REGULATORY ANNOUNCEMENT

Blue Planet Worldwide Financials Investment Trust plc

Preliminary Announcement

for year ended 31 July 2009

The unedited full text of those parts of the Report and Accounts for the year ended 31 July 2009 which require to be published by DTR 4.1 is set out below.

Financial Record and Key Performance Indicators

As at 31 July	**2009**	**2008**	**2007**	**2006**	**2005**
Total assets less other current liabilities (£'000)	15,504	25,425	50,850	40,382	23,759
Loans (£'000)	(4,366)	(7,036)	(19,884)	(13,897)	(7,000)
Shareholders' funds (£'000)	11,138	18,389	30,966	26,485	16,759
Net asset value per share (p)	79.13	129.52	216.76	185.79	117.56
Share price (p) – (Bid)	59.00	107.00	180.00	162.00	86.00
Discount (%)	25.4	17.4	17.0	12.8	26.8
Gearing (%)*	4.9	26.3	63.8	40.7	41.4
Year to 31 July	**2009**	**2008**	**2007**	**2006**	**2005**
Revenue available for shareholders (£'000)****	287	600	(427)	385	202
Revenue return per share (p)	2.03	4.20	(3.00)	2.70	1.42
Total return per share (p)	(47.53)	(87.45)	32.89	69.33	41.56
Total dividends per share (net) (p)	1.20	3.22	-	2.10	1.40
Dividend yield on our shares (%)	2.03	3.00	-	1.30	1.63
Dividend yield on Benchmark Index (%)	2.93	4.00	2.65	2.51	2.49
Expenses ratio – net basis (%) **	5.01	1.69	3.69	3.79	3.82
Expenses ratio – gross basis (%) ***	3.35	1.08	2.19	2.21	2.52

The Board believes the above KPI's are of most interest to shareholders in monitoring the performance of the Company

* Net debt as a percentage of shareholders' funds

** Net basis – Administrative expenses as a percentage of the average net asset value of the Company

*** Gross basis – Administrative expenses as a percentage of the average gross asset value of the Company

**** 2008 Includes VAT recovered of £202,500

Portfolio Information

As at 31 July 2009			Valuation (£)	2009 % of Portfolio
Equities				
61,696	BP Global Financials-A Class	Eire	£2,396,647	15.2%
6,099,000	URSA Bank	Russia	£1,478,507	9.4%
81,285	Bank Vozrozhdenie	Russia	£1,060,203	6.7%
80,003	Hartford Financial Services	United States	£788,398	5.0%
224,927	Union Bank Of India	India	£654,872	4.1%
75,770	LIC Housing Finance	India	£580,746	3.7%
359,327	Allied Irish Banks Plc	Eire	£542,558	3.4%
345,160	South Indian Bank (P-Notes)	India	£514,735	3.3%
42,200	Axis Bank Limited	India	£481,767	3.1%
1,019,350	Bank Rakyat Indonesia	Indonesia	£445,543	2.8%
141,820	Federal Bank Ltd	India	£424,117	2.7%
42,320	Banco Santander SA	Spain	£366,794	2.3%
368,000	Bank of Communications Co Ltd	Hong Kong	£271,020	1.7%
516,500	China Construction Bank Corp	Hong Kong	£248,805	1.6%
28,628	Punjab National Bank Ltd	India	£246,166	1.6%
582,500	China CITIC Bank	Hong Kong	£242,376	1.5%
779,500	Bank of China Ltd	Hong Kong	£231,676	1.5%
705,050	Bank Mandiri	Indonesia	£177,462	1.1%
615,100	Bank Central Asia	Indonesia	£139,061	0.9%
5,635,213	Raiffeisen Bank Aval	Ukraine	£132,693	0.8%
89,760	Yapi Ve Kredi Bankasi	Turkey	£111,759	0.7%
34,300	Turkyie Halk Bankasi	Turkey	£108,859	0.7%
51,450	Turkiye Garanti Bankasi AS	Turkey	£107,813	0.7%
4,200	Lincoln National Corporation	United States	£53,251	0.4%
1,890	Prudential Financial Inc	United States	£49,995	0.3%
2,451	MetLife Inc.	United States	£49,774	0.3%
510	Goldman Sachs Group Inc.	United States	£49,761	0.3%
122	Bank of America Corp	United States	£1,075	0.0%
171	HSBC Holdings Plc	United Kingdom	£1,035	0.0%
59	National Bank of Greece S.A.	Greece	£1,022	0.0%
36	Credit Suisse	Switzerland	£1,017	0.0%
44	JP Morgan Chase & Co	United States	£1,012	0.0%
2,261	Royal Bank of Scotland Group	United Kingdom	£1,012	0.0%
23	BNP Paribas	France	£1,002	0.0%
Listed Investments			11,962,533	75.8%
Cash			3,821,813	24.2%
Total			15,784,346	100.0%

At 31 July 2009 the portfolio yield, as reported to the Association of Investment Companies, was 5.53% (2008 – 3.85%). The yield represents the income from investments as a percentage of the cost of the portfolio.

Classification of Portfolio

At 31 July 2009

	Banks %	Investment Companies %	Other Finance %	Cash %	Total 2009 %	Total 2008 %
India	14.8	-	3.7	0.1	18.6	27.1
Eire	3.4	15.2	-	-	18.6	9.0
Russia	16.1	-	-	-	16.1	34.6
Hong Kong	6.3	-	-	6.2	12.5	-
United States	0.3	-	6.0	-	6.3	7.3
Europe	-	-	-	5.3	5.3	-
Indonesia	4.8	-	-	-	4.8	-
Australia	-	-	-	3.1	3.1	-
Norway	-	-	-	3.1	3.1	-
Switzerland	0.0	-	-	3.1	3.1	-
Canada	-	-	-	3.1	3.1	-
Spain	2.3	-	-	-	2.3	-
Turkey	2.1	-	-	0.0	2.1	-
Ukraine	0.8	-	-	-	0.8	1.4
United Kingdom	0.0	-	-	0.2	0.2	4.2
Greece	0.0	-	-	-	0.0	4.6
France	0.0	-	-	-	0.0	-
Poland	-	-	-	-	-	8.1
Austria	-	-	-	-	-	2.1
Kazakhstan	-	-	-	-	-	0.8
Georgia	-	-	-	-	-	0.8
Totals 2009	50.9	15.2	9.7	24.2	100.0	
Totals 2008	72.4	14.0	5.7	7.9		100.0
Benchmark*	64.9	5.6	29.6	-	100.0	

* Our benchmark is the Bloomberg World Financial index.

Performance

The performance of your Fund in the last year has been disappointing. This is perhaps not surprising in a year when unprecedented events have rocked the banking industry worldwide. It will be remembered as probably the greatest banking crisis of modern times. Nevertheless, we are unhappy with the Fund's performance. In the year to 31 July 2009 the total return of the net asset value per share ("NAV") of the Fund has been -35.9% ending the period at a NAV of 79.13p. Our benchmark index, the Bloomberg World Financial Index fell 20.7% over the same period in its base currency of US Dollars, but only 5.9% in Sterling terms, due to the weakness of Sterling relative to the Dollar. The share price of your Fund has made a total return of -42.3% over the year, and ended July 2009 at a bid price of 59.0p. The larger fall in the share price, relative to the NAV, widened the discount to NAV to 25.4% by the end of the year. In recent months the NAV and share price of the Fund have been recovering. At the end of August the Fund's share price had risen further to a bid price of 70.0p per share, a rise of almost 19%.

The last year can be split into two distinct phases. In the period from the end of July 2008 through to the end of February 2009 the financial crisis reached its peak. When Lehman Brothers was allowed to fail in September 2008, it started a renewed wave of panic and risk aversion. In the US, UK and Western Europe, within weeks, governments were rushing to shore up banks with huge loans. These unprecedented circumstances quickly led to the partial nationalisation of many banks. Unfortunately during this period your Fund significantly underperformed the market, despite the fact we foresaw the problems and reduced the Fund's exposure to equity markets. This was due to some specific problems within the portfolio. URSA Bank, our largest equity holding at the start of the reporting period, suffered from rumours regarding its financial position. This drove the share price down, until it announced a merger with MDM Bank in Russia in December 2008. In addition, the general corporate bond sell-off in October 2008 adversely affected the prices of the bonds we held, and this was compounded by a specific problem with the Fund's holding in Eurokommerz. The company failed to pay its bond coupons on time, or meet a redemption option on one of its bonds. Bonds from this company were also held by the Blue Planet Global Financials Fund. Finally, the rapid depreciation of the Russian rouble against Sterling at the start of 2009, negatively impacted the NAV of the Fund, despite some hedging that was in place.

In March a rally began in the heavily battered bank share prices, prompted by Citigroup, which let it be known through a publicised internal memo that it was profitable through the first 2 months of 2009. This was then reinforced by the results of the US bank stress test results, which provided some reassurance that none of the major US banks were facing the risk of insolvency, and the reporting of far more resilient results by banks than many had anticipated. In the first quarter of 2009 the actual profits of the top ten US and European banks in the Bloomberg World Financial Index exceeded profit estimates by almost 200%. Government support continued to be extended, including the use of quantative easing. At the same time the tone of the economic data took a turn for the better. There were signs of stabilisation in the housing market, in both the US and the UK and the outlook for production and manufacturing began to improve. We believed that the economic indicators and bank results would herald the start of a sustained rally in share prices and quickly moved to increase equity investments. The period from the end of March 2009 to the end of July 2009 has seen a 31% rally in the Bloomberg World Financial Index (in £), with the NAV of your Fund rising 36% and its share price rising 51%.

During the first half of the year the Fund purchased 121,500 of its own shares to hold as treasury shares. This amounts to 0.9% of the total ordinary shares in issue. The total number of shares held in Treasury is 209,500. The Directors have the ability to repurchase shares in the market where they believe it would result in an increase in the net asset value per share for the remaining shareholders.

Portfolio

The portfolio had almost 18% of its investments in high-yielding corporate bonds a year ago. The level of bond holdings was increased further during 2008 as very weak and volatile equity market conditions continued. During the first quarter of 2009 these bonds were sold and the portfolio was moved fully into equities. However, since market volatility persists, exposure to equities is reduced when it appears advisable to do so and the proceeds held as cash.

Table 1: Portfolio movements 2008 to 2009 – by geography

Country	**2009** %	**2008** %
India	18.7	27.1
Eire	18.6	9.0
Russia	16.1	34.6
Hong Kong	12.5	-
USA	6.2	7.3
Other Europe	5.5	6.3
Indonesia	4.8	-
Australia	3.1	-
Norway	3.1	-
Switzerland	3.1	-
Canada	3.1	-

Spain	2.3	-
Turkey	2.1	-
Ukraine	0.8	1.4
Poland	-	8.1
Greece	-	4.6
Other CIS	-	1.6

Table 2: Portfolio movements 2008 to 2009 – by security type

Security Type	**2008** %	**2008** %
Equities	75.8	72.5
Bonds	-	17.5
Cash	24.2	7.9
Liquidity funds	-	2.1

Equity investments in India were held throughout the year. India's economy is driven by domestic demand. It has suffered in the global slowdown, but to a lesser degree than many other of the world economies, especially those that have a high dependence on strong commodity prices. The Indian economy is expected to grow around 6% in the fiscal year to March 2010, last quarter's growth was reported as 6.1%. Banks in India have remained in good financial shape throughout 2008/9. Average quarterly profits increased 48% year-on-year in the results issued up to 30 June 2009 for the banks that we track. Indian banks remain on modest valuations compared to many other emerging market banks, and the return of the existing government coalition with a stronger mandate following elections in May 2009 increases the likelihood of bank privatisation. The Fund is invested in Union Bank of India, LIC Housing Finance, South Indian Bank, Axis Bank, Federal Bank & Punjab National Bank.

The investments in the Republic of Ireland consist of a holding in the Blue Planet Global Financials Fund, listed in Dublin. The remaining Irish investment is a holding in Allied Irish Bank. Ireland has been one of the worst hit European economies from the global economic slowdown, exacerbated by a deep housing slump in the country. However since Allied Irish Bank's €3.5bn recapitalisation in February 2009 there has been a turnaround in confidence in the bank, which has led to a turnaround in its share price performance.

The exposure to the Commonwealth of Independent States (CIS) has been reduced. The Fund has retained its two main long-term equity holdings in Russia, in URSA (MDM) Bank and Bank Vozrozhdenie. All the Russian corporate bond holdings have been redeemed or sold as the Fund returned to equity investments. Russia is experiencing a sharp recession. GDP fell 10.9% in the second quarter of 2009. Month-on-month positive growth has been seen in June and July 2009 and this growth is expected to accelerate through the final quarter of 2009 as encouraging signs are emerging that the macro economic picture is improving. As a consequence of the liquidity squeeze in Russia in 2008, banks have been reluctant to lend and this deleveraging combined with the building of large provisioning cushions has meant poor financial results for Russian banks so far in 2009. However, the worst of the downturn appears to be past, as banks report a slowdown in the formation of new bad debts. The banks that we are invested in are very well capitalised. Bank Vozrozhdenie, with its low loan-to-deposit ratio, allowing deposit-funded growth, high margins and strong management team is well placed for future growth. It also remains a potential takeover target. URSA is well-placed through its merger with MDM Bank that has now been finalised.

Initial investments were made in Chinese banks through their Hong Kong listed H-shares in June 2009. China is a country with a strong long-term growth potential and a vast underleveraged consumer population. The government has had the resources available to provide a boost to the economy with a Rmb 4 trillion stimulus package to overcome the global economic slowdown. However, as concerns arose about government interference in the banks to curtail loan growth, which had exceeded 30% year-on-year growth in May 2009, we decided that our timing was wrong and took profits on the investments in August.

In the US there are extensive support measures in place from the government and central bank for its financial institutions and the US economy is now showing indications of making quite a sharp turnaround from recession. We feel some US stocks represent very good value. We believe that the insurers, in the US and elsewhere, will be beneficiaries of the rising economic sentiment and rising asset prices and have invested in both insurers and banks in the US. At the end of the Company's financial year the primary investment in the US was in Hartford Financial Services, with small holdings in a further three US insurers and three US banks. Holdings in the US have subsequently been increased further.

Your Fund invested in three of the major banks in Indonesia in July 2009. The Indonesian macro-economy is forecast to have the third strongest GDP growth in Asia in 2009, behind China and India, with forecast growth of between 4% and 4.5%. The country has very low levels of banking penetration and its banks are well capitalised with strong provisioning in place and highly profitable. The Fund invested in Bank Rakyat Indonesia, Bank Mandiri and Bank Central Asia.

Elsewhere in Europe the Company sold its investments in Poland during 2008 when the Fund's exposure to equities was reduced. In general your Company has been reinvesting in European banks, including in Spain, Turkey, Greece, Switzerland, Norway and France amongst others. However after steep equity rises during July, some holdings were sold at the end of July to lock in profits as a pullback in share prices was anticipated. The proceeds from these investments were retained or converted into "commodity currencies" which would be expected to hold or increase their value against Sterling. Equity investments have been increased in August as the macro-economic picture continues to strengthen.

Further details of the portfolio are provided in the Investment Manager's Report.

Dividend

The board has recommended that a dividend of 1.20p per share is paid this year. Despite the revenue per share return of the Fund being negative in the interim accounts, the Directors were hopeful that sufficient income would be received to support paying a dividend. This has indeed been the case. This year's dividend is lower than the 3.22p paid last year. The dividend last year was boosted by the VAT refund received by the trust. In addition revenue income this year was lower than in 2008 and interest payable was higher due to an increased use of gearing. At the closing bid price for the shares on the 31 July 2009 of 59p the dividend equates to a dividend yield of 2%.

Borrowings, gearing and Liquidity

A year ago on the 31 July 2008 the Fund's gearing stood at 26.3%. Gearing was maintained around this level through the remainder of 2008, but all gearing was eliminated during January 2009 when stock markets fell sharply. Gearing was reintroduced again in May 2009. Gearing levels are closely monitored as market conditions remain volatile. The gearing level stood at 4.9% at the end of July 2009 and has subsequently been raised further in August 2009 to 42.7%.

A £7.5m revolving loan facility, in place until June 2010, provides the capability for gearing the Fund.

Generally, gearing beneficially affects the Company's NAV when the value of its investments is rising, but adversely affects it in periods when the value of investments is falling.

Blue Planet Services and Price Information Sources

Shareholders can view the Company's share price and additional information about the Fund on the website of Blue Planet Investment Management Ltd (www.blueplanet.eu) and the London Stock Exchange (www.londonstockexchange.com). To find the Company's share price on the London Stock Exchange website go to the Home page and type "BPW" in the "Price Search" field.

Blue Planet Investment Advisers offers a Blue Planet Savings Plan via Equiniti Financial Services Limited (on behalf of Lloyds TSB) to enable lump sum investments or regular savings. A request form for the savings plan application pack is enclosed with these accounts.

Outlook

In March equity markets began to rally. The question was whether the nadir has been reached, or whether this was a relief rally that would not be sustained. We took the view that this was the start of a prolonged rally in equity share prices, supported by improving economic indicators, bank results that outstripped their very modest expectations and the continued strong support from governments and central banks, and we moved quickly to reinvest the portfolio into equities.

We are confident that the worst of the economic downturn is behind us and the outlook for financial stocks is much improved. Equity markets have remained highly volatile, but the trend is in a very positive direction. The share prices of many banks had fallen to such low levels that some very sharp rebounds in prices have been experienced. We have positioned ourselves into the banks and other financial companies that we feel represent the best value and whose share prices have the greatest scope for high returns. Since the end of March 2009 to the Fund's year end this has led our Fund's NAV to outperform its benchmark, a trend that has continued through August 2009. It is our goal to maintain this momentum and rebuild the value in the portfolio.

I thank you for your continuing support and look forward to welcoming you to the Annual General Meeting on the 12 November 2009.

Philip Court
Chairman
24 September 2009

Investment Manager's Report

Portfolio Performance Analysis

As has already been highlighted in the Chairman's Statement, the Fund's NAV made a total return of -35.9% over the year, compared to a fall of 5.9% by the Fund's benchmark index in Sterling terms. The Trust's share price fell 44.8% over the same period. The first nine months of the past year have been ones of disappointing performance by the Fund. The start of a recovery and relative outperformance of the Fund compared to its benchmark has been resumed in the final three months of the Fund's financial year. It is our aim to capitalise on the start we have made. We believe the more positive market sentiment and the improving macro-economic picture make the financial sector a very attractive one as we believe careful stock selection will add long-term value to our portfolio.

Asset Allocation

Blue Planet Investment Management's investment process is top down. Much of our focus this year has been on analysing the economic situation and prospects for the major economies, and in particular the United States, as the problems it is experiencing have such a major impact on the rest of the world. We continue to identify countries with good economic prospects and acceptable levels of political risk. The economic backdrops in these countries are assessed in detail and ranked accordingly. The listed banks and other financial institutions in the highest ranked countries are then investigated. When appropriate, capital is allocated to those banks and other financial institutions which we believe are likely to offer the best total returns over the long term. This process involves meeting with the senior management of companies we are contemplating investing in. Where possible, we also like to meet with local Central Banks to discuss the economic policies being pursued in the countries concerned. Once we are invested in a company, we aim to meet regularly with its senior management to monitor its progress. Since the last year end we have visited financial institutions in the India and Russia. In addition, we had meetings in the UK with the management of many overseas financial institutions.

Your Fund began investing in Indian banks in 2007. The Indian economy has been growing fast, with an average expansion rate of 8.6% over the past five years. Growth in the fiscal year to March 2010 is projected to slow, but to hold up well. In the quarter to 30 June 2009 GDP grew at a rate of 6.1%, although this may moderate in the coming quarters if the monsoon rainfall remains below average levels. India elected a new government in May 2009. The Congress United Progressive Alliance were re-elected in a landslide victory that created a strong coalition government. This has increased the mandate for pro-business reforms in the country, although the government has a growing budget deficit to address, and it has also made it more likely that bank privatisation will commence. The Indian banking market is very under penetrated with ratios of consumer loans and mortgages to GDP lower than most of the other Asian economies. Banks in India have about 20% of their balance sheets in government bonds due to statutory liquidity requirements. This means that as interest rates have fallen the banks have generated significant profits on treasuries. At the same time, loan growth, whilst slowing, has remained strong at 16% growth year-on-year at the end of July 2009, boosting income from banking operations. Banks in India remain in very good shape and with their low valuations offer a very good long-term investment opportunity. Your Company is invested in Union Bank of India, LIC Housing Finance, South Indian Bank, Axis Bank, Federal Bank and Punjab National Bank.

The Republic of Ireland is our second largest investment location. This consists of two investments. The first is a holding in Blue Planet's Global Financials Fund, listed in Dublin. The size of this holding was increased in September 2008. In 2008 this fund was largely invested in bonds, but has reinvested in equities in 2009 and its NAV has been rising. Your Company is also invested in Allied Irish Banks. The global economic crisis has had a tremendous impact on Ireland, which has seen a house price collapse after many years of boom, rising unemployment, as well as a downgrade in its long-term sovereign credit rating. As a result, Irish banks saw their share prices drop to record lows, as investors questioned their solvency and feared the banks would be nationalised. Since then, the Irish Government has taken major positive steps towards restructuring and recapitalising the banks in Ireland. In February 2009, AIB accepted €3.5bn from the Irish Government as part of the Bank Recapitalisation scheme, and in April 2009, the government announced the new National Asset Management Agency (NAMA), which is set to play an important role in bolstering the financial health of the Irish financial system. NAMA is expected to transfer up to €90bn of impaired property-related loans from the balance sheets of the Irish banks to NAMA, with the aim that the banks will be in a position to once again resume lending, and more importantly, avoid further steps towards nationalisation. These measures, combined with attractive valuations, have seen Allied Irish Banks' share price rise almost 800% since mid-March 2009.

Russia has remained a significant geographic holding this year and like most other economies, it has experienced problems. The fall in commodity prices, and in particular oil, in 2008, along with the paralysis of global financial markets due to the credit crunch weakened the Russian economy and the Russian currency, and have pushed up unemployment, which peaked at 10.2% of the workforce in April 2009. The Russian economy contracted by 10.9% in the second quarter of 2009. June and July 2009 have seen small positive steps in GDP growth and this positive growth will be supported by recovering commodity prices, increasing industrial production, falling unemployment (down to 8.3% by the end of June), money supply growth and a deceleration in inflation, leading to potential interest rate cuts. In the current environment banks are curtailing credit growth. The Central Bank figures show that in the first half of 2009 banking sector assets contracted by 1% and loans were flat over the six months. However levels of indebtedness in Russia remain low. Corporate debt is 50% of GDP in Russia, compared to 120% in the UK. Household sector debt is 9% of GDP in Russia, compared to almost 110% in the UK, so as the macroeconomic picture recovers, credit growth will return. Bad debts have been rising fast in the Russian banking system. The Central Bank reported that overdue bank loans reached 5% of all lending in June 2009. This has led to large provisioning charges at the banks. Russian banks start from a very highly capitalised position and the State has considerable reserves to enable it to support the sector. Indeed the State controls 47% of total banking sector assets. The excessive number of very small banks in Russia has meant casualties, and there will likely be more to come, but the larger banks are confident that they can weather the current economic climate and feel that they have now come through the worst. The banks will profit from renewed growth opportunities and increased efficiency going forward.

The Trust's Russian investments are now solely in equities. Your Fund is invested in URSA Bank and Bank Vozrozhdenie. URSA bank has grown rapidly and has undertaken a number of key mergers in the past. It has itself now merged with MDM Bank to create the second largest private bank in Russia. It will be known as MDM Bank going forward. Bank Vozrozhdenie is a well-managed, conservatively run bank that is also is a likely takeover candidate. The share prices of both these banks were very weak in 2008 however a solid recovery is being shown by both as 2009 progresses. A small holding in Raiffeisen Bank Aval in the Ukraine has also been retained.

In 2009 the Investment Manager has focused additional research effort into Asia. The three fastest growing economies in Asia are China, India and Indonesia. Investments were made in China in June 2009 via the banks Hong Kong listed H-shares. However concerns over the governments' interference in the banks led us to take profits on these investments at the start of August. The long term potential of the banks is strong, but we will look for a better time to invest in China. Investments were also made in Indonesia. These remain in the portfolio. Like India, Indonesia has weathered the economic downturn well being a largely domestic-demand driven economy and the target for its GDP growth is between 4% and 4.5% in 2009. First quarter 2009 GDP growth was reported as 4.4%. Indonesia re-elected its pro-business reforming government in July 2009 providing political stability. Indonesian banks underwent a major transformation following the Asian Crisis in 1998 and are now well-capitalised, with strict regulatory supervision. Loans grew 20% in 2008 in this under-penetrated banking market, and in 2009 a growth rate of between 15% and 20% is anticipated, which will assist banks in continuing to increase their profitability. Your Company is invested in Bank Rakyat Indonesia, Bank Mandiri and Bank Central Asia.

In the last few months key leading economic indicators in the US related to housing, retail sales, order backlogs and manufacturing have been improving or stabilising. In particular the speed of the rebound in the housing market is pushing up expectations for a rebound in the US economy. GDP is expected to turn back into growth in the coming quarter in the US and in 2010 the Federal Reserve anticipates that GDP will grow between 2.1% and 3.3%. This economic recovery, in conjunction with the extensive support packages in place in the US for financial institutions, provides a positive outlook for continued improvement in the performance of the countries financial institutions. We see good investment opportunities in a number of US financial stocks. The insurers, in the US and elsewhere, will be beneficiaries of the rising economic sentiment and rising asset prices and we have invested in both insurers and banks in the US. Your Fund was invested in Hartford Financial Services and a further three US insurers and three US banks at the end of July 2009. The size of the US holdings has subsequently been increased further, including investing in the government sponsored mortgage entities.

The Company exited many of its investments in Europe through the second half of 2008 to reduce the Fund's exposure to equities. As economies and markets recover your Company has been reinvesting in European banks. At the Company's financial year end at the end of July 2009 these European holding had been reduced as concerns were raised over financials overshooting their valuations following steep equity rises during July. The proceeds from these investments were retained or converted into the "commodity currencies" which would be expected to hold or increase their value against Sterling. Most of the equity investments have been reinstated as equity markets continued to rise in August as the economic indicators turned progressively more positive.

Currency

The fund is exposed to a range of currencies, with the greatest exposure being to the Euro, primarily through the Irish holdings. The table below lists the percentage of the portfolio holdings in each currency at the end of the fund's financial year for the main currencies in the portfolio. It shows how those currencies have performed against the British pound over the period of the year in which the investments have been held in the Trust.

Currency	% of equity portfolio in currency	Appreciation/(depreciation) against £ for the length of time the currency has been held in the portfolio
Euro	26.4%	+7.8%
Indian Rupee	18.7%	+4.7%
Russian Rouble	16.1%	-13.1%
Hong Kong Dollar	12.5%	-2.4%
US Dollar	6.2%	+15.8%
Indonesian Rupiah	4.8%	+0.1%

The positive currency movements had a beneficial impact on our performance. The negative currency movements reduced the performance of the shares denominated in that currency when translated into sterling. The Company's assets are almost exclusively held in securities denominated in foreign currencies. The US Dollar and the Euro have been strong against Sterling over the past year, as has the Indian Rupee. The Russian Rouble has been weak, however as commodity prices, in particular oil prices, rise and the Russian economy gets back on track we anticipate the Rouble will strengthen again.

Risk

Market risk arises mainly from the uncertainty regarding the future price performance of the equities held by your Company. This risk is magnified when gearing is used and because the Company is invested in a single industry sector. Being invested in a single sector exposes the Fund to the risk that the Financial Sector will under perform relative to other sectors of the market. Gearing the Fund via loans also means that interest-rate risks arise. These risk factors are beyond the control of the Company.

In mitigation of these risks the financials sector in which we are invested is a large sector of the market. This sector has indeed underperformed relative to other sectors of the market for much of this year, but at those times we held substantial amounts of the Fund's assets in cash or near-cash entities to reduce our exposure to the sector and removed gearing from the Fund. Banks play a crucial and central role in free market economies; a role that will underpin the prosperity of the banking sector as a whole over time. The prices of the individual securities in the portfolio are monitored on a daily basis and the Board, that meets quarterly, imposes borrowing limits to ensure gearing levels are appropriate to market conditions. When gearing is employed the potential impact of changes to interest rates is taken into consideration. The securities dealt in are all listed on recognised exchanges and are readily realisable.

The Fund is exposed to currency risk, due to the range of currencies in which investments are held. Exchange rate movements are monitored on a daily basis alongside the prices of the individual securities. The largest risks at the year end were to the Euro, Indian Rupee and Russian Rouble currencies. Currency risk is a risk that can be partially controlled by employing appropriate hedging strategies. The majority of the Company's assets are held in securities denominated in foreign currencies and movements in these currencies can significantly affect the total return and net assets. The Company currently has a multi-currency loan facility and our borrowings can be used as a "natural" hedge against investments in the matching currency. In addition hedging is considered on a case-by-case basis. Over the past year hedging has been used at times against our exposure to the Euro, US Dollar and Russian Rouble.

Credit risk arises from the exposure to non-delivery of an investment that has been purchased. The Company only buys and sells investments through brokers approved by Blue Planet Investment Management and so considers this risk is adequately controlled.

A full analysis of all the risks is provided in Note 17 to the Accounts.

Factors Affecting the Company Going Forward

Clearly the stabilisation of the banking system, the revitalisation of credit markets and progress in resolving the worldwide financial crisis will have a significant impact on the Company going forward. As will the pace of recovery from recession, both globally, and in particular in the countries in which we are invested. The way these matters are addressed will also impact sentiment. The more effectively these issues are seen to be addressed, the more rapidly sentiment will turn positive and the faster stock prices are likely to recover.

Top 10 Holdings at year end (Excl. Cash)

1. Blue Planet Global Financials

The Blue Planet Global Financials Fund ("BP Global") is an open-ended Cayman Islands exempted company. The Company is listed on the Irish Stock Exchange and has been in existence for three years. Its objective is to achieve a high level of capital growth by taking long and/or short positions in securities issued by or relating to banks and other financial institutions on a worldwide basis. Shares are available denominated in Euros and US Dollars. Your Company is invested in the Class A Euro shares.

The Blue Planet Global Financials Fund most recent financial results are for the year to December 2008 results. In 2008 the NAV of the fund fell 40.2% to €41.683 for the class A shares, whilst the Bloomberg World Financial Index fell 51.4% in Euro terms in the same period. The Fund was invested predominantly in bonds in 2008, which helped keep the NAV relatively stable. However the general weakening in bond prices in October 2008 had an adverse impact on the NAV. Then in December two of its bond holdings depreciated sharply when the bond issuer, Eurokommerz in Russia, failed to pay its bond coupons on time, or meet a redemption option on one of its bonds. The fund manager is pursuing the collection of monies owed to the fund.

In 2009 BP Global has returned to equity investments. At its last reported NAV release at the end of June 2009 the NAV for the Class A shares has risen 5.3% at €43.913.

Blue Planet Investment Management Ltd receives a fee of 0.125% of the monthly NAV of the Blue Planet Global Financials Fund and the investment held represents 30% of the total shares in issue of the Blue Planet Global Financials Fund.

Your Company has been invested in this fund since its launch. The size of the holding was increased in September 2008. Its total return in Sterling over the 12 month period is -20%.

Key statistics relating to this investment are given below:

For the year ended 31 December:	2008	2007	Change
Total Assets	€ 8.6m	€ 9.2m	-6.5%
Net Loss after Taxation	€ -5.3m	€ -10.8m	N/A

Net Asset Value per Share (Class A Euro shares)	€ 41.683	€ 69.705	-40.2%

2. URSA (MDM) Bank OJSC.

URSA Bank ("URSA") was established in 1990 as Sibacadembank and rapidly expanded through organic growth and acquisition to become one of the top 15 banks in Russia. It adopted a universal bank model and its loan book was split evenly between retail and corporate loans. It had become the strongest regional bank in Siberia and the Urals which comprises 40% of Russian territory and has 34 million inhabitants. URSA announced at the end of 2008 that it would merge with MDM Bank, the 13th largest bank in Russia. This process was completed in August 2009. The joint entity is the second largest private bank in Russia by assets and possesses the fifth largest banking network in the country. It is now named MDM Bank.

The Russian banking sector remains very fragmented and some of the small Russian banks have encountered problems in the sharp economic downturn. URSA, due to its rapid loan growth, had a very high loan-to-deposit ratio at around 200% and was highly dependant on wholesale funding. In the economic downturn this was a difficult model to sustain and URSA took the opportunity to merge with MDM Bank. MDM has predominantly been a corporate bank with a strong presence in Central and Western Russia. The merger between the two banks combines URSA's retail banking strength with MDM's strength in the corporate sector to provide a stronger more diversified bank, with significant scope for cost savings. The banks have very little geographic overlap. Igor Kim, the largest single shareholder in URSA, who has overseen the series of bank mergers that have created URSA, will be managing the merger of the two banks.

URSA's most recent financial results were its standalone accounts for the first quarter of 2009. These results were weak, as impairment charges pushed the bank into making a quarterly loss of 639m Roubles. Non-performing loans are expected to continue to rise further in Russia in 2009. URSA's capital position is strong and provisioning levels stand at 100% of 90-day overdue loans, however URSA have curtailed lending and are maintaining a significant liquidity cushion to see it through this tough period.

We have held this stock in the portfolio throughout the Fund's financial year and the shares total return was -37% in sterling terms. The share price of this stock has been extremely weak in 2008, but the price has made a degree of recovery in 2009 since the announcement of the merger. The 20% dividend yield on these preferred shares as of the 31 July 2009 is very attractive.

Key statistics relating to this investment are given below:

For the year ended 31 December:	2008	2007	Change
Total Assets	RUB 208.9bn	RUB 165.8bn	+26.0%
Cost:Income Ratio	45.4%	45.1%	+0.3pp
Net Profit after Taxation	RUB 1,594 m	RUB 3,771m	-57.7%
Earnings per Share	RUB 1.50	RUB 3.56	-57.9%
Dividends per Preferred Share	RUB 2.455	$0.081	N/A
Dividend Cover	N/A	N/A	-
Return on Equity	7.0%	26.9%	-19.9pp

3. Vozrozhdenie Bank

Vozrozhdenie Bank is one of the top 25 banks in Russia in terms of assets. It has approximately 1.35 million clients, the vast majority of which are retail customers, and 170 branches. It is a privately owned business based primarily in the Moscow region. The bank's initial focus was on corporate banking; however it has developed into a strong niche player in the SME and retail segments. The bank has issued shares 20 times since its inception in 1991, a considerable portion of which are controlled by the bank's management.

Vozrozhdenie is a well-managed bank, which successfully negotiated its way through the 1998 Russian banking crisis and is now showing the same resilience through the global financial crisis that began in 2007. In 2008 the bank grew profits by a highly impressive 65%. The first half of 2009 has been a greater challenge and in the first half of 2009 profits fell 59% compared to the first half of 2008. Operating income increased as the bank managed modest growth in deposits and cut costs. However a rise in bad debts led to a corresponding rise in provisions, which reduced overall profitability. The bank's capital adequacy ratio is very strong at 18.3% and the bank is maintaining 28% of its assets as liquid assets to maintain a large liquidity cushion. The bank says that the creation of non performing loans is now slowing and it is targeting further efficiency gains. It expects to be able to grow its loan book in the second half of 2009 and anticipates stronger profitability in the second half of the year.

The stock has been held for the entire period, although additional stock has been added a couple of times. The portion of the stock held for the full year has returned -45% to the portfolio in Sterling terms. Currently the bank's share price is making a steady recovery off its lows and we hope that the bank's strengths will support the stock price rising further going forward.

Key statistics relating to this investment are given below:

For the year ended 31 December:	2008	2007	Change
Total Assets	RUB 141.2bn	RUB 111.4bn	+26.8%

Cost : Income Ratio	52.7%	62.7%	-10pp
Net Profit after Taxation	RUB 3.1bn	RUB 1.9bn	+64.8%
Earnings per Share	RUB 125	RUB 80	+56.3%
Dividends per Share	0.5	0.5	+0.0%
Dividend Cover	285x	190x	-
Return on Equity	23.3%	21.0%	+2.3pp

4. Hartford Financial Services Group

Hartford Financial Services Group ("Hartford") is one of the leading insurance companies in the U.S, and was founded in 1810. Hartford employs approximately 30,000 people worldwide, and operates via 2 distinct organisations –life insurance, and property-casualty insurance.

Hartford's capital challenges have been well documented and weighed heavily on its share price in 2008. Since the final quarter of last year, the company has taken major steps to address this issue and raised a total of $6.8 billion in fresh capital to stabilise its balance sheet, comprising of a $2.5 billion capital infusion by the German insurer Allianz, $3.4 billion of funding from the US Treasury's TARP programme (which the benefits were extended to include life-insurance companies in April 2009), and $0.9 billion raised in a recent common equity offering. Such measures have greatly improved the capital situation at Hartford and its shares have recovered significantly since March of this year.

Hartford reported a net loss of $15m in its most recent results for the quarter to June 2009, compared with net income of $543m in the same period a year ago. This latest result was negatively impacted by impairment and other one-off charges. Despite this, the company's underlying operating profitability remains strong, especially in its property and casualty operations, where it has been gaining market share. We believe that Hartford's now more-than-adequate capital cushion, continued strong performance in its property-casualty insurance business, restructuring and cost-cutting efforts and low valuation makes it a compelling long-term investment which offers significant upside as economic and market conditions continue to improve.

We initially purchased this stock in April 2009, but have subsequently sold and the reinvested in the stock. To the end of July our total return in the stock in Sterling including realised and unrealised gains was slightly negative, however the stock has risen further in August 2009 and is now showing a gain in the portfolio.

Key statistics relating to this investment are given below:

For the year ended 31 December:	2008	2007	Change
Total Assets	$ 287.6bn	$ 360.4bn	20.2%
Net Profit after Taxation	$ (2.7)m	$ 2.9m	N/A
Earnings per Share	$(8.99)	$9.24	N/A
Dividends per Share	$1.91	$2.03	-5.9%
Dividend Cover	N/A	4.6x	-
Return on Equity	4.4%	18.2%	-13.8pp

5. Union Bank of India

Union Bank of India has been in existence for 88 years and is a Public Sector Bank. It is now owned 55.43% by the Indian Government following 2 share issues that brought in private investors to the bank in 2002 and 2006. It is India's seventh largest bank, with over 2,500 branches and an extensive ATM network. It geographic coverage is across the whole of India.

The bank has been one of the pioneering public sector banks in utilising modern technology and is ahead of its peer group. It currently plans to expand its advanced technology solutions through providing point of sale terminal solutions for the "merchant" sector and by growing its mobile banking services launched towards the end of 2008.

In the bank's most recent financial results to the 30 June 2009 the bank increased net profit by 94% year-on-year. Operating profit grew by 28% year-on-year, as loans grew by 27% compared to a year ago. This operating profit was then boosted by significant gains on bond holdings. The bank expects loans to continue to grow at a rate of about 25% per annum in 2009 and targets deposit growth of 23%.

We have held this bank in the portfolio at the start of the Fund's year, but sold it to reduce equity exposure in the portfolio. The stock has been repurchased in 2009. A gain was made when the stock was sold, but due to price weakness in July 2009, the current holding was not showing a gain at the Fund's year end.

Key statistics relating to this investment are given below:

For the year ended 31 March:	2009	2008	Change
Total Assets	INR 1,593bn	INR 1,223bn	+30.3%

Cost : Income Ratio	41.8%	38.2%	+3.6pp
Net Profit after Taxation	INR 17.3bn	INR 13.9bn	+24.5%
Earnings per Share	INR 34.2	INR 27.5	+24.4%
Dividends per Share	INR 5.0	INR 4.0	+%
Dividend Cover	6.8x	6.9x	-
Return on Equity	24.8%	24.7%	+0.1pp

6. LIC Housing Finance Ltd.

LIC Housing Finance Ltd. ("LIC") is the second largest Housing Finance Company in India and was incorporated in 1989. It has over 1 million customers served through its 150 plus marketing offices by over 10,000 agents. Loans to retail customers make up 91% of the loan book, with the remaining 9% of loans being to large scale customers such as developers. The company is primarily a wholesale funded institution. LIC can take deposits, but this currently provides less than 1% of its funding.

In India, the Housing Development Finance Corporation, ICICI Bank, State Bank of India and LIC between them account for about 75% of all mortgages in India, with LIC having about an 8% market share. Mortgage penetration in India is at 6% of GDP. This low penetration in itself supports housing finance demand. Added to this, LIC estimate that housing stock will grow by 17% over the next 5 years and that urbanisation will continue, with the urban population expected to account for 32% of the population by 2015. The population itself will grow to 1,200 million by 2012. In the last 2 years LIC has been gaining market share. The company has been focusing on increasing the average size of its loans, as larger loans have improved credit performance. Now, 60% of the company's loans are originated in the larger cities in India.

LIC's loan book has grown at a compound annual growth rate of 23% for the past 5 years. At the same time it has managed to keep a very strong grasp on non-performing loans, which have continued to decline, despite the economic slowdown. In its most recent financial results to the 30 June 2009 the company reported an 18% growth in profits year-on-year, as loans grew 29% year-on-year. The company is well placed to continue its rapid and profitable pace of growth and anticipates that it will need to raise a modest additional amount of capital in the coming year to support this growth.

We held this investment in the portfolio through the autumn 2008 and sold it at a loss in February 2009. Since reinvesting in the stock at the end of March 2009 the stock has made a total return of 157% in Sterling terms, more than cancelling out the earlier loss.

Key statistics relating to this investment are given below:

For the year ended 31 March:	2009	2008	Change
Total Assets	INR 276.8bn	INR 222.0bn	+24.7%
Cost : Income Ratio	N/A	N/A	-
Net Profit after Taxation	INR 5,296m	INR 3,862m	+37.1%
Earnings per Share	INR 62.6	INR 45.6	+37.3%
Dividends per Share	INR 13	INR 10	+30.0%
Dividend Cover	4.8x	4.6x	
Return on Equity	23.4%	20.8%	+2.6pp

7. Allied Irish Banks Plc

Allied Irish Banks Plc ("AIB") was originally incorporated in Ireland in 1966, as a result of the amalgamation of 3 long established Irish banks, and has since grown to become the largest Irish-based banking group based on market capitalisation at 31 December 2008. AIB and its subsidiaries conduct broad retail and commercial banking business in Ireland, Northern Ireland, and the UK, as well as a capital markets division, which comprises of Investment Banking, Asset Management, Corporate Banking, and Global Treasury Activities. AIB has established an international presence, with a 23.5% stake in M&T Bank, one of the top regional banks in the US, and also a 70.5% interest in Bank Zachodni WBK S.A, a Polish bank with more than 400 branches.

Tough economic conditions persist in Ireland, but the Irish Government has been proactive in addressing both the economic and banking problems in the country. In February 2009, AIB accepted €3.5bn from the government as part of the Bank Recapitalisation scheme, and will participate in the Irish Government's new National Asset Management Agency (NAMA), scheme, the details of which are due to be completed in October 2009, which will allow it to transfer impaired property-related loans to NAMA.

In the first half of 2009, AIB reported a pre-tax loss of €872m, compared with pre-tax profits of €1.16bn in the first half of 2008. Weakness in net interest income from its banking operations was offset by treasury and bond gains. Total revenues grew 12% year-on-year, while operating costs declined 13% year-on-year. This led to a 35% year-on-year improvement in operating profits. Good operational performance was masked by a surge in provisions, increasing from just €137m in the first half of 2008, to €2.37bn in the first half of 2009. AIB aim to deal comprehensively with their credit issues, and NAMA will be a vital part of the solution, and they expect their diversified business portfolio and increased competitive position to boost profitability going forward.

We have held this investment in the portfolio since the start of April 2009. The weighting of the stock has been adjusted several times, but for the portion of the holding retained in the portfolio from the start of April it has provided a total return in Sterling terms of 129%.

Key statistics relating to this investment are given below:

For the year ended 31 December:	2008	2007	Change
Total Assets	€ 182.1bn	€ 177.9bn	+2.4%
Cost : Income Ratio	N/A	N/A	-
Net Profit after Taxation	€ 729m	€ 1,911m	-61.9%
Earnings per Share	€0.828	€2.164	-61.7%
Dividends per Share	€0.818	€0.743	+10.1%
Dividend Cover	1.0x	2.9x	-
Return on Equity	8.2%	21.8%	-13.6pp

8. South Indian Bank

South Indian Bank is one of the "old" privately-owned banks that began operations in the southern state of Kerala in 1946 and now has nearly 550 branches. Kerala has a strong non-resident Indian community. More than half of the bank's branches are in Kerala, but it is growing fast in other regions.

South Indian Bank is emerging from a major restructuring exercise that began when a new Chairman took over in 2005. The bank has invested in an advanced technology platform which has resulted in the bank having a better operating efficiency than many other Indian banks. It has a strong deposit franchise, with around 45% of its deposits being low-cost current account, savings account and non-resident external deposits. The bank is operating in a strongly growing, under-penetrated banking market and is a prime acquisition target, with its attractive deposit base, modernised processing capabilities and private ownership structure.

In the banks most recent results to 30 June 2009 the bank grew profits by 56% year-on-year as loans grew, margins remained stable and it made investment gains. The bank increased its loan book by 18% year-on-year and grew deposits by 21% year-on-year. The bank's capital adequacy remains very strong, supporting future loan growth and its asset quality improved in the last quarter, as gross non-performing loans fell to 1.9% of the loan book. Profits are forecast to grow between 15% and 20% in the year to April 2010.

This stock has been held through the Fund's financial year. The weighting in the stock was reduced substantially during the year. For the portion of the stock held for the entire year its total return in Sterling terms has been 54%.

Key statistics relating to this investment are given below:

For the year ended 31 March:	2009	2008	Change
Total Assets	INR 203.8bn	INR 170.9bn	+19.3%
Cost : Income Ratio	47.5%	46.1%	+1.4pp
Net Profit after Taxation	INR 1,948m	INR 1,516m	+28.5%
Earnings per Share	INR 17.23	INR 15.02	+14.7%
Dividends per Share	INR 3.0	INR 3.0	+0%
Dividend Cover	5.7x	5.0x	-
Return on Equity	16.0%	16.2%	-0.2pp

9. Axis Bank Limited

Axis Bank Limited ("Axis") was the first of the new private banks to begin operations in 1994, after the Government of India allowed new private banks to be established and is now the third largest private sector bank in the country after ICICI Bank and HDFC Bank. Private sector banks account for just over 20% of Indian's banking system. Axis has its headquarters in Mumbai, and has a network of more than 850 branches and one of the largest ATM networks in the country as of the 30 June 2009.

Axis is a rapidly growing, profitable and competitive private-sector bank. Axis Bank's lending mix at the end of June 2009 is 50% corporate, 19% SMEs, 21% retail and 10% agriculture. In retail the bank focuses on mortgages and secured lending. 83% of retail loans have some form of security backing them. This has led to Axis having a high quality asset book, and significant asset quality pressures are not expected providing the economic situation continues to improve in India. Axis have announced that they will be increasing the bank's equity capital by about 20% through a capital raising to allow it the capacity to keep growing lending ahead of the market rate.

In Axis' most recent financial results to the 30 June 2009 the bank reported a 70% increase in net profit year-on-year, as loans grew 28% year-on-year, deposits by 24% and, as was the case for most banks in India, the bank made profits on its bond holdings. Axis has good prospects for continued profitable growth in the years ahead, although in the shorter term the capital raising will push up the valuation of the bank and reduce its return ratios.

We bought and sold this stock during the year, unfortunately at a loss. We repurchased the stock during July 2009. In the two weeks in the portfolio until the Fund year end the share price made a return of 19% in Sterling terms.

Key statistics relating to this investment are given below:

For the year ended 31 March:	2009	2008	Change
Total Assets	INR 1,477bn	INR 1,096bn	+34.8%
Cost : Income Ratio	43.4%	49.2%	-5.8pp
Net Profit after Taxation	INR 18.2bn	INR 10.7bn	+70.1%
Earnings per Share	INR 50.3	INR 31.3	+60.7%
Dividends per Share	INR 10	INR 6	66.7%
Dividend Cover	5.0x	5.2x	-
Return on Equity	19.9%	16.1%	+3.8pp

10. Bank Rakyat Indonesia

Bank Rakyat Indonesia ("Rakyat") is the oldest bank in Indonesia and was founded in 1895. It is the second largest bank in terms of loans and the third largest in terms of deposits in Indonesia. The government is the majority shareholder in Rakyat with a 57% stake in the bank. The bank has by far the most extensive network of branches, sub-branches and units, with offices located in every province of Indonesia. It has specialised in serving the micro finance segment for over 100 years and 27% of its loans are to this segment.

The bank was resilient through the 1997 Asian financial crisis, but suffered through its large US Dollar loan book and the government recapitalised the bank in 2000 using government recapitalisation bonds. At that time the management of the company was changed. Rakyat had an IDR 3.8bn Initial Public Offering in October 2003 and much of the proceeds were spent on introducing the latest IT systems to the bank, which have improved the bank's efficiency. The bank has a strong deposit franchise and its loan to deposit ratio was at 85% at the end of June 2009. In addition the microfinance segment, that Rakyat is the leading bank in the country at servicing, is high margin business. Both of these factors have increased the banks earnings resilience through the global economic slowdown.

Rakyat has recently published its financial results for the three months to the 30 June 2009. Profits increased 26% year-on-year as loans grew by 36% and deposits by 23% year-on-year. The bank forecasts that for the full year loans will grow by 30% and it will continue to gain market share. Non performing loans have been rising, and reached 3.7% in June 2009 and are expected to rise again in the next quarter. But the bank has increased provisioning and has a very comfortable coverage ratio of 152%.

We have held this stock since mid-July 2009 and in the two weeks until the Fund's year end it has made a return of 8% in Sterling terms.

Key statistics relating to this investment are given below:

For the year ended 30 April:	2008	2007	Change
Total Assets	IDR 246,026bn	IDR 203,604bn	+20.8%
Cost : Income Ratio	50.4%	49.0%	+1.4pp
Net Profit after Taxation	IDR 5,958bn	IDR 4,838bn	+23.2%
Earnings per Share	IDR 487	IDR 404	+20.5%
Dividends per Share	IDR 169.16	IDR 196.34	-13.8%
Dividend Cover	2.9x	2.1x	-
Return on Equity	29.2%	26.5%	+2.7pp

Transactions

Over the year, sales of investments realised £84.2m and purchases totalled £79.2m.

Statement of Directors’ Responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the accounts 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 them to ensure that the financial statements 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.
The Directors confirm that to the best of their knowledge that:

- The accounts, prepared in accordance with applicable UK accounting standards, give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- The Directors and Investment Managers’ reports include a fair review of the development, performance and position of the company together with a description of the principal risks and uncertainties that the Company faces.

On behalf of the Board

Philip Court

Chairman

24 September 2009

Income Statement

(incorporating the revenue account) for the year ended 31 July 2009	notes	2009 Revenue (£)	2009 Capital (£)	2009 Total (£)	2008 Revenue (£)	2008 Capital (£)	2008 Total (£)
Capital (losses) / gains on investments							
Net realised losses		-	(6,316,149)	(6,316,149)	-	(4,174,546)	(4,174,546)
Unrealised gains/ (losses)		-	50,909	50,909	-	(8,888,559)	(8,888,559)
Exchange (losses)/ gains		-	(513,686)	(513,686)	-	36,487	36,487
Net capital losses on investments		-	(6,778,926)	(6,778,926)	-	(13,026,618)	(13,026,618)
Income from investments	2	841,603	-	841,603	956,405	-	956,405
Bank interest receivable		16,102	-	16,102	63,585	-	63,585
Gross revenue and capital (losses) / gains		857,705	(6,778,926)	(5,921,221)	1,019,990	(13,026,618)	(12,006,628)
Administrative expenses		(417,811)	(120,667)	(538,478)	(302,198)	(2,926)	(305,124)
Net return before interest payable and taxation		439,894	(6,899,593)	(6,459,699)	717,792	(13,029,544)	(12,311,752)
Interest payable		(96,886)	(96,886)	(193,772)	(58,133)	(58,133)	(116,266)
Return on ordinary activities before taxation		343,008	(6,996,479)	(6,653,471)	659,659	(13,087,677)	(12,428,018)
Taxation on ordinary activities		(56,484)	-	(56,484)	(59,418)	-	(59,418)
Return on ordinary activities after taxation		286,524	(6,996,479)	(6,709,955)	600,241	(13,087,677)	(12,487,436)
Return per ordinary share	3	2.03p	(49.56)p	(47.53)p	4.20p	(91.65)p	(87.45)p

The total columns of the statement represent the profit & loss accounts of the Company. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year. There were no recognised gains and losses other than those disclosed above. Accordingly a statement of total recognised gains and losses is not required.

Balance Sheet

As at 31 July 2009	notes	(£)	2009 (£)	(£)	2008 (£)
Fixed assets					
Listed equity investments			11,962,533		20,927,120
Listed non-equity investments			-		4,874,363
			11,962,533		25,801,483
Current assets					
Debtors		78,216		644,043	
Cash at bank		3,821,813		2,199,519	
		3,900,029		2,843,562	
Creditors: amounts falling due within one year		(4,724,165)		(10,255,579)	
Net current liabilities			(824,136)		(7,412,017)
Net assets			11,138,397		18,389,466
Capital and reserves					
Called-up share capital			7,142,859		7,142,859
Share premium account			6,021,360		6,021,360
Other reserves					
Capital reserve – realised			4,422,077		11,496,847
Capital reserve –investment holding losses			(6,744,588)		(6,822,879)
Revenue reserve			296,689		551,279
Shareholders' funds			11,138,397		18,389,466
Net asset value per ordinary share	3		79.13p		129.52p

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 July 2009	Share capital (£)	Share premium (£)	Capital reserve-realised (£)	Capital reserve-investment holding losses (£)	Revenue reserve (£)	Total shareholders' funds (£)
Shareholders' funds at 1 August 2008	7,142,859	6,021,360	11,496,847	(6,822,879)	551,279	18,389,466
Purchase of treasury shares	-	-	-	-	(83,948)	(83,948)
Dividend paid during the period	-	-	-	-	(457,166)	(457,166)
Return on ordinary activities after taxation	-	-	(7,074,770)	78,291	286,524	(6,709,955)
Shareholders' funds at 31 July 2009	7,142,859	6,021,360	4,422,077	(6,744,588)	296,689	11,138,397

for the year ended 31 July 2008	Share capital (£)	Share premium (£)	Capital reserve-realised (£)	Capital reserve-investment holding losses (£)	Revenue reserve (£)	Total shareholders' funds (£)
Shareholders' funds at 1 August 2007	7,142,859	6,021,360	15,732,209	2,029,436	39,998	30,965,862
Purchase of treasury shares	-	-	-	-	(88,960)	(88,960)
Return on ordinary activities after taxation	-	-	(4,235,362)	(8,852,315)	600,241	(12,487,436)
Shareholders' funds at 31 July 2008	7,142,859	6,021,360	11,496,847	(6,822,879)	551,279	18,389,466

Cash Flow Statement

for the year ended 31 July 2009	(£)	2009 (£)	(£)	2008 (£)
Operating activities				
Investment income received	897,342		930,582	
Interest received	16,102		63,585	
Investment management and administration fees paid	(337,810)		(502,665)	
Cash paid to and on behalf of directors	(43,900)		(44,000)	
Other cash payments	(162,878)		(200,968)	
VAT refund received	405,000		-	
Net cash inflow from operating activities		773,856		246,534
Servicing of finance				
Interest paid		(206,757)		(127,102)
Taxation				
Taxation recovered		6,516		4,858
Capital expenditure and financial investment				
Purchase of investments	(79,475,462)		(81,537,951)	
Sale of investments	84,248,767		96,382,659	
		4,773,305		14,844,708
Cash inflow before financing		5,346,920		14,968,998
Equity dividend paid		(457,167)		-
Management of liquid resources				
Cash placed on deposits	(13,625,245)		(5,829,537)	
Cash withdrawn from deposit	13,318,374		4,836,925	
		(306,871)		(992,612)
Financing				
Net repayment of loan	(3,266,640)		(12,999,832)	
Purchase of treasury shares	(83,948)		(88,960)	
		(3,350,588)		(13,088,792)
Increase in cash		1,232,294		887,594

Notes

1. The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 July 2009 or 31 July 2008 but is derived from those accounts. Statutory accounts for 2008 have been delivered to the Registrar of Companies and those for 2009 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498 (2) or (3) Companies Act 2006.

   The financial information set out in this announcement has been prepared on the basis of the accounting policies as stated in the previous year's financials statements, and are consistent with the current year's full financial statements which are yet to be published.

   The Directors consider that the Company has adequate financial resources in the form of readily realisable listed securities, including cash of £3,822,000 and loan facilities to continue in operational existence for the foreseeable future. For this reason they continue to use the going concern basis in preparing the accounts.

2. **Income from investments**

			2009			2008
	Franked	Unfranked	Total	Franked	Unfranked	Total
	(£)	(£)	(£)	(£)	(£)	(£)
Dividends						
Listed investments – UK	2,689	-	2,689	3,643	-	3,643
Overseas	-	435,983	435,983	-	762,532	762,532
Interest						
Listed investments - Overseas	-	402,931	402,931	-	190,230	190,230
Total	2,689	838,914	841,603	3,643	952,762	956,405

3. **Return and Net Assets per ordinary share**

	2009	2008
The return per ordinary share is based upon the following figures:		
Revenue return	£286,524	£600,241
Capital return	£(6,996,479)	£(13,087,677)
Weighted average number of ordinary shares in issue during the year	14,117,055	14,280,756

   The net asset value per ordinary share is calculated on 14,076,218 (2008 – 14,197,718) being the number of ordinary shares in issue at the year end after deducting treasury shares.

4. **Dividends**

   The Board have proposed the final dividend of 1.20p (2008 – 3.22p) per ordinary share, payable on 18 November 2009 to shareholders on the register on 23 October 2009. The Company's shares will be quoted ex dividend on 21 October 2009. The total cost of the dividend is £168,915 (2008-£457,166)

5. **Related Party Transactions**

   Directors' remuneration consisted solely of fees of £16,000 for the Chairman and £14,000 for each of the other two Directors serving during the year. Blue Planet Investment Management Ltd is employed by the Company as its Investment Manager under a management agreement which is terminable on two years' notice. The investment management fee in respect of each month was 0.125% of the total assets of the Company attributable to the shareholders on the last day of that month and totalled £ 241,218 for the year (2008 - £399,082). The Company Secretary, Blue Planet Investment Advisers Ltd receives £100,000 p.a in respect of administration and secretarial services (increased from £75,000 from 1 April 2009). Total £83,333 for the year. Mr K C Murray is a director of both Companies.

6. **Share capital**

   During the year the Company purchased 121,500 of its own shares with a nominal value of £60,750 for a consideration of £83,948 and holds these as treasury shares in accordance with the resolution passed at the Annual General Meeting in November 2008. These shares have no voting rights, do not rank for dividend and are excluded from the calculation of net asset value and return per ordinary share. The total number of shares held in Treasury is 209,500. At 31 July 2009 the Company had authority to purchase a further 1,932,500 shares. A resolution to renew this authority will be proposed at the 2009 Annual General Meeting.