

**Fund manager**  
**Julian Cane**



## Manager Commentary

The FTSE All-Share Index declined by 1.2% during June. There was no particular catalyst for this modest downward move. However, the UK market has experienced useful gains over the calendar year to date and over 12 months, so a pause for breath, particularly ahead of the General Election, is not so surprising. There were certainly no major surprises among the economic statistics announced during June. It was disappointing that the initial data release showed no economic growth during April, but growth in the first calendar quarter was also revised up a little, thus confirming the economic recovery after the shallow recession of the second half of 2023. Arguably the more significant announcement was that UK inflation, as measured by the Consumer Price Index, declined to 0.3% month on month and 2.0% year on year, which is the Bank of England (BoE)'s target level. Despite this, the BoE's Monetary Policy Committee remains cautious that inflation may strengthen later; as a result, members voted to leave interest rates unchanged for now.

Within the portfolio, the three largest detractors from performance were all in the financial sector. Although the share prices of OSB Group, Burford Capital and Legal & General fell between 7.5% and 9.5% during the month, there was no obvious adverse news or developments that should have caused such moves. Indeed, the new Chief Executive of Legal & General announced plans to increase the capital return from the business in coming years, such that there should be a 42% total capital return between 2024 and 2027, while leaving the value-generating part of the business free to grow further.

We had some offsetting benefit from the share-price appreciation of DS Smith. Earlier in the year, this company had two of its peers competing to acquire it, but the take-over had become rather complicated by the intervention of a third player looking to acquire International Paper, which had won the competition for DS Smith. The third player has now backed down, allowing DS Smith and International Paper to continue their planned deal; the share price rose strongly in response.

Reflecting its low valuation, the UK stock market continues to attract bids and leading international investors are building strategic stakes: Trian (founded by Nelson Peltz) took a stake in Rentokil; the family of Carlos Slim, one of the world's richest men, took a stake in BT; and Britvic received two bids from Carlsberg.

### 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 30.06.24

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

**Trust highlights:**

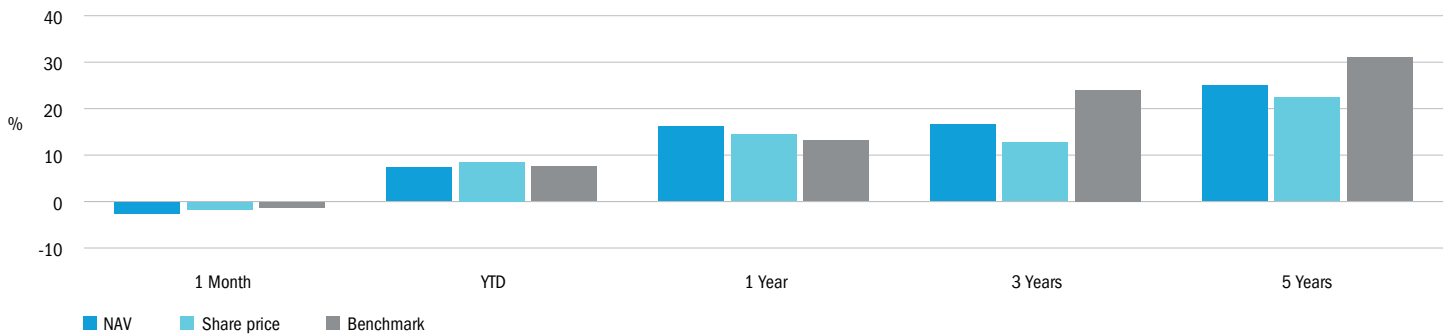
- A recognised "AIC Dividend Hero", our dividend has increased every year since launch in 1992 and grown at almost twice the rate of inflation.
- Investor demand remains robust and the Company's shares continue to trade close to the underlying Net Asset Value.

See page 4 for more information on dividend growth

<b>Benchmark:</b>	FTSE All-Share Index
<b>Fund type:</b>	Investment Trust
<b>Launch date:</b>	1992
<b>Total assets:</b>	£365.7m
<b>Share price:</b>	326.00p
<b>NAV:</b>	335.88p
<b>Discount/premium(-/+):</b>	-2.94%
<b>Dividend payment dates:</b>	Mar, Jun, Sep, Dec
<b>Net dividend yield<sup>†</sup>:</b>	3.79%
<b>Net gearing/Net cash<sup>†</sup>:</b>	5.6%
<b>Management fee rate<sup>**</sup>:</b>	0.40%
<b>Performance fee:</b>	None
<b>Ongoing charges<sup>**</sup>:</b>	0.66%
<b>Year end:</b>	30 September
<b>Sector:</b>	UK Equity Income
<b>Currency:</b>	Sterling
<b>Website:</b>	ctcapitalandincome.co.uk

<sup>†</sup>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 30.06.24



## Cumulative performance as at 30.06.24 (%)

	1 Month	Year to date	1 Year	3 Years	5 Years
NAV	-2.46	7.22	16.02	16.43	24.82
Share price	-1.54	8.45	14.35	12.57	22.30
Benchmark	-1.15	7.43	12.98	23.90	30.93

## Discrete annual performance as at 30.06.24 (%)

	2024/23	2023/22	2022/21	2021/20	2020/19
NAV	16.02	3.68	-3.21	30.51	-17.85
Share price	14.35	4.83	-6.09	30.42	-16.69
Benchmark	12.98	7.89	1.64	21.45	-12.99

**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.

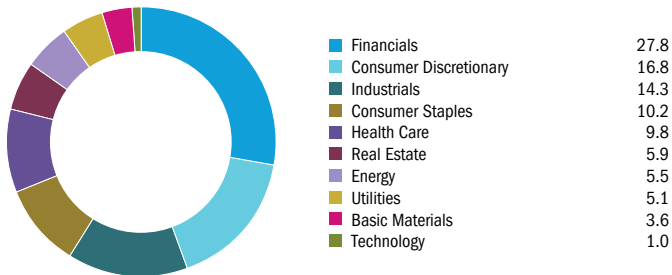
## Trust codes

Stock exchange	CTUK
Sedol	346328
Legal Entity Identifier	21380052ETTRKV2A6Y19

## Top 10 holdings (%)

	Portfolio Weight	Benchmark Weight	Difference	Sector
Intermediate Capital	6.2	0.2	6.0	Financials
AstraZeneca	6.1	7.7	-1.6	Health Care
OSB Group	5.4	0.1	5.3	Financials
RELX	5.0	2.8	2.2	Consumer Discretionary
Unilever	4.7	4.5	0.2	Consumer Staples
LondonMetric Property	4.7	0.2	4.5	Real Estate
Vistry	4.5	0.2	4.3	Consumer Discretionary
Beazley	3.9	0.2	3.7	Financials
Rio Tinto	3.6	2.3	1.3	Basic Materials
Legal & General Group	3.4	0.6	2.8	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	2.85
September	2.55	2.55	2.60	2.65	2.75	
December	3.75	3.75	3.75	3.85	3.90	
<b>Total</b>	<b>11.40</b>	<b>11.50</b>	<b>11.60</b>	<b>11.80</b>	<b>12.15</b>	<b>5.70</b>

**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.



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All data as at 30.06.2024 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](mailto:inv.trusts@columbiathreadneedle.com) or electronically at [www.columbiathreadneedle.com](http://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).

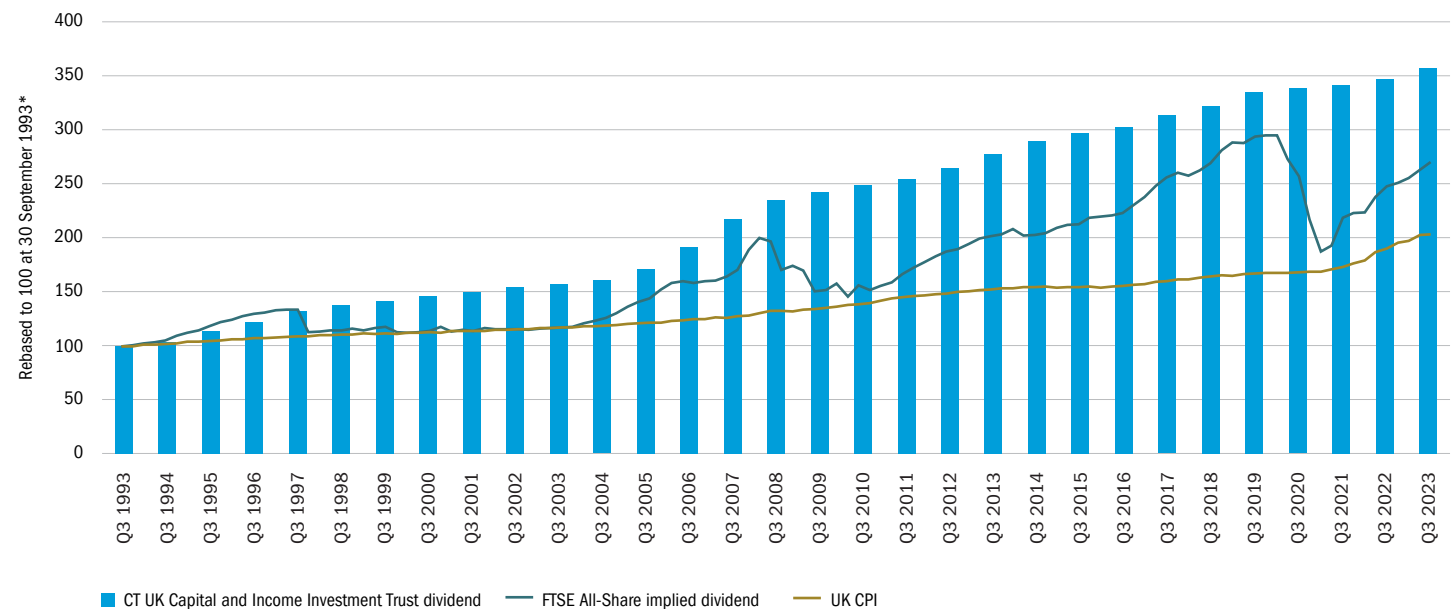
Maintaining a diversified portfolio helps reduce risk and improves reliability. The fund manager has the flexibility to invest internationally to help secure superior dividends at the right price. The fund manager's approach allows the Trust to achieve long-term growth in both income and capital.

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.