

# BMO Capital & Income Investment Trust plc



March 2020

Manager Commentary  
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February started well for the UK equity market, with the FTSE All-Share having a small bounce after the set-back in January. This was short-lived, however, as the spread of the coronavirus outside of China accelerated; this marked a decisive turning point and rattled markets as concerns grew about the economic and financial effects of the virus. Over the month, the FTSE All-Share Index recorded a negative total return of 8.9%. The rate of decline was the most rapid since the global financial crisis, now more than a decade ago.

The particular characteristics of this virus are still not well known, with uncertainty about how contagious it is, how severe it is for those affected, the mortality rate and persistency. The effects on economies are many and varied. They include the impact on the health of people, the ability and willingness to continue normal activities (both business and leisure related) and

disruption to supply chains. As time progresses and more is learned, the situation should become clearer, but until then, markets are likely to be fragile.

Also moving along, but pushed more to the background for the moment, is the start of the UK's trade negotiations with the EU and the build-up to the US presidential elections. Both will rumble on for most of the rest of this year and can probably be relied upon to generate some excitement from time to time.

Among the stocks to fall most over the month was Royal Dutch Shell (-15.3%). To compound the poor results it announced in January, the oil price was weak in response to fears about slower economies. Travel stocks, to which we don't have any exposure, were hit hard, with Carnival, the cruise operator down -20.9%.

## Key facts as at 29.02.2020

**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:** £332.7m

**Share price:** 316.00p

**NAV:** 311.53p

**Discount/Premium(-/+):** 1.44%

**Dividend payment dates:** Mar, Jun, Sep, Dec

**Net dividend yield †:** 3.64%

**Net gearing/Net cash\*\*:** 1.8%

**Management fee rate\*\*:** 0.40%

**Performance fee:** None

**Ongoing charges\*\*:** 0.58%

**Year end:** 30 September

**Sector:** UK Equity Income

**Currency:** Sterling

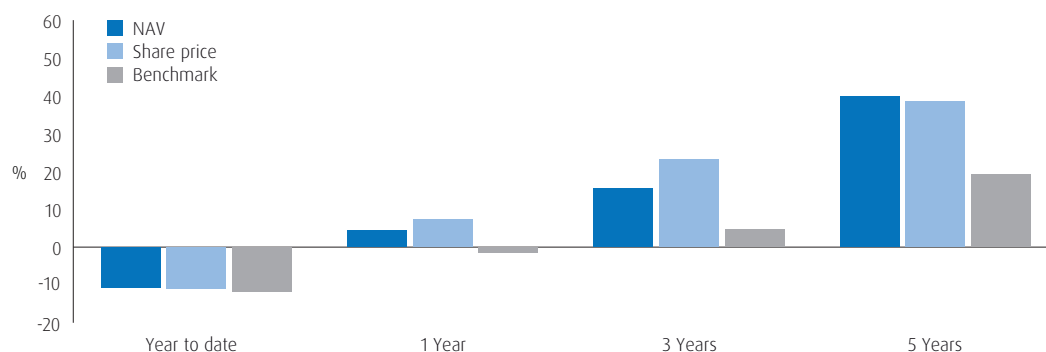
**Website:** [bmo-capital-and-income.com](http://bmo-capital-and-income.com)

\*\* Ongoing charges calculated in accordance with AIC recommendations. Please refer to the latest annual report as to how the fee is structured.



Lines may be recorded

## Fund performance as at 29.02.2020



## Cumulative performance (%) as at 29.02.2020

	1 Month	Year to date	1 Year	3 Years	5 Years
<b>NAV</b>	-9.28	-10.79	4.40	15.43	39.77
<b>Share price</b>	-9.46	-10.86	7.22	23.05	38.59
<b>Benchmark</b>	-8.89	-11.85	-1.43	4.66	19.12

## Discrete performance (%) as at 29.02.2020

	2020/2019	2019/2018	2018/2017	2017/2016	2016/2015
<b>NAV</b>	4.40	2.25	8.14	23.62	-2.05
<b>Share price</b>	7.22	-0.22	15.02	19.74	-5.94
<b>Benchmark</b>	-1.43	1.70	4.40	22.81	-7.32

## Key risks

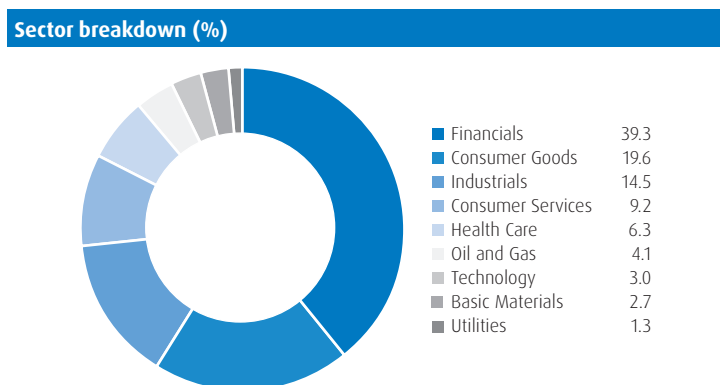
Stock market movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. If markets fall, gearing can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

Trust codes	
Stock exchange	BCI
Sedol	346328
Legal Entity Identifier	21380052ETTRKV2A6Y19

Top 10 holdings (%)				
	Portfolio Weight	Benchmark Weight	Difference	Sector
<b>Vistry</b>	3.8	0.1	3.7	Consumer Goods
<b>Secure Income REIT</b>	3.7	0.0	3.7	Financials
<b>Diageo</b>	3.7	3.1	0.6	Consumer Goods
<b>Countryside Properties</b>	3.6	0.1	3.5	Consumer Goods
<b>GlaxoSmithKline</b>	3.6	3.7	-0.1	Health Care
<b>Unilever</b>	3.5	2.2	1.3	Consumer Goods
<b>Intermediate Capital</b>	3.3	0.2	3.1	Financials
<b>OneSavings Bank</b>	3.2	0.1	3.1	Financials
<b>Legal &amp; General Group</b>	3.2	0.7	2.5	Financials
<b>Phoenix</b>	3.0	0.2	2.8	Financials



### Net dividend distributions pence per share

	2015	2016	2017	2018	2019	2020
<b>March</b>	2.30	2.35	2.40	2.45	2.55	2.65
<b>June</b>	2.30	2.35	2.40	2.45	2.55	
<b>September</b>	2.30	2.35	2.40	2.45	2.55	
<b>December</b>	3.20	3.25	3.45	3.60	3.75	
<b>Total</b>	10.10	10.30	10.65	10.95	11.40	2.65

### Glossary

<b>Bid price</b>	Investment trust shares are sold via the stock exchange at the bid price. This price is determined by supply and demand.
<b>Dividend</b>	Income paid to shareholders by the company they invest in.
<b>Net asset value</b>	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 29.02.2020 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. (03/20)

# 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).

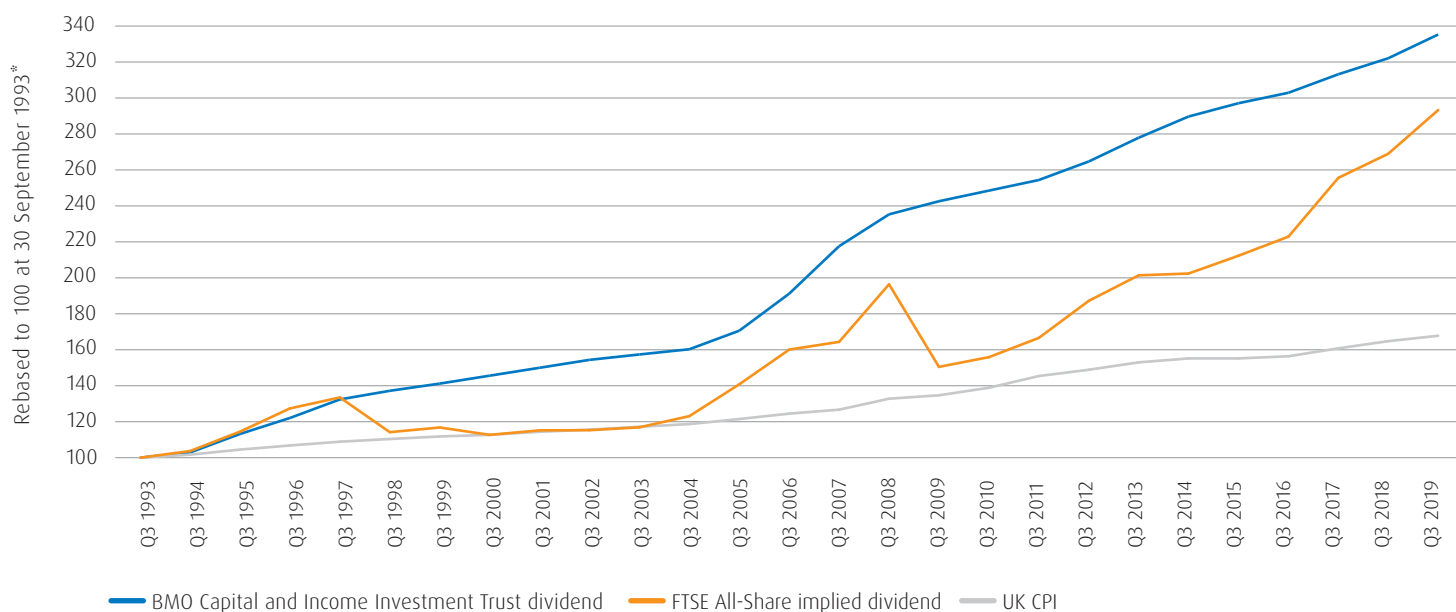
Maintaining a broadly diversified portfolio helps reduce risk and improves reliability. The fund manager has the flexibility to invest internationally to help secure superior dividends at the right price. The fund manager's approach allows the Trust to achieve long-term growth in both income and capital.

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.