breakdown (%)



■ Financials	36.7
■ Industrials	17.2
■ Consumer Goods	16.2
■ Consumer Services	10.3
■ Oil & Gas	5.7
■ Health Care	5.6
■ Basic Materials	3.8
■ Technology	2.9
■ Utilities	1.0
■ Telecommunications	0.6

Net dividend distributions pence per share

	2014	2015	2016	2017	2018	2019
March	2.25	2.30	2.35	2.40	2.45	2.55
June	2.25	2.30	2.35	2.40	2.45	
September	2.25	2.30	2.35	2.40	2.45	
December	3.10	3.20	3.25	3.45	3.60	
Total	9.85	10.10	10.30	10.65	10.95	2.55

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.



All data as at 30.04.19 unless otherwise stated.

All information is sourced from BMO, 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. Views and opinions have been arrived at by BMO Global Asset Management and should not be considered to be a recommendation or solicitation to buy or sell any funds that may be mentioned. The factsheet is issued and approved by BMO, a trading name of BMO Asset Management Limited. Authorised and regulated in the UK by the Financial Conduct Authority. Registered office: Exchange House, Primrose Street, London EC2A 2NY. Registered in England & Wales No 517895. (05/19)

25 years of dividend growth



BMO 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).

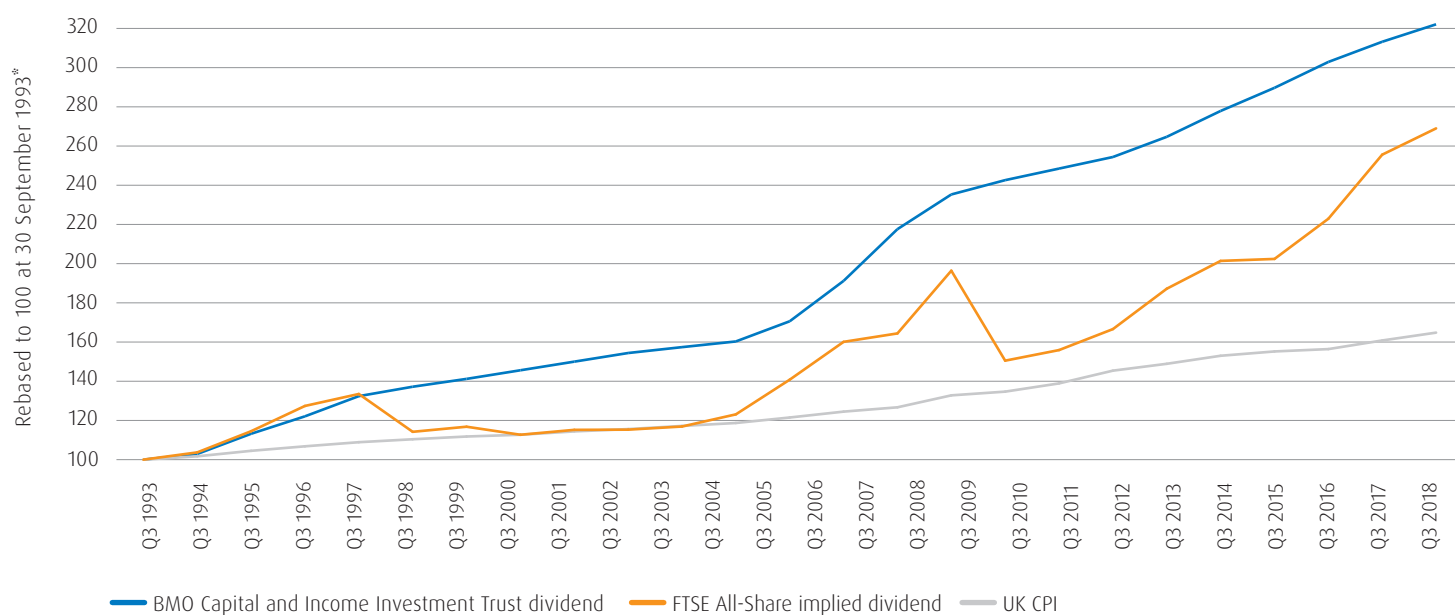
Maintaining a broadly diversified portfolio helps reduce risk and improves reliability. The fund manager has the flexibility to invest internationally to help secure superior dividends at the right price. The fund manager's approach allows the Trust to achieve long-term growth in both income and capital.

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 rebased to 100 as at 30 September 1993, the end of the BMO Capital and Income's first year, to allow direct comparison.