

Company Number: 00026351

THE BANKERS INVESTMENT TRUST PLC

HALF-YEAR REPORT

(unaudited)

for the six months ended 30 April 2023

THE BANKERS INVESTMENT TRUST PLC (‘the Company’)

Unaudited results for the half-year ended 30 April 2023

INVESTMENT OBJECTIVE

Over the long term, the Company aims to achieve capital growth in excess of the FTSE World Index and dividend growth greater than inflation, as measured by the UK Consumer Price Index (‘CPI’), by investing in companies listed throughout the world.

INVESTMENT POLICY

The following investment ranges apply:

- Equities: 80% to 100%
- Debt securities and cash investments: 0% to 20%
- Investment trusts, collective funds and derivatives: 0% to 15%

To achieve an appropriate spread of investment risk the portfolio is broadly diversified by geography, sector and company. The Manager (‘Janus Henderson’) has the flexibility to invest in any geographic region and any sector with no set limits on individual country or sector exposures and, therefore, the make-up and weighting of the portfolio may differ materially from the FTSE World Index.

The Manager primarily employs a bottom-up stock picking investment process, across six regional portfolios, to identify suitable opportunities. While each regional portfolio manager employs their own investment style, they all pay particular regard to cash generation and dividend growth over the medium term.

The Company can, but normally does not, invest up to 15% of its gross assets in any other investment companies (including listed investment trusts).

Derivatives

The Company may use financial instruments known as derivatives for the purpose of efficient portfolio management while maintaining a level of risk consistent with the risk profile of the Company.

Gearing

The Company can borrow to make additional investments with the aim of achieving a return that is greater than the cost of the borrowing. The Company can borrow up to 20% of net assets at the time of draw down.

PERFORMANCE HIGHLIGHTS

	30 April 2023	30 April 2022
Net asset value (‘NAV’) per share	112.3p	113.0p
Share price	100.6p	105.9p
Revenue return per share	1.29p	1.08p
Dividends paid or declared in respect of the period¹	1.24p	1.128p

Total return performance to 30 April 2023 (including dividends reinvested and excluding transaction costs)

	6 months	1 year	3 years	5 years	10 years
	%	%	%	%	%
NAV²	8.1	1.5	32.0	44.3	157.6
FTSE World Index³	3.5	3.2	46.6	62.1	131.5
Share price⁴	5.4	-2.6	18.5	30.4	138.3

¹ The first interim dividend for 2023 was paid on 31 May 2023; the second interim dividend has been declared and will be paid on 31 August 2023

² Net asset value total return per share with income reinvested and with debt at par

³ For 10 years, this is a composite of the FTSE World Index and the FTSE All-Share Index

⁴ Share price total return using mid-market closing price

INTERIM MANAGEMENT REPORT

Dear shareholder,

Performance

Your Company has delivered a strong net asset value total return over the six months ended 30 April 2023 of 8.1% (2022: -5.6%) and a share price total return of 5.4% (2022: -6.3%), outperforming the FTSE World Index total return of 3.5% (2022: -2.6%). The Company's portfolio benefitted as equity markets fared better than last year.

The majority of the regional portfolios, with the exception of Asia Pacific and China, outperformed their respective benchmark indices. The UK portfolio performed the best relative to its benchmark, outperforming by 3.1% and reversing all the underperformance in 2022. The European portfolio benefitted from positive news from the luxury consumer sector, responding to the opening of travel and the Chinese economy. The Fund Manager discusses the key drivers of performance in the period in more detail in his report.

Revenue

We have also seen the Company's revenue increase over the period, as corporate profits defied the predictions of many commentators and held up well, with profit margins improving on the back of price rises. This has enabled many of the companies in the portfolio to increase their dividends paid from 2022 profits.

The change in the US portfolio has also boosted income from that region which, combined with the continued good dividend growth elsewhere, has allowed us to increase the Company's quarterly dividends quicker than we anticipated at the year end. Our net revenue for the six months was £16.5 million (2022: £14.2 million), equivalent to 1.29p per share (2022: 1.08p).

A first interim dividend of 0.62p per share (2022: 0.55p) was paid on 31 May 2023. The Board has declared a second interim dividend of 0.62p (2022: 0.578p) per share, which will be payable on 31 August 2023 to shareholders on the register on 28 July 2023.

Our current expectation is that our dividend for the full year will be at least 7% above the level for 2022, higher than the 5% that we forecast originally for 2023. This is supportive of our progressive dividend policy and the Board anticipates continuing the Company's track record of successive annual dividend growth which it has achieved over the past 56 years.

Share buy-backs

It is frustrating to see the Company's share price continue to trade at a wide discount to its net asset value. However, we have taken advantage of this opportunity to buy back shares from the market. This activity is beneficial to ongoing shareholders, as shares are only purchased when the Company's shares are trading at a discount, thereby enhancing shareholder value.

A total of 24,080,927 shares were bought back at an average discount of 9.0% to the net asset value in the six months ended 30 April 2023 (2022: 4,243,874 shares bought back at an average discount of 6.0%) for a total consideration of £24.9 million (2022: £4.5 million). The discount at 30 April 2023 was 10.4% (2022: 6.3%).

Board changes and succession planning

Isobel Sharp, Chair of the Audit Committee, is to step down from the Board on 30 June 2023. On behalf of the Board, I would like to express our gratitude for her valued contribution during her tenure.

Julian Chillingworth, our Senior Independent Director, is to retire from the Board at the conclusion of the 2024 AGM when he will have served for nine years.

In line with its long-term succession planning, and very mindful of the FCA's diversity targets, the Nominations Committee has begun the recruitment process for additional non-executive Directors and the Board expects to make at least one appointment before the year end.

Outlook

Following the opening of the Chinese economy we expect to see an economic recovery under way in Asia and Japan where nearly a third of our assets are invested. However, we should expect further volatility in equity markets due to the uncertain trajectory of interest rates and the elevated levels of inflation.

We remain relatively cautious in our outlook but optimistic that our improved performance can continue. We are confident in the ability of our Fund Manager and the investment philosophy applied to the portfolio. This provides the flexibility for the regional portfolio managers to use their best ideas to drive future growth as they continue to focus on finding quality companies at the right price.

Simon Miller
Chair
22 June 2023

FUND MANAGER'S REPORT

Market review

Persistent inflation during the period under review has meant central banks around the world have continued raising interest rates to depress demand for goods and services. The bottlenecks and limited supply of certain goods due to Covid restrictions have generally eased, though the delayed impact of elevated energy prices in 2022 is still being felt in consumer prices. Initially, equity valuations were impacted by worries that reduced money supply and higher borrowing costs would cause a recession. However, corporate earnings and economic activity have been far more resilient than expected. Time will tell whether trading down or changing spending patterns by consumers leads companies to cut prices to maintain volumes or market share.

Growth stocks in the US corrected in price through the start of the period as a response to rising interest rates, and because investors preferred more defensive sectors. At the same time China abruptly opened its economy from Covid restrictions and Asian markets responded favourably to expectations of increased activity. In recent months there has been quite a reversal in both these markets. The largest US technology companies, often referred to as the FAANG stocks, have led a remarkable recovery driven by profit upgrades, especially at Nvidia and Meta, combined with investors' enthusiasm for everything related to generative artificial intelligence. Meanwhile the equity market recovery in China has started to fade, although the 5% GDP target, if met, would far exceed growth in any Western markets this year.

Europe and the UK have been the standout markets during the period, but it is hard to put this down to positive news, rather it has been a lack of further bad news. Investors were very downbeat towards the end of 2022. Although economies in Europe have been weak, they have not collapsed, and markets had been clearly oversold. Gas prices have fallen sharply over the winter and the warmer than usual winter weather has helped limit reserve drawdown. Wage growth has helped offset the higher interest rates, preserving consumers' ability to keep spending.

Performance

Overall, the portfolio outperformed the benchmark FTSE World Index by 4.6% over the period. The portfolio was positioned for a recovery in Asia and performed well relative to the benchmark through October and November as Chinese equities recovered. The allocation towards Europe and the UK also provided an overall positive benefit, with these two portfolios generating a total return of 19.3% and 12.5% respectively. As there was little actual good news in the region, we reduced exposure to both in February and lowered the portfolio's gearing. The gearing remained at 5% through to the period end as we look forward to repaying the £15 million 2023 debenture at the end of October. The majority of regional portfolios fared better in the period, with the exception of Asia Pacific and China. The former was lacking exposure to technology and in China the state-owned companies were the best performers in the market, where we have no exposure.

The US portfolio was repositioned in mid-December, reflecting the transfer of portfolio management to Jeremiah Buckley, who is based in Denver alongside the large analyst team at Janus Henderson covering the US market. The change has broadened coverage within the US stock market, increasing exposure to pharmaceuticals and larger US financials. We held no exposure to US regional banks which have experienced a flight of deposits in recent months and a sharp correction in share prices.

The UK portfolio performed the best relative to its benchmark, outperforming by 3.1% and reversing some of the underperformance in 2022. The European portfolio benefitted from positive news from the luxury consumer sector, responding to the opening of travel and the Chinese economy, with companies such as Moncler and Hermès performing well. Other notable performers in the portfolio were Microsoft in the US, Sony in Japan and 3i in the UK.

Outlook

Tighter monetary conditions, driven by increasing interest rates and bond sales from central banks, have a dampening effect on economic activity. However, the real economy is actually weathering these conditions well, with many companies having low levels of debt and possessing pricing power, while consumers are benefitting from wage growth or using savings to bolster spending. However, the rate of inflation needs to fall. The alternative is that interest rates will continue to rise or be maintained at a high level for longer and their impact will be felt more deeply by many. There is good evidence that prices are starting to moderate and, in the case of energy, starting to fall. We expect markets in Asia to lead the recovery and are positioned for better news in that region. However, we remain more cautious in other regions.

Alex Crooke
Fund Manager
22 June 2023

MANAGING OUR RISKS

The principal risks and uncertainties associated with the Company's business are divided into the following main areas:

- Investment Activity and Performance Risks
- Portfolio and Market Risks
- Tax, Legal and Regulatory Risks
- Financial Risks
- Operational and Cyber Risks
- Risks associated with Climate Change

Information on these risks and uncertainties and how they are managed are given in the Annual Report for the year ended 31 October 2022. Following a recent review, the Board believes that these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (listed in note 15) confirm that, to the best of their knowledge:

- (a) the unaudited condensed set of financial statements has been prepared in accordance with IAS 34 – Interim Financial Reporting ('IAS 34') and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by Disclosure Guidance and Transparency Rule 4.2.4R;
- (b) the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Company during the period; and any changes in related party transactions described in the latest annual report that could have an impact in the first six months of the current financial year).

On behalf of the Board

Simon Miller

Chair

22 June 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Half-year ended 30 April 2023			(Unaudited) Half-year ended 30 April 2022			(Audited) Year ended 31 October 2022		
	Revenue return	Capital return	Total	Revenue return	Capital return	Total	Revenue return	Capital return	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gains/(losses) on investments held at fair value through profit or loss	-	93,419	93,419	-	(100,441)	(100,441)	-	(202,031)	(202,031)
Investment income	19,070	-	19,070	17,822	-	17,822	37,814	-	37,814
Other operating income	1,073	-	1,073	62	-	62	394	-	394
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Gross revenue and capital gains/(losses)	20,143	93,419	113,562	17,884	(100,441)	(82,557)	38,208	(202,031)	(163,823)
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Expenses									
Management fees (note 2)	(887)	(2,071)	(2,958)	(992)	(2,314)	(3,306)	(1,905)	(4,446)	(6,351)
Other expenses	(378)	-	(378)	(687)	-	(687)	(1,364)	-	(1,364)
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Profit/(loss) before finance costs and taxation	18,878	91,348	110,226	16,205	(102,755)	(86,550)	34,939	(206,477)	(171,538)
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Finance costs	(712)	(1,573)	(2,285)	(695)	(1,550)	(2,245)	(1,346)	(3,141)	(4,487)
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Profit/(loss) before taxation	18,166	89,775	107,941	15,510	(104,305)	(88,795)	33,593	(209,618)	(176,025)
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Taxation	(1,623)	-	(1,623)	(1,337)	-	(1,337)	(3,001)	(145)	(3,146)
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Profit/(loss) for the period	16,543	89,775	106,318	14,173	(104,305)	(90,132)	30,592	(209,763)	(179,171)
	=====	=====	=====	=====	=====	=====	=====	=====	=====
Earnings/(loss) per ordinary share (note 3)	1.29p	6.97p	8.26p	1.08p	(7.95p)	(6.87p)	2.34p	(16.04p)	(13.70p)
	=====	=====	=====	=====	=====	=====	=====	=====	=====

The total columns of this statement represent the Statement of Comprehensive Income, prepared in accordance with UK adopted international accounting standards. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All income is attributable to the equity shareholders of The Bankers Investment Trust PLC.

The accompanying condensed notes are an integral part of the financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Half-year ended 30 April 2023 (Unaudited)						
Total equity at 1 November 2022	32,878	159,797	12,489	1,115,343	40,159	1,360,666
Total comprehensive income:						
Profit for the period	-	-	-	89,775	16,543	106,318
Transactions with owners, recorded directly to equity:						
Buy-back of shares to treasury (note 5)	-	-	-	(24,881)	-	(24,881)
Ordinary dividends paid (note 12)	-	-	-	-	(15,535)	(15,535)
Total equity at 30 April 2023	32,878	159,797	12,489	1,180,237	41,167	1,426,568
	=====	=====	=====	=====	=====	=====
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Half-year ended 30 April 2022 (Unaudited)						
Total equity at 1 November 2021	32,827	159,797	12,540	1,343,631	38,589	1,587,384
Total comprehensive income:						
- (Loss)/profit for the period	-	-	-	(104,305)	14,173	(90,132)
Transactions with owners, recorded directly to equity:						
Buy-back of shares to treasury (note 5)	51	-	(51)	(4,533)	-	(4,533)
Ordinary dividends paid (note 12)	-	-	-	-	(14,289)	(14,289)
Total equity at 30 April 2022	32,878	159,797	12,489	1,234,793	38,473	1,478,430
	=====	=====	=====	=====	=====	=====
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Year ended 31 October 2022 (Audited)						
Total equity at 1 November 2021	32,827	159,797	12,540	1,343,631	38,589	1,587,384
Total comprehensive income:						
- (Loss)/profit for the year	-	-	-	(209,763)	30,592	(179,171)
Transactions with owners, recorded directly to equity:						
Buy-back of shares to treasury (note 5)	51	-	(51)	(18,525)	-	(18,525)
Ordinary dividends paid (note 12)	-	-	-	-	(29,022)	(29,022)
Total equity at 31 October 2022	32,878	159,797	12,489	1,115,343	40,159	1,360,666
	=====	=====	=====	=====	=====	=====

The accompanying condensed notes are an integral part of the financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 30 April 2023 £'000	(Unaudited) As at 30 April 2022 £'000	(Audited) As at 31 October 2022 £'000
Non-current assets			
Investments held at fair value through profit or loss	1,489,862	1,575,875	1,433,728
Current assets			
Investments held at fair value through profit or loss (note 4)	26,353	1	1
Other receivables	13,619	7,241	4,497
Cash and cash equivalents	43,863	39,458	65,871
	<u>83,835</u>	<u>46,700</u>	<u>70,369</u>
Total assets	<u>1,573,697</u>	<u>1,622,575</u>	<u>1,504,097</u>
Current liabilities			
Other payables	(6,801)	(5,649)	(4,151)
Debenture stock	(15,000)	-	(15,000)
	<u>(21,801)</u>	<u>(5,649)</u>	<u>(19,151)</u>
Total assets less current liabilities	<u>1,551,896</u>	<u>1,616,926</u>	<u>1,484,946</u>
Non-current liabilities			
Debenture stock	-	(15,000)	-
Unsecured loan notes	(125,328)	(123,496)	(124,280)
	<u>(125,328)</u>	<u>(138,496)</u>	<u>(124,280)</u>
Net assets	<u>1,426,568</u>	<u>1,478,430</u>	<u>1,360,666</u>
Equity attributable to equity shareholders			
Share capital (note 5)	32,878	32,878	32,878
Share premium account	159,797	159,797	159,797
Capital redemption reserve	12,489	12,489	12,489
Retained earnings:			
Other capital reserves	1,180,237	1,234,793	1,115,343
Revenue reserve	41,167	38,473	40,159
	<u>1,426,568</u>	<u>1,478,430</u>	<u>1,360,666</u>
Net asset value per ordinary share (note 6)	<u>112.3p</u>	<u>113.0p</u>	<u>105.1p</u>

The accompanying condensed notes are an integral part of the financial statements.

CONDENSED CASH FLOW STATEMENT

	(Unaudited) Half-year ended 30 April 2023 £'000	(Unaudited) Half-year ended 30 April 2022 £'000	(Audited) Year ended 31 October 2022 £'000
Reconciliation of profit before taxation to net cash flow from operating activities			
Operating activities			
Profit/(loss) before taxation	107,941	(88,795)	(176,025)
Less:(gain)/loss on investments held at fair value through profit or loss	(93,419)	100,441	202,031
Purchases of investments	(611,067)	(179,198)	(419,661)
Sales of investments	649,246	195,164	476,954
Purchases of current asset investments	(44,581)	(17,498)	(17,498)
Sales of current asset investments	18,229	26,095	26,095
Increase in securities purchased for future settlement	2,915	1,807	1,602
Increase in securities sold for future settlement	(5,983)	(662)	-
(Increase)/decrease in other receivables	(87)	(76)	1
(Decrease)/increase in other payables	(236)	117	(1,479)
(Increase)/decrease in accrued income	(2,854)	(2,769)	(257)
Add back interest payable ('finance costs')	2,285	2,245	4,487
	-----	-----	-----
Net cash inflow from operating activities before interest and taxation	22,389	36,871	96,250
Interest paid	(1,265)	(2,456)	(4,503)
Taxation on investment income	(1,822)	(1,451)	(3,766)
	-----	-----	-----
Net cash inflow from operating activities	19,302	32,964	87,981
	=====	=====	=====
Financing activities			
Equity dividends paid	(15,535)	(14,289)	(29,022)
Share buy-backs	(24,881)	(4,533)	(18,207)
	-----	-----	-----
Net cash outflow from financing activities	(40,416)	(18,822)	(47,229)
	=====	=====	=====
(Decrease)/increase in cash	(21,114)	14,142	40,752
Cash and cash equivalents at the start of the period	65,871	25,429	25,429
Exchange movements	(894)	(113)	(310)
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Cash and cash equivalents at the end of the period	43,863	39,458	65,871
	=====	=====	=====

The accompanying condensed notes are an integral part of the financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS:

1. Accounting policies

The Bankers Investment Trust PLC ('the Company') is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006.

These condensed financial statements comprise the unaudited results of the Company for the half-year ended 30 April 2023. They have been prepared on a going concern basis and in accordance with UK adopted international accounting standards and with the Statement of Recommended Practice for Investment Trusts ('SORP') dated July 2022, where the SORP is consistent with the requirements of UK adopted international accounting standards.

For the period under review, the Company's accounting policies have not varied in any material way from those described in the annual report for the year ended 31 October 2022.

These financial statements have not been either audited or reviewed by the Company's Auditor.

2. Management fees

	(Unaudited) Half-year ended 30 April 2023			(Unaudited) Half-year ended 30 April 2022			(Audited) Year ended 31 October 2022		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Investment management	887	2,071	2,958	992	2,314	3,306	1,905	4,446	6,351
	=====	=====	=====	=====	=====	=====	=====	=====	=====

3. Earnings per ordinary share

The earnings per ordinary share figure is based on the net profit for the half-year of £106,318,000 (30 April 2022: net loss of £90,132,000; 31 October 2022: net loss of £179,171,000) and on 1,286,965,652 (30 April 2022: 1,312,859,609; 31 October 2022: 1,307,589,615) ordinary shares, being the weighted average number of ordinary shares in issue excluding treasury shares during the period.

The return per share detailed above can be further analysed between revenue and capital, as below.

	(Unaudited) Half-year ended 30 April 2023 £'000	(Unaudited) Half-year ended 30 April 2022 £'000	(Audited) Year ended 31 October 2022 £'000
Revenue profit	16,543	14,173	30,592
Capital profit/(loss)	89,775	(104,305)	(209,763)
Total profit/(loss)	106,318	(90,132)	(179,171)
	=====	=====	=====
Weighted average number of ordinary shares in issue during each period	1,286,965,652	1,312,859,609	1,307,589,615
Revenue earnings per ordinary share	1.29p	1.08p	2.34p
Capital earnings/(loss) per ordinary share	6.97p	(7.95p)	(16.04p)
	=====	=====	=====
Total earnings/(loss) per ordinary share	8.26p	(6.87p)	(13.70p)
	=====	=====	=====

4. Current asset investment

The Company has a holding in the Deutsche Bank Global Liquidity Series Fund, a money market fund which is viewed as a readily disposable store of value and which is used to invest cash balances that would otherwise be placed on short-term deposit. At 30 April 2023 this holding had a value of £26,353,000 (30 April 2022: £1,000; 31 October 2022: £1,000).

5. Share capital

At 30 April 2023 there were 1,315,102,830 ordinary shares of 2.5p each in issue of which 44,332,551 were held in treasury (with no voting rights) (30 April 2022: 1,315,102,830 and 6,275,628 shares held in treasury; 31 October 2022: 1,315,102,830 of which 20,251,624 shares were held in treasury). During the half-year ended

30 April 2023, 24,080,927 shares were bought back into treasury at a total cost of £24,881,000 (half year to 30 April 2022: 4,243,874 shares were bought back into treasury for a total cost of £4,533,000; year to 31 October 2022: 18,219,870 shares were bought back into treasury for a total cost of £18,525,000). Since the period end, the Company has not bought back any shares.

6. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to equity shareholders of £1,426,568,000 (30 April 2022: £1,478,430,000; 31 October 2022: £1,360,666,000) and on 1,270,770,279 (30 April 2022: 1,308,827,202; 31 October 2022: 1,294,851,206) ordinary shares, being the number of ordinary shares in issue with voting rights at the period end.

7. Bank loan

At 30 April 2023, the Company had drawn down £nil (30 April 2022 and 31 October 2022: £nil) of its £20 million multi-currency loan facility with SMBC Bank International plc.

8. Related party transactions

The Company's transactions with related parties during the period were with its Directors and Janus Henderson. There have been no material transactions between the Company and its Directors during the period other than the amounts paid to them in respect of Directors' remuneration for which there were no outstanding amounts payable at the period end.

In relation to the provision of services by Janus Henderson, other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services, there have been no transactions with Janus Henderson affecting the financial position or performance of the Company during the period under review.

9. Financial instruments

At the period end the carrying value of financial assets approximates their fair value.

Financial instruments carried at fair value

Fair value hierarchy

The debenture stock and unsecured loan notes are valued at par in the Statement of Financial Position. The fair value of the 8% debenture stock at 30 April 2023 was £15,224,000 (30 April 2022: £16,211,000; 31 October 2022: £15,578,000). The fair value of the debenture stock has been calculated using prices quoted on the exchange on which the instrument trades and is categorised as Level 1 as described below.

In order to comply with fair value accounting disclosures only, the fair value of the loan notes at 30 April 2023 has been estimated to be £94,815,000 (30 April 2022: £114,900,000; 31 October 2022: £97,069,000) and is categorised as Level 3 in the fair value hierarchy as described below. However, for the purpose of the daily NAV announcements, the unsecured loan notes are valued at amortised cost in the fair value NAV because they are not traded and the Directors expect them to be held to maturity and, accordingly, the Directors have assessed that this is the most appropriate value to be applied for this purpose.

The following table analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

Financial assets at fair value through profit or loss at 30 April 2023 (Unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments including derivatives:				
- Equity investments	1,489,862	-	-	1,489,862
- Current asset investments	26,353	-	-	26,353
	-----	-----	-----	-----
Total financial assets carried at fair value	1,516,215	-	-	1,516,215
	=====	=====	=====	=====

Financial assets at fair value through profit or loss at 30 April 2022 (Unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments including derivatives:				
- Equity investments	1,575,874	-	-	1,575,874
- Fixed interest investments	-	-	1	1
- Current asset investments	1	-	-	1
	-----	-----	-----	-----
Total financial assets carried at fair value	1,575,875	-	1	1,575,876
	=====	=====	=====	=====

Financial assets at fair value through profit or loss at 31 October 2022 (Audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments including derivatives:				
- Equity investments	1,433,727	-	-	1,433,727
- Fixed interest investments	-	-	1	1
- Current asset investments	1	-	-	1
	-----	-----	-----	-----
Total financial assets carried at fair value	1,433,728	-	1	1,433,729
	=====	=====	=====	=====

Level 3 investments at fair value through profit or loss	(Unaudited) Half-year ended 30 April 2023 £'000	(Unaudited) Half-year ended 30 April 2022 £'000	(Audited) Year ended 31 October 2022 £'000
Opening balance	1	1	1
Disposal proceeds	(1)	-	-
	-----	-----	-----
Closing balance	-	1	1
	=====	=====	=====

10. Reconciliation of liabilities arising from financing activities

	Non-cash changes				At 30 April 2023 £'000
	At 1 November 2022 £'000	Cash flows £'000	Amortisation of issue costs £'000	Foreign exchange £'000	
Financing activities					
Financing liabilities	139,280	-	12	1,036	140,328
	-----	-----	-----	-----	-----
Closing liabilities from financing activities	139,280	-	12	1,036	140,328
	=====	=====	=====	=====	=====

	Non-cash changes				At 30 April 2022 £'000
	At 1 November 2021 £'000	Cash flows £'000	Amortisation of issue costs £'000	Foreign exchange £'000	
Financing activities					
Financing liabilities	138,683	-	11	(198)	138,496
	-----	-----	-----	-----	-----
Closing liabilities from financing activities	138,683	-	11	(198)	138,496
	=====	=====	=====	=====	=====

	Non-cash changes				At 31 October 2022 £'000
	At 1 November 2021 £'000	Cash flows £'000	Amortisation of issue costs £'000	Foreign exchange £'000	
Financing activities					
Financing liabilities	138,683	-	24	573	139,280
	-----	-----	-----	-----	-----
Closing liabilities from financing activities	138,683	-	24	573	139,280
	=====	=====	=====	=====	=====

11. Going concern

In assessing the Company's going concern, the Directors have considered among other things, cash flow forecasts, a review of covenant compliance including the headroom above the most restrictive covenants and an assessment of the liquidity of the portfolio. The assets of the Company consist mainly of securities that are listed and readily realisable. Thus, after making due enquiry, the Directors believe that the Company has adequate financial resources to meet its financial obligations, including the repayment of any borrowings, and to continue in operational existence for at least 12 months from the date of approval of the financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

12. Dividends

A first interim dividend of 0.62p (2022: 0.55p) per ordinary share was paid on 31 May 2023 to shareholders registered on 28 April 2023. The shares were quoted ex-dividend on 27 April 2023. Based on the number of ordinary shares in issue at 30 April 2023 (excluding the shares held in treasury) of 1,270,770,279 the cost of this dividend was £7,879,000.

The Directors have declared a second interim dividend of 0.62p (2022: 0.578p) per ordinary share which will be payable on 31 August 2023 to shareholders on the register on 28 July 2023. The shares will be quoted ex-dividend on 27 July 2023. Based on the number of shares in issue, excluding shares held in treasury, at 22 June 2023 of 1,270,770,279 the cost of this dividend will be £7,879,000.

13. Comparative information

The financial information contained in this half-year report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the half-years ended 30 April 2023 and 2022 have not been audited or reviewed by the Auditor.

The figures and financial information for the year ended 31 October 2022 have been extracted from the latest published financial statements of the Company. These financial statements have been delivered to the Registrar of Companies and included the report of the Auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

A glossary of terms and details of alternative performance measures can be found in the annual report for the year ended 31 October 2022.

14. Half-year report

The half-year report is available on the Company's website (www.bankersinvestmenttrust.com) or in hard copy from the Company's registered office. An abbreviated version of this half-year report, the 'Update', will be circulated to shareholders in early July 2023.

15. General information

Company status

The Company is a UK domiciled investment trust company.

London Stock Exchange Daily Official List (SEDOL): BN4NDR3 / ISIN number: GB00BN4NDR39

London Stock Exchange (TIDM) Code: BNKR

New Zealand Stock Exchange Code: BIT

Global Intermediary Identification Number (GIIN): L5YVFP.99999.SL.826

Legal Entity Identifier (LEI): 213800B9YWXL3X1VMZ69

Registered Office

201 Bishopsgate, London EC2M 3AE.

Company Registration Number

UK: 00026351

NZ: 645360

Directors

The Directors of the Company are Simon Miller (Chair), Julian Chillingworth (Senior Independent Director), Hannah Philp, Isobel Sharp (Audit Committee Chair), Charlotte Valeur and Richard West.

Corporate Secretary

Janus Henderson Secretarial Services UK Limited, represented by Wendy King FCG.

Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.bankersinvestmenttrust.com.

25 Largest Investments

At 30 April 2023

Rank 30 Apr 2023	Rank 31 Oct 2022	Company	Country	Valuation 31 Oct 2022 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 30 Apr 2023 £'000
1	7	Microsoft	US	28,749	18,887	(2,423)	8,657	53,870
2	#	Apple	US	12,434	27,991	(5,010)	3,711	39,126
3	#	Accenture	US	-	26,682	-	(1,508)	25,174
4	#	JP Morgan Chase	US	-	22,585	(938)	368	22,015
5	17	AstraZeneca	UK	19,657	-	(2,157)	2,556	20,056
6	#	United Health	US	-	20,377	-	(2,026)	18,351
7	9	Visa	US	26,113	645	(9,693)	36	17,101
8	#	KLA Corp	US	-	18,029	-	(1,146)	16,883
9	24	TotalEnergies	France	15,978	-	(1,584)	1,138	15,532
10	#	United Parcel	US	-	16,154	-	(631)	15,523
11	5	American Express	US	28,920	-	(12,982)	(518)	15,420
12	25	Nestlé	Switzerland	15,693	-	(1,555)	1,207	15,345
13	#	Texas Instruments	US	-	16,282	-	(1,036)	15,246
14	#	McDonald's	US	-	14,175	-	863	15,038
15	#	Deere & Co	US	-	19,308	(1,950)	(2,820)	14,538
16	#	Novo-Nordisk	Denmark	9,332	1,572	(1,212)	4,170	13,862
17	#	Sony	Japan	10,482	376	-	2,957	13,815
18	22	Diageo	UK	16,926	-	(3,252)	83	13,757
19	#	Toyota Motor	Japan	15,011	222	(561)	(1,456)	13,216
20	#	Procter & Gamble	US	-	13,086	-	88	13,174
21	#	Reckitt Benckiser	UK	13,089	-	(1,400)	1,284	12,973
22	#	Chevron	US	-	13,214	-	(504)	12,710
23	#	Comcast	US	-	10,927	-	1,653	12,580
24	#	Lloyds Banking	UK	12,251	-	(1,701)	1,968	12,518
25	#	Sanofi	France	11,393	195	(1,149)	1,820	12,259
				236,028	240,707	(47,567)	20,914	450,082

All securities are equity investments

Not in top 25 at 31 October 2022

Convertibles and all classes of equity in any one company are treated as one investment

REVENUE GENERATED

	30 April 2023 £million	30 April 2022 £million
UK	4.7	6.1
Europe (ex UK)	3.1	4.0
North America	5.4	3.4
Japan	2.4	2.1
Pacific (ex Japan and China)	3.4	2.2
China	0.1	-
	-----	-----
	19.1	17.8
	=====	=====

Source: Janus Henderson

GEOGRAPHICAL ANALYSIS Equities excluding cash held

	Valuation of investments	
	30 April 2023 %	31 October 2022 %
UK	16.8	17.3
Europe (ex UK)	17.1	17.0
North America	38.0	38.8
Japan	12.9	12.3
Pacific (ex Japan and China)	9.5	9.7
China	5.7	4.9
	-----	-----
	100.0	100.0
	=====	=====

Source: Janus Henderson

SECTOR ANALYSIS

As a percentage of the investment portfolio excluding cash

	30 April 2023 %	31 October 2022 %
Financials	17.9	21.4
Industrials	16.5	19.3
Consumer Discretionary	15.4	12.3
Technology	14.2	13.9
Health Care	13.1	10.9
Consumer Staples	10.7	10.0
Telecommunications	3.7	2.3
Energy	3.1	2.5
Basic Materials	3.1	3.5
Real Estate	1.2	2.4
Utilities	1.1	1.5
	-----	-----
	100.0	100.0
	=====	=====

Source: Janus Henderson

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) are incorporated into, or forms part of, this report.