The Bankers Investment Trust PLC

Annual Report 2020

AIC DIVIDEND HERO

MANAGED BY Janus Henderson INVESTORS

Strategic Report

US economy
forecast to grow

3.3%

in 2021 (2020: -3.6%)

World economy
forecast to grow

4.0%

in 2021 (2020: -4.0%)

US 10 year treasury yield
forecast

1.3%

for 2021 (2020: 0.95%)

Forecast increase in global
earnings per share

26.4%

to 31 December 2021
(2020: -17.0%)

Sources: J.P.Morgan and World Bank as at 5 January 2021

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.

Please see the Chair's Statement on page 6 for more details.

A brief history

The Company was incorporated in 1888. Since seven of the nine original Directors were bankers by profession, the name The Bankers' Investment Trust, Limited was considered appropriate. The Company has paid dividends on the ordinary shares every year since incorporation except in the years 1892 and 1893 and has increased dividends paid each year since 1966.

Contents

Performance Highlights[1]

Net asset value per ordinary share

With debt at par

2020 **976.3p** 2019 **948.7p**

With debt at market value

2020 **973.9p** 2019 **945.7p**

Dividend

Per share for year[2]

2020 **21.54p** 2019 **20.90p**

Growth

2020 **3.1%** 2019 **6.0%**

Share price at year end[3]

2020 **980.0p** 2019 **927.5p**

Premium/(discount) at year end[4]

2020 **0.4%** 2019 **(2.2%)**

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

2020 **(1.1%)** 2019 **(3.0%)**

Ongoing charge for year

2020 **0.50%** 2019 **0.52%**

Long term growth record to 31 October 2020

	1 year %	3 years %	5 years %	10 years %
Capital return[6]				
Net asset value	3.0	11.3	55.8	118.5
Share price	5.7	15.0	58.5	158.0
FTSE World Index[7]	2.1	13.6	34.2	59.2
Total return[8]				
Net asset value	5.3	18.9	74.7	179.2
Share price	8.1	23.0	78.1	233.3
FTSE World Index[7]	4.3	22.1	55.3	119.2
Dividend	3.1	15.8	36.3	78.0
Retail Price Index	1.3	6.9	13.4	30.3
Consumer Price Index	0.7	4.6	8.7	21.2

1 A glossary of terms and alternative performance measures can be found on pages 91 to 93
2 This represents the four ordinary dividends recommended or paid for the year (see page 78 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 (cash)/gearing is calculated in accordance with the gearing definition in the alternative performance measures on page 92
6 Capital return excludes all dividends
7 For the 3, 5 and 10 years this is a composite of the FTSE World Index and the FTSE All-Share Index
8 Total return assumes dividends reinvested
Sources: Morningstar for the AIC, Janus Henderson, Refinitv Datastream

Global: the Investment Case

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, value-based investment process to identify suitable opportunities and pays particular regard to cash generation and dividends. The Board regularly monitors the Company's investments and the Manager's investment activity.

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

Gearing

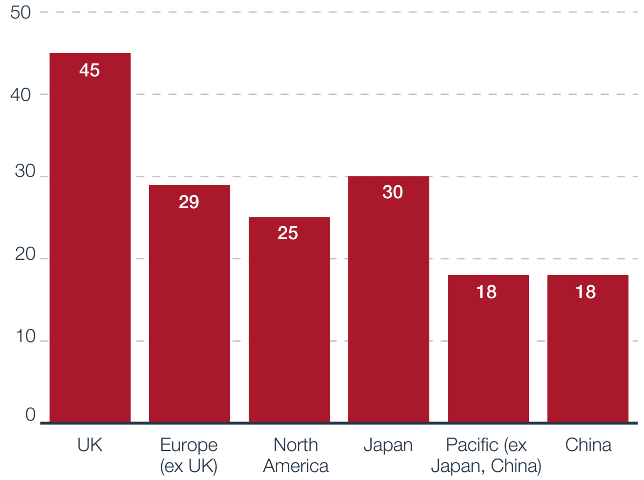
The Company can borrow to make additional investments with the aim of achieving a return that is greater than the cost of the borrowing. The Company can borrow up to 20% of net assets at the time of draw down (see fuller description on page 29 in the Business Model).

Experienced, high quality team; Focused portfolios

Lead Manager	**Alex Crooke** (Appointed 2003, 31 years experience)
UK	**David Smith** (19 years experience)
Europe (ex UK)	**James Ross** (14 years experience)
North America	**Gordon Mackay** (25 years experience)
Japan	**Junichi Inoue** (26 years experience)
Pacific (ex Japan, China)	**Mike Kerley** (28 years experience)
China	**May Ling Wee** (23 years experience)

Source: Janus Henderson Investors

Number of holdings by region as at 31 October 2020



Source: Janus Henderson Investors

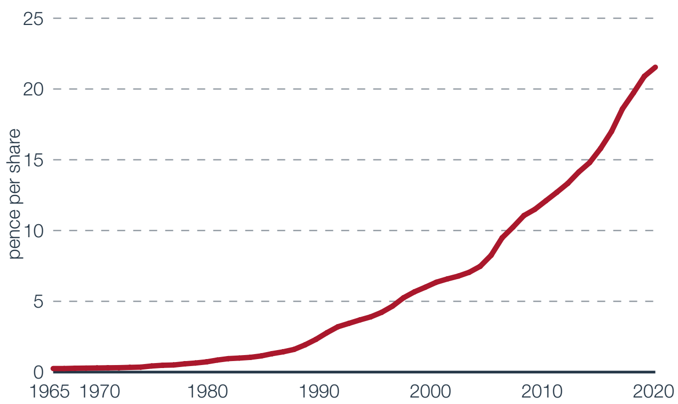
Why invest in Bankers?

- A well-diversified core long-term global equities savings vehicle
- Strong long and short-term performance record relative to its benchmark
- 54 consecutive years of dividend increases
- Future dividend growth supported by significant revenue reserves
- Ongoing charge ratio amongst the lowest of actively managed equities funds

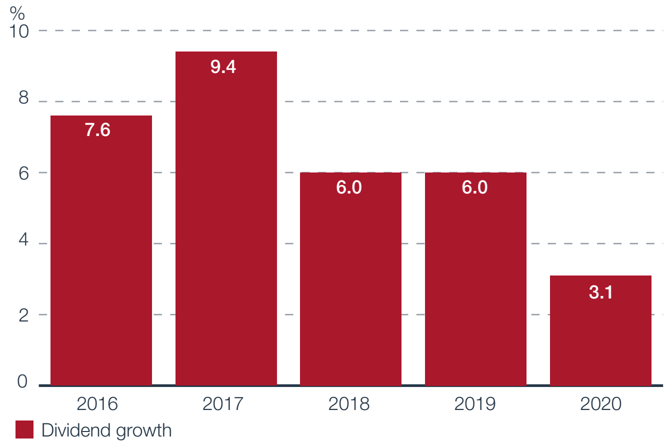
Global: the Dividend Story

The investment process for Bankers has always focused on growing both capital and income for investors. The key focus is on companies that have a history of growing the amount of surplus cash they generate from their businesses. This is called free cash flow and is defined as the cash generated after paying staff, borrowing costs, taxes and maintaining equipment. Companies with growing levels of free cash flow have flexibility to reduce borrowings, invest for the future and grow their dividends over time. Being global we have a greater pool of opportunities to find these companies and also diversify across different regions and sectors. This investment strategy has helped Bankers not only pay dividends every year since 1894 but also to increase dividends every year since 1966, a 54 year track record.

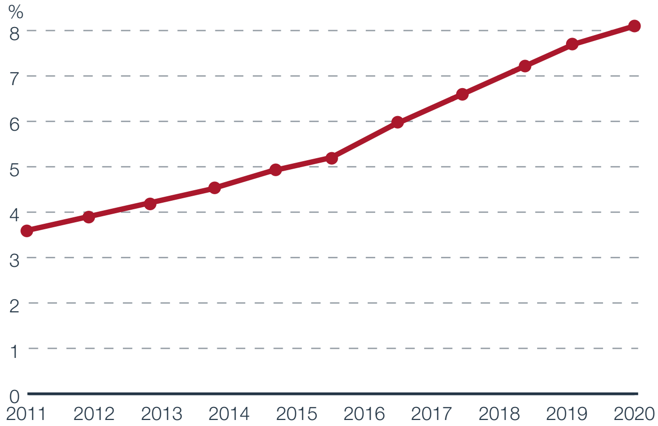
Annual dividend over past 54 years



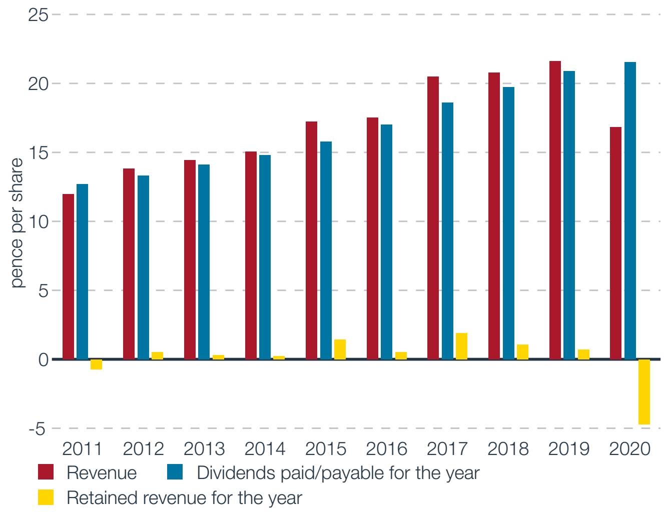
Annual dividend growth over past 5 years



Annual dividend yield each year based on £1,000 invested on 31 October 2010 and dividends reinvested



Revenue and dividend history



Source: Janus Henderson

Chair's Statement

Sue Inglis
Chair

"We recognise the importance of delivering a reliable and growing income for many of our shareholders. The outlook for the level of dividend payments received by the Company is improving and we expect many companies to rebuild pay-outs from their reduced levels. However, it will take more than one year for our earnings per share to recover fully and exceed the dividend. Until that time, we intend to grow the dividend at a modest rate, in part using our revenue reserves."

Chair's Statement

- Net asset value total return increase of **5.3%** (2019: 12.1%).
- Share price total return increase of **8.1%** (2019: 13.6%).
- Average premium to net asset value of **0.3%** (2019: average discount of 1.5%).
- Dividend increase of **3.1%** to **21.54p** per share (2019: 6.0%).
- Forecast increase in current financial year dividend of approximately **0.5%**.

Performance

Our last financial year was like no other. After a promising start, our net asset value ('NAV') and share price rose to (then) all-time highs in February. Less than four weeks later the Covid-19 pandemic caused one of the quickest global economic and financial market collapses of all time, as countries around the world went into lockdown and many feared the scale of the human and economic cost of the pandemic. Governments and central banks responded swiftly with the greatest monetary and fiscal stimulus since World War 2, whilst many companies sought to hoard cash via slashing dividends and buybacks and cutting costs and to shore up their balance sheets through equity and debt issues. Global stock markets bounced back in the following months, driven principally by technology and other stocks benefitting from changes of business and consumer behaviour brought about by lockdowns, including the move to working from home and the hastening shift to online retailing. By late summer, our NAV and share price had recovered the ground lost earlier in the year. Then, in the last week of our financial year, global stock markets suffered their biggest weekly decline since March after shares fell again in response to concerns about the economic impact of new lockdowns around the world.

Against this difficult market backdrop, I am pleased to report, for the year ended 31 October 2020, the Company achieved positive returns for shareholders. The Company's net asset value per share increased by 3.0% (2019: 9.6%) in capital terms over the year. With dividends reinvested, the NAV total return per share was 5.3% (2019: 12.1%), outperforming the FTSE World Index total return of 4.3% (2019: 11.7%). Our share price total return was higher, at 8.1% (2019: 13.6%), due to the narrowing of the discount to NAV at which our shares traded. At 31 October 2020, our shares traded at a premium of 0.4% (2019: discount of 2.2%), having averaged a premium of 0.3% (2019: average discount of 1.5%) over the year.

Four of our regional portfolios delivered positive returns and all outperformed their respective local benchmarks over the financial year apart from the Pacific (ex Japan and China) portfolio, the performance of which was severely hampered by its value and income investment style. This style has served us well in the past and we are confident it will continue to do so in the future. Details of the performance of the Company, our regional portfolios and global markets during the year are included in the Fund Manager's and Regional Portfolio Manager Reports on pages 8 to 18.

Revenue and dividends

As anticipated in my interim statement, our revenue account was particularly hard hit by the effects of Covid-19 as many companies sought to retain cash to deal with the effects of the pandemic. Our earnings per share fell by 22% to 16.83p (2019: 21.61p). However, our structure as an investment trust has enabled us to build up a significant revenue reserve over many years from which we can draw to pay dividends on rainy days.

The Board, therefore, recommends a final quarterly dividend of 5.42p per share, to be paid on 26 February 2021 to shareholders on the register of members at the close of business on 29 January 2021. If approved by shareholders at the forthcoming AGM, this will result in total dividends per share for the year of 21.54p (2019: 20.90p), an increase of 3.1%, which is in line with our forecast for the year and compares very favourably with the 1.3% rise in the Retail Price Index (and 0.7% rise in the Consumer Price Index). This will be the Company's 54th successive year of annual dividend growth, maintaining the Company's status as one of the leading AIC "dividend heroes".

After taking into account the recommended final 2020 dividend payment, if approved, approximately £6.4 million, equivalent to 4.91p per share, will be transferred from our revenue reserve. Adjusted for that transfer, our revenue reserve at the year end amounts to approximately £24.3 million, or 18.71p per share.

We recognise the importance of delivering a reliable and growing income for many of our shareholders. The outlook for the level of dividend payments received by the Company is improving and we expect many companies to rebuild pay-outs from their reduced levels. However, it will take more than one year for our earnings per share to recover fully and exceed the dividend. Until that time, we intend to grow the dividend at a modest rate, in part using our revenue reserve. This approach will enable us to continue holding shares in companies that have temporarily suspended or reduced their dividends where the shares still offer good growth potential.

The revenue reserve gives the Board confidence to forecast dividend growth of approximately 0.5% for the current financial year.

Borrowings

The Company's £20 million short-term borrowing facility with SMBC Bank International plc (formerly called Sumitomo Mitsui Banking Corporation Europe Limited) expires in February and we are in the process of renewing it for a further year. The Company continually reviews opportunities to deploy gearing and the short-term facility gives our Manager additional flexibility to invest and create returns for shareholders. The facility remained undrawn throughout the year, and currently remains undrawn. However, we anticipate utilising this facility in the current year.

Share issues and buy-backs

During the year, the Company sold 1,338,509 shares out of treasury and issued 5,212,491 new shares to meet market demand, raising gross proceeds of £57.0 million. Since the year end, a further 975,000 new shares have been issued, raising gross proceeds of £10.7 million. No shares were bought back during the year or since the year end.

Chair's Statement (continued)

Board appointment

As mentioned in the Interim Report, Richard West joined the Board on 1 April 2020 and brings additional investment knowledge to the Board. Richard has already proved to be an excellent addition to the Board.

Investment objective

Our dividend objective is to achieve dividend growth greater than UK inflation over the long term. Historically, we have measured inflation using the Retail Price Index ('RPI'). The Consumer Price Index ('CPI') is a measure of consumer price inflation produced to international standards and has been increasingly adopted by the Government and economists when calculating the UK's inflation rate. RPI, which predates CPI, is believed at times to overestimate inflation and at other times to underestimate it and is now widely discredited. Having reviewed both measures, the Board concluded that, with effect from the current financial year, CPI is a more appropriate measure of UK inflation for the purpose of our dividend objective and we have amended our investment objective accordingly (see page 28). This amendment should have no impact on our dividend policy or how the Company's portfolio is managed.

Responsible investment

The Board believes that effective stewardship and integration of environmental, social and governance ('ESG') factors into the Company's investment process are important elements in delivering our investment objective. In recognition of the growing interest of investors, both institutional and retail, in such matters, we have included a new section in this year's Annual Report which details our approach to ESG (see pages 24 to 26).

Annual General Meeting ('AGM')

At the time of writing, due to the ongoing restrictions on gatherings due to the Covid-19 pandemic, it will not be possible for shareholders to attend the AGM on 24 February 2021 in person. Voting on the resolutions to be proposed will be conducted on a poll, and shareholders are encouraged to submit their Forms of Proxy. If you have any questions on the Annual Report or the Company's performance over the year, please email **ITSecretariat@janushenderson.com** in advance of the meeting. All questions received will be considered and responses will be available on the Company's website. A presentation from Alex Crooke, our Fund Manager, will be available to watch on the Company's website (**www.bankersinvestmenttrust.com**) from 17 February 2021.

We very much hope that we will be able to hold next year's AGM in person.

Non-routine business at the AGM

In addition to the routine business to be conducted at this year's AGM, resolutions will be put to shareholders to approve sub-dividing each existing ordinary share of 25p into 10 ordinary shares of 2.5p each and the adoption of new Articles of Association. The principal differences between the existing and proposed Articles are that the proposed Articles will: permit general meetings to be held wholly or partly by electronic means; reduce the quorum requirement for general meetings from three to two or more persons present in person or by proxy; and change the votes conferred on a poll from one vote for every £1 nominal of ordinary shares held to one vote for every ordinary share held. The rationale for, and details of, the proposed share split and new Articles, which your Directors believe are in the best interests of shareholders as a whole, can be found in the circular convening this year's AGM. A copy of the AGM circular accompanies this report and can also be found on the Company's website **(www.bankersinvestmenttrust.com)**.

Outlook

Since our year end, Joe Biden's success in the US presidential election, positive news flow regarding Covid-19 vaccines and approvals of a new US stimulus deal and a UK – EU trade deal have all acted as catalysts for another global stock market rally. Our NAV total return in the current financial year to 14 January 2021 was 13.6%, which compares with a total return of 14.3% by our benchmark.

The rollout of Covid-19 vaccines will significantly improve the outlook for the global economy in the year ahead. However, until an effective vaccination programme is implemented globally, economies will remain vulnerable to further national or localised lockdowns as the struggle to contain the spread of the virus continues, which means that economic recovery is likely to be bumpy and a return to the "new normal" will take time. In the meantime, we expect both monetary and fiscal policy to remain extremely accommodative which, in conjunction with continuing low interest rates, should be supportive for equity markets. There will almost certainly be some profound long-term consequences of Covid-19 for businesses, economies and geopolitics, but these will only become clearer over time.

Away from Covid-19, Joe Biden will be sworn in as US President on 20 January 2021 and, unlike his predecessor, is expected to adopt a constructive and considered approach to diplomatic matters. Consequently, with the likely exception of China, trade tensions should ease, resulting in lower market volatility. With the Democrats having secured control of the Senate in the Georgia run-off elections earlier this month, President-elect Biden will have the chance to take more political control, including increasing taxes and regulatory oversight. However, this should be balanced by a further Covid-19 relief package, which is expected to be an early priority for the new administration.

The UK stock market, dogged by Brexit uncertainty and held back by its low exposure to technology and other high-growth stocks, has been shunned by both domestic and international investors for some time. With Brexit uncertainty now much reduced following the eleventh-hour agreement of a UK – EU trade deal and the UK stock market's bias towards cheap cyclical stocks, investors should begin to be tempted back.

Overall, we are optimistic about the returns for global equities over the coming year.

Sue Inglis
Chair
18 January 2021

Fund Manager's Report

Alex Crooke
Fund Manager

Fund Manager's Report

Performance

The year started promisingly as stock markets rose, anticipating both an improving outlook for corporate profits and continued low interest rates supported by central bank bond purchases. An interim US – China trade deal in December 2019 indicated a return to more favourable trade between the world's two superpowers. Meanwhile, hopefully, a Brexit trade deal between the UK and Europe would follow later in the year.

Then the world changed. News reports started breaking of an unknown virus being transmitted amongst the population in Wuhan, China. There have been previous, localised outbreaks of new viruses but never has one spread quite so quickly around the world. Through February we started to realise that the impact of the Covid-19 virus would be global and that we needed to act, even though we did not at this point anticipate that by mid-March most of the developed world would have locked down their populations and that the second quarter would see the largest contraction in economic activity in living memory for many countries.

Given the uncertainty and having raised investment within the portfolio between our year end and the new year, we started to sell holdings in travel-related stocks, such as airports and transport, to rebuild cash. We also reduced financials whose share prices often amplify market movements. From mid-February to mid-March stock markets fell sharply, rocked by the worsening news about the outbreak and fears that the mortality rate could be as high as 10%. Further sales were made in March but, as investors reduced risk in their portfolios, the market sell-off in both the bond and equity markets became indiscriminate. Some obvious beneficiaries of lockdown, remote working and online retailing also fell. We started to find that the share prices of companies we liked became far more affordable and through late March into April we became net investors, building up holdings such as Apple, ASML and Worldline.

The sharp rebound in equity markets from late March into June took many by surprise but it can be explained by the speed of monetary and fiscal support combined with high levels of investor liquidity going into the year. As markets rose in 2019 investors, including ourselves, raised cash in anticipation of a pullback in share prices. When the market did collapse on Covid-19 worries, investors were quick to increase exposures to technology companies that had been driving the adoption of online working and shopping. At the same time central banks increased liquidity to support banks and bond markets on a scale that dwarfed the efforts during the 2008/09 banking crisis. The asset purchases by central banks, combined with government support schemes, have bolstered asset prices and avoided fire sale liquidations. Latterly, stock markets were further supported by encouraging news from vaccine trials, leading to hopes of full reopening of economies in 2021.

As in most years during the last decade the US market was a standout performer, but the leadership was narrow, driven by the technology sector and in particular the very largest companies in the index: Microsoft, Apple, Facebook, Amazon and Alphabet. Chinese equities also performed well, driven by the same technology theme and a quicker recovery in activity following the spring lockdown. The events of 2020 have clearly accelerated the already well-established trends of changing working patterns and consumption. However, the continued decline in interest rates is also having a fundamental impact. A bizarre effect of negative interest rates in Europe means that the value of future profits is worth more to investors than current or next year's profits. Investors are being incentivised to take on more risk and this has been inflating the value of businesses years away from profitability. The effect was observable in the US market during the year, where the share price performance of loss making businesses on average outperformed the price performance of those businesses that produced a profit. Many commentators have predicted an unsustainable bubble in prices of technology shares although, while animal spirits are undoubtedly at play, there is not the blind optimism that fuelled the last tech boom in the 90s. Many of the largest technology companies are highly profitable and probably only government intervention to break up these companies will derail their domination of certain segments of the economy.

For Bankers, the regional portfolios generally performed very well during the year, reflecting good stock picking. The US, Japan and China portfolios all outperformed their local indices by more than 10%. The Europe (ex UK) portfolio also performed credibly, outperforming by 7.7%. The UK market performed badly, falling nearly 20% over the year due to its higher concentration of banks and oils and having fewer technology companies. The long shadow of Brexit continued to weigh on the UK market and Covid-19 restrictions hurt the service industries in the UK particularly hard. The UK portfolio outperformed marginally, giving up the better performance we built up in the summer, as it became apparent that hopes of a Brexit deal were receding. The Pacific (ex Japan and China) portfolio was the only region to underperform, ending the year significantly behind the benchmark. There was disappointing stock selection, for example the position in Treasury Wine Estates. However, the major reason was our not owning the high growth Chinese technology companies listed in Hong Kong. Our investment style in this portfolio is both value and income driven which has served us well for many years but lagged the market this year.

The investment team has adapted quickly to working remotely during the periods of lockdown. We have access to all our trading and investment systems at home, whilst our contact with company managements has continued to be excellent via online conferencing. I am pleased that May Ling Wee has settled in well managing the China portfolio following Charlie Awdry's departure. She has delivered an excellent first year, outperforming the Chinese CSI 300 Index by 19.6%. This portfolio remains very solidly focused on targeting companies that benefit from increasing consumer spending and the growing number of middle-income earners.

Environmental, social and governance factors

All the teams managing the portfolio integrate environmental, social and governance ('ESG') factors into their stock selection processes. These factors are carefully evaluated during the building of the investment case for each new holding and are monitored throughout the year for each position we hold. Our current view is not to exclude investing in certain companies but to engage with the management of those we invest in and to challenge them to make improvements in all ESG factors. We monitor improvements and engage both directly and through investor initiatives. There are further details of our approach to ESG on pages 24 to 26, together with new analysis showing that Bankers' portfolio has less exposure than the FTSE World Index to companies with high ESG risk factors and that the carbon intensity of the portfolio is also lower than the Index.

Income

This has been the most challenging year in my career in terms of dividends. The UK market saw a near 40% reduction in overall income. The banking sector in Europe was forced by regulators

Fund Manager's Report (continued)

to cancel dividends, some of which had already gone ex-dividend. The portfolio was partially protected by a low exposure to sectors that cut dividends the most, such as oil and retail banks, but we have still seen our investment income fall by 15% year-on-year. Over recent years we have increased investment into the US market which has delivered better overall performance than the UK or Europe but generates lower income than either. The lack of leverage in the portfolio has further hindered income generation. However, we have several levers to pull in coming years to improve the income from the portfolio and have identified a path to return to a covered dividend. There are already good signs, as some of our investments have announced the resumption of payments this year.

Asset allocation

The gearing has fluctuated during the year as we have reduced risk and then added to holdings after the market started to recover in March. When the market stalled in the summer, we once again started to make selected sales of shares that were exceeding our price targets. At the year end there was a net cash position of 1.1% within the Company compared to a net cash position of 3.0% at the start of the year. The proceeds of share issuance were invested promptly with most regions receiving net new money apart from China, where we felt tightening US trade tariffs would impact share prices. Regionally we have favoured Europe and Asia for new investment, given these regions have lagged the US and should recover sharply when economies open this year. Valuations are modest and the profit outlook is favourable.

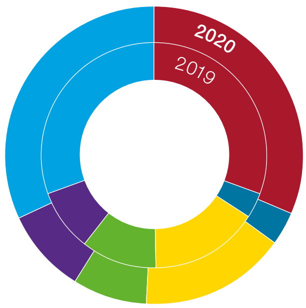
Outlook

As governments tighten new lockdown conditions and we enter the winter months, it is understandably difficult to feel optimistic about the future. It is therefore important to remember that stock markets are discounting mechanisms, with prices reflecting investors' best view of future outcomes. There is much to be optimistic about this year, from the roll-out of vaccines to the expansion of the money supply. At the last hour a Brexit trade deal was agreed with Europe which should soften the transition for many UK and European based businesses. Cash deposits of both consumers and corporates are at very high levels while borrowing via credit cards has fallen, all implying there is scope to see a significant increase in consumer and corporate spending when economies are released from Covid-19 restrictions. The conditions are set for a rare period of synchronous global economic expansion towards the end of this year when sufficient numbers of the global population have been vaccinated. There remain some challenges around the lifting of the support schemes and an inevitable rise in unemployment thereafter. The change of administration in the US will herald a different stance on many issues but trade relations with China are likely to remain strained if US domestic politics take precedence over improving international relations.

Clearly the share price recovery since March has discounted some of the expected economic recovery. However, many sectors have been left behind and we expect them to lead the recovery this year. There will be much debate around future inflation trends but, in all probability, the high level of monetary expansion from central banks combined with fiscal stimulus should benefit cyclical and financial companies at the expense of defensive and growth companies. As always, it will never be that simple. Some growth companies will continue to do well, and some cyclicals will not. The improving outlook will require us to start to invest the cash within the Company and we will evaluate new investments carefully with the aim of delivering the optimal mix of capital and income return.

Alex Crooke
18 January 2021

Corporate revenue exposure at 31 October 2020



	2020 %	2019 %
Emerging Asia and Other	**31.6**	30.8
Asia Pacific (ex Japan)	**3.5**	3.5
Europe (ex UK)	**16.0**	15.6
UK	**8.0**	10.8
Japan	**9.0**	8.8
North America	**31.9**	30.4

Source: Factset

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

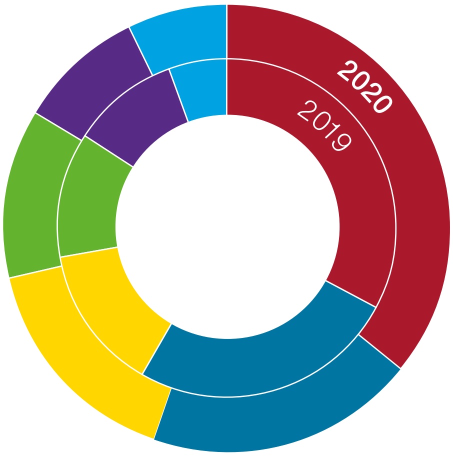
Over the year to 31 October, the net asset value (total return) rose by 5.30% compared to a rise in the FTSE World Index of 4.34%.

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**		4.34%
	Performance of portfolio against benchmark		
	Due to asset allocation	-4.39%	
	Due to stock selection	6.13%	
			1.74%
Other factors	**Gross performance of portfolio**		6.08%
	Due to gearing	-0.20%	
	Ongoing charge	-0.50%	
	Timing residual	-0.08%	
			-0.78%
	Performance of net asset value (total return)		**5.30%**

Portfolio Structure at 31 October 2020 and 2019

Geographical analysis (equities excluding cash held)

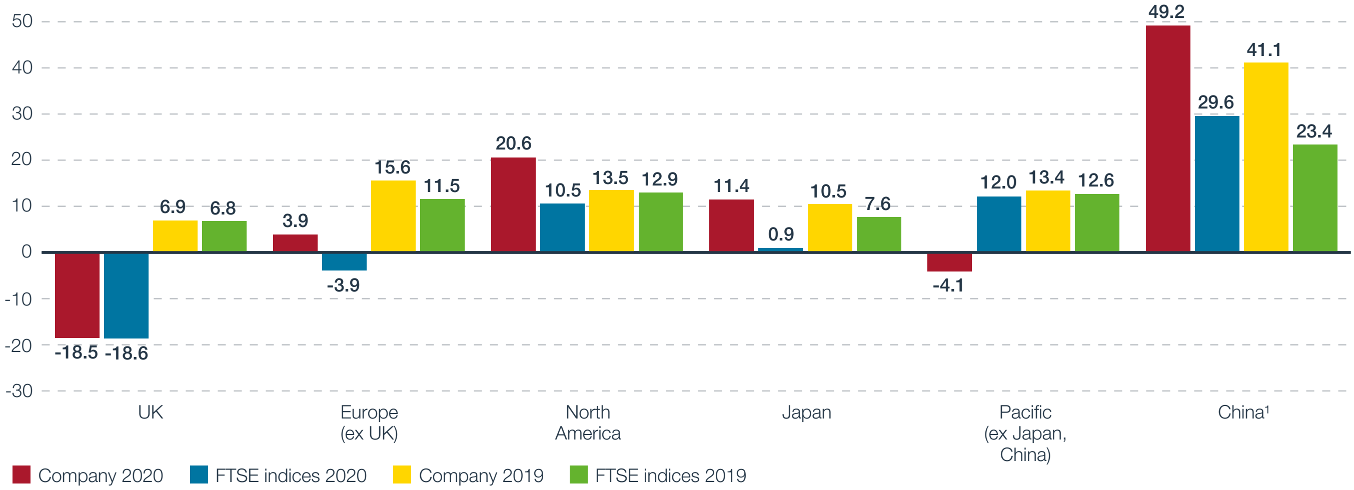


	2020 %	2019 %
North America	**35.9**	33.0
UK	**19.4**	25.6
Europe (ex UK)	**16.1**	13.7
Japan	**12.4**	12.0
Pacific (ex Japan, China)	**9.0**	10.2
China	**7.2**	5.5

	FTSE World Index 2020 %
North America	64.5
UK	4.0
Europe (ex UK)	14.1
Japan	8.2
Pacific (ex Japan, China)	7.7
China	–
Emerging Markets	1.5

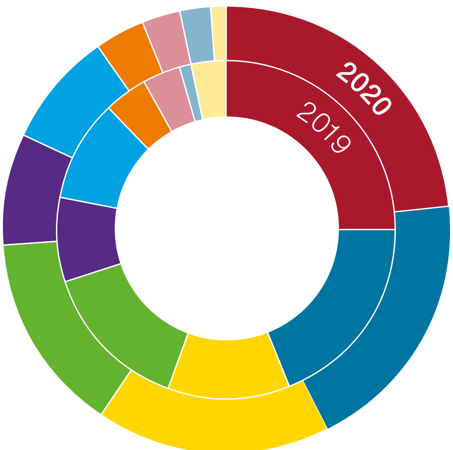
Source: Janus Henderson

The Company's performance against the FTSE indices



1 China CSI 300 Index (£)
Source: Janus Henderson

Sector analysis



	2020 %	2019 %
Financials	**23.6**	25.0
Consumer Goods	**19.1**	19.1
Technology	**16.9**	11.7
Industrials	**14.3**	14.3
Health Care	**8.3**	8.1
Consumer Services	**8.1**	9.8
Telecommunications	**3.7**	4.1
Basic Materials	**2.8**	3.5
Utilities	**2.2**	1.2
Oil & Gas	**1.0**	3.2

Source: Janus Henderson

Largest Investments

At 31 October 2020

Ranking 2020	Ranking 2019	Company	Country	Valuation 2019 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	**Valuation 2020 £'000**
1	1	Microsoft	US	26,290	–	(2,264)	10,424	**34,450**
2	2	Estée Lauder	US	25,056	–	(2,368)	4,187	**26,875**
3	23	Apple	US	10,599	4,898	–	10,292	**25,789**
4	8	Alphabet	US	18,280	–	–	5,237	**23,517**
5	#	Amazon	US	9,008	8,000	(4,784)	10,776	**23,000**
6	5	Visa	US	19,145	3,498	(963)	769	**22,449**
7	4	American Tower	US	19,922	–	(823)	1,082	**20,181**
8	6	MasterCard	US	19,008	–	–	844	**19,852**
9	20	Intuit	US	11,903	3,390	–	2,976	**18,269**
10	#	Facebook	US	–	17,439	(3,416)	4,217	**18,240**
11	13	Intercontinental Exchange	US	13,520	4,556	–	46	**18,122**
12	14	Adobe Systems	US	13,175	–	(3,647)	8,275	**17,803**
13	#	CME	US	–	22,125	–	(4,368)	**17,757**
14	22	Taiwan Semiconductor Manufacturing	Taiwan	10,809	–	–	6,769	**17,578**
15	#	Moody's	US	–	13,727	–	2,348	**16,075**
16	24	Roper Technologies	US	9,765	4,853	–	416	**15,034**
17	#	Sherwin–Williams	US	–	14,313	–	406	**14,719**
18	#	Netflix	US	9,632	–	(1,799)	6,328	**14,161**
19	15	Union Pacific	US	12,956	–	–	929	**13,885**
20	#	PayPal	US	7,729	–	–	6,107	**13,836**
21	18	ICON	US	12,719	–	(2,648)	3,065	**13,136**
22	19	The Cooper Companies	US	12,028	1,975	(2,354)	1,386	**13,035**
23	3	American Express	US	22,757	–	(5,734)	(4,198)	**12,825**
24	10	GlaxoSmithKline	UK	16,891	–	–	(4,554)	**12,337**
25	25	Reckitt Benckiser	UK	9,688	1,023	–	1,532	**12,243**
				310,880	**99,797**	**(30,800)**	**75,291**	**455,168**

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

	Valuation 2019 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	**Valuation 2020 £'000**
UK	288,393	51,284	(36,100)	(61,716)	**241,861**
Europe (ex UK)	154,547	142,574	(101,590)	5,121	**200,652**
North America	372,716	102,050	(95,390)	68,281	**447,657**
Japan	135,398	35,899	(29,048)	12,269	**154,518**
Pacific (ex Japan, China)	114,969	40,483	(32,247)	(10,866)	**112,339**
China	62,496	34,990	(38,644)	30,677	**89,519**
	1,128,519	**407,280**	**(333,019)**	**43,766**	**1,246,546**

Distribution of Assets and Liabilities

At 31 October 2020

	Equities £'000	Fixed interest £'000	Current assets £'000	Total assets £'000	%	Total liabilities £'000	Geographical exposure of net assets £'000	Geographical exposure of net assets %
North America	447,657	–	75	447,732	33.7	–	447,732	35.5
UK	241,858	3	65,265	307,126	23.1	(67,833)	239,293	19.0
Europe (ex UK)	200,652	–	1,244	201,896	15.2	–	201,896	16.0
Japan	154,518	–	1,168	155,686	11.7	–	155,686	12.4
Pacific (ex Japan, China)	112,339	–	60	112,399	8.5	–	112,399	8.9
China	89,519	–	14,436	103,955	7.8	–	103,955	8.2
Emerging Markets	–	–	10	10	–	–	10	–
Total	**1,246,543**	**3**	**82,258**	**1,328,804**	**100.0**	**(67,833)**	**1,260,971**	**100.0**
	98.9%	**–**	**6.5%**	**105.4%**		**(5.4%)**	**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

	2020	2019
US Dollar	**1.293**	1.294
Japanese Yen	**135.170**	139.888
Euro	**1.11**	1.16
Hong Kong Dollar	**10.03**	10.14
Australian Dollar	**1.841**	1.878

	2020	2019
Chinese Yuan Renminbi	**8.6634**	9.1038
New Taiwanese Dollar	**36.98**	39.39
Korean Won	**1467.167**	1,505.504
Swiss Franc	**1.185**	1.277
New Zealand Dollar	**1.956**	2.018

Historical Record

At 31 October

		Earnings and dividends per 25p share						Indices of growth[3]					
	Gross revenue £'000	Revenue earnings net p	Total dividends net p	Ongoing charge[1] %	Total assets less current liabilities £'000	Net asset value per 25p ordinary share p	Market price per 25p ordinary share p	Net asset value	Market price per 25p ordinary share	FTSE All–Share Index	FTSE World Index	Dividend per 25p ordinary share net	UK Retail Price Index
2010	16,478	12.26	12.10	0.42	526,955	452	380	100	100	100	100	100	100
2011	16,389	11.98	12.70	0.40	521,331	447	385	99	101	97	98	105	105
2012	18,593	13.84	13.33	0.42	551,214	475	433	105	114	103	104	110	109
2013	19,689[2]	14.45[2]	14.13	0.45	678,561	587	580	130	153	122	127	117	112
2014	20,748	15.05	14.80	0.53	693,196	596	563	133	148	119	135	122	114
2015	22,767	17.22	15.80	0.52	777,428	630	619	140	163	119	138	131	115
2016	24,916	17.53	17.00	0.52	991,544	756	690	169	182	128	174	140	117
2017	29,634	20.49	18.60	0.44	1,142,379	879	852	196	224	140	193	154	122
2018	30,547	20.78	19.72	0.50	1,126,410	866	835	193	220	133	198	163	126
2019	31,752	21.61	20.90	0.52	1,228,032	949	927	212	244	136	215	173	129
2020	**26,761**	**16.83**	**21.54**	**0.50**	**1,325,803**	**976**	**980**	**218**	**258**	**107**	**220**	**178**	**130**

1 Years prior to 2011 are total expense ratio
2 Company only figures from 2013, following liquidation of subsidiary
3 Rebased to 100

Regional Portfolio Manager Reports

UK Portfolio

As at 31 October 2020

Fund Manager:	**David Smith**
Assets:	**£241.9m**
Allocation:	**19.4%**
Income:	**£9.8m**

Total return (£) year to 31 October 2020

Bankers	**-18.5%**
FTSE All-Share Index	**-18.6%**

Review

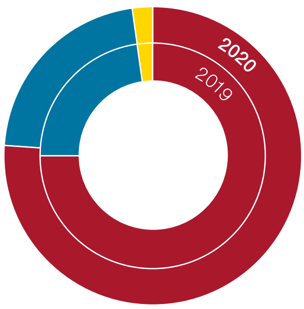
- The UK portfolio fell -18.5% during the period, in line with the UK market's benchmark, the FTSE All-Share Index return of -18.6%.
- The UK was one of the worst economies impacted by the Covid-19 pandemic and subsequent lockdown restrictions, with Q2 2020 GDP falling 21.5% year-on-year.
- Holdings in Reckitt Benckiser, Bunzl and Hilton Food Group were positive for performance. Each company benefitted from a surge in demand for their products in the period, such as disinfectants for Reckitt Benckiser, disposable gloves and face masks for Bunzl and packaged meat supplied to supermarkets for Hilton Food Group.
- Positions in those companies most impacted by government lockdowns, such as bus and coach operator National Express, events company Informa and housebuilder Vistry, detracted from returns.

Activity

New purchases during the period included Burberry and Lancashire. Burberry's share price fell as a result of the pandemic which created an opportunity to buy into a high-quality company with a strong global luxury brand on an attractive valuation. The new management team and head designer are gaining success with their turnaround strategy to further elevate the brand, which should create a stronger business as trading recovers. Lancashire is a global provider of speciality insurance products in aviation, energy, marine and property. After a number of years of high claims across the industry, the pricing environment is increasingly hardening as capacity exits the market. Given the company's robust capital position, it is in a strong position to take advantage and write more business at higher premiums, potentially supporting better profit growth. Elsewhere, we supported the companies with strong long-term potential but who were impacted by the pandemic by participating in equity raises from Informa, JD Wetherspoons, National Express, Whitbread and Compass Group. The new equity will help strengthen their balance sheets in the short term but also better position the companies to take market share when the recovery emerges.

At the start of the pandemic, we reduced the portfolio's holdings in cyclical businesses, selling HSBC, brick manufacturer Ibstock and Jupiter Fund Management. In response to the cancellations of their dividends, we also sold out of holdings in BT and packaging company DS Smith, where the long-term recovery potential is less certain than some of the portfolio's other holdings.

Classification by market value of investee company



	2020 %	2019 %
FTSE 100	**76.3**	75.2
FTSE Mid 250	**21.6**	22.6
Smaller Companies	**2.1**	2.2

Source: Factset

Regional Portfolio Manager Reports (continued)

Europe (ex UK) Portfolio

As at 31 October 2020

Fund Manager:	**James Ross**
Assets:	**£200.6m**
Allocation:	**16.1%**
Income:	**£4.7m**

Total return (£) year to 31 October 2020

Bankers	**3.9%**
FTSE All World Developed Europe (ex UK) Index	**-3.9%**

Review

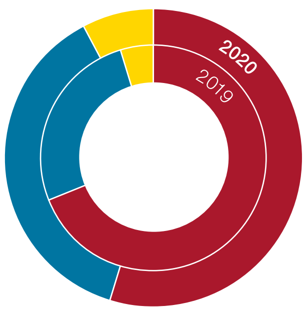
- The European portfolio performed well over the year, producing a positive performance of 3.9% whilst the FTSE All World Developed Europe (ex UK) Index declined by 3.9%.
- The best performing positions included Cellnex, the Spanish telecoms towers business, DSM, the Dutch chemicals and food ingredients company, and Prosus, the Dutch listed technology holding company.
- Strong performance was once again aided by the bias towards high quality businesses as evidenced by a high return on capital and pricing power.

Activity

We initiated several new positions during the period, the most notable of which were in Worldline, Brockhaus Capital and RWE. Worldline, the French payments company, gives the portfolio exposure to the structural shift from cash-based to card/online-based transactions. In addition, the industry is fast consolidating and we see Worldline as the best placed company to lead consolidation in Europe. Brockhaus Capital, the German technology holding company, focuses on investing in fast-growing, high-margin and high-quality small-cap technology companies based in Germany. The management team have a long history of successful investments in this area of the market and we particularly like the two businesses (secure data transmission and air particle measurement) in which the company is currently invested. RWE, the German utility company, is fast shifting its power generation-mix away from coal/lignite and towards renewables; we believe that the equity will continue to rerate as the transition occurs.

Our most notable complete-sells during the period included SAP, Bayer and ADP. With SAP, the German software company, we were concerned about the implications of a shift from their traditional license/renewal business to a more-subscription led model. Bayer, the German pharma/crop chemicals conglomerate, has been a disappointing position for us and we have become concerned that the US Glyphosate litigation may drag on for several years and that the operational performance of the rest of the business is deteriorating. ADP, the French airport operator, was a holding that we sold in the early stages of the Covid-19 crisis.

Classification by market value of investee company



	2020 %	2019 %
Over £20bn	**54.9**	69.0
£5bn-£20bn	**37.5**	26.4
Under £5bn	**7.6**	4.6

Source: Factset

Regional Portfolio Manager Reports (continued)

North American Portfolio

As at 31 October 2020

Fund Manager:	**Gordon Mackay**
Assets:	**£447.7m**
Allocation:	**35.9%**
Income:	**£2.9m**

Total return (£) year to 31 October 2020

Bankers	**20.6%**
FTSE World North America Index	**10.5%**

Review

- The North American portfolio significantly outperformed the benchmark over the 12 months to 31 October 2020, returning 20.6% compared to 10.5% for the FTSE World North America Index.
- The global Covid-19 pandemic triggered a sharp fall in markets during the first quarter of 2020. Companies within the energy and financial sectors were amongst the hardest hit whilst businesses exposed to travel and leisure also suffered. Conversely, the technology sector performed strongly as the pandemic accelerated e-commerce and online activity more broadly.
- Adobe was the strongest contributor to performance over the year whilst Netflix, PayPal, Microsoft and Amazon also performed well. The most significant detractor from performance was American Express.

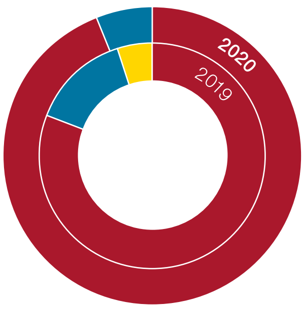
Activity

Turnover continued to be relatively low during the period reflecting a long-term approach when investing. We initiated a position in Facebook following a review of the company's progress on our prior ESG-related concerns and its prospects. We believe the company is now addressing more serious concerns in relation to privacy, the potential misuse of data and mental health, given the plethora of announcements that have been made regarding steps taken to help improve these issues. Moreover, the company has begun to properly engage with investors which is a change from what we have observed historically.

We also initiated new holdings in CME and Sherwin-Williams during the year. CME is the world's leading owner and operator of derivative exchanges. It has an attractive mix of business with strong positions in rates, metals, agricultural commodities and energy. Furthermore, the company has a track record of growing volume at a double-digit rate over many years as well as consistently returning surplus cash to shareholders. Sherwin-Williams manufactures, distributes and sells paints, coatings and related products. Sherwin-Williams store base is around five times larger than its nearest competitor which provides it with a significant competitive advantage. It has a proven history of being resilient during economic downturns and has continued to gain share and generate attractive returns.

Disposals included Comcast and Activision. Comcast, the cable television and broadband business, faces increasing headwinds within its cable television segment as consumers increasingly switch to online content such as that provided by Netflix, Amazon and YouTube. This trend may also impact Comcast's advertising revenue as the subscriber base shrinks. Activision, the computer games provider which owns titles such as Call of Duty and Candy Crush Saga, was sold as we have growing concerns in relation to the ability of companies within this area to monetise games to the extent that they have in the past. The rise of free-to-play titles, such as Fortnite, has made the competitive environment tougher than we had previously assumed, and at the same time we think it will be challenging to collect significant additional revenue from consumers who have already paid upfront for a game.

Classification by market value of investee company



	2020 %	2019 %
Over £20bn	**94.2**	81.0
£5bn-£20bn	**5.8**	14.1
Under £5bn	**–**	4.9

Source: Factset

Regional Portfolio Manager Reports (continued)

Japanese Portfolio

As at 31 October 2020

Fund Manager:	**Junichi Inoue**
Assets:	**£154.5m**
Allocation:	**12.4%**
Income:	**£3.2m**

Total return (£) year to 31 October 2020

Bankers	**11.4%**
FTSE World Japan Index	**0.9%**

Review

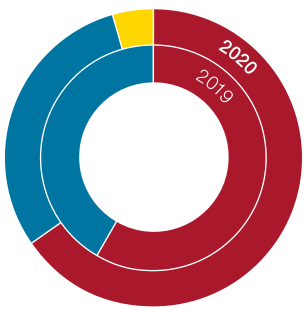
- The Japanese portfolio performed very strongly relative to the benchmark, returning 11.4% compared to 0.9% for the FTSE World Japan Index.
- The portfolio benefitted from our focus on companies with high free cash flow generation, capital efficiency and superior capital management strategies.
- Just as investors expected an earnings recovery from 2020, Covid-19 spread globally, dragging down equity markets as well as the value of other risk assets. However, unlike the global financial crisis, this was followed by a very quick and remarkably large monetary and fiscal policy response across the globe, which resulted in an equity market rally in the latter half of the reporting year.
- While many companies put buy-back programs on hold amid the uncertain business environment, dividends in Japan have been much more resilient than other markets as Japanese companies have been managing their balance sheets very conservatively.
- The largest contributors to performance included our long-term holdings Z Holdings, Softbank Group, Sony, Nintendo, Daiichi Sankyo and Nomura Research Institute, each adding more than 1.0% to the relative performance. On the other hand, those businesses that were severely interrupted by the pandemic such as Asahi Group, Suzuki Motor, and Mitsui Fudosan detracted from the performance.

Activity

We continued to focus on high quality businesses that can create shareholder value through generating high levels of cash returns on invested capital. The sell off in March created a great opportunity to pick up these types of companies at cheaper valuations. We started new holdings in Daikin, Olympus, and Recruit Holdings while topping up other high-quality companies we already held, such as Nintendo and Shin-Etsu Chemical.

Towards the end of the reporting period, we also introduced more economically sensitive companies with strong business franchises such as Subaru and Persol Holdings, as recovery and the potential for secular growth was not priced in. On the divestment side, we trimmed positions in some of our successful investments as strong performance had resulted in these positions becoming unbalanced. We also divested our entire positions in stocks such as Daiwa House Industry, Dentsu and MUFG Bank as their investment cases became either invalid or it appeared that it might take more time to realise than our original expectation.

Classification by market value of investee company



	2020 %	2019 %
Over £20bn	**65.5**	58.6
£5bn-£20bn	**30.2**	41.4
Under £5bn	**4.3**	–

Source: Factset

Regional Portfolio Manager Reports (continued)

Pacific (ex Japan and China) Portfolio

As at 31 October 2020

Fund Manager:	**Mike Kerley**
Assets:	**£112.3m**
Allocation:	**9.0%**
Income:	**£4.1m**

Total return (£) year to 31 October 2020

Bankers	**-4.1%**
FTSE All-World Asia Pacific (ex Japan) Index	**12.0%**

Review

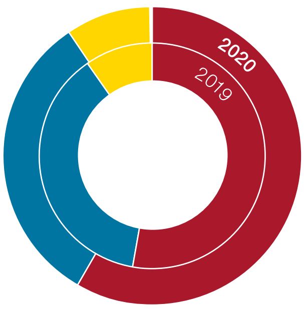
- The Pacific portfolio performed poorly against the benchmark, falling 4.1% against a rise of 12% in the FTSE All-World Asia Pacific (ex Japan) Index.
- The perceived lack of growth in a world in lockdown prompted an aggressive market move into Covid-19 beneficiaries and structural growth sectors such as the internet, e-commerce, health care and consumer staples and it is these areas that have predominantly driven market performance.
- Although the Pacific portfolio has benefited from exposure to some of these growth themes through positions in Taiwan Semiconductor Manufacturing and Samsung Electronics, the focus on value and income excluded some of the high growth names such as Tencent and Alibaba, which alone accounted for just over 5% of the underperformance compared to benchmark.
- Apart from the style headwinds there were notable negative stock contributions from Treasury Wine Estates, owing to oversupply of wine in the US and worsening trade relations between Australia and China, and Telkom Indonesia which was impacted as the country struggled to contain the virus.

Activity

Despite the virus originating in the region the prompt introduction of measures to contain its spread has allowed the recovery to be swifter than elsewhere and, in some countries, returning to a degree of normality. The region is likely to have higher nominal GDP, earnings and dividends in 2021 than it did in 2019 and as a result compares favourably with most other regions. Government stimulus in the region has been more modest than in the west, favouring manufacturing, investment and job retention rather than consumption. We added China Railway Construction to the portfolio to benefit from this trend.

Through the year the focus has been on companies generating strong cash flow and dividends with a focus on domestic rather than global franchises. In China we added tissue, sanitaryware and diaper company, Hengan International, and broker Citic Securities to the portfolio while more recently a more positive view on Hong Kong has resulted in the addition of regional insurer AIA and property developer Sun Hung Kai Properties. With the onset of the virus earlier in the year we reflected a negative view on banks by selling UOB in Singapore and reduced exposure to retail and office property by selling Mapletree North Asia Commercial Trust.

Classification by market value of investee company



	2020 %	2019 %
Over £20bn	**58.6**	53.2
£5bn-£20bn	**32.1**	37.3
Under £5bn	**9.3**	9.5

Source: Factset

Regional Portfolio Manager Reports (continued)

Chinese Portfolio

As at 31 October 2020

Fund Manager:	**May Ling Wee**
Assets:	**£89.5m**
Allocation:	**7.2%**
Income:	**£1.8m**

Total return (£) year to 31 October 2020

Bankers	**49.2%**
China CSI 300 Index	**29.6%**

Review

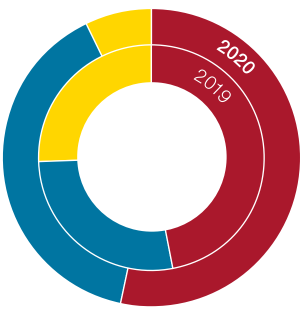
- Chinese equity markets rose sharply through the year, as measured by the China CSI 300 Index which rose 29.6% on a total return basis.
- The Bankers China portfolio returned 49.2% thereby delivering outperformance of 19.6%.
- Covid-19 and its impact on economic growth both in China and the rest of the world drove investors to seek out visibility and earnings growth, driving a significant re-rating in growth stocks.
- Performance was helped by strong stock returns within the consumer discretionary, staples and information technology sectors, including shares in Chongqing Brewery, solar product manufacturer Longi Green Energy Technology and duty-free goods operator China Tourism.

Activity

In early 2020, shares in Lepu Medical re-rated on expectations of sustained earnings growth on new product launches and the view that the health care sector would be less impacted by Covid-19. We took profits and reduced exposure on news of an upcoming centralised procurement for medical devices. Previous centralised procurement tenders of generic drugs impacted pricing significantly for drugs that were designated for sale through the government's centralised hospital procurement system. We also took some profits on Angel Yeast, where the earnings multiple rose, driven by strong stay-at-home and "cook-at-home" demand due to Covid-19. We reduced holdings and took some profits from Chongqing Brewery whose shares enjoyed a significant re-rating as its major shareholder, Carlsberg China, initiated an injection of its China brewery assets into the listed Chongqing Brewery group, enlarging their product and brand portfolio as well as their footprint in China.

We closed out the position in Guangzhou Baiyun International Airport as cost management and tenancy leasing at its new terminal continued to disappoint against a backdrop of reduced traffic due to Covid-19. We added a position in Longi Green Energy Technology as the company was coming into a better demand environment for solar installations after a reduction in China installations the previous year. Longi Green's cost advantage as compared to its peers and the solar industry's ability to take down cost more significantly than in other renewable segments should place the company in a strong position for order wins. We also introduced China Tourism which has a dominant position in the Chinese duty-free market and continued to capitalise on domestic tourism spending in Hainan despite poor outbound travel. Finally, we added Zhejiang Supor, a highly profitable small home appliance brand and manufacturer.

Classification by market value of investee company



	2020 %	2019 %
Over £20bn	**53.6**	47.2
£5bn-£20bn	**39.3**	27.3
Under £5bn	**7.1**	25.5

Source: Factset

Portfolio Holdings at 31 October 2020

United Kingdom

Investments by value	Sector	£'000	% of UK portfolio	% of total portfolio
GlaxoSmithKline	Pharmaceuticals & Biotechnology	12,337	5.10	0.99
Reckitt Benckiser	Household Goods & Home Construction	12,243	5.06	0.98
Diageo	Beverages	11,060	4.57	0.89
British American Tobacco	Tobacco	10,725	4.43	0.86
Rio Tinto	Mining	9,306	3.85	0.75
Bunzl	Support Services	8,442	3.49	0.68
National Grid	Gas, Water & Multi-utilities	8,391	3.47	0.67
3i	Financial Services	7,659	3.17	0.61
London Stock Exchange	Financial Services	7,544	3.12	0.61
Tesco	Food & Drug Retailers	7,386	3.05	0.59
RELX	Media	7,210	2.98	0.58
DCC	Support Services	6,678	2.76	0.54
Sage	Software & Computer Services	6,207	2.57	0.50
Compass	Travel & Leisure	5,745	2.37	0.46
Royal Dutch Shell	Oil & Gas Producers	5,406	2.24	0.43
Hilton Food Group	Food Producers	5,275	2.18	0.42
Cranswick	Food Producers	5,255	2.17	0.42
Phoenix	Life Insurance	5,015	2.07	0.40
Coca-Cola Hellenic Bottling	Beverages	4,851	2.01	0.39
Whitbread	Travel & Leisure	4,828	2.00	0.39
Lancashire	Non-life Insurance	4,685	1.94	0.38
Johnson Matthey	Chemicals	4,673	1.93	0.37
Intermediate Capital	Financial Services	4,663	1.93	0.37
Big Yellow	Real Estate Investment Trusts	4,661	1.93	0.37
Informa	Media	4,531	1.87	0.36
Britvic	Beverages	4,336	1.79	0.35
Burberry	Personal Goods	4,303	1.78	0.34
Fisher (James) & Sons	Industrial Transportation	4,079	1.69	0.33
Severn Trent	Gas, Water & Multi-utilities	4,055	1.68	0.33
Wetherspoon (J.D.)	Travel & Leisure	3,906	1.61	0.31
St. James's Place	Life Insurance	3,895	1.61	0.31
Vesuvius	General Industrials	3,865	1.60	0.31
Smiths	General Industrials	3,845	1.59	0.31
Lloyds Banking	Banks	3,814	1.58	0.31
Bodycote	Industrial Engineering	3,711	1.53	0.30
National Express	Travel & Leisure	3,665	1.52	0.29
M&G	Financial Services	3,487	1.44	0.28
Victrex	Chemicals	3,440	1.42	0.28
BP	Oil & Gas Producers	3,417	1.41	0.27
Schroders	Financial Services	3,281	1.36	0.26
TI Fluid Systems	Automobiles & Parts	3,090	1.28	0.25
Imperial Brands	Tobacco	2,854	1.18	0.23
Vistry	Household Goods & Home Construction	2,349	0.97	0.19
Tufton Oceanic Assets	Equity Investment Instruments	1,690	0.70	0.14
Lehman Brothers Hldgs 7.875%[1]	Fixed Interest	3	–	–
		241,861	**100.00**	**19.40**

1 Fixed Interest

Portfolio Holdings at 31 October 2020 (continued)

Europe (ex UK)

Investments by value	Sector	Country	£'000	% of European portfolio	% of total portfolio
Prosus	Software & Computer Services	Netherlands	11,532	5.75	0.93
Cellnex Telecom	Mobile Telecommunications	Spain	10,824	5.39	0.87
Roche	Pharmaceuticals & Biotechnology	Switzerland	10,607	5.29	0.85
Nestlé	Food Producers	Switzerland	10,447	5.21	0.84
Novo-Nordisk	Pharmaceuticals & Biotechnology	Denmark	10,191	5.08	0.82
Telecom Italia	Fixed Line Telecommunications	Italy	10,062	5.01	0.81
DSM	Chemicals	Netherlands	9,905	4.94	0.79
RWE	Gas, Water & Multi-utilities	Germany	9,404	4.69	0.75
Bawag	Banks	Austria	8,960	4.46	0.72
SIG Combibloc	General Industrials	Switzerland	8,845	4.41	0.71
Munich Re	Non-life Insurance	Germany	7,799	3.89	0.63
Vivendi	Media	France	7,316	3.65	0.59
Unicredit	Banks	Italy	6,730	3.35	0.54
ASML	Technology Hardware & Equipment	Netherlands	6,621	3.30	0.53
Worldline	Support Services	France	5,895	2.94	0.47
STMicroelectronics	Technology Hardware & Equipment	France	5,602	2.79	0.45
Nexi	Support Services	Italy	5,553	2.77	0.45
Partners	Financial Services	Switzerland	5,505	2.74	0.44
Hermès	Personal Goods	France	5,504	2.74	0.44
Deutsche Boerse	Financial Services	Germany	5,385	2.68	0.43
Moncler	Personal Goods	Italy	5,007	2.49	0.40
Grifols	Pharmaceuticals & Biotechnology	Spain	4,978	2.48	0.40
Enel	Electricity	Italy	4,901	2.44	0.39
JDE Peet's	Beverages	Netherlands	4,573	2.28	0.37
Amundi	Financial Services	France	4,400	2.19	0.35
Alstom	Industrial Engineering	France	4,317	2.15	0.35
Total	Oil & Gas Producers	France	3,524	1.76	0.28
AMS	Technology Hardware & Equipment	Austria	3,483	1.74	0.28
Brockhaus Capital	Financial Services	Germany	2,782	1.39	0.22
			200,652	**100.00**	**16.10**

European geographical distribution at 31 October

	2020 %	2019 %
France	**18.2**	28.2
Switzerland	**17.6**	20.5
Netherlands	**16.3**	9.7
Italy	**16.1**	–
Germany	**12.6**	25.5
Spain	**7.9**	3.0
Austria	**6.2**	2.5
Denmark	**5.1**	5.6
Norway	**–**	3.3
Sweden	**–**	1.7
	100.0	**100.0**

Portfolio Holdings at 31 October 2020 (continued)

North America

Investments by value	Sector	£'000	% of North American portfolio	% of total portfolio
Microsoft	Software & Computer Services	34,450	7.70	2.76
Estée Lauder	Personal Goods	26,875	6.00	2.16
Apple	Technology Hardware & Equipment	25,789	5.76	2.07
Alphabet	Software & Computer Services	23,517	5.25	1.89
Amazon	General Retailers	23,000	5.14	1.85
Visa	Financial Services	22,449	5.01	1.80
American Tower	Real Estate Investment Trusts	20,181	4.51	1.62
MasterCard	Financial Services	19,852	4.43	1.59
Intuit	Software & Computer Services	18,269	4.08	1.47
Facebook	Software & Computer Services	18,240	4.07	1.46
Intercontinental Exchange	Financial Services	18,122	4.05	1.45
Adobe Systems	Software & Computer Services	17,803	3.98	1.43
CME	Financial Services	17,757	3.97	1.42
Moody's	Financial Services	16,075	3.59	1.29
Roper Technologies	Electronic & Electrical Equipment	15,034	3.36	1.21
Sherwin-Williams	Construction & Materials	14,719	3.29	1.18
Netflix	General Retailers	14,161	3.16	1.14
Union Pacific	Industrial Transportation	13,885	3.10	1.11
PayPal	Support Services	13,836	3.09	1.11
ICON	Health Care Equipment & Services	13,136	2.94	1.05
The Cooper Companies	Health Care Equipment & Services	13,035	2.91	1.04
American Express	Financial Services	12,825	2.87	1.03
Aptiv	Automobiles & Parts	12,122	2.71	0.97
Thermo Fisher Scientific	Health Care Equipment & Services	11,946	2.67	0.96
Berkshire Hathaway	Non-life Insurance	10,579	2.36	0.85
		447,657	**100.00**	**35.91**

Portfolio Holdings at 31 October 2020 (continued)

Japan

Investments by value	Sector	£'000	% of Japanese portfolio	% of total portfolio
Sony	Leisure Goods	10,455	6.77	0.84
SoftBank	Mobile Telecommunications	9,458	6.12	0.76
Daiichi Sankyo	Pharmaceuticals & Biotechnology	7,986	5.17	0.64
Toyota Motor	Automobiles & Parts	7,966	5.16	0.64
Tokio Marine	Non-life Insurance	7,570	4.90	0.61
Nintendo	Leisure Goods	7,419	4.80	0.60
Shin-Etsu Chemical	Chemicals	7,275	4.71	0.58
Z Holdings	Software & Computer Services	6,811	4.41	0.55
Keyence	Electronic & Electrical Equipment	6,136	3.97	0.49
Nitori	General Retailers	5,937	3.84	0.48
TDK	Electronic & Electrical Equipment	5,767	3.73	0.46
Kao	Personal Goods	5,231	3.39	0.42
Fujifilm	Technology Hardware & Equipment	5,213	3.37	0.42
Daikin	Industrial Engineering	4,942	3.20	0.40
Don Quijote	General Retailers	4,929	3.19	0.40
Nomura Research Institute	Software & Computer Services	4,748	3.07	0.38
Takeda Pharmaceutical	Pharmaceuticals & Biotechnology	4,583	2.96	0.37
Olympus	Health Care Equipment & Services	4,349	2.81	0.35
Murata Manufacturing	Electronic & Electrical Equipment	4,262	2.76	0.34
Persol Holdings	Support Services	3,812	2.47	0.30
Otsuka	Software & Computer Services	3,811	2.47	0.30
Mitsubishi	Support Services	3,746	2.42	0.30
Asahi	Beverages	3,568	2.31	0.29
Mitsui Fudosan	Real Estate Investment & Services	3,398	2.20	0.27
Sumitomo Mitsui	Banks	3,369	2.18	0.27
Subaru	Automobiles & Parts	3,306	2.14	0.26
T&D	Life Insurance	2,838	1.84	0.23
Nippon Telegraph & Telephone	Fixed Line Telecommunications	2,360	1.53	0.19
Recruit Holdings	Support Services	1,677	1.08	0.13
Disco	Industrial Engineering	1,596	1.03	0.13
		154,518	**100.00**	**12.40**

Portfolio Holdings at 31 October 2020 (continued)

Pacific (ex Japan, China)

Investments by value	Sector	Country	£'000	% of Pacific (ex Japan, China) portfolio	% of total portfolio
Taiwan Semiconductor Manufacturing	Technology Hardware & Equipment	Taiwan	17,578	15.65	1.41
Samsung Electronics	Technology Hardware & Equipment	South Korea	10,890	9.70	0.87
Taiwan Cement	Construction & Materials	Taiwan	7,565	6.73	0.61
Macquarie Bank	Financial Services	Australia	6,732	5.99	0.54
Vinacapital Vietnam	Equity Investment Instruments	Vietnam	6,160	5.48	0.49
Citic Securities	Financial Services	Hong Kong	5,948	5.30	0.48
Hengan International	Personal Goods	Hong Kong	5,840	5.20	0.47
AIA	Life Insurance	Hong Kong	5,466	4.87	0.44
ANTA Sports	Personal Goods	Hong Kong	5,249	4.67	0.42
Ascendas REIT	Real Estate Investment Trusts	Singapore	5,187	4.62	0.42
SK Telecom	Mobile Telecommunications	South Korea	5,137	4.57	0.41
HKT	Fixed Line Telecommunications	Hong Kong	4,723	4.21	0.38
China Vanke	Real Estate Investment & Services	Hong Kong	4,688	4.17	0.38
Sun Hung Kai Properties	Real Estate Investment Trusts	Hong Kong	4,655	4.14	0.37
Sands China	Travel & Leisure	Hong Kong	4,584	4.08	0.37
Treasury Wine Estates	Beverages	Australia	4,307	3.83	0.34
China Railway Construction	Construction & Materials	Hong Kong	3,857	3.43	0.31
Telekom Indonesia	Fixed Line Telecommunications	Indonesia	3,773	3.36	0.30
			112,339	**100.00**	**9.01**

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

	2020 %	2019 %
Hong Kong	**40.1**	28.0
Taiwan	**22.4**	21.1
South Korea	**14.2**	12.5
Australia	**9.8**	13.1
Vietnam	**5.5**	5.5
Singapore	**4.6**	8.1
Indonesia	**3.4**	9.2
Thailand	**–**	2.5
	100.0	**100.0**

China

Investments by value	Sector	£'000	% of Chinese portfolio	% of total portfolio
Midea	Electronic & Electrical Equipment	10,156	11.34	0.81
Ping An Insurance	Life Insurance	8,152	9.11	0.66
Qingdao Haier	Household Goods & Home Construction	7,117	7.95	0.57
Longi Green Energy Technology	Technology Hardware & Equipment	6,938	7.75	0.56
Sany Heavy Industry	Industrial Engineering	6,609	7.38	0.53
Chongqing Brewery	Beverages	6,110	6.82	0.49
Anhui Conch	Construction & Materials	5,730	6.40	0.46
Inner Mongolia	Food Producers	5,664	6.33	0.46
Kweichow Moutai	Beverages	4,755	5.31	0.38
Huayu Automotive Systems	Automobiles & Parts	4,493	5.02	0.36
China Tourism	Travel & Leisure	3,988	4.45	0.32
Zhengzhou Yutong	Automobiles & Parts	3,783	4.23	0.30
Yunnan Baiyao	Pharmaceuticals & Biotechnology	3,498	3.91	0.28
Angel Yeast	Food Producers	2,863	3.20	0.23
Lepu Medical	Health Care Equipment & Services	2,758	3.08	0.22
Zhejiang Supor	Household Goods & Home Construction	2,647	2.96	0.21
China Resources Sanjiu	Pharmaceuticals & Biotechnology	2,542	2.84	0.20
Jiangsu Hengrui Medicine	Pharmaceuticals & Biotechnology	1,716	1.92	0.14
		89,519	**100.00**	**7.18**

All of the above are China 'A' shares

Our Approach to Environmental, Social and Governance matters

Our principles

The Board believes that integrating environmental, social and governance or ('ESG') factors into the investment decision-making and ownership practices is an important element in delivering our investment objective. ESG considerations are a fully 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, questioning 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 environmental, social and governance factors is integral to this.

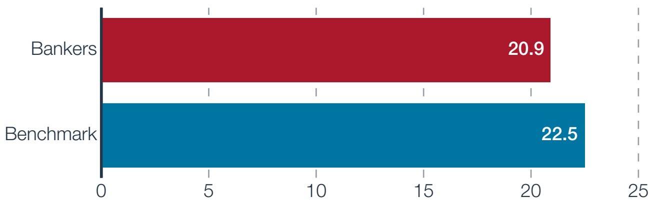
Governance is a key part of fundamental analysis with good corporate governance supportive of long-term decision-making and investment returns. The interpretation of environmental and social factors can vary in importance depending on the sector and geographic region in which a company operates. Nonetheless, 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 Sustainalytics, an independent leading firm researching and rating ESG factors globally, to support investment research. The Company's portfolio, as at 31 October 2020, exhibited the following factors, as defined by Sustainalytics' analysis.

Overall ESG risk rating

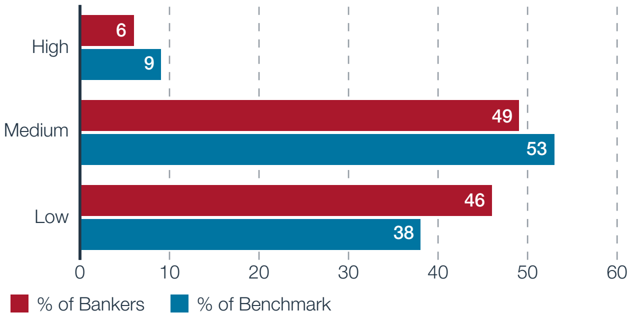


Source: Sustainalytics as at 31 October 2020

The ESG risk rating measures the degree to which a company's economic value is at risk due to ESG factors, as assessed though Sustainalytics' calculation of the company's unmanaged ESG risks. The risk ratings are aggregated for both Bankers' portfolio and the benchmark, the FTSE World Index. The Bankers portfolio's ESG risk is 7% lower than the benchmark.

Our Approach to Environmental, Social and Governance matters (continued)

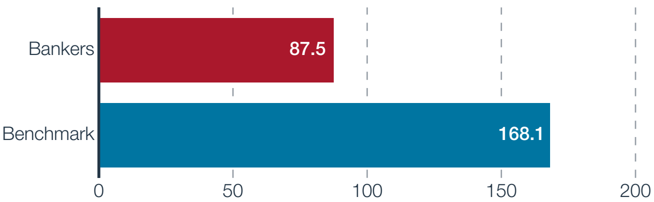
ESG risk exposure by category



Source: Sustainalytics as at 31 October 2020

The ESG risk exposure considers a company's sensitivity or vulnerability to ESG risks. Lower exposure scores indicate that the constituent companies face less risk. The Company's portfolio is less heavily weighted to high risk companies than the benchmark.

Carbon intensity (tCO²e/USD million)



Source: Sustainalytics as at 31 October 2020

Carbon Intensity is a metric used to compare company emissions across industries. Sustainalytics 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 48% less carbon intensive than the benchmark.

As these reports are disclosed for the first time this year there is no comparative data but it is intended to produce previous year's data in future years.

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 firms in which they invest. Should concerns arise over a firm'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.

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.

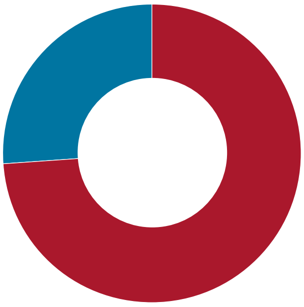
A key element of the Board's approach to proxy voting is to support these principles and to foster the long-term interests of our shareholders.

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.

Our Approach to Environmental, Social and Governance matters (continued)

In the period under review, investee companies held 177 general meetings. The shares held in the Company's portfolio were voted at 171 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 44 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

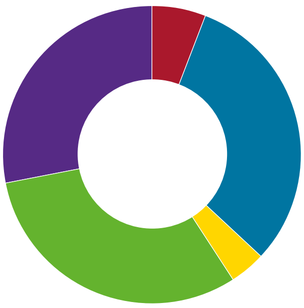


74% of meetings where all resolutions voted in favour

26% of meetings where voted against one or more resolutions

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:



Routine business	6%
Director-related	31%
Reorganisations & mergers	4%
Compensation	31%
Shareholder proposals	28%

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

The environment

As an investment company, the Company's own direct environmental impact is minimal. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

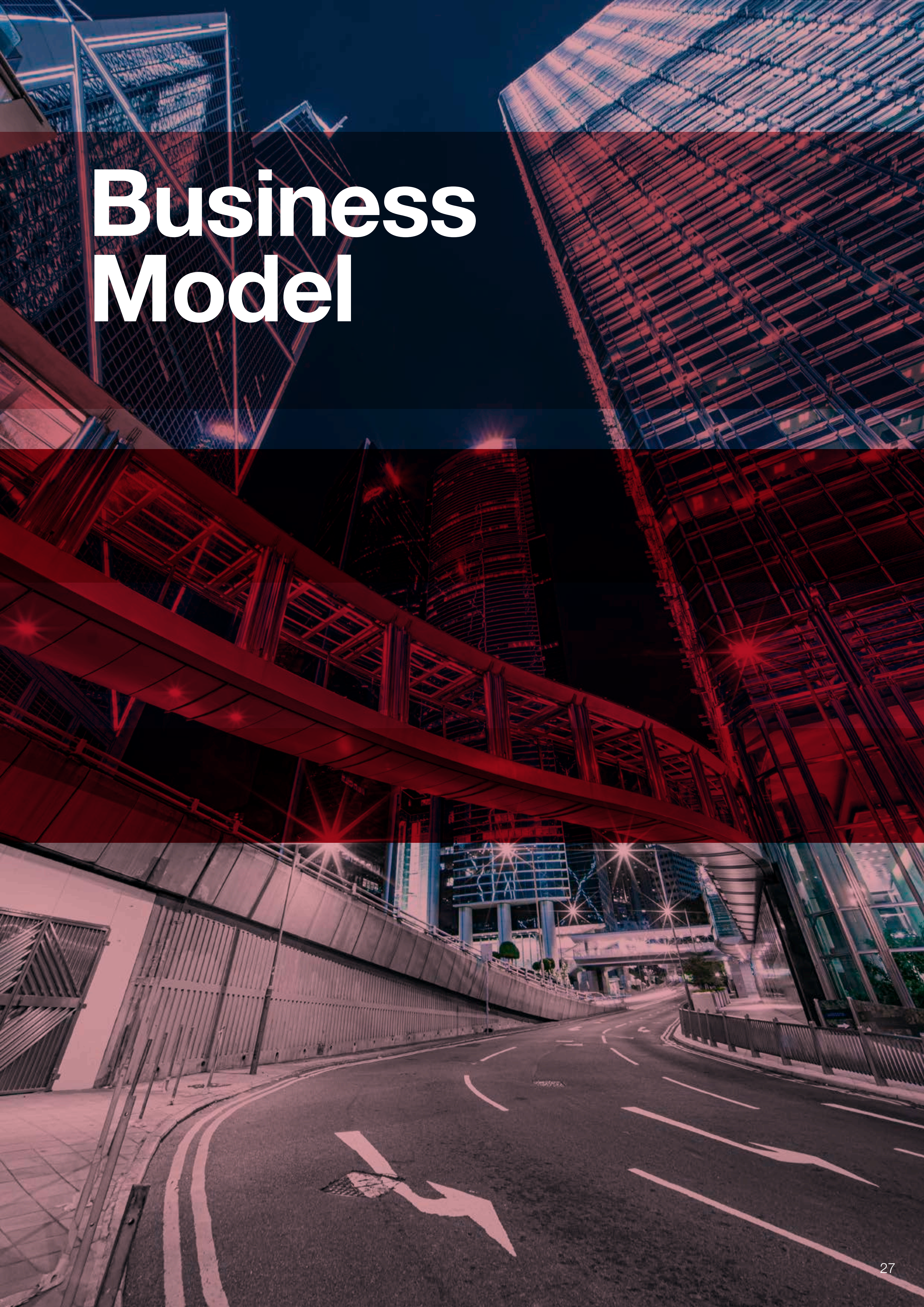
Janus Henderson, the Company's Manager, recognises the importance of managing its operational activities in a sustainable way and minimising any adverse impact on the environment. To this end, Janus Henderson has made the following commitments:

- maintain a carbon neutral status;
- reduce carbon use by 15% per full time employee over a three year period – starting January 2019; and
- maintain a Carbon Disclosure Project ('CDP') score of B, which is higher than the financial services sector average CDP score of C (CDP scores range from A to D, with A being the best).

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.

Business Model



Business Model

Our purpose and strategy

The Company's purpose is to invest in large and medium-sized, publicly-listed companies throughout the world that offer attractive capital and income growth opportunities.

We fulfil this purpose by operating as an investment company enabling us to delegate operational matters to specialised third-party service providers. Their performance is monitored and challenged by a Board of Directors ('the Board') which retains oversight of the Company's operations.

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.

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

Unlike open-ended funds, as an investment trust Bankers 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.

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 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.

Benefits

The Company's business model offers numerous advantages:

- 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.

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.

Please note that, as explained in the Chair's Statement on page 6, up to 31 October 2020 inflation was measured by the UK Retail Price Index.

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, value-based investment process to identify suitable opportunities and pays particular regard to cash generation and dividends. The Board regularly monitors the Company's investments and the Manager's investment activity.

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.

Business Model (continued)

Position at year end

At 31 October 2020, the portfolio contained 165 (2019: 172) individual investments excluding those held at nil value, with the largest single investment accounting for 2.8% (2019: 2.3%) of total investments and the top 25 holdings totalling 34.3% (2019: 34.3%) of total investments. There were two holdings in listed investment companies in the portfolio (2019: two). There were no derivatives held in the portfolio (2019: nil).

Borrowings

The Company has a £15 million 8% 2023 debenture and £50 million of private placement fixed rate 2035 loan notes at an annualised coupon rate of 3.68%. The Company has a £20 million loan facility with SMBC Bank International plc (formerly called Sumitomo Mitsui Banking Corporation Europe Limited) which expires in 2021 and was undrawn at the year end. The Company intends to renew this loan facility for a further year. Actual net (cash)/gearing at 31 October 2020 was (1.1%) (2019: (3.0%)) 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 will continue 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	2020 £'000	2020 % of average net assets	2019 £'000	2019 % of average net assets
Management fee	5,164	0.42	4,789	0.43
Other expenses	924	0.08	962	0.09
Ongoing charge figure	6,088	0.50	5,751	0.52
Portfolio transaction costs	718	0.06	698	0.06

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 Henderson Investment Funds Limited ('HIFL') to act as its Alternative Investment Fund Manager ('AIFM') in accordance with an agreement which was effective from 22 July 2014 and is terminable on six months' notice. HIFL delegates investment management services to Henderson Global Investors Limited, which acts as Manager. Both entities are authorised and regulated by the 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. In particular, a 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, Gordon Mackay, Junichi Inoue, Mike Kerley, 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 Securities Services. Wendy King FCG acts as Company Secretary on behalf of the Corporate Secretary, Henderson Secretarial Services Limited.

Fees

The Manager is entitled to a management fee charged at a rate of 0.45% per annum on the first £750 million and 0.40% per annum on the excess over £750 million of the value of the net assets on the last day of the quarter immediately preceding the quarter in respect of which the calculation is made.

Business Model (continued)

Arrangements with Depositary, Custodian and Registrars

The Company has appointed a Depositary (as explained on page 91), 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 76.

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 46).

Board diversity

It is the Company's aim to have an appropriate level of diversity in the Boardroom. The Board welcomes the recommendations from the Hampton-Alexander Review on gender diversity on Boards and the Parker Review on 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 generally when making recommendations for appointments to the Board, taking into account gender, social and ethnic backgrounds, cognitive and personal strengths, and experience. 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 five Directors, two female and three male. Whilst the Company has no employees and, therefore, has nothing further to report in respect of gender representation within the Company, the Company reports that the Manager 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 and shareholders.

Promoting the success of the Company (section 172 statement)

Under section 172 of the Companies Act 2006, the Directors have a duty to 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) and the industry's trade body (the AIC). 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.

Business Model (continued)

Engaging with key stakeholders

Stakeholder	How we engage with them
Shareholders/potential investors	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. Regular updates are provided to shareholders 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 shareholders' 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. As a result of Covid-19, this year's AGM is having to take a different format (see the Chair's Statement on page 6 for details). 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. During the year, the Chair met with some of the Company's largest shareholders and the discussions with those shareholders were considered at a subsequent Board meeting. 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, to attract new shareholders and sustain the stock market rating of the Company's shares.

Business Model (continued)

Stakeholder	How we engage with them
Shareholders/potential investors (continued)	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.
Manager – Janus Henderson • Fund Manager • Sales and marketing • Company secretarial • Financial reporting • Internal controls functions • Internal audit • Investment accounting and administration (outsourced by Janus Henderson to BNP Paribas Securities Services)	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. 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. Following the emergence of the Covid-19 crisis in early 2020, there has been increased interaction between the Board and the Manager to consider the impact on the Company (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 47 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	How we engage with them
Other key third-party service providers	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. The Company Secretary contacted all of the Company's other key third-party service providers as the Covid-19 pandemic emerged to seek clarification that the Company would continue to receive a "business as usual" service, and to ask whether there may be any service disruption in order for the Company to work collaboratively with them to find solutions to any problems. The Board is pleased to be able to report that, despite Covid-19, there has been no change to the level of service provided by the Company's other third-party service providers, which highlights the resilience and performance of the services provided. 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 47 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 50 for further details) **Target outcome:** Other key service providers provide the required level of service at cost levels proportionate and competitive.
Debt providers	The Board believes that the use of debt can enhance returns to shareholders over the long term. 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 and loan notes and the provider of the Company's two-year borrowing facility, ensuring compliance with loan covenants and providing regular covenant compliance confirmations and other information as required. **Target outcome:** A strong relationship is maintained with debt providers that supports the Company's financing arrangements.
AIC (The Association of Investment Companies)	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. 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, including representations made to the Financial Conduct Authority regarding serious concerns relating to certain information included in Key Information Documents (KIDs). **Target outcome:** Support provided to AIC members assists the Board in its discussions and decision making, Bankers 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 shareholders as a whole and to have regard to other applicable section 172 factors and this forms part of Board's decision-making process. The following key decisions taken by the Board during the year ended 31 October 2020 serve as examples of this:

- **Appointment of a new Director:** The Board recruited a new Director following the retirement of Richard Killingbeck as Chair and a Director at the AGM in 2019. Having assessed the existing Directors' range of knowledge, skills and experience, the Board concluded that it, and ultimately shareholders, would benefit from additional investment knowledge, skills and experience. Following an extensive recruitment process, conducted in conjunction with an experienced independent external search consultancy, Richard West joined the Board on 1 April 2020, bringing valuable investment experience from his extensive career in investment management.
- **Share issues:** During the year, the Board approved issues of, in aggregate, 6,551,000 shares, raising gross proceeds of £65.1m. These issues provided a degree of liquidity to the market to meet demand for the Company's shares and assisted in managing the premium at which the shares were trading and created value for existing shareholders by issuing the shares at a premium to net asset value and spreading the Company's costs across a larger asset base.
- **Using revenue reserves to support the Company's dividend policy:** One of the consequences of Covid-19 is that some companies, particularly in the UK and Europe, sought to preserve their cash by cutting, postponing or cancelling their dividends. This had a meaningful impact on the Company's income and the net revenue available for distribution as dividends. The Board recognises the importance of dividends to our shareholders. Accordingly, after discussing the Company's revenue forecasts and the general investment outlook with the Manager, the Board decided that, notwithstanding the exceptional market conditions, it would draw on the revenue reserve to support the Company's dividend policy. This allowed the Board to reiterate, in the Half Year Report released on 29 June 2020, its intention to deliver dividend growth of approximately 3% for the financial year ended 31 October 2020.
- **Settlement of claim against the Company:** As noted in last year's Annual Report, a claim was made against the Company in respect of proceeds that were received on the takeover of an investment held in the portfolio that subsequently filed for bankruptcy. The claim was made by the trustee in bankruptcy against all former shareholders of that investment, a US company, and was being pursued through the US courts. The Board expected, based on the legal advice received, to successfully defend the claim, but recognised the risk that the claim could be upheld. In addition, under US law, the Company's legal costs would not be recoverable even if the claim were successfully defended. The Board concluded, therefore, that it would be in the best interests of shareholders to seek a settlement to remove the risk of the claim being upheld and succeeded in negotiating to settle the claim for an amount broadly equivalent to the legal costs that were expected to be incurred by the Company if it continued to defend the claim. The settlement was approved by the US court after the Company's year end and therefore the settlement amount is not included in this year's financial statements (see note 6 on page 76).

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 24 to 26 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 91 to 93. The KPIs are presented in the performance highlights on page 1 and in the ten-year historical record on page 12.

Business Model (continued)

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 (up to 31 October 2020, dividend growth was measured against RPI – see the Chair's statement on page 6 for further information).
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, or liquidity and reputation. This included consideration of the market uncertainty arising from the United Kingdom's decision to leave the European Union ('Brexit') before the trade agreement with the EU was agreed and the ongoing impact of the Covid-19 pandemic.

The Board regularly considers the principal risks facing the Company and have 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 has considered the impact of the Covid-19 pandemic on the Company. Originally identified as an emerging risk, the pandemic developed significantly and quickly, triggering sharp falls in global stock markets and resulting in uncertainty about the ongoing impact on markets and companies, and around future dividend income. The risks associated with the pandemic were therefore moved from emerging into one of the principal risks facing the Company.

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 48 and 49. 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 80 to 86.

Other than the risks associated with the Covid-19 pandemic, 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.

Business Model (continued)

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

Risk	Mitigation
Investment activity and performance risks An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against the Company's benchmark index and the companies in its peer group.	The Board monitors investment performance at each Board meeting and regularly reviews the extent of the Company's borrowings.
Portfolio and market risks Although the Company invests almost entirely in securities that are listed on recognised markets, share prices may move rapidly. The companies in which investments are made may operate unsuccessfully, or fail entirely. Macro matters (such as trade wars, the conclusion of the UK's negotiations to leave the European Union and the global economic outlook) are expected to lead to continued volatility in the markets. This is likely to impact share prices of investments in the portfolio, to the extent not already factored into current prices. A fall in the market value of the Company's portfolio would have an adverse effect on shareholders' funds.	The Fund Manager seeks to maintain a diversified portfolio to mitigate against this risk. The Board regularly reviews the portfolio, investment activity and performance.
Tax, 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 80 to 86.
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.
Global pandemic The consequences of Covid-19 and the political and economic volatility could be far-reaching and increase all of the risks faced by the Company in both the investment and operational side of the business.	The Fund Manager maintains close oversight of the Company's portfolio and monitors the dividend flows from investee companies. The Board monitors the effects of Covid-19 on the operations of the Company and its service providers to ensure that they continue to be appropriate, effective and properly resourced.

Business Model (continued)

Future developments

While the future performance of the Company is mainly dependent on the performance of global financial markets which are subject to various external factors, the Board's intention is that the Company will continue to pursue its stated investment objective and policy explained on page 28. 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 invested normally 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 and £50 million 3.68% loan notes 2035 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 5.6%.
- Short-term borrowing of £20 million with SMBC Bank International plc (formerly called Sumitomo Mitsui Banking Corporation Europe Limited). The facility was not drawn down at the year end and expires in February 2021. It is intended to renew this facility for a further year.
- 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 Brexit and the Covid-19 pandemic, their mitigations and processes for monitoring them are set out on pages 35 to 36.

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 three year rolling periods, taking account of foreseeable severe but plausible scenarios. The Directors believe that a 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 will be able to continue in operation and meet its liabilities as they fall due over the three year period to October 2023. In coming to this conclusion, the Board has considered the current Covid-19 pandemic. The Board does not believe that it will have a long-term impact on the viability of the Company and its ability to continue in operation, notwithstanding the short-term uncertainty it has caused in the markets.

Approval

The Strategic Report has been approved by the Board.

On behalf of the Board

Sue Inglis
Chair
18 January 2021

Hong Kong, Central District

Governance

Board of Directors
The right balance of skills and knowledge

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

Susan (Sue) Inglis
Chair of the Board

Date of appointment: 1 November 2012 (Chair from 27 February 2019).

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

Relevant skills and experience: Sue has over 30 years' experience in advising investment companies and financial institutions. Sue is a qualified lawyer, and was a partner, and head of the funds and financial services group, at Shepherd & Wedderburn, a leading Scottish law firm. In 1999 she was a founding partner of Intelli Corporate Finance, an advisory boutique firm focusing on the asset management and investment company sectors which was acquired by Canaccord Genuity in 2009.

Before embarking on a non-executive career, Sue's executive roles included Managing Director – Corporate Finance in the Investment Companies teams at Cantor Fitzgerald Europe (2012-2018) and Canaccord Genuity (2009-2012).

Sue is a former Director of The European Investment Trust plc.

Current external appointments: Sue is the Senior Independent Director of Baillie Gifford US Growth Trust PLC and a non-executive Director of BMO Managed Portfolio Trust PLC, NextEnergy Solar Fund Limited and Seneca Global Income & Growth Trust 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 is currently Chief Investment Officer for Rathbone Brothers plc 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 has for the last 20 years helped in developing the Rathbones investment process for both its Wealth Management and Unit Trust businesses. Julian through his career has held a variety of roles which were more recently 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 Director of Rathbone Unit Trust Management Limited.

He is also a member of the Investment Committee of Southampton University.

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 Chair of its remuneration committee.

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 and the global asset manager Winton Group Ltd.

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

Board of Directors (continued)

Richard Huntingford

Director

Date of appointment: 26 September 2018.

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

Relevant skills and experience: Richard has extensive public company governance and leadership experience, having held a number of executive and non-executive Directorships at FTSE companies for over 30 years. Previously, he was Chief Executive Officer of Chrysalis plc and Chair of Virgin Radio and Wireless Group plc (formerly UTV Media plc). He has considerable media and marketing experience, including digital, and is also a chartered accountant, having qualified with KPMG.

Richard is a former Director of Crown Place VCT plc.

Current external appointments: Richard is currently Chair of Future plc and a non-executive Director of JPMorgan Mid Cap Investment Trust plc and The Unite Group plc.

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.

Corporate Governance Report

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 will 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.

Statement of compliance

The Board has considered the principles and provisions of the AIC Code as these provide more relevant information to the shareholders on the Company's governance arrangements.

The Company has complied with the principles and provisions of the AIC Code throughout the year ended 31 October 2020. 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 49 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.

The Board does this by meeting 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

Corporate Governance Report (continued)

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 Board and the Manager operate in a supportive, co-operative and open environment.

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 audited procedures in place. Any correspondence is also 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.

Division of responsibilities

Role	Primary responsibilities
Shareholders/ investors	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.
Chair	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. She 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.
Senior Independent Director	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.
Independent non-executive Directors	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.

Corporate Governance Report (continued)

Role	Primary responsibilities
Committee chairs	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.
Manager	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.
Fund Manager	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.

Board composition and independence

The Board, chaired by Sue Inglis, currently consists of five non-executive Directors, all of whom, with the exception of Richard West who joined the Board on 1 April 2020, served throughout the year. The biographies of the Directors holding office at the date of this report are set out on pages 39 and 40.

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

Board diversity

The Board's approach to the appointment of non-executive Directors is always to appoint the best person for the role. The Directors are mindful of diversity – gender, social and ethnic backgrounds, cognitive and personal strengths, as well as experience – when making appointments to the Board. The Board regularly considers the leadership needs of the Company, taking account of the specific skills required to provide effective oversight of the Company's activities.

All appointments to the Board are based on objective criteria and merit and are made following a formal, rigorous and transparent process. The Directors bring a range of knowledge and experience covering global investment markets, banking and accounting and auditing expertise to discussions regarding the Company's business. In terms of diversity, the Board membership comprises two Directors with an investment management background, one Director with legal and corporate finance experience, one Director with accounting and auditing experience and one Director with marketing experience. Over one third of the Board's membership is female, meeting the target established by the Hampton-Alexander Review.

As the Company has no employees, it does not maintain a formal policy on diversity and inclusion, and therefore has not reported further in respect of gender representation within the Company.

The Directors believe that, between them, they have the requisite level and range of investment, financial, commercial and professional experience and skills and knowledge of the Company which enable the Board to provide effective strategic leadership and proper governance of the Company.

Independence of Directors

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 2020, the Committee concluded that the Chair and each of the other Directors 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 her interests and those of shareholders. Details of her other significant commitments can be found on page 39. Following

Corporate Governance Report (continued)

review by the Nominations Committee as part of the performance evaluation, the Board is satisfied that Sue Inglis has sufficient time to devote to the Company.

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. Richard West, who was appointed to the Board on 1 April 2020, will stand for appointment by shareholders at the AGM in 2021.

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 Directors, being eligible, have stated that they will offer themselves for re-appointment or in Richard West's case 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 will agree 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 Nomination 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 are cognisant of the benefits of regularly refreshing Board membership and seek 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.

Given the entirely non-executive nature of the Board and the fact that the Chair may not be appointed as such at the time of their initial appointment as a Director, the Chair's tenure may be longer where this is considered by the Board to be in the best interests of the Company. As with all Directors, the continuing appointment of the Chair is subject to satisfactory performance evaluation and annual re-election by shareholders and may be further subject to the particular circumstances of the Company at the time the Chair intends to retire from the Board.

The current Chair joined the Board in November 2012 and was appointed as Chair in February 2019. The Board, having consulted with the Company's major shareholders, agreed that there is benefit to the Company for the Chair to continue in her role for around eighteen to twenty-four months from the date of the ninth anniversary of her appointment to the Board to undertake an orderly Board refreshment over that time-frame. The Chair took no part in the discussions or decision making associated with her tenure.

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 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.

Corporate Governance Report (continued)

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, with the exception of Richard West, attended the AGM in February 2020.

	Board	AC	NC	MEC
Number of scheduled meetings each year	**6**	**3**	**1**	**1**
Julian Chillingworth	6	3	1	1
Richard Huntingford	6	3	1	1
Sue Inglis[1]	6	3	1	1
Isobel Sharp	6	3	1	1
Richard West[2]	3	1	1	1

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

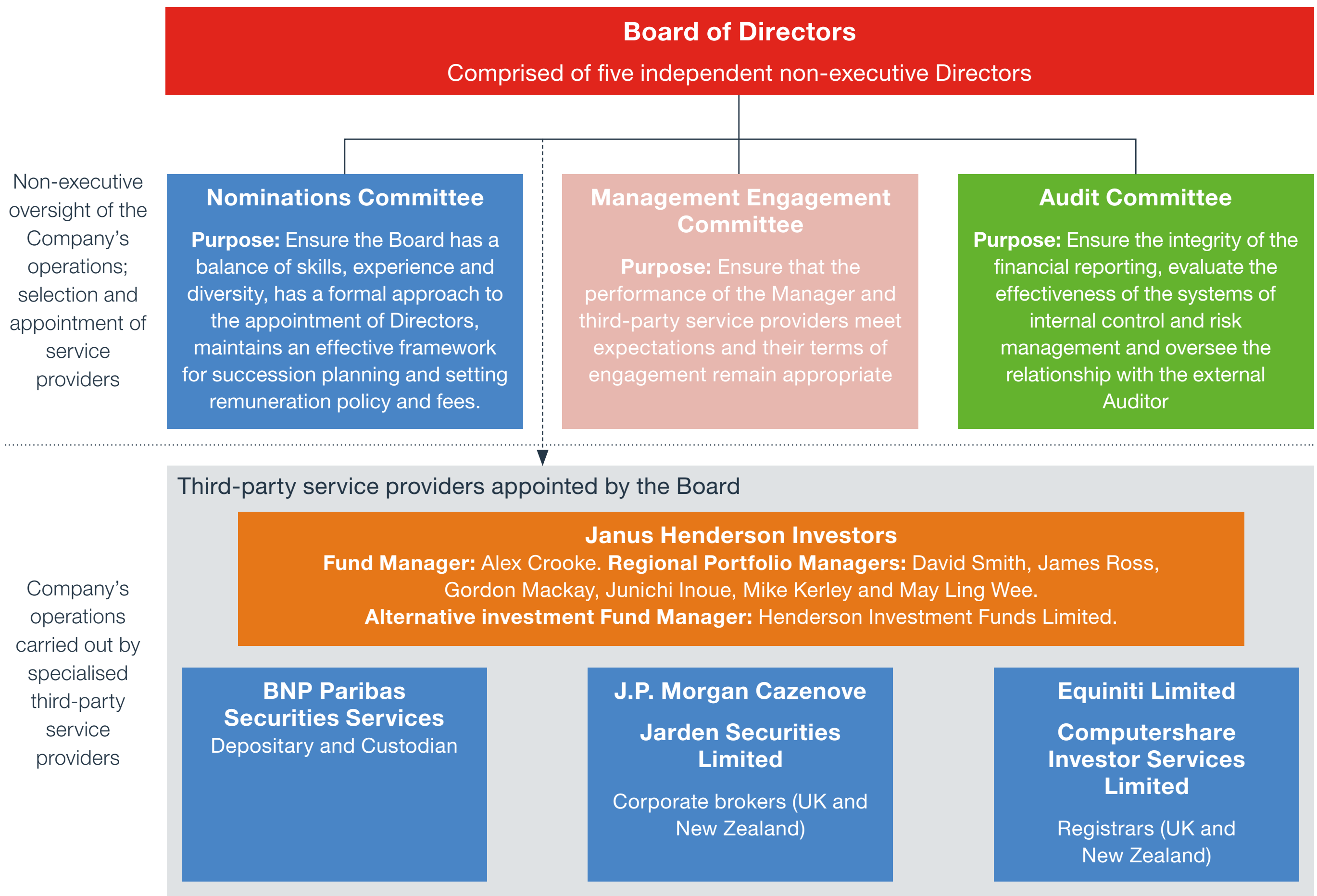
1 Sue Inglis is not a member of the Audit Committee. However, she attended the meetings held throughout the year by invitation
2 Richard West was appointed to the Board on 1 April 2020

In addition, the Company held a number of ad-hoc Board meetings during the year to receive investment updates during the period as a result of the impact of Covid-19 on global markets and also to deal with the litigation against the Company.

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.



Corporate Governance Report (continued)

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 Regulation.

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**.

Audit 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 50 to 52.

Nominations Committee

Membership

The Committee is chaired by the Chair of the Board and consists of all of the Directors. The Chair of the Board does not chair or attend meetings when the Committee is considering the appointment for her 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, considering the proposed election and re-election 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.

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 since. Lintstock Limited is independent of the Company and the Directors and does not provide any other services to the Company.

The evaluation was conducted through the use of a questionnaire and the outcomes presented to the Committee. The areas considered included: the Board 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, the Committees continued to support the Board in fulfilling its duties and there were no specific 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 re-appointment of Directors ahead of each 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 will evaluate the balance of skills, experience, knowledge and diversity on the Board, and, in light of this evaluation, prepare 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.

Corporate Governance Report (continued)

The Committee will assess 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 will be able to allocate sufficient time to the Company to discharge their responsibilities fully and effectively.

As reported in the 2019 Annual Report, as part of the process for continual refreshment the Committee commenced the search for an additional Director, with institutional investment management skills and experience being a key focus. The Company appointed Stephenson Executive Search, an independent external recruitment consultancy firm, to assist in the recruitment. Stephenson Executive Search do 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 believes that targeted recruitment is the optimal way of recruiting. Richard West was appointed to the Board on 1 April 2020 following this recruitment process.

Diversity policy

All Board appointments are subject to a formal, rigorous and transparent procedure. 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 welcomes the recommendations from the Hampton-Alexander 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 will include the consideration of diversity generally, taking into account gender, social and ethnic backgrounds, cognitive and personal strengths and experience. The Nominations Committee will ensure that long lists of potential non-executive Directors should include diverse candidates of appropriate experience and merit.

In all the Nomination Committee's activities, there will be no discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

Management Engagement Committee

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.

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 29.

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 contained on page 29.

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 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.

Corporate Governance Report (continued)

System of internal control

How the system of internal control operates

The Board delegates contractually to third-party service providers for all of the Company's operational requirements. It maintains oversight of these providers throughout the year by receiving regular reporting on their activities. All are considered key stakeholders.

The Company's principal third-party service providers are the Manager (Janus Henderson); the Depositary/Custodian (BNP Paribas Securities Services) and the accountants (BNP Paribas Securities Services).

In respect of its principal providers, the Board receives quarterly reporting on compliance with the control environment and assesses the effectiveness of the control environment through review of the annual assurance reports from each organisation. This reporting is supplemented by the view of the Manager's Risk Team regarding the control environments in operation at the providers.

The Company's secondary service providers report regularly to the Board. A failing in their services is deemed to have a minimal impact on the Company's value and therefore less stringent reporting is required.

The Management Engagement Committee formally evaluates the performance and service delivery of all third-party service providers at least annually.

The Audit Committee evaluates the performance of the Auditors on completion of each audit cycle.

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 by 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

Corporate Governance Report (continued)

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 Enterprise 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.

The Board reviewed the effectiveness of the Company's system of internal control for the year ended 31 October 2020 (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 31 to 33.

Report of the Audit Committee

The members of the Committee are Isobel Sharp, Julian Chillingworth, Richard Huntingford and Richard West who consider that they have the skills, experience and objectivity to be an effective Audit Committee. The Committee's Chair is Isobel Sharp who is a Chartered Accountant and currently chairs two other Audit Committees. 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, Sue Inglis has also attended all 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 Global Head of Internal Audit and its Global Head of Enterprise 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 Securities Services together with feedback from the Auditor, Fund Manager and the Corporate Secretary. This included 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 2020 particularly in light of the prevailing economic conditions which included this year the impact of Covid-19 on revenue, cash forecasting and debt covenants;
- 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 52);
- 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 46.

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 2020

The Committee is satisfied that the Annual Report for the year ended 31 October 2020, 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.

Report of the Audit Committee (continued)

For the Annual Report for the year ended 31 October 2020 the following significant issues, including any impacts of the Covid-19 pandemic, were considered by the Committee:

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 72) and was reviewed by the Committee at each meeting to confirm it is in compliance with IFRS. 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 has received regular reports on internal controls from Janus Henderson and BNP Paribas Securities Services and their respective delegates and has had access to the relevant personnel of Janus Henderson who have a responsibility for risk management and internal audit. The Committee noted the service auditor's qualifications in respect of the Janus Henderson assurance report which covered controls during the reporting period. The Committee sought additional clarification in respect of the report and is satisfied that none of the exceptions impacted the Company for the year ended 31 October 2020 and that appropriate actions have been taken to address the issues identified. The Committee has considered regularly the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times, receiving supporting documentation from Janus Henderson and BNP Paribas Securities Services.

Effectiveness of the external audit

The Committee's process for evaluating the effectiveness of the external audit comprises two components; consideration is given to the findings of the FRC's Audit Quality Inspection Report 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. In assessing the effectiveness of the audit process, the Committee Chair invites views from the Directors, the Fund Manager and other members of the Manager's staff in assessing the robustness 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 fifth year that EY, with Matthew Price as audit partner, have audited the Company's Annual Report. 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 ten years and thus the Committee considers that it will be appropriate to have a tender process in 2025/6.

During the 2020 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 they are 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 will 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

Report of the Audit Committee (continued)

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.

Policy on non-audit services

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

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

With regard to the revised FRC ethical standard requiring a general prohibition of non-audit services, the Audit Committee will only consider non-audit services for approval, that are in accordance with the permitted exceptions of the standard, such as services either required by regulation or assurance related in nature.

The Board has determined that the Auditor will not be considered for the provision of services related to accounting and preparation of the financial statements, internal audit and custody. 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 (2019: £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 2021

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 will continue in force until the AGM in 2023.

The Nominations Committee considers the Directors' remuneration and makes a recommendation to the Board. 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 will 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 in August 2013 (the 'Regulations'). The report also meets the relevant requirements of the Companies Act 2006 (the 'Act') and the Listing Rules of the 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; where information set out below has been audited, it is indicated as such.

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

Statement from the Chair

As Chair, Sue Inglis reports that Directors' remuneration in the year under review has been determined within the parameters of the remuneration policy approved by shareholders. As reported in last year's report, Directors' fees were increased with effect from 1 November 2019. The increase was 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 Nominations Committee has 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 the other Janus Henderson managed investment trusts. The Committee also took into consideration the impact of Covid-19. It was agreed that no change to Directors' fees should be made at the current time.

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.

Directors' interests in shares (audited)

	Ordinary shares of 25p	
	31 October 2020	1 November 2019
Beneficial interest:		
Sue Inglis	10,000	5,000
Julian Chillingworth	3,000	1,620
Richard Huntingford	2,750	2,750
Isobel Sharp	3,000	2,300
Richard West[1]	5,000	–

1 Richard West was appointed to the Board on 1 April 2020

The interests of the Directors in the ordinary shares of the Company at the beginning and end of the financial year are shown in the preceding table. There have been no 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.

Relative importance of spend on pay

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

	31 October 2020 £	31 October 2019 £	Change £	% change
Total remuneration[1]	**153,058**	141,233	11,825	8.8%
Ordinary dividends paid in the year	**26,965,505**	24,766,020	2,199,485	8.9%

1 The increase in Directors' pay was due to the increase in the size of the Board for part of the year

Directors' Remuneration Report (continued)

Directors' remuneration (audited)

The remuneration paid /payable to the Directors who served during the years ended 31 October 2020 and 31 October 2019 was as follows:

	Year ended 31 October 2020 Total fees £	Year ended 31 October 2019 Total fees £	% change†	**Year ended 31 October 2020 Total expenses including taxable benefits £**	Year ended 31 October 2019 Total expenses including taxable benefits £	**Year ended 31 October 2020 Total £**	Year ended 31 October 2019 Total £
Sue Inglis[1]	44,300	38,937	13.8%	–	–	44,300	38,937
Julian Chillingworth[2]	31,500	29,707	6.0%	–	–	31,500	29,707
Richard Huntingford	28,900	28,000	3.2%	–	–	28,900	28,000
Richard Killingbeck[3]	–	14,089	n/a	–	–	–	14,089
Isobel Sharp	31,500	30,500	3.3%	–	–	31,500	30,500
Richard West[4]	16,858	–	n/a	–	–	16,858	–
	153,058	**141,233**		–	–	**153,058**	**141,233**

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

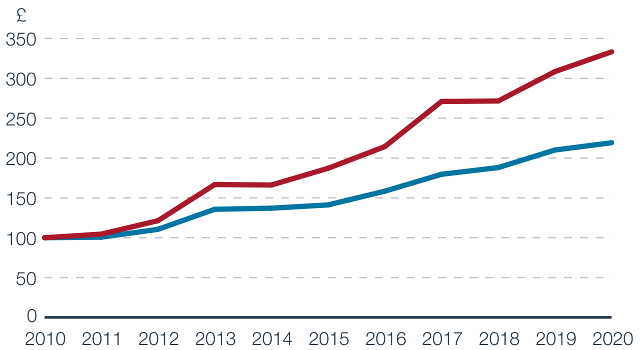
1 Chair and highest paid Director – was appointed as Chair on 27 February 2019
2 Senior Independent Director with effect from 27 February 2019
3 Retired from the Board on 27 February 2019
4 Appointed to the Board on 1 April 2020
† In accordance with The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, this column shows the annual percentage change over the preceding financial year and the relevant financial year in respect of each Director that has served for a minimum of two financial years. The Board will publish this annual percentage change cumulatively each year going forward until there is an annual percentage change over the five financial years preceding the relevant financial year to meet the legislative requirements

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.

The fees paid /payable to the Directors during the year were as follows (previous rates are shown in brackets): Chair £44,300 (£43,000), Audit Committee Chair and Senior Independent Director £31,500 (£30,500) and Directors £28,900 (£28,000). There was no fee increase with effect from 1 November 2020.

Performance

The Company's performance has been measured against the FTSE All-Share Index for the period 1 November 2010 to 31 October 2017 and the FTSE World Index from 1 November 2017 to 31 October 2020 on a total return basis in sterling terms. The graph below compares the mid-market price of the Company's ordinary shares over the ten year period ended 31 October 2020 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 2010 and the reinvestment of all dividends (excluding dealing expenses)

Composite benchmark comprising of the of FTSE All-Share Index for the period 1 November 2010 to 31 October 2017 and the FTSE World Index from 1 November 2017 to 31 October 2020, assuming the notional investment of £100 on 31 October 2010 and the reinvestment of all income (excluding dealing expenses)

Statement of voting at AGM

A binding ordinary resolution adopting the Policy was approved at the AGM held on 26 February 2020.

The votes cast by proxy in favour of the resolution were, 8,991,230 votes (99.0%) the votes cast against the resolution were, 44,327 (0.5%) and 47,222 (0.5%) were placed at the discretion of the Chair of the meeting or other proxy to vote. A total of 67,502 votes were withheld.

An ordinary resolution adopting the Annual Report on Directors' Remuneration was approved at the AGM held on 26 February 2020. The votes cast by proxy in favour of the resolution were 8,994,819 (99.1%), the votes cast against the resolution were 38,074 (0.4%), and 47,799 (0.5%) were placed at the discretion of the Chair of the meeting or other proxy to vote. A total of 69,590 votes were withheld.

Approval

The Annual Report on Directors Remuneration was approved by the Board on 18 January 2021.

On behalf of the Board

Sue Inglis
Chair
18 January 2021

Directors' Report

The Directors present the audited financial statements of the Company and their report for the year from 1 November 2019 to 31 October 2020. 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 41 to 52), the Investment Portfolio (pages 19 to 23), Alternative Performance Measures, General Shareholder Information and Securities Financing Transactions (pages 92 to 98) form part of the Directors' Report.

Dividend

A final dividend of 5.42p per share (2019: 5.35p), if approved by shareholders at the AGM, will be paid on 26 February 2021 to those shareholders on the register on 29 January 2021. The shares go ex-dividend on 28 January 2021. This final dividend together with the three interim dividends already paid bring the total dividends for the year to 21.54p (2019: 20.90p) per share.

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

Share capital

At the date of this report, the Company's share capital comprises ordinary shares with a nominal value of 25p each. An ordinary resolution to sub-divide each existing ordinary share of 25p into 10 ordinary shares of 2.5p each will be proposed at the AGM on 24 February 2021. If that resolution is passed, the sub-division is expected to be effective from 1 March 2021. At the date of this report, the voting rights of the shares on a poll are one vote for every ordinary £1 nominal (four shares) held. A special resolution to adopt new Articles of Association will also be proposed at the AGM. If adopted, the new Articles will change the votes conferred on a poll to one vote for every 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 123,945,292 ordinary shares of 25p each in issue, of which 1,338,509 shares were held in treasury. During the year 1,338,509 shares were sold out of treasury and 5,212,491 new shares were issued to JP Morgan Cazenove at a price range of 863.50p-1030.00p per share for total proceeds (net of commission) of £65,216,000; no shares were bought back. Therefore, at 31 October 2020 the number of ordinary shares in issue with voting rights was 129,157,783 (2019:122,606,783).

Between 1 November 2020 and 14 January 2021, being the latest practicable date prior to the publication of this Annual Report, 975,000 new shares were issued for a total consideration of £10.7 million. There were no shares held in treasury on 14 January 2021. Accordingly, the number of shares in issue as at 14 January 2021 was 130,132,783.

Total voting rights

At the date of this report, the voting rights of the ordinary shares on a poll are one vote for every £1 nominal held. At the beginning of the year, there were 30,651,695 total voting rights and, at 31 October 2020, there were 32,289,445 total voting rights in the Company.

Share issue and buy-back authorities

The Company will seek at the 2021 AGM 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 2021 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 will only issue shares (or sell 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 359,598 of the Company's shares as at 14 January 2021, 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 2020 made in accordance with the Disclosure Guidance and Transparency Rules was as follows.

	% of voting rights
Investec Wealth & Investment	5.4

There have been no further notifications in the period to 14 January 2021, being the latest practicable date prior to the publication of this Annual Report.

Directors' Report (continued)

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 89.

Directors

Details of the Directors and their appointments can be found on pages 39 and 40.

Directors' remuneration and shareholdings

The Directors' Remuneration Report on pages 53 and 54 provides information on the remuneration and interests of the Directors.

Annual General Meeting ('AGM')

The AGM will be held on 24 February 2021 at 9.30 am. 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.

Due to the ongoing restrictions on gatherings, shareholders will be unable to attend the AGM on 24 February 2021 in person and it will be held as a 'closed meeting'. Voting on the resolutions to be proposed at the Meeting will be conducted on a poll, and shareholders will be able to submit their Forms of Proxy electronically as well as by post. Shareholders with shares held in their own names will receive a Form of Proxy enabling them to vote. Shareholders holding shares on share dealing platforms should contact their platform directly to vote their shares for the upcoming AGM.

Financial risk management

The principal risks and uncertainties facing the Company are set out on pages 35 and 36. 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 80 to 86.

Energy and carbon reporting

Details of the Company's disclosures with regard to energy and carbon reporting can be found on page 26.

Post balance sheet events

See note 25 (Subsequent events) on page 89.

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 preparing their Audit Report on pages 59 to 66 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 of which is detailed on page 55 under Share capital.

Securities financing transactions

As the Company undertakes securities lending 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 2020 are detailed on pages 97 and 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

Henderson Secretarial Services Limited
Corporate Secretary
18 January 2021

Statement of Directors' Responsibilities

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

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

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

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

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

Statement of Directors' responsibilities under Disclosure Guidance and Transparency Rule 4.1.12

Each of the Directors, who are listed on pages 39 and 40, confirms that, to the best of his or her knowledge:

- the Company's financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report in this Annual Report and financial statements 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

Sue Inglis
Chair
18 January 2021

City of London, United Kingdom

Financial Statements

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 for the year ended 31 October 2020 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, the Statement of Cash Flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 October 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 below. 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual Report set out on pages 35 and 36 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 57 in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on page 71 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 37 in the Annual Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income. • Risk of incorrect valuation and/or defective title to the investment portfolio. • Impact of Covid-19.
Materiality	• Overall materiality of £12.61m which represents 1% of equity shareholders' funds.

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

Our application of materiality

Key audit matters are those matters that, in our professional judgment, 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 classification of special dividends as revenue or capital items in the Statement of Comprehensive Income (as described on page 51 in the Report of the Audit Committee and as per the accounting policy set out on page 72). The Company has reported investment income of £26.56m (2019: £31.48m). This includes special dividend income of £0.19m (2019: £0.89m). All of these special dividends were allocated to revenue. The income receivable by the Company during the year directly affects the Company's revenue return. There is a risk of incomplete or inaccurate recognition of income through the failure to recognise proper income entitlements or applying appropriate accounting treatment. In addition to the above, the Directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be allocated to 'revenue' or 'capital' in the Statement of Comprehensive Income.	**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 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 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 our procedures performed over the risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income.

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of incorrect valuation or ownership of the investment portfolio (as described on page 51 in the Report of The Audit Committee). The investment portfolio at the year-end mainly comprises quoted equities £1,247m (2019: £1,129m) and a current asset investment £24.77m (2019: £44.99m). 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 using 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 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 inspected the stale pricing reports produced by the Administrator to identify prices that have not changed and verified whether the listed price is a valid fair value. We compared the Company's investment holdings at 31 October 2020 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:** The results of our procedures identified no material misstatement in relation to incorrect valuation and/or defective title of the investment portfolio. Based on the work performed we had no matters to report to the Audit Committee.

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impact of Covid-19 (as described on pages 35 and 36 in the Business Model and as per the accounting policy set out on page 71). The Covid-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets. As of the date of our audit report, the longer-term impact remains uncertain. This uncertainty had an impact on our risk assessment and, as a result, on our audit of the financial statements. The Covid-19 pandemic had the most significant impact on our audit of the financial statements in the following areas: **Going concern** There is increased uncertainty in certain of the assumptions underlying management's assessment of future prospects, which includes the ability of the Company to meet debt covenants and fund ongoing costs. **Financial statement disclosures** There is a risk that the impact of Covid-19 is not adequately disclosed in the financial statements.	**We performed the following procedures:** **Going Concern** We inspected the Board's assessment of going concern, which includes consideration of the impact of Covid-19 on revenue and cash forecasting. We have agreed the inputs used in the assessment to our audit working papers and historically observed results of the Company. We performed procedures over the liquidity of the portfolio through reviewing management's assessment of how quickly the portfolio could be liquidated if required. We inspected the Board's 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 Board. **Financial statements disclosures** We reviewed the adequacy of the going concern disclosures by evaluating whether they were consistent with the Board's assessment. We reviewed the disclosures for compliance with the reporting requirements.	As a result of our procedures, we have determined that the Directors' conclusion that there is no material uncertainty relating to going concern, as a result of the impact of Covid-19 or other factors, is appropriate. We have reviewed the disclosures relating to going concern addressing the impact of Covid-19 and determined that they are appropriate.

Our Key Audit Matters are unchanged from our assessment at the planning stage for the year ended 31 October 2020.

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

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.

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 £12.61m (2019: £11.63m), which is 1% (2019: 1%) of net assets. We have derived our materiality calculation based on a proportion of net assets as we consider it to be the most important financial metric on which shareholders would judge the performance of the Company.

During the course of our audit, we reassessed initial materiality and found no reason to alter the basis of calculation used at year end.

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% (2019: 75%) of our planning materiality, namely £9.46m (2019: £8.72m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate testing threshold of £1.16m (2019: £1.42m) for the revenue column of the Statement of Comprehensive Income, being 5% of the profit before taxation in the revenue column.

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 £0.63m (2019: £0.58m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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 set out on pages 1 to 57, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 57** – the statement given by the Directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting set out on pages 50 to 52** – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code set out on pages 41 to 49** – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 57, 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.

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

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 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

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code and section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of 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 the incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income. Further discussion of our approach is set out in the section on Key Audit Matters 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 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 **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Other matters we are required to address

- 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. We were re-appointed to audit the 31 October 2020 financial statements on 27 February 2020.
- The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the years ending 31 October 2016 to 31 October 2020.
- 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.
- The audit opinion is consistent with the additional report to the Audit Committee.

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

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.

Matthew Price (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
18 January 2021

Statement of Comprehensive Income

Notes		Year ended 31 October 2020 Revenue return £'000	Capital return £'000	Total return £'000	Year ended 31 October 2019 Revenue return £'000	Capital return £'000	Total return £'000
2	Gains on investments held at fair value through profit or loss	–	44,013	44,013	–	105,376	105,376
3	Investment income	26,561	–	26,561	31,483	–	31,483
4	Other operating income	200	–	200	269	–	269
	Total income	**26,761**	**44,013**	**70,774**	**31,752**	**105,376**	**137,128**
	Expenses						
5	Management fees	(1,549)	(3,615)	(5,164)	(1,437)	(3,352)	(4,789)
6	Other expenses	(1,086)	–	(1,086)	(1,009)	–	(1,009)
	Profit before finance costs and taxation	**24,126**	**40,398**	**64,524**	**29,306**	**102,024**	**131,330**
7	Finance costs	(914)	(2,134)	(3,048)	(911)	(2,126)	(3,037)
	Profit before taxation	**23,212**	**38,264**	**61,476**	**28,395**	**99,898**	**128,293**
8	Taxation	(1,840)	–	(1,840)	(1,898)	(3)	(1,901)
	Profit for the year and total comprehensive income	**21,372**	**38,264**	**59,636**	**26,497**	**99,895**	**126,392**
9	**Earnings per ordinary share – basic and diluted**	16.83p	30.13p	46.96p	21.61p	81.48p	103.09p

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

The notes on pages 71 to 89 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 2020			
	Total equity at 1 November 2019	30,986	78,541	12,489	997,213	43,980	1,163,209
	Total comprehensive income:						
	Profit for the year	–	–	–	38,264	21,372	59,636
	Transactions with owners, recorded directly to equity:						
18,19	Sale of 1,338,509 shares from treasury	–	–	–	8,205	–	8,205
18,19	Issue of 5,212,491 new shares	1,303	55,714	–	–	–	57,017
	Share issue costs	–	(130)	–	–	–	(130)
10	Ordinary dividends paid	–	–	–	–	(26,966)	(26,966)
	Total equity at 31 October 2020	**32,289**	**134,125**	**12,489**	**1,043,682**	**38,386**	**1,260,971**

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 2019			
	Total equity at 1 November 2018	30,986	78,541	12,489	897,318	42,249	1,061,583
	Total comprehensive income:						
	Profit for the year	–	–	–	99,895	26,497	126,392
10	Ordinary dividends paid	–	–	–	–	(24,766)	(24,766)
	Total equity at 31 October 2019	**30,986**	**78,541**	**12,489**	**997,213**	**43,980**	**1,163,209**

The notes on pages 71 to 89 form part of these financial statements

Statement of Financial Position

Notes		At 31 October 2020 £'000	At 31 October 2019 £'000
	Non-current assets		
11	Investments held at fair value through profit or loss	1,246,546	1,128,519
	Current assets		
12	Investments held at fair value through profit or loss	24,770	44,993
13	Other receivables	3,267	4,134
	Cash and cash equivalents	54,221	54,944
		82,258	**104,071**
	Total assets	**1,328,804**	**1,232,590**
	Current liabilities		
14	Other payables	(3,001)	(4,558)
		(3,001)	**(4,558)**
	Total assets less current liabilities	**1,325,803**	**1,228,032**
	Non-current liabilities		
15	Debenture stocks	(15,000)	(15,000)
15	Unsecured loan notes	(49,832)	(49,823)
		(64,832)	**(64,823)**
	Net assets	**1,260,971**	**1,163,209**
	Equity attributable to equity shareholders		
18	Share capital	32,289	30,986
19	Share premium account	134,125	78,541
20	Capital redemption reserve	12,489	12,489
	Retained earnings:		
20	Other capital reserves	1,043,682	997,213
21	Revenue reserves	38,386	43,980
	Total equity	**1,260,971**	**1,163,209**
17	**Net asset value per ordinary share**	976.3p	948.7p

The principal risks and viability statement, and the financial statements on pages 67 to 70 were approved by the Board of Directors on 18 January 2021 and signed on its behalf by:

Sue Inglis
Chair

The notes on pages 71 to 89 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 2020 £'000	Year ended 31 October 2019 £'000
	Operating activities		
	Profit before taxation	61,476	128,293
	Add back interest payable ('finance costs')	3,048	3,037
2	Less: gains on investments held at fair value through profit or loss	(44,013)	(105,376)
	Increase in accrued income	(62)	(42)
	Decrease/(increase) in other receivables	38	(46)
	Increase in other payables	1,309	253
	Purchases of investments	(407,280)	(281,334)
	Sales of investments	333,019	345,724
	Purchases of current asset investments	(57,674)	(66,609)
	Sales of current asset investments	77,897	39,621
	Decrease in securities sold for future settlement	980	854
	(Decrease)/increase in securities purchased for future settlement	(2,866)	935
	Net cash (outflow)/inflow from operating activities before interest and taxation[1]	**(34,128)**	**65,310**
	Interest paid	(3,039)	(3,037)
	Taxation on investment income	(1,929)	(2,138)
	Net cash (outflow)/inflow from operating activities	**(39,096)**	**60,135**
	Financing activities		
10	Equity dividends paid (net of refund of unclaimed distributions)	(26,966)	(24,766)
	Share issue proceeds	65,092	–
	Net cash inflow/(outflow) from financing activities	**38,126**	**(24,766)**
	(Decrease)/increase in cash	(970)	35,369
	Cash and cash equivalents at the start of the year	54,944	20,075
	Exchange movements	247	(500)
	Cash and cash equivalents at the end of the year	**54,221**	**54,944**

1 In accordance with IAS 7.31 cash inflow from dividends was £26,394,000 (2019: £31,164,000) and cash inflows from interest was £131,000 (2019: £158,000)

The notes on pages 71 to 89 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 2020 have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the IFRS Interpretations Committee ('IFRS IC') that remain in effect, to the extent that IFRS have been adopted by the European Union.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the 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 October 2019 is consistent with the requirements of IFRS, 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 page 37) and going concern, the Directors have considered among other things the impact of Covid-19, cash flow forecasts, a review of covenant compliance including the headroom above the most restrictive covenants, and an assessment of the liquidity of the portfolio. The assets of the Company consist mainly of securities that are listed and readily realisable. Thus, after making due enquiry, the Directors believe that the Company has adequate financial resources to meet its financial obligations, including the repayment of any borrowings, and to continue in operational existence for at least twelve 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 and interpretations were adopted by the Company during the year.

- IAS 12 Amendment (AI 2015-17) – Income tax consequences of payments on financial instruments classified as equity
- IAS 23 Amendment (AI 2015-17) – Borrowing costs eligible for capitalisation
- IFRIC 23 Uncertainty over Income Tax Treatments

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

Amendments to IAS 1 and IAS 8 – Definition of Material (effective 1 January 2020). The International Accounting Standards Board has refined its definition of 'material' and issued practical guidance on applying the concept of materiality. The amendments 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 are regarded as the proceeds of sale less any transaction costs. The fair value of the financial instruments in the statement of financial position is based on their quoted bid price at the statement of financial position date, without deduction of the estimated future selling costs. Unquoted investments are valued by the Directors using primary valuation techniques such as earnings multiples, recent transactions and net assets.

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

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

c) Presentation of Statement of Comprehensive Income

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

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 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 taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date.

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

g) Dividends payable to shareholders

Dividends payable to shareholders are recognised in the financial statements when they are paid or, in the case of final dividends, when they are approved by shareholders. Dividends paid are disclosed in the statement of changes in equity.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

h) Foreign currency

For the purposes of the financial statements, the results and financial position is expressed in pounds sterling, which is the functional currency of the Company and the 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 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'.

i) Cash and cash equivalents

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

j) Borrowings

Interest-bearing bank loans, overdrafts, debentures and loan notes are recorded initially at fair value, being the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost. Finance 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

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.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

m) Distributable reserves

The Company's capital reserve arising on investments sold and revenue reserve may be distributed by way of a dividend.

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.

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 and on page 10. Further analyses of expenses, investment gains or losses, profit and other assets and liabilities by country have not been given as either it is not possible to prepare such information in a meaningful way or the results are not considered to be significant.

2 Gains/(losses) on investments held at fair value through profit or loss

	2020 £'000	2019 £'000
Gains on sale of investments based on historical cost	38,871	46,806
Revaluation gains recognised in previous years	(63,580)	(42,860)
(Losses)/gains on investments sold in the year based on carrying value at previous statement of financial position date	**(24,709)**	**3,946**
Revaluation of investments held at 31 October	68,475	101,930
Exchange gains/(losses)	247	(500)
	44,013	**105,376**

Notes to the Financial Statements (continued)

3 Investment income

	2020 £'000	2019 £'000
UK dividend income – listed	9,332	11,751
UK dividend income – special dividends	73	430
Overseas dividend income – listed	16,893	18,692
Overseas dividend income – special dividends	115	460
Property income distributions	148	150
	26,561	**31,483**
Analysis of investment income by geographical region:		
UK	9,840	12,876
Europe (ex UK)	4,722	4,956
North America	2,901	3,151
Japan	3,211	3,112
China	1,829	1,734
Pacific (ex Japan, China)	4,058	5,070
Emerging Markets	–	584
	26,561	**31,483**

4 Other operating income

	2020 £'000	2019 £'000
Bank interest	108	181
Underwriting income	7	3
Stock lending revenue	71	72
Other income	14	13
	200	**269**

At 31 October 2020 the total value of securities on loan by the Company for stock lending purposes was £56,367,000 (2019: £65,895,000). The maximum aggregate value of securities on loan at any one time during the year ended 31 October 2020 was £119,390,000 (2019: £104,529,000). The Company's agent (BNP Paribas Securities Services) held collateral at 31 October 2020 with a value of £61,262,000 (2019: £69,457,000) 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% (2019: 105%) of the market value of any securities on loan, is reviewed on a daily basis.

5 Management fees

	2020			2019		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment management	1,549	3,615	5,164	1,437	3,352	4,789
	1,549	**3,615**	**5,164**	**1,437**	**3,352**	**4,789**

A summary of the terms of the management agreement is given in the Business Model on page 29.

Notes to the Financial Statements (continued)

6 Other expenses

	2020 £'000	2019 £'000
Directors' fees and expenses (see page 54)	153	141
Auditors' remuneration – for audit services	35	28
Auditors' remuneration – for non-audit services[1]	3	3
Expenses payable to Janus Henderson (relating to marketing services)	115	139
Bank/custody charges	175	225
Depositary fees	52	59
Registrar fees	55	57
AIC subscriptions	21	21
Printing expenses	39	23
Legal fees[2]	165	71
Overseas compliance fees	16	17
Listing fees	82	72
Irrecoverable VAT	35	26
Loan arrangement & non-utilisation fees	30	47
Other expenses	110	80
	1,086	**1,009**

The compensation payable to key management personnel in respect of short-term employment benefits was £153,000 (2019: £141,000) which relates wholly to the fees and expenses payable to the Directors in respect of the year.

1 Non-audit services relate to the performance of audit type procedures in relation to the Company's debenture compliance certificate

2 Legal fees have continued to be incurred in respect of costs to reclaim withholding tax suffered on manufactured overseas dividends and costs to defend the Company from a claim made against the Company. In respect of the claim made against the Company, following mediation, settlement was agreed and filed and approved with the US court following the Company's year end. A settlement payment of US$ 2,085,000 has consequently been paid subsequent to the year end. The Company will also pay the claimant 50% of the proceeds (less costs) received from a tax reclaim of US$1,375,000 that the Company is in the process of making with the US Internal Revenue Service. Further detail is set out on page 34. The final legal fees in respect of the claim made against the Company will be recognised in the 2021 accounts. Legal fees will continue to be incurred on the manufactured overseas dividend matter until it is concluded

7 Finance costs

	2020			2019		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
On overdrafts and bank loans repayable within one year	–	–	–	–	1	1
Interest on debentures repayable:						
– between one and five years	360	840	1,200	360	840	1,200
Interest on unsecured loan notes repayable:						
– after five years[1]	554	1,294	1,848	551	1,285	1,836
	914	**2,134**	**3,048**	**911**	**2,126**	**3,037**

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

Notes to the Financial Statements (continued)

8 Taxation

a) Analysis of the charge for the year

	2020 Revenue return £'000	2020 Capital return £'000	2020 Total return £'000	2019 Revenue return £'000	2019 Capital return £'000	2019 Total return £'000
Overseas tax suffered	2,233	–	2,233	2,291	3	2,294
Overseas tax reclaimable	(393)	–	(393)	(393)	–	(393)
Total tax charge for the year	**1,840**	**–**	**1,840**	**1,898**	**3**	**1,901**

b) Factors affecting the tax charge for the year

The differences are explained below:

	2020 Revenue return £'000	2020 Capital return £'000	2020 Total return £'000	2019 Revenue return £'000	2019 Capital return £'000	2019 Total return £'000
Profit before taxation	**23,212**	**38,264**	**61,476**	**28,395**	**99,898**	**128,293**
Corporation tax for the year at 19.00% (2019: 19.00%)	4,410	7,270	11,680	5,395	18,981	24,376
Non-taxable UK dividends	(1,767)	–	(1,767)	(2,281)	–	(2,281)
Overseas income and non-taxable scrip dividends	(3,069)	–	(3,069)	(3,414)	–	(3,414)
Overseas withholding tax suffered	1,840	–	1,840	1,898	3	1,901
Excess management expenses and loan relationships	376	979	1,355	259	956	1,215
Interest capping restriction	50	113	163	41	85	126
Capital gains not subject to tax	–	(8,362)	(8,362)	–	(20,022)	(20,022)
	1,840	**–**	**1,840**	**1,898**	**3**	**1,901**

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 has not recognised a deferred tax asset totalling £11,920,000 (2019: £9,432,000) based on a corporation tax rate of 19.0% (2019: prospective rate of 17.0%). The deferred tax asset arises as a result of having unutilised management expenses and unutilised non-trade loan relationship deficits. These expenses will only be utilised, to any material extent, if the Company has profits chargeable to corporation tax in the future because changes are made either to the tax treatment of the capital gains made by investment trusts or to the Company's investment profile which require them to be used.

Notes to the Financial Statements (continued)

9 Earnings per ordinary share

The total earnings per ordinary share is based on the net profit attributable to the ordinary shares of £59,636,000 (2019: £126,392,000) and on 126,995,993 ordinary shares (2019: 122,606,783), being the weighted average number of shares in issue during the year.

The total earnings can be further analysed as follows:

	2020 £'000	2019 £'000
Revenue profit	21,372	26,497
Capital profit	38,264	99,895
Profit for the year	**59,636**	**126,392**
Weighted average number of ordinary shares	**126,995,993**	**122,606,783**
Revenue earnings per ordinary share	16.83p	21.61p
Capital earnings per ordinary share	30.13p	81.48p
Earnings per ordinary share	**46.96p**	**103.09p**

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	2020 £'000	2019 £'000
Third interim dividend (5.00p) for the year ended 31 October 2018	26 October 2018	30 November 2018	–	6,130
Final dividend (5.00p) for the year ended 31 October 2018	25 January 2019	28 February 2019	–	6,130
First interim dividend (5.10p) for the year ended 31 October 2019	26 April 2019	31 May 2019	–	6,253
Second interim dividend (5.10p) for the year ended 31 October 2019	26 July 2019	30 August 2019	–	6,253
Third interim dividend (5.35p) for the year ended 31 October 2019	24 October 2019	29 November 2019	6,560	–
Final dividend (5.35p) for the year ended 31 October 2019	23 January 2020	28 February 2020	6,685	–
First interim dividend (5.35p) for the year ended 31 October 2020	23 April 2020	29 May 2020	6,835	–
Second interim dividend (5.35p) for the year ended 31 October 2020	23 July 2020	28 August 2020	6,886	–
			26,966	**24,766**

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.

	2020 £'000	2019 £'000
Revenue available for distribution by way of dividend for the year	21,372	26,497
First interim dividend (5.35p) (2019: 5.10p)	(6,835)	(6,253)
Second interim dividend (5.35p) (2019: 5.10p)	(6,886)	(6,253)
Third interim dividend (5.42p) paid on 30 November 2020 (2019: 5.35p paid on 29 November 2019)	(6,990)	(6,560)
Final dividend (5.42p) payable on 26 February 2021 (2019: 5.35p paid on 28 February 2020)[1]	(7,053)	(6,685)
Amount transferred (from)/ to revenue reserve	**(6,392)**	**746**

1 Based on the number of shares in issue of 130,132,783 on 14 January 2021 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

	2020 £'000	2019 £'000
Valuation at start of year	1,128,519	1,087,033
Investment holding gains at start of year	(323,561)	(264,491)
Cost at start of year	**804,958**	**822,542**
Acquisitions at cost	407,280	281,334
Disposals at cost	(294,148)	(298,918)
Cost at end of year	**918,090**	**804,958**
Investment holding gains at end of year	328,456	323,561
Valuation of investments at end of year	**1,246,546**	**1,128,519**

At 31 October 2020 convertible or fixed interest securities held in the portfolio which were also unquoted investments shown at the Directors' fair valuation were £3,000 (2019: £4,000). See note 16.5 on page 85.

Purchase and sale transaction costs for the year ended 31 October 2020 were £507,000 and £211,000 respectively (2019: transaction costs of purchases £449,000; transaction costs of sales £249,000). These comprise mainly stamp duty and commission.

The Company has no interests of more than 3% (2019: International Oil & Gas Technology).

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 2020 this holding had a value of £24,770,000 (2019: £44,993,000).

13 Other receivables

	2020 £'000	2019 £'000
Securities sold for future settlement	–	980
Other taxes recoverable	1,181	1,092
Prepayments and accrued income	2,029	1,967
Other receivables	57	95
	3,267	**4,134**

14 Current liabilities

	2020 £'000	2019 £'000
Securities purchased for future settlement	–	2,866
Accruals	2,625	1,220
Other payables	376	472
	3,001	**4,558**

Notes to the Financial Statements (continued)

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

	2020 £'000	2019 £'000
Borrowings: Debenture stocks (secured):		
8% debenture stock 2023	15,000	15,000
Borrowings: Loan note (unsecured):		
3.68% unsecured loan notes 2035	49,832	49,823
	64,832	**64,823**

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

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.

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 as between countries and economies.

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

	2020 £'000	2019 £'000
Equities	1,246,543	1,128,515
Fixed interest	3	4
	1,246,546	**1,128,519**

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% (2019: 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.

	2020		2019	
	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	(299)	299	(271)	271
Capital return	248,611	(248,611)	225,072	(225,072)
Change to profit after tax for the year and net assets	**248,312**	**(248,312)**	**224,801**	**(224,801)**

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.1.2 Currency risk

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

Management of the risk

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.

2020	**US $ £'000**	**Euro £'000**	**Japanese Yen £'000**	**Hong Kong $ £'000**	**Other £'000**
Other receivables	138	517	1,167	–	727
Cash and cash equivalents	–	–	–	–	14,444
Total foreign currency exposure on net monetary items	**138**	**517**	**1,167**	**–**	**15,171**
Investments at fair value through profit or loss that are equities	477,040	146,596	154,517	45,010	177,051
Total net foreign currency exposures	**477,178**	**147,113**	**155,684**	**45,010**	**192,222**

2019	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000	Other £'000
Other receivables	269	344	1,068	–	1,686
Cash and cash equivalents	–	–	–	–	9,662
Total foreign currency exposure on net monetary items	**269**	**344**	**1,068**	**–**	**11,348**
Investments at fair value through profit or loss that are equities	391,083	106,425	135,398	32,146	170,638
Total net foreign currency exposures	**391,352**	**106,769**	**136,466**	**32,146**	**181,986**

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.1.2 Currency risk (continued)

Foreign currency sensitivity

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

It assumes the following changes in exchange rates:

US dollar/sterling +/- 10% (2019: 10%), euro/sterling +/- 10% (2019: 10%), Japanese yen/sterling +/- 10% (2019: 10%), Hong Kong dollar/sterling +/- 10% (2019: 10%).

10% is deemed reasonable based on the average market volatility in exchange rates in the previous 12 months.

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

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

	2020				2019			
	US $ £'000	**Euro £'000**	**Japanese Yen £'000**	**Hong Kong $ £'000**	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000
Statement of comprehensive income – profit after tax								
Revenue return	577	383	344	130	497	281	208	80
Capital return	53,004	16,288	17,169	5,001	43,454	11,470	15,044	3,572
Change to profit after tax for the year and net assets	**53,581**	**16,671**	**17,513**	**5,131**	**43,951**	**11,751**	**15,252**	**3,652**

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:

	2020				2019			
	US $ £'000	**Euro £'000**	**Japanese Yen £'000**	**Hong Kong $ £'000**	US $ £'000	Euro £'000	Japanese Yen £'000	Hong Kong $ £'000
Statement of comprehensive income – profit after tax								
Revenue return	(472)	(313)	(281)	(107)	(587)	(335)	(279)	(92)
Capital return	(43,367)	(13,327)	(14,047)	(4,092)	(35,553)	(9,965)	(12,309)	(2,922)
Change to profit after tax for the year and net assets	**(43,839)**	**(13,640)**	**(14,328)**	**(4,199)**	**(36,140)**	**(10,300)**	**(12,588)**	**(3,014)**

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.

Notes to the Financial Statements (continued)

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 investment 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.

	2020			2019		
	Within one year £'000	More than one year £'000	Total £'000	Within one year £'000	More than one year £'000	Total £'000
Exposure to floating interest rates:						
Cash and cash equivalents	54,221	–	54,221	54,944	–	54,944
Current asset investment	24,770	–	24,770	44,993	–	44,993
Exposure to fixed interest rates:						
Fixed interest investments	–	3	3	–	4	4
Debentures	–	(15,000)	(15,000)	–	(15,000)	(15,000)
Unsecured loan notes	–	(49,832)	(49,832)	–	(49,823)	(49,823)
	78,991	**(64,829)**	**14,162**	**99,937**	**(64,819)**	**35,118**

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

Interest receivable and finance costs are at the following rates:

- Interest received on cash balances, or paid on bank overdrafts, is at a margin over LIBOR or its foreign currency equivalent (2019: 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 £54,221,000 (2019: £54,944,000) and, if that level of cash was maintained for a full year, a 100 basis points change in LIBOR (up or down) would increase or decrease total net return after taxation by approximately £542,000 (2019: £549,000).
- Bank loans – Amounts drawn down vary throughout the year. Amount drawn down at the year end was £nil (2019: nil).
- Current asset investment sensitivity – The Company's interest bearing current asset investment at the year end was £24,770,000 (2019: £44,993,000) 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 £248,000 (2019: £450,000).
- Fixed income investment sensitivity – The Company's fixed income portfolio at the year end was valued at £3,000 (2019: £4,000) and is not currently paying interest and therefore there is no modified duration (interest rate sensitivity) (2019: no duration).

Notes to the Financial Statements (continued)

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 the Company arranged unsecured sterling loan facilities totalling £20,000,000; the facility was not drawn down at the year end. The Company also has a debenture and unsecured loan notes, details of which can be found in note 15 on page 80.

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:

	2020			2019		
	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	–	1,200	17,400	–	1,200	18,600
Unsecured loan notes	920	920	75,760	920	920	77,600
Other payables	3,001	–	–	4,558	–	–
	3,921	**2,120**	**93,160**	**5,478**	**2,120**	**96,200**

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.

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 75 and on pages 97 and 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 Securities Services. The Directors believe the counterparty is of high credit quality and, therefore, the Company has minimal exposure to credit risk.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.3 Credit and counterparty risk (continued)

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.

	2020 £'000	2019 £'000
Fixed interest securities	3	4
Current asset investment	24,770	44,993
Cash and cash equivalents	54,221	54,944
Receivables:		
Securities sold for future settlement	–	980
Other receivables	3,267	3,154
	82,261	**104,075**

16.4 Fair values of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the statement of financial position at their fair value (investments and derivatives) or the statement of financial position amount is a reasonable approximation of fair value (due from brokers, dividend and interest receivable, due to brokers, accruals, cash at bank, bank overdrafts). The par value of the debenture stock and unsecured loan notes can be found in note 15 on page 80. The fair value of the 8% debenture stock at 31 October 2020 was £18,140,000 (2019: £18,713,000). 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 £62,990,000 (2019: £60,895,000) 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 it is not traded and the Directors expect it to be held to maturity and, accordingly, the Directors have assessed that this is the most appropriate value to be applied for this purpose.

The 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.

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.

	2020				2019			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,246,543	–	–	1,246,543	1,128,515	–	–	1,128,515
Fixed interest investments	–	–	3	3	–	–	4	4
Current asset investments	24,770	–	–	24,770	44,993	–	–	44,993
	1,271,313	**–**	**3**	**1,271,316**	**1,173,508**	**–**	**4**	**1,173,512**

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

Level 3 investments at fair value through profit or loss	2020 £'000	2019 £'000
Opening balance	4	7
Disposal proceeds	(1)	(3)
	3	**4**

The total value of unquoted investments at 31 October 2020 was £3,000 (2019: £4,000).

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.6 Capital management policies and procedures

The Company's capital management objectives are:

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

The portfolio includes unquoted investments which represent 0.0002% (2019: 0.0004%) of the total portfolio and which are held at Directors' fair value.

The Company's capital at 31 October 2020 comprised its equity share capital, reserves and debt that are shown in the statement of financial position at a total of £1,325,803,000 (2019: £1,228,032,000).

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 £250 million.

These requirements are unchanged since last year and the Company has complied with them throughout the year.

17 Net asset value per ordinary share

The net asset value per ordinary share is based on net assets attributable to ordinary shares of £1,260,971,000 (2019: £1,163,209,000) and on 129,157,783 ordinary shares in issue at 31 October 2020 (2019: 122,606,783). 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:

	2020 £'000	2019 £'000
Net assets attributable to ordinary shares at start of year	1,163,209	1,061,583
Total net profit on ordinary activities after taxation	59,636	126,392
Issue of shares	65,092	–
Dividends paid	(26,966)	(24,766)
Net assets attributable to ordinary shares at end of year	**1,260,971**	**1,163,209**

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 £'000
Ordinary shares of 25p each				
At 1 November 2019	1,338,509	122,606,783	123,945,292	30,986
Sale of treasury shares	(1,338,509)	1,338,509	–	–
Issue of new ordinary shares	–	5,212,491	5,212,491	1,303
At 31 October 2020	**–**	**129,157,783**	**129,157,783**	**32,289**

	Number of shares held in treasury	Number of shares entitled to dividend	Total number of shares	Nominal value of shares £'000
Ordinary shares of 25p each				
At 1 November 2018	1,338,509	122,606,783	123,945,292	30,986
At 31 October 2019	**1,338,509**	**122,606,783**	**123,945,292**	**30,986**

During the year, 1,338,509 shares were sold out of treasury and 5,212,491 new shares were issued for a total consideration of £69,092,000. In the year ended 31 October 2019, no ordinary shares were issued or purchased.

Since the year end, the Company has issued 975,000 new shares for a total consideration of £10,670,000.

19 Share premium account

	2020 £'000	2019 £'000
At start of year	78,541	78,541
Issue of shares	55,714	–
Issue costs	(130)	–
At end of year	**134,125**	**78,541**

Notes to the Financial Statements (continued)

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 2019	12,489	673,657	323,556	997,213
Transfer on disposal of assets	–	63,580	(63,580)	–
Net (losses)/gains on investments	–	(24,709)	68,475	43,766
Net gains on foreign exchange	–	242	5	247
Sale of 1,338,509 shares from treasury	–	8,205	–	8,205
Expenses and finance costs allocated to capital	–	(5,749)	–	(5,749)
At 31 October 2020	**12,489**	**715,226**	**328,456**	**1,043,682**

	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 2018	12,489	632,827	264,491	897,318
Transfer on disposal of assets	–	42,860	(42,860)	–
Net gains on investments	–	3,946	101,930	105,876
Net losses on foreign exchange	–	(495)	(5)	(500)
Expenses and finance costs allocated to capital	–	(5,481)	–	(5,481)
At 31 October 2019	**12,489**	**673,657**	**323,556**	**997,213**

21 Revenue reserve

	2020 £'000	2019 £'000
At start of year	43,980	42,249
Net revenue profit after tax for the year	21,372	26,497
Dividends paid	(26,966)	(24,766)
At end of year	**38,386**	**43,980**

Notes to the Financial Statements (continued)

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:

			Non-cash changes		
	At 1 November 2019 £'000	Cash flows £'000	Amortisation of issue costs £'000	Foreign exchange £'000	At 31 October 2020 £'000
Financing activities					
Financing liabilities	64,823	–	9	–	64,832
Closing liabilities from financing activities	**64,823**	**–**	**9**	**–**	**64,832**

			Non-cash changes		
	At 1 November 2018 £'000	Cash flows £'000	Amortisation of issue costs £'000	Foreign exchange £'000	At 31 October 2019 £'000
Financing activities					
Financing liabilities	64,827	–	(4)	–	64,823
Closing liabilities from financing activities	**64,827**	**–**	**(4)**	**–**	**64,823**

23 Contingent commitments

At 31 October 2020 there were no contingent liabilities in respect of underwriting participations (2019: £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, accounting, administrative and secretarial services. Janus Henderson has contracted with BNP Paribas Securities Services to provide accounting and administration services. Details of the management fee arrangements for these services are given in the Business Model on page 29. The total fees paid or payable under this agreement to Janus Henderson in respect of the year ended 31 October 2020 were £5,164,000 (2019: £4,789,000), of which £1,834,000 is included in accruals at 31 October 2020 (2019: £424,000).

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 2020 amounted to £115,000 (2019: £139,000), of which £87,000 was outstanding at 31 October 2020 (2019: nil).

25 Subsequent events

Following the year end the Company filed a settlement agreement in the US court regarding the claim against it (see note 6). The US court has approved the settlement agreement and the claimant filed a stipulation of dismissal which has dismissed the Company from the claim.

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

Gearing

Gearing means borrowing money to buy assets with the expectation that the return on investments bought will exceed the interest cost of the borrowings. The gearing percentage reflects the amount of borrowings (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 will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

Market capitalisation ('market cap')

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

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.

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.

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 2020	31 October 2019
Net asset value per ordinary share (pence)	(A)	976.3	948.7
Share price per share (pence)	(B)	980.0	927.5
(Discount) or Premium (C= (B-A)/A) (%)	(C)	0.4%	-2.2%

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.

		2020	2019
Investments held at fair value through profit or loss (page 79) (£'000)	(A)	1,246,546	1,128,519
Net assets (page 69) (£'000)	(B)	1,260,971	1,163,209
(Net cash)/gearing (C = (A/B) – 1) (%)	(C)	-1.1%	-3.0%

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 note 14)) 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 69 and further information is available on page 86 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 80) is valued in the statement of financial position (page 69) 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 85 but excludes the market value of the secured 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 69 to derive the NAV with debt at market value. The NAV with debt at market value at 31 October 2020 was £1,257,831,000 (973.9p per ordinary share) and the NAV with debt at par was £1,260,971,000 (976.3p 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.

	2020 £'000	2019 £'000
Management fee (note 5)	5,164	4,789
Other administrative expenses (note 6)	1,086	1,009
Less: non-recurring expenses	(162)	(47)
Ongoing charge	**6,088**	**5,751**
Average net assets[1]	**1,225,145**	**1,109,037**
Ongoing charge	**0.50%**	**0.52%**

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 78).

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 78.

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 2019 (pence)	945.7	927.5
NAV/share price per share at 31 October 2020 (pence)	973.9	980.0
Change in the year	3.0%	5.7%
Impact of dividends reinvested	2.2%	2.2%
Total return for the year	**5.3%**	**8.1%**

Yield

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

		31 October 2020	31 October 2019
Annual dividend (pence)	(A)	21.54	20.90
Share price (pence)	(B)	980.0	927.5
Yield (C=A/B) (%)	(C)	2.2%	2.3%

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 96) 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 96).

Common Reporting Standard

Tax legislation under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information was introduced with effect from 1 January 2016. 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 enacted in 2010 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 will therefore need to make an annual assessment, before the FATCA return is due, to determine if the shares represent financial accounts and, where they do, will need 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 25p each can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's ('FCA') rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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.

General Shareholder Information (continued)

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 96).

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.

Warning to shareholders

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

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

If you are in any doubt about the veracity of an unsolicited phone call, please call either the Corporate Secretary or the Registrar at the numbers provided on page 96.

Service Providers

Registered office

201 Bishopsgate
London EC2M 3AE

Service providers

Alternative Investment Fund Manager

Henderson Investment Funds Limited
201 Bishopsgate
London EC2M 3AE

Corporate Secretary

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

Depositary and Custodian

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Stockbrokers

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25 Bank Street
Canary Wharf, London E14 5JP

New Zealand

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ANZ Centre
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PO Box 5333
Auckland, New Zealand

Registrar

UK

Equiniti Limited
Aspect House
Spencer Road
Lancing, West Sussex BN99 6DA
Telephone: 0371 384 2471 (or +44 121 415 7049 if calling from overseas). Lines are open 8.30 am to 5.30 pm, UK time Monday to Friday excluding 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 2021
Ex dividend date	28 January 2021
Dividend record date	29 January 2021
Annual General Meeting	24 February 2021
Final dividend payable on	26 February 2021
1st interim dividend payable on	28 May 2021
Half year results	announced June/July 2021
2nd interim dividend payable on	31 August 2021
3rd interim dividend payable on	30 November 2021

Information sources

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

Follow Janus Henderson Investment Trusts on Twitter, YouTube and Facebook

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

Investing

Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website.

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

Nominee share code

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

Securities Financing Transactions

The Company engages 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 2020 are detailed below.

Global data

The amount of securities on loan as a proportion of total lendable assets and the Company's net assets as at 31 October 2020 are disclosed below:

Stock lending Market value of securities on loan £'000	% of lendable assets	% of assets under management
56,367	4.52	4.47

Concentration data

The ten largest collateral issuers across all the securities financing transactions as at 31 October 2020 are disclosed below:

Issuer	**Market value of collateral received £'000**
Government of France	49,623
UK Treasury	7,350
Government of Austria	2,390
Government of Belgium	979
Government of Finland	566
Government of Japan	211
Government of Canada	143
	61,262

The top ten counterparties of each type of securities financing transactions as at 31 October 2020 are disclosed below:

Counterparty	**Market value of securities on loan £'000**
BNP Paribas	49,632
ABN Amro	3,738
Bank of Nova Scotia	2,897
Merrill Lynch	100
	56,367

Securities Financing Transactions (continued)

Aggregate transaction data

The following table discloses a summary of aggregate transaction data related to the collateral received from securities on loan as at 31 October 2020:

Stock lending

Counterparty	Counterparty country of origin	Type	Quality	Collateral currency	Settlement basis	Custodian	Market value of collateral received £'000
ABN Amro	Netherlands	Government Bond	Investment Grade	Euro	Tri-party	BNP Paribas	3,934
Bank of Nova Scotia	Canada	Government Bond	Investment Grade	Sterling	Tri-party	BNP Paribas	2,802
Bank of Nova Scotia	Canada	Government Bond	Investment Grade	Canadian Dollar	Tri-party	BNP Paribas	142
Bank of Nova Scotia	Canada	Government Bond	Investment Grade	Japanese Yen	Tri-party	BNP Paribas	99
BNP Paribas	France	Government Bond	Investment Grade	Euro	Tri-party	BNP Paribas	49,623
BNP Paribas	France	Government Bond	Investment Grade	Sterling	Tri-party	BNP Paribas	4,548
Merrill Lynch	US	Government Bond	Investment Grade	Japanese Yen	Tri-party	BNP Paribas	113
Merrill Lynch	US	Government Bond	Investment Grade	Euro	Tri-party	BNP Paribas	1
							61,262

All counterparties are shown

The lending and collateral transactions are on an open basis and can be recalled on demand.

Re-use of collateral

The Company does not engage in any re-use of collateral.

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
£84,000	£13,000	15	£71,000	85

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MANAGED BY Janus Henderson INVESTORS

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