MANAGED BY Janus Henderson INVESTORS

Navigating global markets

The Bankers Investment Trust PLC
Annual Report 2022

Leading

diversified portfolios

Performance Highlights[1]

Net asset value per ordinary share
With debt at par

105.1p 2022
120.9p (2021)

With debt at market value

105.0p 2022
120.7p (2021)

Dividend
Per share for year[2]

2.328p 2022
2.176p (2021)

Dividend Growth

7.0% 2022
1.0% (2021)

Share price at year end[3]

96.6p 2022
114.0p (2021)

(Discount)/premium at year end[4]

(8.1%) 2022
(5.7%) (2021)

Net (gearing)/cash at year end[5]

(5.4%) 2022
(6.6%) (2021)

Ongoing charge for year

0.50% 2022
0.48% (2021)

Long term track record to 31 October 2022

	1 year %	3 years %	5 years %	10 years %	15 years %
Capital return[6]					
Net asset value[7]	-13.1	11.1	20.0	124.2	108.7
Share price	-15.3	4.2	13.4	123.0	120.1
FTSE World Index[8]	-4.9	26.0	40.2	90.8	67.1
Total return[9]					
Net asset value[7]	-11.3	18.1	33.4	181.9	202.4
Share price	-13.4	10.9	26.3	182.0	226.4
FTSE World Index[8]	-2.8	34.1	56.9	155.0	168.3
Dividend increase	7.0	11.5	25.3	75.2	109.9
Consumer Price Index	11.1	16.5	21.1	30.1	53.4

1 A glossary of terms and alternative performance measures can be found on pages 94 to 96
2 This represents the four ordinary dividends recommended or paid for the year (see page 81 for more details)
3 Share price is the mid-market closing price
4 Based on the mid-market closing price with debt at par
5 Net (gearing)/cash calculated in accordance with the gearing definition in the alternative performance measures on page 95
6 Capital return excludes all dividends
7 The net asset values shown for the periods up to 15 years include debt at market value, whereas for 15 years it is shown with debt at par value
8 For 5, 10 and 15 years, this is a composite of the FTSE World Index and the FTSE All-Share Index
9 Total return assumes dividends reinvested

Sources: Morningstar Direct, Janus Henderson, 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 Investment 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.

Investment Principles

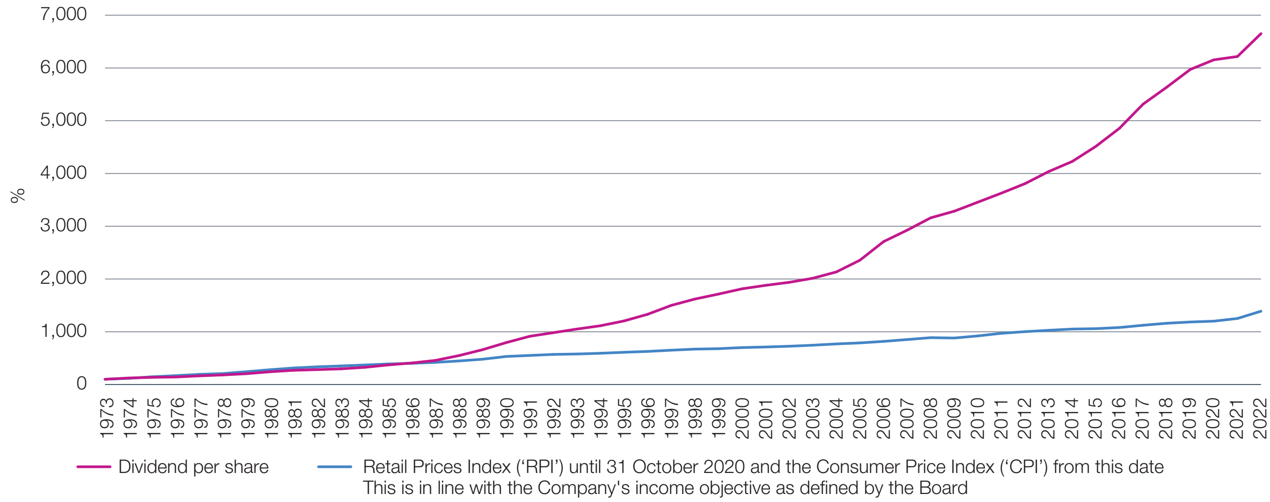
Our principles are aligned with investors seeking to achieve their financial goals by investing for the long-term. There are key advantages to this approach:

Stewardship

1. Long-term investing – 7 reasons why we are aligned with your savings/investment goals:

1. **Benefits of diversification –** investing your money across different regions, sectors, and businesses to build a diversified equity portfolio reflects our core investment objective to achieve both capital growth greater than the FTSE World Index and dividend growth greater than the UK's Consumer Price Index ('CPI') over the long-term.
2. **Time in the market –** time in the market beats timing the market. Trying to time the best point during the year to invest is difficult as stock markets are unpredictable over the short-term. We believe that staying invested in good quality companies is more likely to produce good returns over the long term.
3. **Beating inflation –** inflation is the enemy of returns because it erodes the value of your assets over time. That's why it's essential to have a portfolio that generates strong returns above the rate of inflation and why one of our performance targets is to achieve long-term dividend growth ahead of CPI.
4. **Managing risk –** we monitor different types of risk – economic, political and investment risk. The Fund Manager and the Board meet regularly to monitor and assess the Company's appropriate level of risk. Core to reducing risk is a globally diversified portfolio resulting from our investment team's best ideas, investing across six geographical regions and eleven different sectors of the stock markets.
5. **Compounding benefit –** if you reinvest your dividends, you can supercharge your long-term returns because of the power of compounding. Your dividends buy more shares, which increases your dividend next time, which lets you buy even more shares and so on. We focus on global companies that can generate positive returns whilst growing their dividends.
6. **Steward of shareholder interests –** the independent Board of Directors exists to safeguard the interests of shareholders while leading on governance. The Board is there to ensure that the Fund Manager and the investment team are managing the portfolio to serve shareholders' long-term interests. This covers the appropriate level of risk, the charges paid by shareholders and the level of dividends paid to shareholders annually. See page 34 for a broader definition of the role of the Board.
7. **Costs –** Fees and ongoing charges can erode your investment returns over time. That is why the Company's ongoing charges are some of the lowest amongst other active investment trusts. We want our shareholders to retain as much of their investment to achieve their long-term financial goals.

The Company's dividend growth as compared to the Retail Prices Index and Consumer Price Index



Source: Datastream, Morningstar

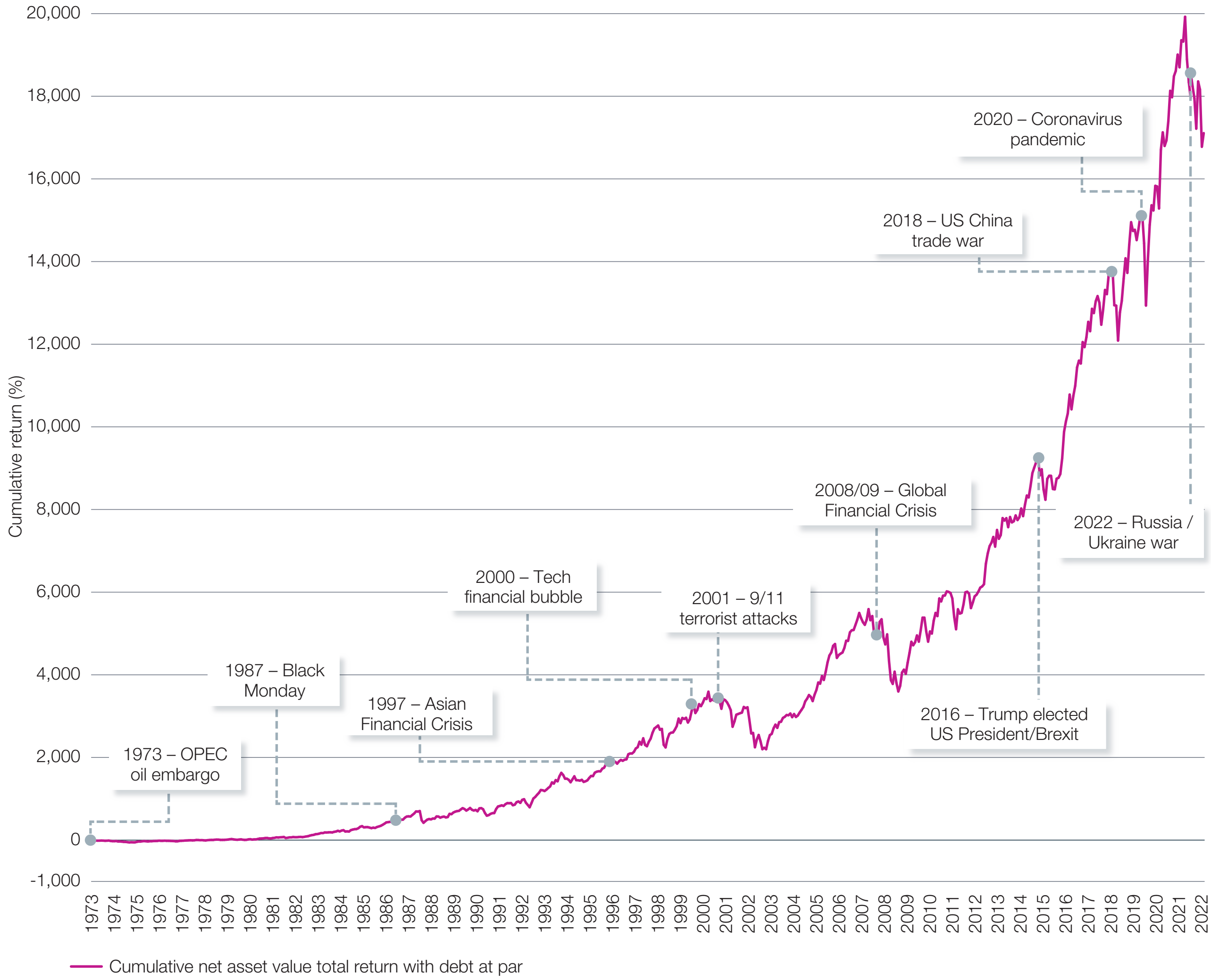
Consistency

2. A consistent and patient approach to investing in global and regional businesses over the long-term through economic cycles, wars, market crashes and downturns.

Our investment team, led by Alex Crooke, invests across six different regions and eleven sectors utilising a process based on conservative and financially prudent principles. While each regional portfolio manager follows their own style, Alex and his deputy Mike work closely with each of them to ensure they find the best companies to invest shareholders' money. Our team has invested through boom-and-bust cycles, wars, economic and financial crises.

Though these events form part of history, there is no doubt that some will be repeated in the future. What is essential, however, are the lessons we learn from these global events. These experiences have honed our knowledge, insight and resilience which are crucial for investing successfully during periods of high volatility and economic stagnation.

The Company's net asset value total return as compared to key events over the same period.



Source: Datastream, Morningstar

Diversification

3. Global stock diversification: a stable and conservative approach to long-term investing.

We believe that investing on a global scale provides investors with exposure to the best opportunities. That is why we invest across six different regions – UK, Europe (ex UK), North America, Japan, Pacific (ex Japan and China) and China – each managed by a regional specialist. This has several benefits:

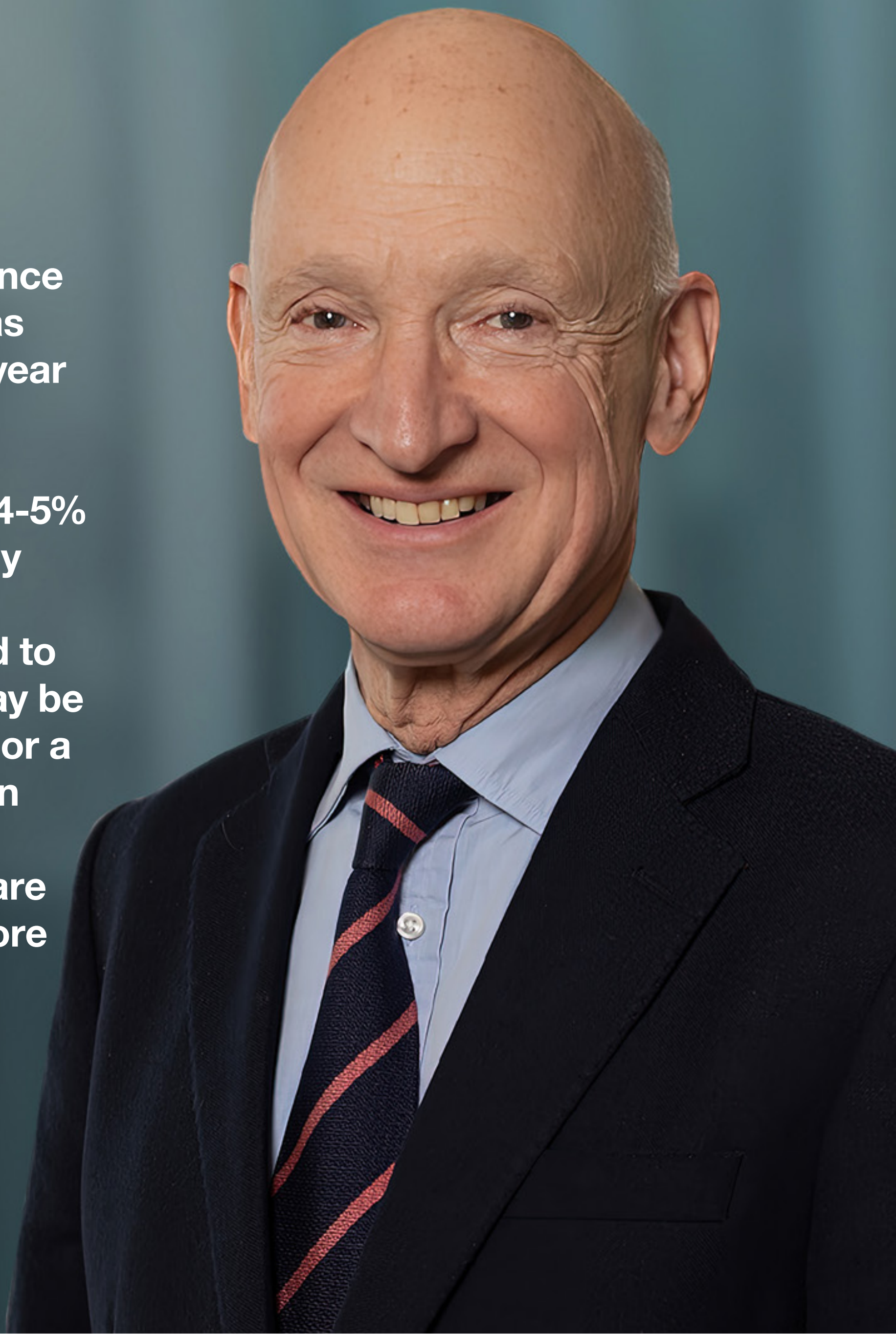
1) Global diversification helps reduce the portfolio's overall volatility as it reduces the concentration risk of investing in one region, country, or sector. As performance can vary yearly, diversification can provide shareholders with stable and consistent returns by offering a smoother, less volatile ride.

2) Using our global reach, local knowledge and the insight of our regional portfolio managers ensures that our investors have access to the best and most exciting opportunities in sectors/themes that may not be available domestically.

3) Investing in a globally diversified portfolio can potentially increase risk-adjusted returns through owning multiple uncorrelated sectors and businesses that perform differently under various economic conditions.

4) Benefits of diversification – investing your money across different regions, sectors, and businesses to build a diversified equity portfolio reflects our core investment objective to achieve capital growth greater than the FTSE World Index and dividend growth greater than the Consumer Price Index over the long-term.

A turbulent year



> It has been some considerable time since interest rates have risen as quickly as they have this year and the effects of moving from near zero to a peak, currently forecast around 4-5% in the UK, will undoubtedly cause real pain for many. Share prices have reacted to corrective actions and may be discounting a slow-down or a recession. We have faith in our portfolio managers to invest in companies that are both able to withstand more difficult times ahead and well placed to prosper as economies recover"

Simon Miller
Chair

Dear shareholder

Performance

This past year has been one of the most turbulent in recent history. Inflation has surged to levels not seen since the 1980s and the deteriorating economic outlook has resulted in sharp falls in both bond and equity prices. Stock picking has been challenging.

The Company's share price has reflected these uncertain markets. The NAV total return was down 11.3% (2021: an increase of 26.5%) underperforming the FTSE World Index on a relative basis as the index only fell by 2.8% on a total return basis (2021: rise of 32.3%). The share price total return was down by 13.4% (2021: an increase of 18.6%). All returns are in sterling. The principal drivers of underperformance were the lower exposure to the US market when compared to the benchmark combined with weakness in Asian markets as Covid continued to affect trade and travel.

The Managers' report on pages 11 and 12 contains detailed information together with market commentary.

The Company has successfully steered through two world wars, the Great Depression and in the past half century the internet boom, the technology bubble and the financial crisis. These events are part of our economic history and will no doubt be repeated. They have honed the knowledge, insight and resilience needed to invest in periods of high volatility and economic stagnation. The Board is confident that the Manager is well placed to navigate the current market with its global approach.

Revenue, dividends and share buy-backs

One of the Company's key objectives is to achieve long term dividend growth in excess of the UK Consumer Price Index figure ('CPI'). Revenue earnings per share of 2.34p (2021: 2.17p) exceeded expectations for the year which has enabled a greater increase in the dividend than we forecast last year. The Board is therefore recommending a final quarterly dividend of 0.60p per share, resulting in total dividends per share for the year of 2.328p (2021: 2.176p), an increase over last year of 7%. This will be paid on 28 February 2023 to shareholders on the register of members at the close of business on 27 January 2023. This will be the Company's 56th successive year of annual dividend growth.

Inflation, as measured by the CPI, was 11.1% for the year to 31 October 2022 (2021: 4.2%). Beating this level of dividend growth was always going to be a challenge, but judged over the past 10 years, dividend distributions are comfortably ahead of inflation.

For the current financial year, the Board expects to recommend dividend growth of at least 5%, which would equate to a full year dividend of 2.44p per share.

Over the year the discount range of share price to asset value varied from just under par to 8.1% (2021: discount of 5.7%). No shares were issued during the year and 18,219,870 (2021: 2,031,754) shares were bought back and held in treasury, representing 1.5% of the Company's share capital. We will continue to buy-back shares to be held in treasury as appropriate. As at 16 January 2023, being the latest practicable date, the share price was 103.8p and the discount was 8.7%.

The Board and Manager

In the half year report, I said that whilst there was no requirement to alter our long-term objectives which had stood the test of time, there were opportunities to tighten up the ways in which the Company operates, communicates and attracts new investors. This process continues and as the shareholder base changes and the proportion of retail investors increases, it is incumbent upon the Board and the Manager to ensure that the key investment narrative, the proposition and story appeal more to the wider shareholder base.

In this context shareholders will also note that on page 32 our purpose statement has been updated to give a clearer statement of what the Company aspires to achieve.

We said that the search for a new non-executive Director would be completed by the year end. In the event the Board decided to appoint two new Directors, Charlotte Valeur and Hannah Philp. Both appointments increase the skill set and the diversity of the Board. Charlotte worked for many years in the capital markets in Denmark and the UK and is an experienced FTSE Chair and non-executive director. She is currently visiting professor in Governance at the University of Strathclyde and on the advisory board of the Møller Institute at Churchill College, Cambridge. Hannah worked for Edison Investment Research and then became director of marketing at Witan Investment Trust plc. She now sits on the board of JPMorgan Mid Cap Investment Trust plc.

Our Manager has made various key appointments to its investment trust team. As mentioned at the half year Mike Kerley has been appointed as Deputy Fund Manager and since the year end Jeremiah Buckley has succeeded Gordon Mackay as the regional portfolio manager for the US portfolio.

Management fee

The management fee remains competitive and for the year was at the rate of 0.45% per annum on net assets up to £750 million, 0.40% per annum on net assets in excess of £750 million and 0.35% per annum on net assets in excess of £1.5 billion. At the timing of writing, the Company had net assets of approximately £1.4 billion.

Annual General Meeting ('AGM')

The Company's AGM is scheduled to take place at 12 noon on Thursday, 23 February 2023 at the offices of Janus Henderson Investors at 201 Bishopsgate, London EC2M 3AE and I very much look forward to welcoming you. Light refreshments will be served. All voting will be on a poll and therefore we would ask that you submit your proxy votes in advance of the meeting.

If you are unable to attend in person, you can watch the meeting live on the internet by visiting **www.janushenderson.com/trustslive**. If you have any questions about the Annual Report, the Company's performance over the year, the investment portfolio or any other matter relevant to the Company, please write to us via email at **ITSecretariat@janushenderson.com** in advance of the AGM.

Outlook

The extraordinary economic policies enacted to protect populations and economies against Covid are still unravelling and the war in Ukraine has exacerbated the supply imbalances in the food and energy markets. It has been some considerable time since interest rates have risen as quickly as they have this year and the effects of moving from near zero to a peak, currently forecast around 4-5% in the UK, will undoubtedly cause real pain for many. Share prices have reacted to corrective actions and may be discounting a slow-down or a recession. We have faith in our regional portfolio managers to invest in companies that are both able to withstand more difficult times ahead and well placed to prosper as economies recover.

Simon Miller
Chair
18 January 2023

Our Investment Process

Our principles in practice

Stewardship, consistency and diversification are the core principles of our investment team's approach to deliver long-term investment performance for our shareholders.

The most crucial data point in evaluating stocks is growth; because if a company can consistently increase its profit even marginally faster than its peers, that company is going to be much more valuable than the cohort in five or ten years.

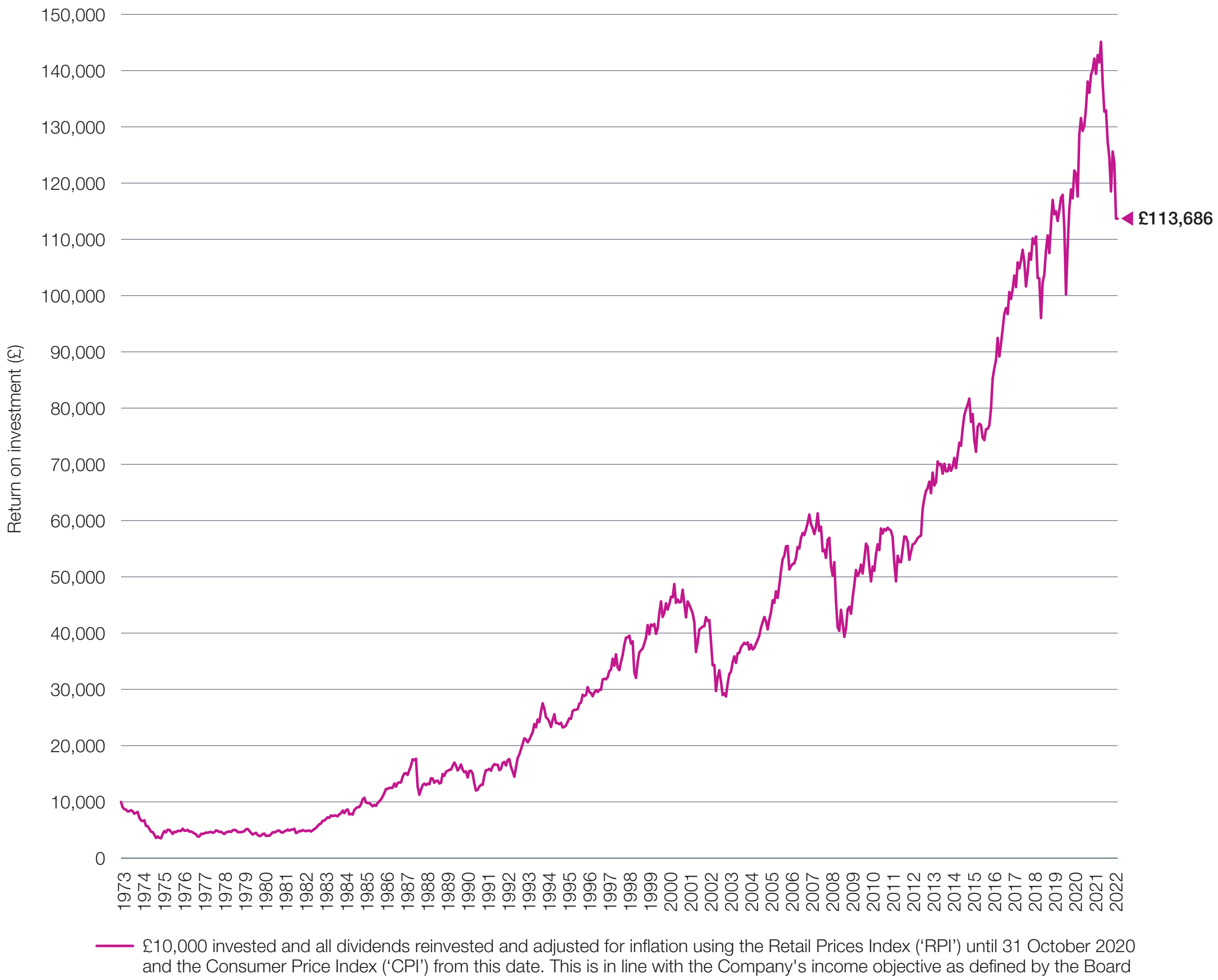
We seek to align our investment approach with the long-term investment objectives of the Company, as a part of a diversified investment strategy where the majority of our investments pay a growing dividend in order to achieve the Company's dividend growth objective.

Core investment objective and key themes

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.

We seek to achieve a diversified portfolio from a global universe of companies. In contrast to a tracker fund that follows the whole FTSE World Index (the 'Index') and has some lower quality, slower growing companies. Our portfolio looks different from the Index and allows us to choose what we believe to be the best companies for long-term investment.

Inflation adjusted return from an initial investment of £10,000



Source: Datastream, Morningstar

Our Investment Process continued

Collaboration

Our diverse investment team is drawn from the research resources of Janus Henderson, the global asset management group. Janus Henderson has over 2,000 employees and over 340 investment professionals operating out of 24 offices worldwide dedicated to servicing our shareholders.

Core principles of our investing

As long-term stewards of shareholders' money, we are mindful our investment team needs to keep to our core principles of stewardship, consistency and diversification:

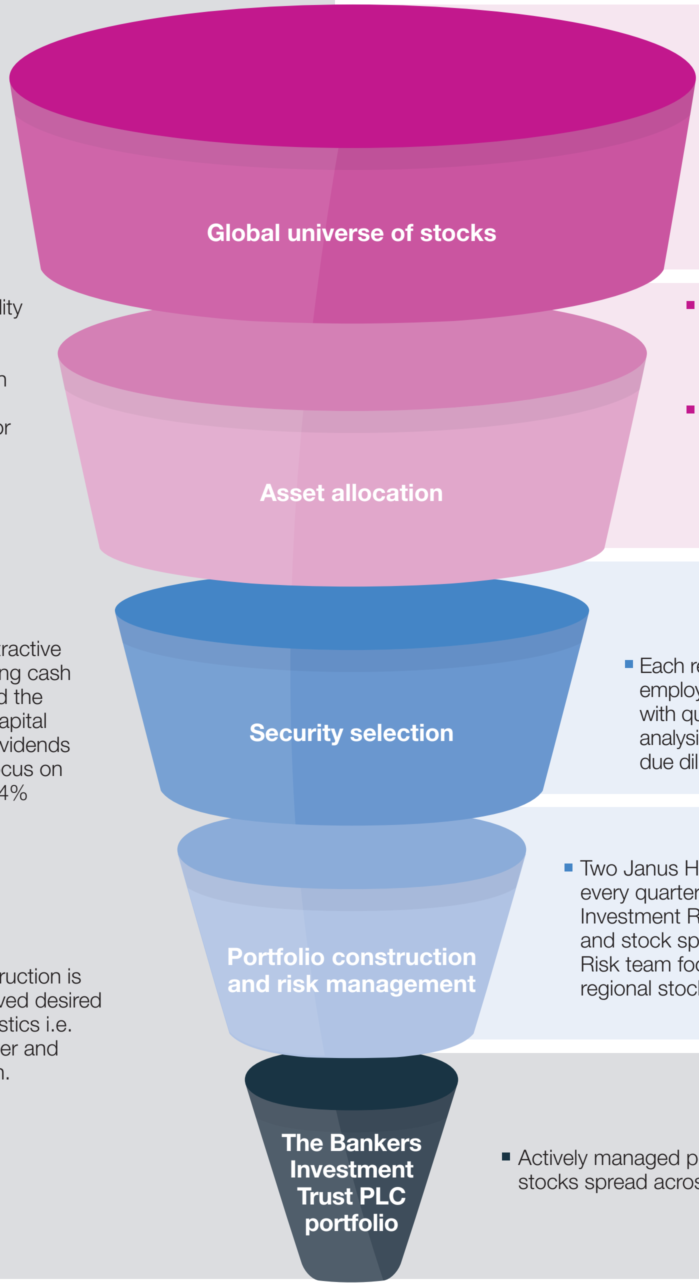
- Our teams collaborate and focus on 'top-down' macro-economic factors, such as the growth in regional Gross Domestic Product, (GDP), which is the market value of goods and services produced by a country in a certain period. This is an essential factor to evaluate the economic state of a country or region. We also consider how governments manage economies and the impact of higher taxes and interest rates, alongside regional political tensions, and wars. The Fund Manager and the Board meet regularly to discuss the impact of these factors on the economies and companies in these regions. In turn, this is balanced by our regional portfolio managers, who also assess the merits of a business's ability from the 'bottom-up' – the ability to develop sales and profits consistently over time.
- Our team's experience is its best attribute and ensures the broadest analysis by region and sector by assessing various insights and factors. Whereas an individual star manager approach relies on rare brilliance and may be prone to behavioural biases around thinking, reasoning and emotional tendencies, a broader team should produce a framework for challenge and discussion to enable a consistent and high-conviction approach to stock selection.
- This allows for two different styles of investing: growth and value. The growth investing style seeks companies that tend to have high revenue growth, high profit margins and low dividend yields and are likely to be fast-growing companies that will reinvest for the future. The value style of investing focuses on buying good quality companies at reasonable prices, with lower valuation metrics and generally higher dividend yields. Certain global regions have companies that pay higher dividends, like the UK and parts of Asia and others pay lower dividends, like the US, but have the potential for greater company growth.

Our Investment Process continued

Investment process – how we approach stock selection around the world

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 Prices Index ('CPI'), by investing in companies listed throughout the world.



- Our team undertake its own analysis and accesses shared research globally within Janus Henderson.

- We have the flexibility to invest in any geographic region and any sector with no sector limits on individual country or sector exposures.

- Macro and micro conditions are considered by the Fund Manager Alex Crooke and the Board.
- Capital is allocated to each regional portfolio manager: UK, US, Europe (ex UK), Japan, Pacific (ex Japan, China) and China with performance targets.

- We look for quality companies with attractive dividend yield, strong cash flow generation and the potential to grow capital via earnings and dividends in the future. We focus on companies with 2-4% yield.

- Each regional portfolio manager employs their own investment style with qualitative and quantitative analysis. ESG[1] forms part of our due diligence.

- Two Janus Henderson risk teams meet every quarter to assess the risks: the Investment Risk team assesses the sector and stock specific risk and the Financial Risk team focuses on the risk in global and regional stock markets.

- Our portfolio construction is optimised to achieved desired portfolio characteristics i.e. zero stock crossover and position duplication.

- Actively managed portfolio of 161 stocks spread across 6 regions.

1 ESG = Environmental, Social and Governance

Fund Manager's Report

Alex Crooke, Fund Manager

It has been another very eventful year. Exuberance in markets at the start of our financial year soon subsided as inflationary pressures rose, followed by central banks scrambling to raise interest rates. Latterly a more sombre mood descended on investors, fearful of the impact of a possible global recession on share prices.

The year started well with Covid cases declining and economies opening up as restrictions on movement were steadily lifted. Economic activity picked up pace and this boosted investor sentiment, with most stock markets reaching new highs in late December. Behind the increasing activity, bottlenecks in supplies and limited transportation led to goods price inflation increasing across a multitude of different items. As economies opened up, consumers started spending the savings they had accumulated during the two years of lockdown. Furloughed employees were reabsorbed into the workforce and the increasing activity created new jobs that were hard to fill. By the end of January inflation in the US was already 7.5%; the highest level since 1982.

The Russian invasion of Ukraine unfolded slowly, as troops built up on the border before crossing in multiple places on 24 February 2022. The international response to the war was swift, with trade and financial sanctions imposed on Russia. The resulting impact on energy and food prices was profound. We had not anticipated a full invasion of Ukraine and the portfolio was not positioned for the subsequent increase in gas and fuel prices. We have been trying to catch up with the benchmark index since March when the US Federal Reserve decided to increase interest rates for the first time since 2018. The pressure on goods prices was a global phenomenon as tight supply and labour shortages were compounded by input price inflation, particularly energy costs. The global response from central banks was to increase interest rates, but they were too late to take the 'punch bowl away from the party', and all year their actions have struggled to result in the desired impact of suppressing aggregate demand.

A direct consequence of US interest rates rising earlier and quicker than most countries was a resurgence in the strength of the US dollar compared to most major currencies. Other factors such as the flight of capital to the safer haven of the US further compounded the move. Markets inflicted a harsh lesson on the UK in September as Liz Truss' new government enacted a naive set of economic policies, forcing sterling almost to parity with the US dollar. That government did not last long and by the end of our financial year sterling had recovered a little but still fell in value by 16% against the US dollar over the year.

This year has been one of the most challenging against the benchmark index, given that over two thirds of the index is US listed, benefitting from the strength of the US dollar. The underperformance of the portfolio by 8.5% was principally down to the underweight exposure to the US market compared to the benchmark. But if the portfolio were rebalanced, it would be challenging to deliver the required level of dividends from the portfolio given the low level of yield and high valuations of the US stocks. The US economy was better shielded from rising energy costs compared to Europe and Asia as energies are priced in US dollars and the US is largely self-sufficient in both oil and food supply. Other contributory factors behind the disappointing year were the overweight exposure to Asia, and China in particular, combined with the low exposure to oil stocks in the portfolio.

Our fundamental outlook for oil is a forecast of declining demand as governments, supported by consumer demand, impose measures to mitigate climate change. Furthermore, oil company returns on invested capital are declining as they invest in non-carbon generating assets which tend to be much lower return than traditional oil fields. This long-term view proved wrong this year as the price of gas and oil rose dramatically following Russian supplies being removed from Western Europe. The price of oil has fallen back recently but gas prices could remain elevated for some years to come. However, our long-term view that carbon-based energy will be supplanted by wind, solar and other greener energies has been reinforced by the volatility and uncertainty of supply of carbon-based energies as illustrated this year by the war in Ukraine.

Sharply increasing interest rates have had a further impact on the valuations of equities. A growth style of investing benefitted from near zero interest rates in recent years because low discount rates on future earnings resulted in elevated valuations. Value investing has benefitted this year, helped by the energy sector and financials, the latter supported by growing returns on cash following the increase in interest rates. The regional portfolios are more growth orientated in North America, Europe and Japan. All three struggled during the year with this changing dynamic and underperformed their regional benchmarks, but it was most profound in North America. The three-year returns from these regions remain positive.

Fund Manager's Report continued

Underperformance in the UK was exclusively down to a lack of exposure to oil companies BP and Shell in the energy sector, while China struggled from continuing strict Covid lockdowns impacting the consumer related stocks in the portfolio. Only Asia Pacific (ex Japan and China) outperformed its benchmark, as exposure to Australian resource stocks and financials helped the portfolio be more resilient. However, all the portfolios fell in value over the year as fears of a recession, created by rapidly rising interest rates, dampened investor sentiment.

Regional portfolio managers

In the interim report we announced that Mike Kerley would support me as deputy fund manager and that Sat Duhra would in turn co-manage the Asia Pacific portfolio with Mike. We have also reviewed the North America portfolio management and decided to change manager by appointing Jeremiah Buckley, replacing Gordon Mackay. Gordon has had a fine record since taking over the portfolio in 2019 but we feel that an overall investment style that is more balanced between growth and value is likely to perform better in the coming years. I would like to thank Gordon for his hard work and commitment to the investment team. Our new North America portfolio manager Jeremiah Buckley joined Janus Henderson in 1998 and is based in Denver, where Janus Henderson employs over 40 analysts covering the North American market. The portfolio was transitioned in mid-December and it has retained a similar exposure to growth factors such as forward earnings growth while exhibiting an increased exposure to lower price to earnings and higher dividend yielding companies. I look forward to working with Jeremiah in the coming year.

Environmental, social and governance factors ('ESG')

As reported last year, ESG considerations are integrated into our investment decision-making and ownership processes. We do not exclude sectors or stocks purely for ESG reasons, as we believe this will not lead to improvements in their actions. Our preferred route is through engagement with company management to encourage change and investment in safer or more environmentally friendly processes and in societal and governance improvements. A sample of some of the engagement that Janus Henderson conducted on the Company's behalf last year is listed on page 30. The collection of data relating to ESG factors is still developing and companies are improving the quality and scope of this data. Our investment teams consider a wide range of ESG information alongside financial measures when deciding what investment changes to make within the portfolio.

Income

Growth in portfolio income led to revenue earnings increasing by 8% over the year. Companies generally increased dividends on the back of better results while we also benefitted from the weakness of sterling when translating back US dollar dividends. The helpful tailwind from weak sterling should continue in the current year. There were fewer special dividends, as most companies that suspended dividends during the Covid pandemic returned to normal regular payments. It is difficult to predict what effect higher levels of inflation will have on dividends. The expected recession should be shallower than past recessions while many high-quality companies should benefit from reduced competition or their ability to pass on higher pricing.

Asset allocation and gearing

The issuance of the long-term loan notes in 2021 is now looking very timely as interest rates today for comparable securities are now approximately twice as high. The Company's £15 million 8% debenture stock is due to be repaid at the end of this financial year which will reduce the Company's overall average borrowing cost to 2.7%. The next loan stock is not due for repayment until 2035. There is sufficient cash on deposit to repay the 8% debenture and we do not currently see the need to raise further loan stock. The net gearing at the end of the year was 5.4%. However, this figure fluctuated through the year as investments were sold in the UK and Europe. The UK stock market showed marked resilience during the year and we used the relative strength to direct more investment into other regions.

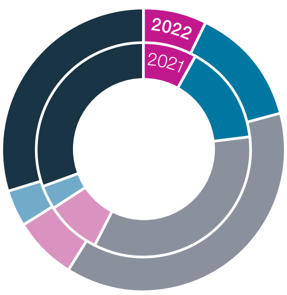
Outlook

The outlook appears bleak if we only read the news headlines. A well flagged recession in Europe, the UK and possibly the US is predicted. This may be combined with increasing inflation and interest rates rising further. Central banks are undoubtedly talking tough to try to influence consumers into curtailing spending and thus reduce both inflation and the likely peak in interest rates. Underlying data is clearly pointing to inflation peaking soon and it is conceivable that interest rates, certainly in Europe, will get cut before the year end. Inflation is by no means a negative for stock prices, with good companies taking opportunities to prosper.

The US stock market has led the way relative to the rest of the world in nine of the last ten years. This relentless performance has resulted in over 70% of the FTSE World index being represented by the US market. For many decades, the Company's philosophy of diversification, investing across the globe and focusing on both capital and income, has benefitted our investors. The growth investment style, so successful in the last decade, has now started to unwind. We are striving for an increased exposure to value stocks within the portfolio, which should help the income generated by the portfolio and reduce exposure to expensive growth stocks that may continue to come under pressure as interest rates stay elevated. There will certainly be more challenges for investors in the coming year but it will also not take much good news to lift the current downbeat mood.

Alex Crooke
18 January 2023

Corporate revenue exposure at 31 October

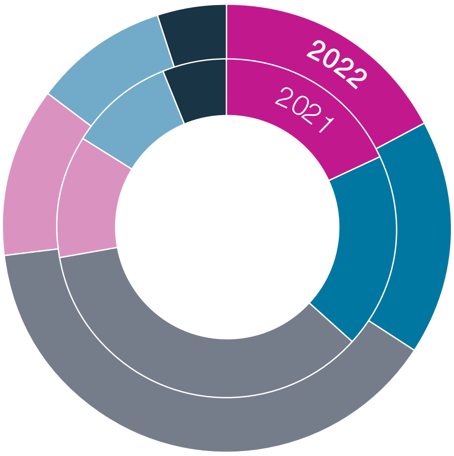


	2022 %	2021 %
UK	**7.4**	8.1
Europe (ex UK)	**13.7**	15.2
North America	**37.8**	34.3
Japan	**7.4**	8.5
Asia Pacific (ex Japan)	**4.2**	3.5
Emerging Asia and Other	**29.5**	30.4

Source: Factset

Portfolio Structure at 31 October

Geographical analysis (equities excluding cash held)

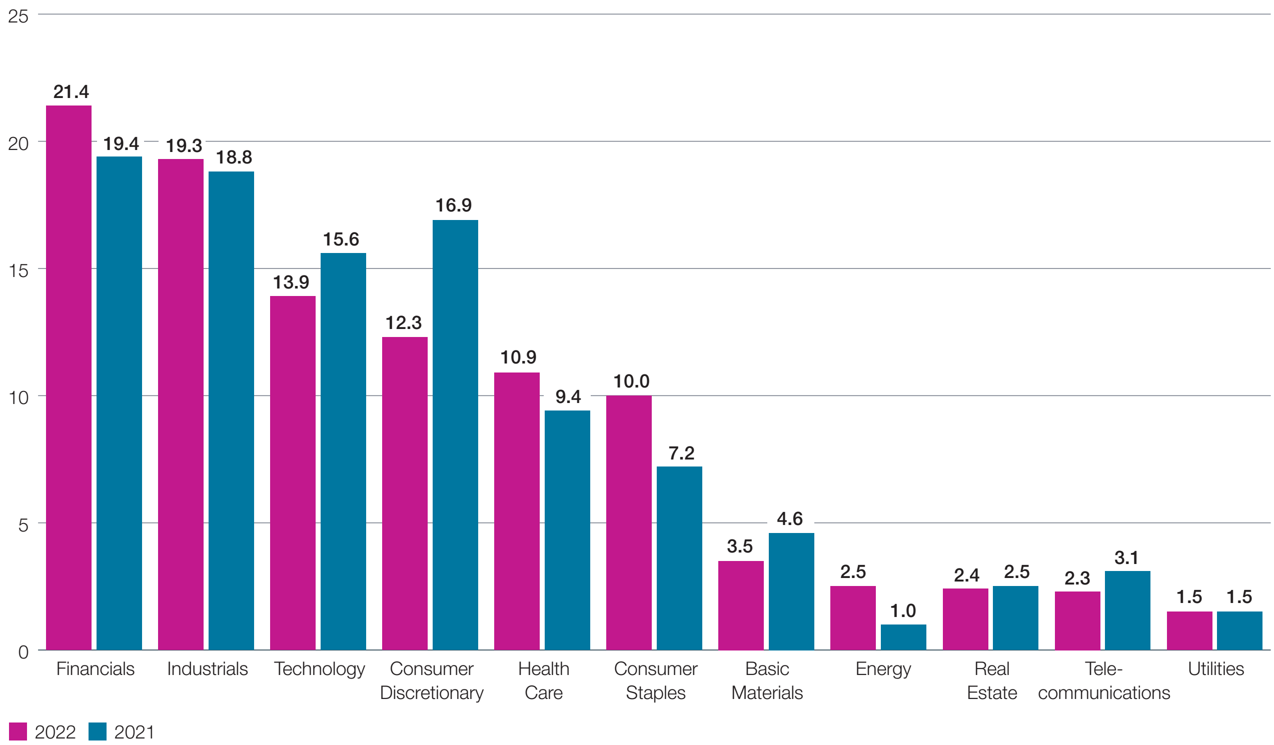


	2022 %	2021 %
United Kingdom	**17.3**	18.1
Europe (ex UK)	**17.0**	18.8
North America	**38.8**	35.4
Japan	**12.3**	11.8
Pacific (ex Japan, China)	**9.7**	10.0
China	**4.9**	5.9
Emerging Markets	**–**	–

FTSE World Index	2022 %	2021 %
United Kingdom	**4.1**	4.2
Europe (ex UK)	**12.6**	14.0
North America	**68.6**	66.4
Japan	**6.4**	6.9
Pacific (ex Japan, China)	**6.7**	7.2
China	**–**	–
Emerging Markets	**1.6**	1.3

Source: Janus Henderson

Sector analysis



Source: Janus Henderson

Portfolio Structure continued

The Company's performance against the FTSE indices[1]

	Index	Company 2022 %	Company 2021 %	FTSE indices 2022 %	FTSE indices 2021 %
United Kingdom	FTSE All-Share	(6.1)	30.7	(2.8)	35.4
Europe (ex UK)	FTSE All World Developed Europe (ex UK)	(12.8)	27.5	(11.9)	33.7
North America	FTSE World North America	(6.3)	36.6	(0.3)	35.3
Japan	FTSE World Japan	(11.5)	12.1	(9.7)	13.0
Pacific (ex Japan and China)	FTSE All-World Asia Pacific (ex Japan)	(11.5)	28.4	(16.2)	11.3
China	China CSI 300 (£)	(29.9)	(1.2)	(23.8)	5.1

Source: Janus Henderson

Explanation of movement in net asset value (total return) per ordinary share

Over the year to 31 October, the net asset value (total return) fell by 11.28% compared to a fall in the FTSE World Index of 2.84%.

An estimate of the attribution of the portfolio's performance between asset allocation and stock selection is given below. The table below adds that result to the impact of other factors as listed to explain the movement of net asset value over the year.

Portfolio performance	**Performance of index**		-2.84%
	Performance of portfolio total return against benchmark		
	Due to asset allocation	-3.41	
	Due to stock selection	-4.38	
		-7.79	
Other factors	**Gross performance of portfolio**		
	Due to gearing	-0.70	
	Ongoing charge	-0.50	
	Timing residual[1]	0.55	
		-0.65	
	Performance of net asset value (total return)		**-11.28%**

1 The timing residual includes the benefit of share buy-backs of 0.12%

Largest Investments

At 31 October 2022

Ranking 2022	Ranking 2021	Company	Country	Valuation 2021 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 2022 £'000
1	5	ADP	US	29,085	2,290	–	8,791	40,166
2	#	Berkshire Hathaway	US	–	32,323	–	959	33,282
3	#	Oracle	US	–	24,963	–	4,830	29,793
4	21	Roper Technologies	US	18,630	9,620	–	748	28,998
5	2	American Express	US	34,616	–	(5,685)	(11)	28,920
6	4	CME	US	30,852	–	–	(1,990)	28,862
7	1	Microsoft	US	46,870	–	(10,855)	(7,266)	28,749
8	#	The Coca-Cola Company	US	–	25,960	–	598	26,558
9	13	Visa	US	22,418	–	–	3,695	26,113
10	9	Otis Worldwide	US	25,547	5,047	(6,142)	1,595	26,047
11	20	Zoetis	US	19,578	6,686	–	(3,265)	22,999
12	17	MasterCard	US	21,732	–	(2,848)	3,042	21,926
13	#	Progressive Corporation	US	–	21,207	–	664	21,871
14	8	Intuit	US	26,526	–	–	(4,960)	21,566
15	#	Thermo Fisher Scientific	US	14,326	7,129	–	(316)	21,139
16	10	Intercontinental Exchange	US	25,072	–	–	(4,462)	20,610
17	16	AstraZeneca	UK	21,880	–	(5,074)	2,851	19,657
18	14	Sherwin-Williams	US	22,082	–	–	(3,381)	18,701
19	11	Union Pacific	US	24,456	2,967	(8,680)	(726)	18,017
20	6	American Tower	US	28,797	–	(7,393)	(4,146)	17,258
21	7	Home Depot	US	27,220	–	(8,728)	(1,457)	17,035
22	19	Diageo	UK	19,733	–	(2,784)	(23)	16,926
23	3	Estée Lauder	US	31,924	1,252	(11,038)	(5,895)	16,243
24	#	TotalEnergies	France	9,791	2,745	–	3,442	15,978
25	#	Nestlé	Switzerland	13,607	3,009	(578)	(345)	15,693
				514,742	**145,198**	**(69,805)**	**(7,028)**	**583,107**

All securities are equity investments
Not in top 25 last year
Convertibles and all classes of equity in any one company are treated as one investment

Changes in Investments

At 31 October 2022

	Valuation 2021 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 2022 £'000
UK	305,922	15,891	(46,773)	(26,677)	248,363
Europe (ex UK)	318,859	110,564	(139,445)	(46,191)	243,787
North America	599,315	139,442	(139,533)	(43,310)	555,914
Japan	199,230	62,819	(58,247)	(27,508)	176,294
Pacific (ex Japan and China)	169,272	52,259	(56,774)	(25,548)	139,209
China	99,571	38,686	(36,182)	(31,914)	70,161
	1,692,169	**419,661**	**(476,954)**	**(201,148)**	**1,433,728**

Portfolio Holdings at 31 October 2022

United Kingdom

Investments by value	Sector	£'000	% of UK portfolio	% of total portfolio
AstraZeneca	Pharmaceuticals and Biotechnology	19,657	7.91	1.37
Diageo	Beverages	16,926	6.82	1.18
RELX	Media	14,626	5.89	1.02
British American Tobacco	Tobacco	13,116	5.28	0.91
Reckitt Benckiser	Personal Care Drug and Grocery Stores	13,089	5.27	0.91
Lloyds Banking	Banks	12,251	4.93	0.85
Compass	Consumer Services	11,479	4.62	0.80
Bunzl	General Industrials	10,493	4.22	0.73
3i	Investment Banking and Brokerage Services	9,332	3.76	0.65
Rio Tinto	Industrial Metals and Mining	9,321	3.75	0.65
Burberry	Personal Goods	8,613	3.47	0.60
Anglo American	Industrial Metals and Mining	8,589	3.46	0.60
Sage	Software and Computer Services	8,403	3.38	0.59
London Stock Exchange	Finance and Credit Services	8,196	3.30	0.57
Whitbread	Travel and Leisure	7,344	2.96	0.51
Coca-Cola Hellenic Bottling	Beverages	6,853	2.76	0.48
Cranswick	Food Producers	6,240	2.51	0.44
Hilton Food Group	Food Producers	5,857	2.36	0.41
Paragon Banking	Finance and Credit Services	5,786	2.33	0.40
Big Yellow	Real Estate Investment Trusts	5,761	2.32	0.40
Schroders	Investment Banking and Brokerage Services	5,413	2.18	0.38
M&G	Investment Banking and Brokerage Services	5,401	2.17	0.38
National Express	Travel and Leisure	4,853	1.95	0.34
Intermediate Capital	Investment Banking and Brokerage Services	4,831	1.95	0.34
Victrex	Chemicals	4,766	1.92	0.33
St. James's Place	Investment Banking and Brokerage Services	4,750	1.91	0.33
Vistry	Household Goods and Home Construction	4,476	1.80	0.31
Bodycote	Industrial Metals and Mining	4,087	1.65	0.29
IMI	Electronic and Electrical Equipment	3,966	1.60	0.28
Spectris	Electronic and Electrical Equipment	3,887	1.57	0.27
Lehman Brothers Hldgs 7.785%[1]	Fixed Interest	1	–	–
		248,363	**100.00**	**17.32**

1 Fixed Interest

Regional Portfolio Manager Reports

United Kingdom Portfolio

As at 31 October 2022	
Portfolio Manager:	**David Smith**
Assets:	**£248.4m**
Allocation:	**17.3%**
Income:	**£9.4m**

Total return (£) year to 31 October 2022	
Bankers	**-6.1%**
FTSE All-Share Index	**-2.8%**

Review

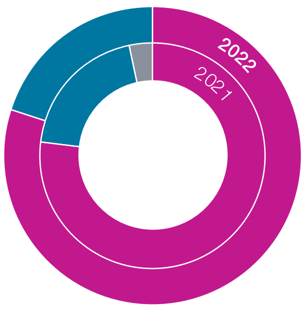
- The UK portfolio fell -6.1% during the period, underperforming the UK market's benchmark return of -2.8%.
- Despite a resilient performance from the broader UK market, there was a large dispersion of stock returns. The FTSE 100 index was up +1.7% while the more cyclically exposed FTSE 250 index was down -20.5%. Surging inflation, tightening monetary policy, slowing economic growth and the Russia-Ukraine conflict weighed on cyclical and financial stocks, while defensive and commodity exposed companies performed well.
- A lack of holdings in the oil & gas sector was detrimental to relative performance given its significant outperformance. While the companies are benefitting in the short-term from the strong oil price, we remain concerned over the structural challenges the industry faces and the pressure on returns as economies transition to a low carbon world over the longer term. The holding in Hilton Food Group also detracted from returns as the company's inability to pass on cost inflation in its seafood business impacted profitability.
- Elsewhere, the holdings in Compass Group and British American Tobacco benefitted performance. Compass Group's continued investment throughout the pandemic has enabled the business to emerge in a strong competitive position which is accelerating growth. British American Tobacco benefitted from its defensive characteristics, while the announcement that the company intended to start share buy-backs provided reassurance on the sustainability of its long-term cash flows.

Activity

We initiated a new position in Spectris during the period. Spectris develops precision instrumentation and controls for various industries. The company has strong franchises in specialist niche markets and following the sale of a number of low growth and low margin divisions, it is left with a better-quality business resulting in higher and more stable margins.

We sold holdings in Informa and James Fisher. Informa had performed well since the pandemic lows and the valuation was discounting a full recovery in its events business, which could come under pressure from continued lockdowns in China and slowing economic growth. James Fisher's disappointing operational performance and market share losses raised concerns over the investment needed to turn its performance around at a time when the balance sheet was stretched.

Classification by market value of investee company



	2022 %	2021 %
FTSE 100	**80.0**	77.0
FTSE Mid 250	**20.0**	19.7
Smaller companies	**–**	3.3

Source: Factset

Portfolio Holdings at 31 October 2022 continued

Europe (ex UK)

Investments by value	Sector	Country	£'000	% of Europe portfolio	% of total portfolio
TotalEnergies	Oil, Gas and Coal	France	15,978	6.56	1.11
Nestlé	Food Producers	Switzerland	15,693	6.44	1.09
Roche	Pharmaceuticals and Biotechnology	Switzerland	13,297	5.46	0.93
Unicredit	Banks	Italy	12,280	5.04	0.86
RWE	Gas, Water and Multi-utilities	Germany	11,880	4.87	0.83
Sanofi	Pharmaceuticals and Biotechnology	France	11,393	4.67	0.79
Bawag	Banks	Austria	10,732	4.40	0.75
Munich Re	Non-life Insurance	Germany	10,375	4.26	0.72
ASML	Technology Hardware and Equipment	Netherlands	9,482	3.89	0.66
Koninklijke	Chemicals	Germany	9,424	3.87	0.66
Airbus	Aerospace and Defence	France	9,346	3.83	0.65
Novo-Nordisk	Pharmaceuticals and Biotechnology	Denmark	9,332	3.83	0.65
Hermès	Personal Goods	France	8,607	3.53	0.60
Deutsch Boerse	Financial Services	Germany	8,149	3.34	0.57
Moncler	Personal Goods	Italy	8,002	3.28	0.56
Safran	Aerospace and Defence	France	7,932	3.25	0.55
SAP	Software and Computer Services	Germany	7,867	3.23	0.55
Cellnex Telecom	Telecommunications Service Providers	Spain	7,858	3.22	0.55
Amundi	Investment Banking and Brokerage Services	France	6,935	2.85	0.48
Partners	Investment Banking and Brokerage Services	Switzerland	6,675	2.74	0.47
Universal Music	Media	France	5,587	2.29	0.39
Danone	Food Producers	France	5,469	2.24	0.38
Sampo	Non-life Insurance	Finland	5,071	2.08	0.35
EDP Renováveis	Electricity	Spain	5,027	2.06	0.35
SIG Combibloc	General Industrials	Switzerland	5,023	2.06	0.35
Allfunds	Finance and Credit Services	Netherlands	4,609	1.89	0.32
ASM International	Technology Hardware and Equipment	Netherlands	3,447	1.41	0.24
KION Group	Industrial Engineering	Germany	3,073	1.26	0.21
Grifols	Pharmaceuticals and Biotechnology	Spain	1,989	0.82	0.14
Sartorius	Health Care Equipment and Services	Germany	1,859	0.76	0.13
Brockhaus Capital	Investment Banking and Brokerage Services	Germany	1,396	0.57	0.10
			243,787	**100.00**	**16.99**

European geographical distribution at 31 October

	2022 %	2021 %
France	29.2	24.5
Germany	22.2	8.7
Switzerland	16.7	17.1
Italy	8.3	10.3
Netherlands	7.2	19.6
Spain	6.1	5.6
Austria	4.4	4.8
Denmark	3.8	4.7
Finland	2.1	2.9
Sweden	–	1.8
	100.0	100.0

Europe (ex UK) Portfolio

As at 31 October 2022	
Portfolio Manager:	**James Ross**
Assets:	**£243.8m**
Allocation:	**17.0%**
Income:	**£7.7m**

Total return (£) year to 31 October 2022	
Bankers	**-12.8%**
FTSE All World Developed Europe (ex UK) Index	**-11.9%**

Review

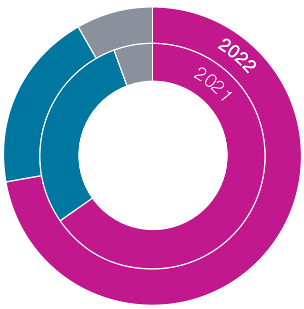
- This has been a difficult year for European equities and, in particular, for the valuations of the more growth orientated companies. Interest rates and inflation expectations have risen sharply, whilst geopolitical concern has been a near constant. Value has been better placed and specifically defensive value. The European portfolio marginally underperformed the benchmark index, falling in value by -12.8% compared to the index return of -11.9%.
- The best performing positions have included Financials such as UniCredit, Bawag, Munich Re and Sampo. This is unsurprising in an environment of rising interest rates. The oil price has also been strong, and this benefitted the position in TotalEnergies. Novo Nordisk, a long-standing and high-quality position has also fared well.
- The worst performing positions tended to be either growth or cyclical in nature. Allfunds was the worst performing growth company; this is an excellent business, but its short-term success is tied to market levels and so the shares struggled. Kion was the worst performing cyclical company; long-term contracts in their warehouse automation business have seen margins squeezed by rising inflation together with fixed price agreements.

Activity

In general, the weak economic environment provided an opportunity to add to quality companies that weakened in price. For example, we initiated a position in Airbus, a global leader in aircraft manufacturing. We see the company as high quality with a strong, oligopolistic market structure and powerful post-Covid recovery potential. We also bought a position in Deutsche Boerse, the German financial exchange, which is benefitting from high levels of market volatility and trades at an undemanding valuation. Finally, we purchased a holding in Universal Media Group, the world's largest music content owner. We foresee a period of strong growth in music industry profitability and believe that the music content owners will benefit the most; UMG looks especially well-placed.

We spent the early part of the period reducing our exposure to some of the more cyclical positions. This included selling Faurecia, the French auto parts company and SKF, the Swedish ball bearings manufacturer. Both companies have lower than average pricing power and a high energy dependency – not the kind of features that we wanted exposure to in this environment. We also sold our holding in KPN, the Dutch telecoms business, one of the strongest performers during the period and Nexi, the Italian payments company.

Classification by market value of investee company



	2022 %	2021 %
Over £20bn	**72.3**	65.5
£5bn-£20bn	**19.6**	29.1
Under £5bn	**8.1**	5.4

Source: Factset

Portfolio Holdings at 31 October 2022 continued

North America

Investments by value	Sector	£'000	% of North America portfolio	% of total portfolio
ADP	Industrial Support Services	40,166	7.23	2.80
Berkshire Hathaway	Non-life Insurance	33,282	5.99	2.32
Oracle	Software and Computer Services	29,793	5.36	2.08
Roper Technologies	Software and Computer Services	28,998	5.22	2.02
American Express	Industrial Support Services	28,920	5.20	2.02
CME	Investment Banking and Brokerage Services	28,862	5.19	2.01
Microsoft	Software and Computer Services	28,749	5.17	2.01
The Coca-Cola Company	Beverages	26,558	4.78	1.85
Visa	Industrial Support Services	26,113	4.70	1.82
Otis Worldwide	Industrial Engineering	26,047	4.69	1.82
Zoetis	Pharmaceuticals and Biotechnology	22,999	4.14	1.60
MasterCard	Industrial Support Services	21,926	3.94	1.53
Progressive Corporation	Non-life Insurance	21,871	3.93	1.53
Intuit	Software and Computer Services	21,566	3.88	1.50
Thermo Fisher Scientific	Medical Equipment and Services	21,139	3.80	1.47
Intercontinental Exchange	Investment Banking and Brokerage Services	20,610	3.71	1.44
Sherwin-Williams	General Industrials	18,701	3.36	1.30
Union Pacific	Industrial Transportation	18,017	3.24	1.26
American Tower	Real Estate Investment Trusts	17,258	3.10	1.20
Home Depot	Retailers	17,035	3.06	1.19
Estée Lauder	Personal Goods	16,243	2.92	1.13
Apple	Technology Hardware and Equipment	12,434	2.24	0.87
Alphabet	Software and Computer Services	11,279	2.03	0.79
The Cooper Companies	Medical Equipment and Services	8,827	1.59	0.62
ICON	Medical Equipment and Services	8,521	1.53	0.59
		555,914	**100.00**	**38.77**

North America Portfolio

As at 31 October 2022	
Portfolio Manager:	**Gordon Mackay**[1]
Assets:	**£555.9m**
Allocation:	**38.8%**
Income:	**£6.9m**

Total return (£) year to 31 October 2022	
Bankers	**-6.3%**
FTSE World North America Index	**-0.3%**

Review

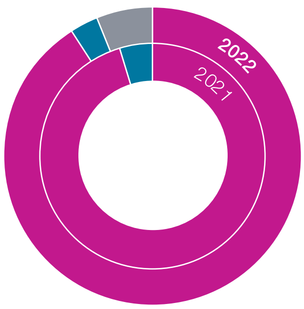
- The North America portfolio underperformed the benchmark over the year to 31 October 2022. The portfolio returned -6.3% compared to -0.3% for the FTSE World North America Index.
- Markets were weak over the period with concerns over inflation being more entrenched than previously anticipated, with the Federal Reserve's tightening monetary policy proving to be a headwind. There was significant rotation during the period with the energy sector performing strongly whilst consumer staples and utilities also performed well. In contrast, both the technology and consumer cyclical sectors performed poorly as interest rates rose.
- Automatic Data Processing was the strongest contributor to performance over the year whilst Oracle, Visa and MasterCard also performed well. Both Estée Lauder and Intuit were detractors to performance having been strong contributors in prior years. Netflix and Intercontinental Exchange were also detrimental to overall performance.

Activity

We initiated a position in Automatic Data Processing, the global leader in payroll processing which benefitted from a robust labour market and increasing wage inflation. Rising interest rates also acted as a tailwind to the company's income, due to the business holding client cash on deposit prior to the payment of employee salaries. We initiated holdings in Oracle, Coca-Cola and Progressive during the year. Oracle is the leader in enterprise scale databases. Whilst the database market is relatively mature, Oracle has witnessed strong traction in its cloud applications which in turn is driving an acceleration in overall company growth. Coca-Cola needs little introduction, but the current management team has successfully reinvigorated growth through better marketing and improved relationships with bottlers. Progressive is the leading US personal lines auto insurer which has a structural cost advantage versus most of its peers due to its direct sales distribution model. This, in combination with its strong underwriting capabilities, has helped the company gain share profitability over time. Lastly, we repurchased a position in Berkshire Hathaway after a pullback in the stock offered an opportunity to buy at what we believe is an attractive level.

Sales during the year included Adobe, Amazon, PayPal and Moody's. The sales of Adobe and PayPal were driven by increased concerns around the competitive landscape for each company. Amazon was sold due to what we believe are elevated expectations for its prospects in the medium term whilst Moody's was sold due to a more challenging outlook for bond issuance.

Classification by market value of investee company



	2022 %	2021 %
Over £20bn	**90.9**	95.3
£5bn-£20bn	**3.1**	4.7
Under £5bn	**6.0**	–

Source: Factset

1 Since the year end Jeremiah Buckley has succeeded Gordon Mackay as the North America Portfolio Manager

Portfolio Holdings at 31 October 2022 continued

Japan

Investments by value	Sector	£'000	% of Japan portfolio	% of total portfolio
Toyota Motor	Automobiles and Parts	15,011	8.51	1.05
Daiichi Sankyo	Pharmaceuticals and Biotechnology	12,365	7.01	0.86
Tokio Marine	Non-life Insurance	10,673	6.05	0.74
Sony	Leisure Goods	10,482	5.95	0.73
Olympus	Medical Equipment and Services	8,791	4.99	0.61
Seven & I	Retailers	8,599	4.88	0.60
Hitachi	Electronic and Electrical Equipment	8,331	4.73	0.58
Mitsubishi	General Industrials	8,240	4.67	0.57
Shin-Etsu Chemical	Chemicals	7,978	4.53	0.56
Astellas Pharma	Pharmaceuticals and Biotechnology	6,923	3.93	0.48
TDK	Technology Hardware and Equipment	6,663	3.78	0.46
Dai-ichi Life Holdings	Life Insurance	6,324	3.59	0.44
Asahi	Beverages	5,957	3.38	0.42
Sumitomo Mitsui	Banks	5,365	3.03	0.37
Persol Holdings	Industrial Support Services	5,336	3.03	0.37
Renesas Electronics	Technology Hardware and Equipment	4,870	2.76	0.34
Inpex	Oil and Gas Producers	4,429	2.51	0.31
Nissan Motor	Automobiles and Parts	4,424	2.51	0.31
Nippon Telegraph & Telephone	Fixed Line Telecommunications	4,410	2.50	0.31
Recruit Holdings	Industrial Support Services	4,202	2.38	0.29
SMC	Industrial Engineering	4,034	2.29	0.28
Ebara	Industrial Engineering	3,535	2.01	0.25
Fujifilm	Technology Hardware and Equipment	3,514	1.99	0.25
KAO	Personal Goods	3,429	1.95	0.24
Pan Pacific	Retailers	3,279	1.86	0.23
Disco	Technology Hardware and Equipment	2,912	1.65	0.20
Nitori	Retailers	2,761	1.57	0.19
Katitas	Household Goods and Home Construction	1,751	0.99	0.12
Z Holdings	Software and Computer Services	1,706	0.97	0.12
		176,294	**100.00**	**12.28**

Japan Portfolio

As at 31 October 2022	
Portfolio Manager:	**Junichi Inoue**
Assets:	**£176.3m**
Allocation:	**12.3%**
Income:	**£3.7m**

Total return (£) year to 31 October 2022	
Bankers	**-11.5%**
FTSE World Japan Index	**-9.7%**

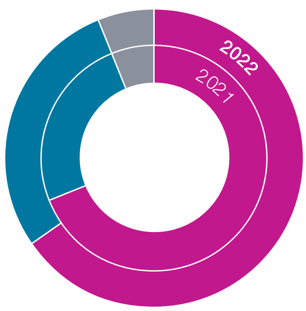
Review

- The Japan portfolio returned -11.5%, underperforming the FTSE World Japan Index, which declined by -9.7%. The index return in local currency was -3.6% but the depreciation of Japanese yen against sterling and other major currencies worsened the return.
- Japan was not immune from the falling equity markets around the globe as central banks finally started raising interest rates. Despite rising inflation in Japan, the Central Bank has not yet increased interest rates.
- In Japan, a wide differential in returns between sectors represented a somewhat chaotic market environment despite a flattish return at the index level. Inflation beneficiaries such as financials gained strongly while typically defensive sectors like pharmaceuticals also performed well. On the other hand, economically sensitive sectors such as basic materials performed poorly.
- The largest positive contributor to performance was Daiichi Sankyo, a pharmaceutical company, which launched a blockbuster cancer drug. The portfolio's long-term holdings such as Tokio Marine, Olympus and Mitsubishi were also amongst the top contributors. On the other hand, Z holdings, Sony Group, and Shin-Etsu Chemical were notable detractors from performance.

Activity

The portfolio continued to focus on high quality businesses that can create shareholder value through generating high levels of cash returns on invested capital. During the reporting period, the market became very sensitive to macro risk regardless of quality of business or valuation, which made it difficult to generate return following this strategy. For example, Shin-Etsu Chemical continued to positively surprise the market with its upward earnings revisions but the stock dropped by 21%. Its strong track record of consecutive earnings growth, balance sheet strength, accelerating dividend payout and cheap valuation proved to be irrelevant. While this is not an ideal environment, we believe that it is an opportunity to focus on good businesses at attractive valuations and we bought companies such as Dai-ichi Life and Ebara. In contrast, we divested Otsuka Corp and Softbank Group as their original investment cases became invalid. The position in Nomura Research Institute was also sold as the price target was fully realised.

Classification by market value of investee company



	2022 %	2021 %
Over £20bn	**65.5**	69.0
£5bn-£20bn	**28.5**	24.9
Under £5bn	**6.0**	6.1

Source: Factset

Portfolio Holdings at 31 October 2022 continued

Pacific (ex Japan and China)

Investments by value	Sector	Country	£'000	% of Pacific (ex Japan, and China) portfolio	% of total portfolio
Oz Minerals	Industrial Metals and Mining	Australia	10,930	7.85	0.76
Woodside Energy	Oil, Gas and Coal	Australia	10,902	7.83	0.76
Macquarie Bank	Investment Banking and Brokerage Services	Australia	10,427	7.49	0.73
Bank Mandiri	Banks	Indonesia	9,312	6.69	0.65
VinaCapital Vietnam	Closed End Investments	Vietnam	7,872	5.66	0.55
United Overseas Bank	Banks	Singapore	7,682	5.52	0.54
SK Telecom	Telecommunications Service Providers	South Korea	7,561	5.43	0.53
KB Financial	Banks	Hong Kong	7,475	5.37	0.52
LG Corporation	General Industrials	South Korea	6,798	4.88	0.47
Samsung Electronics	Technology Hardware and Equipment	South Korea	6,709	4.82	0.47
Telekomunikasi	Telecommunications Service Providers	Indonesia	6,657	4.78	0.46
HKT	Telecommunications Service Providers	Hong Kong	6,482	4.66	0.45
CapitaLand Integrated Commercial Trust	Real Estate Investment Trusts	Singapore	6,208	4.46	0.43
CITIC Securities	Investment Banking and Brokerage Services	Hong Kong	5,335	3.83	0.37
Sun Hung Kai Properties	Real Estate Investment and Services	Hong Kong	5,262	3.78	0.37
IGO	Mining	Australia	5,220	3.75	0.36
AIA	Life Insurance	Hong Kong	4,931	3.54	0.34
Taiwan Semiconductor Manufacturing	Technology Hardware and Equipment	Taiwan	4,701	3.38	0.33
Li Ning	Personal Goods	Hong Kong	3,648	2.62	0.25
China National Building	Construction and Materials	Hong Kong	2,780	2.00	0.19
China Yongda Automobiles	Retailers	Hong Kong	2,317	1.66	0.16
			139,209	**100.00**	**9.69**

Pacific (ex Japan and China) geographical distribution at 31 October

	2022 %	2021 %
Hong Kong	27.4	32.7
Australia	26.9	17.9
South Korea	15.1	19.7
Indonesia	11.5	3.1
Singapore	10.0	–
Vietnam	5.7	5.6
Taiwan	3.4	21.0
	100.0	100.0

Regional Portfolio Manager Reports continued

Pacific (ex Japan and China) Portfolio

As at 31 October 2022	
Portfolio Managers:	**Mike Kerley and Sat Dhura**
Assets:	**£139.2m**
Allocation:	**9.7%**
Income:	**£7.4m**

Total return (£) year to 31 October 2022	
Bankers	**-11.5%**
FTSE All-World Asia Pacific (ex Japan) Index	**-16.2%**

Review

- The Pacific (ex Japan and China) portfolio fell -11.5% over the period, outperforming the FTSE All-World Asia Pacific (ex Japan) Index which fell -16.2%.
- The Pacific region underperformed other regions mainly owing to the weakness of North Asia and especially China where the zero Covid policy continues to impact growth.
- The biggest contributor to performance was Woodside Petroleum which benefitted from rising gas prices following the Russian invasion of Ukraine. Continuing not to own the Chinese internet giants was also beneficial.
- The biggest detractors were in China where China National Building Material, Chinasoft and China Yongda all fell sharply in value as economic and earnings recovery remained elusive.

Activity

Over the period we reduced our exposure to north Asia and increased in south-east Asia in expectation that weakening economic growth in the western developed nations would impact demand for exports from Korea and Taiwan, while southern Asian economies would benefit from a more domestically focused economy and opening up from Covid. In the financial sector we sold BOC Hong Kong and CTBC in Taiwan in favour of United Overseas Bank in Singapore and Bank Mandiri in Indonesia. We also added CapitaLand Integrated Commercial Trust in Singapore as a direct beneficiary of professional services moving from Hong Kong to Singapore.

On expectation of weaker demand for computer and smartphone products in developed markets we reduced our position in Taiwan Semiconductor Manufacturing and sold Mediatek and Quanta Computer.

Over the period the weighting in China was reduced with the sale of Chinasoft. More recently we have been feeling a bit more optimistic that restrictive policies would ease and have added sportswear manufacturer Li Ning following a period of weak performance.

We remain positive on the outlook for green materials which will enable the transition from the reliance on fossil fuels to a cleaner future. On this theme we added IGO in Australia which is a producer of nickel but also part-owns one of the largest and lowest cost lithium mines in the world.

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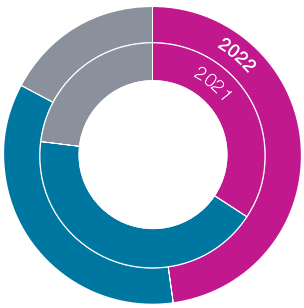
Classification by market value of investee company



	2022 %	2021 %
Over £20bn	**47.8**	34.4
£5bn-£20bn	**35.0**	42.6
Under £5bn	**17.2**	23.0

Source: Factset

Portfolio Holdings at 31 October 2022 continued

China

Investments by value	Sector	£'000	% of China portfolio	% of total portfolio
Shenzen Mindray	Medical Equipment and Services	5,926	8.45	0.41
Inner Mongolia	Food Producers	4,763	6.79	0.33
China Tourism	Travel and Leisure	4,663	6.64	0.33
Haier Smart Home	Household Goods and Home Construction	4,559	6.50	0.32
Longi Green Energy Technology	Technology Hardware and Equipment	4,508	6.42	0.31
China Merchants Bank	Banks	4,240	6.04	0.30
China Yangtze Power	Electricity	4,215	6.01	0.29
Sungrow Power Supply	Alternative Energy	3,979	5.67	0.28
Kweichow Moutai	Beverages	3,962	5.65	0.28
Midea	Household Goods and Home Construction	3,929	5.60	0.27
Contemporary Amperex Technology	Automobiles and Parts	3,905	5.57	0.27
Wuxi Apptec	Pharmaceuticals & Biotechnology	3,814	5.44	0.27
Nari Technology Development	Electronic and Electrical Equipment	3,732	5.32	0.26
Wuliangye Yibin	Beverages	3,425	4.88	0.24
Beijing Oriental	Construction and Materials	2,354	3.36	0.16
Sany Heavy Industry	Industrial Engineering	1,853	2.64	0.13
Chongqing Brewery	Beverages	1,724	2.46	0.12
Yunnan Energy New Material	General Industrials	1,388	1.98	0.10
Chacha Food	Food Producers	1,237	1.76	0.09
Will Semiconductor	Technology Hardware and Equipment	1,196	1.70	0.08
Shenzen Inovance Technology	Industrial Engineering	789	1.12	0.06
		70,161	**100.00**	**4.90**

All of the above are China 'A' shares.

China Portfolio

As at 31 October 2022	
Portfolio Manager:	**May Ling Wee**
Assets:	**£70.2m**
Allocation:	**4.9%**
Income:	**£2.7m**

Total return (£) year to 31 October 2022	
Bankers	**-29.9%**
China CSI 300 Index	**-23.8%**

Review

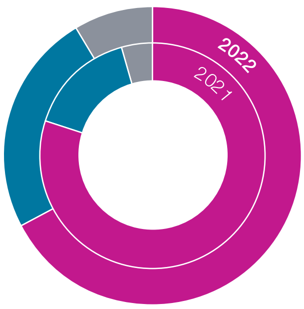
- The China portfolio fell -29.9% on a total return basis thereby underperforming by 6.1% the CSI 300 benchmark which fell -23.8%.
- China's adherence to its strict zero Covid policy, real estate deleveraging and poor US-China relations were major contributors to the market downturn. The portfolio was further impacted by a significant exposure to consumer sectors which were impacted by the severity of the population's Covid lockdown.
- Consumer staples, consumer discretionary, industrials, technology and financials were the largest detractors from performance.

Activity

We closed out positions in smartphone component maker and assembler Luxshare Precision as margins continued to disappoint against a backdrop of uncertain demand for consumer electronics. In the software sector, we sold Venustech where earnings growth was challenging due to price competition among cybersecurity service providers. In staples, we sold yeast producer Angel Yeast as we expect profitability will continue to be challenged by the high cost of its key raw materials. Positions in glass fibre and fabric maker, China Jushi and auto parts maker Huayu Auto Systems were also closed due to the weak economic environment which led to poor demand for their products.

In green tech, we bought Sungrow Power, a leading solar power inverter maker with a dominant share of utility scale projects in China and a growing book of business globally. In the new energy vehicle sector, we bought leading power battery maker Contemporary Amperex Technology and EV battery separator maker, Yunnan Energy New Material. Both companies lead in the domestic Chinese electric vehicle (EV) market and are making strong gains in global markets. In consumer staples, we added distiller Wuliangye Yibin, the second largest baiju brand in China, and snack food company, Chacha Food. We expect both companies to deliver fairly stable earnings. In information technology, we bought Will Semiconductor, a leading domestic integrated circuit design firm, selling into the smartphone and auto semiconductor markets. Lastly in industrials, we added a position in industrial automation maker Shenzhen Inovance Technology which is making strong gains in the factory automation market in China. Inovance is continuing to grow despite a weaker macro-economic environment, while developing adjacent businesses in EV components.

Classification by market value of investee company



	2022 %	2021 %
Over £20bn	**67.3**	80.0
£5bn-£20bn	**24.3**	15.8
Under £5bn	**8.4**	4.2

Source: Factset

Distribution of Assets and Liabilities

At 31 October 2022

	Equities £'000	Fixed interest £'000	Current assets £'000	Total assets £'000	%	Total liabilities £'000	Geographical exposure of net assets £'000	%
UK	248,362	1	68,396	316,759	21.1	(105,856)	210,903	15.5
Europe (ex UK)	243,787	–	–	243,787	16.2	(37,575)	206,212	15.2
North America	555,914	–	681	556,595	37.0	–	556,595	40.9
Japan	176,294	–	–	176,294	11.7	–	176,294	13.0
Pacific (ex Japan and China)	139,209	–	111	139,320	9.3	–	139,320	10.2
China	70,161	–	1,181	71,342	4.7	–	71,342	5.2
Total	**1,433,727**	**1**	**70,369**	**1,504,097**	**100.0**	**(143,431)**	**1,360,666**	**100.0**

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

Rates of Exchange

The principal exchange rates at 31 October

	2022	2021
US Dollar	**1.15**	1.37
Japanese Yen	**171.1**	156.3
Euro	**1.17**	1.19
Hong Kong Dollar	**9.04**	10.66
Australian Dollar	**1.801**	1.825

	2022	2021
Chinese Yuan Renminbi	**8.403**	8.772
New Taiwanese Dollar	**37.10**	38.12
Korean Won	**1640.04**	1601.79
Swiss Franc	**1.152**	1.253
New Zealand Dollar	**1.982**	1.915

Historical Record

At 31 October

		Earnings and dividend per share						Indices of growth[3]					
	Gross revenue £'000	Earnings net[2] p	Total dividends net[2] p	Ongoing charge %	Total assets less current liabilities £'000	Net asset value per ordinary share[2] p	Market price per ordinary share[2] p	Net asset value	Market price per ordinary share	FTSE All–Share Index	FTSE World Index	Dividend per ordinary share net	UK Consumer Price Index
2012	18,593	1.38	1.33	0.42	551,214	48	43	100	100	100	100	100	100
2013	19,689[1]	1.45[1]	1.41	0.45	678,561	59	58	124	134	119	122	106	102
2014	20,748	1.51	1.48	0.53	693,196	60	56	127	130	116	130	111	104
2015	22,767	1.72	1.58	0.52	777,428	63	62	133	143	115	132	119	103
2016	24,916	1.75	1.70	0.52	991,544	76	69	160	159	125	167	128	104
2017	29,634	2.05	1.86	0.44	1,142,379	88	85	187	197	136	186	140	107
2018	30,547	2.08	1.97	0.50	1,126,410	87	84	184	193	129	190	148	110
2019	31,752	2.16	2.09	0.52	1,228,032	95	93	202	214	132	206	157	112
2020	26,761	1.68	2.15	0.50	1,325,803	98	98	208	226	104	211	162	112
2021	35,027	2.17	2.18	0.48	1,726,067	121	114	258	263	137	274	164	117
2022	**38,208**	**2.34**	**2.33**	**0.51**	**1,484,946**	**105**	**97**	**224**	**223**	**128**	**260**	**175**	**130**

Source: Morningstar Direct

1 Company only figures from 2013, following liquidation of subsidiary

2 Comparative figures for the year ended 31 October 2012 to 31 October 2021 have been restated due to the sub-division of each ordinary share of 25p into 10 ordinary shares of 2.5p each on 1 March 2021

3 Rebased to 100

Our Approach to Environmental, Social and Governance Matters

Our principles

The Board believes that integrating environmental, social and governance ('ESG') factors into the investment decision-making and ownership practices is a crucial element in delivering our investment objective. ESG considerations are an integrated component of the investment processes employed by each of the active investment teams at Janus Henderson, our Manager. These teams, spanning different geographic markets, operate and are structured in ways that are suited to their respective regions. This means that ESG considerations are embedded in ways that are appropriate to the markets in which the teams invest. They apply their differentiated perspectives, insight and experience to identify sustainable business practices that can generate long-term value.

Defining ESG

- **Environmental** factors include climate change, energy efficiency, resource depletion and water and waste management.
- **Social** factors include employee and community relations, diversity, quality of life, enhancements in knowledge and advances in supportive technology for improved sustainability.
- **Governance** factors include mitigating risks such as bribery and corruption, board diversity, executive pay, accounting standards and shareholder rights and positively influencing corporate behaviour.

Investment considerations

When employing fundamental security analysis, the investment teams take a long-term view, seeking to identify companies differentiated by their sustainable competitive advantage, strong earnings potential and shareholder-friendly management teams. As they strive to understand all drivers of company performance, they also strive to understand the risks. An evaluation of ESG factors is integral to this.

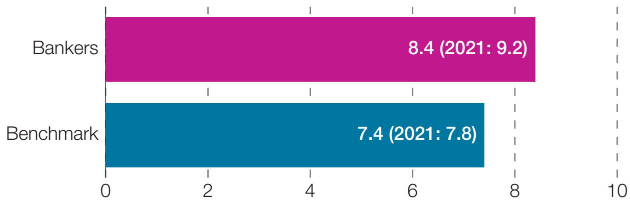
Governance is a key part of fundamental analysis with good corporate governance supportive of long-term decision-making and investment returns. The interpretation of environmental and social factors can vary in importance depending on the sector and geographic region in which a company operates. Nonetheless, each ESG factor, in addition to the quantitative and qualitative assessments, are important considerations when calculating the opportunity in an equity investment.

Fundamental factors considered vary, and may include:

Financial analysis	Capital structure, balance sheet strength, revenue growth, free cash flow, earnings growth, return on invested capital, leverage ratios
Qualitative evaluation	Executive management, business model, industry growth, barriers to entry, competitive strength, product cycle, macro cycle
Environmental	Sustainable sourcing, emissions, water usage, energy dependency, regulatory impact, waste management
Social	Labour practices, data privacy, workplace safety, supply chain standards, diversity, community action, customer support
Governance	Accounting standards, shareholder rights, voting structure, transparency, compensation, board independence
Valuation	Discounted cash flow, sum of the parts, dividend payout, price to earnings, price to book, free cash flow yield, enterprise value/ EBITDA (earnings before interest, taxes, depreciation, amortisation)

The Manager engages MSCI, a leading global provider of ESG research, to support their own investment research. The Manager has a dedicated ESG research team to provide insights and thematic analysis to support the portfolio managers. The Company's portfolio, as at 31 October 2022, exhibited the following factors, as defined by MSCI analysis.

ESG Quality Score

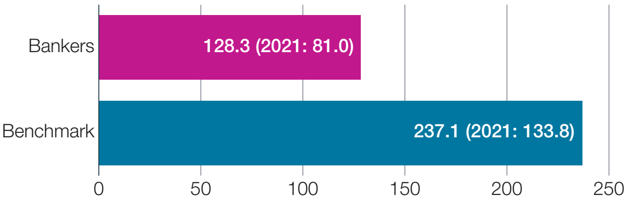


Source: MSCI as at 31 October 2022 and 2021

The ESG Quality Score measures the ability of underlying holdings to manage key medium to long-term risks and opportunities arising from environmental, social and governance factors. It is based on MSCI ESG Ratings and is measured on a scale of 0 to 10 (worst to best). The score represents the average weighted score from all holdings that are covered by MSCI's database, representing 96% (2021: 93%) of the portfolio's holdings.

Our Approach to Environmental, Social and Governance Matters continued

Carbon intensity (tCO^{2}e/USD million)



Sources: MSCI as at 31 October 2022 and 2021

Carbon Intensity (Scope 1+2) is a metric used to compare company emissions across industries. MSCI divides the absolute emissions by total revenue, meaning the figure is expressed in tonnes of carbon dioxide equivalent per USD million of total revenue. The overall Bankers portfolio is 46% (2021: 39%) less carbon intensive than the benchmark. The lower carbon intensity of Bankers' portfolio principally reflects a greater exposure to greener, lower carbon based, electricity generators and a significantly lower exposure to fossil fuel energy companies than the index.

Stewardship and company engagement

Stewardship is an integral and natural part of Janus Henderson's long-term, active approach to investment management. Strong ownership practices, such as management engagement and proxy voting, can help protect and enhance long-term shareholder value. Janus Henderson entities support a number of stewardship codes, such as the UK and Japanese stewardship codes, and broader initiatives around the world including being a founder signatory of the UN Principles for Responsible Investment. The intensive research of the portfolio managers and analysts involves conducting on an annual basis thousands of interviews with senior executives and chairmen of companies throughout the world. These teams naturally develop long-term relationships with the management of companies in which they invest. Should concerns arise over a company's practices or performance, they seek to leverage these constructive relationships by engaging with company management or expressing their views through voting on management or shareholder proposals. Escalation of the engagement activities depends upon a company's individual circumstances.

Illustrated below are cases where, during the past 12 months, Janus Henderson has engaged with companies held within the portfolio on matters that relate to environmental (E), social (S) or governance (G) topics.

E Environmental

We engaged with Tokio Marine (Japan) regarding why they are one of the few insurers which still provide insurance for thermal coal projects. The outcome of our engagement and others is that Tokio Marine has decided to stop insuring and financing new coal mining projects for thermal power generation.

S Social

We engaged in discussion with Rio Tinto (UK) addressing the company's workplace culture following the release of a highly critical independent report flagging systemic racism, bullying and sexism at the company. The meeting covered the issues highlighted in the report and what actions senior management have put in place to correct systemic cultural issues at the company going forward.

During the year we engaged with Thermo Fisher Scientific (US) following human rights challenges regarding the use of its products in China. Following this engagement, we believe Thermo Fisher has implemented a comprehensive risk function which helps ensure that the business remains compliant with US policy on human rights. The company has a number of restrictions in place to prevent the unethical use of its products.

G Governance

Novo Nordisk (Europe) experienced supply chain disruption during the year, specifically relating to an enquiry received by one of their contract manufacturers from the US Food and Drug Administration in December 2021. This incident led to temporary production disruption for Novo's recently launched obesity product Wegovy. We engaged with the company to discuss their general approach to auditing their supply chains and their specific plans to rectify the Wegovy production issues. Overall, we felt that the company have suitable compliance and monitoring systems in place and that the risk of additional problems with the ramping up of Wegovy production seemed relatively low.

We had discussions with Seven & I (Japan) regarding Board diversity and the lack of sufficient independent directors. Seven & I have subsequently restructured the board with six internal and nine external members. Out of the fifteen directors, four members are non-Japanese and three members are women. The change has been well received by the market.

Voting

The Board believes 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. We have chosen to delegate responsibility to Janus Henderson for voting the rights attached to the shares held in the Company's portfolio and the Manager actively votes at shareholder meetings and engages with companies as part of the voting process.

Voting decisions are taken in keeping with the provisions of the Manager's Responsible Investment Policy ('RI Policy'). The RI Policy can be found on the Manager's website at **www.janushenderson.com**.

Corporate governance regimes vary significantly as a function of factors such as the relevant legal system, extent of shareholder rights and level of dispersed ownership. The voting and engagement activities vary according to the market and pay close attention to local market codes of best practice.

However, there are certain core principles that are universal:

- disclosure and transparency;
- board responsibilities;
- shareholder rights; and
- audit and internal controls.

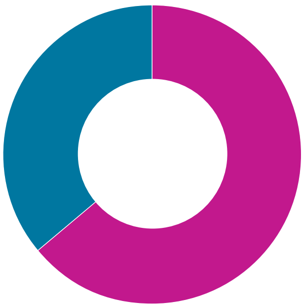
Our Approach to Environmental, Social and Governance Matters continued

A key element of the Board's approach to proxy voting is to support these principles and to foster the long-term interests of our shareholders.

In order to retain oversight of the process, the Board regularly receives reports on how the Manager has voted the shares held in the Company's portfolio and reviews, at least annually, the RI Policy, which sets out the Manager's approach to corporate governance, corporate responsibility and Janus Henderson's compliance with the UK Stewardship Code.

In the period under review, investee companies held 205 general meetings. The shares held in the Company's portfolio were voted at 99.5% of these meetings. The level of governance in leading global companies is generally of a high standard in terms of best practice which meant support in favour of most of the resolutions proposed by management was warranted. However, in respect of 72 meetings, support was not warranted for all of the resolutions proposed and, following discussion between the Fund Manager and Janus Henderson's governance team, the shares were voted against the passing of at least one resolution.

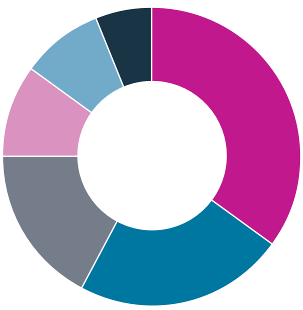
Voting record



1 Represents meetings where all proposals for that company at that meeting date were voted with vote instructions of 'for'

In terms of the resolutions not supported, these covered three predominant themes relating to the undue dilution of shareholders' interests in the investee company, director re-election and executive remuneration.

The proportion of the votes that were against management:



Source: Janus Henderson using Institutional Shareholder Services ('ISS') categories

The environment

The regional portfolio managers engage with investee companies on environmental matters where they arise, and the companies themselves report directly on their own emissions. As an investment company with all its activities outsourced to third parties, the Company's own direct environmental impact is minimal, occurring through the investments it makes. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions-producing sources. For the same reasons, the Company considers itself to be a low energy user under the Streamlined Energy & Carbon Reporting ('SECR') regulations and therefore is not required to disclose energy and carbon information.

Our Manager recognises the importance of managing its operational activities in a sustainable way and minimising any adverse impact on the environment. In 2019 Janus Henderson committed to reducing its carbon footprint by 15% per full-time employee over three years based on 2018 consumption. In 2021 Janus Henderson reached this target and set new five-year targets in 2022 in line with guidance from the Science-Based Target Initiative to reduce Scope 1 (fuel) and Scope 2 (electricity) emissions by 29.4%, as well as Scope 3 (business travel, hotel stays, freight, paper consumption, water, waste) operational emissions by 17.5%.

In addition to this, Janus Henderson has maintained a CarbonNeutral® certification since 2007 and offsets all its operational Scope 1, Scope 2 and Scope 3 emissions each year. Through this process, Janus Henderson has invested in a variety of offset projects around the world, delivering financial support to essential renewable energy, forestry and resource conservation projects that support reductions in greenhouse gas emissions. All projects Janus Henderson supports have been classified as 'additional' by an independent third party, meaning that they would not happen without the sale of carbon credits. Janus Henderson discloses its carbon emissions annually through regulatory and voluntary reporting frameworks, including SECR and CDP, as well as in its Annual Report and in its 2021 Impact Report.

Business ethics

As the Company's operations are delegated to third-party service providers, the Board seeks assurances, at least annually, from its service providers that they comply with the provisions of the UK Modern Slavery Act 2015 and maintain adequate safeguards in keeping with the provisions of the Bribery Act 2010 and Criminal Finances Act 2017. The Company has received assurances from its main suppliers that they maintain a zero-tolerance policy towards the provision of illegal services.

Business Model

Purpose

The Company's purpose is to provide its shareholders with a diversified and cost-effective vehicle for growing income and capital. We achieve this by investing predominantly in the equity of those publicly listed companies "across the world" which we expect can deliver growing cash flows and therefore ultimately pay dividends.

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%.
- Investments 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 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.

Values and culture

The Board applies various policies, practices and behaviour to ensure that the Board's culture is in line with the Company's purpose, values and strategy. The Directors promote mutual support combined with constructive challenge. Integrity, fairness and diligence are defining characteristics of the Board's culture.

The Company has a number of policies and procedures in place to assist with maintaining a culture of good governance including those relating to Directors' conflicts of interest, Directors' dealings in the Company's shares, bribery (including the acceptance of gifts and hospitality) and tax evasion. The Board assesses and monitors compliance with these policies regularly through Board meetings and the annual evaluation process (for more information see the performance evaluation section on page 57).

Sustainability

The Board believes the business model provides investors with a cost-effective mechanism for achieving long-term investment goals and builds relationships with third-party service providers with this approach in mind. The Company offers a broadly diversified global exposure with concentrated regional 'best ideas' portfolios. It has a strong long-term performance record, both absolute and relative to its benchmark index. Please see page 1 for more detail.

The Company's ongoing charge is amongst the lowest of actively managed equities funds.

Unlike open-ended funds, as an investment trust the Company has been able to build up over many years a significant revenue reserve (income not paid out in good years) which, in tougher years, can be drawn on to continue delivering a reliable and growing dividend.

Benefits

The Company's business model offers numerous advantages (see pages 32 to 41 also for more detail):

- provides investors with access to a professionally and actively managed portfolio of assets;
- offers investors exposure to global companies;
- enables investors to spread the risks of investing;
- enhances returns to investors by operating as an approved investment trust meaning no capital gains tax is paid on the realisation of investments;
- the closed-end structure allows the Fund Manager to take the longer term view on investments and remain fully invested;
- the Company may use leverage with the aim of increasing returns for investors over the longer term; and
- oversight by a Board of Directors wholly independent of the Manager.

Business Model continued

The Company's status

The Company is an investment company as defined in section 833 of the Companies Act 2006 ('the Act') and operates as an investment trust in accordance with section 1158/9 of the Corporation Tax Act 2010 as amended. The Directors are of the opinion that the Company has conducted its affairs in compliance with section 1158/9 since approval was granted and intends to continue to do so.

The Company's shares are listed on the Main Market of the London Stock Exchange and the Company is subject to the Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority ('FCA'). The Company is also listed on the Main Board of the New Zealand Stock Exchange ('NZX') and is subject to the NZX Listing Rules. The Company is a member of the Association of Investment Companies ('AIC').

The Company, and the Board, is governed by its Articles of Association, amendments to which must be approved by shareholders by way of a special resolution.

Position at year end

At 31 October 2022, the portfolio contained 161 (2021: 163) individual investments excluding those held at nil value, with the largest single investment accounting for 2.8% (2021: 2.8%) of total investments and the top 25 holdings totalling 40.7% (2021: 36.1%) of total investments. There were two holdings in listed investment companies in the portfolio (2021: two). There were no derivatives held in the portfolio (2021: nil).

Borrowings

The Company has a £15 million 8% 2023 debenture which is due to be repaid in October 2023. It also has the following unsecured private placement fixed rate loan notes with respective annualised coupon rates: £50 million 3.68% 2035; £37 million 2.28% 2045 and €44 million 1.67% 2041.

In addition, the Company has a £20 million loan facility with SMBC Bank International plc which expires in 2024 and was undrawn at the year-end.

Actual net gearing at 31 October 2022 was (5.4%) (2021: (6.6%)) of net asset value.

Ongoing charge and other costs

The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the Company as an investment company, excluding the costs of acquisition or disposal of investments, financing costs, gains or losses arising on investments and taxation. In accordance with the AIC methodology, the ongoing charge is based on actual costs incurred in the year as being the best estimate of future costs.

The Board believes that the ongoing charge during the year represented good value for money for shareholders. There is, however, some debate over the most appropriate measure of investment company costs (and how these are calculated) to enable shareholders to assess value for money and to make comparisons between companies. Whilst industry agreement on how best to present a single figure for costs remains elusive, the Company continues to focus on the ongoing charge as a readily understood measure of the underlying expenses of running the business. We are also presenting the information on all costs in a single table. This indicates the main cost headings in money terms and as a percentage of average net assets.

Category of cost	**2022 £'000**	**2022 % of average net assets**	2021 £'000	2021 % of average net assets
Management fee	6,351	0.43	6,143	0.41
Other expenses	1,052	0.07	998	0.07
Ongoing charge figure	7,403	0.50	7,141	0.48
Portfolio transaction costs	658	0.04	1,262	0.09

Liquidity and discount management

Our aim is for the Company's share price, as far as possible, to reflect closely its underlying net asset value, to reduce share price volatility and to have a liquid market in the shares. The ability to influence this meaningfully over the longer term is, of course, limited. However, the Board intends, subject always to the overall impact on the portfolio, the pricing of other investment companies and overall market conditions, to consider share issuance and buy-backs.

We believe that flexibility is important and that it is not in shareholders' interests to have specific share issuance and share buy-back policies.

Arrangements with the Manager

The Company qualifies as an Alternative Investment Fund ('AIF') in accordance with the Alternative Investment Fund Manager Directive ('AIFMD'). The Company has appointed Janus Henderson Fund Management UK Limited ('JHFM') 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. JHFM delegates investment management services to Janus Henderson Investors UK Limited, which acts as Manager. Both entities are authorised and regulated by the FCA. References to Janus Henderson and the Manager within this report refer to the services provided by both entities.

The Company has engaged third-party service providers to undertake its day-to-day operations. The management agreement between the Company and Janus Henderson sets out the matters over which the Manager has authority, including management of the Company's assets and the provision of accounting, company secretarial, administration and sales and marketing services.

The fund management team is led by Alex Crooke, who has been in place since 2003. He is assisted by David Smith, James Ross, Jeremiah Buckley, Junichi Inoue, Mike Kerley, Sat Dhura and May Ling Wee.

Some of the administration and accounting services to be provided by Janus Henderson are carried out on its behalf by BNP Paribas SA. Wendy King FCG acts as Company Secretary on behalf of the Corporate Secretary, Janus Henderson Secretarial Services UK Limited.

Fees

The Manager is entitled to a management fee charged at a rate of 0.45% per annum on the first £750 million of net assets, 0.40% per annum on net assets in excess of £750 million up to £1.5 billion and 0.35% of net assets in excess of £1.5 billion.

For the purpose of the fee calculation, the net assets are as at the last day of the quarter immediately preceding the quarter in respect of which the calculation is made.

Arrangements with Depositary, Custodian and Registrars

The Company has appointed a Depositary (as explained on page 94), who, in turn, has appointed the Custodian who is responsible for the safe custody of the Company's assets. The Company has also appointed Registrars to maintain its register of members and assist shareholders with queries in respect of their holdings. Each of these principal contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. Fees paid to service providers are disclosed in note 6 on page 79.

Diversity

It is the Company's aim to have an appropriate level of diversity in the Boardroom. The Board welcomes the recommendations of the FTSE Women Leaders Review on gender diversity on boards and the Parker Review about ethnic representation on boards.

The Directors have broad experience and skills, bringing knowledge of investment markets, business, financial services and stakeholder expertise to discussions on the Company's business. The Directors regularly consider the leadership needs and specific skills required to achieve the Company's investment objective.

The Nominations Committee considers diversity in its broadest sense when making recommendations for appointments to the Board, see page 58. The Board's prime responsibility, however, is the strength of the Board and its overriding aim in making any new appointments must always be to select the best candidate based on objective criteria and merit.

Currently the Board comprises six Directors, three female and three male. See page 58 for further details of the Company's diversity policy and compliance with recommended diversity targets.

The Board also takes an interest in the diversity initiatives in place at the Manager. Janus Henderson fosters and maintains an environment that values the unique talents and contributions of every individual. The Manager strives to cultivate and practice inclusiveness for the long-term success of the business and for the benefit of its employees, clients, investors and shareholders. The Board notes and supports the Manager's diversity training and initiatives to improve any imbalances. These include Janus Henderson's ethnicity pay gap analysis, trainee, apprenticeship and internship programmes, such as INROADS, Girls Who Invest, Investment 2020 and #100 Black Interns.

Details of Janus Henderson's diversity and inclusion initiatives can be found on its website at **https://diversityproject.com/organisation/janus-henderson**.

Promoting the success of the Company

Section 172 statement

Under section 172 of the Companies Act 2006, the Directors have a duty act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, the Directors are required to take into account (amongst other matters) the likely long-term consequences of their decisions, the need to foster relationships with the Company's wider stakeholders, the desirability of the Company maintaining a reputation for high standards of business conduct and the impact of the Company's operations on the community and environment. The Board is required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities under section 172 over the course of the financial year, including how the Board has engaged with and understands the views of stakeholders, how stakeholders' needs have been taken into account, the outcome of this engagement and the impact that it has had on the Board's decisions.

The Company does not have any employees or premises and conducts its core activities through its externally appointed Manager (Janus Henderson). The Company has also appointed other third-party service providers to enable the Company to operate as a listed investment company. Each service provider has an established track record and has in place suitable policies and procedures to ensure it maintains high standards of business conduct.

As the Company is an externally managed investment company, the Board considers the Company's key stakeholders to be existing and potential new shareholders, the Manager, other service providers (Custodian, Depositary, Registrars, corporate broker, Auditor and legal advisers), debt providers (the Company's debenture stockholders, loan noteholders and lending bank). Engagement with the Company's key stakeholders enables the Company to fulfil its strategic objectives and the Directors to promote the long-term sustainable success of the Company for the benefit of shareholders as a whole.

Engaging with stakeholders

We, as Directors, have the success of the Company foremost in our minds when making decisions. Decisions are taken with the aim of achieving our purpose and are based on information provided by a range of sources. The impact on stakeholders is assessed as part of our deliberations, although stakeholders may be affected differently.

The table below sets out the primary ways in which we, as your Board, engage with the Company's key stakeholders.

Stakeholder	Engagement
Shareholders and potential investors	**Purpose:** • Continued shareholder support is crucial to the continued existence of the Company and clear communication of the Company's strategy and performance can help the share price trade at a narrower discount or a premium to NAV which benefits shareholders. Consequently, the Board places great importance on shareholder communication and is committed to open channels of communication with all shareholders. **How we engage:** Regular updates are provided to investors through: • the Annual and Half Year Reports; • the Manager's monthly factsheets; • Company announcements, including daily NAV announcements; • Edison research notes (paid for by the Company and available to all investors in the UK and New Zealand); and • the Company's website, which includes video interviews with the Company's Fund Manager, investment insights and other relevant information to enhance investors' understanding of the Company and its portfolio and prospects. In normal times, the Company's Annual General Meeting provides the main forum, both formal and informal, for all shareholders to meet and discuss the Company and its performance and to raise any questions or concerns with the Chair, the other Directors and the Fund Manager. The Board encourages as many shareholders as possible to attend the Company's Annual General Meeting and to provide feedback on the Company. Shareholders who cannot attend in person are invited to attend and raise questions online. In addition to the AGM, the Fund Manager and members of the Manager's investment trust sales team regularly meet with current and potential new shareholders (principally institutional investors and wealth managers) to discuss the Company and its performance and prospects and feedback from these meetings is reported to the Board. The Fund Manager also provides presentations to research analysts following the publication of the Company's annual financial results. The Board welcomes all shareholders' views, and all shareholders may communicate with the Chair (or other members of the Board or the Manager) at any time by writing to them at the Company's registered office. All shareholder communications are shared with the Chair, dealt with promptly and circulated to the Board at its next meeting. In addition, the Chair is available to meet with major shareholders at any time. The Senior Independent Director is also available to shareholders if they have concerns that have not been addressed through the normal channels. The Company contributes to a focused investment companies marketing programme operated by Janus Henderson on behalf of all the investment companies under its management. This enables some economies of scale as well as allocation of funds to support specific marketing activities for the Company. The purpose of the programme is to ensure effective communication with existing shareholders, attract new shareholders and sustain the stock market rating of the Company's shares. The Manager also coordinates public relations activity to promote the Company's strategy and outlook and raise the Company's profile with a broader range of potential new shareholders. This includes arranging meetings between the Fund Manager and relevant financial press and other industry publications and distributing interviews with the Fund Manager and other relevant information via various social media channels. **Target outcome:** • The Board is able to incorporate shareholders' views when considering how best to promote the long-term success of the Company for the benefit of shareholders as a whole and shareholders are able to make informed decisions about their investment in the Company, facilitating the retention of existing shareholders and attracting new ones.

Stakeholder	Engagement
Manager – Janus Henderson • Fund Manager • Sales and marketing • Company secretarial • Financial reporting • Internal controls functions • Investment accounting and administration (outsourced by Janus Henderson to BNP Paribas)	**Purpose:** • The Manager is responsible for the Company's portfolio management (including asset allocation and stock selection) and risk management, as well as ancillary functions such as company secretarial, administration, accounting, sales and marketing services. Successful management of the Company's portfolio is critical for the Company to meet its strategic objectives and enable its long-term sustainable success, whilst effective provision of the ancillary services are essential for the efficient running of the Company's day-to-day affairs. **How we engage:** • The Board seeks to engage with the Manager in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, whilst also ensuring appropriate and regular challenge, during Board meetings and between them. The Manager provides regular performance updates and detailed performance attribution to help the Board to exercise effective oversight of the Manager and the Company's strategy, as well as regular administration, regulatory and other updates to assist the Board's oversight of the ancillary services provided by the Manager. • The Board meets with representatives of the Manager's investment companies, sales and marketing teams at least twice a year to receive updates on their activities and discuss future strategy for engaging with current and prospective shareholders, including those who invest through retail investor platforms. • The Board has the opportunity to meet other key representatives of the Manager (including from the Manager's risk, compliance, internal audit, business continuity and information security teams) throughout the year to assist the Board in its strategic thinking and risk management and oversight of the Company's activities. • There has been regular interaction between the Board and the Manager to consider the impact on the Company from geopolitical risks (including portfolio activity, risks and opportunities, gearing and revenue forecasts) and to ensure that the Company had sufficient resilience in its portfolio and operational structure to meet the challenged circumstances, which has proved to be the case. • The Board, through the Management Engagement Committee, formally reviews the performance and terms of appointment of the Manager at least annually (see page 56 for further details). **Target outcome:** • The Company's portfolio and affairs are well-managed, enabling the Company to meet its strategic objectives and achieve long-term sustainable success.

Business Model continued

Stakeholder	Engagement
Other key third-party service providers	**Purpose:** • In order for the Company to operate as a listed investment company, the Board relies on other service providers for essential services (in particular with regard to the safekeeping of the Company's assets, share registration services, market support for share issues and buy-backs and independent assurance regarding the Company's financial statements) and for advice and support in meeting relevant obligations and complying with best practice. The Board seeks to maintain constructive relationships with the Company's other service providers, either directly or through the Manager, with regular communications and meetings. **How we engage:** • The Manager provided information and assurances to the Board throughout the course of the Covid pandemic to confirm that all its employees (including the Fund Manager) could work from home without disruption to 'business as usual'. The Manager also contacted all of the Company's third-party service providers to obtain similar confirmations. The Directors were reassured that the transition to new working arrangements at Janus Henderson and other service providers had been seamless. • The arrangements were kept under review during the year and the Directors are satisfied that high standards have been maintained and that the internal control and risk management framework was continuing to operate effectively at Janus Henderson and the other service providers. • The Management Engagement Committee conducts an annual review of the performance and terms of appointment of the Company's key service providers (apart from the auditor, whose performance and terms of appointment are reviewed by the Audit Committee) to ensure they are performing in line with the Board's expectations and providing value for money (see page 56 for further details). • The Audit Committee is responsible for reviewing the internal controls and risk management systems in place at the Company's key third-party service providers (see page 53 for further details). **Target outcome:** • Other key service providers provide the required level of service at cost levels proportionate and competitive.
Debt providers	**Purpose:** • The Board believes that the use of debt can enhance returns to shareholders over the long-term. **How we engage:** • On behalf of the Board, the Manager maintains a constructive working relationship with the trustee appointed to protect the interests of the holders of the Company's debenture stock, the loan note holders and the provider of the Company's borrowing facility, ensuring compliance with loan covenants and providing regular covenant compliance confirmations and other information as required. **Target outcome:** • To demonstrate a strong financial position that supports the financing arrangements.
AIC (The Association of Investment Companies)	**Purpose:** • The Company is a member of the AIC, which represents a broad range of investment companies. The AIC supports its members by: issuing publications and guidance on issues such as tax, accounting, company law and regulation; email updates on key industry issues and AIC work programmes; and running events for the directors of its members, including director roundtables, conferences and dinners. **How we engage:** • The Company provides information for inclusion in the AIC's database which is used to generate information regarding the Company on the AIC's website (**www.theaic.co.uk**). • The Manager, on behalf of the Company, comments on consultation and proposal documents prepared by the AIC concerning matters that may affect the Company and has supported the AIC's lobbying activities. **Target outcome:** • Support provided to AIC members assists the Board in its discussions and decision making, the Company has a voice in the regulatory environment in which it operates and information about the Company is disseminated widely.

Business Model continued

Examples of stakeholder consideration during the year

The Board is always mindful of the need to act in the best interests of stakeholders as a whole and to have regard to other applicable section 172 factors and this forms part of the Board's decision-making process. The following key decisions taken by the Board during the year ended 31 October 2022 serve as examples of this:

- **Appointment of two new Directors:** Having assessed the existing Directors' range of knowledge, skills and experience, the Board concluded that it, and ultimately stakeholders, would benefit from financial services, investment and marketing experience. Following an extensive recruitment process, Hannah Philp and Charlotte Valeur joined the Board on 1 November 2022.
- **Issuing and buying back the Company's shares:** As set out on page 7 the Board's aim is for the Company's share price to reflect closely its underlying net asset value, and also to reduce volatility and have a liquid market in the shares. The Board considers that it is in shareholders' interests for the Company to be able to issue shares when they are trading at a premium to the net asset value and by doing so the Company's costs are spread across a larger asset base. Any shares bought back to be held in treasury are only purchased when the share price is trading at a discount to the underlying net asset value. During the year, the Company has bought back its own shares to be held in treasury.
- **Short-term debt:** the Company renewed its £20 million short-term loan facility with Sumitomo Bank International plc for a further two-year period.
- **Using revenue reserves to support the Company's dividend policy:** The ability to use the revenue reserve to help smooth the level of dividend payments over the longer term is a distinguishing feature of investment trusts. After taking into account the recommended final 2022 dividend payment, if approved, approximately £0.3 million (2021: £0.2 million), will be transferred to revenue reserve. Adjusted for that transfer and the third and final dividends, our revenue reserve at the year-end amounts to approximately £24.6 million (2021: £24.1 million), or 1.90p per share (2021: 1.84p per share).
- As explained above, the Directors' overarching duty is to promote the success of the Company for the benefit of investors, with consideration of stakeholders' interests. The Company's main stakeholders are the Company's shareholders, the Manager, our lenders and other service providers.

Our approach to environmental, social and governance matters

The report on pages 29 to 31 form part of the Company's Business Model.

Measuring our performance

In order to measure the success of the Company in meeting its objectives and to evaluate the performance of the Manager over time, the Directors use the Key Performance Indicators ('KPIs') listed in the following table. Further information on KPIs, which are established industry measures, can be found in the alternative performance measures on pages 95 to 96. The KPIs are presented in the performance highlights on page 1 and in the 10-year historical record on page 28.

The Board reviews ESG analysis of the portfolio on a regular basis and, whilst we have not adopted any specific ESG-based KPIs, the Board will keep this under review.

KPI	Action
Net asset value ('NAV') and share price	At each Board meeting, the Board reviews the Company's NAV and share price performance (capital only and total return) and measures it against the benchmark index. The Board also reviews the performance of the Company's regional portfolios and compares that against relevant regional indices. In addition, the Board considers NAV and share price total return performance against the Company's closest peers in the AIC Global sector and the average performance of the AIC Global sector and the open-ended IA Global and Global Equity Income sectors.
Share price discount/ premium to NAV	The Company publishes an 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 AIC's formula. At each Board meeting, the Board monitors the level of the Company's share price discount/premium to NAV and reviews the discount/premium against the Company's closest peers in the AIC Global sector and the sector average. The Board considers the use of share buy-backs and share issues to manage the supply and demand for the Company's shares and enhance shareholder value.
Dividends per share	At each Board meeting, the Board reviews a revenue forecast. These forecasts are used to determine the quarterly dividends and the Board measures dividend growth against CPI.
Ongoing charge	The Board regularly reviews the ongoing charge and monitors all of the Company's expenses.

Managing our Risks

The Board, with the assistance of Janus Henderson, has carried out a robust assessment of the principal risks and uncertainties including emerging risks facing the Company that would threaten its business model, future performance, solvency, liquidity or reputation.

The Board regularly considers the principal risks facing the Company and has drawn up a register of these risks. The Board 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 Board monitors the Manager, its other service providers and the internal and external environments in which the Company operates to identify new and emerging risks. Any new or emerging risks that are identified and that are considered to be of significance are included in the Company's risk register together with any mitigating actions required.

The Board pro-actively monitors all of these factors and has a strong focus on continuing to educate itself about any relevant issues. Details of how the Board monitors the services provided by Janus Henderson and its other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal controls section of the Corporate Governance Statement on pages 51 and 52. Further details of the Company's exposure to market risk (including market price risk, currency risk and interest rate risk), liquidity risk and credit and counterparty risk and how they are managed are contained in note 16 on pages 83 to 89.

The Board's policy on risk management has not materially changed during the course of the reporting period and up to the date of this report.

The principal risks which have been identified and the steps taken by the Board to mitigate these are as follows:

Risk	Trend	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. Investment performance, over an extended period of time, may be impacted by either external (political, financial shock, pandemic, climate change) or internal factors (poor stock selection), leading to shareholders voting to wind up the Company.	↑	The Board monitors investment performance at each Board meeting and regularly reviews the extent of the Company's borrowings. The Board receives regular updates on professional and retail investor activity from the Manager to inform themselves of investor sentiment and how the Company is perceived in the market.
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 risks associated with the global Covid pandemic and other health emergencies are now considered within Portfolio and Market Risks, a grouping which has been extended to cover risks relating to heightened political and military tensions and inflationary pressures. This is likely to impact share prices of investments in the portfolio, to the extent not already factored into current prices.	↑	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, legal and regulatory risks A breach of section 1158/9 of the Corporation Tax Act 2010 could lead to the loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the FCA's 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.	↔	Janus Henderson has been contracted to provide investment, company secretarial, administration and accounting services through qualified professionals. The Board receives internal control reports produced by Janus Henderson on a quarterly basis, which confirm tax, legal and regulatory compliance both in the UK and New Zealand.
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 has a diversified portfolio which comprises mainly investments in large and medium-sized companies and mitigates the Company's exposure to liquidity 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 Janus Henderson. Further information on the mitigation of financial risks is included in note 16 on pages 83 to 89.

Business Model continued

Risk	Trend	Mitigation
Operational and cyber risks Disruption to, or failure of, Janus 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 and cyber risks that one or more of its service providers may not provide the required level of service.	↔	The Board monitors the services provided by Janus Henderson, the Depositary and its other service providers and receives reports on the key elements in place to provide effective internal control.
Risks associated with climate change Risk that investee companies within the Company's portfolio fail to respond to the pressures of the growing climate emergency and fail to limit their carbon footprint to regulated targets, resulting in reduced investor demand for their shares and falling market values.	↑	Please refer to Investment activity and performance risks above and the Environmental, Social and Governance Matters section on pages 29 to 31 for further details.

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 continues to pursue its stated investment objective and policy as explained on page 32. The Chair's Statement, Fund Manager's Report and Regional Portfolio Manager Reports provide commentary on the outlook for the Company.

The Company's viability

The UK Corporate Governance Code requires the Board to assess the future prospects for the Company, and to report on the assessment within the Annual Report.

The Board considered that certain characteristics of the Company's business model and strategy were relevant to this assessment:

- The Company's investment objective, strategy and policy, which are subject to regular Board monitoring, mean that the Company is normally invested in readily realisable, listed securities and that the level of borrowings is restricted.
- The Company is a closed-end investment company and therefore does not suffer from the liquidity issues arising from unexpected redemptions. Without pressure to sell, the Fund Manager has been able to rebalance tactically the portfolio and take advantage of recovering markets.

Also relevant were a number of aspects of the Company's operational arrangements:

- The Company retains title to all assets held by the Custodian under the terms of formal agreements with the Custodian and Depositary.
- Long-term borrowing is in place, being the £15 million 8% debenture stock 2023, £50 million 3.68% loan notes 2035, £37 million 2.28% loan notes 2045 and €44 million 1.67% loan notes 2041, which are also subject to formal agreements, including financial covenants with which the Company complied in full during the year. The value of long-term borrowing is relatively small in comparison to the value of net assets, being 10.2%.
- Short-term borrowing of £20 million with SMBC Bank International plc. The facility was not drawn down at the year-end and expires in February 2024.
- Revenue and expenditure forecasts are reviewed by the Directors at each Board meeting.
- Ongoing charge is amongst the lowest of actively managed equities funds.
- Cash is held with approved banks.

In addition, the Directors carried out a robust assessment of the principal risks and uncertainties which could threaten the Company's business model, including future performance, liquidity and solvency. These risks, including their mitigations and processes for monitoring them are set out on pages 39 to 40.

Business Model continued

The principal risks identified as relevant to the viability assessment were those relating to investment portfolio performance and its effect on the net asset value, share price and dividends, and threats to security over the Company's assets. The Board took into account the liquidity of the Company's portfolio, the existence of the long-term fixed rate borrowings, the effects of any significant future falls in investment values and income receipts on the ability to repay and re-negotiate borrowings, growing dividend payments, the desire to retain investors and the potential need for share buy-backs. The Directors assess viability over five year rolling periods, taking account of foreseeable severe but plausible scenarios. The Directors believe that a rolling five year, rather than the previous rolling three year period best balances the Company's long-term objective, its financial flexibility and scope with the difficulty in forecasting economic conditions affecting the Company and its shareholders.

Based on their assessment, and in the context of the Company's business model, strategy and operational arrangements set out above, the Directors have a reasonable expectation that the Company is able to continue in operation and meet its liabilities as they fall due over the five-year period to 31 October 2027.

Approval

The Strategic Report has been approved by the Board.

On behalf of the Board

Simon Miller
Chair
18 January 2023

Governance

The right balance of skills and knowledge

All the Directors are non-executive Directors and independent of the Manager.

From left to right: Simon Miller (Chair), Richard West, Alex Crooke (Fund Manager), Charlotte Valeur, Isobel Sharp (Audit Committee Chair), Mike Kerley (Deputy Fund Manager), Hannah Philp and Julian Chillingworth (Senior Independent Director).

Simon Miller

Chair of the Board

Date of appointment: 1 January 2022 (Chair from 24 February 2022).

Committees: Chair of the Nominations, Management Engagement and Insider Committees.

Relevant skills and experience: Simon Miller read law at Cambridge and was called to the bar. He subsequently worked for Lazard Brothers and County Bank. Until 2021 he was Chair of Brewin Dolphin, one of the UK's largest wealth management businesses.

He has been Chair and non executive director of various companies and has a wide range of experience in the financial services sector.

He has also served on the board of various investment trusts and was Chair of Fleming Managed Income Trust plc, JPMorgan Elect plc, Artemis Alpha Trust plc, JPMorgan Global Convertibles Income Fund Limited, Amati VCT, and Blackrock Sustainable American Income Trust plc.

Current external appointments: Simon Miller is Chair of Hampden & Co, private bankers, and Senior Independent Director of STV Group plc.

Julian Chillingworth

Senior Independent Director

Date of appointment: 25 February 2015 (Senior Independent Director since 27 February 2019).

Committees: Member of the Audit, Nominations, Management Engagement and Insider Committees.

Relevant skills and experience: Julian was until 2021/22 Chief Investment Officer for Rathbone Brothers plc and Rathbones Unit Trust Management Limited and has over 40 years of investment experience. He has managed institutional global equity and balanced mandates along with open and closed-end retail funds and for over 20 years. He helped develop the Rathbones investment process for both its Wealth Management and Unit Trust businesses.

Julian through his career has held a variety of roles including Head of Equities at Hambro's and Head of Gross Funds incorporating pension funds and charities at Investec.

Current external appointments: Julian is currently a member of Southampton University's Investment Committee. He is also a Trustee of the Rathbones Pension Scheme.

Board of Directors continued

Isobel Sharp, CBE

Audit Committee Chair

Date of appointment: 1 November 2017 (Audit Committee Chair from 21 February 2018).

Committees: Chair of the Audit Committee and member of the Nominations, Management Engagement and Insider Committees.

Relevant skills and experience: Isobel has extensive accounting, auditing and corporate governance experience. She was with Deloitte LLP as the firm's Senior Technical Partner until 2012. She has served as President of The Institute of Chartered Accountants of Scotland and on the UK Accounting Standards Board and the Financial Reporting Review Panel and was awarded the CBE in 2009. Isobel was formerly a director of the UK Green Investment Bank plc and of the global asset manager, Winton Group Ltd.

Current external appointments: Isobel is currently a non-executive director, and Audit Committee Chair, at the specialist engineering group IMI plc which has manufacturing facilities in over 20 countries and a worldwide service network. She is also a non-executive director of Balanced Commercial Property Trust Limited.

She is also a member of the Edinburgh University Business School's International Advisory Board.

Hannah Philp

Director

Date of appointment: 1 November 2022.

Committees: Member of the Audit, Nominations, Management Engagement and Insider Committees.

Relevant skills and experience: Hannah Philp has direct and relevant experience within the sector, particularly in the fields of marketing and communication. She is CEO and Founder of ARC Club, a neighbourhood co-working space which aims to support UK professionals that work remotely. Prior to this Hannah was director of marketing at Witan Investment Trust plc. She was also an account director within the investor relations team at Edison Investment Research.

Current external appointments: Hannah is currently a non-executive director at JPMorgan Mid Cap Investment Trust Plc.

Charlotte Valeur

Director

Date of appointment: 1 November 2022.

Committees: Member of the Audit, Nominations, Management Engagement and Insider Committees.

Relevant skills and experience: Charlotte has more than 40 years of experience in financial markets and is the managing director of GGG Ltd, a governance consultancy company. Charlotte was the founding partner of Brook Street Partners in 2003 and the Global Governance Group in 2009. Prior to this, Charlotte worked in London as a director in capital markets at Warburg, BNP Paribas, Société Générale and Commerzbank, beginning her career in Copenhagen with Nordea A/S. With significant experience in international corporate finance, Charlotte has a high level of technical knowledge of capital markets.

Charlotte is a former non-executive director of JP Morgan Convertible Bond Income Fund, Kennedy Wilson Europe Real Estate Plc, Phoenix Spree Deutschland Plc and NTR plc.

Current external appointments: Charlotte is a non-executive director at Blackstone Loan Financing Limited, FSN Private Equity, Digital 9 Infrastructure plc and Laing O'Rourke Construction.

Richard West

Director

Date of appointment: 1 April 2020.

Committees: Member of the Audit, Nominations, Management Engagement and Insider Committees.

Relevant skills and experience: Richard has more than 30 years' experience in investment management, latterly at UBS Global Asset Management (previously Phillips & Drew Fund Management) in a variety of positions, including Head of Global Equity Research, Head of European Equities and Head of UK Equities. Prior to UBS, he worked for Crown Financial Management as Head of UK Equities and for Norwich Union as an economist and then as a UK equities portfolio manager.

Current external appointments: None.

Directors' Report

The Directors present the audited financial statements of the Company and their report for the year from 1 November 2021 to 31 October 2022. The Bankers Investment Trust PLC (registered and domiciled in England and Wales with company registration number 00026351) was active throughout the year and was not dormant.

For the purposes of the Companies Act 2006, the Corporate Governance Statement, Audit Committee Report (pages 53 to 55), the Investment Portfolio (pages 16 to 27), Alternative Performance Measures, General Shareholder Information and Securities Financing Transactions (pages 95 to 98) form part of the Directors' Report.

Dividend

A final dividend of 0.60p per share (2021: 0.55p), if approved by shareholders at the AGM, is to be paid on 28 February 2023 to those shareholders on the register on 27 January 2023. The shares go ex-dividend on 26 January 2023. This final dividend together with the three interim dividends already paid bring the total dividends for the year to 2.328p (2021: 2.176p) per share, see in particular the Chair's statement on page 7.

A review of the year and the outlook for the forthcoming year can be found in the Strategic Report.

Share capital

The Company's share capital comprises ordinary shares with a nominal value of 2.5p each. The voting rights of the shares on a poll are one vote for every one ordinary share held. To the extent that they exist, the revenue profits and some of the capital of the Company (including accumulated revenue and capital reserves) are available for distribution by way of dividends to the holders of the ordinary shares. Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to the shareholders pro rata to their holdings of ordinary shares.

There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid.

At the beginning of the year, there were 1,315,102,830 ordinary shares of 2.5p each in issue, of which 2,031,754 were held in treasury. During the year the Company bought back 18,219,870 shares which are being held in treasury.

At 31 October 2022 the number of ordinary shares in issue was 1,315,102,830 (2021: 1,315,102,830) of which 20,251,624 were held in treasury (2021: 2,031,754). Therefore, the total voting rights in the Company as at 31 October 2022 was 1,294,851,206.

Between 1 November 2022 and 16 January 2023, being the latest practicable date prior to the publication of this Annual Report, 808,270 shares were bought back and held in treasury. Accordingly, the number of shares in issue as at 16 January 2023 was 1,315,102,830 of which 21,059,894 were held in treasury, therefore the total voting rights in the Company at this date was 1,294,042,936.

Shareholder authorities

At the 2023 AGM, the Company will seek to renew its authorities from shareholders to allot shares up to 10% of its issued share capital and to buy back shares up to 14.99% of its issued share capital, in each case excluding treasury shares, as at the date of the 2023 AGM. Please refer to the Notice of Meeting that accompanies this Annual Report for further details. This can also be found on the Company's website at **www.bankersinvestmenttrust.com**.

The Company only issues shares (or sells shares out of treasury) at a premium (after costs) to NAV. The Company remains prepared to buy back shares, taking account of prevailing market conditions (which are not under the Board's control), the level of the discount (both absolute and relative to the Company's closest peers) and the impact on the NAV per share.

Fund manager's interests

Alex Crooke, the Fund Manager, had a beneficial interest in 4,335,985 of the Company's shares as at 16 January 2023, being the latest practicable date prior to publication of this report.

Holdings in the Company's shares

The only notification of interest in the voting rights of the Company as at 31 October 2022 made in accordance with the Disclosure Guidance and Transparency Rules was as follows.

	% of voting rights
Investec Wealth & Investment	4.1

There have been no further notifications in the period to 16 January 2023, being the latest practicable date prior to the publication of this Annual Report.

Related party transactions

The Company's transactions with related parties in the year were with its Directors and Janus Henderson. There were 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 the Manager, other than fees payable by the Company in the ordinary course of business and the provision of marketing services, there were no transactions with the Manager affecting the financial position of the Company during the year. More details on transactions with the Manager, including amounts outstanding at the year end, are given in note 24 on page 92.

Directors

Details of the Directors and their appointments can be found on pages 43 and 44.

Directors' remuneration and shareholdings

The Directors' Remuneration Report on pages 59 to 61 provides information on the remuneration and interests of the Directors.

Directors' Report continued

Annual General Meeting ('AGM')

The AGM is to be held on 23 February 2023 at 12 noon at the Company's registered office. The Notice of Meeting and details of the resolutions to be proposed at the AGM are contained in the Notice of Meeting being sent to shareholders with this Annual Report.

Financial risk management

The principal risks and uncertainties facing the Company are set out on pages 39 and 40. The principal financial risks and the Company's policies and procedures for managing these risks are set out in note 16 to the financial statements on pages 83 to 89.

Energy and carbon reporting

Details of the Company's disclosures with regard to energy and carbon reporting can be found on page 30.

Post balance sheet events

The Company has no post balance sheet events to report.

Disclosure of information to the Company's Auditor

Each of the Directors who were members of the Board at the date of approval of this Annual Report confirms that, to the best of his or her knowledge and belief, there is no information needed by the Company's Auditor in connection with 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 any such audit information and to establish that the Company's Auditor is aware of that information.

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 Listing Rule 9.8.4(7), the information on which is detailed on page 45 under Share capital.

Securities financing transactions

The Company ceased to undertake securities lending during the year under review. However, it is required to report on securities financing transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending for the accounting period ended 31 October 2022 are detailed on page 98.

Other information

Information on future developments and financial risks are detailed in the Strategic Report.

Approval

The Directors' Report has been approved by the Board.

By order of the Board

Janus Henderson Secretarial Services UK Limited
Corporate Secretary
18 January 2023

Corporate Governance Report

Governance Structure

The Board has three principal Committees: the Audit Committee, the Management Engagement Committee and the Nominations Committee.

Board of Directors
Comprised of six independent non-executive Directors

Non-executive oversight of the Company's operations and selection and appointment of service providers

Nominations Committee
Purpose: Ensure the Board has a balance of skills, experience and diversity, has a formal approach to the appointment of Directors, maintains an effective framework for succession planning and setting remuneration policy and fees.

Management Engagement Committee
Purpose: Ensure that the performance of the Manager and third-party service providers meet expectations and their terms of engagement remain appropriate

Audit Committee
Purpose: Ensure the integrity of the financial reporting, evaluate the effectiveness of the systems of internal control and risk management and oversee the relationship with the external Auditor

The Company's operations are carried out by specialised third-party service providers

Third-party service providers appointed by the Board

Janus Henderson Investors
Fund Manager: Alex Crooke | **Deputy Fund Manager:** Mike Kerley | **Regional Portfolio Managers:** David Smith, James Ross, Jeremiah Buckley, Junichi Inoue, Mike Kerley, Sat Dhura and May Ling Wee
Alternative investment Fund Manager: Janus Henderson Fund Management UK Limited

Depositary and Custodian
BNP Paribas

Corporate brokers
J.P. Morgan Cazenove (UK)
&
Jarden Securities (NZ)

Registrars
Equiniti Limited (UK)
&
Computershare Investor Services Limited (NZ)

Governance codes

The Board is pleased to report to shareholders on the Company's governance arrangements and how the principles of the applicable codes have been applied during the year under review.

Applicable governance codes

The Company has a premium listing on the London Stock Exchange and is therefore required to report on how the principles of the UK Corporate Governance Code (the 'UK Code') have been applied. Being an investment company, a number of the provisions of the UK Code are not applicable as the Company has no executive Directors or internal operations. The Board has considered, therefore, the principles and provisions of the Code of Corporate Governance published by the Association of Investment Companies in February 2019 (the 'AIC Code'). The AIC Code addresses the principles set out in the UK Code as well as additional principles and recommendations on issues that are of specific relevance to investment companies. The Financial Reporting Council ('FRC') has endorsed the AIC Code and confirmed that, by reporting against it, boards of investment companies are able to meet their obligations in relation to the UK Code (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules).

The Company also maintains a listing on the New Zealand Stock Exchange ('NZX') where it is classified as a Foreign Exempt Issuer. The Listing Rules of the NZX therefore require the Company to comply with the provisions applicable to its home exchange, being the London Stock Exchange, at all times, notify the NZX of any changes pertinent to the listing on its home exchange and ensure that any announcements made to its home exchange are simultaneously released to the market in New Zealand. Accordingly, for the purpose of its NZX listing, the Company reports against its compliance with the AIC Code rather than the NZX Corporate Governance Code.

Copies of the AIC Code and the UK Code can be found on the respective organisations' websites: **www.theaic.co.uk** and **www.frc.org.uk**. The AIC Code includes an explanation of how it adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

Corporate Governance Report continued

Statement of compliance

The Board has considered the principles and provisions of the AIC Code as these provide more relevant information on the Company's governance arrangements to shareholders. The Company has complied with the principles and provisions of the AIC Code throughout the year ended 31 October 2022. As the Company is an investment company, it has no chief executive or other executive Directors and therefore has no need to consider the remuneration of executive Directors. In addition, the Company does not have any internal operations (having delegated its day-to-day operations to the Manager) and therefore does not maintain an internal audit function. However, the Audit Committee considers the need for such a function at least annually (see page 53 for further information).

Board leadership and purpose

The Board is responsible for providing leadership and setting the tone from the top in terms of the Company's culture and values. The Board appoints all third-party service providers and monitors their performance throughout the year. The Directors formally evaluate the quality of the service provided by each third-party service provider and consider the appropriateness of the terms of their engagement at least annually. The Board aligns the Company's risk appetite with its investment objectives and establishes investment limits and restrictions accordingly. The Board keeps under regular review the risks faced by the Company and assesses the effectiveness of internal controls put in place to mitigate these.

As well as making the strategic decisions regarding the Company's purpose and establishing the risk management framework, the Board's purpose is to provide independent oversight of the operations delivered by the Company's third-party service providers and to challenge the decisions and recommendations made by them, particularly the Manager.

Operation of the Board

The Board meets formally at least six times a year, with additional Board or Committee meetings arranged when required. At each formal meeting, matters reviewed and considered by the Board include the Company's investment transactions, compliance with investment restrictions, investment performance, revenue budgets, financial analyses and other reports of an operational nature and any shareholder communications and issues.

Representatives of the Manager attend each Board meeting, enabling the Directors to probe further on matters of concern. The Directors also have regular contact with the Manager between formal meetings. In addition, the Chair is able to attend meetings of all the chairs of the listed investment companies managed by Janus Henderson which provide a forum to discuss industry matters which are then reported to the Board. Additional Board (or Committee) meetings are arranged when required. The proceedings at all Board (and Committee) meetings are fully recorded, including any Director's concerns, in the minutes.

The Directors have regular contact with the Fund Manager and other employees of the Manager in connection with the delivery of sales, marketing and other administrative services. The Board has a formal schedule of matters specifically reserved for its decision, which includes: determination of the Company's investment objectives, future strategic direction, investment policy, investment limits and restrictions, gearing policy and dividend policy; management of the Company's capital structure, including share issues/buy-backs and share price premium/discount management, appointment and removal of Directors and third-party service providers; and determination of the Company's financial reporting, internal control and risk management and corporate governance arrangements. The Board approves communications with shareholders, the appointment of new Directors, and determines individual Directors' remuneration. Full and timely management, financial, regulatory and other relevant information is provided to all Directors to allow them to discharge their responsibilities and to enable the Board (and its Committees) to function effectively. In particular, the Board receives and considers regular and ad hoc reports and other information as required to enable it to maintain oversight and monitor the performance of, and challenge constructively, the Manager and other third-party service providers. The proceedings of all Board and Committee meetings are minuted, with any particular concerns raised by the Directors appropriately recorded.

The Corporate Secretary, Janus Henderson Secretarial Services UK Limited, is a subsidiary of Janus 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 Janus Henderson. Any correspondence from shareholders addressed to the Chair or the Company received at Janus Henderson's offices is forwarded to the Chair of the Company in line with the established procedures in place. Any correspondence is submitted to the next Board meeting.

The Directors have access to the advice and services of the Corporate Secretary through its appointed representative. The Corporate Secretary is responsible to the Board for ensuring that Board and Committee procedures are followed, and that applicable rules and regulations are complied with. The Company has a procedure for Directors to take independent professional advice, at the expense of the Company, in the furtherance of their duties.

Janus Henderson and BNP Paribas, which acts for Janus 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 and the Manager operate in a supportive, co-operative and open environment.

Division of responsibilities

<table>
<tr><th>Role</th><th>Primary responsibilities</th></tr>
<tr><td>Shareholders/investors</td><td>The Company's shareholders are responsible for:
• approving material changes to the Company's investment policy;
• making decisions regarding changes to the Company's constitution;
• electing and re-electing Directors to the Board, or removing them from office if deemed appropriate; and
• determining the overall limit for Directors' remuneration.</td></tr>
<tr><td>Chair</td><td>The Chair of the Board is responsible for:
• leading and managing Board business and ensuring the timely flow of information from service providers to the Board. The Chair facilitates open, honest and constructive debate among Directors;
• leading the Nominations Committee in developing succession planning and the identification of potential candidates for appointment to the Board (except when considering their own succession);
• leading the Board in determining its governance framework, culture and values; and
• managing the relationship with the Manager.
The role description for the Chair is available on the website.</td></tr>
<tr><td>Senior Independent Director</td><td>The Senior Independent Director is responsible for:
• fulfilling the role of sounding board for the Chair and intermediary for the other Directors as necessary;
• leading the performance evaluation of the Chair; and
• acting as a channel of communication for shareholders in the event that contact through the Chair is inappropriate.
The role description of the Senior Independent Director is available on the website.</td></tr>
<tr><td>Independent non-executive Directors</td><td>The independent non-executive Directors are responsible for:
• providing constructive and effective challenge, especially to the decisions of the Manager;
• scrutinising and holding to account the performance of the:
– Fund Manager in meeting the investment objective;
– Manager in the promotion of the Company and day-to-day smooth operations of the Company's business; and
• providing strategic guidance and offering specialist advice.</td></tr>
<tr><td>Committee Chairs</td><td>The Committee chairs are responsible for:
• the leadership and governance of their Committee;
• maintaining the relationships with specialist service providers delivering services within the remit of their Committee;
• reporting on the activities of their Committee to the Board; and
• seeking approval from the Board for the responsibilities set out in their respective terms of reference.</td></tr>
<tr><td>Manager</td><td>The Manager is the Company's appointed Alternative Investment Fund Manager and is responsible for:
• promoting the Company's investment proposition to professional and retail investors;
• making the necessary reporting to the FCA regarding the Company's status as an Alternative Investment Fund;
• providing accounting, company secretarial and other administrative services to the Company ensuring compliance with the applicable statutory and regulatory provisions; and
• coordinating the delivery of services provided by the Company's other third-party service providers.</td></tr>
<tr><td>Fund Manager</td><td>The Fund Manager and his team are responsible for:
• selecting the stocks held within the portfolio;
• diversification and risk management through stock selection and size of investment;
• determining the volume and timing of acquisitions and disposals; and
• determining the frequency and level of gearing within the overall limits set by the Board.</td></tr>
</table>

Board composition and independence

The Board, chaired by Simon Miller, currently consists of six non-executive Directors. Simon Miller joined the Board on 1 January 2022 and Hannah Philp and Charlotte Valeur joined the Board on 1 November 2022. The remaining three directors served throughout the year. The former Chair, Sue Inglis, retired from the Board on 24 February 2022. The biographies of the Directors holding office at the date of this report are set out on pages 43 and 44.

The Articles of Association provide that the total number of Directors shall not be less than three nor more than eight.

The independence of the Directors is determined with reference to the AIC Code and is reviewed by the Nominations Committee at least annually. The Committee considers each of the Director's other appointments and commitments, as well as their tenure of service and any connections they may have with the Manager or other key service providers.

Following completion of the evaluation in September 2022, the Committee concluded that the Chair and each of the other Directors in office at that time continued to be independent of the Manager and free of any relationship which could materially interfere with the exercise of their independent judgement.

The Chair was independent on appointment in accordance with the criteria set out in the AIC Code and has no relationships that may create a conflict of interest between his interests and those of shareholders. Details of his other significant commitments can be found on page 43.

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 meeting 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.

Appointments to the Board

The Board may appoint Directors at any time during the year. Any Director so appointed should stand for appointment by shareholders at the next AGM in accordance with the provisions of the Company's Articles of Association. Hannah Philp and Charlotte Valeur, who were appointed to the Board on 1 November 2022, will stand for appointment by shareholders at the AGM in 2023. In accordance with the Company's Articles of Association, each Director retires from office at each AGM and, if appropriate, offers themselves for re-appointment. All of the other Directors, being eligible, have stated that they will offer themselves for re-appointment at the upcoming AGM.

The Articles permit shareholders to remove a Director by passing an ordinary resolution at a general meeting. Directors are not entitled to any termination payments or other compensation for loss of office in relation to their appointment. The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for inspection on request.

Tenure and policy on the tenure of the Chair and Directors

In advance of each AGM, the Board agrees whether it is appropriate for Directors who are eligible to be recommended for re-appointment, taking into account the annual performance evaluation by and formal recommendations from the Nominations Committee and the ongoing requirements of the AIC Code (including the need to refresh the Board and its Committees).

The Nominations Committee believes that Directors with more than nine years' service can still form part of an independent majority and in particular their experience can be beneficial to the Board. However, the Board is cognisant of the benefits of regularly refreshing Board membership and seeks to do so while retaining a balance of knowledge of the Company and the relationship with the Manager.

The Board's policy for Directors, including the Chair, is, therefore, that they serve for no more than nine years, other than in exceptional circumstances.

Directors' professional development

Newly appointed Directors are offered a bespoke induction programme which covers the legal and regulatory framework for investment companies and the operations of the Manager, including the Manager's compliance and risk management frameworks and the accounting, sales and marketing and other administration services provided by the Manager.

Directors are also provided on a regular basis with key information on proposed developments or changes in regulatory and statutory requirements from, amongst others, the Corporate Secretary, the AIC and the Company's Auditor. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors also regularly participate in relevant training, including that provided by the Manager and industry seminars and may do so at the expense of the Company. Directors' individual training requirements are considered as part of the annual evaluation process which is led by the Chair 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 judgement is given in their favour by the court. No indemnity was given during the year or up to the date of this report.

Attendance at meetings

The following table sets out the number of formal Board and Committee meetings held during the year and the number of meetings attended by each Director. All Directors, except for Hannah Philp and Charlotte Valeur who joined the Board on 1 November 2022, attended the AGM in February 2022.

	Board	AC	NC	MEC
Number of scheduled meetings each year	**6**	**3**	**1**	**1**
Simon Miller	5	2[1]	1	1
Julian Chillingworth	6	3	1	1
Sue Inglis[2]	3	2	n/a	n/a
Isobel Sharp	6	3	1	1
Richard West	6	3	1	1

AC: Audit Committee
NC: Nominations Committee
MEC: Management Engagement Committee

1 Simon Miller is not a member of the Audit Committee. However, following his appointment on 1 January 2022, he attended the meetings held during the year by invitation

2 Sue Inglis retired from the Board on 24 February 2022

The Insider Committee did not meet during the year.

The Board's Committees

The Board has three principal Committees: the Audit Committee, the Management Engagement Committee and the Nominations Committee.

The Audit Committee is responsible for, in particular, ensuring the integrity of the Company's financial reporting, evaluating the effectiveness of the systems of internal control and risk management and monitoring the effectiveness and objectivity of the external Auditor.

The Audit Committee Report is on pages 53 to 55.

The Management Engagement Committee Report can be found on page 56.

The Nominations Committee Report can be found on pages 57 to 58.

The Company has no executive Directors and has not constituted a Remuneration Committee. Directors' fees are considered by the Nominations Committee. The Board has also constituted an Insider Committee which meets when required to assist the Board in discharging its responsibilities under the Market Abuse Regulations. The terms of reference for each of the principal Committees are kept under regular review by the Board and are available on the Company's website **www.bankersinvestmenttrust.com**.

Internal control and risk management

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The Audit Committee supports the Board in the monitoring of the internal control and risk management framework. The Board has established an ongoing process for identifying, evaluating and managing the principal risks faced by the Company. The process accords with the FRC's guidance on Risk Management, Internal Control and Related Business and Financial Reporting published in September 2014. The system was in operation throughout the year and up to the date of this report. The system is designed to meet the specific risks faced by the Company and takes account of the nature of the Company's reliance on its service providers and their internal controls. The system therefore manages rather than eliminates the risk of failure to achieve the Company's business objectives and provides reasonable, but not absolute, assurance against material misstatement or loss.

The key components of the internal control framework include:

- Clearly defined investment criteria which specify levels of authority and exposure limits. The Board reviews reports on investment performance against and compliance with the criteria at each meeting.
- Regular financial reporting which allows the Board to assess the Company's financial position. The management accounts and forecasts are reviewed by the Board at each meeting.
- Contractual agreements with the Manager and all other third-party service providers. The Board reviews performance levels and adherence to relevant provisions of the agreements on a regular basis through reporting to the Board and conducts a formal evaluation of the overall level of service provided at least annually.
- Review of controls at the Manager and other third-party service providers. The Board receives quarterly reporting from the Manager and Depositary, and reviews annual assurance reports on the effectiveness of the control environments at the Company's key service providers.
- Review of additional reporting provided by:
  - the Manager's Operational Risk team on the control environment in operation at the Manager and their view of the control environments in place at the third-party service providers used by the Company; and
  - the Manager's Internal Audit team on areas of operation which are relevant to the Company.

Corporate Governance Report continued

System of internal control

Ernst & Young LLP
(Independent auditors)

Board of Directors
(comprised entirely of non-executive Directors)

Principal third-party service providers

- receive regular reporting at meetings;
- review the annual assurance report produced by each organisation;
- receive additional reporting on the control environment from the Manager's risk team;
- receive reporting from the Manager's internal audit team on areas relevant to investment trusts; and
- formally evaluate performance on an annual basis.

Janus Henderson
(Investment management, company secretarial, sales, marketing, PR and administration)

Reporting
- Investment performance update (at each meeting).
- Compliance with investment limits and restrictions (monthly).
- Internal controls report (quarterly).
- Effectiveness of control environment (annually).

BNP Paribas
(Depositary & Custodian)

Reporting
- Depositary report (quarterly).
- Presentation from the depositary and custodian (annually).
- Effectiveness of control environment (annually).

BNP Paribas
(Accounting services, engaged and reporting to the Manager)

Reporting
- Balance sheet.
- Liquidity and gearing.
- Revenue forecasts.
- Portfolio valuation.
- Portfolio transactions.
- Effectiveness of control environment (annually).

Secondary third-party service providers

- receive regular reporting on their activities at meetings; and
- formally evaluate performance on an annual basis.

Registrars
Equiniti Ltd – UK
Computershare – NZ

Corporate Broker
J.P.Morgan Cazenove – UK
Jarden Securities – NZ

The Board reviewed the effectiveness of the Company's system of internal control for the year ended 31 October 2022 (see page 51). During the course of its review the Board did not identify and was not advised of any failings or weaknesses directly relating to the Company that were determined as significant.

Internal audit function

Systems are in operation to safeguard the Company's assets, to maintain proper accounting records and to ensure that financial information used within the business, or published, is reliable. The Company is an investment company, has no employees and delegates all executive activities to third-party service providers, principally among them, the Manager, Janus Henderson. The Board places reliance on the Company's framework of internal control and the reporting received from specific second and third line of defence teams at the Manager.

The Manager's Enterprise Risk team support the Audit Committee in considering the independently audited reports on the effectiveness of internal controls in place at the Company's third-party service providers. The Manager's Internal Audit department provides regular reporting to the Board on the operations at the Manager and presents at least annually to the Audit Committee.

The Board has therefore concluded that it is not necessary at the present time for the Company to have its own internal audit function.

Communication with our stakeholders

Please see pages 35 to 38.

Audit Committee Report

I am pleased to present the Audit Committee Report for the year ended 31 October 2022.

Membership

The members of the Committee during the year were Isobel Sharp, Julian Chillingworth and Richard West who consider that they have the skills, experience and objectivity to be an effective Audit Committee. Hannah Philp and Charlotte Valeur were appointed as members of the Committee on their appointments on 1 November 2022. The Committee's Chair is Isobel Sharp who is a Chartered Accountant and currently chairs one other Audit Committee. Isobel Sharp is considered by the Board to have recent and relevant financial experience.

Meetings

The Committee met three times during the year. While not a member of the Committee, Simon Miller has also attended meetings over the last year. The Company's external Auditor, the Fund Manager and the Manager's Financial Reporting Manager for Investment Trusts attend meetings of the Committee on a regular basis. The Manager's Regional EMEA Head of Internal Audit and its Head of Operational Risk Capital & Emerging Risk also presented to the Committee at one meeting.

Role, responsibilities and activities

The Audit Committee is responsible for monitoring the integrity of the Company's financial reporting, evaluating the effectiveness of the systems of internal control and risk management and making recommendations to the Board on the appointment of the external Auditor whose effectiveness and objectivity are reviewed by the Committee. The Audit Committee formally reports to the Board. The Committee's responsibilities are set out in formal terms of reference which are regularly reviewed and available on the Company's website **www.bankersinvestmenttrust.com**.

In discharging its duties over the course of the year, the Committee considered and reviewed:

- the appropriateness of the Company's accounting policies;
- the half-year results and the annual report, including disclosures made therein on internal controls and risk management, viability, going concern and 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;
- the internal controls in place at the Manager and the Company's other principal third-party service providers and in particular the internal controls reports received from the Manager and BNP Paribas together with feedback from the Auditor, Fund Manager and the Corporate Secretary. This included assessment of the quality and effectiveness of the accounting records and management information maintained on behalf of the Company;
- the overall approach to paying dividends and the appropriate level of dividend to be paid in respect of the year ended 31 October 2022 particularly in light of the prevailing economic conditions and the impact on revenue, cash forecasting and debt covenants;
- the review of the allocation of special dividends between capital and income;
- a review of evidence supporting the charging of 70% of finance costs and investment management fees to capital;
- the Manager's policies in relation to cyber risk and business continuity, meeting with representatives of Janus Henderson's internal audit and risk departments periodically;
- the key risks facing the Company, including emerging risks, the risk management systems in place and the Company's risk register;
- compliance with the Company's anti-bribery and anti-tax evasion policies and the confirmation received from the Manager and the third-party service providers as to whether they have appropriate procedures in place in this respect;
- tax matters relating to the Company;
- whether there is a need for an internal audit function;
- the re-appointment and evaluation of the effectiveness, performance and independence and objectivity of the external Auditor, including the provision of any non-audit services (as explained further on page 55);
- the plan, scope and cost of the external audit and reviewing the Auditor's findings and reporting;
- the calculation and payment of the management fee; and
- its terms of reference, noting that evaluation of the Committee's effectiveness is considered as part of the process described on page 57.

Committee evaluation

The activities of the Audit Committee were considered as part of the Board appraisal process.

Annual Report for the year ended 31 October 2022

The Committee is satisfied that the Annual Report for the year ended 31 October 2022, 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. It reported accordingly to the Board.

Audit Committee Report continued

The following significant issues were considered by the Committee for the annual report for the year ended 31 October 2022:

Significant issue	How the issue was addressed
Valuation and ownership of the Company's investments	The Directors have appointed Janus 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, Janus 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. The portfolio valuation is regularly reviewed by the Committee. 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.
Recognition of income	Income received has been accounted for in line with the Company's accounting policies (as set out on page 75) and was reviewed by the Committee at each meeting to confirm it is in compliance with UK-adopted International Accounting Standards. The Board reviews at least four times per annum Janus Henderson's revenue forecasts in support of the Company's future dividends. For special dividends where Janus Henderson is required to allocate between revenue and capital, the Committee reviews the rationale provided and approves the treatment.
Maintaining internal controls	The Committee carries out the annual assessment of the effectiveness of the Company's internal control and risk management systems by reviewing the framework and summary of the reporting received throughout the course of the financial year. The Committee had further input on the prevailing standards in the sector when making their recommendation to the Board on the Company's internal control environment as a whole.

Effectiveness of the external audit

The Committee's process for evaluating the effectiveness of the external audit comprises of two components: the findings of the FRC's Audit Quality Inspection Report are considered, and a post-audit assessment is carried out.

The Auditor is invited to present and discuss the findings of the latest Audit Quality Inspection Report and report on the progress made by the firm in terms of addressing the areas identified for improvement in the prior year's report. The Committee Chair invites views from the Directors, the Fund Manager and other members of the Manager's staff in assessing the robustness and effectiveness of the audit, level of challenge offered by the audit team, the quality of the audit team and timeliness of delivering the tasks required for the audit and reporting to the Committee.

Appointment and tenure of the external Auditor

This is the seventh year that EY have audited the Company's Annual Report and Mike Gaylor's second year as audit partner. The audit partner is rotated within the audit firm at least every five years. The last formal audit tender was completed in 2016 leading to the appointment of EY for the year ended 31 October 2016. Current legislation requires an audit tender every 10 years and thus the Committee considers that it would be appropriate to hold a tender process in 2025.

During the 2022 audit, the Committee Chair liaised with EY to receive progress updates and to review EY's audit results prior to the Committee meeting to consider the financial statements. EY attended this meeting to present their report and to observe the Committee's review of the financial statements and internal controls reporting by the Manager.

Based on the Committee's review of EY's reporting, interactions with the audit team throughout the process, discussions with representatives of the Manager and discussions on the findings of the FRC's Audit Quality Inspection Report, the Committee, having met without EY present, is satisfied with the effectiveness of the audit provided by EY and that EY is independent of the Company.

The Committee therefore recommended EY's continuing appointment to the Board. EY have indicated their willingness to continue in office. Accordingly, resolutions reappointing EY as Auditor to the Company and authorising the Audit Committee to determine their remuneration is to be proposed at the forthcoming Annual General Meeting.

Auditor's independence

The Committee monitors the Auditor's independence through three aspects of its work: the approval of a policy regulating the non-audit services that may be provided by the Auditor to the Company; assessing the appropriateness of the fees paid to the Auditor for all work undertaken by them; and reviewing the information and assurances provided by the Auditor on their compliance with the relevant ethical standards.

EY confirmed that all of its partners and staff involved with the audit were independent of any links to the Company and that these individuals had complied with EY's ethics and independence policies and procedures which are fully consistent with the FRC's Ethical Standards.

Audit Committee Report continued

Policy on non-audit services

The Committee has approved, and keeps under regular review, the policy on the provision of non-audit services by the Company's Auditor. The policy sets out that the Company's Auditor will not be considered for non-audit work where this is prohibited by the current regulations and where it appears to affect their independence and objectivity. In addition, the provision of any non-audit services by the Auditors is not permitted to exceed 70% of the average annual statutory audit fee for the three consecutive financial periods preceding the financial period to which the cap applies. Such services require approval in advance by the Audit Committee, or Audit Committee Chair, following due consideration of the proposed services.

Non-audit services during the year related to additional testing of the Company's compliance with its debenture covenants for which the Auditor was paid £3,000 (2021: £3,000). There were no other non-audit services.

Approval

The Committee approved this report on its work.

Isobel Sharp
Chair of the Audit Committee
18 January 2023

Management Engagement Committee Report

The Committee is responsible for formally evaluating the overall performance of the Manager and other third-party service providers engaged by the Company, to consider whether their continuing appointment is in the interests of shareholders as a whole.

Membership

The Committee is chaired by the Chair of the Board and consists of all of the Directors.

Meetings

The Committee meets at least annually, with additional meetings scheduled when required.

Role and responsibilities

The Committee's responsibilities include evaluating, on at least an annual basis, the performance of the Manager and other third-party service providers engaged by the Company (excluding the Company's Auditor) and for ensuring that the terms of the management agreement between the Manager and the Company remain competitive and in the interests of shareholders as a whole. The Committee reports to the Board, making recommendations as appropriate.

In discharging its duties over the course of the year, the Committee considered the following matters:

- the investment performance of the Company, taking account of the benchmark and performance of competitors in its AIC peer group, the share price, level of premium/discount and gearing;
- the quality and experience of the team involved in managing all aspects of the Company's business;
- the fee structures of competitors in its AIC peer group and other, similar sized investment companies;
- the key clauses of the investment management agreement, how the Manager had fulfilled these and whether these continued to be appropriate;
- the performance and fees of the Company's other third-party service providers, including the depositary, registrar, marketing and research providers, legal counsel and any other ad-hoc services provided to the Company;
- the Company's service providers in their role as stakeholders and whether there is an appropriate level of engagement with them; and
- any points of conflict which may arise between the providers of services to the Company.

Annual Manager evaluation

The Committee's review of the performance of the Manager included evaluating the Company's investment and share price performance and the company secretarial, administrative and sales and marketing support provided by the Manager and reviewing the competitiveness of the management fee paid to the Manager, details of which are on page 34.

Continued appointment of the Manager

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 the Manager and the fees payable are shown on page 34. The Board reviews investment performance at each meeting, receives updates in respect of professional sales and marketing activities carried out by the Manager for the Company at least twice annually and receives formal recommendations from the Management Engagement Committee in respect of the continued appointment of the Manager and the appropriateness of the terms of the management agreement at least annually.

Following completion of the annual evaluation of the Manager by the Management Engagement Committee and its formal recommendations to the Board, the Board believes that the continued appointment of the Manager on the terms agreed is in the interests of the Company as a whole.

Approval

The Committee approved this report on its work.

Simon Miller
Chair of the Management Engagement Committee
18 January 2023

Nominations Committee Report

The Committee advises the Board on the composition of the Board and its Committees, in making appointments to the Board and ensuring suitable succession plans are in place for the Directors. It also has responsibility for setting the remuneration policy for the non-executive Directors.

Membership

The Committee is chaired by the Chair of the Board and consists of all of the Directors. The Chair of the Board would not chair or attend meetings when the Committee is considering the appointment for his successor.

Meetings

The Committee meets at least annually, with additional meetings scheduled when required.

Role and responsibilities

The Committee's responsibilities include: reviewing the structure, size and composition of the Board and its Committees; ensuring annual performance evaluations and considering the proposed appointment and re-appointment of Directors ahead of each AGM; succession planning; nominating new Directors for consideration by the Board; and, considering the remuneration of the Directors. The Committee reports to the Board, making recommendations as appropriate.

In discharging its duties over the course of the year, the Committee considered the following matters:

- the composition of the Board and each of its Committees, taking account of the skills, experience and knowledge of each Director and whether the diversity of these continued to contribute to the success of the Company;
- succession planning for appointments to the Board taking account of the provisions regarding the retirement of directors, as well as the tenure of the current Directors;
- the outcomes of the Board performance evaluation with a view as to whether adjustments should be made to the number of Directors or knowledge and skills represented on the Board;
- the tenure of each of the Directors, giving consideration as to whether the Board retained a sufficient balance of length of service without becoming complacent;
- the independence of the Directors taking account of the guidelines established by the AIC Code as well as the Directors' other appointments;
- the time commitment of the Directors and whether this had been sufficient over the course of the year; and
- the performance and contribution of all Directors standing for re-appointment at the 2023 AGM; and the level of Directors' fees.

Annual performance evaluation

The Committee ensures that there is a formal and rigorous annual evaluation of the performance of the Board, its Committees, the Chair and individual Directors. The Company is obliged to engage an external facilitator for the evaluation every three years. An external review of the Board, its Committees, the Chair and individual Directors was first carried out by Lintstock Limited in 2013 and has been undertaken by Lintstock Limited each year up to and including the 2022 review. Lintstock Limited is independent of both the Company and the Directors and does not provide any other services to the Company.

The evaluation was conducted through the use of questionnaires and the outcomes were presented to the Committee. The areas considered included: the Board's composition and dynamics; the management and focus of meetings and support from the Manager in this respect; the performance of the Board's three principal Committees; the Board's oversight of the Company's investment strategy and performance; the Board's oversight, evaluation and relationship with the Manager and other service providers; risk management; the Board's understanding of shareholders' views and the Manager's sales and marketing activities; succession planning; and priorities for change.

The Senior Independent Director carried out the performance evaluation of the Chair, assisted by Lintstock Limited. An update was provided to the Committee and feedback given directly to the Chair.

Following completion of the evaluation review and discussion by all Directors, it was concluded that the Board retained a good balance of relevant skills and experience, the Directors (individually and collectively as the Board) have been operating effectively and Directors have undertaken training and professional development courses during the year.

The Committees continued to support the Board in fulfilling its duties and there were no specific additional training requirements for any of the Directors.

Evaluation of Directors to be considered for appointment or re-appointment

The Committee also considers the appointment and reappointment of Directors ahead of each AGM. Each of the Directors, being eligible, have stated that they will offer themselves for re-appointment and Hannah Philp and Charlotte Valeur will offer themselves for appointment at the upcoming AGM, having been appointed since the date of the last AGM. For the upcoming AGM, the Committee considered the performance and contribution to the Company of each Director and their other business appointments and commitments. The Committee concluded that each Director had been effective, allocated sufficient time to the Company to discharge their responsibilities fully and effectively, remained independent and continued to demonstrate commitment to their role. Accordingly, the Committee recommended their continued service to the Board.

Appointment of new Directors

Before commencing a search for candidates, the Committee evaluates the balance of skills, experience, knowledge and diversity on the Board, and, in light of this evaluation, prepares a description of the role and capabilities required for a particular appointment. To facilitate the search for suitable candidates from a wide range of backgrounds, the Committee may use the services of external advisers or open advertising, if deemed appropriate to do so.

The Committee assesses candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board (including gender, social and ethnic backgrounds, as well as cognitive and personal strengths), taking care that any candidates recommended for appointment are able to allocate sufficient time to the Company to fully and effectively carry out their responsibilities.

As part of the process for continual refreshment of the Board, the Committee undertook a search for additional Directors during the year. The recruitment process was led by the Chair. The Company appointed Cornforth Consulting Limited, an independent external recruitment consultancy firm, to assist in the recruitment. Cornforth Consulting Limited does not undertake any other services for the Company and has no formal connection with any of the Directors. No open advertising was used as the Committee believed that targeted recruitment was the optimal way of recruiting. Following this recruitment process, Hannah Philp and Charlotte Valeur were appointed to the Board with effect from 1 November 2022.

Diversity policy

The Board considers that a Board that is diverse in its broadest sense is important to the long-term sustainable success of the Company. All Board appointments are subject to a formal, rigorous and transparent procedure led by the Nominations Committee. The Company seeks to ensure that any Board vacancies are filled by the most qualified candidates based on objective criteria and merit and in the context of the skills, knowledge and experience that are needed for the Board to be effective.

The Board acknowledges and supports the recommendations from the FTSE Women Leaders Review on gender diversity on Boards and the Parker Review about ethnic representation on Boards. Whilst the Board does not feel that it would be appropriate to use specific diversity targets given its small size, the Directors acknowledge that diversity is important to ensure that the Company can draw on a broad range of backgrounds, skills, knowledge, experience and perspectives to achieve effective stewardship of the Company. An integral part of the appointment process includes the consideration of diversity generally, taking into account gender, social and ethnic backgrounds, cognitive and personal strengths and experience. The Nominations Committee ensures that long lists of potential non-executive Directors should include diverse candidates of appropriate experience and merit.

The Listing Rules of the FCA now require companies to report on whether they have met the following targets on Board diversity: that at least 40% of the individuals on the Board are women, at least one of the senior positions on the Board is held by a woman and that there is at least one Director of an ethnic minority background. As at 31 October 2022, the Company had not met the gender diversity requirements as only one of the four Directors (25%) was a women and has a senior position, being the Audit Committee Chair. On 1 November 2022 the position changed following the appointment of Hannah Philp and Charlottee Valeur, and now three out of the six Directors (50%) are women.

The Board does not have a Director from a minority ethnic background. The small size of the Board with only non-executive Directors and the Company's specialist nature as an investment trust provide challenges in ensuring targeted diversity in Board appointments. The Board does not therefore consider it appropriate to set targets, but ensures that long lists include diverse candidates of appropriate experience and merit. In the succession planning objectives set out above, these considerations will form a significant element of the search.

There is no discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability in any of the Nominations Committee's activities.

The following table set out the gender and ethnic diversity of the Board:

Gender diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	3	50	2
Women	3	50	1

Ethnic diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or Other (including minority – white groups)	6	100	3
Minority ethnic	–	–	–

1 Senior positions include Chair, Senior Independent Director and Audit Committee Chair

As an investment trust company with solely independent, non-executive Directors, the Company does not have a Chief Executive or a Chief Financial Officer and has no employees. Accordingly, there are no disclosures about executive management positions to be included. The role of Audit Committee Chair is considered to be a senior position and has been included in the above tables. The information in the tables was provided by individual Directors in response to a request from the Company.

Remuneration

Details of the Committee's activities in relation to Directors' remuneration are set out in the Directors' remuneration report on pages 59 to 61, together with information on the fees paid to Directors during the year under review.

Approval

The Committee approved this report on its work.

Simon Miller
Chair of the Nominations Committee
18 January 2023

Directors' Remuneration Report

Remuneration policy

The remuneration policy ('the Policy') sets out the principles applied in the remuneration of the Directors. The Policy has been in place since 2014 and was last approved by shareholders at the AGM in February 2020. The current Policy, if approved by shareholders at the 2023 AGM, will continue in force until the AGM in 2026.

The Nominations Committee considers the Directors' remuneration and makes recommendations to the Board on its conclusions. The Board has not established 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 companies).

The 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 Chair of the Board, the Senior Independent Director and the Chair 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 would not necessarily result in any change to the rates. None of the Directors has a contract of service or a contract for services, there are no set notice periods and a Director may resign by giving notice in writing to the Board at any time with no compensation.

The 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 report on remuneration

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 (the 'Regulations'). This report also meets the relevant requirements of the Companies Act 2006 (the 'Act') and the Listing Rules of the Financial Conduct Authority and describes how the Board has applied the principles relating to Directors' remuneration.

The Company's Auditor is required to report on certain information contained within this report and 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. Therefore, 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.

Views of shareholders

Any views expressed by shareholders on the fees being paid to directors would be taken into consideration by the Board when reviewing levels of remuneration.

Statement from the Chair

As Chair, Simon Miller reports that Directors' remuneration in the year under review has been determined within the parameters of the remuneration policy approved by shareholders. The Nominations Committee carried out its annual review of the fees being paid to Directors and as part of this it looked at the fees paid to other investment companies in the peer group, the fees paid in other sectors and other Janus Henderson managed investment trusts, as well as the increasing responsibilities and time commitment required of the Directors. Following consideration, it was agreed that Directors' fees be increased with effect from 1 November 2022. The new fees are set out in the table below. The 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. The Board is satisfied that the changes to the remuneration of the Directors are compliant with the Directors' Remuneration Policy approved by shareholders at the 2020 Annual General Meeting.

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.

Table of Directors' annual fees

The current fees for specific responsibilities are set out in the table below. Other than the Audit Committee Chair, no fees are payable for membership of the Board Committees. Fees were increased on 1 November 2022 and this was the first increase in Director fee rates since 1 November 2019 as there were no increases in fee rates in either 2020 or 2021.

	Rate from 1 November 2022	Rate at 31 October 2021	% increase
Chair of the Board	£47,000	£44,300	6.1%
Audit Committee Chair	£34,000	£31,500	7.9%
Senior Independent Director	£33,000	£31,500	4.8%
Directors	£31,000	£28,900	7.3%

Governance

Directors' Remuneration Report continued

Directors' remuneration (audited)

The remuneration paid/payable to the Directors who served during the years ended 31 October 2022 and 31 October 2021 was as follows:

	Year ended 31 October 2022 Total fees £	Year ended 31 October 2021 Total fees £	Year ended 31 October 2022 Total expenses including taxable benefits £	Year ended 31 October 2021 Total expenses including taxable benefits £	Year ended 31 October 2022 Total £	Year ended 31 October 2021 Total £
Susan Inglis[1]	14,111	44,300	–	–	14,111	44,300
Julian Chillingworth	31,500	31,500	–	–	31,500	31,500
Richard Huntingford[2]	–	28,900	–	–	–	28,900
Isobel Sharp	31,500	31,500	–	–	31,500	31,500
Richard West	28,900	28,900	–	–	28,900	28,900
Simon Miller[3]	34,604	–	–	–	34,604	–
Total	140,615	165,100	–	–	140,615	165,100

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. Taxable benefits – Article 110 of the Company's Articles of Association provides that Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings.

1 Retired from the Board on 24 February 2022

2 Retired from the Board on 31 October 2021

3 Chair and highest paid director – was appointed as Chair on 24 February 2022

Hannah Philp and Charlotte Valeur were appointed to the Board on 1 November 2022 and therefore are not shown in the table above.

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.

Relative importance of spend on pay

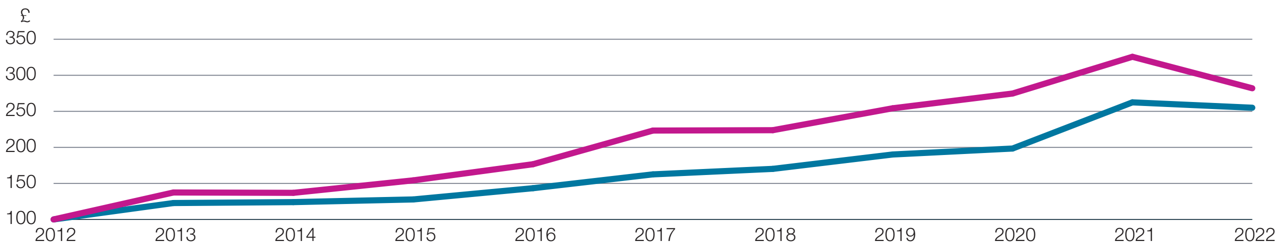
In order to show the relative importance of spend on pay, the table below sets out the total level of remuneration compared with the distributions to shareholders by way of dividends. In the year under review, 18,219,870 ordinary shares were bought back by the Company into treasury. There were no other significant distributions, payments or other uses of the Company's net return or cash flow deemed to assist in the understanding of the relative importance of spend on pay.

	31 October 2022 £'000	31 October 2021 £'000	1 year change £'000	1 year change %	5 year change £'000	5 year change %
Total Directors' remuneration[1]	140.6	165.1	(24.5)	(14.8)	(8.1)	(5.4)
Ordinary dividends paid in the year	29,022	28,165	857	3.0	6,830	30.8

1 Amounts paid will fluctuate due to the number of directors in any one year

Performance

The Company's performance has been measured against the FTSE All-Share Index for the period 1 November 2012 to 31 October 2017 and the FTSE World Index from 1 November 2017 to 31 October 2022 on a total return basis in sterling terms. The graph below compares the mid-market price of the Company's ordinary shares over the 10-year period ended 31 October 2022 with the composite index over the same period.



Source: Morningstar Direct

The Company's share price total return, assuming the investment of £100 on 31 October 2012 and the reinvestment of all dividends (excluding dealing expenses)

Composite benchmark comprising of the of FTSE All-Share Index for the period 1 November 2012 to 31 October 2017 and the FTSE World Index from 1 November 2017 to 31 October 2022, assuming the notional investment of £100 on 31 October 2012 and the reinvestment of all income (excluding dealing expenses)

Directors' Remuneration Report continued

Directors' interests in shares (audited)

	Ordinary shares of 2.5p	
	31 October 2022	1 November 2021
Beneficial interest:		
Simon Miller[1]	20,000	n/a
Julian Chillingworth	30,000	30,000
Sue Inglis[2]	n/a	100,000
Hannah Philp[3]	n/a	n/a
Isobel Sharp	30,000	30,000
Charlotte Valeur[3]	n/a	n/a
Richard West	50,000	50,000

1 Appointed to the Board on 1 January 2022
2 Retired from the Board on 24 February 2022
3 Appointed to the Board on 1 November 2022

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. Since the Company's year-end Simon Miller purchased a further 20,000 shares in the Company, bringing his total beneficial holding to 40,000 shares. There have been no further changes reported since the year end to the date of this Annual Report.

No Director is required to hold shares of the Company by way of qualification.

Statement of voting at AGM

A binding ordinary resolution adopting the Remuneration Policy was approved at the AGM held on 26 February 2020. An ordinary resolution adopting the Annual Report on Directors' Remuneration was approved at the AGM held on 24 February 2022. The following votes were received on the resolutions:

Resolution	For (including discretionary)[1]	% of votes	Against	% of votes	Withheld
Remuneration Policy[2]	9,038,452	99.5	44,327	0.5	67,502
Remuneration Report	344,091,547	99.5	1,788,617	0.5	2,678,257

Notes
1 The percentage of votes in favour (including discretionary) and those against excludes the number of votes withheld
2 The votes for the Remuneration Policy in 2020 were based on the voting rights in the Company prior to the 10 for 1 share split on 1 March 2021

Approval

The Annual Report on Directors' Remuneration was approved by the Board on 18 January 2023.

On behalf of the Board

Simon Miller
Chair
18 January 2023

Governance

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 Company's financial statements in accordance with UK-adopted International Accounting Standards.

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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company is to continue in business; and
- prepare a Directors' report, a strategic report and a Directors' remuneration report which comply with the requirements of the Companies Act 2006.

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 Disclosure Guidance and Transparency Rule 4.1.12

Each of the Directors, who are listed on pages 43 and 44, confirms that, to the best of his or her knowledge:

- the financial statements, which have been prepared in accordance with UK-adopted International Accounting Standards on a going concern basis, 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 include 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.

On behalf of the Board

Simon Miller
Chair
18 January 2023

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

Opinion

We have audited the financial statements of The Bankers Investment Trust PLC (the 'Company') for the year ended 31 October 2022 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, Cash Flow Statement and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 October 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirmation of our understanding of the Company's going concern assessment process and engaging with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- Inspection of the Directors' assessment of going concern, including the revenue forecast, for the period of at least 12 months from the date the financial statements will be authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- Review of the factors and assumptions, including the impact of the current economic environment and other significant events that could give rise to market volatility, as applied to the revenue forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to be able to make an assessment for the Company.
- In relation to the Company's borrowing arrangements, we inspected the Directors' assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants in the scenarios assessed by the Directors and performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.
- Consideration of the mitigating factors included in the revenue forecast and covenant calculations that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly.
- Review of the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income. • Risk of incorrect valuation or ownership of the investment portfolio.
Materiality	• Overall materiality of £13.61m (2021: £15.87m) which represents 1% of Net Assets as at 31 October 2022.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Company has determined that the most significant future impacts from climate change could affect the Company's investments and the overall investment process. This is explained on pages 39 and 40 in the Director's identification of principal risks which form part of the 'Other information', rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 1(a) and conclusion that there was no material impact of climate change on the valuation of the investments as they are predominantly valued based on quoted market prices. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income Refer to the Audit Committee (pages 53 to 55); Accounting policies (pages 74 to 77); and Note 3 of the Financial Statements (page 78). The Company has reported investment income of £37.81m (includes 11 special dividends of £0.95m allocated to revenue. One special dividend £0.41m was allocated to capital) (2021: £34.94m (includes special dividends of £2.07m allocated to revenue. One special dividend £1.83m was allocated to capital). Income is received primarily in the form of dividends from the listed equity investments. The investment income receivable by the Company during the year directly affects the Company's ability to pay a dividend to shareholders. There is a risk of incomplete or inaccurate recognition of income through the failure to recognise proper income entitlements or applying appropriate accounting treatment. Special dividends represent dividends paid by investee companies that are additional to the normal or expected dividend cycle for that company. In accordance with the Association of Investment Companies Statement of Recommended Practice (the 'SORP'), special dividends can be included within either the capital or revenue columns of the Income Statement depending on the commercial circumstances behind the payments. As such, there is a manual and judgemental element in classifying special dividends between revenue and capital leading to a risk of incorrect classification. The revenue column of the Income Statement is the main driver of the minimum dividend calculation. There is therefore a risk that an incorrect classification could potentially result in an under distribution of income and put the Company's Investment Trust status at risk. There is also a risk that the revenue column is overstated to increase the dividend paid to shareholders.	**We have performed the following procedures:** We obtained an understanding of the processes and controls surrounding revenue recognition by performing walkthrough procedures. For a sample of ordinary dividends selected from the accounting records, we agreed the receipt of dividend payments to bank statements and the applicable dividend per share and exchange rates to an independent data vendor. To test the completeness of ordinary and special dividends, for a sample of investments held we compared the total dividends declared during the year from an independent data vendor to the income recorded by the Company. For all dividends accrued at the year end, we agreed the dividend entitlement to an independent data vendor and agreed the amount receivable to post year-end bank statements. We assessed the appropriateness of the Company's allocation of all special dividends to either revenue or capital with reference to publicly available information.	**The results of our procedures are:** We have no matters to communicate with respect to the procedures performed in response to the risk of incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital items in the Statement of Comprehensive Income.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation or defective title to the investment portfolio. Refer to the Audit Committee (pages 53 to 55); Accounting policies (pages 74 to 77); and Note 11 of the Financial Statements (page 82). The investment portfolio at the year-end was £1.434bn (2021: £1.692bn), of which all but £0.01m are quoted equities. In accordance with UK-adopted International Accounting Standards, the Company's listed investments have been designated as 'fair value through profit and loss'. The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title of the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is determined by reference to stock exchange quoted market bid prices at the close of business on the year end date.	**We performed the following procedures:** We obtained an understanding of the Manager's and the Administrator's processes surrounding pricing of listed securities by reviewing their internal controls reports and performing walkthrough procedures. For all investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end. We compared the Company's investment holdings at 31 October 2022 to an independent confirmation received directly from the Company's Custodian and Depositary, testing any reconciling items to supporting documentation.	**The results of our procedures are:** We have no matters to communicate with respect to the procedures that we performed in response to the risk of incorrect valuation or defective title of the investment portfolio held at fair value through profit and loss.

There have been no changes to the areas of audit focus raised in the above risk table from the prior year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £13.61m (2021: £15.87m), which is 1% (2021: 1%) of net assets as at 31 October 2022. We believe that materiality calculation based on a proportion of net assets provides us with the most important financial metric on which shareholders would judge the performance of the Company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely £10.20m (2021: £11.91m). We have set performance materiality at this percentage due to our past experience of the audit that indicates that a lower risk of misstatements, both corrected and uncorrected. Given the importance of the distinction between revenue and capital for investment trusts, we have also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £1.68m (2021: £1.55m), being 5% of the net revenue return before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.68m (2021: £0.79m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that 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 by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 74;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 40 and 41;
- Directors' statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 41;
- Directors' statement on fair, balanced and understandable set out on page 62;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 39 and 40;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 51; and
- The section describing the work of the audit committee set out on page 53.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 62, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

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

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are UK-adopted International Accounting Standards, the Companies Act 2006, the Listing Rules, UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary, review of board minutes and the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Income Statement. Further discussion of our approach is set out in the key audit matter above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the Company Secretary's reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at **https://www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the Company on 17 November 2016 to audit the financial statements for the year ending 31 October 2016 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is 7 years, covering the years ending 31 October 2016 to 31 October 2022.

- The audit opinion is consistent with the additional report to the Audit committee.

Use of our report

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.

Mike Gaylor (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
18 January 2023

Financial Statements

Statement of Comprehensive Income

Notes		Year ended 31 October 2022 Revenue return £'000	Year ended 31 October 2022 Capital return £'000	Year ended 31 October 2022 Total return £'000	Year ended 31 October 2021 Revenue return £'000	Year ended 31 October 2021 Capital return £'000	Year ended 31 October 2021 Total return £'000
2	(Losses)/gains on investments held at fair value through profit and loss	–	(202,031)	(202,031)	–	308,991	308,991
3	Investment income	37,814	–	37,814	34,939	–	34,939
4	Other operating income	394	–	394	88	–	88
	Total income	**38,208**	**(202,031)**	**(163,823)**	**35,027**	**308,991**	**344,018**
	Expenses						
5	Management fees	(1,905)	(4,446)	(6,351)	(1,843)	(4,300)	(6,143)
6	Other expenses	(1,364)	–	(1,364)	(1,074)	–	(1,074)
	Profit/(loss) before finance costs and taxation	**34,939**	**(206,477)**	**(171,538)**	**32,110**	**304,691**	**336,801**
7	Finance costs	(1,346)	(3,141)	(4,487)	(1,037)	(2,423)	(3,460)
	Profit/(loss) before taxation	**33,593**	**(209,618)**	**(176,025)**	**31,073**	**302,268**	**333,341**
8	Taxation	(3,001)	(145)	(3,146)	(2,705)	–	(2,705)
	Profit/(loss) for the year and total comprehensive income	**30,592**	**(209,763)**	**(179,171)**	**28,368**	**302,268**	**330,636**
9	**Earnings/(loss) per ordinary share – basic and diluted**	**2.34p**	**(16.04p)**	**(13.70p)**	**2.17p**	**23.13p**	**25.30p**

The total columns of this statement represent the Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All of the Company's profits are from continuing operations.

The notes on pages 74 to 92 form part of these financial statements

Statement of Changes in Equity

Notes		Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
		Year ended 31 October 2022					
	Total equity at 1 November 2021	32,827	159,797	12,540	1,343,631	38,589	1,587,384
	Total comprehensive income:						
	(Loss)/profit for the year	–	–	–	(209,763)	30,592	(179,171)
	Transactions with owners, recorded directly to equity:						
18, 20	– Buy-back of shares to treasury	51	–	(51)	(18,525)	–	(18,525)
10	Ordinary dividends paid	–	–	–	–	(29,022)	(29,022)
	Total equity at 31 October 2022	**32,878**	**159,797**	**12,489**	**1,115,343**	**40,159**	**1,360,666**

Notes		Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
		Year ended 31 October 2021					
	Total equity at 1 November 2020	32,289	134,125	12,489	1,043,682	38,386	1,260,971
	Total comprehensive income:						
	– Profit for the year	–	–	–	302,268	28,368	330,636
	Transactions with owners, recorded directly to equity:						
18, 20	– Buy-back of shares to treasury	(51)	–	51	(2,274)	–	(2,274)
18, 19	– Issue of new shares	589	25,862	–	–	–	26,451
19	Share issue costs	–	(190)	–	–	–	(190)
20	Costs relating to sub-division of shares	–	–	–	(45)	–	(45)
10	Ordinary dividends paid	–	–	–	–	(28,165)	(28,165)
	Total equity at 31 October 2021	**32,827**	**159,797**	**12,540**	**1,343,631**	**38,589**	**1,587,384**

The notes on pages 74 to 92 form part of these financial statements

Statement of Financial Position

Notes		At 31 October 2022 £'000	At 31 October 2021 £'000
	Non-current assets		
11	Investments held at fair value through profit or loss	1,433,728	1,692,169
	Current assets		
12	Investments held at fair value through profit or loss	1	8,598
13	Other receivables	4,497	3,621
	Cash and cash equivalents	65,871	25,429
		70,369	**37,648**
	Total assets	**1,504,097**	**1,729,817**
	Current liabilities		
14	Other payables	(4,151)	(3,750)
14	Debenture stocks	(15,000)	–
		(19,151)	**(3,750)**
	Total assets less current liabilities	**1,484,946**	**1,726,067**
	Non-current liabilities		
15	Debenture stocks	–	(15,000)
15	Unsecured loan notes	(124,280)	(123,683)
		(124,280)	**(138,683)**
	Net assets	**1,360,666**	**1,587,384**
	Equity attributable to equity shareholders		
18	Share capital	32,878	32,827
19	Share premium account	159,797	159,797
20	Capital redemption reserve	12,489	12,540
	Retained earnings:		
20	Other capital reserves	1,115,343	1,343,631
21	Revenue reserves	40,159	38,589
	Total equity	**1,360,666**	**1,587,384**
17	**Net asset value per ordinary share**	**105.1p**	**120.9p**

The financial statements, including the notes, on pages 70 to 92 were approved and authorised by the Board of Directors on 18 January 2023 and signed on its behalf by:

Simon Miller
Chair

The notes on pages 74 to 92 form part of these financial statements

Cash Flow Statement

Notes	Reconciliation of profit before taxation to net cash flow from operating activities	Year ended 31 October 2022 £'000	Year ended 31 October 2021 £'000
	Operating activities		
	(Loss)/profit before taxation	(176,025)	333,341
2	Less: loss/(gain) on investments held at fair value through profit or loss	202,031	(308,991)
	Purchases of investments	(419,661)	(614,490)
	Sales of investments	476,954	478,300
	Purchases of current asset investments	(17,498)	(67,151)
	Sales of current asset investments	26,095	83,323
	Increase in securities purchased for future settlement	1,602	–
	Decrease in other receivables	1	2
	(Decrease)/increase in other payables	(1,479)	374
	(Increase)/decrease in accrued income	(257)	42
	Add back interest payable ('finance costs')	4,487	3,460
	Net cash inflow/(outflow) from operating activities before interest and taxation	**96,250**	**(91,790)**
	Interest paid	(4,503)	(3,072)
	Taxation on investment income	(3,766)	(3,103)
	Net cash inflow/(outflow) from operating activities	**87,981**	**(97,965)**
	Financing activities		
10	Equity dividends paid	(29,022)	(28,165)
	Issue of loan notes	–	74,232
	Costs relating to sub-division of shares	–	(45)
	Share issue proceeds	–	26,451
	Share issue costs	–	(190)
	Share buy-backs	(18,207)	(2,274)
	Net cash (outflow)/inflow from financing activities	**(47,229)**	**70,009**
	Increase/(decrease) in cash	40,752	(27,956)
	Cash and cash equivalents at the start of the year	25,429	54,221
	Exchange movements	(310)	(836)
	Cash and cash equivalents at the end of the year	**65,871**	**25,429**

In accordance with IAS 7.31 cash inflow from dividends was £34,030,000 (2021: £34,960,000) and cash inflows from interest was £245,000 (2021: £26,000).

The notes on pages 74 to 92 form part of these financial statements

Notes to the Financial Statements

1 Accounting policies

a) Basis of preparation

The Bankers Investment Trust PLC is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The financial statements of the Company for the year ended 31 October 2022 have been prepared in accordance with UK-adopted International Accounting Standards.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the revaluation of certain financial instruments held at fair value through profit or loss. The principal accounting policies adopted are set out below. These policies have been applied consistently throughout the year. Where presentational guidance set out in the Statement of Recommended Practice ('the SORP') for investment companies issued by the Association of Investment Companies ('the AIC') in April 2021 is consistent with the requirements of UK-adopted International Accounting Standards, the Directors have sought to prepare the financial statements on a basis consistent with the recommendations of the SORP.

Going concern

In reviewing viability (see pages 40 and 41) and 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, including the ongoing impact of the war in Ukraine. 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.

Accounting standards

i) New and amended standards adopted by the Company

The following new or amended standards were adopted by the Company during the year.

IAS 39, IFRS 4, 7, 9 and 16 Amendments Interest Benchmark Reform Phase 2 (effective 1 January 2021)

The amendments to the standards did not have a material impact on the Company's financial statements.

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

- IAS 37 Amendments Onerous Contracts (effective 1 January 2022)
- IAS 41, IFRS 1, 9, and 16 Amendments Annual Improvements 2018-2020 (effective 1 January 2022)
- IFRS 3 Amendments Conceptual Framework (effective 1 January 2022)
- IAS 1 Amendments Classification of Liabilities as Current or Non-Current (effective 1 January 2023)
- IAS 1 Amendments Disclosure of Accounting Policies (effective 1 January 2023)
- IAS 8 Amendments Definition of Accounting Estimates (effective 1 January 2023)
- IAS 12 Amendments Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
- IFRS 4 Amendments Deferral of effective date of IFRS 9 (effective 1 January 2023)

These are not expected to have a material impact on the Company's financial statements.

iii) New standards, amendments and interpretations issued but not effective for the current financial year and not relevant to the Company's operations.

A number of new standards, amendments and interpretations have been issued that are not effective for the current financial year end and not relevant or material to the Company's operations. They will therefore have no impact on the Company's financial statements when they become effective.

b) Investments held at fair value through profit or loss

All investments are classified as held at fair value through profit or loss, because they fail the contractual cash flow test and they are held in a portfolio of assets managed on a fair value basis. 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 is 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.

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 '(Losses)/gains 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.

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.

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 based on the coupon payable by the instrument adjusted to spread any premium or discount on purchase or redemption over its remaining life. Bank deposit interest and any stock lending income are accounted for on an accruals basis.

Where the Company enters into a commitment to underwrite an issue of securities in exchange for the receipt of commission, commission income is allocated to the revenue return. Gains or losses arising from the take up of shares are allocated to the capital 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 UK taxation or taxation in the UK on capital gains.

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.

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 presentational currency of the Company. Sterling is the functional currency because it is the currency of the primary economic environment in which the Company operates and its primary capital raising currency.

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 / (losses) on investments held at fair value through profit or loss'.

Notes to the Financial Statements continued

1 Accounting policies (continued)

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, which are used to meet short-term cash commitments.

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 costs, 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) Issue and repurchase of ordinary shares

The proceeds from the issue of new ordinary shares (including those relating to the sale of shares out of treasury) and the aggregate 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. Issue costs incurred in respect of shares sold out of treasury are offset against proceeds received and dealt with in other capital reserves. Share issues and 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

Other capital reserves are split into two components, the capital reserve arising on investments sold and the capital reserve arising on revaluation of investments held, together 'Other capital reserves'. The following analyses what is accounted for in each of these components.

Capital reserve arising on investments sold

The following are accounted for in this reserve:
- gains and losses on the disposals of investments;
- expenses and finance costs allocated to capital net of tax relief;
- realised foreign exchange differences of a capital nature; and
- costs of repurchasing ordinary share capital.

Capital reserve arising on revaluation of investments held

The following are accounted for in this reserve:
- increases and decreases in the valuation of investments held at the year end; and
- unrealised foreign exchange differences of a capital nature.

Revenue reserve

The revenue reserve represents accumulated revenue profits retained by the Company that have not currently been distributed to shareholders as a dividend.

Capital redemption reserve

The capital redemption reserve represents the nominal value of ordinary shares repurchased and cancelled.

Share capital

Share capital represents the nominal value of ordinary shares in issue.

Share premium

The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs.

m) Distributable reserves

The Company's capital reserve arising on investments sold of £852,429,000 (2021: £805,192,000) and revenue reserve of £40,159,000 (2021: £38,589,000) may be distributed by way of a dividend.

1 Accounting policies (continued)

n) 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 within the next financial year. The decision to allocate special dividends as income or capital is a judgement but not deemed to be a significant judgment.

In preparing these financial statements the directors have considered the financial impact of climate change risk and concluded that there was no impact as the investments are predominantly valued based on quoted market prices.

o) 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 based on contractual settlement amounts and subsequently measured at amortised cost using the effective interest rate method. The Company records any impairment allowances on financial assets at amortised cost using the expected credit loss model under the simplified method.

p) 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 based on contractual settlement amounts and subsequently measured at amortised cost using the effective interest rate method.

q) 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 (the Board, with support from Janus Henderson) 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 objective.

The business is not managed on a geographical basis. However, disclosure by geographical segment has been provided in note 3 on page 78. 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 (Losses)/gains on investments held at fair value through profit or loss

	2022 £'000	2021 £'000
Gains on sale of investments based on historical cost	73,804	99,844
Revaluation gains recognised in previous years	(310,946)	(66,013)
(Losses)/gains on investments sold in the year based on carrying value at previous statement of financial position date	**(237,142)**	**33,831**
Revaluation of investments held at 31 October	35,994	275,602
Exchange losses	(883)	(442)
	(202,031)	**308,991**

Notes to the Financial Statements continued

3 Investment income

	2022 £'000	2021 £'000
UK dividend income – listed	10,349	10,461
UK dividend income – special dividends	288	673
Overseas dividend income – listed	26,291	22,257
Overseas dividend income – special dividends	659	1,395
Property income distributions	227	153
	37,814	**34,939**
Analysis of investment income by geographical region:		
UK	9,402	11,287
Europe (ex UK)	7,735	8,202
North America	6,909	4,683
Japan	3,723	3,726
Pacific (ex Japan and China)	7,362	5,117
China	2,683	1,924
	37,814	**34,939**

4 Other operating income

	2022 £'000	2021 £'000
Bank interest	344	24
Stock lending revenue	48	60
Other income	2	4
	394	**88**

The Company terminated its stock lending agreement with the agent (BNP Paribas Securities Services) on 23 May 2022. The maximum aggregate value of securities on loan at any one time during the year ended 31 October 2022 was £63,630,000 (2021: £98,840,000). At 31 October 2022 the total value of securities on loan by the Company for stock lending purposes was £nil (2021: £71,929,000). The Company's agent held collateral at 31 October 2022 with a value of £nil (2021: £79,628,000) in respect of securities on loan. The value of securities held on loan, comprising Corporate and Government Bonds with a minimum market value of 105% of the market value of any securities on loan, was reviewed on a daily basis. The Company terminated its stock lending agreement during the year so there was no stock on loan at 31 October 2022.

5 Management fees

		2022			2021	
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment management	1,905	4,446	6,351	1,843	4,300	6,143
	1,905	**4,446**	**6,351**	**1,843**	**4,300**	**6,143**

A summary of the terms of the management agreement is given in the Business Model on page 34.

6 Other expenses

	2022 £'000	2021 £'000
Directors' fees and expenses (see page 60)	141	165
Auditors' remuneration – for audit services	45	40
Auditors' remuneration – for non-audit services[1]	3	3
Expenses payable to Janus Henderson (relating to marketing services)	138	115
Bank/custody charges	287	258
Depositary fees	54	55
Registrar fees	72	59
AIC subscriptions	21	21
Printing expenses	36	43
Legal fees[2]	184	35
Listing fees	119	98
Irrecoverable VAT	19	19
Loan arrangement & non-utilisation fees	76	51
Other expenses	169	112
	1,364	**1,074**

The compensation payable to key management personnel in respect of short term employment benefits was £141,000 (2021: £165,000) which relates wholly to the fees and expenses payable to the Directors in respect of the year.

1 Non-audit services relate to the provision of a debenture covenant compliant certificate

2 Following the judgement of the supreme court hearing in November 2021 which was in favour of HMRC, the Company withdrew its claims in respect of Manufactured Overseas Dividends. The Company is expecting to incur legal costs to close this case and an estimate of £150,000 has been included in the current year expenses

7 Finance costs

	2022			2021		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Interest on bank overdrafts	–	1	1	–	–	–
Interest on debentures repayable:						
– less than one year	360	840	1,200	–	–	–
– between one and five years	–	–	–	360	840	1,200
Interest on unsecured loan notes repayable:						
– after five years[1]	986	2,300	3,286	677	1,583	2,260
	1,346	**3,141**	**4,487**	**1,037**	**2,423**	**3,460**

1 Includes amortisation of issue costs and may therefore vary from year to year

8 Taxation

a) Analysis of the tax charge for the year

	2022 Revenue return £'000	2022 Capital return £'000	2022 Total return £'000	2021 Revenue return £'000	2021 Capital return £'000	2021 Total return £'000
Overseas tax suffered	3,637	145	3,782	3,103	–	3,103
Overseas tax reclaimable	(636)	–	(636)	(398)	–	(398)
Total tax charge for the year	**3,001**	**145**	**3,146**	**2,705**	**–**	**2,705**

b) Factors affecting the tax charge for the year

The differences are explained below:

	2022 Revenue return £'000	2022 Capital return £'000	2022 Total return £'000	2021 Revenue return £'000	2021 Capital return £'000	2021 Total return £'000
Profit before taxation	**33,593**	**(209,618)**	**(176,025)**	**31,073**	**302,268**	**333,341**
Corporation tax for the year at 19% (2021: 19%)	6,383	(39,827)	(33,444)	5,904	57,431	63,335
Non-taxable UK dividends	(2,020)	–	(2,020)	(2,117)	–	(2,117)
Overseas income and non-taxable scrip dividends	(4,869)	–	(4,869)	(4,294)	–	(4,294)
Overseas withholding tax suffered	3,001	145	3,146	2,705	–	2,705
Excess management expenses and loan relationships	374	1,152	1,526	420	1,084	1,504
Interest capping restriction	132	290	422	87	193	280
Capital gains not subject to tax	–	38,385	38,385	–	(58,708)	(58,708)
	3,001	**145**	**3,146**	**2,705**	**–**	**2,705**

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, which it intends to maintain for the foreseeable future.

d) Factors that may affect future tax charges

The Company can offset management fees, other administrative expenses and interest costs against taxable income to eliminate any tax charge on such income. The tax legislation refers to these as management expenses (management fees and other administrative expenses) and non-trade loan relationship deficits (interest costs) and these are captured together under the heading 'Excess management expenses and loan relationships' in the table above. Where these are not fully utilised, they can be carried forward to future years. As the Company is unlikely to generate future taxable profits to utilise these amounts, the Company cannot recognise an asset to reflect them, but must still disclose the deferred tax amount carried forward arising from any unutilised amounts.

Consequently, the Company has not recognised a deferred tax asset totalling £19,730,000 (2021: £17,695,000) arising as a result of having unutilised management expenses and unutilised non-trade loan relationship deficits totalling £78,749,000 (2021: £70,780,000) and based on the prospective tax rate of 25% (2021: 25%).

9 Earning/(loss) per ordinary share

The total earnings per ordinary share is based on the net loss attributable to the ordinary shares of £179,171,000 (2021: profit of £330,636,000) and on 1,307,589,615 ordinary shares (2021: 1,306,988,584), being the weighted average number of shares in issue during the year.

The total earnings can be further analysed as follows:

	2022 £'000	2021 £'000
Revenue profit	30,592	28,368
Capital (loss)/profit	(209,763)	302,268
(Loss)/profit for the year	**(179,171)**	330,636
Weighted average number of ordinary shares	**1,307,589,615**	1,306,988,584
Revenue earnings per ordinary share	2.34p	2.17p
Capital (loss)/earnings per ordinary share	(16.04p)	23.13p
(Loss)/earnings per ordinary share	**(13.70p)**	25.30p

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

10 Dividends on ordinary shares

Dividends on ordinary shares	Record date	Payment date	2022 £'000	2021 £'000
Third interim dividend (0.542p*) for the year ended 31 October 2020	23 October 2020	30 November 2020	–	6,989
Final dividend (0.542p*) for the year ended 31 October 2020	29 January 2021	26 February 2021	–	7,053
First interim dividend (0.538p) for the year ended 31 October 2021	30 April 2021	28 May 2021	–	7,050
Second interim dividend (0.538p) for the year ended 31 October 2021	30 July 2021	31 August 2021	–	7,073
Third interim dividend (0.55p) for the year ended 31 October 2021	29 October 2021	30 November 2021	7,222	–
Final dividend (0.55p) for the year ended 31 October 2021	31 January 2022	28 February 2022	7,222	–
First interim dividend (0.55p) for the year ended 31 October 2022	29 April 2022	31 May 2022	7,202	–
Second interim dividend (0.578p) for the year ended 31 October 2022	29 July 2022	31 August 2022	7,531	–
Unclaimed dividends refunded			(155)	–
			29,022	**28,165**

*Figures have been restated due to the sub-division of each Ordinary share of 25p into ten Ordinary shares of 2.5p each on 1 March 2021

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. All dividends have been paid or will be paid out of revenue profits.

	2022 £'000	2021 £'000
Revenue available for distribution by way of dividend for the year	30,592	28,368
First interim dividend (0.550p) (2021: 0.538p)	(7,202)	(7,050)
Second interim dividend (0.578p) (2021: 0.538p)	(7,531)	(7,073)
Third interim dividend (0.60p) paid on 30 November 2022 (2021: 0.55p paid on 30 November 2021)	(7,771)	(7,222)
Final dividend (0.60p) payable on 28 February 2023 (2021: 0.55p paid on 28 February 2022)	(7,764)[1]	(7,222)
Revenue surplus/(deficit) for Section 1158 purposes	**324**	**(199)**

1 Based on the number of shares in issue, excluding the shares held in treasury, of 1,294,042,936 on 16 January 2023 being the latest practicable date prior to the publication of this report

Notes to the Financial Statements continued

11 Investments held at fair value through profit or loss

	2022 £'000	2021 £'000
Valuation at start of year	1,692,169	1,246,546
Investment holding gain at start of year	(538,045)	(328,456)
Cost at start of year	**1,154,124**	**918,090**
Acquisitions at cost	419,661	614,490
Disposals at cost	(403,150)	(378,456)
Cost at end of year	**1,170,635**	**1,154,124**
Investment holding gains at end of year	263,093	538,045
Valuation of investments at end of year	**1,433,728**	**1,692,169**

At 31 October 2022 convertible or fixed interest securities held in the portfolio which were also unquoted investments shown at the Directors' fair valuation were £1,000 (2021: £1,000). See note 16.5 on page 88.

The Company received £476,954,000 (2021: £479,336,000) from investments sold in the year. The book cost of these investments when they were purchased were £403,150,000 (2021: £378,456,000). These investments have been revalued over time, until they were sold any unrealised gains/losses were included in the fair value of investments.

Purchase and sale transaction costs for the year ended 31 October 2022 were £338,000 and £320,000 respectively (2021: transaction costs of purchases £1,001,000; transaction costs of sales £261,000). These comprise mainly stamp duty and commission.

The Company has no interests of 3% or more of any class of capital of the companies in its portfolio (2021: none).

12 Current asset investment

The Company has a holding in Deutsche Global Liquidity Series Fund, a money market fund which is viewed as a readily disposable store of value and which is used to invest cash balances that would otherwise be placed on short-term deposit. At 31 October 2022 this holding had a value of £1,000 (2021: £8,598,000).

13 Other receivables

	2022 £'000	2021 £'000
Other taxes recoverable	2,199	1,579
Prepayments and accrued income	2,244	1,987
Other receivables	54	55
	4,497	**3,621**

14 Current liabilities

	2022 £'000	2021 £'000
Accruals	1,649	3,344
Securities purchased for future settlement	1,602	–
Buy-back of shares for future settlement	318	–
8% debenture stock 2023	15,000	–
Other payables	582	406
	19,151	**3,750**

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. The 8% debenture stock 2023 is redeemable at par on 31 October 2023.

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

	2022 £'000	2021 £'000
Borrowings: Debenture stock (secured):		
8% debenture stock 2023	–	15,000
Borrowings: Loan notes (unsecured):		
3.68% loan notes 2035	49,851	49,841
1.67% loan notes 2041 (Euro)	37,575	36,994
2.28% loan notes 2045	36,854	36,848
	124,280	**138,683**

The £50,000,000 3.68% unsecured loan notes 2035 are redeemable at par on 27 May 2035. They are shown on the balance sheet on the effective interest basis. The unsecured loan notes were issued net of costs totalling £210,000.

The €44,000,000 1.67% unsecured loan notes 2041 were issued on 3 August 2021 and are redeemable at par on 3 August 2041. They are shown on the balance sheet on the effective interest basis. The unsecured loan notes were issued net of costs totalling £155,000.

The £37,000,000 2.28% unsecured loan notes 2045 were issued on 3 August 2021 and are redeemable at par on 3 August 2045. They are shown on the balance sheet on the effective interest basis. The unsecured loan notes were issued net of costs totalling £152,000.

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. The 8% debenture stock 2023 is redeemable at par on 31 October 2023 and as such is now classified as a current liability, see note 14.

16 Risk management policies and procedures

16.1 Market risk

Janus 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 (i.e. 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 Janus Henderson. Investment performance is reviewed at each Board meeting. The Board monitors Janus Henderson's compliance with the Company's objectives and is directly responsible for investment strategy and asset allocation, including between countries and economies.

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

	2022 £'000	2021 £'000
Equities	1,433,727	1,692,168
Fixed interest	1	1
	1,433,728	**1,692,169**

16 Risk management policies and procedures (continued)

16.1.1 Market price risk (continued)

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% (2021: 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.

	2022		2021	
	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	(344)	344	(406)	406
Capital return	285,943	(285,943)	337,486	(337,486)
Change to profit after tax for the year and net assets	**285,599**	**(285,599)**	**337,080**	**(337,080)**

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

Janus Henderson monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board at each Board meeting. Janus 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 at the time of any draw down.

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.

2022	US $ £'000	Euro £'000	Japanese Yen £'000	Chinese Yuan £'000	Swiss Franc £'000	Other £'000
Other receivables/(payables)	292	549	1,323	2	(351)	1,621
Cash and cash equivalents	681	–	–	1,181	–	111
Non-current liabilities	–	(37,575)	–	–	–	–
Total foreign currency exposure on net monetary items	**973**	**(37,026)**	**1,323**	**1,183**	**(351)**	**1,732**
Investments at fair value through profit or loss that are equities	570,164	191,779	176,294	70,161	40,688	128,406
Total net foreign currency exposures	**571,137**	**154,753**	**177,617**	**71,344**	**40,337**	**130,138**

16 Risk management policies and procedures (continued)

16.1.2 Currency risk (continued)

2021	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000	Other £'000
Other receivables	184	677	1,352	–	936
Cash and cash equivalents	–	–	–	–	1,838
Non-current liabilities	–	(36,994)	–	–	–
Total foreign currency exposure on net monetary items	**184**	**(36,317)**	**1,352**	**–**	**2,774**
Investments at fair value through profit or loss that are equities	627,395	236,818	199,230	55,419	257,856
Total net foreign currency exposures	**627,579**	**200,501**	**200,582**	**55,419**	**260,630**

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 net foreign currency exposure caused by changes in the exchange rates for the US dollar/sterling, euro/sterling, Japanese yen/sterling, Swiss franc/sterling and Chinese yuan/sterling.

It assumes the following changes in exchange rates:

US dollar/sterling +/- 10% (2021: 10%), euro/sterling +/- 10% (2021: 10%), Japanese yen/sterling +/- 10% (2021: 10%), Swiss Franc/sterling +/- 10%, Chinese Yuan/sterling +/- 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 net foreign currency exposure 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:

	2022					2021			
	US $ £'000	Euro £'000	Japanese Yen £'000	Swiss Franc £'000	Chinese Yuan £'000	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000
Statement of Comprehensive Income – profit after tax									
Revenue return	1,077	710	430	132	298	715	695	360	136
Capital return	63,379	16,950	19,588	4,521	7,795	69,519	21,959	22,076	6,141
Change to profit after tax for the year and net assets	**64,456**	**17,660**	**20,018**	**4,653**	**8,093**	**70,234**	**22,654**	**22,436**	**6,277**

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:

	2022					2021			
	US $ £'000	Euro £'000	Japanese Yen £'000	Swiss Franc £'000	Chinese Yuan £'000	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000
Statement of Comprehensive Income – profit after tax									
Revenue return	(881)	(581)	(352)	(108)	(244)	(585)	(568)	(295)	(111)
Capital return	(51,811)	(14,162)	(16,027)	(3,699)	(6,378)	(56,880)	(18,245)	(18,062)	(5,024)
Change to profit after tax for the year and net assets	**(52,692)**	**(14,743)**	**(16,379)**	**(3,807)**	**(6,622)**	**(57,465)**	**(18,813)**	**(18,357)**	**(5,135)**

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objective.

16 Risk management policies and procedures (continued)

16.1.3 Interest rate risk

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

Management of the risk

The Company's exposure to interest rate risk is managed by Janus Henderson and is reported to the Board on a regular basis.

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.

	2022 Within one year £'000	2022 More than one year £'000	2022 Total £'000	2021 Within one year £'000	2021 More than one year £'000	2021 Total £'000
Exposure to floating interest rates:						
Cash and cash equivalents	65,871	–	65,871	25,429	–	25,429
Current asset investment	1	–	1	8,598	–	8,598
Exposure to fixed interest rates:						
Fixed interest investments	–	1	1	–	1	1
Debentures	(15,000)	–	(15,000)	–	(15,000)	(15,000)
Unsecured loan notes	–	(124,280)	(124,280)	–	(123,683)	(123,683)
	50,872	**(124,279)**	**(73,407)**	**34,027**	**(138,682)**	**(104,655)**

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 is at a margin over SONIA, or its foreign currency equivalent (2021: same).
- Interest paid on debentures and unsecured loan notes is set out in note 7.

Interest rate sensitivity

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

- Cash – Cash balances vary throughout the year. Cash balances at the year end were £65,871,000 (2021: £25,429,000) and, if that level of cash was maintained for a full year, a 100 basis points change in interest rates (up or down) would increase or decrease total net return after taxation by approximately £659,000 (2021: £254,000).
- Bank loans – Amounts drawn down can vary throughout the year. Amount drawn down at the year end was £nil (2021: £nil).
- Current asset investment sensitivity – The Company's interest bearing current asset investment at the year end was £1,000 (2021: £8,598,000) 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 after taxation by approximately £nil (2021: £86,000).
- Fixed income investment sensitivity – The Company's fixed income portfolio at the year end was valued at £1,000 (2021: £1,000) and is not currently paying interest and therefore there is no modified duration (interest rate sensitivity) (2021: no duration).

16 Risk management policies and procedures (continued)

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. During the year 2022 the Company renewed the unsecured sterling loan facility with SMBC Bank International plc totalling £20,000,000; the facility expires in February 2024. The Company also has a debenture and unsecured loan notes, details of which can be found in note 14 and on page 82.

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

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:

	2022			2021		
	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 stock	–	16,200	–	–	1,200	16,200
Unsecured loan notes	920	2,394	176,761	920	2,384	179,256
Other payables	4,151	–	–	3,750	–	–
	5,071	**18,594**	**176,761**	**4,670**	**3,584**	**195,456**

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 approved counterparties, the credit rating of which is taken into account by Janus Henderson 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 Janus 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 Janus Henderson, and limits are set on the amount that may be lent to any one counterparty. The stock lending agreement was terminated on 23 May 2022.

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 78 and on page 98.

Other than stock lending transactions and debenture stock, 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 Janus 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 SA. The Directors believe the counterparty is of high credit quality and, therefore, the Company has minimal exposure to credit risk.

16 Risk management policies and procedures (continued)

16.3 Credit and counterparty risk (continued)

None of the Company's financial assets are past due and the expected credit loss within IFRS 9 for calculating impairment on such balances has not had a material impact on the Company.

Credit risk exposure

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

	2022 £'000	2021 £'000
Fixed interest securities	1	1
Current asset investment	1	8,598
Cash and cash equivalents	65,871	25,429
Receivables:		
Other receivables	4,497	3,621
	70,370	**37,649**

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) 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 stock and unsecured loan notes can be found in note 14 and note 15 on pages 82 and 83. The fair value of the 8% debenture stock at 31 October 2022 was £15,578,000 (2021: £17,537,000). The fair values are calculated using prices quoted on the exchange on which the instruments trade and are categorised as Level 1 as described below. In order to comply with fair value accounting disclosures only, the fair value of the unsecured loan notes has been estimated to be £97,069,000 (2021: £134,199,000) and is categorised as Level 3 in the fair value hierarchy as described below. However, for the purpose of the daily NAV announcements, the unsecured loan notes are valued at amortised cost in the fair value NAV because they are not traded and the Directors expect them to be held to maturity and, accordingly, the Directors have assessed that is the most appropriate value to be applied for this purpose.

The fair value of the unsecured loan notes is calculated using a discount rate which reflects the yield of a UK gilt of similar maturity plus a suitable credit spread. The fair value of the Euro unsecured loan notes is calculated using a discount rate which reflects the yield of a Euro swap of similar maturity plus a suitable credit spread.

16.5 Fair value hierarchy disclosures

The table below sets out the fair value measurements using 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.

	2022				2021			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,433,727	–	–	1,433,727	1,692,168	–	–	1,692,168
Fixed interest investments	–	–	1	1	–	–	1	1
Current asset investments	1	–	–	1	8,598	–	–	8,598
	1,433,728	**–**	**1**	**1,433,729**	**1,700,766**	**–**	**1**	**1,700,767**

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

Level 3 investments at fair value through profit or loss	2022 £'000	2021 £'000
Opening balance	1	3
Disposal proceeds	–	(2)
	1	**1**

The total value of unquoted investments at 31 October 2022 was £1,000 (2021: £1,000).

There were no transfers between levels during the year (2021: same).

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 0.00007% (2021: 0.00006%) of the total portfolio and which are held at Directors' fair value.

The Company's capital at 31 October 2022 comprised its equity share capital, reserves and debt that are shown in the statement of financial position at a total of £1,484,946,000 (2021: £1,726,067,000).

The Board, with the assistance of Janus 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 (i.e. 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 deed 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 deed. 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, including that total indebtedness shall not exceed 40% of net asset value and that the net asset value shall not be less than £500 million.

The Company has complied with these requirements 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 £1,360,666,000 (2021: £1,587,384,000) and on 1,294,851,206 ordinary shares in issue (excluding shares held in treasury) at 31 October 2022 (2021: 1,313,071,076). 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:

	2022 £'000	2021 £'000
Net assets attributable to ordinary shares at start of year	1,587,384	1,260,971
Total net (loss)/profit on ordinary activities after taxation	(179,171)	330,636
Issue of shares	(18,525)	23,942
Dividends paid	(29,022)	(28,165)
Net assets attributable to ordinary shares at end of year	**1,360,666**	**1,587,384**

Notes to the Financial Statements continued

18 Called up share capital

	Number of shares held in treasury	Number of shares entitled to dividend	Total number of shares	Nominal value of shares in issue £'000
Ordinary shares				
At 1 November 2021	2,031,754	1,313,071,076	1,315,102,830	32,827
Buy-back of ordinary shares	18,219,870	(18,219,870)	–	51[1]
At 31 October 2022	**20,251,624**	**1,294,851,206**	**1,315,102,830**	**32,878**

1 The nominal value of the share buy-backs which were held in treasury during the year to 31 October 2021 was transferred to the capital redemption reserve but should have remained in share capital. This transfer of £51,000 has been reversed in the current period

During the year, no new shares were issued and 18,219,870 shares were bought back in to treasury for a net payment of £18,525,000.

Since the year end, the Company has bought back 808,270 shares into treasury for a net payment of £802,000.

	Number of shares held in treasury	Number of shares entitled to dividend	Total number of shares	Nominal value of shares in issue £'000
Ordinary shares				
At 1 November 2020	–	129,157,783	129,157,783	32,289
Issue of new ordinary shares of 25p	–	975,000	975,000	244
	–	130,132,783	130,132,783	32,533
Issue of new ordinary shares following 10:1 stock split	–	1,171,195,047	1,171,195,047	–
Issue of new ordinary shares of 2.5p	–	13,775,000	13,775,000	345
Buy–back of ordinary shares	2,031,754	(2,031,754)	–	(51)
At 31 October 2021	**2,031,754**	**1,313,071,076**	**1,315,102,830**	**32,827**

In the year ended 31 October 2021, 975,000 shares were issued prior to the 10 for 1 share split and 13,775,000 following the 10 for 1 share split for proceeds of £26,261,000 and 2,031,754 shares were bought back in to treasury for a net payment of £2,274,000.

19 Share premium account

	2022 £'000	2021 £'000
At start of year	159,797	134,125
Issue of shares	–	25,862
Less: issue costs	–	(190)
At end of year	**159,797**	**159,797**

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 2021	12,540	805,192	538,439	1,343,631
Transfer on disposal of assets	–	310,946	(310,946)	–
Net (losses)/gains on investments	–	(237,142)	35,994	(201,148)
Net losses on foreign exchange	–	(310)	(573)	(883)
Buy-back of shares into treasury	(51)[1]	(18,525)	–	(18,525)
Expenses and finance costs allocated to capital	–	(7,732)	–	(7,732)
At 31 October 2022	**12,489**	**852,429**	**262,914**	**1,115,343**

1 The nominal value of the share buy-backs which were held in treasury during the year to 31 October 2021 was transferred to the capital redemption reserve but should have remained in share capital. This transfer has been reversed in the current period

	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 2020	12,489	715,226	328,456	1,043,682
Transfer on disposal of assets	–	66,013	(66,013)	–
Net gains on investments	–	33,831	275,602	309,433
Net (losses)/gains on foreign exchange	–	(836)	394	(442)
Costs relating to sub-division of shares	–	(45)	–	(45)
Buy-back of shares into treasury	51	(2,274)	–	(2,274)
Expenses and finance costs allocated to capital	–	(6,723)	–	(6,723)
At 31 October 2021	**12,540**	**805,192**	**538,439**	**1,343,631**

21 Revenue reserve

	2022 £'000	2021 £'000
At start of year	38,589	38,386
Net revenue profit after tax for the year	30,592	28,368
Dividends paid	(29,022)	(28,165)
At end of year	**40,159**	**38,589**

22 Reconciliation of liabilities arising from financing activities

The following table shows the movements during the period of financial liabilities in the statement of financial position:

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

	At 1 November 2020 £'000	Cash flows £'000	Non-cash changes Amortisation of issue costs £'000	Non-cash changes Foreign exchange £'000	At 31 October 2021 £'000
Financing activities					
Financing liabilities	64,832	74,232	13	(394)	138,683
Closing liabilities from financing activities	**64,832**	**74,232**	**13**	**(394)**	**138,683**

23 Contingent Liabilities, Guarantees and Financial Commitments

At 31 October 2022 there were no contingent liabilities, guarantees or financial commitments (2021: £nil).

24 Transactions with Janus Henderson

Under the terms of an agreement effective from 22 July 2014, the Company appointed Janus Henderson to provide investment management and accounting, administrative and secretarial services. Janus Henderson has contracted with BNP Paribas SA to provide accounting and administration services. Details of the management fee arrangements for these services are given in the Business Model on page 34. The total fees paid or payable under this agreement to Janus Henderson in respect of the year ended 31 October 2022 were £6,351,000 (2021: £6,143,000), of which £488,000 is included in accruals at 31 October 2022 (2021: £2,190,000).

In addition to the above services, Janus Henderson facilitates marketing activities with third parties which are recharged to the Company. The total fees paid or payable for these services for the year ended 31 October 2022 amounted to £138,000 (2021: £115,000), of which £95,000 was outstanding at 31 October 2022 (2021: £70,000). Janus Henderson also provides marketing services which are included in the management fee.

25 Subsequent Events

There have been no events to report since the end of the Company's financial year on 31 October 2022.

Other Shareholder information

Glossary

Alternative Investment Fund Managers Directive ('AIFMD')

Agreed by the European Parliament and the Council of the European Union and adopted 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

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 has three key dates applied to it. The payment date is the date on which shareholders are to 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 and share price is to be disclosed ex-dividend.

Dividend growth

The amount by which the Company's annual dividend has increased compared to the previous year, expressed as a percentage of the previous annual dividend.

Gearing

Gearing means borrowing money to buy assets with the expectation that the return on investments bought exceeds the interest cost of the borrowings. The gearing percentage reflects the amount of borrowings (e.g. 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 (see note 11) and equity shareholders' funds (see statement of financial position) dividing by equity shareholders' funds and multiplying by 100. The Company can use synthetic gearing through derivatives. None were used in the year under review.

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 is 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 tends 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.

Treasury shares

Shares repurchased by the Company but not cancelled.

Alternative Performance Measures

The Company uses the following Alternative Performance Measures ('APMs') throughout the Annual Report, financial statements and notes to the financial statements. The APMs are reconciled to the financial statements through the narrative below. The Board believes that each of the APMs, which are typically used within the investment trust sector, provide additional useful information to shareholders to help assess the Company's performance against its peer group.

Discount or premium

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

		31 October 2022	31 October 2021
Net asset value per ordinary share (pence)	(A)	105.1	120.9
Share price per share (pence)	(B)	96.6	114.0
(Discount) or Premium (C= (B-A)/A) (%)	(C)	(8.1)	(5.7)

Gearing/(net cash)

Gearing represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is a 'net cash' position and no gearing.

		2022	2021
Investments held at fair value through profit or loss (page 82) (£'000)	(A)	1,433,728	1,692,169
Net assets (page 72) (£'000)	(B)	1,360,666	1,587,384
Gearing/(net cash) (C = (A/B) – 1) (%)	(C)	5.4	6.6

Net asset value ('NAV') per ordinary share

The value of the Company's assets (i.e. investments held at fair value through profit or loss (see note 11) and cash held (see statement of financial position)) less any liabilities (i.e. financial liabilities (see notes 14 and 15)) for which the Company is responsible divided by the number of ordinary shares in issue (see note 18). The aggregate NAV is also referred to as Total equity in the statement of financial position. The NAV per ordinary share is published daily and the year end NAV can be found on page 72 and further information is available on page 89 in note 17 within the notes to the financial statements.

Net asset value ('NAV') with debt at market value

The Company's debt (bank borrowings, debentures and secured notes, further details can be found in note 15 on page 83) is valued in the statement of financial position (page 72) at amortised cost, which is materially equivalent to the repayment value of the debt on assumption that it is held to maturity. This is often referred to as 'Debt at Par'. The current market value of the debt, which assumes it is repaid under current market conditions, is referred to as 'Debt at Market Value'. This market value is detailed in note 16.4 on page 88 but excludes the market value of the unsecured loan notes which remains valued at amortised cost for the calculation of NAV with debt at market value. The difference between the market and par values of the debt is subtracted from or added to the statement of financial position on page 72 to derive the NAV with debt at market value. The NAV with debt at market value at 31 October 2022 was £1,360,088,000 (105.0p per ordinary share) and the NAV with debt at par was £1,360,666,000 (105.1p per ordinary share).

Alternative Performance Measures continued

Ongoing charge

The ongoing charge has been calculated in accordance with guidance issued by the AIC as the total investment management fees and administrative expenses and expressed as a percentage of the average daily net asset values throughout the year.

	2022 £'000	2021 £'000
Management fee (note 5)	6,351	6,143
Other administrative expenses (note 6)	1,364	1,074
Less: non-recurring expenses	(312)	(76)
Ongoing charge	**7,403**	**7,141**
Average net assets[1]	**1,481,050**	**1,472,895**
Ongoing charge	**0.50%**	**0.48%**

1 Calculated using the average daily net asset value

The ongoing charge calculated above is different from the ongoing costs provided in the Company's Key Information Document ('KID'), which are calculated in line with the PRIIPs regulations. The ongoing costs in the KID includes finance costs, stock lending fees and costs of holding other investment funds within the Company's investment portfolio.

Revenue return per share

The revenue return per share is the revenue return for the year (see statement of comprehensive income) divided by the weighted average number of ordinary shares in issue during the year (see note 9 on page 81).

Total return

The return on the share price or NAV with debt at market value taking into account both the rise and fall of NAVs/share prices and dividends paid to shareholders. 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 with debt at market value total return). Dividends paid and payable are set out in note 10 on page 81.

The Company's NAV performance is calculated using the published NAV with debt at market value. This NAV includes the value of the debentures at market value rather than amortised cost.

	NAV per share with debt at market value	Share price
NAV/share price per share at 31 October 2021 (pence)	120.7	114.0
NAV/share price per share at 31 October 2022 (pence)	105.0	96.6
Change in the year	(13.0)	(15.3)
Impact of dividends reinvested	2.1	2.2
Total return for the year	**(11.3)**	**(13.4)**

Yield

The yield is the annual dividend expressed as a percentage of the year end share price.

		31 October 2022	31 October 2021
Annual dividend (pence)	(A)	2.328	2.176
Share price (pence)	(B)	96.6	114.0
Yield (C=A/B) (%)	(C)	2.4	1.9

General Shareholder Information

AIFMD disclosures

In accordance with the Alternative Investment Fund Managers Directive ('AIFMD'), information in relation to the Company's leverage and remuneration of Janus Henderson, as the Company's Alternative Investment Fund Manager ('AIFM') are required to be made available to investors. These disclosures, including those on the AIFM's remuneration policy, are contained in a separate document called 'AIFMD Disclosure' 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 99) 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 Limited (the address is given on page 99).

Common Reporting Standard

Tax legislation under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information. The legislation requires the Company to provide personal information to HMRC on certain investors who purchase shares in investment trusts. This information is provided annually to the local tax authority of the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

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 UK 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.

Foreign Account Tax Compliance Act ('FATCA')

FATCA is a United States federal law whose intent is to enforce the requirement for United States persons (including those living outside the US) to file yearly reports on their non-US financial accounts. As a result of HMRC's change of interpretation on the meaning of shares and securities 'regularly traded on an established securities market', investment trusts now need to monitor each year the trading volume and frequency of their shares and securities to assess whether they have financial accounts. The Company therefore needs to make an annual assessment, before the FATCA return is due, to determine if the shares represent financial accounts and, where they do, needs to identify and report US reportable accounts to HMRC, as required.

General Data Protection Regulation ('GDPR')

GDPR came into force on 25 May 2018. A privacy statement can be found on the website **www.janushenderson.com**.

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 2.5p 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.

Packaged Retail and Insurance-based Investment Products Regulation ('PRIIPs')/Key Information Document ('KID')

Investors should be aware that the PRIIPs Regulation requires the Manager, as the PRIIP manufacturer, to prepare a key information document in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available on the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by the law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Performance details/share price information

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

Shareholder details

Shareholders who hold their shares in certificated form can check their shareholding with the Registrar (contact details can be found on page 99).

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**.

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.

Taxonomy Regulation

Regulation (EU) 2020/852 ('Taxonomy Regulation') establishes the basis for the EU taxonomy. The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities to provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. In accordance with the Taxonomy Regulation, the Company states that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Securities Financing Transactions

The Company engaged in securities financing transactions (as defined in Article 3 of Regulation (EU) 2015-2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending for the year ended 31 October 2022 are detailed below.

Return and cost

The return and cost of engaging in securities lending by the Company and the securities lending agent in absolute terms and as a percentage of overall returns are disclosed below:

Total gross amount of securities lending income	Direct and indirect costs and fees deducted by securities lending agent	% return of the securities lending agent	Net securities lending income retained by the Company	% return of the Company
£56,000	£8,000	15	£48,000	85

The Company terminated its stock lending agreement with the agent (BNP Paribas Securities Services) on 23 May 2022.

Corporate Information

Registered office

201 Bishopsgate
London EC2M 3AE

Service providers

Alternative Investment Fund Manager

Janus Henderson Fund Management UK Limited
201 Bishopsgate
London EC2M 3AE

Corporate Secretary

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

Depositary and Custodian

BNP Paribas Trust Corporation UK Limited and BNP Paribas SA
10 Harewood Avenue
London NW1 6AA

Stockbrokers

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

New Zealand
Jarden Securities Limited
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 7047 if calling from overseas). Lines are open 8.30 am to 5.30 pm, UK time Monday to Friday excluding public holidays in England and Wales.

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

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Financial calendar

Annual results	announced January 2023
Ex dividend date	26 January 2023
Dividend record date	27 January 2023
Annual General Meeting	23 February 2023
Final dividend payable on	28 February 2023
1st interim dividend payable on	31 May 2023
Half year results	announced June/July 2023
2nd interim dividend payable on	31 August 2023
3rd interim dividend payable on	30 November 2023

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**. **Follow the Janus Henderson Investment Trusts on LinkedIn – Janus Henderson Investment Trusts, UK.**

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.

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 depends on individual circumstances.

Nominee share code

Where notification has been provided in advance, the Company arranges 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 Chair.

FCA Share Fraud Warning

Investment and pension scams are often sophisticated and difficult to spot

FINANCIAL CONDUCT AUTHORITY

Be a ScamSmart Investor

Be a ScamSmart investor and spot the warning signs

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they're only making the offer available to you or even ask you to not tell anyone else about it

How to avoid investment and pension scams

1 Reject unexpected offers
Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.

2 Check the FCA Warning List
Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.

3 Get impartial advice
Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the link below.

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

MANAGED BY
Janus Henderson
INVESTORS

Telephone: **0800 832 832**
Email: **support@janushenderson.com**

bankersinvestmenttrust.com

The Association of Investment Companies

WORLD LAND TRUST™

FSC www.fsc.org MIX Paper from responsible sources FSC® C007810

The Bankers Investment Trust PLC Registered as an investment company in England and Wales with registration number 00026351

Registered office
201 Bishopsgate,
London EC2M 3AE

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GB00BN4NDR39

SEDOL number
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London Stock Exchange (TIDM) Code
BNKR

New Zealand Stock Exchange Code
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