

THE BANKERS INVESTMENT TRUST PLC

Update for the half-year
ended 30 April 2019



MANAGED BY

Janus Henderson
— INVESTORS —

Investment Objectives and Policy

Investment Objectives

The Company aims over the long term to achieve capital growth in excess of the FTSE World Index and annual dividend growth greater than inflation, as defined by the UK Retail Prices Index ('RPI'), 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

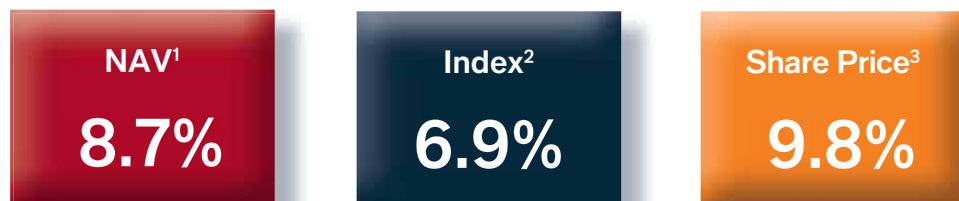
The Company can borrow to make additional investments with the aim of achieving a return that is greater than the cost of the borrowing. The Company can borrow up to 20% of net assets at the time of draw down.

This update contains material extracted from the unaudited half-year results of the Company for the six months ended 30 April 2019. The unabridged results for the half-year are available on the Company's website: www.bankersinvestmenttrust.com.

The image represents the HSBC Bank building in Hong Kong.

Performance Highlights

Total return performance for the six months to 30 April 2019



Net asset value ('NAV') per share

30 April 2019	30 April 2018
929.9p	868.7p

Share price

30 April 2019	30 April 2018
906.0p	860.0p

Revenue return per share

30 April 2019	30 April 2018
9.25p	8.52p

Discount

30 April 2019	30 April 2018
2.6%	1.0%

Dividends (1st and 2nd interims)

30 April 2019	10.20p	30 April 2018	9.72p
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Total return performance (including dividends reinvested and excluding transaction costs)

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV ¹	8.7	9.6	60.3	82.1	249.6
Index ²	6.9	11.7	42.3	44.3	186.0
Share price ³	9.8	7.8	65.6	83.8	264.9

1 Net asset value total return per share with income reinvested

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 2019

3 Share price total return using mid-market closing price

Sources: Morningstar for the AIC and Datastream

Chairman's Statement

Review

Our Net Asset Value ('NAV') total return for the six month period to 30 April 2019 was 8.7%, outperforming the FTSE World Index total return of 6.9%. Our share price total return was higher, at almost 10%, due to the narrowing of the discount to NAV at which our shares traded.

The positive returns disguise that the period was quite eventful. After the sharp fall in global equity markets in the final month of our last financial year, markets largely stabilised in November before falling again in December. Negative investor sentiment at the end of 2018 reflected a number of possible outcomes in the coming year. There was pessimism regarding the resolution of the ongoing US-China trade dispute, as well as concerns that there would be further US interest rate rises in 2019 and fears that the next recession may be closer than many had previously anticipated. The new year brought renewed optimism, driven by the belief that trade tensions were easing and by more dovish central bank policy, in particular from the US Federal Reserve, as inflationary pressures appeared to be subsiding. This led, in the first four months of 2019, to a strong recovery in global equity markets, which broadly rose to the highs achieved in 2018. As, in our Fund Manager's opinion, investors were pricing in an over optimistic outlook, we used this rally to realise some profits.

All of our regional portfolios made positive contributions to our overall portfolio performance; their respective local benchmarks also delivered positive returns, with the exception of Japan. On a relative performance basis, only the Asia Pacific (ex-Japan and China) and Emerging Market portfolios underperformed their local benchmarks. The US portfolio was marginally reduced during the period following strong performance, with the proceeds retained as cash to reduce the Company's net gearing.

Our allocation to direct investments in emerging markets, other than Asia, has been, typically, around 2–3% of our overall portfolio. However, we have significant exposure to the African and South American regions through companies listed in Europe and New York. Having regard to its relatively small size and the volatility of its performance over recent years, we concluded that our direct Emerging Markets portfolio has not contributed meaningfully to the Company's returns. Accordingly, we will start to sell down our investments in that portfolio, initially raising cash before ultimately reallocating to other regions.

Revenue Returns and Dividend

The Company's net revenue for the six months was £11.3 million, equivalent to 9.25p per share (2018: 8.52p).

The Board paid a first interim dividend on 31 May 2019 of 5.10p (2018: 4.86p) and has declared a second interim dividend of 5.10p (2018: 4.86p) per share payable on 30 August 2019 to shareholders on the register on 26 July 2019.

I am pleased to be able to reiterate, on behalf of the Board, a forecast of dividend growth of approximately 6% for the current financial year, resulting in aggregate dividends for the year of 20.9p (2018: 19.72p).

Borrowings

The Company has refinanced its short term borrowings by agreeing a new two year £20 million borrowing facility with Sumitomo Mitsui Banking Corporation Europe Limited in February 2019. Currently, the Company is not geared as it is considered that markets are running ahead of fundamentals.

Board Changes

My predecessor, Richard Killingbeck, who joined the Board in 2003 and became Chairman in 2013, retired from the Board at the conclusion of the AGM in February. I would like to take this opportunity to thank Richard for his outstanding contribution and commitment to Bankers and his wise counsel to me and other members of the Board during his long association with the Company. Over the years we have aimed to achieve a level of continuity in regard to the Board and thus we believe the efficient management and oversight of your Company will continue in the same vein as it did under Richard's tenure.

We are looking to replace Richard's investment knowledge with the appointment of a new non-executive director to the Board later in the year.

Outlook

Since the end of the period under review, global equity markets have continued to ebb and flow as investors react to the latest news. Of particular note were the more dovish statements from the European Central Bank ('ECB') and Federal Reserve in June. The ECB indicated that, if the inflation outlook fails to improve, it could launch a further expansion of its €2.6tn quantitative easing programme and the US Federal Reserve hinted at possible interest rate cuts, citing increased uncertainties about the economic outlook.

Chairman's Statement (continued)

Whilst some recent economic data has been weaker than anticipated, there are factors that should be positive for global equity markets. In particular, inflationary pressures remain muted, global monetary policy appears to continue to be supportive and corporate earnings growth is still positive. However, the ongoing US-China trade dispute is likely to continue to hold back both the global economy and global equity markets. Even if they resolve their trade dispute, tension between the two countries may endure and adversely impact business conditions, which could continue to constrain global economic growth.

In the UK, the unresolved Brexit saga continues to weigh on business prospects and investor sentiment towards UK stocks. We will not know who the next Prime Minister will be until after 21 July and, even then, when and how the Brexit saga will be resolved.

Overall, I remain cautious on the outlook for global equity markets. Global economic growth in the current calendar year is expected to be lower than in 2018, particularly in the US where corporate earnings received a significant boost from one-off tax cuts in 2018. As our Fund Manager believes that markets have run ahead of fundamentals, we feel it is prudent to raise cash within the portfolio and would expect to deploy this at more attractive prices later in the year. With the macro uncertainties, the recent higher levels of equity market volatility are likely to persist but volatility does provide more opportunities for long-term managers, such as our Fund Manager, to buy at attractive prices.

Sue Inglis
Chairman
1 July 2019

Financial Summary

Extract from the Condensed Statement of Comprehensive Income (unaudited)	Half-year ended			
	30 April 2019 Revenue return £'000	30 April 2019 Capital return £'000	30 April 2019 Total £'000	30 April 2018 Total £'000
Investment income	13,649	-	13,649	12,731
Other operating income	108	-	108	98
Gains/(losses) from investments held at fair value through profit or loss	-	82,146	82,146	(8,679)
Gross revenue and capital gains/(losses)	13,757	82,146	95,903	4,150
Expenses, finance costs & taxation	(2,414)	(2,662)	(5,076)	(4,927)
Net profit/(loss)	11,343	79,484	90,827	(777)
Earnings/(loss) per ordinary share	9.25p	64.83p	74.08p	(0.63p)

Extract from the Condensed Statement of Financial Position (unaudited except October 2018 figures)	As at 30 April 2019 £'000	As at 30 April 2018 £'000	As at 31 Oct 2018 £'000
Total assets	1,206,438	1,134,583	1,129,780
Current liabilities	(1,469)	(4,623)	(3,370)
Total assets less current liabilities	1,204,969	1,129,960	1,126,410
Debenture stock and unsecured loan notes	(64,819)	(64,822)	(64,827)
Net assets	1,140,150	1,065,138	1,061,583
Net asset value per ordinary share	929.9p	868.7p	865.8p

Share Capital

At 30 April 2019 there were 123,945,292 ordinary shares of 25p each in issue (30 April 2018: 123,945,292; 31 October 2018: 123,945,292). During the half-year ended 30 April 2019 no shares were issued or bought back (30 April 2018 and 31 October 2018: no shares were issued or bought back).

At 30 April 2019 1,338,509 shares were held in treasury (30 April 2018 and 31 October 2018: 1,338,509). Shares held in treasury do not have any voting rights.

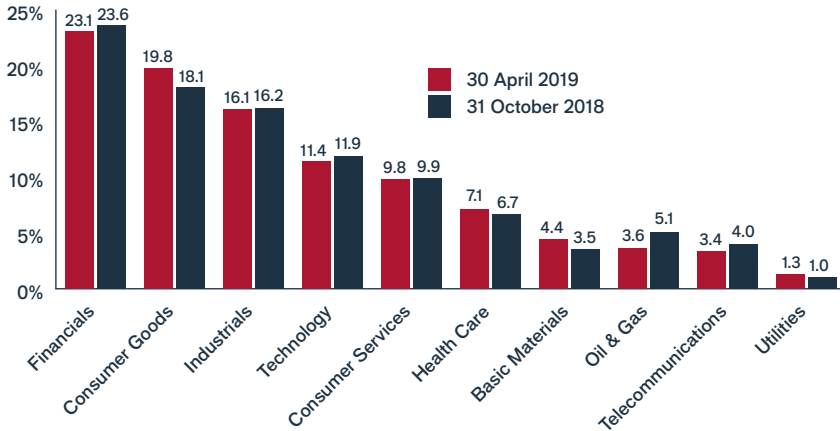
Dividends

A first interim dividend of 5.10p (2018: 4.86p) per ordinary share was paid on 31 May 2019 to shareholders registered on 26 April 2019. The shares were quoted ex-dividend on 25 April 2019. Based on the number of ordinary shares in issue excluding shares held in treasury at 25 April 2019 of 122,606,783 the cost of this dividend was £6,253,000. The dividend was paid from the Company's revenue account.

The Directors have declared a second interim dividend of 5.10p (2018: 4.86p) and is payable on 30 August 2019 to shareholders on the register on 26 July 2019. The shares will be quoted ex-dividend on 25 July 2019. Based on the number of shares in issue excluding shares held in treasury at 1 July 2019 of 122,606,783 the cost of this dividend will be £6,253,000. The dividend will be paid from the Company's revenue account.

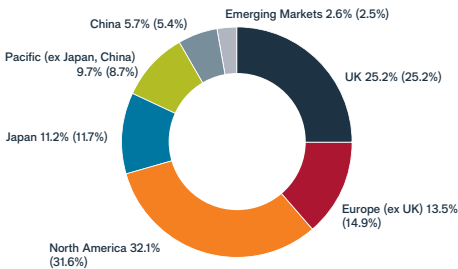
Portfolio Information at 30 April 2019

Sector Analysis



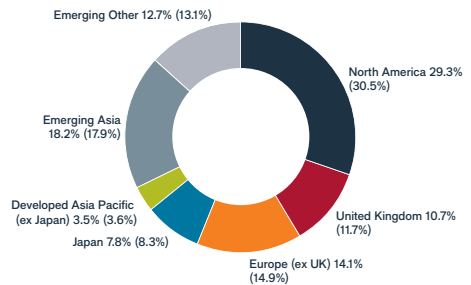
Geographical Analysis

30 April 2019 (figures in brackets at 31 October 2018)



Revenue Generated

30 April 2019 (figures in brackets at 31 October 2018)



Source: Janus Henderson

These figures may not add up to 100% due to cash held.

Portfolio Information (continued)

50 Largest Investments as at 30 April 2019

Rank 30 Apr 2019	Rank 31 Oct 2018	Company	Valuation 31 Oct 2018 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (Depreciation) £'000	Valuation 30 April 2019 £'000
1	(1)	Microsoft	21,422	-	(1,695)	4,038	23,765
2	(7)	Estée Lauder	18,089	-	-	4,858	22,947
3	(3)	American Express	20,174	-	-	2,397	22,571
4	(6)	Berkshire Hathaway	18,089	-	-	622	18,711
5	(11)	American Tower	14,412	-	-	3,290	17,702
6	(9)	Visa	14,938	-	-	2,525	17,463
7	(12)	Comcast	14,272	1,292	-	1,859	17,423
8	(14)	MasterCard	13,742	-	-	3,577	17,319
9	(27)	Alphabet	15,886	-	-	1,287	17,173
10	(15)	ICON	13,216	3,172	-	(205)	16,183
11	(10)	Royal Dutch Shell	14,926	-	-	(585)	14,341
12	(18)	Diageo	11,987	-	-	2,323	14,310
13	(16)	Aptiv	12,901	-	-	1,215	14,116
14	(17)	GlaxoSmithKline	12,710	656	-	565	13,931
15	(22)	Xylem	11,167	-	-	2,747	13,914
16	(4)	Union Pacific	19,776	-	(8,337)	2,316	13,755
17	#	Adobe Systems	-	11,144	-	2,466	13,610
18	(24)	The Cooper Companies	10,814	-	-	1,079	11,893
19	(21)	Intercontinental Exchange	11,189	-	-	385	11,574
20	(26)	Netflix	10,598	-	(1,757)	2,089	10,930
21	(35)	Electronic Arts	8,211	2,268	-	356	10,835
22	(23)	Cognizant Technology Solutions	10,869	-	(610)	369	10,628
23	(19)	British American Tobacco	11,883	-	-	(1,413)	10,470
24	(33)	Roper Technologies	8,301	-	-	2,037	10,338
25	(29)	Nestlé	9,110	487	(674)	1,034	9,957

Portfolio Information (continued)

Rank 30 Apr 2019	Rank 31 Oct 2018	Company	Valuation 31 Oct 2018 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (Depreciation) £'000	Valuation 30 April 2019 £'000
26	(5)	BP	18,816	-	(8,504)	(597)	9,715
27	(28)	Amazon	9,514	-	(1,400)	1,580	9,694
28	(43)	SAP	6,759	1,667	(554)	1,413	9,285
29	#	Ping An Insurance	6,740	-	-	2,514	9,254
30	(34)	Reckitt Benckiser	8,217	1,152	-	(145)	9,224
31	#	ANTA Sports	5,461	-	-	3,744	9,205
32	(25)	Booking.com	10,709	-	(1,106)	(421)	9,182
33	(20)	Taiwan Semiconductor Manufacturing	11,715	-	(3,634)	1,030	9,111
34	(2)	Apple	21,285	-	(8,031)	(4,776)	8,478
35	(45)	DSM	6,658	419	(539)	1,784	8,322
36	#	PayPal	-	6,788	-	1,523	8,311
37	(40)	RELX	7,118	-	-	960	8,078
38	#	Daiichi Sankyo	6,350	-	-	1,652	8,002
39	#	National Grid	4,392	3,324	-	125	7,841
40	(30)	Roche Holdings	8,838	561	(2,098)	528	7,829
41	(13)	FedEx	13,876	-	(3,599)	(2,543)	7,734
42	(37)	Novo-Nordisk	7,438	-	(575)	850	7,713
43	#	SoftBank	5,652	417	-	1,625	7,694
44	#	Tesco	5,834	578	-	1,067	7,479
45	(38)	Lloyds Banking	7,341	-	(577)	693	7,457
46	(46)	Prudential	6,650	-	-	695	7,345
47	#	Chongqing Brewery	5,350	-	-	1,897	7,247
48	#	Sands China	-	5,525	-	1,614	7,139
49	#	Fisher (James) & Sons	6,093	-	-	993	7,086
50	#	Sage	4,756	531	-	1,797	7,084
			524,244	39,981	(43,690)	60,833	581,368

These investments total £581,368,000 which represented 51.5% of the portfolio.

All securities are equity investments

Not in top 50 at 31 October 2018

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

Additional information

Principal Risks and Uncertainties

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

- Investment Activity and Performance
- Portfolio and Market (including Brexit)
- Tax, Legal and Regulatory
- Financial
- Operational and Cyber

Information on these risks and uncertainties and how they are managed are given in the Annual Report for the year ended 31 October 2018. In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

Going Concern

The assets of the Company consist of securities that are readily realisable and, accordingly, the Board believes that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Having assessed these factors and the principal risks, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

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).

For and on behalf of the Board

Sue Inglis
Chairman
1 July 2019

The Bankers Investment Trust PLC
201 Bishopsgate
London EC2M 3AE

MANAGED BY
Janus Henderson
INVESTORS

aic
The Association of
Investment Companies



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