

The Bankers Investment Trust PLC

Update for the half year ended
30 April 2021



MANAGED BY

Janus Henderson
— INVESTORS —

Investment Objective and Policy

Investment Objective

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

Investment Policy

The following investment ranges apply:

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

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

The Manager primarily employs a bottom-up, 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.

Performance Highlights

Total return performance for the six months to 30 April 2021



NAV per share*

30 Apr 2021	114.3p
30 Apr 2020	90.7p

Share price*

30 Apr 2021	114.2p
30 Apr 2020	90.4p

Revenue return per share*

30 Apr 2021	0.97p
30 Apr 2020	0.79p

Dividends paid or declared in respect of the period*

30 Apr 2021 ⁴	1.076p
30 Apr 2020	1.070p

Total return performance to 30 April 2021

(including dividends reinvested and excluding transaction costs)

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV ¹	17.4	28.8	40.9	106.0	199.9
Index ²	21.5	33.9	48.0	88.6	144.1
Share price ³	17.7	28.9	41.8	117.8	248.8

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

2 Composite of FTSE All-Share Index for the period to 31 October 2017 and FTSE World Index from 1 November 2017 to 30 April 2021

3 Share price total return using mid-market closing price

4 First interim dividend for 2021 was paid on 28 May 2021, the second interim dividend has been declared and will be paid on 31 August 2021

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

Sources: Morningstar and Refinitiv Datastream

Chair's Statement

Review

The announcement of successful Covid-19 vaccine trials in November and December 2020 provided a further boost to the global market recovery that had begun months earlier. This has continued into 2021, reflecting investor optimism that the pandemic-induced recession would be relatively short lived and that the aggressive fiscal and monetary stimuli would lead to a much faster global economic recovery. It also marked a shift away from lockdown beneficiaries (mainly tech and high growth stocks) to more cyclical sectors that should benefit as economies open up. In the UK, a further boost was received when an eleventh-hour trade deal was struck with the EU. The deal may be far from perfect but it is generally regarded as better than no deal.

The outcome of the bitterly contested US presidential election also buoyed investor optimism. Having entered office in January, President Biden's immediate priorities were vaccinating America and also introducing a \$2 trillion stimulus package to drive the economy forward. Both have more than achieved the President's aims. As the virus wanes and the US economy reopens and supply chain shortages have become apparent, investors' attention has turned to concerns about rising inflation and whether it would drive the Federal Reserve to tighten monetary policy sooner than expected and choke off the nascent recovery. The Federal Reserve members concerned about market volatility have gone to great lengths to defuse these worries, saying the Fed would look through any inflation spike and maintain its loose monetary policy until the economy was on a solid path to recovery.

Performance

Over the six months ended 30 April 2021, the NAV total return per share was 17.4% (2020: -3.2%) and the share price total return was 17.7% (2020: -1.4%), both underperforming the FTSE World Index total return of 21.5% (2020: -5.3%). Our underperformance largely resulted from the shift from lockdown beneficiaries to the reopening trade. Having been our worst performing portfolios over

the previous financial year, our Pacific (ex Japan and China) and UK portfolios were best placed to benefit from this shift and delivered the strongest absolute performances over the period, both outperforming their benchmarks. The remaining four portfolios also delivered positive returns but underperformed their benchmarks. The Manager's report includes more detailed information on performance.

Revenue returns

Our dividend income for the six months ended 30 April 2021 was £15.6 million compared to £12.2 million for the same period last year, an increase of 28.0%. Our net revenue for the six months was £12.6 million (2020: £9.8 million), equivalent to 0.97p per share (2020: 0.79p as adjusted for the share split). Although the net revenue per share was higher than the previous corresponding period, we expect the revenue return per share for the current financial year to remain below the pre-Covid-19 level for the second year running. However, the outlook for our dividend income continues to improve, though will take time to recover fully.

Dividends

A first interim dividend of 0.538p per share (2020: 0.535p per share when adjusted for the share split) was paid on 28 May 2021. The Board has declared a second interim dividend of 0.538p (2020: 0.535p as adjusted) per share, which will be payable on 31 August 2021 to shareholders on the register on 30 July 2021.

By virtue of the revenue reserves that the Company prudently built up in good times, I am pleased to be able to reiterate, on behalf of the Board, our current intention to deliver dividend growth of approximately 0.5% for the current financial year, resulting in aggregate dividends for the year of at least 2.164p per share (2020: 2.154p as adjusted for the share split).

Based on aggregate dividends of 2.164p per share for the current financial year and the number of shares currently in issue, our revenue reserve at 30 April 2021, adjusted for the first and second interim dividends, represented 0.8 times the cost of the current year's dividends.

Chair's Statement (continued)

Share split

Following the price of the Company's shares of 25p each almost trebling over the previous 10 years, the Board proposed in January 2021 a share split to sub-divide each ordinary share of 25p into 10 ordinary shares of 2.5p each. Shareholders approved the resolution for the share split at the AGM on 24 February 2021 and the sub-division took effect on 1 March 2021 when the new shares were admitted to trading on the London Stock Exchange.

Share issuance and buy-backs

The Company's shares continued to trade close to, or at a small premium to, NAV during the six months ended 30 April 2021. Continued demand for the Company's shares led to the issue of a total of 18,825,000 new shares during the period (975,000 shares of 25p each prior to the share split and subsequently adjusted and a further 9,075,000 shares of 2.5p each following the share split), raising gross proceeds of £21.1 million. As at 30 April 2021, the Company had 1,310,402,830 shares in issue. Since the period end, a further 3,950,000 new shares have been issued, raising gross proceeds of £4.5 million. The new shares have all been issued at a premium sufficient to ensure that existing shareholders do not suffer any dilution of their NAV per share and the net proceeds were invested into markets.

There have been no share buy-backs in the financial year to date.

Gearing

The Company began the current financial year with net cash of 1.1% and ended the period under review with net gearing of 2.4%. The Company renewed its £20 million short-term borrowing facility with SMBC Bank International plc (formerly called Sumitomo Mitsui Banking Corporation Europe Limited), which expired in February, for a further year. The facility can be drawn and repaid as required and is in addition to the Company's existing fixed debt. The Board is currently reviewing the Company's debt

structure and will provide an update on the outcome of this review in due course.

The Board

In our recent Annual Report, it was noted that at 31 October 2021 I will have served nine years as a Director of the Company. To allow for smooth succession in due course, the Nominations Committee has started the process of recruiting a new Director. An independent consultancy firm that specialises in investment trust board recruitments has been appointed to lead the search for a suitable candidate.

Outlook

The pandemic is far from over, but the development of effective vaccines has been a major turning point. The accelerating vaccine rollout, leading to economies gradually reopening and the return to some form of economic, financial and social normality, gives reason for optimism for a strong economic recovery this year for those countries fortunate enough to secure abundant vaccine supplies. High levels of corporate cash deposits and household savings may lead to a significant uptick in spending, providing a further boost to economic recovery, albeit with attendant inflationary risk. Government stimulus packages and ongoing central bank asset purchases should provide additional support, with central bank tapering unlikely to commence this year. However, mass vaccination on a global scale will take time. The pace of recovery will differ materially across regions and countries as well as business sectors and companies. In addition, concerns over infection rates in certain parts of the world, new variants emerging and further waves, the return of inflation (whether transitory or not) and geopolitical tensions remain. Overall, the broad picture is positive, but market volatility is likely to persist as the world endeavours to navigate its way out of the pandemic.

Sue Inglis
Chair
21 June 2021

Fund Manager's Report

Market review

The period under review saw a significant stock market recovery, largely driven by optimism that the rollout of vaccines would bring about a lifting of lockdowns and subsequent economic recovery. Upward revisions to global growth forecasts have fed through to profit upgrades for many companies. There has been, however, a change in leadership within markets whereby those companies hardest hit by lockdown (in sectors such as travel, hospitality and retail) have seen the sharpest recovery in share prices, while growth stocks have not materially participated in the rally. Nevertheless, many companies that investors believe will be beneficiaries of reopening remain challenged, as it is unclear how quickly global travel, for example, will recover given the threat of further Covid-19 variants.

The UK market has seen the largest bounce in share prices, as the country has benefitted from an early rollout of vaccines but more importantly a conclusion to the tortuous process of leaving the European Union. The Brexit deal concluded over Christmas was celebrated by politicians but is not the panacea for unfettered trade with the EU. It will take most of the year to determine the winners and losers on trade. However, the simple process of concluding an exit has clearly lifted uncertainty for international investors and renewed confidence in sterling has also assisted the UK stock market.

Inflation has been rising through 2021, reflecting bottlenecks in supply chains and disruption to factories last year from Covid-19 restrictions. In recent months, prices of basic goods such as food, timber and building materials have risen rapidly. Currently, central banks view these increases as transitory and have not reacted by raising interest rates. However, longer-term bond yields have risen reflecting investors' views that rates will ultimately move upwards. The increase in the gap between short and long-term rates has benefitted financial stocks, and banks in particular, leading to the sector being one of the stand-out performers over the reported half year.

Performance

The portfolio returns in the six-month period to 30 April 2021 have been strong but have lagged the benchmark index, the FTSE World Index. There has been outperformance in the UK and Asia Pacific

(ex Japan and China) portfolios, both of which are positioned more towards value and cyclical sectors that have benefitted from optimism of economic recovery. However, the US, European and Japanese portfolios are positioned towards higher growth companies which, whilst delivering impressive returns, have lagged the overall index gains in their respective markets. We continue to retain confidence in the high-quality companies within these portfolios and expect steady growth in profitability over the coming years.

The income generated by the portfolio has steadily recovered from its low point last year, as more companies have found confidence in their future outlook and returned to paying investors a dividend. We expect the sharp recovery in economic activity over the coming twelve months to feed through to increasing dividends and a steady recovery towards pre-pandemic levels of income for the Company.

The banking and retail sectors remain the two areas yet to reinstate dividends, but we remain hopeful about prospects for resumption of pay-outs into 2022.

Outlook

Given the imbalance in supply and demand for Covid-19 vaccinations globally, it seems likely that there will be periods of stop/start as we navigate the remainder of the year. We have been increasing investment into European and Japanese markets based on lower valuations and a perception by investors that their recovery will be delayed by slow vaccination programmes. We are more optimistic as these markets have historically been beneficiaries of rising inflation and economic growth. These stock markets have higher representation of larger, cyclical companies such as those in the auto and engineering sectors which still offer good value. There will likely be periods of fluctuating share prices, as normally happens when markets have risen sharply, but we remain optimistic about the global recovery and intend to use market setbacks to increase investment towards our favoured companies.

Alex Crooke
Fund Manager
21 June 2021

Financial summary

Half year ended

Extract from the Consolidated Statement of Comprehensive Income (unaudited)	30 April 2021 Revenue return £'000	30 April 2021 Capital return £'000	30 April 2021 Total £'000	30 April 2020 Total £'000
Investment income	15,610	-	15,610	12,203
Other operating income	53	-	53	144
Gains/(losses) on investments held at fair value through profit or loss	-	220,218	220,218	(49,481)
Gross revenue and capital gains/(losses)	15,663	220,218	235,881	(37,134)
Expenses, finance costs and taxation	(3,101)	(3,113)	(6,214)	(5,356)
Net profit/(loss)	12,562	217,105	229,667	(42,490)
Earnings/(loss) per ordinary share[†]	0.97p	16.70p	17.67p	(3.39)p

Extract from the Condensed Statement of Financial Position (unaudited except October 2020 figures)	As at 30 April 2021 £'000	As at 30 April 2020 £'000	As at 31 Oct 2020 £'000
Total assets	1,565,502	1,233,838	1,328,804
Current liabilities	(3,255)	(7,869)	(3,001)
Total assets less current liabilities	1,562,247	1,225,969	1,325,803
Debenture stock and unsecured loan notes	(64,836)	(64,827)	(64,832)
Net assets	1,497,411	1,161,142	1,260,971
Net asset value per ordinary share[†]	114.3p	90.7p	97.6p

[†] All comparative figures have been restated due to the sub-division of each Ordinary share of 25p into ten Ordinary shares of 2.5p each on 1 March 2021.

Share Capital

Following shareholder approval at the 2021 Annual General Meeting on 24 February 2021, the Company's shares were sub-divided on 1 March 2021, where for every 1 share of 25p each held, these were split into 10 shares of 2.5p each. At 30 April 2021 there were 1,310,402,830 ordinary shares of 2.5p each in issue (30 April 2020: 1,280,067,830^{*}; 31 October 2020: 1,291,577,830^{*}). During the half-year ended 30 April 2021, 18,825,000 new shares were issued for a total consideration of £20,861,000 (30 April 2020: 13,385,090^{*} shares were sold out of treasury and 40,614,910^{*} new shares were issued for a total consideration of £53,668,000; 31 October 2020: 13,385,090^{*} shares were sold out of treasury and 52,124,910^{*} new shares were issued for a total consideration of £65,092,000). Shares held in treasury do not have any voting rights. At 30 April 2021 no shares were held in treasury (30 April 2020: nil; 31 October 2020: nil). Since 30 April 2021 and up to 21 June 2021 a further 3,950,000 new shares of 2.5p each were issued for a total consideration of £4.5 million.

^{*} Comparative figures for the periods ended 30 April 2020 and 31 October 2020 have been restated due to the sub-division of each Ordinary share of 25p into ten Ordinary shares of 2.5p each on 1 March 2021. Current period figures have been adjusted for the sub-division where the share issue took place before 1 March 2021.

Dividends

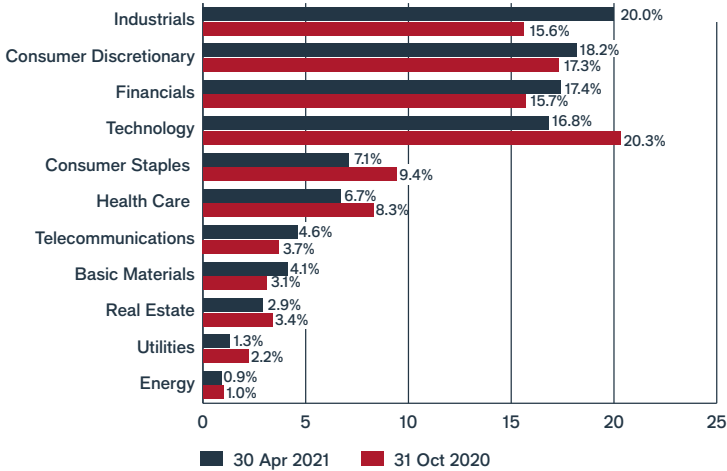
A first interim dividend of 0.538p per ordinary share of 2.5p (2020: 0.535p as adjusted for the share split), was paid on 28 May 2021 to shareholders registered on 30 April 2021. The shares were quoted ex-dividend on 29 April 2021. Based on the number of ordinary shares in issue at 30 April 2021 of 1,310,402,830 the cost of this dividend was £7,050,000.

The Directors have declared a second interim dividend of 0.538p per ordinary share of 2.5p (2020: 0.535p as adjusted), per ordinary share of 25p) and is payable to shareholders on 31 August 2021 to shareholders on the register on 30 July 2021. The shares will be quoted ex-dividend on 29 July 2021. Based on the number of shares in issue at 21 June 2021 of 1,314,352,830 the cost of this dividend will be £7,070,000.

Portfolio Information as at 30 April 2021

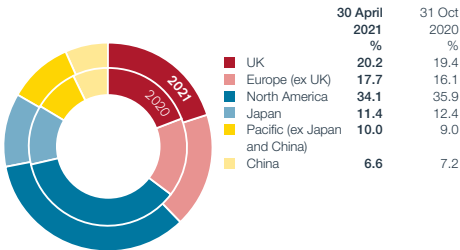
Sector Analysis

As a percentage of the investment portfolio excluding cash



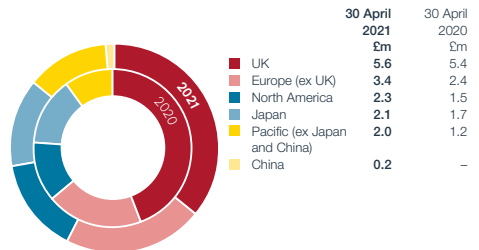
Source: Janus Henderson

Geographical Distribution



Source: Janus Henderson

Revenue Generated



Source: Janus Henderson

Portfolio Information (continued)

50 Largest Investments at 30 April 2021

Rank 30 Apr 2021	Rank 31 Oct 2020	Company	Country	Valuation 31 Oct 2020 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 30 April 2021 £'000
1	(1)	Microsoft	US	34,450	-	(4,498)	5,335	35,287
2	(2)	Estée Lauder	US	26,875	-	(4,047)	7,770	30,598
3	(13)	CME	US	17,757	4,947	-	5,272	27,976
4	(7)	American Tower	US	20,181	4,859	-	745	25,785
5	(8)	MasterCard	US	19,852	-	-	4,660	24,512
6	(6)	Visa	US	22,449	-	(2,293)	4,342	24,498
7	#	Home Depot	US	-	19,961	-	3,508	23,469
8	(9)	Intuit	US	18,269	-	-	4,074	22,343
9	#	Otis Worldwide	US	-	21,739	-	(73)	21,666
10	(23)	American Express	US	12,825	4,922	(4,594)	8,505	21,658
11	#	Automatic Data Processing	US	-	19,347	-	2,083	21,430
12	(19)	Union Pacific	US	13,885	4,716	-	2,564	21,165
13	(11)	Intercontinental Exchange	US	18,122	-	-	2,983	21,105
14	(5)	Amazon	US	23,000	-	(4,954)	1,238	19,284
15	(15)	Moody's	US	16,075	-	-	2,568	18,643
16	(3)	Apple	US	25,789	-	(11,038)	3,577	18,328
17	(4)	Alphabet	US	23,517	-	(11,805)	(5,888)	17,600
18	(16)	Roper Technologies	US	15,034	-	-	1,846	16,880
19	(17)	Sherwin-Williams	US	14,719	-	-	1,616	16,335
20	(22)	The Cooper Companies	US	13,035	-	-	2,643	15,678
21	#	AstraZeneca	UK	-	14,703	-	940	15,643
22	(30)	Samsung Electronics	South Korea	10,890	-	-	4,289	15,179
23	(39)	Telecom Italia	Italy	10,062	-	-	5,116	15,178
24	(29)	Diageo	UK	11,060	577	-	3,387	15,024
25	(18)	Netflix	US	14,161	-	-	112	14,273

Portfolio information (continued)

50 Largest Investments at 30 April 2021

Rank 30 Apr 2021	Rank 31 Oct 2020	Company	Country	Valuation 31 Oct 2020 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Valuation 30 April 2021 £'000
26	(12)	Adobe Systems	US	17,803	-	(4,738)	931	13,996
27	(43)	Rio Tinto	UK	9,306	1,168	(312)	3,631	13,793
28	(14)	Taiwan Semiconductor Manufacturing	Taiwan	17,578	-	(8,446)	4,418	13,550
29	(50)	Toyota Motor	Japan	7,966	4,779	-	393	13,138
30	(44)	Bawag	Austria	8,960	1,363	(979)	3,678	13,022
31	(31)	Cellnex Telecom	Spain	10,824	2,730	-	(1,090)	12,464
32	(10)	Facebook	US	18,240	-	(7,431)	1,524	12,333
33	#	Lloyds Banking	UK	3,814	4,706	-	3,283	11,803
34	(32)	British American Tobacco	UK	10,725	-	-	1,025	11,750
35	(28)	Prosus	Netherlands	11,532	-	-	175	11,707
36	#	RELX	UK	7,210	2,565	-	1,711	11,486
37	(41)	SoftBank	Japan	9,458	-	(944)	2,883	11,397
38	#	Anglo American	UK	-	8,761	-	2,626	11,387
39	(35)	Sony	Japan	10,455	493	(1,049)	1,438	11,337
40	#	Munich Re	Germany	7,799	2,485	-	1,011	11,295
41	(40)	DSM	Netherlands	9,905	-	(631)	1,754	11,028
42	(25)	Reckitt Benckiser	UK	12,243	580	(1,425)	(601)	10,797
43	(27)	Thermo Fisher Scientific	US	11,946	1,075	(1,704)	(779)	10,538
44	(36)	Nestlé	Switzerland	10,447	-	-	(91)	10,356
45	(20)	PayPal	US	13,836	-	(7,419)	3,929	10,346
46	(45)	SIG Combibloc	Switzerland	8,845	2,080	(1,503)	913	10,335
47	(33)	Roche	Switzerland	10,607	200	-	(561)	10,246
48	#	3i	UK	7,659	-	-	2,558	10,217
49	(21)	ICON	US	13,136	-	(4,369)	1,378	10,145
50	#	ASML	Netherlands	6,621	-	-	3,521	10,142
				638,922	128,756	(84,179)	124,646	808,145

All securities are equity investments

Not in top 50 at 31 October 2020

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

Additional Information

Managing our Risks

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

- Investment Activity and Performance Risks
- Portfolio and Market Risks
- Tax, Legal and Regulatory Risks
- Financial Risks
- Operational and Cyber Risks
- Global pandemic

Information on these risks and uncertainties and how they are managed are given in the Annual Report for the year ended 31 October 2020. Following a recent review, the Board believes that these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review. The alternative investment fund manager and the Company's other third-party service providers remain fully operational and have implemented appropriate business continuity plans to ensure that there has been no change in service while the majority of staff have been working from home due to the ongoing Covid-19 global pandemic.

Going Concern

In assessing the Company's 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.

Directors' Responsibility Statement

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

- a) the condensed set of financial statements has been prepared in accordance with IAS 34;
- b) the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board

Sue Inglis

Chair

21 June 2021

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MANAGED BY
Janus Henderson
INVESTORS

aic
The Association of
Investment Companies



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