

Navigating

global markets

The Bankers Investment Trust PLC
Update for the half year ended
30 April 2023



Investment Objective and Policy

Investment Objective

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

Investment Policy

The following investment ranges apply:

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

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

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

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

Derivatives

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

Gearing

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

This update contains material extracted from the unaudited half-year results of the Company for the six months ended 30 April 2023. The unabridged results for the half-year are available on the Company's website: www.bankersinvestmenttrust.com

Performance Highlights

Total return performance for the six months to 30 April 2023



NAV per share

112.3p 30 Apr 2023

113.0p (30 Apr 2022)

Share price

100.6p 30 Apr 2023

105.9p (30 Apr 2022)

Revenue return per share

1.29p 30 Apr 2023

1.08p (30 Apr 2022)

Dividends paid or declared in respect of the period

1.24p 30 Apr 2023

1.128p (30 Apr 2022)

Total return performance to 30 April 2023

(including dividends reinvested and excluding transaction costs)

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV ¹	8.1	1.5	32.0	44.3	157.6
FTSE World Index ²	3.5	3.2	46.6	62.1	131.5
Share price ³	5.4	-2.6	18.5	30.4	138.3

1 Net asset value (NAV) total return per share with income reinvested and with debt at par

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

3 Share price total return using mid-market closing price

4 First interim dividend for 2023 was paid on 31 May 2023, the second interim dividend has been declared and will be paid on 31 August 2023

Sources: Janus Henderson, Morningstar Direct and Refinitiv Datastream

Our Investment Philosophy

Stewardship, consistency and diversification are the core principles that define how we invest and safeguard our shareholders' money. They are why we have produced stable and consistent income and capital growth over decades. We have paid a dividend for the last 132 years and it has been increased every year for the previous 56 years. This record is a testament to these principles and our approach to long-term investing.

Our enduring core principles have remained unchanged:

- **Stewardship** – Since the Company was launched in 1888, the Company's purpose has remained unchanged. We are stewards of shareholders' financial aspirations and our role is to generate long-term returns while taking care of their assets over multiple generations with the utmost care and responsibility. Long-term to us means taking decisions that may affect the Company in five years time and beyond, such as the placing of long-dated loan notes. An independent Board acts as a guardian of shareholder interests and works closely with the Manager to ensure that these long-term objectives are achieved.
- **Consistency** – The price you pay for a company will determine your long-term stock market returns. Investing over a century has taught us to seek successful global companies that are growing year after year. Buying these companies at the right time and price is key to sustaining our long-term track record.
- **Diversification** – Diversification is vital when investing globally. We invest across six different regions: UK, Europe (ex UK), North America, Japan, the Pacific region (ex Japan and China) and China, each managed by a regional portfolio manager. Fund Manager Alex Crooke has been with Janus Henderson, the Company's Manager, since 1994 and oversees the investment team. While each regional portfolio manager invests based on their own style, Alex Crooke and his deputy Mike Kerley work closely with each of them to ensure they find the best opportunities.



Chair's Statement

Dear shareholder,

Performance

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

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

Revenue

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

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

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

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

Share buy-backs

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

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

Board changes and succession planning

Isobel Sharp, Chair of the Audit Committee, is to step down from the Board on 30 June 2023. On behalf of the Board, I would like to express our gratitude for her valued contribution during her tenure. Julian Chillingworth, our Senior Independent Director, is to retire from the Board at the conclusion of the 2024 AGM when he will have served for nine years.

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

Outlook

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

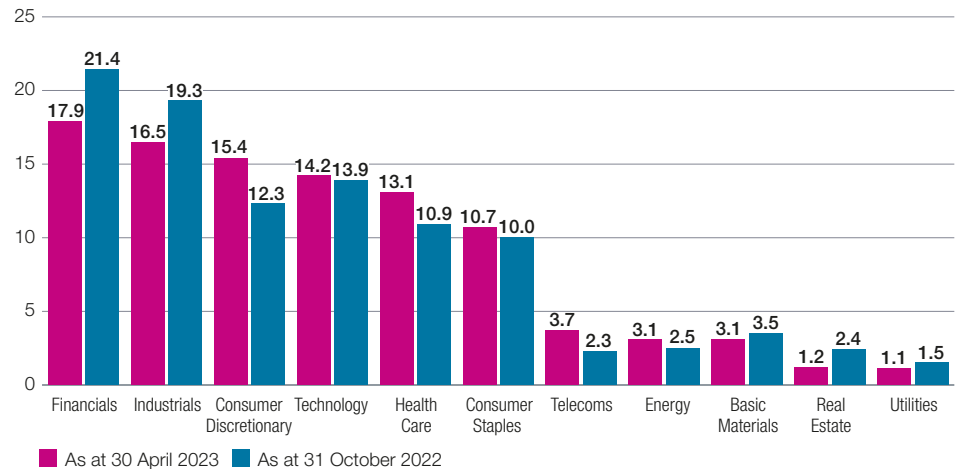
We remain relatively cautious in our outlook but optimistic that our improved performance can continue. We are confident in the ability of our Fund Manager and the investment philosophy applied to the portfolio. This provides the flexibility for the regional portfolio managers to use their best ideas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

Simon Miller
Chair
22 June 2023

Portfolio Information as at 30 April 2023

Sector Analysis

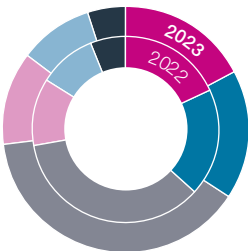
As a percentage of the investment portfolio excluding cash



Source: Janus Henderson

Geographical Analysis

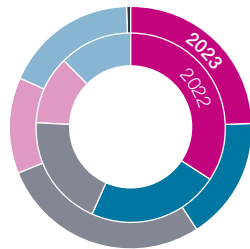
Equities excluding cash held



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

Source: Janus Henderson

Revenue Generated



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

Source: Janus Henderson

Fund Manager's Report

Market review

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

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

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

Performance

Overall, the portfolio outperformed the benchmark FTSE World Index by 4.6% over the period. The portfolio was positioned for a recovery in Asia and performed well relative to the benchmark through October and November as Chinese equities recovered. The allocation towards Europe and the UK also provided an overall positive benefit, with these

two portfolios generating a total return of 19.3% and 12.5% respectively. As there was little actual good news in the region, we reduced exposure to both in February and lowered the portfolio's gearing. The gearing remained at 5% through to the period end as we look forward to repaying the £15 million 2023 debenture at the end of October. The majority of regional portfolios fared better in the period, with the exception of Asia Pacific and China. The former was lacking exposure to technology and in China the state-owned companies were the best performers in the market, where we have no exposure.

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

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

Outlook

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

Alex Crooke
Fund Manager
22 June 2023

Portfolio Information (continued)

25 Largest Investments at 30 April 2023

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

All securities are equity investments

Not in top 25 at 31 October 2022

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

Financial summary

Extract from the Condensed Statement of Comprehensive Income (unaudited)	30 April 2023 Revenue return £'000	30 April 2023 Capital return £'000	30 April 2023 Total £'000	30 April 2022 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	-	93,419	93,419	(100,441)
Investment income	19,070	-	19,070	17,822
Other operating income	1,073	-	1,073	62
Gross revenue and capital gains/(losses)	20,143	93,419	113,562	(82,557)
Expenses, finance costs and taxation	(3,600)	(3,644)	(7,244)	(7,575)
Net profit/(loss)	16,543	89,775	106,318	(90,132)
Earnings/(loss) per ordinary share	1.29p	6.97p	8.26p	(6.87p)

Extract from the Condensed Statement of Financial Position (unaudited except October 2022 figures)	As at 30 April 2023 £'000	As at 30 April 2022 £'000	As at 31 October 2022 £'000
Total assets	1,573,697	1,622,575	1,504,097
Current liabilities	(21,801)	(5,649)	(19,151)
Total assets less current liabilities	1,551,896	1,616,926	1,484,946
Non-current liabilities	(125,328)	(138,496)	(124,280)
Net assets	1,426,568	1,478,430	1,360,666
Net asset value per ordinary share	112.3p	113.0p	105.1p

Share Capital

At 30 April 2023 there were 1,315,102,830 ordinary shares of 2.5p each in issue of which 44,332,551 were held in treasury (with no voting rights) (30 April 2022: 1,315,102,830 of which 6,275,628 shares were held in treasury; 31 October 2022: 1,315,102,830 of which 20,251,624 shares were held in treasury). During the half-year ended 30 April 2023, 24,080,927 shares were bought back into treasury at a total cost of £24,881,000 (half year to 30 April 2022: 4,243,874 shares were bought back into treasury for a total cost of £4,533,000; year to 31 October 2022: 18,219,870 shares were bought back into treasury for a total cost of £18,525,000). Since the period end, the Company has not bought back any shares.

Dividends

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

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

Additional Information

Managing our Risks

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

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

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

Going Concern

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

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

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

On behalf of the Board
Simon Miller
Chair
22 June 2023

Corporate Information

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201 Bishopsgate, London EC2M 3AE

Service providers

Alternative Investment Fund Manager

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201 Bishopsgate
London EC2M 3AE

Corporate Secretary

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London EC2M 3AE
Telephone: 020 7818 1818

Depository and Custodian

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& BNP Paribas SA
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London NW1 6AA

Stockbrokers

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New Zealand

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Information sources

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

To sign up for expert insights about investment trusts, updates from our fund managers as well as AGMs and Trust TV episodes, please visit this page: www.janushenderson.com/en-gb/investor/subscriptions.

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MANAGED BY
Janus Henderson
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