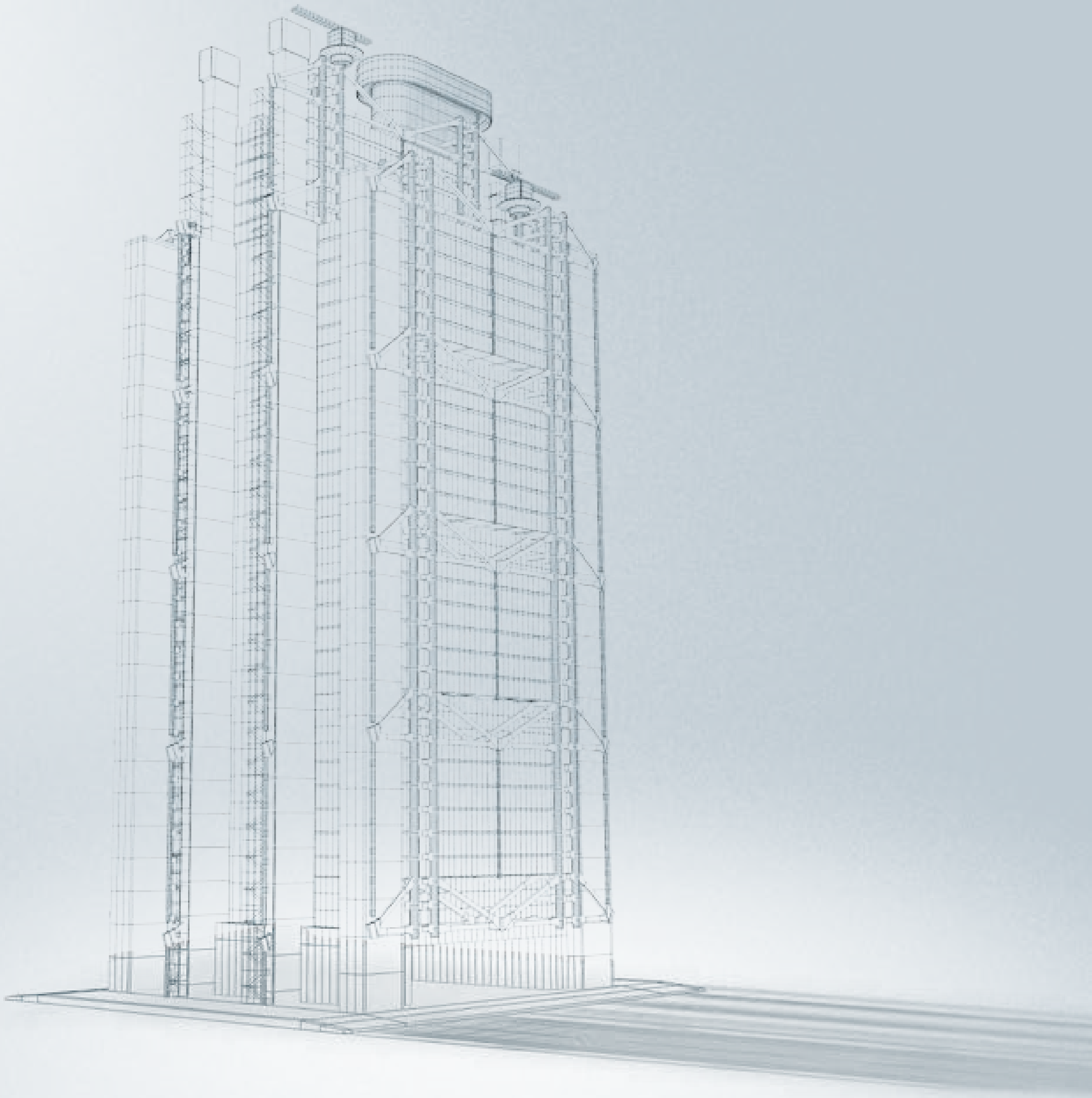
THE BANKERS INVESTMENT TRUST PLC

Annual Report 2015



MANAGED BY
Henderson
GLOBAL INVESTORS

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The image on the front cover is based on the HSBC Bank Building in Hong Kong.

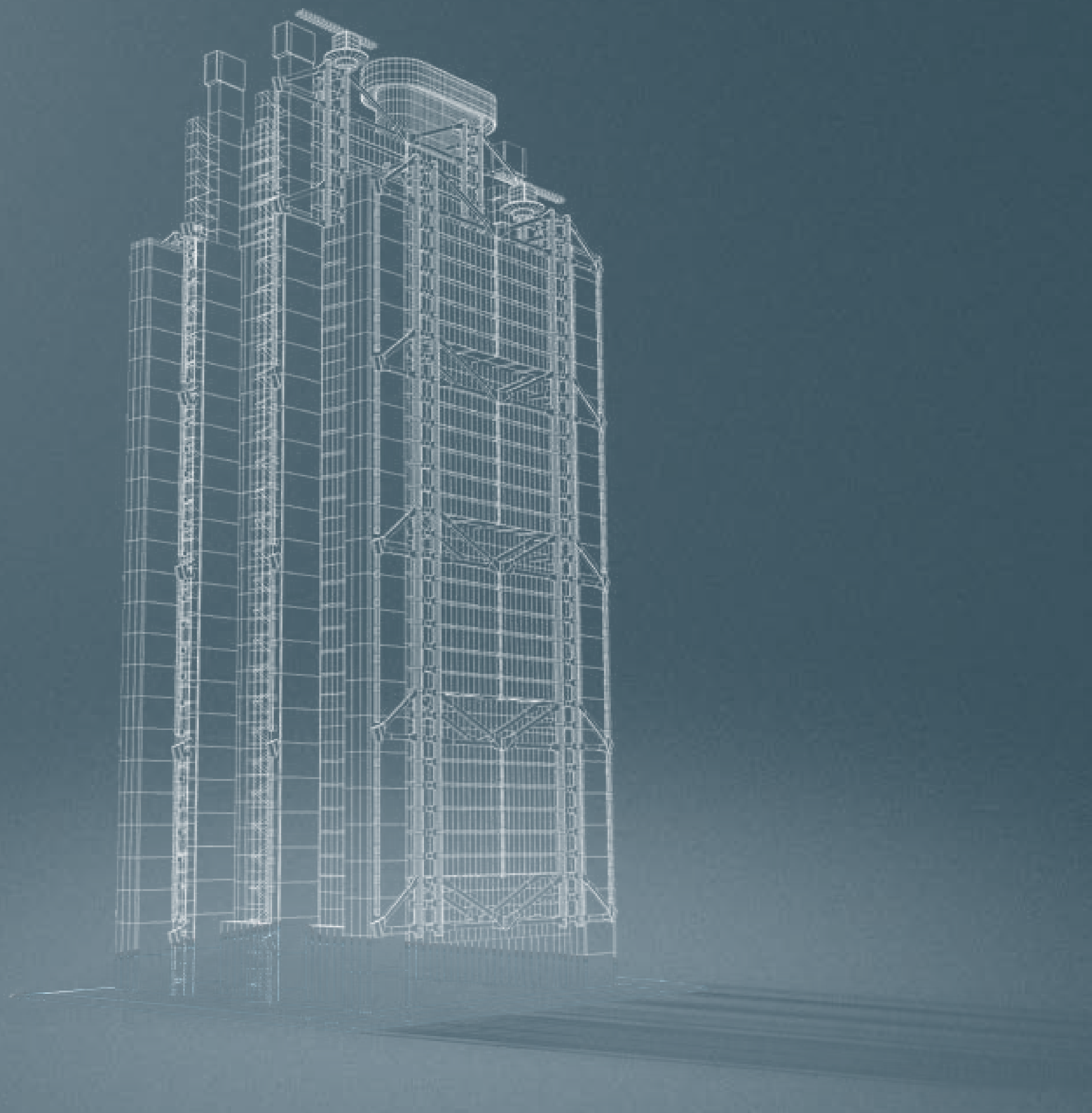
Strategic Report

Investment Objectives

- To achieve long term asset growth in excess of the FTSE All-Share Index.
- To achieve regular dividend growth in excess of the increase in the Retail Prices Index.

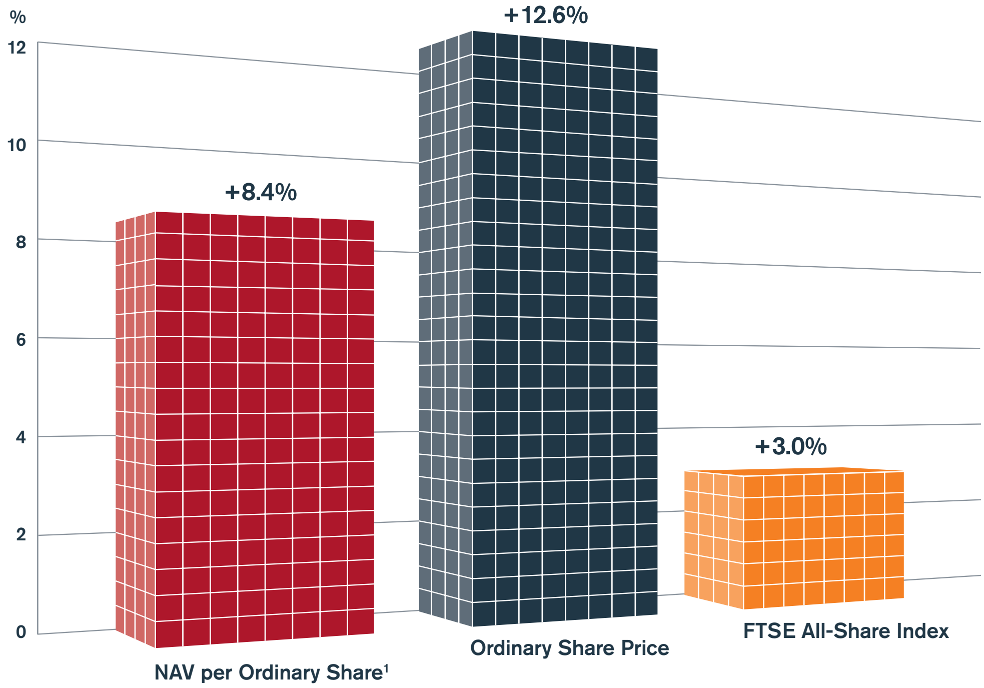
Investment Policy

- To achieve both these objectives by investing in a broadly diversified international portfolio of shares.

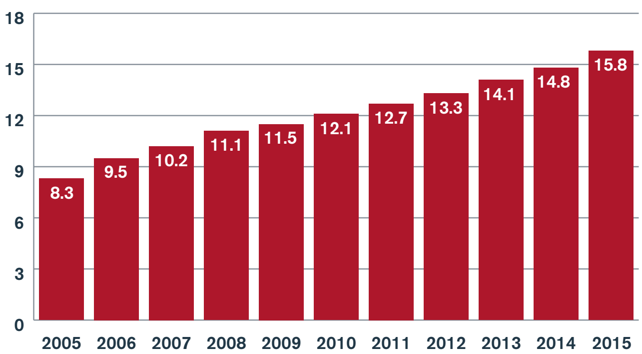


Strategic Report: Performance Highlights

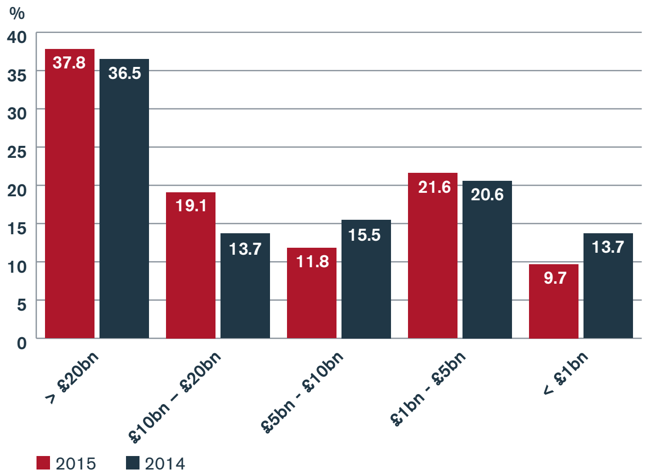
Total return performance for year to 31 October 2015



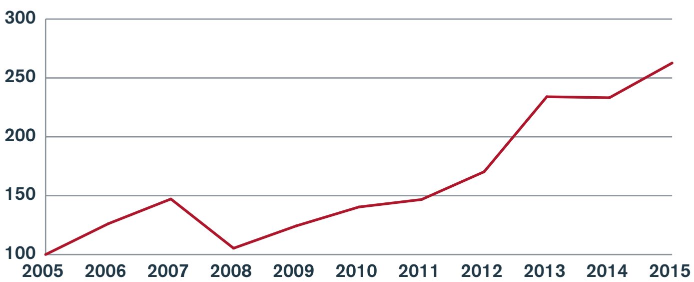
Historical dividend in pence



Market capitalisation of the companies in the portfolio at 31 October 2015 & 2014

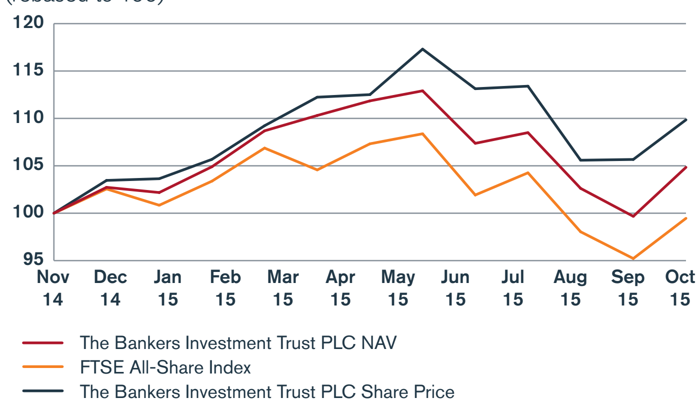


Ten year share price total return performance to 31 October 2015 (rebased to 100)



NAV and share price total return performance versus the index over the year to 31 October 2015[2]

(rebased to 100)



Strategic Report: Performance Highlights (continued)

NAV per share at year end

2015 **630.2p** **+5.7%** Since 31 October 2014

Share price at year end

2015 **618.5p** **+9.9%** Since 31 October 2014

Total assets (less current liabilities)

2015 **£777.4m** **+12.1%** Since 31 October 2014

Dividend for year[4]

2015 **15.8p** **+6.8%** Since 31 October 2014

Revenue return per share at year end

2015 **17.2p** **+13.9%** Since 31 October 2014

Dividend yield[3]

2015 **2.6%** 2014 **2.6%**

Net gearing at year end

2015 **2.0%** 2014 **2.6%**

Ongoing charge for year

2015 **0.52%** 2014 **0.53%**

Retail Prices Index increase over year

2015 **0.7%** 2014 **2.3%**

Discount at year end

2015 **1.9%** 2014 **5.5%**

1 Net asset value total return per share (including dividends per share reinvested)
2 Graph shows the Company's net asset value total return and share price total return compared to the total return of the Index over the year to 31 October 2015
3 Based on the share price at the year end
4 This represents the four ordinary dividends recommended or paid for the year (see page 5 for more details)
Sources: Morningstar for the AIC, Henderson, Datastream

Strategic Report: Business Model

Strategy

The Company's strategy is to meet its investment objectives. This is achieved through the appointment of external management which operates in accordance with the Company's investment policy.

Investment Objectives

The Company's objectives are to achieve long term asset growth in excess of the FTSE All-Share Index and regular dividend growth in excess of the increase in the Retail Prices Index.

Investment Policy

To achieve the investment objectives the Company's investment policy is to invest its assets in a portfolio primarily composed of international equities. The portfolio is broadly diversified by both geography and sector in order to reduce investment risk. The Manager has the flexibility to invest in any geographic region and has no set limits on individual country or sector exposures although the Board regularly monitors the Company's investments and the Manager's investment activity. The Manager primarily employs a bottom-up, value-based investment process to identify suitable opportunities and pays particular regard to cash generation and dividends.

While the Company mainly invests in international equities there is the flexibility to invest in debt securities, such as convertibles, corporate bonds or sovereign debt, if it is deemed that these will, at a particular time or for a particular period, enhance the performance of the Company in the pursuit of its objectives. The use of any derivative instruments, such as financial futures, options and currency hedges, will only be for the purposes of efficient portfolio management.

The Company will not invest more than 15% of its investment portfolio in any single investment on acquisition nor will it invest more than 15% of its investment portfolio in any other UK listed investment trusts or investment companies.

The Company will at times borrow money, both short and long term, in order to enhance performance. The draw down of borrowings may be in currencies other than sterling provided that the borrowings do not exceed the assets in that particular currency. The gearing range is between 0% and 20% and gearing will not exceed 20% of net asset value at the time of draw down of the relevant borrowings.

The Company achieves an appropriate spread of investment risk principally through a broadly diversified portfolio which, at 31 October 2015, contained 204 (2014: 191) individual investments. At 31 October 2015, the largest single investment was BP, which accounted for 1.82% of total investments while the top 25 holdings totalled 29.03% of total investments.

Investment risk may be further reduced through the use of currency hedging, foreign borrowings and derivatives.

Information regarding the Company's investment exposures can be found on page 9.

Further information regarding investment risk and activity throughout the year can be found in the Fund Manager's Review and accompanying regional pages.

Management

The Company qualifies as an Alternative Investment Fund ("AIF") in accordance with the Alternative Investment Fund Manager Directive ("AIFMD").

The Company has appointed Henderson Investment Funds Limited ("HIFL") to act as its Alternative Investment Fund Manager ("AIFM") in accordance with an agreement which was effective from 22 July 2014 and is terminable on six months' notice. HIFL delegates investment management services to Henderson Global Investors Limited which acts as Manager. Both entities are authorised and regulated by the Financial Conduct Authority ("FCA"). References to Henderson within this report refer to the services provided by both entities.

The fund management team is led by Alex Crooke, who has been in place since 2003. He is assisted by Tim Stevenson, Ian Warmerdam, Michael Kerley, Michael Woodmartin and Charlie Awdry.

Henderson and its subsidiaries provide accounting, company secretarial and general administrative services. Some of the administration and accounting services are carried out, on behalf of Henderson, by BNP Paribas Securities Services. Wendy King FCIS acts as Company Secretary on behalf of the Corporate Secretary, Henderson Secretarial Services Limited.

Management Fee

The annual management fee is calculated using the average net assets on the last day of October in each of the preceding two years at a rate of 0.45% on average net assets up to £750m and a rate of 0.4% of average net assets over £750m.

Strategic Report: Chairman's Statement

The Chairman of the Company, Richard Killingbeck, reports on the year to 31 October 2015

- Net asset value increase of 5.7%
- Dividend increase of 6.8%
- 49th consecutive year of dividend increases
- Forecast increase in 2016 dividend of at least 4.4%
- 20 year £50m strategic debt issue at an annualised coupon rate of 3.68%

Performance

I sounded a cautionary tone in my "Outlook" section last year regarding the prospects for stock markets making much progression against a backdrop of growing global macro-economic uncertainty. Despite this uncertainty I am pleased to able to report that our Fund Manager and his team, through a combination of judicious stock selection and asset allocation, have been able to add significant value against virtually every local market index in which Bankers' assets are invested (the only exception being the small asset allocation to emerging markets). This is an excellent result for shareholders and reflects the disciplined focus of the investment team in regard to stock selection and upon medium to longer term investment themes and trends.

During the year we have continued to shift our allocation away from the domestic UK equity market and have consequently increased our overseas equity exposure, in particular towards North America and Japan. This deliberate policy shift will continue and I would expect the UK equity market exposure to settle at approximately 30% during the forthcoming year. Overseas markets offer Bankers' an ability to gain greater exposure to higher growth sectors and to global companies within these sectors. As these companies grow their earnings we expect their dividend growth potential to be equal or greater than that to be achieved from our UK equity portfolio. Further detail as to individual market reports can be found later under the Fund Manager reports section.

Revenue and Dividends

Special dividends have continued to help our revenue account this year and this, alongside strong underlying dividend growth across the portfolio, has enabled the Board to recommend a final quarterly dividend of 4.0p per share. If approved by shareholders, this will result in a total dividend payment of 15.8p per share, an increase of 6.8%. This is a pleasing outcome and should be viewed against my forecast last year of an increase of at least 4%. Our earnings per share for the period were 17.22p.

Looking to the current year we have some conflicting signals for underlying dividend growth. On the positive is the stock selection approach which the Fund Manager has taken, which emphasises companies that have the ability to grow their dividends over the medium term. On the negative is the potential wider global economic slowdown which has already dampened, and could further dampen, market dividend growth expectations. Despite this mixed backdrop the Board is confident in predicting dividend growth of at least 4.4% for 2016, representing a minimum total dividend for the year of over 16.5p per share.

Long Term Debt

During the year the Board took the decision to increase structurally the Company's fixed debt. There were two key drivers of this. Namely the historically low level of interest rates which Bankers could lock into and the redemption next year of one of our existing debentures, the £10 million 10.5% issued at a time when interest rates and inflation were at significantly higher levels than today.

We were able to issue 20 year 3.68% £50m loan notes. This cost approximates to the market dividend yield today. So, when we invest the monies into selected holdings shareholders should be able to benefit from all future dividend growth. At the time of writing some of these funds have been invested but we remain patient in regard to investing the balance. Once fully invested the maximum fixed gearing of the Company would increase to 10%, a level with which your Board remains comfortable.

Strategic Report: Chairman's Statement (continued)

Annual General Meeting ("AGM")

The AGM this year will again be held at Trinity House, London, EC3N 4DH on 25 February 2016 at 12 noon. Full details of the business to be conducted at the meeting are set out in the Notice of Meeting which has been sent to shareholders with this report. Directions and a map showing the location of the AGM can also be found in the Notice of Meeting. The Board looks forward to seeing many of you at this meeting at which Alex Crooke and his investment team will present their investment views and how these are reflected in the portfolio. Following the formal business of the meeting light refreshments will be served.

Outlook

As for the future, I remain cautious! I continue to see headwinds across the globe from both a political and an economic perspective. Some of these, such as low economic growth, disinflation and falling commodity prices have been with us for many months if not years and new ones will emerge in the year ahead such as the UK's membership of the EU. But what I also continue to observe is that by taking the medium to long term view on companies and major economies one can escape the "noise" and focus on building on the returns that have been achieved by the current investment team and their predecessors. These returns also reflect the power of compounding which should never be underestimated and this can be powerfully demonstrated by our dividend growth record of 92% over the past ten years and our net asset value growth record of 73%. I think you will agree these are impressive figures, especially when you compare them with the ten year return of the Retail Prices Index of 34% and the FTSE All-Share Index return of 30%.

So looking ahead over the next year is actually really quite a short time span in the context of what our investment team are trying to achieve and, indeed, the context of the life of Bankers Investment Trust. Markets will rise, and will fall, and they remain unpredictable which in turn has the ability to negatively impact investor sentiment. However, as long as the underlying companies in which we invest are sound and improving, then we should remain optimistic for the long term. As I stated in my report last year and, as has been borne out this year, patience and careful stock selection will again be a key requisite for outperformance in the year ahead.

Richard Killingbeck
Chairman
18 January 2016

Strategic Report: Fund Manager's Review

The Fund Manager of the portfolio, Alex Crooke, reports on the year to 31 October 2015

To some extent this last year has mirrored the previous year in terms of a lack of sustainable growth, low inflation and dull investment returns. There was the usual bout of enthusiasm at the start of the year but stock markets peaked around April/May and took a turn down in the later summer. All through the recovery from the 2008-9 financial crash, there has been a distinct lack of demand by consumers and corporates, partly a result of a dysfunctional banking sector but also due to high levels of unemployment and a lack of wage growth. The effects of this poor demand profile were shown up in the significant crash in the oil prices and mirrored in other commodities. The oil price fell sharply through the second half of 2014 and was $81 a barrel at the start of our financial year on 1 November 2014 but still nearly halved in value from there, a year later at $47. Ultimately this fall should feed through to greater spending power for consumers around the world but this will take time and stock markets reacted quicker, forcing down prices for oil and commodity stocks.

We have had to tread carefully this year avoiding too much exposure to commodities and side stepping a number of profit warnings across many sectors, which generally were caused by the weak growth in the major economies. Our efforts were ultimately rewarded in that all of our major geographic portfolios exceeded their local benchmark indices, (with special mention to the US outperforming by 5.5%, Europe by 7.3% and Japan by 10.1%). Only the Emerging Market sleeve missed its benchmark, underperforming by 7.4% where we had too much exposure to Latin America and were impacted in particular by the fall in currencies.

It is worth reviewing the two strategic changes we implemented in the previous year, namely a change of investment style and manager in the US and initial investments in Chinese "A" shares. The US portfolio is undoubtedly now more growth orientated but we believe that the US economy is entering a period of steady recovery and a growth bias should reward us better in terms of returns. The portfolio has a lower dividend yield than the market but should grow more quickly, while the overall valuation in terms of P/E for the US portfolio is below that of the index. In the first full year of performance the portfolio produced a sterling return of 12.7% against 7.2% for the index. We have some exciting investments which are positioned in areas that we expect to exhibit strong growth and should be less exposed to increasing US interest rates. The Chinese portfolio had a very volatile year but still exceeded all our expectations. We started this investment to gain greater exposure to the growth in Chinese consumer spending and because we felt share prices were extremely cheap by historic standards. We didn't think that the market would recover so strongly but prices quickly ran ahead of fundamentals. Even with the setback in the market over the summer, our portfolio produced a return of 51.7% over the year and valuations still look appealing with an attractive dividend yield. We now have roughly 20% cash in the Chinese QFII account and a more cautious mix of stocks compared to a year ago.

For a number of years we have been carefully monitoring the cost of long term debt for Investment Companies. The coupons have steadily fallen and this year we decided to move after the coupon on long term borrowings fell below 4%. Our £10 million 10.5% long term debenture will be repaid in October 2016 and we have prefunded this debenture payment with the issue of £50m of 20 year loan notes in May. The 3.68% coupon on these notes will be close to the dividend yield on new investments and should enhance returns for shareholders over time. In the short term we have repaid and cancelled our short term borrowing facility with Commonwealth Bank of Australia as we do not need the funds and this avoids extra costs. In time we can add extra short term borrowings when needed. The new loan notes increase our fully invested gearing position to roughly 10% but, at the year end, we still retained the bulk of the new funds, accepting an element of "cash drag" while awaiting suitable buying opportunities. Net gearing was 2%.

All year we have been cautious on Emerging Markets and Asia, reflecting pressures on commodity prices and slowing growth in China. The investment in both areas was reduced, most noticeably in Asia which fell to 11.3% of the portfolio. Extra funds were invested into Europe and Japan. The latter was the best performing of the major regions and there is some good evidence that "Abenomics" is working. Corporate profits have been recovering and valuations are at historically low levels reflecting the market's scepticism. North America now accounts for 25.4% of the portfolio mainly through good performance while the UK allocation continues to be reduced. If all of the available funds were invested outside the UK the allocation would fall to 35%.

The UK remains a key market for income generation and produced a larger number of special dividends which boosted our overall income by over £2m. This has been an exceptional year for specials and is a function of low growth in that companies have limited need to invest new capital. We expect further special dividends in the coming year but not to the same extent. The Company's income was boosted by US dollar currency gains and some of our recent regional allocation movements. A further positive factor in recent years has been an investment focus on companies that have the capacity to increase dividends and this is now generating good returns. Pressure on dividends is undoubtedly rising in the commodity sectors and, while major oil companies will keep their dividends for a time, we will see some stress this year if the price of oil stays below $50 a barrel. We are keeping a cautious eye on markets to judge the right time to invest the cash balances from the loan notes issue and also to protect our investment income.

Alex Crooke
18 January 2016

Statistical Record

		Earnings and dividends per 25p ordinary share						Indices of growth (rebased to 100)[4]					
Year ended 31 October	Gross revenue £'000	Earnings net p	Total dividends net p	Ongoing charges[2] %	Total assets less current liabilities £'000	Net asset value per 25p ordinary share p	Market price per 25p ordinary share p	Net asset value	Market price per 25p ordinary share	Dividend per 25p ordinary share net	FTSE All-Share Index	FTSE World Index (ex-UK)	UK Retail Prices Index
2005	13,940	9.07	8.25	0.62	461,923[1]	363[1]	313	100	100	100	100	100	100
2006	14,972	10.13	9.48	0.60	540,363	443	386	123	124	115	118	110	104
2007	16,437	11.32	10.24	0.71	596,020	500	439	138	141	124	129	122	108
2008	18,613	12.76	11.06	0.47	410,661	341	305	94	97	134	82	90	113
2009	16,866	11.83	11.50	0.50	473,863	400	348	111	112	139	97	104	112
2010	16,478	12.26	12.10	0.42	526,955	452	380	125	122	147	110	120	117
2011	16,389	11.98	12.70	0.40	521,331	447	385	124	124	154	108	117	123
2012	18,593	13.84	13.33	0.42	551,214	475	433	131	139	162	114	125	127
2013	19,689[3]	14.45[3]	14.13	0.45	678,561	587	580	162	186	171	134	153	130
2014	20,748	15.05	14.80	0.53	693,196	596	563	165	181	179	131	164	133
2015	**22,767**	**17.22**	**15.80**	**0.52**	**777,428**	**630**	**619**	**173**	**198**	**192**	**130**	**168**	**134**

1 Restated for changes in accounting policies in respect of valuation of investments and dividends payable
2 Years prior to 2011 are total expense ratio
3 Company only figures from 2013, following liquidation of subsidiary
4 Adjusted to present capital

Rates of Exchange

The principal exchange rates at 31 October were:

	2015	2014
US Dollar	1.5444	1.5999
Japanese Yen	186.371	179.351
Euro	1.398	1.276
Hong Kong Dollar	11.97	12.40
Australian Dollar	2.155	1.820

	2015	2014
Singapore Dollar	2.16	2.06
New Taiwanese Dollar	50.14	48.66
Danish Krone	10.427	9.505
Swiss Franc	1.522	1.539
New Zealand Dollar	2.283	2.056

Distribution of Assets and Liabilities

At 31 October 2015

							Currency exposure of net assets	
	Equities £'000	Fixed interest £'000	Current assets £'000	Total assets £'000	%	Total liabilities £'000	£'000	%
United Kingdom	277,215	23	57,720	334,958	42.4	(76,084)	258,874	36.3
Europe (ex UK)	93,021	–	101	93,122	11.8	–	93,122	13.1
North America	177,721	–	228	177,949	22.5	–	177,949	25.0
Japan	84,564	–	999	85,563	10.8	(527)	85,036	11.9
China	23,086	–	3,014	26,100	3.3	(32)	26,068	3.7
Pacific (ex Japan, China)	58,787	–	368	59,155	7.6	–	59,155	8.3
Emerging Markets	12,414	–	15	12,429	1.6	–	12,429	1.7
Total	**726,808**	**23**	**62,445**	**789,276**	**100.0**	**(76,643)**	**712,633**	**100.0**
	102%	0.0%	8.8%	110.8%		(10.8%)	100.0%	

Expense debtors and creditors have been allocated to sterling for the purposes of this table.

Largest Investments

At 31 October 2015

The 25 largest investments (convertibles and all classes of equity in any one company being treated as one investment) were as follows:

Ranking 2015	Ranking 2014	Company	Valuation 2014 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 2015 £'000
1	(1)	BP	15,335	–	–	(2,138)	13,197
2	(2)	British American Tobacco	9,932	–	–	875	10,807
3	(6)	Delphi Automative	8,301	322	–	2,120	10,743
4	(13)	Apple	7,635	1,247	–	1,162	10,044
5	(11)	ITV	8,009	–	–	1,948	9,957
6	(5)	Sports Direct International	9,066	–	–	738	9,804
7	(10)	Galliford Try	8,013	1,009	(1,522)	1,808	9,308
8	(12)	Barclays	7,795	1,551	–	(365)	8,981
9	(9)	American Tower	8,090	–	–	695	8,785
10	(17)	BT	6,875	–	–	1,824	8,699
11	#	CVS Health	4,830	2,719	–	1,072	8,621
12	(8)	Royal Dutch Shell	8,094	2,596	–	(2,156)	8,534
13	#	Roper Technologies	4,279	2,753	–	1,458	8,490
14	#	Fresenius	3,358	3,548	(453)	1,972	8,425
15	#	Cardinal Health	–	8,218	–	(301)	7,917
16	(15)	Comcast	7,515	1,534	(2,355)	933	7,627
17	(24)	Reckitt Benckiser	6,300	–	–	1,313	7,613
18	#	Fidelity National Information Services	3,052	2,583	–	1,617	7,252
19	#	Persimmon	2,926	2,622	–	1,401	6,949
20	#	The Cooper Companies	4,546	2,674	–	(359)	6,861
21	#	Accenture	3,930	1,027	–	1,743	6,700
22	(21)	GlaxoSmithKline	6,576	–	–	(58)	6,518
23	(7)	HSBC	8,174	–	–	(1,686)	6,488
24	(18)	American Express	6,822	772	–	(1,204)	6,390
25	#	Visa	2,855	2,111	–	1,333	6,299
			162,308	**37,286**	**(4,330)**	**15,745**	**211,009**

All securities are equity investments
Not in top 25 last year

Changes in Investments

At 31 October 2015

	Valuation 2014 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 2015 £'000
United Kingdom	281,599	13,406	(25,334)	7,567	277,238
Europe	78,035	19,256	(59,264)	54,994	93,021
North America	153,925	67,342	(11,876)	(31,670)	177,721
Japan	60,287	31,454	(21,391)	14,214	84,564
China	16,642	28,366	(36,011)	14,089	23,086
Pacific (ex Japan, China)	75,847	20,655	(25,618)	(12,097)	58,787
Emerging Markets	19,121	4,638	(5,211)	(6,134)	12,414
	685,456	**185,117**	**(184,705)**	**40,963**	**726,831**

Strategic Report: United Kingdom

The Fund Manager of the UK portfolio, Alex Crooke, reports on the year to 31 October 2015

Review

At first glance the UK equity market produced a second year of disappointing returns but there has been a wide spread between sectors that have risen in value and those that fell. Share prices generally rose through the first half of the year, building on the optimism of improving growth and the advent of quantitative easing ("QE") in Europe, the UK's major trading partner. The general election in May had an impact on some domestically focused sectors that were subject to policies proposed by the Labour party but a Conservative victory soon restored share prices to their previous levels. Overall the UK economy has exhibited good growth. Low inflation and falling petrol prices have enabled consumers to increase spending which has benefitted the economy as a whole.

Growing concerns about declining growth trends in China and its impact on emerging markets came to a head in August and caused a setback in market values. Although not directly hurting the UK economy, the stock market is heavily exposed to emerging markets through the mining and oil exploration sectors, combined with many global companies having invested heavily in emerging countries over the past few years. The value of mining companies in the UK market peaked at 16% of its total value in 2010 but now resides at 5%. Similarly the oil sector has halved from 21% of the UK stock market value in 2012 to 11% today. Other areas of the market to disappoint investors were those with regulatory pressures, principally the utilities, following the election, and the banking sector which faced tougher capital requirements.

The Bankers UK portfolio outperformed the FTSE All-Share Index for the fifth year in a row, gaining 3.3% more than the index. The portfolio is underweight in the key sectors of mining, oils and banks which all disappointed by falling in value over the year. We produced better returns in sectors such as insurance, food manufacturing and housebuilding. Holdings of Persimmon, Galliford Try, Dairy Crest and Reckitt Benckiser delivered particularly strong performance. There has been a notable pick up in takeovers during the year. The portfolio benefitted from the takeovers of insurance underwriter Catlin followed closely by a takeover for Amlin; takeover activity also benefitted the holding of Lancashire in the same sector. Generally the strategy remained to favour companies with strong market positions and the prospect of growing dividends.

Total return (£) (year to 31 October 2015)	%
Bankers	6.3
FTSE All-Share Index	3.0

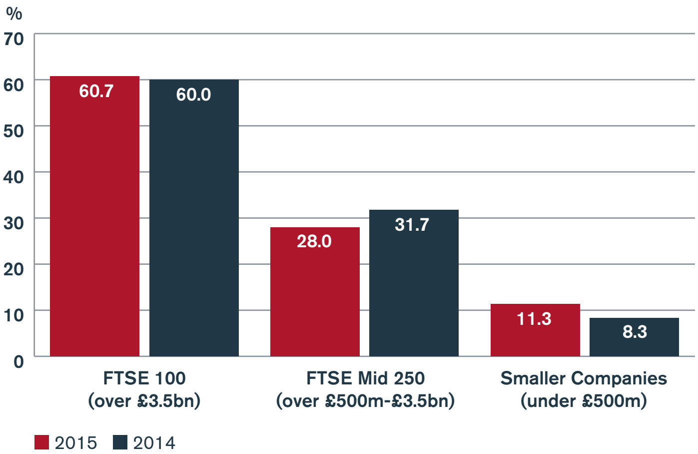
Activity

Overall the balance of the UK portfolio has not altered materially through the year because many of the investment trends remain unchanged from last year. We have reduced holdings in some larger companies, such as HSBC, SSE and GlaxoSmithKline, because earnings were being downgraded and valuations looked full. We also reduced exposure to the life assurance sector which has been a great performer over recent years but the advent of the Solvency II regulation could limit dividend growth. Sales included Legal & General, Standard Life and St. James's Place. Sales outnumbered purchases over the year as investment in the UK weighting was reallocated elsewhere. However, holdings in BT, Barclays and Persimmon were increased as we felt greater confidence in their outlook and valuations remained appealing. The housebuilding sector was hit hard ahead of the May general election and allowed us to increase holdings in our favoured housebuilders Galliford Try and Persimmon.

Outlook

Over the coming year we are likely to concentrate the portfolio into our more favoured sectors and stocks while keeping a watchful eye for a reversal in market trends. Most active managers have performed well by having little exposure to mining or oil and being overweight in defensive stocks, but these trends will break at some point. UK interest rates are unlikely to rise in the short term but an increase in economic activity in Europe, as a result of QE, could create conditions where the Bank of England needs to tighten policy. This is likely to herald a rotation in market positions and we will need to make some stock changes as currently the portfolio is positioned towards both defensive and smaller/mid-sized companies reflecting the low global growth environment.

UK portfolio classified by market value of company at 31 October



Valuations at 31 October 2015 – all investments are shown

Investments by value	Sector	£'000	% of UK portfolio
BP	Oil & Gas Producers	13,197	4.76
British American Tobacco	Tobacco	10,807	3.90
ITV	Media	9,957	3.59
Sports Direct International	General Retailers	9,804	3.54
Galliford Try	Construction & Materials	9,308	3.36
Barclays	Banks	8,981	3.24
BT	Fixed Line Telecommunications	8,699	3.14
Royal Dutch Shell	Oil & Gas Producers	8,534	3.08
Reckitt Benckiser	Household Goods & Home Construction	7,613	2.75
Persimmon	Household Goods & Home Construction	6,949	2.51
GlaxoSmithKline	Pharmaceuticals & Biotechnology	6,518	2.35
HSBC	Banks	6,488	2.34
St. James's Place	Life Insurance	6,039	2.18
Cranswick	Food Producers	5,920	2.13
Connect	Support Services	5,904	2.13
Jupiter Fund Management	Financial Services	5,710	2.06
Prudential	Life Insurance	5,701	2.06
Wetherspoon (J.D.)	Travel & Leisure	5,386	1.94
WPP	Media	5,385	1.94
Jardine Lloyd Thompson	Non-life Insurance	4,998	1.80
Fisher (James) & Sons	Industrial Transportation	4,966	1.79
BHP Billiton	Mining	4,479	1.62
Hansteen	Real Estate Investment Trusts	4,452	1.61
Smith (D.S.)	General Industrials	4,424	1.60
Imperial Tobacco	Tobacco	4,411	1.59
Nationwide Building Society 10¼% Pref[1]	Banks	4,165	1.50
STV	Media	4,143	1.49
Petrofac	Oil Equipment Services & Distribution	3,899	1.41
Investec	Financial Services	3,786	1.37
Intermediate Capital	Financial Services	3,694	1.33
Rio Tinto	Mining	3,673	1.32
Rentokil Initial	Support Services	3,554	1.28
Kcom	Fixed Line Telecommunications	3,495	1.26
GKN	Automobiles & Parts	3,438	1.24
Amlin	Non-life Insurance	3,370	1.22
Lloyds Banking	Banks	3,351	1.21
Land Securities	Real Estate Investment Trusts	3,348	1.21
Pheonix	Life Insurance	3,337	1.20
Severn Trent	Gas, Water & Multiutilities	3,270	1.18
Rolls-Royce	Aerospace & Defence	3,218	1.16
Diageo	Beverages	3,193	1.15
Compass	Travel & Leisure	3,160	1.14
Legal & General	Life Insurance	3,107	1.12
Cobham	Aerospace & Defence	3,053	1.10
Constellation Healthcare Technologies	Health Care Equipment & Services	2,804	1.01
Amec Foster Wheeler	Oil Equipment Services & Distribution	2,719	0.98
Elementis	Chemicals	2,698	0.97
Lancashire	Non-life Insurance	2,497	0.90
Tiso Blackstar	Equity Investment Instruments	2,179	0.79
Centrica	Gas, Water & Multiutilities	2,148	0.77
Blackstone GSO[2]	Equity Investment Instruments	2,146	0.77
United Utilities	Gas, Water & Multiutilities	1,977	0.71
Johnson Matthey	Chemicals	1,974	0.71
Standard Life	Life Insurance	1,791	0.65
Carador Income Fund	Equity Investment Instruments	1,785	0.64
BAE Systems	Aerospace & Defence	1,651	0.60
Dairy Crest	Food Producers	1,610	0.58
SSE	Electricity	1,580	0.57
Hunting	Oil Equipment Services & Distribution	1,474	0.53
Hayward Tyler[3]	Industrial Engineering	1,364	0.49
Glencore	Mining	1,352	0.49
Action Hotels[3]	Travel & Leisure	973	0.35
Renold	Industrial Engineering	948	0.34
Premier Oil	Oil & Gas Producers	411	0.15
Indivior	Pharmaceuticals & Biotechnology	247	0.09
Lehman Brothers Hldgs 7.875%[4]	Fixed Interest	23	0.01
Lonmin	Mining	3	–
Total		**277,238**	**100.00**

1 Preference Share 2 Specialist Fund Market 3 AIM 4 Fixed Interest

Strategic Report: Europe

The Fund Manager of the European portfolio, Tim Stevenson, reports on the year to 31 October 2015

Review

European markets have done better over the last twelve months in local currency terms, but the euro has fallen by 9% against the British pound so reducing sterling returns. The most important development has been the adoption of a powerful policy of bond buying by the ECB (effectively Quantitative Easing – QE), which has forced interest rates down to record low levels. German two year bonds, for example, now have a negative yield of roughly 0.4% which is forcing money into the economy and real assets such as equities. Valuations have been rising throughout the year. European markets now look more expensive relative to their own history but we would argue that the dividend yield of about 3% is a more relevant measure of the attraction of equities to investors right now.

The good news is that European economies have started to recover driven by better domestic demand. However, exports from the region have suffered from weak demand in many significant markets (Emerging Markets, Oil States, Latin America) which has meant that pricing pressure in manufacturing areas has been intense.

The performance of the Bankers' holdings in Europe has been ahead of the index rising by 13.1% compared with 5.8% for the FTSE All-World Developed Europe (ex UK) Index. This reflects in most cases the consistent and reliable profile of the earnings of our positions. Outstanding performance was seen from our holdings in Fresenius and Essilor, while more economically sensitive names such as Linde and Brenntag have lagged somewhat.

Activity

The approach taken in the European portfolio has been to buy and hold long term top quality companies preferably with a reasonable and reliable dividend income. Changes to positions have again been limited with the sale of ABB reflecting our concern that in a world of low growth those companies that compete in capital goods on a global scale will find life very tough. The same goes for our position in Airbus as we fear that demand for new aircraft will slow given less pressure from a high fuel price. Other changes have been to sell Richemont due to concerns about a longer and deeper slowdown in luxury demand, particularly in watches, from China. The latter has been replaced by adding to the Hermes position where we had already received some shares through the spin out from our holding in Dior. In banks we have concentrated on a holding in UBS rather than Credit Suisse which was sold during the year, as we feel the prospect of a healthy dividend is closer with UBS.

Total return (£) (year to 31 October 2015)	%
Bankers	13.1
FTSE All-World Developed Europe (ex UK) Index	5.8

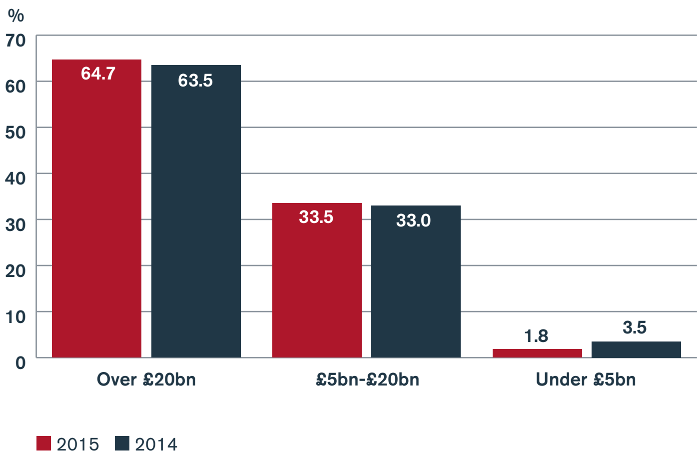
Outlook

At last many European economies are showing signs of recovery. The bad news is that the recovery is weak and global demand also looks weaker than in previous recoveries. We seem to be well and truly stuck in a world of low growth and in that environment our holdings should fare better even though some valuation levels have reached a premium to the market average.

It is likely that political stress will rise over the next twelve months in Europe partly due to the strains imposed by the migrant crisis, but accentuated by austerity exhaustion in most areas. Furthermore the debate about Britain's future as part of Europe will almost certainly become noisy and if, as seems likely, a referendum is held before the end of 2016 this may cause uncertainty in other parts of Europe.

The other key uncertainty will be the level of long term interest rates. If the ECB's projections of an inflation rate of close to 2% by end 2016 or into 2017 holds true, then bond yields are likely to rise. This may divert more flows into equities unless the upward movement in interest rates is quicker than currently expected. In summary we anticipate modest progress for European markets over the next twelve months.

European portfolio classified by market value of company at 31 October



Valuations at 31 October 2015 – all investments are shown

Investments by value	Sector	Country	£'000	% of Europe portfolio
Fresenius	Health Care Equipment & Services	Germany	8,425	9.06
Novartis	Pharmaceuticals & Biotechnology	Switzerland	5,988	6.44
Christian Dior	Personal Goods	France	5,829	6.27
Deutsche Post	Industrial Transportation	Germany	5,459	5.87
Deutsche Boerse	Financial Services	Germany	4,718	5.07
Roche	Pharmaceuticals & Biotechnology	Switzerland	3,981	4.28
Nestlé	Food Producers	Switzerland	3,866	4.16
Koninklijke Philips	General Industrials	Netherlands	3,690	3.97
Amadeus IT	Support Services	Spain	3,415	3.67
Deutsche Telekom	Mobile Telecommunications	Germany	3,345	3.60
L'Oréal	Personal Goods	France	3,261	3.50
Essilor	Health Care Equipment & Services	France	2,987	3.21
Adecco	Support Services	Switzerland	2,829	3.04
Sodexo	Travel & Leisure	France	2,780	2.99
Allianz	Non-life Insurance	Germany	2,512	2.70
Inditex	General Retailers	Spain	2,363	2.54
Linde	Chemicals	Germany	2,289	2.46
SGS	Support Services	Switzerland	2,277	2.45
Novo-Nordisk	Pharmaceuticals & Biotechnology	Denmark	2,195	2.36
Munich Reinsurance	Non-life Insurance	Germany	2,096	2.25
Continental	Automobiles & Parts	Germany	2,086	2.24
Total	Oil & Gas Producers	France	2,080	2.24
Brenntag	Chemicals	Germany	1,966	2.11
UBS	Banks	Switzerland	1,959	2.11
Legrand	Electronic & Electrical Equipment	France	1,877	2.02
Nordea Bank	Banks	Sweden	1,856	1.99
Zurich Insurance	Non-life Insurance	Switzerland	1,852	1.99
A P Moller-Maersk	Industrial Transportation	Denmark	1,723	1.85
Hermès	Personal Goods	France	1,697	1.82
Swedish Match	Tobacco	Sweden	1,620	1.74
Total			**93,021**	**100.00**

European Geographical Distribution

	31 October 2015 %	31 October 2014 %
Germany	35.4	27.1
Switzerland	24.5	31.8
France	22.0	22.4
Spain	6.2	5.8
Denmark	4.2	5.6
Netherlands	4.0	3.4
Sweden	3.7	3.9
	100.0	**100.0**

Strategic Report: North America

The Fund Manager of the North America portfolio, Ian Warmerdam, reports on the year to 31 October 2015

Total return (£) (year to 31 October 2015)	%
Bankers	12.7
FTSE World North America Index	7.2

Review

The North America portfolio significantly outperformed the benchmark over the twelve months to 31 October 2015. The portfolio returned 12.7% versus 7.2% for the FTSE World North America Index in sterling terms. The period under review coincided with a significant price fall in some of the major commodities, particularly oil. In this environment, the majority of the positive relative performance versus the benchmark was driven by our structural avoidance of more cyclical or lower growth areas of the market such as oil & gas, basic materials and utilities. Furthermore, our stock selection within the Industrials sector was also a material driver of outperformance versus the benchmark. On the negative side, the consumer goods and health care sectors were a drag on relative performance, caused primarily by stock selection.

At the stock level, Walt Disney was the largest positive contributor; the global media company has enjoyed significant success in recent years from its diversified revenue streams – film studios, cruise lines, theme parks, consumer products and sports broadcasting. We did reduce the size of the position in October 2015 as the stock approached our price target, and some signs of incremental pressure on pay TV bundles became apparent.

Within our Internet Disruption theme, Netflix and Amazon contributed materially to both absolute and relative positive returns. In the case of Netflix, we added this stock to the portfolio in early March with the belief the company is very well placed to become the global leader in media streaming. Since then we have been increasingly encouraged by the success of their home grown content in driving new subscribers. Amazon has continued to exert its dominance in its ecommerce and cloud services businesses. This dominance has been demonstrated by strong growth in its US retail business, further traction in its premium "Prime" membership and taking share from legacy hardware companies such as IBM and EMC in Amazon Web Services.

Our Health Care Innovation theme also contributed positively to relative performance, largely driven by stocks with exposure to the consumer or medical services segments such as CVS Health, AmerisourceBergen and Covance. CVS Health is an example of a stock which is poised to benefit from an aging demographic in the US whilst also positioning the company to take the strain and cost out of the health care system. The company now operates around 1000 walk-in "MinuteClinics" where patients can get a variety of everyday illnesses and injuries treated at a fraction of the time and cost of going to a physician's clinic or emergency room.

On the negative side, BorgWarner and Spirit Airlines were the largest detractors from performance over the period. BorgWarner, an auto supplier exposed to our Energy Efficiency theme, has suffered from both currency headwinds and a cyclical slowdown in demand in Chinese vehicle sales for its customers. The stock was subsequently sold. Spirit Airlines, an addition to the portfolio in January 2015, is an ultra-low cost airline carrier and has faced increased competition in recent months, as the lower oil price has allowed less efficient legacy carriers to reinvest fuel savings in lower ticket prices.

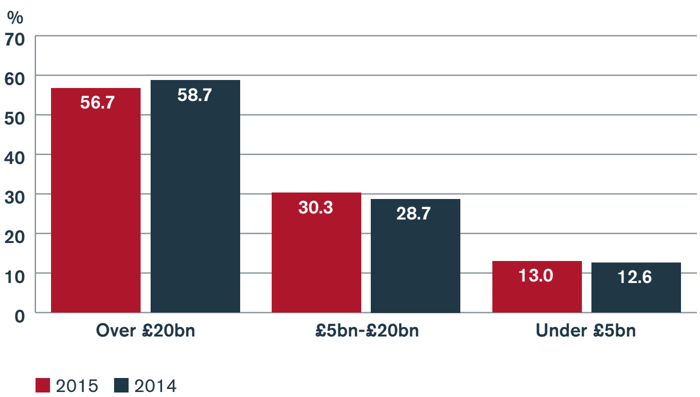
Activity

There has been a relatively low turnover of stocks in the portfolio over the last year, in keeping with our long term investment style. We exited Gilead Sciences in early February as the pricing environment for their Hepatitis C drug rapidly changed following a new entrant to the market. Both Covance and DirecTV were exited post their acquisition by Lab Corp and AT&T respectively. New additions to the portfolio over the period included Cardinal Health, another US pharmaceutical distribution company with similar growth drivers to AmerisourceBergen, and Mednax, a provider of outsourced physician services to hospitals in the areas of neonatology and anaesthesiology.

Outlook

Our strategy remains to focus on finding companies with underappreciated growth and potential high barriers to entry at attractive valuations. Through selecting undervalued securities, that are exposed to strong secular tailwinds of growth, we aim to generate significant absolute and relative returns over the longer term. The portfolio is currently orientated towards four growth themes – Paperless Payment, Health Care Innovation, Energy Efficiency and Internet Disruption. These are areas which we perceive to have strong, sustainable growth trends that are underestimated by the market and will be looking to add selectively to these areas during periods of market weakness.

US portfolio classified by market value of company at 31 October



Valuations at 31 October 2015 – all investments are shown

Investments by value	Sector	£'000	% of North America portfolio
Delphi Automative	Automobiles & Parts	10,743	6.04
Apple	Technology Hardware & Equipment	10,044	5.66
American Tower	Real Estate Investment Trusts	8,785	4.94
CVS Health	Food & Drug Retailers	8,621	4.86
Roper Technologies	Electronic & Electrical Equipment	8,490	4.78
Cardinal Health	Food & Drug Retailers	7,917	4.45
Comcast	Media	7,627	4.29
Fidelity National Information Services	Support Services	7,252	4.08
The Cooper Companies	Health Care Equipment & Services	6,861	3.86
Accenture	Support Services	6,700	3.77
American Express	Financial Services	6,390	3.60
Visa	Financial Services	6,299	3.54
AmerisourceBergen	Food & Drug Retailers	6,144	3.46
Alphabet	Software & Computer Services	6,110	3.44
Walt Disney	Media	6,094	3.43
FedEx	Industrial Transportation	5,850	3.29
Mednax	Health Care Equipment & Services	5,824	3.28
Priceline	Travel & Leisure	5,531	3.11
Amazon	General Retailers	5,464	3.07
MasterCard	Financial Services	5,154	2.90
Facebook	Software & Computer Services	4,360	2.45
Towers Watson	Support Services	4,222	2.38
Cisco Systems	Technology Hardware & Equipment	4,136	2.33
Netflix	General Retailers	3,556	2.00
Applied Materials	Technology Hardware & Equipment	3,468	1.95
Cognex	Electronic & Electrical Equipment	3,289	1.85
SanDisk	Technology Hardware & Equipment	3,205	1.80
WEX	Support Services	2,899	1.63
Spirit Airlines	Travel & Leisure	2,636	1.48
F5 Networks	Technology Hardware & Equipment	2,399	1.35
Pandora Media	Media	1,651	0.93
Total		**177,721**	**100.00**

Strategic Report: Japan

The Fund Manager of the Japan portfolio, Michael Woodmartin, reports on the year to 31 October 2015

Review

The FTSE World Japan Index rose an impressive 19.1% over the period when measured on a total return basis in yen terms and 14.7% in sterling. This marks the third consecutive year in which the market has risen coinciding with the advent of "Abenomics"; when the current prime minister was elected in 2012. Policy initiatives have driven the stock market to double over this period. The last twelve months reflected a continuation of what has been seen before – namely that, with the benefits of government policy, corporate profits continued to expand and share prices responded favourably. It was only from a high point during the summer that there was a correction in equity prices – a necessary adjustment to refresh and recharge investor appetite. The market has since been moving higher. Over the year the top of the performance table was populated by a variety of sectors reflecting a lack of discernible leadership. The cyclical end of the market has struggled, beset by a challenging global growth backdrop, while some of the more expensive stable sectors succumbed to profit-taking. Whilst the equity market performed strongly, overall returns to sterling investors were clipped as the yen weakened on the implementation of further monetary easing.

Performance

It was a good year for the portfolio not only in absolute but also in relative terms versus the index. Positive contributions were made from a broad range of sectors and stocks which, from a stock-picker's point of view, is encouraging. On a sector basis positive contributions far outnumbered detractors. At a stock level it was an eclectic mix of companies which headed the performance list and included Yamada Denki (retail) whose fortunes are beginning to turn around, Sony where the transformation to a service oriented company is gaining traction and Rakuten (e-commerce) which is benefitting from a recovery in consumption post the sales tax increase last year. There were also several other notable contributors from a diverse range of businesses. Detractors included Fujitsu (integrated electronics) where business conditions proved more challenging than expected, Daiwa Securities (financial services) whose earnings progression lagged the overall market and Inpex (oil exploration) which suffered with the oil price.

Total return (£) (year to 31 October 2015)	%
Bankers	24.8
FTSE World Japan Index	14.7

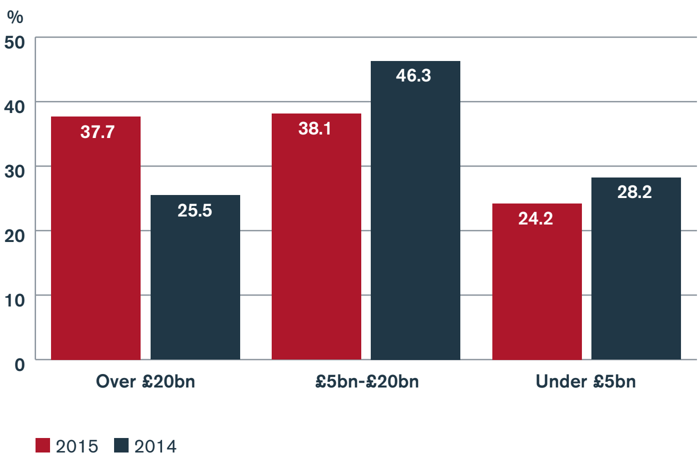
Activity

There was a steady amount of activity on the portfolio throughout the period. Early on the positions in Mitsui OSK (shipping) and NS Solutions (software) were disposed of – the former on the basis of deteriorating business conditions and the latter on the basis of valuation as the stock had risen. DIC (chemicals) and Fujitsu (information technology) were added on the premise that both companies would see an improvement in profits which has come about for the former whilst we are still waiting for that in the latter. As the period progressed we became concerned that the decline in the oil price was set to become entrenched and decided to sell the holding in Inpex which proved to be the correct move. Suntory Beverage & Food was disposed of as the elevated valuation of "expensive defensives" precipitated a sale. Tokyo Electron (semiconductor equipment) was purchased at an opportunistic moment when the proposed merger with Applied Materials was called off prompting a collapse in the share price and from which point the portfolio has made a good profit. The structure of the portfolio remains biased towards the domestic economy which should continue to benefit from the policies put in place by the Abe Government.

Outlook

While fears over slower growth appear to have dominated equity markets in recent months it is notable that bond markets, the usual harbinger of economic activity, have been resilient. This may indicate that concerns over global growth slowing are overdone. With regard to Japan it has been rather too easy to get carried along on recent negative sentiment whereas indicators such as industrial production which may be approaching a turning point, the tight labour market and rising core inflation all point to a more constructive outlook. We remain positive for the outlook on Japan and whilst the gains over the past number of years may not be easily repeated there are plenty of opportunities for a stock-picking fund.

Japanese portfolio classified by market value of company at 31 October



Valuations at 31 October 2015 – all investments are shown

Investments by value	Sector	£'000	% of Japan portfolio
Mitsubishi UFJ Financial	Banks	4,842	5.73
Toyota Motor	Automobiles & Parts	4,641	5.49
Tokio Marine	Non-life Insurance	4,404	5.21
Ratuken	General Retailers	4,011	4.74
Keyence	Electronic & Electrical Equipment	3,987	4.72
Sumitomo Mitsui Financial	Banks	3,725	4.40
Murata Manufacturing	Electronic & Electrical Equipment	3,619	4.28
Tokyo Electron	Technology Hardware & Equipment	3,401	4.02
Sony Corp	Leisure Goods	3,257	3.85
Daiwa Securities	Financial Services	3,251	3.84
Credit Saison	Financial Services	3,186	3.77
Japan Airlines	Travel & Leisure	3,087	3.65
Yamada Denki	General Retailers	3,014	3.56
Sekisui Chemical	Household Goods & Home Construction	2,974	3.52
Morant Wright Japan Fund	Equity Investment Instruments	2,949	3.49
Canon	Technology Hardware & Equipment	2,850	3.37
Nippon Television	Media	2,729	3.23
Mitsui Fudosan	Real Estate Investment & Services	2,682	3.17
DIC	Chemicals	2,491	2.95
Nintendo	Leisure Goods	2,350	2.78
Disco Corporation	Industrial Engineering	2,287	2.70
Fujitsu	Technology Hardware & Equipment	2,147	2.54
Daiwa House Industry	Household Goods & Home Construction	2,118	2.50
Seven & I Holdings	General Retailers	1,966	2.32
Nomura Research Institute	Software & Computer Services	1,902	2.25
Nippon Telegraph & Telephone	Fixed Line Telecommunications	1,880	2.22
Yamato	Industrial Transportation	1,748	2.07
Japan Display	Electronic & Electrical Equipment	1,146	1.36
Sankyo	Travel & Leisure	1,099	1.30
Relia	Media	821	0.97
Total		**84,564**	**100.00**

Strategic Report: Pacific (ex Japan)

The Fund Manager of the Pacific (ex Japan) portfolio, Michael Kerley, reports on the year to 31 October 2015

Review

The financial year to the end of October 2015 was a particularly volatile period for the Asia Pacific markets. The boom and subsequent bust in Chinese equities, a significant increase in volatility of exchange rates and the overhang of a potential interest rate rise in the US resulted in a 6.8% decline in the FTSE All World Asia Pacific (ex Japan) Index in sterling terms. Bankers' Asian portfolio outperformed the benchmark owing to the underweight position in Australia where a weak currency hampered returns and being overweight China which was the only market to post a positive return over the period. At the stock level strong performance from Amcor and Scentre Group in Australia and Netease and Beijing Capital Airport in China contributed positively to returns.

A roller coaster year started well in December 2014 as comments from the European Central Bank about quantitative easing combined with lower commodity prices and a 50% decline in the price of oil improved investors' growth expectations. This more positive back drop for global growth continued until the middle of June 2015 when a clampdown on margin trading halted the meteoric rise of mainland Chinese shares. Equity markets were further unnerved by the increased volatility brought by the surprise decision of the Peoples Bank of China to increase the flexibility of the renminbi peg to the US dollar. The subsequent devaluation of 2% was insignificant but the impact on commodity and energy prices, regional and emerging currencies and world equity markets alluded to the belief that this was only the start of a significant devaluation of the Chinese currency.

Despite region wide cuts in interest rates economic growth continued to slow with consumption being insufficient to offset manufacturing declines. Australia, Indonesia and Malaysia, as the only commodity and energy exporters in the region were the worst performers with their equity markets falling by 17%, 21% and 28% respectively in sterling terms. The majority of the decreases were due to sharp declines in their respective currencies. Corporate earnings and dividends proved more resilient despite the macro headwinds. However, the bulk of downgrades occurred in the cyclical resource, energy and technology sectors while domestic sectors remained relatively immune.

Total return (£) (year to 31 October 2015)	%
Bankers	-4.6
FTSE All-World Asia Pacific (ex Japan) Index	-6.8

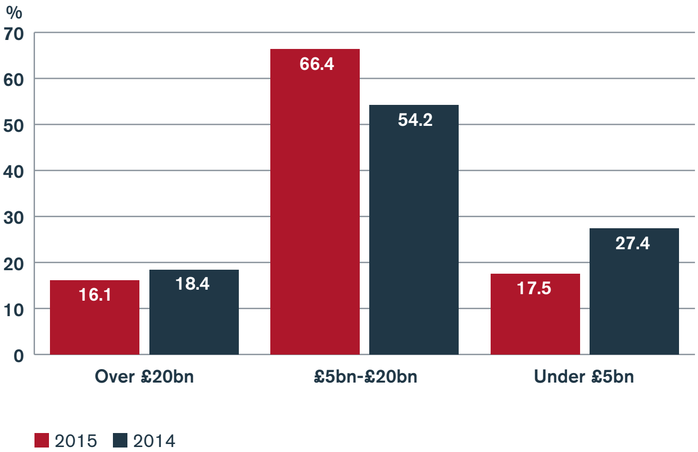
Activity

New positions have been initiated in Chinese online gaming company Netease, Thai telecom conglomerate Intouch and Chinese property developer China Resources Land. These have been funded by sales of Hyundai Motor, Shanghai Industrial and Macau casino Sands China.

Outlook

We remain positive on the outlook for the region in the medium to long term but recognise that market direction will be dictated by macro factors in the short term. The uncertainty surrounding interest rate rises in the US and volatility in the currency markets is likely to persist for the short term but we remain confident that Asian economies and companies are well placed to handle any potential bouts of volatility.

Pacific (ex Japan) portfolio classified by market value of company at 31 October



Valuations at 31 October 2015 – all investments are shown

Investments by value	Sector	Country	£'000	% of Pacific (ex Japan) portfolio
Amcor	General Industrials	Australia	5,833	9.92
SK Telecom	Mobile Telecommunications	South Korea	5,342	9.09
Taiwan Semiconductor Manufacturing	Technology Hardware & Equipment	Taiwan	4,694	7.98
HKT	Fixed Line Telecommunications	Hong Kong	4,630	7.88
Netease	Software & Computer Services	Hong Kong	4,210	7.16
Beijing Capital International Airport	Industrial Transportation	Hong Kong	3,875	6.59
Scentre	Real Estate Investment Trusts	Australia	3,691	6.28
Advanced Semiconductor Engineering	Technology Hardware & Equipment	Taiwan	3,422	5.82
Mapletree Greater China	Real Estate Investment Trusts	Singapore	3,389	5.77
Suncorp	Financial Services	Australia	3,180	5.41
Tata Motors	Industrial Engineering	India	3,091	5.26
China Resources Land	Real Estate Investment & Services	Hong Kong	3,035	5.16
Intouch	Technology Hardware & Equipment	Thailand	2,995	5.09
Bank Of China	Banks	Hong Kong	2,756	4.69
Cheung Kong Property	Real Estate Investment & Services	Hong Kong	2,447	4.16
CK Hutchison	General Industrials	Hong Kong	1,993	3.39
South32	Industrial Metals & Mining	Australia	204	0.35
Total			**58,787**	**100.00**

Pacific (ex Japan) Geographical Distribution

	31 October 2015 %	31 October 2014 %
Hong Kong	39.0	43.6
Australia	21.9	15.9
Taiwan	13.8	8.1
South Korea	9.1	13.0
Singapore	5.8	4.5
India	5.3	5.9
Thailand	5.1	9.0
	100.0	**100.0**

Strategic Report: China

The Fund Manager of the China portfolio, Charlie Awdry, reports on the year to 31 October 2015

Review

These past twelve months have been an extraordinary time in China's 'A' share markets. The bull market accelerated dramatically in November 2014 when the Hong Kong-Shanghai Stock Connect Programme brought the prospect of greater foreign participation and this galvanised local investors' appetite for equities. After digesting these gains in early 2015 the market raced upwards on record trading volumes. This level of investor appetite and euphoria could not persist and some clumsy regulatory measures to curb leverage prompted profit taking that led to some precipitous falls across the summer. These culminated in a steep fall in August when the authorities announced a surprise decision to change the exchange rate regime to a more flexible mechanism accompanied by a 2% devaluation of the renminbi versus the US dollar. The ensuing rout prompted government funded entities to step in to support the market.

Total return (£) (year to 31 October 2015)	%
Bankers	51.7
China CSI 300 Index	43.4

During the period under review the 'A' share portfolio returned 51.7% compared to the index return of 43.4%, an outperformance of 8.3%. Our portfolio participated in the market upside but also managed to retreat less than the market across the summer. This was partly a function of the type of shares we own - high quality businesses, with large market capitalisations that are relatively cheap - that are probably considered unfashionable by the local retail investors who are enamoured of fast growth, smaller capitalised stocks. Returns were also cushioned by some timely profit taking in a number of holdings that became too richly valued in our eyes. Good profits were banked in stock broker Citic Securities, utility company GD Development, the General Motors and VW JV partner SAIC Motor and duty free operator China International Travel Services.

One share we acquired during the summer sell off was auto parts company Huayu Automotive which is the dominant player in one of the few manufacturing industries in China thriving as car companies globalise supply chains. Although there have been changes, the portfolio maintains the same bias towards consumer driven industries such as leading liquor brand Kweichow Moutai and those that can thrive in a tough economic environment such as Zhenghzhou Yutong Bus whose technology advantage means they stand to capture the benefits of replacement cycles driven by the need for greener transport solutions. Given that valuations have moved up markedly from the lows, the portfolio currently has some cash that we will look to invest as opportunities occur.

Valuations at 31 October 2015 – all investments are shown

Investments by value	Sector	£'000	% of China portfolio
Zhengzhou Yutong Bus	Automobiles & Parts	3,486	15.10
Kweichow Moutai	Beverages	3,010	13.04
Huayu Automotive	Automobiles & Parts	2,694	11.67
Yili	Food Producers	2,531	10.96
Qingdao Haier	Household Goods & Home Construction	2,403	10.41
Chongqing Changan Automobile	Automobiles & Parts	2,267	9.82
China Vanke	Real Estate Investment & Services	2,177	9.43
Shanghai Jahwa United	Personal Goods	1,907	8.26
China Yangtze Power	Electricity	1,349	5.84
Daqin Railway	Industrial Transportation	1,262	5.47
Total		**23,086**	**100.00**

All of the above are China 'A' shares.

Strategic Report: Emerging Markets

Review

Emerging market equities experienced a perfect storm over the year as fears over the beginning of a tightening cycle from the US Federal Reserve coupled with a slowing Chinese economy led to weakness in emerging market currencies and in commodity prices. As domestic demand remained weak and with debt constraints preventing governments from fiscal expansion, many economies in the emerging world suffered, most notably the more commodity sensitive countries of Brazil and South Africa. Political turmoil was never far away with Brazil's ruling party, having been re-elected in October 2014, almost immediately becoming embroiled in a corruption scandal related to the state-owned oil company Petrobras.

Performance during the period was held back by the bias towards the markets of Latin America where the currency weakness was most acute. The Brazilian real lost a third of its value against the British pound causing a decline in value of our holdings in Bradesco, Cielo and Embraer, despite the latter two both rising in local currency terms. Towards the end of the period our holding in MTN, the South African based telecoms group, suffered a sharp fall after the Nigerian regulator imposed a $5.2bn fine on their Nigerian business, a punishment that seems disproportionate to the company's alleged transgression. Partially offsetting these moves was our holding in Grupo Herdez where an acceleration in organic growth enabled the company's shares to exhibit resilience amidst the summer's emerging market turmoil.

Total return (£) (year to 31 October 2015)	%
Bankers	-31.2
FTSE All-World Emerging (ex Asia) Index	-23.8

Following what has been a sustained period of equity market and currency weakness relative to much of the developed world we are seeing pockets of value in emerging market equities and are opportunistically adding to good quality companies that are now trading at depressed valuations.

Activity

During the year we added Grupo Herdez, a Mexican branded food producer. The company is notable for two successful joint ventures with respected US companies, one with McCormick, selling popular US foods to the Mexican consumer, and one with Hormel Foods, distributing Mexican-style food products to the growing Hispanic community in the US. We also added Standard Bank, the South African based bank. Standard Bank has built up a strong foothold in many countries on the African continent and thus offers long term growth potential through rising penetration of banking products throughout Africa. Finally, we initiated a position in Aguas Andinas, a water utility in Chile that offers an attractive yield and operates in a benign regulatory environment.

Valuations at 31 October 2015 – all investments are shown

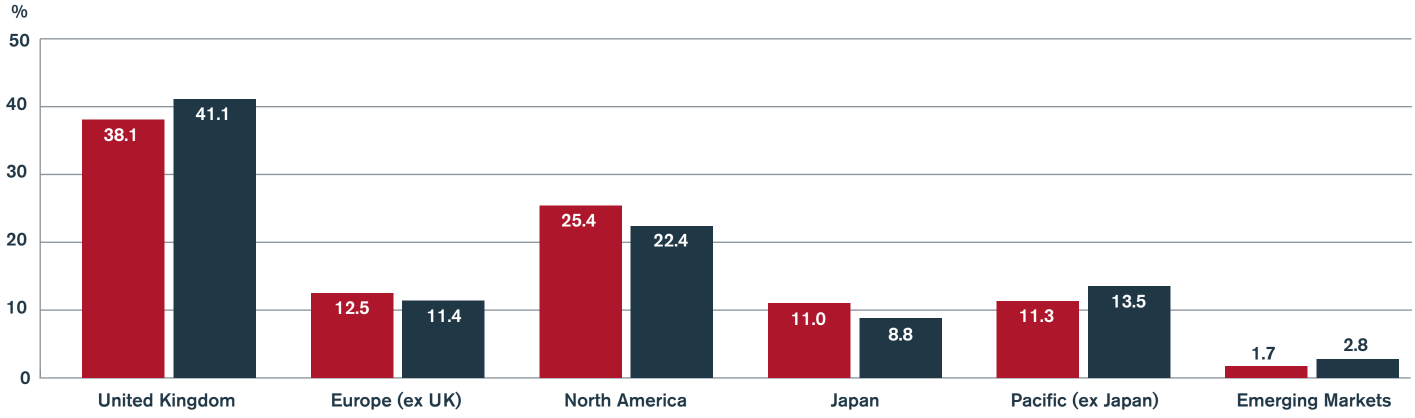
Investments by value	Sector	Country	£'000	% of Emerging Markets portfolio
Grupo Herdez	Food Producers	Mexico	1,808	14.56
Embraer	Aerospace & Defence	Brazil	1,587	12.78
Aguas Andinas	Water Utilities	Chile	1,322	10.65
Standard Bank	Banks	South Africa	1,279	10.30
Banco Bradesco	Banks	Brazil	1,251	10.08
Cielo	Financial Services	Brazil	1,184	9.54
MTN	Mobile Telecommunications	South Africa	1,073	8.64
Credicorp	Banks	Peru	1,062	8.56
Bank Pekao	Banks	Poland	1,061	8.55
Fibra Uno Administracion	Real Estate Investment Trusts	Mexico	787	6.34
Total			**12,414**	**100.00**

Emerging Markets Geographical Distribution

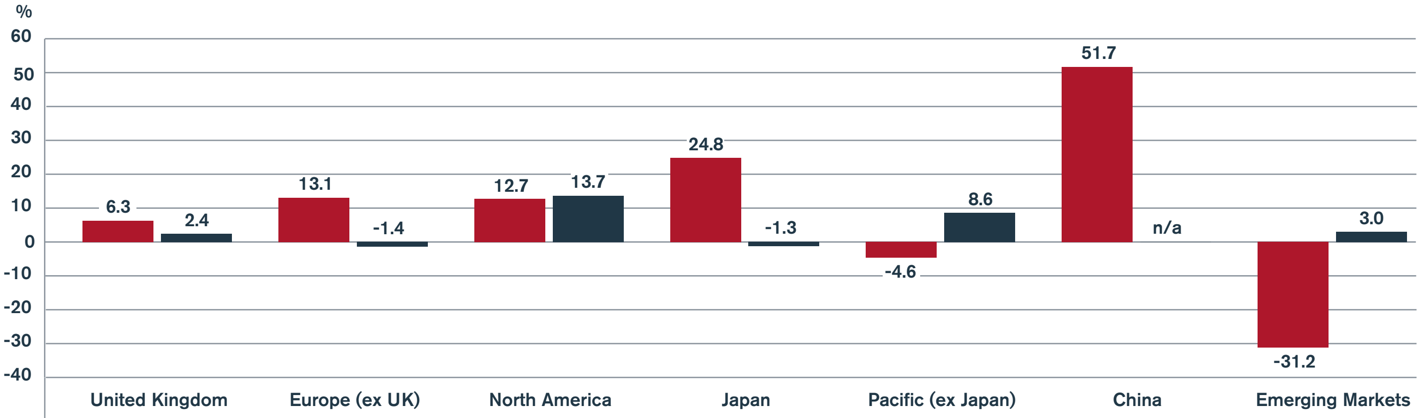
	31 October 2015 %	31 October 2014 %
Brazil	32.4	43.1
Mexico	20.9	23.5
South Africa	18.9	10.4
Chile	10.6	–
Peru	8.6	7.6
Poland	8.6	7.2
Columbia	–	8.2
	100.0	**100.0**

Strategic Report: Portfolio Structure at 31 October 2015 and 2014

Geographical Analysis[1]



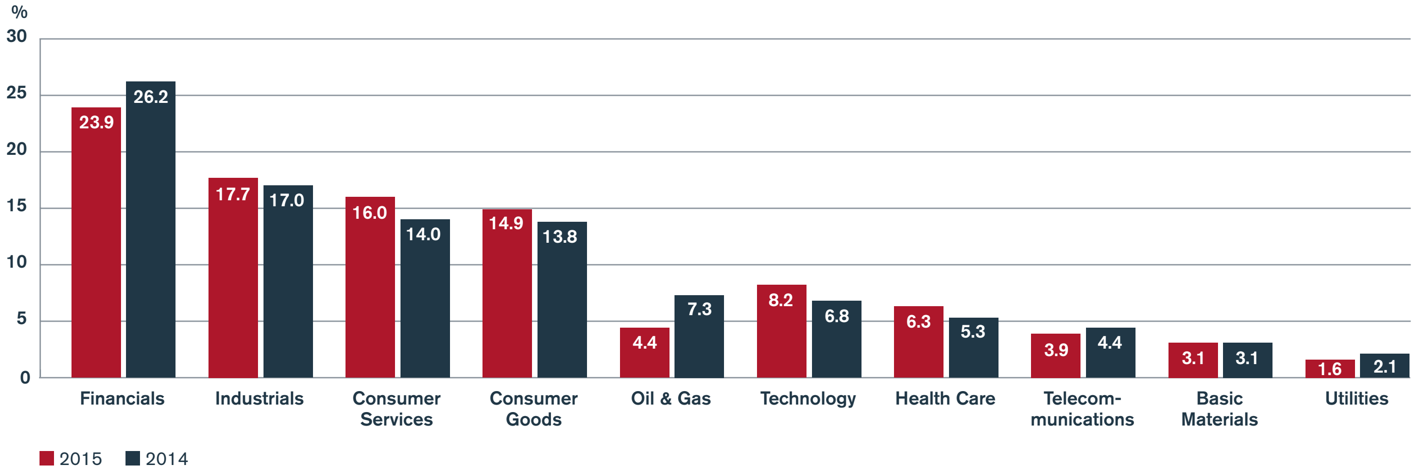
Geographical Total Return Analysis of the Portfolio against each FTSE Stock Market[1] (indices shown below)



FTSE Stock Market Indices Total Return (£)[1]

	United Kingdom		Europe (ex UK)		North America		Japan		Pacific (ex Japan)		China		Emerging Markets	
%	3.0	1.0	5.8	-0.6	7.2	16.7	14.7	0.2	-6.8	5.1	43.4	n/a	-23.8	-4.8

Sector Analysis[1]



1 Sources: Henderson, Datastream, Factset

Strategic Report: Corporate Information

Directors

The Directors appointed to the Board and the date of their appointment are:

Richard Killingbeck

Position: Chairman of the Board and of the Nominations and Management Engagement Committees

Date of appointment: 19 December 2003 (Chairman 25 September 2013)

Richard is currently Chief Executive Officer of W.H. Ireland Group plc. He was previously a Managing Director of Credit Suisse (UK) Private Bank. He has been involved in the financial services industry for 27 years, initially as a fund manager and latterly in a number of senior management roles, at Singer & Friedlander Investment Management and Close Brothers. During his career he has been based primarily in London, but has also spent part of this time in New York.

Matthew Thorne

Position: Director and Chairman of the Audit Committee

Date of appointment: 27 November 2008 (Audit Committee Chairman 26 February 2010)

Matthew is a non-executive Director of Custodian Reit Plc and is an adviser to the Consensus Business Group. He was Group Finance Director of McCarthy & Stone plc and also Investment Director of Beazer plc. A Chartered Accountant, he has significant experience as a Finance Director, predominantly in the property sector.

Susan Inglis

Position: Senior Independent Director (since February 2015)

Date of appointment: 1 November 2012

Susan is currently Managing Director – Corporate Finance at Cantor Fitzgerald Europe, having held the same position at Canaccord Genuity until 2012. Ms Inglis is a qualified lawyer, and was a partner, and head of the funds and financial services group, at Shepherd & Wedderburn, a leading Scottish law firm. In 1999 she was a founding partner of Intelli Corporate Finance, an advisory boutique firm focusing on the asset management and investment company sectors which was acquired by Canaccord Genuity in 2009.

David Wild

Position: Director

Date of appointment: 26 February 2014

David is currently Chief Executive Officer of Domino's Pizza plc. He was formerly Chief Executive at Halfords Plc and President of the German division of Wal-Mart Stores Inc, and also the Senior Independent Director for Premier Foods plc.

Julian Chillingworth

Position: Director

Date of appointment: 25 February 2015

Julian is currently Chief Investment Officer for Rathbone Brothers plc. He was formerly Head of Gross Funds which incorporated Pension Funds and Charities at Investec and was Head of Equities at Hambros.

All Directors are independent of Henderson and are members of the Audit Committee (except the Chairman) and Management Engagement Committee. The Chairman, Susan Inglis and Matthew Thorne are members of the Nominations Committee.

Strategic Report: Corporate Information (continued)

Registered Office

201 Bishopsgate,
London EC2M 3AE

Service Providers

Alternative Investment Fund Manager

Henderson Investment Funds Limited
201 Bishopsgate
London EC2M 3AE

Corporate Secretary

Henderson Secretarial Services Limited
201 Bishopsgate
London EC2M 3AE
Telephone: 020 7818 1818

Depositary and Custodian

BNP Paribas Securities Services
55 Moorgate
London EC2R 6PA

Stockbrokers

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JP Morgan Cazenove
25 Bank Street
Canary Wharf, London E14 5JP

New Zealand

First NZ Capital Securities
Level 20
ANZ Centre
23-29 Albert Street
PO Box 5333
Auckland, New Zealand

Registrar

UK

Equiniti Limited
Aspect House
Spencer Road
Lancing, West Sussex BN99 6DA
Telephone: 0371 384 2471 (or +44 121 415 7049 if calling from overseas). Lines are open 8.30 am to 5.30 pm, UK time Monday to Friday excluding English public holidays.

New Zealand

Computershare Investor Services Limited
Private Bag 92119
Victoria Street West
Auckland 1142, New Zealand
Telephone: (New Zealand) (64) 09 488 8777

Independent Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Financial Calendar

Annual results	announced January 2016
Ex dividend date	28 January 2016
Dividend record date	29 January 2016
Annual General Meeting[1]	25 February 2016
Final dividend payable on	29 February 2016
1st interim dividend payable on	31 May 2016
Half year results	announced June 2016
2nd interim dividend payable on	31 August 2016
3rd interim dividend payable on	30 November 2016

1 At Trinity House, London EC3N 4DH at 12 noon.

Information Sources

For more information about The Bankers Investment Trust PLC, visit the website at **www.bankersinvestmenttrust.com**

HGi

HGi is a content platform provided by Henderson that offers online personalisation where you can 'follow' investment experts, topics and the trusts that are of interest to you. By creating your HGi profile you will be updated regularly on the topics that interest you most, bringing you closer to Henderson's investment expertise.

Scan the QR code or use this short URL to register for HGi: http://HGi.co/rb

Follow Henderson Investment Trusts on Twitter, YouTube and Facebook

For alternative access to Henderson's insight you can now follow on Twitter, YouTube and Facebook

Investing

Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website. Individuals holding shares through Halifax Share Dealing Limited can write to them at Lovell Park Road, Leeds LS1 1NS or contact them via telephone: 03457 225525, email: **henderson@halifax.co.uk** or visit their website: **www.halifax.co.uk/sharedealing**.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Nominee Share Code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at them when invited to do so by the Chairman.

Investors in Halifax Share Dealing receive all shareholder communications. A voting instruction form is provided to facilitate voting at general meetings of the Company.

Strategic Report: Corporate Information (continued)

Status

The Company is an investment company as defined in Section 833 of the Companies Act 2006 ("the Act"), is registered in England and Wales and operates as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010 ("Section 1158"), is subject to the UK Listing Authority's Rules of the Financial Conduct Authority and is governed by its Articles of Association, amendments to which must be approved by shareholders by way of a special resolution. The Company is not a close company.

The Company has obtained approval from HM Revenue & Customs ("HMRC") of its status as an investment trust under Section 1158; the Directors are of the opinion that the Company has conducted its affairs in compliance with Section 1158 since approval was granted and intends to continue to do so. The Company is liable to corporation tax on its net revenue profits but is exempt from corporation tax on capital gains if it has complied at all times with Section 1158.

Principal Risks and Uncertainties

The Board, with the assistance of Henderson, has carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity. The Board has drawn up a matrix of risks facing the Company and has put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy, in order to mitigate these risks as far as practicable. The principal risks which have been identified, and the steps taken by the Board to mitigate these as far as practicable, and whether the Board considers the impact of such risks has changed over the past year, are as follows:

Risk	Controls and mitigation
Investment Activity and Performance Risks An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against the Company's benchmark index and the companies in its peer group.	The Board monitors investment performance at each Board meeting and regularly reviews the extent of its borrowings.
Portfolio and Market Risks Although the Company invests almost entirely in securities that are listed on recognised markets, share prices may move rapidly. The companies in which investments are made may operate unsuccessfully, or fail entirely. A fall in the market value of the Company's portfolio would have an adverse effect on shareholders' funds.	The Fund Manager seeks to maintain a diversified portfolio to mitigate against this risk. The Board regularly reviews the portfolio, investment activity and performance.
Tax and Regulatory Risks A breach of Section 1158 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the UK Listing Rules could result in suspension of the Company's shares, while a breach of the Companies Act could lead to criminal proceedings. All breaches could result in financial or reputational damage. The Company must also ensure compliance with the Listing Rules of the New Zealand Stock Exchange.	Henderson has been contracted to provide investment, company secretarial, administration and accounting services through qualified professionals. The Board receives internal control reports produced by Henderson on a quarterly basis, which confirm legal and regulatory compliance.
Financial Risks By its nature as an investment trust, the Company's business activities are exposed to market risk (including market price risk, currency risk and interest rate risk), liquidity risk and credit and counterparty risk.	The Company minimises the risk of a counterparty failing to deliver securities or cash by dealing through organisations that have undergone rigorous due diligence by Henderson. The Company has a diversified portfolio which comprises mainly investments in large and medium-sized companies and mitigates the Company's exposure to liquidity risk.
Operational Risks Disruption to, or failure of, Henderson's accounting, dealing or payment systems or the Depositary's records could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its service providers may not provide the required level of service.	The Board monitors the services provided by Henderson and its other suppliers and receives reports on the key elements in place to provide effective internal control.

The Board considers these risks to have remained unchanged throughout the year under review.

Strategic Report: Corporate Information (continued)

Viability Statement

The Directors have assessed the viability of the Company over a three year period, taking account of the Company's current position and the potential impact of the principal risks and uncertainties documented in this Strategic Report.

The Directors conducted the assessment based on a period of three years because they consider this to be an appropriate period over which they do not expect there to be any significant change in the current principal risks and adequacy of the mitigating controls in place. Also the Directors do not envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period as the Company's assets are liquid, its commitments are limited and the Company intends to continue to operate as an investment trust.

The assessment has considered the impact of the likelihood of the principal risks and uncertainties facing the Company, in particular Investment Activity and Performance, Portfolio and Market and Financial risks, in severe but plausible scenarios, and the effectiveness of any mitigating controls in place.

The Directors also took into account the liquidity of the portfolio, the gearing and the income stream from the portfolio in considering the viability of the Company over the next three years and its ability to meet liabilities as they fall due. This included consideration of the duration of the Company's long term borrowings, how the forecast income stream, expenditure and levels of reserves could impact on the Company's ability to pay dividends to shareholders over that period in line with its current dividend policy. Whilst detailed forecasts are only made over a shorter time frame, the nature of the Company's business as an investment trust means that such forecasts are equally valid to be considered over the longer three year period as a means of assessing whether the Company can continue in operation. This included consideration of the duration of the Company's fixed term debt and how a breach of the gearing covenants could impact on the Company's net asset value and share price.

Based on their assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three year period. Only a substantial financial crisis affecting the global economy could have an impact on this assessment.

Borrowing

The Company had a loan facility of up to £30 million which was terminated in April 2015. The maximum amount drawn down in the period under review was £11.8 million (2014: £9.9 million) with borrowing and non-utilisation costs for the year totalling £60,000 (2014: £125,000).

The Company has two debentures, the 10.5% £10 million 2016 debenture and the 8% £15 million 2023 debenture. The 10.5% £10 million 2016 debenture is due to be repaid on 31 October 2016.

In May 2015 the Company issued £50 million of fixed rate 20 year private placement loan notes at an annualised coupon rate of 3.68%. Actual gearing at 31 October 2015 was 2.0% (2014: 2.6%) of net asset value.

Performance Measurement and Key Performance Indicators ("KPIs")

In order to measure the success of the Company in meeting its objectives and to evaluate the performance of Henderson the Directors take into account the following KPIs:

Performance measured against various indices

The Board reviews and compares, at each meeting, the performance of the portfolio as well as the net asset value and share price for the Company and various indices.

Discount/premium to net asset value ("NAV")

The Company publishes a NAV per share figure on a daily basis through the official newswire of the London Stock Exchange. This figure is calculated in accordance with the Association of Investment Companies ("AIC") formula. At each Board meeting, the Board monitors the level of the Company's discount/premium to NAV and reviews the average discount/premium for the Company's relevant AIC sector.

The Board considers the use of share buy-backs and share issues to enhance shareholder value. During the financial year the Company bought back 25,000 shares for cancellation at a discount to NAV (2014: nil) and issued 1,000,000 shares at a premium to NAV (2014: 350,000).

Performance against the Company's peer group

In addition to comparison against the various indices the Board also considers the performance of its AIC peer group and its open-ended equivalent, the IMA Growth Sector, at each Board meeting.

Ongoing charge

The ongoing charge is a measure of the total expenses incurred by the Company, including those charged to capital, expressed as a percentage of the average shareholders' funds over the year. The ongoing charge, before borrowing costs, amounted to 0.52% (2014: 0.53%) of the shareholders' funds of the Company. The Board regularly reviews the ongoing charge and monitors all the Company's expenses.

Future Developments

While the future performance of the Company is mainly dependent on the performance of global financial markets which are subject to various external factors, the Board's intention is that the Company will continue to pursue its stated investment objectives and policy explained on page 4. The Chairman's Statement and Fund Manager Reports provide commentary on the outlook for the Company.

Strategic Report: Corporate Information (continued)

Corporate Responsibility

Responsible investment

Henderson is responsible for reporting on its work on corporate governance and corporate responsibility (or social, environmental and ethical ("SEE") issues) in the companies in which it invests on its clients' behalf across all funds as part of its management duties. In May 2005 Henderson became a founding signatory to the United Nations Principles for Responsible Investment. The Principles, developed under the auspices of the UN Secretary-General, are a voluntary and aspirational framework for incorporating environmental, social and corporate governance ("ESG") issues into mainstream investment decision-making and ownership practices.

The way companies respond to sustainability and corporate responsibility can affect their business performance, both directly and indirectly. An investee company's policy on social responsibility and the environment is considered by Henderson's risk team but investments are not ruled out on social and environmental grounds only.

Voting Policy and the UK Stewardship Code

Henderson's responsible investment policy sets out its approach to corporate governance and corporate responsibility for all the companies in which it invests on behalf of its clients and its policy on proxy voting. The policy also sets out how Henderson implements the Stewardship Code. The Company has reviewed the policy and has delegated responsibility for voting to Henderson. The Board receives regular reports on the voting undertaken by Henderson on behalf of the Company. The Board and Henderson believe that voting at general meetings is an important aspect of corporate stewardship and a means of signalling shareholder views on Board policy, practices and performance. Voting recommendations are guided by the best interests of the investee companies' shareholders. Depending on the nature of the resolution the Fund Manager will give specific instructions on voting on non-routine and unusual or controversial resolutions. Decisions not to support resolutions and the rationale for doing so are fed back to the investee company prior to voting.

The Henderson responsible investment policy and further details of Henderson's responsible investment activities can be found on the Henderson website, **www.henderson.com**.

Employees, Social, Community, Human Rights and Environmental Matters

The Company's core activities are undertaken by Henderson which has implemented environmental management practices including systems to limit the use of non-renewable resources and to minimise the impact of operations on the environment, and is focused on reducing greenhouse gas emissions and minimising waste, where possible. The Company has therefore not reported on these or social, community or human rights issues here; Henderson's policies are included in its Annual Report which can be found on its website.

Henderson's corporate responsibility statement is included on its website. In 2012 it was granted CarbonNeutral® Company status which it has committed to maintain at least until the end of 2018.

The Company's Annual Report is printed on paper produced using 50% recycled post-consumer waste and 50% wood fibre from fully sustainable forests with certification by the Forest Stewardship Council; the printing company used is certified as Carbon Neutral®.

Board Diversity

As set out on page 23, at the year end one of the Company's Directors was female and the other four were male. The Directors consider diversity when making appointments to the Board, taking into account skills, experience, knowledge and gender. However, it is not considered appropriate to have set targets in relation to diversity. The Company has no employees and therefore there is nothing further to report in respect of gender representation within the Company.

By order of the Board

Richard Killingbeck
Chairman
18 January 2016

Strategic Report: Glossary

Alternative Investment Fund Managers Directive ("AIFMD")

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIFs") and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and Depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Association of Investment Companies ("AIC")

The Company is a member of the AIC which is the trade body for investment companies and represents the industry in relation to various matters which impact the regulation of such entities.

Custodian

The Custodian is responsible for ensuring the safe custody of the Company's assets and that all transactions in the underlying holdings are transacted in an accurate and timely manner.

Depositary

With effect from 22 July 2014 AIFs were required to appoint a Depositary which has responsibility for overseeing the operations of the Company, including safekeeping, cash monitoring and verification of ownership and valuation of the underlying holdings. The Depositary is strictly liable for the loss of any investments or other assets in its custody unless it has notified that it has discharged its liability in certain markets. The Depositary has confirmed that it has not discharged liability in relation to any of the Company's assets.

Derivative

A contract between two or more parties in relation to an underlying security. The value of a derivative will fluctuate in accordance with the value of the security and is a form of gearing as the fluctuations in value are usually greater than the fluctuations in the underlying security's value. Examples of derivatives are put and call options, swap contracts, futures and contracts for difference.

Dividend Dates

When declared or recommended, each dividend will have three key dates applied to it. The payment date is the date on which shareholders will receive their dividend either by BACS transfer or by receipt of a dividend cheque. The record date applied to the dividend is used as a cut-off for the Company's registrars to know which shareholders should be paid a dividend. Only shareholders on the register of members at the close of business on the record date will receive the dividend. The ex-dividend date is the business day before the record date and is the date upon which the Company's net asset value per share will be disclosed ex-dividend.

Dividend Yield

The annual dividend expressed as a percentage of the share price.

Gearing

Gearing means borrowing money to buy assets with the expectation that the return on investments bought will exceed the interest cost of the borrowings. The gearing percentage reflects the amount of borrowings (eg bank loans, overdrafts and debt securities) the Company has used to invest in the market and is calculated by taking the difference between non-current asset investments and equity shareholders' funds dividing by equity shareholders' funds and multiplying by 100. The Company can use synthetic gearing through derivatives.

Investment Trusts

Investment trusts are public limited companies, listed on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments subject to meeting certain criteria. Income, net of expenses and tax, is substantially distributed to shareholders. Investment trusts are also known as investment companies although the tax legislation retains the reference to investment trusts.

Liquidity

In the context of the liquidity of shares in the stock market, this refers to the availability of buyers in the market for the share in question. Where the market in a particular share is described as liquid that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

Market Capitalisation ("Market Cap")

The market value of a company calculated by multiplying the mid-market price per share by the number of shares in issue.

Net Asset Value ("NAV") per Ordinary Share

The value of the Company's assets (ie investments and cash held) less any liabilities (eg bank borrowings and debt securities) for which the Company is responsible divided by the number of shares in issue. The aggregate NAV is also referred to as shareholders' funds in the Statement of Financial Position. The NAV per share is published daily.

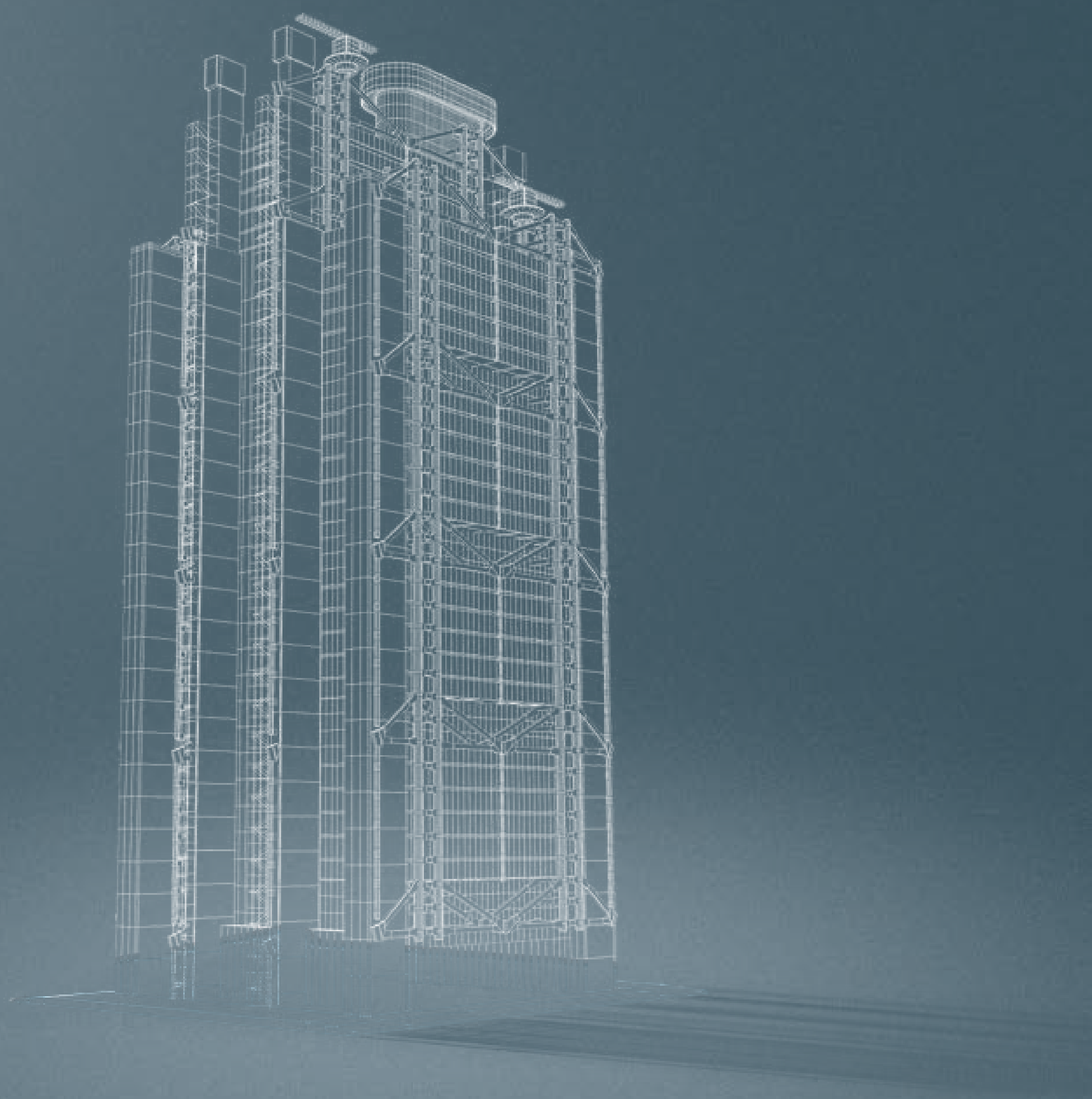
Premium/Discount

The amount by which the market price per share of an investment company is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per share.

Total Return Performance

This is the return on the share price or NAV per share taking into account both the rise and fall of the share price or NAV respectively and the dividends and interest paid to shareholders during a given period. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV per share total return).

Corporate Report



Report of the Directors

The Directors present the audited financial statements of the Company and their report for the year from 1 November 2014 to 31 October 2015. The Bankers Investment Trust PLC ("the Company") (registered and domiciled in England and Wales with company registration number 00026351) was active throughout the year under review and was not dormant.

Directors' Remuneration and Shareholdings

The Directors' Remuneration Report on pages 33 and 34 provides information on the remuneration and interests of the Directors.

Directors' Conflicts of Interest

The Company's Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company ("situational conflicts"). The Board has a formal system in place for Directors to declare situational conflicts to be considered for authorisation by those Directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non-conflicted Directors must act honestly and in good faith with a view to the best interests of the Company and they may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate. Any situational conflicts considered, and any authorisations given, are recorded in the relevant meetings' minutes. The prescribed procedures have been followed in deciding whether, and on what terms, to authorise situational conflicts and the Board believes that the system it has in place for reporting and considering situational conflicts continues to operate effectively.

Related Party Transactions

The Company's transactions with related parties in the year were with its Directors and Henderson. There have been no material transactions between the Company and its Directors during the year other than the amounts paid to them in respect of Directors' remuneration for which there were no outstanding amounts payable at the year end. In relation to the provision of services by 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 Henderson affecting the financial position of the Company during the year under review. More details on transactions with Henderson, including amounts outstanding at the year end, are given in note 23 on page 64.

Share Capital

The Company's share capital comprises ordinary shares with a nominal value of 25p each. The voting rights of the shares on a poll are one vote for every £1 nominal held. There are no restrictions on the transfer of the Company's ordinary shares or voting rights, no shares which carry specific rights with regard to the control of the Company and no agreement which the Company is party to that affects its control following a takeover bid. To the extent that they exist, the revenue profits of the Company (including accumulated revenue reserves) are available for distribution by way of dividends to the holders of the ordinary shares. In addition, the Company may also distribute capital surpluses by way of a dividend. Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to the shareholders pro rata to their holding of ordinary shares.

The Directors seek annual authority from the shareholders to allot new shares, to disapply pre-emption rights and to buy-back shares for cancellation or to be held in treasury. At the AGM held in February 2015 the Directors were granted authority to buy-back 16,677,400 shares. At 31 October 2015 25,000 shares have been bought back using this authority and cancelled. The Directors have remaining authority to purchase 16,652,400 shares. This authority will expire at the conclusion of the 2016 AGM. The Directors intend to renew this authority subject to shareholder approval at the AGM in 2016.

At the AGM held in February 2015 the Directors were granted authority to issue and disapply pre-emption rights up to an aggregate nominal value of £2,802,670. The Company issued 1,000,000 new shares prior to the year end and has issued a further 1,450,000 new shares since the year end and up to 15 January 2016, being the last practicable date prior to publication of the Annual Report, for a total nominal value of £612,500. Therefore, the Directors have remaining authority to issue new shares up to a nominal value of £2,190,170. The authority will expire at the 2016 AGM. The Directors intend to renew this authority subject to shareholder approval at the AGM in 2016. The number of shares in issue at 15 January 2016 is 114,531,839 with 28,632,959 voting rights.

Holdings in the Company's Shares

Declarations of interests in the voting rights of the Company as at 31 October 2015 in accordance with the UK Listing Authority's Disclosure and Transparency Rules were as follows.

	% of voting rights
Investec Wealth & Investment	5.4

There have been no further notifications to the date of this report.

At 31 October 2015, 12.8% of the issued ordinary shares were held on behalf of participants in the Halifax Share Dealing products. The participants in this scheme are given the opportunity to instruct the relevant nominee company to exercise the voting rights appertaining to their shares in respect of all general meetings of the Company.

Annual General Meeting ("AGM")

The AGM will be held on Thursday 25 February 2016 at 12 noon at Trinity House, London EC3N 4DH. The Notice of Meeting and details of the resolutions to be put at the AGM are contained in the separate document being sent to shareholders with this Report.

Report of the Directors (continued)

Directors' Statement as to Disclosure of Information to Auditor

Each of the Directors who were members of the Board at the date of approval of this Report confirms that, to the best of his or her knowledge and belief, there is no information relevant to the preparation of the Annual Report of which the Company's Auditor is unaware and he or she has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's Auditor is aware of that information.

Corporate Governance

The Corporate Governance Statement on pages 35 to 37 forms part of the Report of the Directors.

Global Greenhouse Gas Emissions

As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations for the year to 31 October 2015 (2014: same), nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard other than, in accordance with LR 9.8.4(7), the information of which is detailed on page 30 under Share Capital.

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
18 January 2016

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, including the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Having taken advice from the Audit Committee, the Directors consider that the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Statement of Directors' Responsibilities under DTR 4.1.12

Each of the Directors, who are listed on page 23, confirms that, to the best of his or her knowledge:

- the Company's financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report in this Annual Report and financial statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Richard Killingbeck
Chairman
18 January 2016

The financial statements are published on the **www.bankersinvestmenttrust.com** website, which is a website maintained by the Company's Manager, Henderson. The maintenance and integrity of the website maintained by Henderson or any of its subsidiaries is, so far as it relates to the Company, the responsibility of Henderson. The work carried out by the Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Annual Report since it was initially presented on the website.

Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' Remuneration Report

Introduction

This report is submitted in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013 ("the Regulations"). The report also meets the relevant requirements of the Companies Act 2006 ("the Act") and the Listing Rules of the UK Listing Authority and describes how the Board has applied the principles relating to Directors' remuneration. As required by Section 439 of the Act, an ordinary resolution to approve the report will be proposed at the Annual General Meeting on 25 February 2016.

The Company's remuneration policy was approved by shareholders at the Annual General Meeting ("AGM") in 2014 under Section 439A of the Act. No changes to policy are currently proposed and it will continue in force until the Annual General Meeting in 2017.

The Company's Auditor is required to report on certain information contained within this report; where information set out below has been audited it is indicated as such.

All Directors are non-executive and the Company has no chief executive officer or employees; as such some of the reporting requirements contained in the Regulations are not applicable and have not been reported on including the requirement for a future policy table and an illustrative representation of the level of remuneration that could be received by each individual Director. It is believed that all relevant information is disclosed within this report in an appropriate format.

Remuneration Policy

The Board as a whole considers the Directors' remuneration. The Board has not appointed a remuneration committee to consider matters relating to the Directors' remuneration. The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration (although the Directors review annually the fees paid to the boards of Directors of other comparable investment trust companies).

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to promote the long term success of the Company. The policy is for the Chairman of the Board, the Senior Independent Director and the Chairman of the Audit Committee to be paid a higher fee than the other Directors in recognition of their additional responsibilities.

The policy is to review these rates annually although such review will not necessarily result in any change to the rates.

None of the Directors has a contract of service or a contract for services and a Director may resign by notice in writing to the Board at any time; there are no set notice periods.

The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears, to the Director personally or to a third party specified by him or her. There are no long term incentive schemes provided by the Company and the fees are not specifically related to the Directors' performance, either individually or collectively.

Annual Statement

As Chairman, Richard Killingbeck reports that Directors' fees were increased on 1 November 2014 and also on 1 November 2015, being the start of the Company's financial year. These increases were made after consideration of the fees paid to other investment trusts in the sector of an equivalent size and also in relation to the fees paid to other Henderson managed trusts. These increases were to ensure that the Directors are properly remunerated for their services to the Company and so that the Company can remain competitive when seeking new Directors.

There have been no other major decisions on Directors' remuneration or any other changes to the remuneration paid to each individual Director in the year under review.

Annual Report on Remuneration

Directors' interests in shares (audited)

	Ordinary shares of 25p	
	31 October 2015	1 November 2014
Beneficial interest:		
Richard Killingbeck	30,000	30,000
Richard Burns[1]	–	65,000
Julian Chillingworth[2]	1,620	–
Susan Inglis	5,000	5,000
Matthew Thorne	26,250	23,750
David Wild	12,803	4,400
Non beneficial interest:		
Richard Burns[1]	–	33,000

1 Richard Burns retired on 25 February 2015
2 Julian Chillingworth was appointed on 25 February 2015

The interests of the Directors in the ordinary shares of the Company at the beginning and end of the financial year are shown in the preceding table. There were no changes since the year end to the date of this report.

In accordance with the Company's Articles of Association no Director is required to hold shares of the Company by way of qualification.

Directors' Remuneration Report (continued)

Directors' Remuneration (audited)

The remuneration paid to the Directors who served during the years ended 31 October 2015 and 31 October 2014 was as follows:

	Year ended 31 October 2015 Total salary and fees £	Year ended 31 October 2014 Total salary and fees £	Year ended 31 October 2015 Total expenses and taxable benefits £	Year ended 31 October 2014 Total expenses and taxable benefits £	Year ended 31 October 2015 Total £	Year ended 31 October 2014 Total £
Richard Killingbeck [1]	37,000	36,500	783	–	37,783	36,500
Richard Burns[2]	8,217	25,000	–	1,321	8,217	26,321
Julian Chillingworth[3]	15,928	–	–	–	15,928	–
Susan Inglis	24,861	23,000	–	–	24,861	23,000
Matthew Thorne	25,500	25,000	434	563	25,934	25,563
David Wild[4]	23,500	15,589	–	–	23,500	15,589
TOTAL	**135,006**	**125,089**	**1,217**	**1,884**	**136,223**	**126,973**

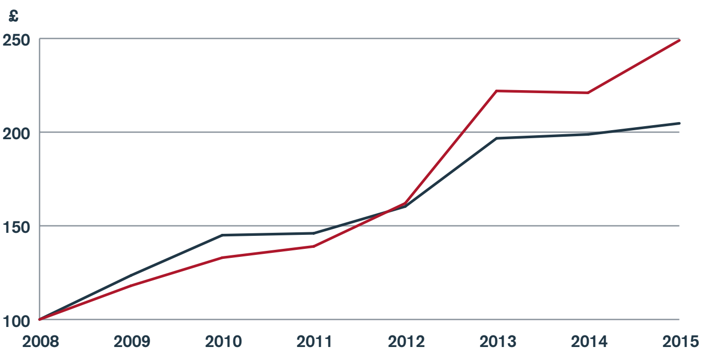
Notes:
The table above omits other columns because no payments of other types such as performance related pay, vesting performance related pay and pension related benefits were made.
1 Chairman. 2 Retired on 25 February 2015. 3 Appointed 25 February 2015, his fees are paid to his employer. 4 Appointed on 26 February 2014.

No other remuneration or compensation was paid or payable by the Company during the year to any of the current or former Directors or third parties specified by any of them. Julian Chillingworth has been appointed on the same terms as the other Directors.

The fees paid to the Directors during the year were as follows (previous rates are shown in brackets): Chairman £37,000 (£36,500), Audit Committee Chairman and Senior Independent Director £25,500 (£25,000) and Directors £23,500 (£23,000). With effect from 1 November 2015 the fees were increased to Chairman £38,000, Audit Committee Chairman and Senior Independent Director £26,500 and Directors £24,500.

Performance

The Company's performance is measured against the FTSE All-Share Index on a total return basis in sterling terms.
The graph below compares the mid-market price of the Company's ordinary shares over the seven year period ended 31 October 2015 with the FTSE All-Share Index over the same period.



Source: Datastream

The Company's share price total return, assuming the investment of £100 on 31 October 2008 and the reinvestment of all dividends (excluding dealing expenses).

FTSE All-Share Index assuming the notional investment of £100 on 31 October 2008 and the reinvestment of all income (excluding dealing expenses).

Relative Importance of Spend on Pay

In order to show the relative importance of spend on pay, the table below sets out the total level of remuneration compared to the distributions to shareholders by way of dividend and share buy-backs. There were no other significant distributions, payments or other uses of the Company's profit or cash flow deemed to assist in the understanding of the relative importance of spend on pay.

	31 October 2015 £	31 October 2014 £	Change £
Total remuneration	136,223	126,973	9,250
Ordinary dividends paid	17,150,396	16,208,691	941,705
Buy-backs of ordinary shares	154,810	–	154,810

Statement of Voting at Annual General Meeting ("AGM")

At the 2015 AGM 4,412,005 votes (97.6%) were received voting for the resolution seeking approval of the Directors' Remuneration Report, 43,427 (0.9%) were against, 66,537 (1.5%) were discretionary and 29,475 were withheld. In relation to the approval of the Remuneration Policy in February 2014, 7,122,407 (95.1%) were received voting for the resolution, 278,462 (3.7%) were against and 88,359 (1.2%) were discretionary and 135,045 were withheld. The percentage of votes excludes votes withheld.

For and on behalf of the Board

Richard Killingbeck
Chairman
18 January 2016

Corporate Governance Statement

Applicable Corporate Governance Codes

The Board is accountable to shareholders for the governance of the Company's affairs. As an investment trust, the Company's day-to-day responsibilities are delegated to third parties; the Company has no employees and the Directors are all non-executive. Therefore not all the provisions of the UK Corporate Governance Code (the "UK Code") issued by the Financial Reporting Council ("FRC") in September 2014 are directly applicable to the Company. The Board has therefore considered the principles and recommendations of the Code of Corporate Governance published by the Association of Investment Companies in February 2015 (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the applicable principles set out in the UK Code as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The FRC has confirmed that, by following the AIC Guide, boards of investment companies should fully meet their obligations in relation to the UK Code and paragraph 9.8.6 of the Listing Rules.

Copies of the AIC Code, the AIC Guide and the UK Code can be found on the respective organisations' websites: **www.theaic.co.uk** and **www.frc.org.uk**.

New Zealand Listing

It should be noted that the UK Codes of Corporate Governance may differ materially from the New Zealand Stock Exchange's corporate governance rules and principles of the Corporate Best Practice Code.

Statement of Compliance

The Directors believe that during the year under review they have complied with the provisions of the AIC Code, insofar as they apply to the Company's business, and with the provisions of the UK Code except as noted below;

- the role of chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

As the Company delegates to an external investment manager (which has its own internal audit function) its day-to-day operations and has no employees, the Board does not consider these provisions to be relevant to the Company and has not reported further in respect of these provisions.

Directors

Terms of appointment and retirement

The Board may appoint Directors to the Board and any Director so appointed must stand for appointment by the shareholders at the Annual General Meeting ("AGM") following appointment, in accordance with the Articles of Association.

The Articles of Association require all Directors to retire at each AGM, in accordance with the corporate governance policy adopted. All the current Directors, will therefore retire and, being eligible, have stated that they will offer themselves for re-appointment.

The contribution and performance of each Director was reviewed by the Nominations Committee at its meeting in September 2015, which recommended to the Board the continuing appointment of each of the Directors.

Under the Articles of Association, shareholders may remove a Director before the end of his or her term by passing an ordinary resolution at a meeting.

Directors' independence

All Directors have a wide range of other interests and are not dependent on the Company itself. At the Nominations Committee meeting in September 2015, the Directors reviewed their independence and confirmed that all Directors remain wholly independent of Henderson. Susan Inglis is the Company's Senior Independent Director. There were no contracts in existence during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business.

Directors' professional development

When a new Director is appointed he or she receives an induction seminar which is held by Henderson at the request of the Chairman. Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors' also regularly participate in relevant training and industry seminars. Directors individual training requirements are considered as part of the annual evaluation process which is led by the Chairman of the Board.

Directors' insurance and indemnification

Directors' and officers' liability insurance cover is in place in respect of the Directors. Under the Company's Articles of Association and, subject to the provisions of UK legislation, a qualifying third party provision indemnity may be provided to Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors' in which they are acquitted or judgment is given in their favour by the Court. No indemnity was given during the year or up to the date of this report.

The Board

Board composition

The Articles of Association provide that the total number of Directors shall not be less than three nor more than eight; the Board currently consists of five non-executive Directors. The biographies of the Directors holding office at the date of this report, which are set out on page 23, demonstrate the breadth of investment, commercial and professional experience relevant to their positions as Directors.

Responsibilities of the Board and its Committees

During the year seven scheduled Board meetings were held to deal with the important aspects of the Company's affairs. The Board has a formal schedule of matters specifically reserved for its decision, which are categorised under various headings including strategy, management, structure, capital, financial reporting, internal controls, gearing, asset allocation, share price premium/discount, contracts, investment policy, finance, risk, investment restrictions, performance, corporate governance and Board membership and appointments.

The Board is responsible for the approval of the annual and half year results and other public documents and for ensuring that such documents provide a fair, balanced and understandable assessment of the Company's position and prospects. The Directors confirm that they are satisfied that the Annual Report for the year ended 31 October 2015

Corporate Governance Statement (continued)

taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

At each meeting the Board reviews the Company's investment performance and considers financial analyses and other reports of an operational nature. The Board monitors compliance with the Company's objective and is responsible for setting asset allocation, investment and gearing limits within which Henderson has discretion to act. The Board has responsibility for the approval of any investments in in-house funds managed or advised by Henderson. It also has adopted a procedure for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information.

The Board has three Committees, the Audit Committee, the Nominations Committee and the Management Engagement Committee. The terms of reference for these Committees are available on the Company's website **www.bankersinvestmenttrust.com** or via the Corporate Secretary.

Audit Committee

The Audit Committee is chaired by Matthew Thorne. The Report of the Audit Committee can be found on pages 38 and 39.

Nominations Committee

Richard Killingbeck, Susan Inglis and Matthew Thorne are the members of the Nominations Committee. The Chairman of the Board acts as Chairman of the Committee but would not chair the Committee when the Chairman's successor was being considered. The Committee is responsible for reviewing Board succession planning, the composition and performance of the Board as a whole and the Board Committees, and the appointment of new Directors.

When considering succession planning, the Committee bears in mind the balance of skills, knowledge, experience, gender and diversity existing on the Board and will recommend when the recruitment of additional non-executive Directors is required. Given the size of the Board it is not considered appropriate to have set targets in relation to gender diversity. Once a decision is made to recruit additional Directors to the Board, a formal job description is drawn up and each Director is invited to submit nominations and these are considered in accordance with the Board's agreed procedures. The Committee also uses external agencies as and when the requirement to recruit an additional Board member becomes necessary.

The Committee also reviews and recommends to the Board each Director seeking re-appointment. Recommendation is not automatic and will follow a process of evaluation of each Director's performance and consideration of the Director's independence. The Committee also takes into account the mix of skills and experience of the current Board members. In accordance with the AIC Code any Director serving for longer than six years would be subject to particularly rigorous assessment of his/her contribution.

Management Engagement Committee

The Management Engagement Committee membership comprises all the members of the Board. The Committee meets at least annually to review the investment management agreement and to review the services provided by Henderson.

Performance evaluation

The Directors recognise the importance of the AIC Code's recommendation in respect of evaluating the performance of the Board as a whole, the Committees and individual Directors. During the year the Directors undertook a review of the Board structure including an evaluation of the performance of the Board, the Committees and of individual Directors including the Chairman.

The Company is obliged to engage an external facilitator for Board evaluation every three years. An external review was first carried out by Lintstock Limited in 2013. The evaluation for the current year was also undertaken by Lintstock Limited. The evaluation concluded that the Board has a good balance of skills and experience.

Board attendance

The table below sets out the number of formal Board and Committee meetings held during the year under review and the number of meetings attended by each Director. All Directors attended the AGM in February 2015.

	Board	Audit Committee	Nominations Committee	Management Engagement Committee
Number of meetings	**7**	**3**	**1**	**1**
Richard Killingbeck	7	n/a	1	1
Julian Chillingworth[1]	5	1	n/a	1
Susan Inglis	7	3	1	1
Matthew Thorne	7	3	1	1
David Wild	6	2	n/a	–

1 Julian Chillingworth was appointed on 25 February 2015.

The Directors and Committees of the Board also met during the year to undertake business such as the approval of the Company's results and ad hoc matters.

Internal Controls and Risk Management

The Board has established an ongoing process for identifying, evaluating and managing any major risks faced by the Company. (See Principal Risk and Uncertainties on page 25 in the Strategic Report). The process accords with Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the FRC in September 2014, and is subject to regular review by the Board.

The Board has overall responsibility for the Company's system of internal controls and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has reviewed the effectiveness of the Company's system of internal controls for the year ended 31 October 2015. During the course of its review of internal controls the Board has not identified or been advised of any failings or weaknesses that have been determined as significant. All business risks faced by the Company are recorded in a risk map which is reviewed periodically.

Henderson has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by Henderson's compliance and risk department on a continuing basis. The Board receives a formal report from Henderson each quarter detailing the steps taken to monitor the areas of risk, including those that are not directly the responsibility of Henderson, and which reports the details of any known internal control failures. Each year the Board receives from Henderson a report on its internal controls which includes a report from Henderson's auditors on the control policies and procedures in operation. Steps will continue to

Corporate Governance Statement (continued)

be taken to embed the system of internal control and risk management into the operation and culture of the Company and its key suppliers.

The Board confirms that, in the event of any significant failings or weakness identified from the annual review of effectiveness of the company's system of internal control, necessary action would be taken to remedy them.

The ongoing process for identifying, evaluating and managing significant risks faced by the Company has been in place throughout the year under review and up to the date of this report. Systems are in operation to safeguard the Company's assets and shareholders' investments, to maintain proper accounting records and to ensure that financial information used within the business, or published, is reliable.

As all of the Company's management functions are delegated to third parties, and the Board monitors the controls in place with support from Henderson's internal audit department, the Board feels that there is currently no need for the Company to have its own internal audit function.

Accountability and Relationship with Henderson

The Statement of Directors' Responsibilities in respect of the Financial Statements is set out on page 32, and the viability statement on page 26.

The Board receives and considers regular reports from Henderson and ad hoc reports and information are supplied to the Board as required. In addition, the Chairman is able to attend meetings of all the chairmen of the investment trusts and companies managed by Henderson which provide a forum to discuss industry matters which would then be reported to the Board.

Henderson takes decisions as to the purchase and sale of individual investments. Henderson also ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of Henderson attend each Board meeting enabling the Directors to probe further on matters of concern. The Directors have access to the advice and services of the Corporate Secretary through its appointed representative who is responsible to the Board for ensuring that Board and Committee procedures are followed and that applicable rules and regulations are complied with. The proceedings at all Board and Committee meetings are fully recorded through a process that allows any Director's concerns to be recorded in the minutes. The Board and Henderson operate in a supportive, co-operative and open environment.

The Corporate Secretary, Henderson Secretarial Services Limited, is a subsidiary of Henderson with its own reporting lines and audited internal controls. There are processes and controls in place to ensure that there is a clear distinction between the two entities particularly when dealing with any conflicts or issues between the Company and Henderson. Any correspondence from shareholders addressed to the Chairman or the Company received at Henderson's offices is forwarded to the Chairman of the Company in line with the audited procedure in place. Any correspondence is also submitted to the next Board meeting for discussion.

Henderson and BNP Paribas Securities Services, which acts for Henderson, have arrangements in place by which their staff may, in confidence, raise concerns about possible improprieties in relation to financial reporting or other matters. The Board has reviewed the implications of the Bribery Act 2010, which came into force on 1 July 2011, and confirmed its zero tolerance to bribery and corruption in its business activities. It has received assurances from the Company's main contractors and suppliers that they will maintain adequate safeguards to protect against any potentially illegal behaviour by their employees and agents.

Continued Appointment of Henderson

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis. The principal contents of the agreement with Henderson and the fees payable are contained on page 4.

The Board reviews investment performance at each Board meeting and a formal review of Henderson is conducted annually. As part of the annual review in September 2015 the Directors discussed the quality and continuity of the personnel assigned to handle the Company's affairs, with particular reference to performance and results achieved to date. In addition, they reviewed other services provided by Henderson to the Company, such as accounting, company secretarial and administration services and Henderson's activities in promoting and marketing the Company. The Board noted Henderson's resources and experience in managing and administering investment trust companies. As a result of their annual review it is the opinion of the Directors that the continued appointment of Henderson on the terms agreed is in the interests of the Company's shareholders as a whole.

Share Capital

Please see the Report of the Directors on page 30.

Relations with Shareholders

Shareholder relations are given high priority by the Board. The prime medium by which the Company communicates with its shareholders is through the half year results and Annual Report which aim to provide shareholders with a clear understanding of the Company's activities and their results. This information is supplemented by the daily calculation and publication of the NAV per share at the London and New Zealand Stock Exchanges and a monthly fact sheet which is available on the website. Henderson also provides information on the Company and Fund Manager videos on the website, via various social media channels and through its HGi content platform, more details of which are included on page 24.

The Board considers that shareholders should be encouraged to attend and participate in the AGM. Shareholders have the opportunity to address questions to the Chairman of the Board, the Chairman of the Audit Committee and all other Directors at the meeting and the Fund Manager will make a presentation to shareholders. A summary of the proxy votes received on the resolutions proposed is displayed at the meeting and each substantial issue is dealt with in a separate resolution. It is the intention of the Board that the Annual Report and Notice of AGM be issued to shareholders so as to provide at least 20 working days' notice of the meeting. These documents are also included on the website. Shareholders wishing to lodge questions in advance of the meeting, or raise issues or concerns at any time, are invited to do so by writing to the Chairman at the registered office address given on page 24.

General presentations to both shareholders and analysts follow the publication of the annual results. Meetings between Henderson, including our Fund Manager, and shareholders are reported to the Board.

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
18 January 2016

Report of the Audit Committee

Composition

The Audit Committee comprises all of the Directors except the Chairman of the Board, and is chaired by Matthew Thorne who is a chartered accountant. The other Audit Committee members have a combination of financial, investment and other experience gained throughout their careers and the Board is satisfied that at least one of the Committee's members has recent and relevant financial experience. All members of the Audit Committee are independent. The biographies of the Audit Committee members are shown on page 23.

Meetings

The Audit Committee met three times during the year under review. The Company's auditor is invited to attend meetings as necessary. Representatives of Henderson and BNP Paribas Securities Services ("BNP") may also be invited.

Role and Responsibilities

The role of the Audit Committee is to assist the Board in applying the financial reporting and internal control principles and to maintain an appropriate relationship with the Auditor. The responsibilities are set out in formal terms of reference which are regularly reviewed. In the year under review the main duties undertaken were:

- consideration of the appropriateness of the Company's accounting policies;
- a review of the half year results and the Annual Report, including the disclosures made therein in relation to internal controls and risk management, viability statement, going concern and related parties and consideration of whether the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy in order to make recommendations to the Board. In assessing whether the report is fair, balanced and understandable, each Director reviewed the disclosures made, applying their respective knowledge and expertise. The internal controls over financial reporting were also considered together with feedback from the Company's Auditor and the Corporate Secretary;
- consideration of the Terms of Reference of the Audit Committee;
- consideration of the quality and effectiveness of the accounting records and management information maintained on behalf of the Company, relying on meetings with and reports from Henderson;
- consideration of the appropriate level of dividend to be paid by the Company for recommendation to the Board;
- consideration of the internal controls in place at Henderson and BNP as administrator and Henderson's policies in relation to cyber risk and business continuity, meeting with representatives of Henderson's internal audit and risk departments periodically;
- consideration of the key risks, risk management systems in place and the Company's risk map;
- consideration of the Company's anti-bribery policy;
- consideration of the nature and scope of the external audit and the findings therefrom;
- annual consideration of whether there is a need for an internal audit function, in order to make a recommendation to the Board (as described on pages 36 and 37);
- consideration of the appointment of the Auditor, their effectiveness and their performance and remuneration;
- consideration of the Auditor's independence and objectivity and the provision of any non-audit services (as explained further on page 39) and the reporting of the external Auditor;
- consideration of the whistle blowing policy that Henderson has put in place for its staff to raise concerns about possible improprieties, including in relation to the Company, in confidence. The policy includes the necessary arrangements for independent investigation and follow up action;
- consideration of the management fee calculation; and
- consideration of the allocation of fees and finance costs between capital and revenue. From 1 November 2014 all expenses and interest payable including accounting, secretarial and administration fees have been capitalised in accordance with note 1e) on page 48.

Annual Report for the Year Ended 31 October 2015

In relation to the Annual Report for the year ended 31 October 2015 the following significant issues were considered by the Committee:

Significant issue	How the issue was addressed
Valuation and ownership of the Company's investments	The Directors have appointed Henderson to perform the valuation of the assets of the Company in accordance with its responsibilities under the AIFMD rules. As required under the AIFMD rules, Henderson has adopted a written valuation policy, which may be modified from time to time. Actively traded investments are valued using stock exchange prices provided by third party pricing vendors. Ownership of listed investments is verified by reconciliation to the Custodian's records. Investments that are unlisted or not actively traded are valued using a variety of techniques to determine their fair value; all such valuations are reviewed and approved by the Directors.

Report of the Audit Committee (continued)

Significant issue	How the issue was addressed
Recognition of income	Income received has been accounted for in line with the Company's accounting policies (as set out on page 48) and was reviewed by the Committee at each meeting.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Committee has considered regularly the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times, receiving supporting documentation from Henderson and BNP.
Maintaining internal controls	The Committee has received regular reports on internal controls from BNP and Henderson and its delegates and has had access to the relevant personnel of Henderson who have a responsibility for risk management and internal audit.

The Committee is satisfied that the Annual Report for the year ended 31 October 2015, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Audit Tendering

As a Public Interest Entity listed on the London Stock Exchange, the Company will in future be subject to the mandatory auditor rotation requirements of the European Union. Subject to the detailed implementation of the European requirements in the UK, this is likely to mean that the Company will put the external audit out to tender at least every ten years, and change auditor at least every twenty years. The Committee will, however, continue to consider annually the need to go to tender for audit quality or independence reasons. The Committee last tendered the audit in 2014 which resulted in the audit being transferred to Grant Thornton UK LLP.

External Audit, Review and Auditor Reappointment

The Committee discusses the audit process with the Auditor without representatives of Henderson present and considers the effectiveness of the audit process after each audit. This is the second year Grant Thornton UK LLP have audited the Company's Annual Report following a tender process conducted in 2014. The Audit Committee remains satisfied with the effectiveness of the audit provided by Grant Thornton UK LLP. The Committee is satisfied that the Auditor is independent of the Company. The Auditor is required to rotate partners every five years and this is the second year that the current partner has been in place.

Grant Thornton UK LLP have indicated their willingness to continue in office. Accordingly, resolutions to confirm the appointment of Grant Thornton UK LLP as Auditor to the Company, and to authorise the Audit Committee to determine their remuneration, will be proposed at the AGM.

Fees paid or payable to the Auditor are detailed in note 6 on page 51.

Policy on Non-Audit Services

The provision of non-audit services by the Company's Auditor is considered and approved by the Audit Committee on a case by case basis. The policy set by the Audit Committee, which is kept under review, ensures that consideration is given to the following factors when considering the provision of non-audit services by the Auditor:

- the level of non-audit fees paid to the audit firm in relation to the statutory audit fee;
- whether the audit firm is the most suitable supplier of non-audit services;
- the impact on the Auditor's independence and objectivity and what safeguards can be put in place to eliminate or reduce any threat in this regard; and
- the cost-effectiveness of the services.

The Board has determined that the Auditor will not be considered for the provision of services related to accounting and preparation of the financial statements, internal audit and custody.

Matthew Thorne
Audit Committee Chairman
18 January 2016

Independent Auditor's Report to the members of The Bankers Investment Trust PLC

Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Who we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

What we have audited

The Bankers Investment Trust PLC's financial statements for the year ended 31 October 2015 comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Cash Flow Statement and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

Overview of our audit approach

- Overall materiality: £7,126,000, which represents 1% of the Company's net assets and
- Key audit risks were identified as investments and investment income.

Our assessment of risk

In arriving at our opinions set out in this report, we highlight the following risks that, in our judgement, had the greatest effect on our audit:

Audit risk	How we responded to the risk
Investments The Company's business is investing in a focused and internationally diversified portfolio of securities to provide a high and rising level of dividends as well as capital appreciation over the long term. Accordingly, the investment portfolio is a significant, material item in the financial statements. We therefore identified the recognition, existence and measurement of the investment portfolio as a risk that requires particular audit attention.	Our audit work included, but was not restricted to: ▪ obtaining an understanding of management's processes to recognise and measure investments including ownership of those investments ▪ obtaining a confirmation of investments held at the year end directly from the independent custodian ▪ testing the reconciliation of the custodian records to the records maintained by the Company's administrator ▪ testing a selection of investment additions and disposals shown in the Company's records to supporting documentation ▪ agreeing the valuation of quoted investments to an independent source of market prices. The Company's accounting policy on valuation of quoted investments is shown in note 1 and related disclosures are included in note 11. The Audit Committee identified valuation and ownership of Company's investments as a significant issue in its report on page 38, where the Committee also described the action that it has taken to address this issue.

Independent Auditor's Report to the members of The Bankers Investment Trust PLC (continued)

Audit risk	How we responded to the risk
Investment income Investment income is the Company's major source of revenue and is a significant, material item in the Statement of Comprehensive Income. Accordingly, we identified the recognition of revenue from investments as a risk that requires particular audit attention.	Our audit work included, but was not restricted to: ▪ assessing whether the Company's accounting policy for revenue recognition is in accordance with the Statement of Recommended Practice: 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ▪ obtaining an understanding of management's processes to recognise revenue in accordance with the stated accounting policy ▪ testing whether a sample of revenue transactions has been recognised in accordance with the policy and ▪ for a sample of investments held in the period, confirming that income that should have been received has been received and recorded, and assessing whether any of the dividends receivable should have been treated as capital receipts. The Company's accounting policy on recognition of revenue is shown in note 1 and related disclosures are included in note 3. The Audit Committee identified recognition of income as a significant issue in its report on page 38, where the Committee also described the action that it has taken to address this issue.

Our application of materiality and an overview of the scope of our audit

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

We determined materiality for the financial statements as a whole to be £7,126,000 which is 1% of the Company's net assets. This benchmark is considered the most appropriate because net assets, which is primarily composed of the Company's investment portfolio, is considered to be the key driver of the Company's total return performance.

Materiality for the current year is higher than the level that we determined for the year ended 31 October 2014 to reflect the increase in net assets.

We use a different level of materiality, performance materially, to drive the extent of our testing and this was set at 5% of total investment income. We also determine a lower level of specific materiality for certain areas such as the revenue column of the Statement of Comprehensive Income, directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the Audit Committee to be £356,300. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overview of the scope of our audit

A description of the generic scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

We conducted our audit in accordance with International Standards on Auditing ("ISAs") (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the Auditing Practices Board's Ethical Standards for Auditors and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers.

Accordingly, our audit work is focused on obtaining an understanding of, and evaluating, internal controls at the Company and relevant third-party service providers, and inspecting records and documents held by the Company and third-party service providers. This included a review of reports on the description, design and operating effectiveness of internal controls at relevant third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

Other reporting required by regulations

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the members of The Bankers Investment Trust PLC (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following:
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:
- the Directors' statements in relation to going concern and longer term viability set out on page 47 and 26 respectively; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:
- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:
- we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the Audit Committee which we consider should have been disclosed.

We have nothing to report in respect of any of the above matters.

We also confirm that we do not have anything material to add or to draw attention to in relation to:

- the Directors' confirmation in the Annual Report that they have carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether they have considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the Directors' explanation in the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Responsibilities for the financial statements and the audit

What the directors are responsible for:
As explained more fully in the Statement of Directors' Responsibilities set out on page 32, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What we are responsible for:
Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Julian Bartlett
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
18 January 2016

Statement of Comprehensive Income

Notes		Year ended 31 October 2015 Revenue return £'000	Year ended 31 October 2015 Capital return £'000	Year ended 31 October 2015 Total return £'000	Year ended 31 October 2014 Revenue return £'000	Year ended 31 October 2014 Capital return £'000	Year ended 31 October 2014 Total return £'000
2	Gains on investments held at fair value through profit or loss	–	40,745	40,745	–	11,615	11,615
3	Investment income	22,621	–	22,621	20,577	–	20,577
4	Other operating income	146	17	163	171	–	171
	Total income	**22,767**	**40,762**	**63,529**	**20,748**	**11,615**	**32,363**
	Expenses						
5	Management fees	(892)	(2,082)	(2,974)	(1,726)	(929)	(2,655)
6	Other expenses	(788)	(7)	(795)	(720)	–	(720)
	Profit before finance costs and taxation	**21,087**	**38,673**	**59,760**	**18,302**	**10,686**	**28,988**
7	Finance costs	(925)	(2,157)	(3,082)	(685)	(1,598)	(2,283)
	Profit before taxation	**20,162**	**36,516**	**56,678**	**17,617**	**9,088**	**26,705**
8	Taxation	(849)	(6)	(855)	(775)	–	(775)
	Profit for the year and total comprehensive income	**19,313**	**36,510**	**55,823**	**16,842**	**9,088**	**25,930**
9	**Earnings per ordinary share – basic and diluted**	17.22p	32.54p	49.76p	15.05p	8.12p	23.17p

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

The notes on pages 47 to 64 form part of these financial statements.

Statement of Changes in Equity

Notes		Year ended 31 October 2015 Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	Total equity at 1 November 2014	28,027	7,053	12,483	587,744	32,889	668,196
	Total comprehensive income:						
	Profit for the year	–	–	–	36,510	19,313	55,823
	Transactions with owners, recorded directly to equity:						
18	Issue of 1,000,000 ordinary shares	250	5,669	–	–	–	5,919
18	Buy–back of 25,000 ordinary shares	(6)	–	6	(155)	–	(155)
10	Ordinary dividends paid	–	–	–	–	(17,150)	(17,150)
	Total equity at 31 October 2015	**28,271**	**12,722**	**12,489**	**624,099**	**35,052**	**712,633**

Notes		Year ended 31 October 2014 Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	Total equity at 1 November 2013	27,814	2,352	12,483	578,656	32,256	653,561
	Total comprehensive income:						
	Profit for the year	–	–	–	9,088	16,842	25,930
	Transactions with owners, recorded directly to equity:						
18	Issue of 850,000 ordinary shares	213	4,701	–	–	–	4,914
10	Ordinary dividends paid	–	–	–	–	(16,209)	(16,209)
	Total equity at 31 October 2014	**28,027**	**7,053**	**12,483**	**587,744**	**32,889**	**668,196**

The notes on pages 47 to 64 form part of these financial statements.

Statement of Financial Position

Notes		At 31 October 2015 £'000	At 31 October 2014 £'000
	Non current assets		
11	Investments held at fair value through profit or loss	726,831	685,456
	Current assets		
12	Investments held at fair value through profit or loss	28,323	3,896
13	Other receivables	2,360	3,685
	Cash and cash equivalents	31,762	5,023
		62,445	**12,604**
	Total assets	**789,276**	**698,060**
	Current liabilities		
14	Bank loans	–	(2,788)
14	Other payables	(1,848)	(2,076)
14	Debenture stocks	(10,000)	–
		(11,848)	**(4,864)**
	Total assets less current liabilities	**777,428**	**693,196**
	Non-current liabilities		
15	Debenture stocks	(15,000)	(25,000)
15	Unsecured loan notes	(49,795)	–
		(64,795)	**(25,000)**
	Net assets	**712,633**	**668,196**
	Equity attributable to equity shareholders		
18	Share capital	28,271	28,027
19	Share premium account	12,722	7,053
20	Capital redemption reserve	12,489	12,483
	Retained earnings:		
20	Other capital reserves	624,099	587,744
21	Revenue reserves	35,052	32,889
	Total equity	**712,633**	**668,196**
17	**Net asset value per ordinary share**	630.2p	596.0p

The financial statements on pages 43 to 64 were approved by the Board of Directors on 18 January 2016 and signed on its behalf by:

Chairman
Richard Killingbeck

The notes on pages 47 to 64 form part of these financial statements.

Cash Flow Statement

Notes	Reconciliation of profit before taxation to net cash flow from operating activities	At 31 October 2015 £'000	At 31 October 2014 £'000
	Operating activities		
	Profit before taxation	56,678	26,705
	Add back interest payable ("finance costs")	3,082	2,283
	Amortisation of loan note issue costs	5	–
2	Less gains on investments held at fair value through profit or loss	(40,745)	(11,615)
	Increase in accrued income	(70)	(345)
	(Increase)/decrease in other receivables	(46)	12
	Increase in other payables	59	50
	Purchases of investments	(185,007)	(319,724)
	Sales of investments	184,706	301,007
	Purchases of current asset investments	(61,777)	(24,770)
	Sales of current asset investments	37,350	20,895
	Decrease in securities sold for future settlement	1,263	14,553
	Decrease in securities purchased for future settlement	(1,077)	(6,373)
	Net cash (outflow)/inflow from operating activities before interest and taxation	**(5,579)**	**2,678**
	Interest paid	(2,291)	(2,282)
	Taxation on investment income	(672)	(880)
	Net cash outflow from operating activities	**(8,542)**	**(484)**
	Financing activities		
10	Equity dividends paid	(17,150)	(16,209)
18	Share issue	5,919	4,914
	Buy-back of own shares	(155)	–
	(Repayment)/drawdown of loan	(2,947)	2,874
	New unsecured loan note issued	49,790	–
	Net cash inflow/(outflow) from financing activities	**35,457**	**(8,421)**
	Increase/(decrease) in cash	26,915	(8,905)
	Cash and cash equivalents at the start of the year	5,023	14,130
	Exchange movements	(176)	(202)
	Cash and cash equivalents at the end of the year	**31,762**	**5,023**

The notes on pages 47 to 64 form part of these financial statements.

Notes to the Financial Statements

1 Accounting policies

a) Basis of preparation

The financial statements for the year ended 31 October 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRSs. IFRSs comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee ("IASC") that remain in effect, to the extent that IFRSs have been adopted by the European Union.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement at fair value of investments. The principal accounting policies adopted are set out below and have been applied consistently throughout the year. Where presentational guidance set out in the Statement of Recommended Practice ("the SORP") for investment trusts issued by the Association of Investment Companies ("the AIC") in January 2009 is consistent with the requirements of IFRSs, the Directors have sought to prepare the financial statements on a basis consistent with the recommendations of the SORP.

Having assessed the principal risks and the other matters discussed in connection with the viability statement, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Accounting Standards

(i) The following new and amended standards are applicable to the Company and have been adopted although they have had no impact on the financial statements:

- IAS 39, "Financial instruments: Recognition and measurement" (effective for annual periods beginning on or after 1 January 2014) – narrow scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).
- IAS 32, "Financial instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014) – updates the application guidance in IAS 32, to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

(ii) New standards, amendments and interpretations issued but not effective for the current financial year and not early adopted by the Company:

- IAS 1, "Presentation of financial statements" (effective for annual periods on or after 1 January 2016) – these amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. Effective for annual periods beginning on or after 1 January 2016, subject to EU endorsement.
- IFRS 9, "Financial instruments" (effective for annual periods beginning on or after 1 January 2018) – addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2018, subject to endorsement by the EU.

b) Investments held at fair value through profit or loss

All investments are designated upon initial recognition as held at fair value through profit or loss. Investment transactions are accounted for on a trade date basis. Assets are de-recognised at the trade date of the disposal. Proceeds are measured at fair value, which are regarded as the proceeds of sale less any transaction costs. The fair value of the financial instruments in the statement of financial position is based on their quoted bid price at the statement of financial position date, without deduction of the estimated future selling costs. Unquoted investments are valued by the Directors using primary valuation techniques such as earnings multiples, recent transactions and net assets.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "Gains or losses on investments held at fair value through profit or loss". Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of the purchase.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

c) Presentation of Statement of Comprehensive Income

In accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. The net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

Net capital returns making up the capital reserve arising on investments sold and the capital reserve arising on revaluation of investments held are distributable, as are the revenue returns making up the revenue reserve. The share premium account and the capital redemption reserve are undistributable.

d) Income

Dividends receivable on equity shares are recognised as revenue for the year on an ex-dividend basis. Special dividends are treated as revenue return or as capital return, depending on the facts of each individual case. Income from fixed interest debt securities is recognised using the effective interest rate method. Bank deposit interest and stock lending income are accounted for on an accrual basis.

Where the Company enters into a commitment to underwrite an issue of securities in exchange for the receipt of commission, a derivative financial instrument is recognised initially at fair value. The derivative is re-measured subsequently at fair value, with the related gains and losses being reflected in the Statement of Comprehensive Income. Net losses arising from these derivatives, where actual or expected loss from taking up the securities underwritten exceeds the commission income, are allocated to the capital return. Net gains are allocated to the revenue return.

e) Expenses

All expenses and interest payable are accounted for on an accruals basis. On the basis of the Board's expected long term split of total returns in the form of capital and revenue returns of 70% and 30% respectively, the Company charges 70% of its finance costs and investment management fees to capital. Expenses which are incidental to the purchase or sale of an investment are charged to the capital return column of the Statement of Comprehensive Income and allocated to other capital reserves. All other operating expenses are charged to the revenue return column of the Statement of Comprehensive Income.

f) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using the effective tax rate of corporation tax for the accounting period.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Statement of Comprehensive Income, then no tax relief is transferred to the capital return column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Investment trusts which have approval as such under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

g) Dividends payable to shareholders

Dividends payable to shareholders are recognised in the financial statements when they are paid or, in the case of final dividends, when they are approved by shareholders. Dividends paid are disclosed in the Statement of Changes in Equity.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

h) Foreign currency

For the purposes of the financial statements, the results and financial position is expressed in pounds sterling, which is the functional currency of the Company and the presentation currency of the Company. Sterling is the functional currency because it is the currency of the primary economic environment in which the Company operates.

Transactions recorded in overseas currencies during the year are translated into sterling at the appropriate daily exchange rates. Monetary assets and liabilities and equity investments held at fair value through profit or loss that are denominated in overseas currencies at the statement of financial position date, are translated into sterling at the exchange rates ruling at that date. Exchange gains and losses on investments held at fair value through profit or loss are included within "Gains or losses on investments held at fair value through profit or loss".

i) Cash and cash equivalents

Cash comprises cash in hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

j) Borrowings

Interest-bearing bank loans, overdrafts, debentures and loan notes are recorded initially at fair value, being the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

k) Repurchase of ordinary shares

The cost of repurchasing ordinary shares including related stamp duty and transaction costs are taken directly to equity and disclosed in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital repurchased and cancelled is transferred out of called-up share capital and into the capital redemption reserve.

l) Capital reserves

The following are accounted for in the "Capital reserve arising on investments sold":

- expenses and finance costs charged to capital net of tax relief;
- gains and losses on the disposals of investments;
- realised foreign exchange differences of a capital nature; and
- costs of repurchasing ordinary share capital.

The following are accounted for in the "Capital reserve arising on investments held":

- increases and decreases in the valuation of investments held at the year end; and
- unrealised foreign exchange differences of a capital nature.

m) Key estimates and assumptions

Estimates and assumptions used in preparing the financial statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

There are no estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities.

n) Receivables

Receivables are amounts due from securities sold for future settlement, withholding tax recoverable, prepayments and accrued income in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

o) Payables

Trade payables are obligations to pay for securities purchased for future settlement, accruals and deferred income that have been acquired/incurred in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

p) Policy on operating segments

Under IFRS 8, operating segments are considered to be the components of an entity, about which separate financial information is available, that is evaluated regularly by the chief operating decision-maker (Henderson, with oversight from the Board) in deciding how to allocate resources and in assessing performance. The Directors meet regularly to consider investment strategy and to monitor the Company's performance. The Fund Manager, who has been appointed to manage the Company's investments, attends all Board meetings at which investment strategy and performance are discussed. The Directors consider that the Company has one operating segment, which invests in shares and securities primarily for capital appreciation and dividend growth in accordance with the Company's published investment objectives.

The business is not managed on a geographical basis. However, for the convenience of investors, disclosure by geographical segment has been provided in note 3 and in the Fund Manager Report on pages 10 to 21. Further analyses of expenses, investment gains or losses, profit and other assets and liabilities by country have not been given as either it is not possible to prepare such information in a meaningful way or the results are not considered to be significant.

2 Gains on investments held at fair value through profit or loss

	2015 £'000	2014 £'000
Gains on sale of investments based on historical cost	38,839	43,954
Revaluation gains recognised in previous years	(38,136)	(58,523)
Gains/(losses) on investments sold in the year based on carrying value at previous statement of financial position date	**703**	**(14,569)**
Revaluation of investments held at 31 October	40,218	26,300
Exchange losses	(176)	(116)
	40,745	**11,615**

3 Investment income

	2015 £'000	2014 £'000
UK dividend income – listed	8,370	8,490
UK dividend income – special dividends	2,011	638
Overseas dividend income – listed	11,872	11,115
Overseas dividend income – special dividends	188	206
Property income distributions	180	128
	22,621	**20,577**
Analysis of investment income by geographical region:		
UK	12,841	11,119
Europe (ex UK)	2,306	2,271
North America	2,193	1,734
Japan	1,345	1,304
China	997	1,501
Pacific (ex Japan, China)	2,510	2,165
Emerging Markets	429	483
	22,621	**20,577**

Notes to the Financial Statements (continued)

4 Other operating income

	2015 £'000	2014 £'000
Bank interest	39	19
Underwriting income	41	69
Stock lending revenue	66	83
	146	**171**

At 31 October 2015 the total value of securities on loan by the Company for stock lending purposes was £50,889,000 (2014: £31,281,000). The maximum aggregate value of securities on loan at any one time during the year ended 31 October 2015 was £69,710,000 (2014: £38,547,000). The Company's agent held collateral at 31 October 2015 with a value of £56,493,000 (2014: £32,955,000) in respect of securities on loan. The value of securities held on loan is reviewed on a daily basis, comprising CREST Delivery By Value ("DVBs") and Government Bonds with a market value of 105% (2014: 105%) of the market value of any securities on loan.

5 Management fees

	2015			2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Investment management	892	2,082	2,974	398	929	1,327
Accounting, secretarial and administration	–	–	–	1,328	–	1,328
	892	**2,082**	**2,974**	**1,726**	**929**	**2,655**

A summary of the terms of the management agreement is given in the Strategic Report on page 4, see also the Report of the Audit Committee on page 38.

6 Other expenses

	2015 £'000	2014 £'000
Directors' fees and expenses (see page 34)	136	127
Auditors' remuneration – for audit services	25	24
Expenses payable to Henderson (relating to marketing services)	91	33
Bank/custody charges	127	146
Depositary fees	77	19
Registrar's fees	47	47
AIC subscriptions	20	23
Printing expenses	81	44
Legal fees	1	9
Overseas compliance fees	17	21
Listing fees	37	46
Loan non-utilisation fees	30	92
Irrecoverable VAT	22	9
Other expenses	77	80
	788	**720**

The compensation payable to key management personnel in respect of short term employment benefits was £136,000 (2014: £127,000) which relates wholly to the fees and expenses payable to the Directors in respect of the year.

Notes to the Financial Statements (continued)

7 Finance costs

	2015			2014		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
On bank loans and overdrafts repayable within one year	9	21	30	10	23	33
Interest on debentures repayable:						
– within one year	315	735	1,050	–	–	–
– between one and five years	–	–	–	315	735	1,050
– after five years	360	840	1,200	360	840	1,200
Interest on unsecured loan notes repayable:						
– after five years	241	561	802	–	–	–
	925	**2,157**	**3,082**	**685**	**1,598**	**2,283**

8 Taxation

a) Analysis of the charge for the year

	2015			2014		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Overseas tax suffered	956	6	962	906	–	906
Overseas tax reclaimable	(107)	–	(107)	(131)	–	(131)
Taxation	**849**	**6**	**855**	**775**	**–**	**775**

b) Factors affecting the tax charge for the year

The differences are explained below:

	2015			2014		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Profit before taxation	**20,162**	**36,516**	**56,678**	**17,617**	**9,088**	**26,705**
Corporation tax for the year at 20.42% (2014: 21.83%)	4,117	7,457	11,574	3,846	1,984	5,830
Non taxable UK dividends	(2,097)	–	(2,097)	(1,970)	–	(1,970)
Non taxable scrip dividends and other income	(2,370)	–	(2,370)	(2,422)	–	(2,422)
Income taxable in different years	(4)	–	(4)	(2)	–	(2)
Overseas withholding tax suffered	849	6	855	775	–	775
Excess management expenses and loan relationships	353	–	353	548	552	1,100
Disallowable expenses	1	–	1	–	–	–
Capital gains not subject to tax	–	(7,457)	(7,457)	–	(2,536)	(2,536)
	849	**6**	**855**	**775**	**–**	**775**

Notes to the Financial Statements (continued)

8 Taxation (continued)

c) Provision for deferred taxation

No provision for deferred taxation has been made in the current year or in the prior year.

The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust company, which it intends to maintain for the foreseeable future.

d) Factors that may affect future tax charges

The Company has not recognised a deferred tax asset of £6,561,000 (2014: £5,374,000) arising as a result of having unutilised management expenses of £12,690,000 (2014: £9,658,000) and loan relationship deficits of £20,115,000 (2014: £17,210,000). These expenses will only be utilised, to any material extent, if changes are made either to the tax treatment of the capital gains made by investment trusts or to the Company's investment profile which require them to be used.

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for this accounting period are taxed at the effective rate of tax of 20.42%.

9 Earnings per ordinary share

The total earnings per ordinary share is based on the net profit attributable to the ordinary shares of £55,823,000 (2014: £25,930,000) and on 112,178,757 ordinary shares (2014: 111,898,962), being the weighted average number of shares in issue during the year.

The total earnings can be further analysed as follows:

	2015 £'000	2014 £'000
Revenue profit	19,313	16,842
Capital profit	36,510	9,088
Profit for the year	**55,823**	**25,930**
Weighted average number of ordinary shares	112,178,757	111,898,962
Revenue earnings per ordinary share	17.22p	15.05p
Capital earnings per ordinary share	32.54p	8.12p
Earnings per ordinary share	**49.76p**	**23.17p**

The Company does not have any dilutive securities therefore basic and diluted earnings are the same.

Notes to the Financial Statements (continued)

10 Dividends on ordinary shares

Dividends on ordinary shares	Record date	Payment date	2015 £'000	2014 £'000
Third interim dividend (3.60p) for the year ended 31 October 2013	25 October 2013	29 November 2013	–	4,005
Final dividend (3.60p) for the year ended 31 October 2013	31 January 2014	28 February 2014	–	4,020
First interim dividend (3.60p) for the year ended 31 October 2014	2 May 2014	30 May 2014	–	4,036
Second interim dividend (3.70p) for the year ended 31 October 2014	25 July 2014	29 August 2014	–	4,148
Third interim dividend (3.70p) for the year ended 31 October 2014	24 October 2014	28 November 2014	4,148	–
Final dividend (3.80p) for the year ended 31 October 2014	30 January 2015	27 February 2015	4,260	–
First interim dividend (3.90p) for the year ended 31 October 2015	1 May 2015	29 May 2015	4,371	–
Second interim dividend (3.90p) for the year ended 31 October 2015	24 July 2015	28 August 2015	4,371	–
			17,150	**16,209**

The total dividends payable in respect of the financial year, which form the basis of the calculation of the retention test under section 1158 of the Corporation Tax Act 2010, are set out below.

	2015 £'000	2014 £'000
Revenue available for distribution by way of dividend for the year	19,313	16,842
First interim dividend (3.90p) (2014: 3.60p)	(4,371)	(4,036)
Second interim dividend (3.90p) (2014: 3.70p)	(4,371)	(4,148)
Third interim dividend (4.00p) paid on 30 November 2015 (2014: 3.70p paid on 28 November 2014)	(4,523)	(4,148)
Final dividend (4.00p) payable on 29 February 2016 (2014: 3.80p paid on 27 February 2015)	(4,581)	(4,260)
Revenue surplus for section 1158 purposes	**1,467**	**250**

11 Investments held at fair value through profit or loss

	2015 £'000	2014 £'000
Valuation at start of year	685,456	655,008
Investment holding gain at start of year	(180,544)	(212,767)
Cost at start of year	**504,912**	**442,241**
Acquisitions at cost	185,117	319,724
Disposals at cost	(145,824)	(257,053)
Cost	**544,205**	**504,912**
Investment holding gains at end of year	182,626	180,544
Valuation of investments at end of year	**726,831**	**685,456**

Included in the total investments are unquoted investments shown at the Directors' fair valuation of £23,000 (2014: £42,000). See note 16.5 on page 61.

At 31 October 2015 convertible or fixed interest securities held in the portfolio were £23,000 (2014: £42,000).

Purchase and sale transaction costs for the year ended 31 October 2015 were £271,000 and £263,000 respectively (2014: transaction costs of purchases £412,000; transaction costs of sales £253,000). These comprise mainly stamp duty and commission.

The Company has interests of 3% or more of any class of capital in 2 investee companies, Hayward Tyler and International Oil & Gas Technology (2014: Blackstar, Hayward Tyler and International Oil & Gas Technology). None of these investments are considered material in the context of these accounts.

Notes to the Financial Statements (continued)

12 Current asset investment

The Company has a holding in Deutsche Bank Liquidity Fund (formerly Henderson Liquid Assets 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 31 October 2015 this holding had a value of £28,323,000 (2014: £3,896,000).

13 Other receivables

	2015 £'000	2014 £'000
Securities sold for future settlement	481	1,744
Other taxes recoverable	165	342
Prepayments and accrued income	1,665	1,594
Other receivables	49	5
	2,360	**3,685**

14 Current liabilities

	2015 £'000	2014 £'000
Bank loans	–	2,788
Securities purchased for future settlement	527	1,604
Accruals	1,169	349
Other payables	152	123
Borrowings: Debenture stocks (secured):		
10.5% debenture stock 2016	10,000	–
	11,848	**4,864**

The Company terminated the £30m loan facility with Commonwealth Bank of Australia on 21 April 2015.

The 10.5% debenture stock 2016 is secured by floating charges over the whole of the undertaking and all the property and assets of the Company, ranking pari passu in point of security. The 10.5% debenture stock 2016 is redeemable at par on 31 October 2016.

15 Non-current liabilities: amounts falling due after more than one year

	2015 £'000	2014 £'000
Borrowings: Debenture stocks (secured):		
10.5% debenture stock 2016	–	10,000
8% debenture stock 2023	15,000	15,000
Borrowings: Loan note (unsecured):		
3.68% unsecured loan notes 2035	49,795	–
	64,795	**25,000**

The 8% debenture stock 2023 is secured by floating charges over the whole of the undertaking and all the property and assets of the Company, ranking pari passu in point of security. The 8% debenture stock 2023 is redeemable at par on 31 October 2023.

On 27 May 2015 the Company issued £50,000,000 (nominal) 3.68% unsecured loan notes due 2035, net of issue costs totalling £210,000. The issue costs will be amortised over the life of the unsecured notes. The 3.68% unsecured loan notes 2035 are redeemable at par on 27 May 2035.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures

16.1 Market risk

Henderson assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

16.1.1 Market price risk

Market price risk (ie changes in market prices other than those arising from interest rate risk or currency risk) may affect the fair value of quoted and unquoted investments.

Management of the risk

The Board of Directors manages the risks inherent in the investment policy by ensuring full and timely reporting of relevant information from Henderson. Investment performance is reviewed at each Board meeting. The Board monitors Henderson's compliance with the Company's objectives and is directly responsible for investment strategy and asset allocation, including as between countries and economies.

The Company's exposure to changes in market prices on its investments was as follows:

	2015 £'000	2014 £'000
Equities	726,808	685,414
Fixed interest	23	42
	726,831	**685,456**

Market price risk sensitivity

The following table illustrates the sensitivity of the profit after taxation for the year and the Company's net assets to an increase or decrease of 20% (2014: 20%) in the fair values of the Company's investments at each statement of financial position date. This level of change is considered to be reasonably possible based on observation of current market conditions.

	2015		2014	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Statement of Comprehensive Income – profit after tax				
Revenue return	(194)	196	(401)	401
Capital return	144,950	(144,908)	136,875	(136,875)
Change to profit after tax for the year and net assets	**144,756**	**(144,712)**	**136,474**	**(136,474)**

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.1.2 Currency risk

A significant proportion of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and presentational currency). As a result, movements in exchange rates may affect the sterling value of those items.

Management of the risk

Henderson monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board at each Board meeting. Henderson measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and total return of a movement in the exchange rates to which the Company's assets, liabilities, income and expenses are exposed.

Foreign currency borrowings may be used to limit the Company's exposure to future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. These borrowings are limited to 20% of the adjusted net asset value.

Investment income denominated in foreign currencies is converted into sterling on receipt. The Company did not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

During the year, derivative contracts were not used to hedge against exposure to currency risk.

Foreign currency exposure

The fair values of the Company's monetary items that have foreign currency exposure at 31 October are shown below. Where the Company's equity investments (which are not monetary items) are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

2015	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000	Other £'000
Other receivables	228	101	999	–	45
Cash and cash equivalents	–	–	–	–	3,352
Current liabilities	–	–	(527)	–	32
Total foreign currency exposure on net monetary items	**228**	**101**	**472**	**–**	**3,365**
Investments at fair value through profit or loss that are equities	203,694	65,020	81,615	18,737	84,254
Total net foreign currency exposures	**203,922**	**65,121**	**82,087**	**18,737**	**87,619**

2014	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000	Other £'000
Other receivables	242	13	721	70	357
Cash and cash equivalents	1	–	–	–	990
Current liabilities	(860)	–	(2,788)	–	–
Total foreign currency exposure on net monetary items	**(617)**	**13**	**(2,067)**	**70**	**1,347**
Investments at fair value through profit or loss that are equities	185,375	48,324	57,833	33,046	84,264
Total net foreign currency exposures	**184,758**	**48,337**	**55,766**	**33,116**	**85,611**

The above amounts are not necessarily representative of the exposure to risk during each year, as levels of monetary foreign currency exposure change significantly throughout the year.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.1.2 Currency risk (continued)

Foreign currency sensitivity

The table below illustrates the sensitivity of the total profit after tax for the year and the net assets in regard to movements in the Company's foreign currency financial assets and financial liabilities caused by changes in the exchange rates for the US dollar/sterling, euro/sterling, Japanese yen/sterling and Hong Kong dollar/sterling.

It assumes the following changes in exchange rates:

US dollar/sterling +/- 10% (2014: 10%), euro/sterling +/- 10% (2014: 10%), Japanese yen/sterling +/- 10% (2014: 10%), Hong Kong dollar/sterling +/- 10% (2014: 10%).

These percentages are deemed reasonable based on the average market volatility in exchange rates in recent years. The sensitivity analysis is based on the Company's foreign currency financial assets and financial liabilities held at each statement of financial position date, with all other variables held constant.

The impact on the total profit after tax and the year end net assets of a depreciation of 10% in the year end exchange rate for sterling against the currencies shown would have been as follows:

	2015				2014			
	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000
Statement of Comprehensive Income – profit after tax								
Revenue return	153	137	105	65	455	121	105	101
Capital return	22,561	7,201	9,039	2,075	20,564	5,361	6,416	3,666
Change to profit after tax for the year and net assets	**22,714**	**7,338**	**9,144**	**2,140**	**21,019**	**5,482**	**6,521**	**3,767**

The impact on the total profit after tax and the year end net assets of an appreciation of 10% in the year end exchange rate for sterling against the currencies shown would have been as follows:

	2015				2014			
	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000
Statement of Comprehensive Income – profit after tax								
Revenue return	(125)	(112)	(86)	(61)	(210)	(99)	(86)	(83)
Capital return	(18,459)	(5,892)	(7,396)	(1,698)	(16,825)	(4,385)	(5,249)	(2,999)
Change to profit after tax for the year and net assets	**(18,584)**	**(6,004)**	**(7,482)**	**(1,759)**	**(17,035)**	**(4,484)**	**(5,335)**	**(3,082)**

16.1.3 Interest rate risk

Interest rate movements may affect the level of interest receivable from cash at bank, the current asset investment and the value of the fixed interest investments.

Management of the risk

The Company finances part of its activities through borrowings at levels approved and monitored by the Board.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.1.3 Interest rate risk (continued)

Interest rate exposure

The exposure at 31 October of financial assets and (financial liabilities) to interest rate risk is shown below. Floating interest rates exposure is by reference to when the interest rate is due to be re-set.

	2015			2014		
	Within one year £'000	More than one year £'000	Total £'000	Within one year £'000	More than one year £'000	Total £'000
Exposure to floating interest rates:						
Cash and cash equivalents	31,762	–	31,762	5,023	–	5,023
Current asset investment	28,323	–	28,323	3,896	–	3,896
Exposure to fixed interest rates:						
Fixed interest investments	–	23	23	–	42	42
Bank Loans	–	–	–	(2,788)	–	(2,788)
Debentures	(10,000)	(15,000)	(25,000)	–	(25,000)	(25,000)
Loan note	–	(49,795)	(49,795)	–	–	–
	50,085	(64,772)	(14,687)	6,131	(24,958)	(18,827)

The above amounts are not necessarily representative of the exposure to interest rates during the year, as the level of exposure changes as investments are made and borrowings are drawn down and repaid.

Interest receivable and finance costs are at the following rates:

- Interest received on cash balances, or paid on bank overdrafts, is at a margin over LIBOR or its foreign currency equivalent (2014: same).
- Interest paid on debentures is set out in note 7.

Interest rate sensitivity

The Company is primarily exposed to interest rate risk through its cash balances, its current asset investments, fixed income investment portfolio and bank loans. The sensitivity of each exposure is as follows:

- Cash – Cash balances vary throughout the year. Cash balances at the year end were £31,762,000 (2014: £5,023,000) and, if that level of cash was maintained for a full year, a 100 basis points change in LIBOR (up or down) would increase or decrease total net return on ordinary activities after taxation by approximately £317,620 (2014: £50,000).
- Current asset investment sensitivity – The Company's interest bearing current asset investment at the year end was £28,323,000 (2014: £3,896,000) and, if that level of investment was maintained for a full year, a 100 basis points change in interest rates (up or down) would increase or decrease total net return on ordinary activities after taxation by approximately £283,000 (2014: £39,000).
- Fixed income investment sensitivity – The Company's fixed income portfolio at the year end was valued at £23,000 (2014: £42,000) and is not currently paying interest and therefore there is no modified duration (interest rate sensitivity) (2014: no duration).
- Bank loan sensitivity – Borrowings vary throughout the year as a result of the Company's borrowing policy. Bank loan borrowings at the year end were £nil (2014: £2,788,000) (note 14) and, if that level of borrowings was maintained for a full year, then a 100 basis point change in LIBOR (up or down) would decrease or increase the total net return on ordinary activities after taxation by approximately £nil (2014: £28,000).

16.2 Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Company has an overdraft facility with the custodian, the extent of which is determined by the custodian on a regular basis by reference to the value of the securities held by it on behalf of the Company. The facility is subject to regular review. The Company also has two debentures and a loan note, details of which can be found in notes 14 and 15 on page 55.

The Board gives guidance to Henderson as to the maximum amounts of the Company's resources that should be invested in any one company.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.2 Liquidity risk (continued)

The policy is that the Company should generally remain fully invested and that short-term borrowings be used to manage short-term cash requirements.

Liquidity risk exposure

The remaining contractual maturities of the financial liabilities at 31 October, based on the earliest date on which payment could be required was as follows:

	2015			2014		
	Due within three months £'000	Due between three months and one year £'000	Due after one year £'000	Due within three months £'000	Due between three months and one year £'000	Due after one year £'000
Debenture stocks	–	12,250	21,150	–	2,250	35,650
Loan note	920	920	84,960	–	–	–
Bank loans	–	–	–	2,788	–	–
Other payables	1,848	–	–	2,076	–	–
	2,768	**13,170**	**106,110**	**4,864**	**2,250**	**35,650**

16.3 Credit and counterparty risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

Credit risk is managed as follows:

- transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;
- investment transactions are carried out with a large number of approved brokers, whose credit-standard is reviewed periodically by Henderson, and limits are set on the amount that may be due from any one broker; and
- cash at bank is held only with reputable banks with high quality external credit ratings and is subject to continual review.

Stock lending transactions are carried out with a number of approved counterparties, whose credit-standard is reviewed periodically by Henderson, and limits are set on the amount that may be lent to any one counterparty.

Stock lending is the temporary transfer of securities by a lender to a borrower, with an agreement by the borrower to return equivalent securities to the lender at an agreed future date. Stock lending revenue is received for making the investments available to the borrower which increases the returns on the portfolio. In all cases securities lent continue to be recognised on the statement of financial position. Details of the securities on loan at the year end and the collateral held can be found in note 4 on page 51.

Other than stock lending transactions, none of the Company's financial assets or liabilities is secured by collateral or other credit enhancements.

Outstanding settlements are subject to credit risk. Credit risk is mitigated by the Company through its decision to transact with counterparties of high credit quality. The Company only buys and sells investments through brokers which are approved counterparties, thus minimising the risk of default through settlement. The credit ratings of brokers are reviewed periodically by Henderson, and limits are set on the amount that may be due from any one broker.

The Company is exposed to credit risk through the use of banks for its cash position. Bankruptcy or insolvency of banks may cause the Company's rights with respect to cash held by banks to be delayed or limited. The Company's cash balances are held by its custodian, BNP Paribas Securities Services. The Directors believe the counterparty is of high credit quality and, therefore, the Company has minimal exposure to credit risk.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.3 Credit and counterparty risk (continued)

Credit risk exposure

The table below summarises the maximum credit risk exposure of the Company as at year end.

	2015 £'000	2014 £'000
Fixed interest securities	23	42
Cash and cash equivalents	31,762	5,023
Receivables:		
Securities sold for future settlement	481	1,744
	32,266	**6,809**

16.4 Fair values of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the statement of financial position at their fair value (investments and derivatives) or the statement of financial position amount is a reasonable approximation of fair value (due from brokers, dividend and interest receivable, due to brokers, accruals, cash at bank, bank overdrafts). The par value of the debenture stocks and unsecured loan notes can be found in notes 14 and 15. The fair value of the debenture stocks at 31 October 2015 was £30,117,000 (2014: £30,277,000). The fair values are calculated using prices quoted on the exchange on which the instruments trade. The fair value of the unsecured loan note at 31 October 2015 was £49,795,000 (2014: £nil). The fair value of the loan note is estimated to be its par value as there has been no significant change in the conditions of the Company or market since issue.

16.5 Fair value hierarchy disclosures

The table below sets out the fair value measurements using the IFRS 13 fair value hierarchy.

Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

	2015				2014			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	726,808	–	–	726,808	685,414	–	–	685,414
Fixed interest investments	–	–	23	23	–	–	42	42
Current asset investments	28,323	–	–	28,323	3,896	–	–	3,896
	755,131	**–**	**23**	**755,154**	**689,310**	**–**	**42**	**689,352**

A reconciliation of fair value movements within Level 3 is set out below:

Level 3 investments at fair value through profit or loss	2015 £'000	2014 £'000
Opening balance	42	75
Disposal proceeds	(27)	(48)
Total gains/(losses) included in the Statement of Comprehensive Income – on assets held at year end	(8)	15
	23	**42**

The total value of unquoted investments at 31 October 2015 was £23,000 (2014: £42,000).

The total carrying value of loans and receivables, as stated in notes 13 and 14, is a reasonable approximation of their fair value as at the year end date. The total carrying value of financial liabilities measured at amortised cost as disclosed in notes 14 and 15 is a reasonable approximation of their fair value at the year end date.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.6 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to generate total return to its equity shareholders in accordance with its investment objectives through an appropriate balance of equity capital and debt.

The portfolio includes unquoted investments which represent 0.003% (2014: 0.006%) of the total portfolio and which are held at Directors' fair value.

The Company's capital as 31 October 2015 comprised its equity share capital, reserves and debt that are shown in the statement of financial position at a total of £787,428,000 (2014: £695,984,000).

The Board, with the assistance of Henderson, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the desirability to buy-back equity shares for cancellation or to be held in treasury, which takes account of the difference between the net asset value per share and the share price (ie the level of share price discount or premium);
- the desirability for new issues of equity shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to several externally imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000;
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the capital restriction tests imposed on investment companies by law and its Articles of Association;
- the terms of the debenture trust deeds have various covenants which prescribe that moneys borrowed should not exceed 100% of the adjusted total of capital and reserves as defined in the debenture trust deeds. These are measured in accordance with the policies used in the annual financial statements; and
- the terms of the loan notes have various covenants which must also be observed.

These requirements, with the exception of the terms of the loan notes, are unchanged since last year, and the Company has complied with them throughout the year.

17 Net asset value per ordinary share

The net asset value per ordinary share is based on net assets attributable to ordinary shares of £712,633,000 (2014: £668,196,000) and on 113,081,839 ordinary shares in issue at 31 October 2015 (2014: 112,106,839). The Company has no securities in issue that could dilute the net asset value per ordinary share.

The movements during the year in net assets attributable to the ordinary shares were as follows:

	2015 £'000	2014 £'000
Net assets attributable to ordinary shares at start of year	668,196	653,561
Total net profit on ordinary activities after taxation	55,823	25,930
Dividends paid	(17,150)	(16,209)
Issue of ordinary shares	5,919	4,914
Purchase of ordinary shares	(155)	–
Net assets attributable to ordinary shares at end of year	**712,633**	**668,196**

Notes to the Financial Statements (continued)

18 Called up share capital

	2015 £'000	2014 £'000
Authorised, allotted, issued and fully paid:		
113,081,839 (2014: 112,106,839) ordinary shares of 25p each	28,271	28,027

During the year, 1,000,000 ordinary shares were issued for net proceeds of £5,919,000 (2014: 850,000 ordinary shares issued for net proceeds of £4,914,000). Also during the year, 25,000 ordinary shares were purchased for cancellation at a cost of £155,000 (2014: £nil). Further details can be found on page 30.

Since the year end, the Company issued a further 1,450,000 ordinary shares for net proceeds of £9,086,000.

19 Share premium account

	2015 £'000	2014 £'000
At start of year	7,053	2,352
Premium on shares issued	5,669	4,701
At end of year	**12,722**	**7,053**

20 Capital redemption and other capital reserves

	Capital redemption reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Total other capital reserves £'000
At 1 November 2014	12,483	407,114	180,630	587,744
Transfer on disposal of assets	–	38,136	(38,136)	–
Net gains on investments	–	703	40,218	40,921
Net losses on foreign exchange	–	(90)	(86)	(176)
Other income allocated to capital	–	17	–	17
Expenses and finance costs allocated to capital	–	(4,252)	–	(4,252)
Purchase of own shares	6	(155)	–	(155)
At 31 October 2015	**12,489**	**441,473**	**182,626**	**624,099**

	Capital redemption reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Total other capital reserves £'000
At 1 November 2013	12,483	365,889	212,767	578,656
Transfer on disposal of assets	–	58,523	(58,523)	–
Net (losses)/gains on investments	–	(14,569)	26,300	11,731
Net (losses)/gains on foreign exchange	–	(202)	86	(116)
Expenses and finance costs allocated to capital	–	(2,527)	–	(2,527)
At 31 October 2014	**12,483**	**407,114**	**180,630**	**587,744**

Notes to the Financial Statements (continued)

21 Revenue reserve

	2015 £'000	2014 £'000
At start of year	32,889	32,256
Net revenue profit after tax for the year	19,313	16,842
Dividends paid	(17,150)	(16,209)
At end of year	**35,052**	**32,889**

22 Contingent commitments

As at 31 October 2015 there were no contingent commitments in respect of sub-underwriting for the Company (2014: none).

23 Transactions with Henderson

Under the terms of an agreement effective from 22 July 2014, the Company appointed Henderson to provide investment management, accounting, administrative and secretarial services. Henderson has contracted with BNP Paribas Securities Services to provide accounting and administration services. Details of the management fee arrangements for these services are given in the Business Model on page 4. The total fees paid or payable under this agreement to Henderson in respect of the year ended 31 October 2015 were £2,974,000 (2014: £2,655,000), of which £248,000 is included in accruals at 31 October 2015 (2014: £221,000).

In addition to the above services, Henderson has provided the Company with sales and marketing services during the year. The total fees paid or payable for these services for the year ended 31 October 2015 amounted to £91,000 (2014: £33,000), of which £9,000 was outstanding at 31 October 2015 (2014: £7,000).

General Shareholder Information

AIFMD Disclosures

Periodic disclosures required in accordance with the Alternative Investment Fund Managers Directive are included within a Key Investor Information Document ("KIID") which can be found on the Company's website **www.bankersinvestmenttrust.com**.

BACS

Dividends can be paid to shareholders by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the UK Registrar, Equiniti Limited. Alternatively, shareholders can write to the UK Registrar (the address is given on page 24) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Shareholders on the register in New Zealand can have their dividends paid in New Zealand dollars by writing to the New Zealand Registrar, Computershare Investor Services plc (the address is given on page 24).

Equality Act 2010

Copies of this report and other documents issued by the Company are available from the Corporate Secretary. If needed, copies can be made available in a variety of formats, including Braille or larger type as appropriate.

You can contact the Registrar, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly, without the need for an intermediate operator by dialling 0371 384 2255. Specially trained operators are available during normal business hours to answer queries via this service.

Alternatively, if you prefer to go through a "typetalk" operator (provided by the Royal National Institute for Deaf People) dial 18001 followed by the number you wish to dial.

ISA

The Company intends to continue to manage its affairs in order to qualify as an eligible investment for a stocks and shares ISA.

Non-Mainstream Pooled Investments ("NMPI") status

The Company currently conducts its affairs so that its ordinary shares of 25p each can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Performance Details/Share Price Information

Details of the Company's share price and NAV per share can be found on the website. The address is **www.bankersinvestmenttrust.com**. The Company's NAV per share is published daily.

Share Price Listings

The market price of the Company's ordinary shares is published daily in The Financial Times. The Financial Times also shows figures for the estimated NAV per share and the discount.

The market price of the Company's shares can be found in the London Stock Exchange Daily Official List.

Shareholder Details

Shareholders who hold their shares in certificated form can check their shareholding with the Registrar (contact details can be found on page 24).

There is now a range of shareholder information online. You can check your holding and find practical help on transferring shares or updating your details at **www.shareview.co.uk**.

Warning to Shareholders

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's UK Registrar, Equiniti Limited or the New Zealand Registrar, Computershare Investor Services plc would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you are in any doubt about the veracity of an unsolicited phone call, please call either the Corporate Secretary or the Registrar at the numbers provided on page 24.

The Bankers Investment Trust PLC
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Erratum

Due to the amounts in the Sales proceeds column for Europe and North America being transposed, the table below replaces that shown on page 9.

Changes in Investments

At 31 October 2015

	Valuation 2014 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 2015 £'000
United Kingdom	281,599	13,406	(25,334)	7,567	277,238
Europe	78,035	19,256	(11,876)	7,606	93,021
North America	153,925	67,342	(59,264)	15,718	177,721
Japan	60,287	31,454	(21,391)	14,214	84,564
China	16,642	28,366	(36,011)	14,089	23,086
Pacific (ex Japan, China)	75,847	20,655	(25,618)	(12,097)	58,787
Emerging Markets	19,121	4,638	(5,211)	(6,134)	12,414
	685,456	**185,117**	**(184,705)**	**40,963**	**726,831**