Blue Planet Investment Trust plc

Half Yearly Report and Accounts
For the six months ended 31 October 2016

Officers and Advisors

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John Tyce (Non-Executive Chairman)
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Kenneth Murray (Non-Executive)

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Registered Number
SC192153

Blue Planet Investment Trust plc is a member of the Association of Investment Companies.

Investment Policy and Objectives

The Company's objective is to provide investors with a combination of capital growth and income. In order to achieve this it invests in securities (including equities, exchange traded funds, equity-related securities, bonds and derivatives) issued by companies, Governments and other types of issuers located throughout the world.

The Company has not set maximum exposures for any type of issuer, geographical regions or sectors. How the Company's investments are allocated depends on market conditions and the judgement of the Board as to what is in the best interests of Shareholders. This is to provide it with the flexibility that is necessary to deal with an ever changing economic environment. It would, however, normally be expected that most of the Company's investments will be in equities, exchange traded funds, equity-related securities, preference shares, bonds and derivatives. However, the Company is not prohibited from investing in other types of securities. No more than 15 per cent of the Company's portfolio may be invested in any one investment at the time the investment is made. There is no restriction on the amount that may be invested in any one country.

The Company may use derivatives (including, but not limited to, contracts for differences, futures and options), principally, but not exclusively, for efficient portfolio management, that is to reduce, transfer or eliminate investment risk in its investments, including protection against currency risks.

The Company's Articles permit borrowing up to an amount not exceeding 75% of Shareholders' funds. The Board may utilise borrowing up to this limit from time to time to enhance income and capital returns over the long term and may borrow in Sterling and other currencies.

Financial Record	Six months ended 31 October 2016 (unaudited)	Six months ended 31 October 2015 (unaudited)	Year ended 30 April 2016 (audited)
Shareholders' funds (£'000)	27,331	23,640	23,193
Net asset value per share (p)	55.24	47.78	46.88
Share price (p) (Bid)	35.00	34.00	34.00
Discount (%)	36.64	28.84	27.50
Gearing (%)*	31.29	50.54	47.60
Return available for shareholders (£'000)	1,447	961	1,487
Capital return in the period (£'000)	4,176	(4,361)	(5,334)
Revenue return per share (p)	2.92	1.94	3.00
Total return per share (p)	11.36	(6.87)	(7.78)
Dividend per share (p)	-	-	3.00
Dividend yield on our shares (%)	N/A	N/A	8.82
Ongoing Charges (%) **	3.71	3.72	3.91

* Net debt as a percentage of shareholders' funds
** Ongoing charges figure has been prepared in accordance with the AIC's recommended methodology.

The Investment Manager

Under the Alternative Investment Fund Management Directive legislation, the Trust has elected to be its own AIF manager but has delegated the day to day management of the investment portfolio and administration to Blue Planet Investment Management Ltd. It is an independent firm that specialises in advising and managing investment and family trusts. It has a great deal of expertise in managing investments on a worldwide basis. It is regulated by the Malta Financial Services Authority.

Blue Planet Investment Management Ltd is the investment manager of the Company and receives an annual fee of 1.50% per annum of the total assets of the company which is paid monthly. Blue Planet Investment Management Ltd also receives £196,000 per annum in respect of administration and secretarial services. The investment management, administration and secretarial services agreements may only be terminated on receipt of two years notice.

Website Information

Please take the time to visit our website:

www.blueplanet.eu

Subscribe to our monthly fact sheet service:

http://www.blueplanet.eu/blueplanet_downloads.136.html

To download historical Annual and Interim reports and past monthly fund fact sheets:

http://www.blueplanet.eu/blueplanet_downloads.124.html

To view stock market RNS announcements:

http://www.blueplanet.eu/blueplanet_news.8.html

Retail Distribution of Investment Company Shares

Blue Planet Investment Trust plc currently conducts its affairs so that the shares issued by the Company can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the Financial Conduct Authority’s rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the Financial Conduct Authority’s restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Interim Management Report – Portfolio Information

As at 31 October 2016

	Country	Valuation (£)	% of Portfolio
Ordinary Shares			
ETRACS 2x Leveraged Long WFC BDCI ETN	United States	1,924,762	5.3
Delta Lloyd NV	Netherlands	1,531,928	4.3
HSBC Holdings plc	United Kingdom	1,420,957	4.0
National Grid plc	United Kingdom	995,308	2.8
Bank of Ireland	Eire	851,704	2.4
General Motors Co	United States	851,423	2.4
Aegean Airlines SA	Greece	814,362	2.3
Direct Line Insurance Group	United Kingdom	813,335	2.3
Allianz SE	Germany	765,202	2.1
Enagas SA	Spain	727,040	2.0
SSE plc	United Kingdom	700,040	1.9
AXA SA	France	552,511	1.5
TrovaGene Inc.	United States	345,688	1.0
KCAP Financial Inc.	United States	229,970	0.6
		12,524,230	34.9
Preference Shares			
Lloyds Banking Group 9.25%	United Kingdom	1,122,095	3.1
NatWest Bank 9%	United Kingdom	670,000	1.9
Santander UK plc 10.375%	United Kingdom	438,780	1.2
Standard Chartered 8.25%	United Kingdom	378,000	1.1
Santander UK plc 8.625%	United Kingdom	274,000	0.7
RSA Insurance 7.375% Cumulative Preference Share	United Kingdom	62,125	0.2
		2,945,000	8.2
Debt Securities			
Republic of Brazil 10% 01/01/2025	Brazil	5,046,920	14.0
LEBAC ARS VTO. 28/12/2016	Argentina	2,480,316	6.9
Gulf Keystone Variable 18/10/21	Bermuda	1,496,205	4.2
Bono Nacion ARS 01/03/2020	Argentina	1,419,332	3.9
Genel Energy 7.5% 14/05/19	United Kingdom	1,222,227	3.4
BBVA 8.875% 29/12/49	Spain	965,543	2.7
Erste Bank 8.875% 29/12/49	Austria	953,184	2.6
Petrobras 6.625% 16/01/34	Brazil	871,419	2.4
Aviva plc 6.875% 20/05/58	United Kingdom	812,239	2.3
Lloyds Bank plc 7.625% 22/04/25	United Kingdom	788,969	2.2
Bank of Ireland 13.375% Perpetual	Eire	698,535	1.9
Co-operative Bank 11% 20/12/23	United Kingdom	647,512	1.8
Phoenix Group 6.625% 18/12/25	United Kingdom	603,925	1.7
Bono Nacion ARS 18.2% 03/10/2021	Argentina	582,735	1.6
Santander UK 10.0625% 29/10/49	United Kingdom	543,375	1.5
Bono Nacion ARS 22.75% 05/03/2018	Argentina	506,783	1.4
Sea Trucks Group 9% 26/03/18	Nigeria	382,750	1.1
LEBAC ARS VTO. 04/01/2017	Argentina	31,647	0.1
		20,053,616	55.7

Listed Investments	35,522,846	98.8
Cash	444,557	1.2
Total	35,967,403	100.0

Interim Management Report

Performance

The Fund generated a NAV total return of +24.2% in the six months to 31st October 2016 and paid a dividend of 3.00p per share to shareholders on the 23rd August 2016. By comparison, the FTSE 100 generated a total return of +13.6% over the same period, so we outperformed that by a considerable margin. Indeed, we outperformed all major, international equity indices by a considerable margin. The FTSE 100 was one of the best performing indices over the period and is perhaps not representative of the wider market. For example, the total return on the Eurostoxx 50 was just +2.9% over the period. In the case of the German DAX it was +6.2%, +4.6% for the French CAC, +4.1% for the S&P 500, and +9.3% for the Nasdaq. Given the extent of our outperformance and our high and increasing dividend payments, it is disappointing that our share price has yet to fully reflect this and our share price total return over the period was +11.8%. This was good but not as good as it could have been.

Over the course of the six months, we continued to reduce our exposure to equities while increasing our exposure to mispriced, higher yielding, less volatile assets, principally bonds and treasury bills. To be more precise, the equity element of the portfolio was reduced by 20.6 percentage points to 34.9% while the bond and treasury bill element was increased by 22.2 percentage points to 55.7%. The remainder of the fund is invested in preference shares (8.2%) and cash (1.2%).

In terms of equities, we sold all of our investments in the technology sector. While we continue to like the companies we were invested in, they are nonetheless volatile and produce no yield. It is also a sector that is vulnerable to sharp sell offs in the event of a bear market, the probability of which is rising. So, we decided to exit it in favour of safer, less volatile, higher-yielding assets and our investments in Arista Networks, Infinera Corp, NXP Semiconductors, Mobileye and Synchronoss Technologies were all sold.

As part of this strategy we increased our investments in Argentina, purchasing a floating rate Government bond denominated in Pesos in June/July with a yield to maturity of 32.5% at the time of purchase. Argentina is now governed by its first competent government in many decades and confidence in its new President, Mauricio Macri, seems well placed. Since his appointment Argentina has regained access to the world's bond markets and we expect the Argentinian Peso to appreciate over the coming months as a consequence of President Macri's policies.

In October, we bought two more Argentine Government bonds denominated in Pesos with fixed coupons of 18.2% and 22.75%, further boosting our income. We also bought fixed rate, perpetual bonds from two strong European banks, BBVA and Erste Group, on yields of 8.78% and 8.72% respectively and some fixed-rate bonds issued by the London listed oil company, Genel Energy, with a yield to maturity of over 19%.

There were a number of significant contributors to our performance over the first half of the year, one of which was our geographic asset allocation and foreign exchange hedging strategies. In June, the impact of the Brexit vote hit markets, that had by and large taken a vote to remain in the EU as a forgone conclusion, hard. We, however, never shared that view and went into the vote with our currency exposures largely unhedged in anticipation of Sterling weakness in the event of a vote in favour of Brexit. We also increased our holdings of overseas assets ahead of the vote. Those decisions have benefitted us greatly as Sterling ("GBP") has collapsed, falling 22.2% against the Brazilian Real ("BRL"), 16.2% against the US Dollar ("USD"), 12.6% against Euro ("EUR") and 11.1% against the Argentinian Peso ("ARS") in the first six months of this financial year. However, we, now see more upside than downside in Sterling, and have been steadily increasing our currency hedges in order to lock in those profits. At the 31st October 2016, we had around one fifth of our foreign currency positions hedged and we intend to increase that further.

The largest contributions to our performance in terms of our equity holdings came from ETRACS 2x Long WFC BDC ETN, Delta Lloyd NV and HSBC Holdings plc which produced total returns of 39.4%, 43.9% and 39.5% respectively. In terms of our bond portfolio, the largest contributor was our Brazilian Government bonds which produced a total return of 43.6%. This was and remains our single largest investment. Our Gulf Keystone guaranteed notes and Argentinian treasury bills also did very well, producing total returns of 109.4% and 28.7% respectively. Whilst the majority of our portfolio performed well during the period, these six investments contributed almost 60% of our total return.

Specific situations worth highlighting in relation to our top performers were the restructuring of Gulf Keystone's capital base in July and the all-cash offer for Delta Lloyd from NN Group in October. The restructuring of Gulf Keystone's capital base was made inevitable following the fall in the price of oil that left the company unable to service its debts. This effectively left the guaranteed noteholders owning the company with ordinary shareholders and subordinated debt holders all but wiped out. We saw that opportunity at the time of purchase and our Gulf Keystone guaranteed notes have done very well for us, providing a total return of 109.4% in the six months to 31st October. Similarly, after Delta Lloyd's capital issues last year, we felt the stock was oversold and again saw value in it. So, it came as no surprise to us when NN Group made a bid for the Company. We had been forecasting that it might be subject to a takeover bid for some time and mentioned this in last year's annual report. Despite producing a total return for us of 43.9% over the six month period, we still expect more from the shares as the current offer from NN Group is too low and we would expect them to increase it to between 5.80 and 6.00 euros per share, with the added benefit that another bidder may yet emerge for the company.

Income and Dividends

A dividend of 3.00p per share was paid on 23rd August 2016 in respect of the financial year ended 30th April 2016. This represented a 6.4% increase on the 2.82p per share dividend paid for the financial year ended 30th April 2015. As the table below shows we have increased the dividend we pay to shareholders by 119% over the last four years. We have also increased it in every one of those years. We expect that trend to continue and on the basis of our current financial projections we anticipate that the dividend for the current year will be materially higher than that paid last year.

Financial Year	Dividend Amount per share	% Change	Ex-date	Record date	Pay date
2016	3.00p	+6.4%	14/07/2016	15/07/2016	23/08/2016
2015	2.82p	+22.6%	23/07/2015	24/07/2015	28/08/2015
2014	2.30p	+67.9%	16/07/2014	18/07/2014	25/08/2014
2013	1.37p	-	26/06/2013	28/06/2013	29/07/2013

In accordance with established policy no interim dividend has been declared for the first half of the year.

Outlook

The outlook from an economics point of view is very interesting. The printing of new money at a rate that is well in excess of the growth in real goods and services (so called "monetary easing") will have to end soon to avoid a sharp rise in the inflation rate, at which point markets/private investors will regain control over the setting of interest rates from central banks. Central banks cannot go on printing huge amounts of money in order to buy bonds and suppress interest rates for ever without it having inflationary consequences. Indeed, they have only been able to avoid those pressures in recent years by trick or design. They all devalued their currencies simultaneously thereby suppressing relative inflation but nonetheless devaluing money on a global basis. The corollary of this is that once one major central bank stops printing money that is not backed by rises in real GDP the others will be forced to follow suit otherwise their economies will see inflationary pressures build. And the most important central bank in this equation is the Federal Reserve as most globally traded goods and services are priced in US Dollars ("USD"). If the USD appreciates faster than other currencies, it creates inflation in those countries. Once the Federal Reserve tightens monetary policy all others will come under pressure to do the same.

Unwinding quantitative easing will be challenging. Central Banks have embarked on programmes of quantitative easing that always carried the risk of inflation. Employing multiple programmes involving huge sums of money has compounded this risk. We do not believe that central bankers understand the risks entailed in their policy and as a result they are not prepared for its consequences. Central bankers can and do make serious mistakes.

As quantitative easing comes to an end it will, in our opinion, lead to sharply higher interest rates and while central banks will try to dampen the rate of increase, rates are going to rise faster and further than many in the markets anticipate. We would not be surprised to see yields on 10-year Sterling U.K. Government bonds rise to in excess of 3.5% or possibly even 4.0% by the end of 2018. They are at the date of writing 1.5% having been as low as 0.6% in August 2016. The impact of these rises will be significant and will result in serious losses for financial institutions and others. They will also put already weak government finances under strain.

Most exposed are holders of very low yielding, long dated, fixed rate bonds; typically developed world government debt, an area we have stayed well clear of. Perpetual bonds and preference shares are also at risk and we have a limited exposure to them although the ones we have are on high yields which will afford us some protection. But choppy waters do lie ahead. Equity markets are also vulnerable and that is why we have been reducing our exposure to them. Emerging markets will also be affected but by being highly selective in what we buy we have done our best to mitigate that risk.

Other factors that are likely to have a bearing on the direction of markets are Brexit, what happens next in Europe and the Trump presidency.

As regards Brexit, we expect this to have a moderately negative short term impact on the UK economy lasting about two to three years followed by a larger beneficial impact over the long run provided politicians aggressively remove all of the red tape and legislation imposed on business and individuals by the EU, cut government expenditure and taxes and negotiate good free trade deals with other economies. Essentially, we believe Brexit has the potential to be very beneficial to the UK economy provided the correct economic policies are pursued. We will, however, have to wait to see if they are.

The consequences of Brexit for the EU, however, run far deeper than the simple economic ones. The EU is now clearly very unstable with growing discontent across the whole continent and we do not believe that the UK will be the last country to leave. Denmark, Sweden, Holland, Hungary and possibly even Germany may follow suit. The EU is in the process of disintegrating. If other countries do peel off, the EU will further destabilise and the Euro is likely to lose much of its value. In recognition of those risks, we have fully hedged all of our Euro investments. Perhaps, ironically, the only hope for the EU is if it re-invents itself as a less bureaucratic, more people and business friendly organisation that leaves much more discretion and power with individual member states. Essentially, returning to the original concept of a single market.

The implications of a Trump presidency are at this stage unclear. His pledges to cut taxes and increase infrastructure spending would clearly benefit the US economy and investors in US companies but beyond that his economic policies are essentially unknown. He has espoused protectionist policies during the election campaign but how that will play out is anybody's guess. Until such time as we have a clearer idea of what his economic policies will be, we will be adopting a wait and see approach.

Finally, it is worth noting that the current bull market which started in March, 2009 has been the second longest and fourth strongest on record in terms of percentage change in history. From a purely statistical point of view this means that the probability of a bear market is high and rising. That risk along with our own economic assessment of events has and continues to colour our investment strategy hence our focus on high yielding investments and divestment of low or no yielding investments. We are battening down the proverbial hatches.

Gearing and Capital Allocation

At the end of the six month period to 31st October 2016 the Trust had gearing, net of cash, equal to 31.3% of NAV and its portfolio was allocated as follows: 55.7% was invested in bonds; 34.9% in ordinary shares; 8.2% in preference shares and 1.2% in cash. Figure 1 shows the movement in the allocation of our capital across those four different asset classes, ordinary shares, bonds, preference shares and cash, since our year end 30th April 2016.

Figure 1: Portfolio movements – by asset class

Asset Class	Oct-16	Apr-16
Bonds	55.7%	33.5%
Ordinary Shares	34.8%	55.5%
Preference Shares	8.3%	11.0%
Cash	1.2%	0.0%
Total	100.0%	100.0%

Figure 2: Disposition of assets by currency

Currency	Oct-16	Apr-16
GBP	33.9%	35.9%
EUR	19.9%	15.5%
USD	18.2%	31.3%
BRL	14.0%	10.9%
ARS	14.0%	5.7%
AUD	0.0%	0.8%
Total	100.0%	100.0%

Principal risks and going concern

Your Company is, and will continue to be, exposed to a number of risks which are detailed in full in the Strategic Report on page 5 of the Annual Report and have not changed up to the date of this report. The key market risk arises from the uncertainty regarding the future price performance of the listed securities held by your Company. If gearing is employed this risk is magnified.

The prices of the individual listed securities in the portfolio are monitored on a daily basis and the Board, which meets quarterly, imposes borrowing limits to ensure gearing levels are appropriate to market conditions. When gearing is employed the potential impact of changes in 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. A substantial proportion of the Company's assets are held in assets denominated in foreign currencies and movements in these currencies can significantly affect the Sterling value of the Company's foreign denominated income and assets. The fund manager tracks currency movements on a regular basis and hedging is considered on a case-by-case basis.

Where investments are made in emerging markets there is a risk of higher volatility in the price performance of these equities and their associated currencies. Political risk and adverse economic circumstances are more likely to arise, putting the value of the investment at a higher risk. The registration and settlement arrangements in emerging markets may be less developed than in more mature markets so operational risks of investing are higher.

The Company's business model and strategy, together with the risk factors likely to affect its future position are set out in the Strategic Report on page 4 of the Annual Report and Accounts. The Directors consider that the Company has adequate financial resources in the form of readily realisable listed securities, including cash and credit 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

Borrowings, Gearing and Liquidity

The Fund ended the period with gearing net of cash of 31.3%. The Company financed its gearing by means of credit facilities with KAS Bank N.V. and Interactive Brokers Group.

Generally, gearing beneficially affects the Company's NAV when the value of its investments is rising, but adversely affects it 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 "BLP" in the "Price Search" field.

I would like to thank all shareholders for your continuing support.

John Tyce
Chairman
24 November 2016

Balance Sheet

	At 31 October 2016 £ (unaudited)	At 31 October 2015 £ (unaudited)	At 30 April 2016 £ (audited)
Fixed assets			
Listed equity investments	15,469,230	25,135,503	22,576,051
Listed non - equity investments	20,053,616	8,836,050	11,381,454
	35,522,846	33,971,553	33,957,505
Current assets			
Debtors	530,095	1,714,265	381,756
Cash at bank and in hand	444,557	17,623	6,510
Creditors: amounts falling due within one year (note 6)	(9,166,059)	(12,063,235)	(11,152,578)
Net current liabilities	(8,191,407)	(10,331,347)	(10,764,312)
Net assets	27,331,439	23,640,206	23,193,193
Capital and reserves			
Called-up share capital	497,820	497,820	497,820
Share premium account	18,426,406	18,426,406	18,426,406
Other reserves			
Capital reserve – realised	(5,910,252)	(2,681,701)	(4,273,389)
Capital reserve – investment holding gains	4,535,654	(1,896,522)	(1,277,145)
Capital redemption reserve	8,167,389	8,167,389	8,167,389
Revenue reserve	1,614,422	1,126,814	1,652,112
Shareholders' funds	27,331,439	23,640,206	23,193,193
Net asset value per ordinary share (note 4)	55.24p	47.78p	46,.88p

Statement of Directors' responsibilities
The Directors confirm that this set of condensed financial statements has been prepared in accordance with FRS 104 "Interim Financial Reporting" and that the interim management report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

On behalf of the Board

John Tyce
Chairman
24 November 2016

Statement of Changes in Equity

For the six months ended 31 October 2016 (unaudited)

	Called-up Share capital (£)	Share premium (£)	Capital reserve-realised (£)	Capital reserve-investment holding losses (£)	Capital Redemption reserve (£)	Revenue reserve (£)	Total shareholders' funds (£)
Shareholders' funds at 1 May 2016	497,820	18,426,406	(4,273,389)	(1,277,145)	8,167,389	1,652,112	23,193,193
Return on ordinary activities after taxation	-	-	(1,636,863)	5,812,799	-	1,446,556	5,622,492
Dividend paid during the period	-	-	-	-	-	(1,484,246)	(1,484,246)
Shareholders' funds at 31 October 2016	497,820	18,426,406	(5,910,252)	4,535,654	8,167,389	1,614,422	27,331,439

For the six months ended 31 October 2015 (unaudited)

	Called-up Share capital (£)	Share premium (£)	Capital reserve-realised (£)	Capital reserve-investment holding losses (£)	Capital Redemption reserve (£)	Revenue reserve (£)	Total shareholders' funds (£)
Shareholders' funds at 1 May 2015	497,820	18,426,406	(4,526,388)	4,309,452	8,167,389	1,560,717	28,435,396
Return on ordinary activities after taxation	-	-	1,844,687	(6,205,974)	-	961,288	(3,399,999)
Dividend paid during the period	-	-	-	-	-	(1,395,191)	(1,395,191)
Shareholders' funds at 31 October 2015	497,820	18,426,406	(2,681,701)	(1,896,522)	8,167,389	1,126,814	23,640,206

For the year ended 30 April 2016 (audited)

	Called-up Share capital (£)	Share premium (£)	Capital reserve-realised (£)	Capital reserve-investment holding losses (£)	Capital Redemption reserve (£)	Revenue reserve (£)	Total shareholders' funds (£)
Shareholders' funds at 1 May 2015	497,820	18,426,406	(4,526,388)	4,309,452	8,167,389	1,560,717	28,435,396
Return on ordinary activities after taxation	-	-	252,999	(5,586,597)	-	1,486,586	(3,847,012)
Dividend paid during the period	-	-	-	-	-	(1,395,191)	(1,395,191)
Shareholders' funds at 30 April 2016	497,820	18,426,406	(4,273,389)	(1,277,145)	8,167,389	1,652,112	23,193,193

Income Statement

	For the six months ended 31 October 2016 (unaudited)			For the six months ended 31 October 2015 (unaudited)			For the year ended 30 April 2016 (audited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Capital gains / (losses) on investment									
Net realised gains / (losses)	-	(322,749)	(322,749)	-	2,387,759	2,387,759	-	1,171,228	1,171,228
Unrealised gains / (losses)	-	5,979,944	5,979,944	-	(6,534,638)	(6,534,638)	-	(5,579,801)	(5,579,801)
Exchange losses	-	(1,319,130)	(1,319,130)	-	(44,308)	(44,308)	-	(597,011)	(597,011)
Net capital gains / (losses) on investment	-	4,338,065	4,338,065	-	(4,191,187)	(4,191,187)	-	(5,005,584)	(5,005,584)
Income from investments	1,850,624	-	1,850,624	1,389,304	-	1,389,304	2,338,304	-	2,338,304
Bank interest receivable	40	-	40	111	-	111	117	-	117
Gross revenue and capital gains / (losses)	1,850,664	4,338,065	6,188,729	1,389,415	(4,191,187)	(2,801,772)	2,338,421	(5,005,584)	(2,667,163)
Administrative expenses	(336,213)	(133,754)	(469,967)	(338,591)	(141,145)	(479,736)	(682,909)	(269,633)	(952,542)
Net return before interest payable and taxation	1,514,451	4,204,311	5,718,762	1,050,824	(4,332,332)	(3,281,508)	1,655,512	(5,275,217)	(3,619,705)
Interest payable	(28,375)	(28,375)	(56,750)	(28,955)	(28,955)	(57,910)	(58,381)	(58,381)	(116,762)
Return on ordinary activities before taxation	1,486,076	4,175,936	5,662,012	1,021,869	(4,361,287)	(3,339,418)	1,597,131	(5,333,598)	(3,736,467)
Taxation on ordinary activities (note 3)	(39,520)	-	(39,520)	(60,581)	-	(60,581)	(110,545)	-	(110,545)
Return on ordinary activities after taxation	1,446,556	4,175,936	5,622,492	961,288	(4,361,287)	(3,399,999)	1,486,586	(5,333,598)	(3,847,012)
Return per ordinary share (note 4)	2.92p	8.44p	11.36p	1.94p	(8.82)p	(6.87)p	3.00p	(10.78)p	(7.78)p

The Total column of the income statement represents the profit & loss account of the Company.
All revenue and capital items in the above statement derive from continuing operations.
There were no recognised gains and losses other than those disclosed above. Accordingly, a statement of total recognised gains and losses is not required.

Notes

1. The financial statements for the six months to 31st October 2016 have been prepared on the basis of the accounting policies set out in the Company's Annual Report and Accounts as at 30th April 2016 and in accordance with FRS 104 "Interim Financial Reporting" and applicable to UK law and accounting standards.

2. All expenses are charged to the revenue account with the exception of management fees and interest charges on borrowings, one half of which less the appropriate tax relief is charged to capital. Investment Management and Administrators fees totalled £365,508 in the period (Full year to 30 April 2016 - £735,266)

3. The taxation charge arises wholly from overseas withholding tax on investment income.

4. The return per ordinary share is based upon the following figures:

	31 October 2016 (unaudited)	31 October 2015 (unaudited)	30 April 2016 (audited)
Revenue return	£1,446,556	£961,288	£1,486,586
Capital return	£4,175,936	£(4,361,287)	£(5,333,598)
Weighted average number of ordinary shares in issue during the period	49,474,863	49,474,863	49,474,863

The net asset value per ordinary share is calculated on 49,474,863 ordinary shares in issue at the end of the period after deducting treasury shares.

5. No interim dividend is proposed.

6. The Company has credit facilities with KAS Bank N.V and Interactive Brokers Group Incorporated. Loans are secured against the investments held in custody accounts with the respective lender. As at 31st October 2016 the prevailing rate of interest on KAS Bank N.V facility was 1.0% and on Interactive Brokers Group Incorporated the rate was 1.6%. At 31 October 2016, the amount outstanding with these facilities was £8,996,353 (2015 - £11,965,059)

7. The total number of shares held in treasury is 307,125. 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. At 31 October 2016, the Company had the authority to purchase a further 7,467,000 of its own shares. A resolution to renew this authority will be proposed at the Annual General Meeting in 2017.

8. The figures and financial information for the period ended 30th April 2016 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for the period as defined in section 434 of the Companies Act 2006. Those accounts have been delivered to the Registrar of Companies and include the report of the auditors which was unqualified and did not contain a statement either under section 498(2) or 498(3) of the Companies Act 2006. The half yearly Report and Account have not been audited or reviewed by the Company's Auditors.