Annual Report and Accounts
for the year ended 30 April 2020

Blue Planet
Investment Trust plc

Blue Planet Investment Trust plc

Registered number SC192153

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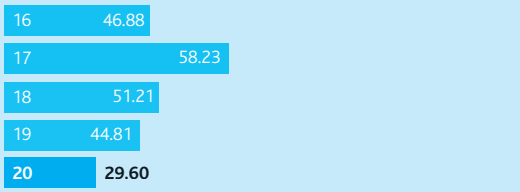
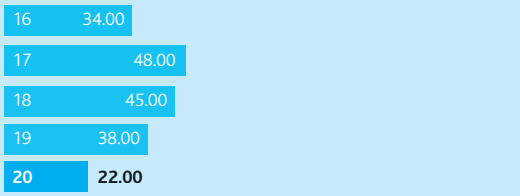
This document is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should seek personal financial advice from your independent financial advisor authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Blue Planet Investment Trust plc, please forward this document, together with the enclosed form of proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of shares, you should retain these documents.

Financial Record highlights

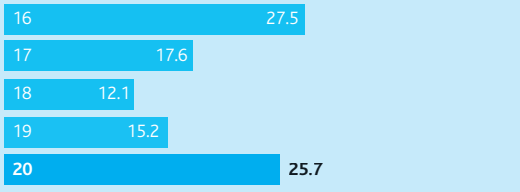
Net asset value per share 2016-2020 p



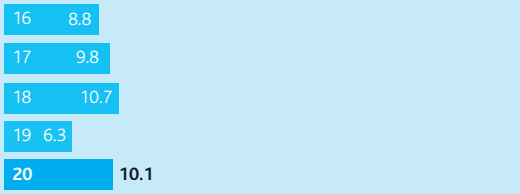
Share price 2016-2020 p



Share Price Discount to NAV 2016-2020 %



Dividend yield on our shares 2016-2020 %



Source: Blue Planet

Financial Record including Key Performance Indicators (KPIs)

Period to 30 April	2020	2019	2018	2017	2016
Total return per share (p)[1]	(12.81)	(1.60)	(2.32)	14.35	(7.78)
NAV total return per share (%)[2]	(30.6)	(3.2)	(4.4)	31.2	(13.6)
Share price total return (%)[3]	(38.2)	(4.0)	3.3	53.3	(8.0)
Total return on Benchmark Index[4] (%)	(17.1)	3.2	8.5	20.0	(6.9)
Revenue return available for shareholders (£'000)	1,421	1,515	2,921	2,842	1,487
Revenue return per share (p)[1]	2.87	3.06	5.90	5.75	3.00
Capital return per share (p)[1]	(15.68)	(4.66)	(8.22)	8.60	(10.78)
Dividend per share (net) (p)[5]	2.22	2.40	4.80	4.70	3.00
Dividend yield on our shares (%)[6]	10.1	6.3	10.7	9.8	8.8
Dividend yield on Benchmark Index (%)	5.2	4.4	3.9	3.8	4.0

As at 30 April	2020	2019	2018	2017	2016
Total assets less current liabilities (excluding loans) (£'000)	15,012	24,383	34,526	40,106	34,233
Loans (£'000)	(370)	(2,215)	(9,192)	(11,299)	(11,040)
Shareholders' funds (£'000)	14,642	22,168	25,334	28,807	23,193
Net asset value per share (p)[7]	29.60	44.81	51.21	58.23	46.88
Share price (p) – (Bid)	22.00	38.00	45.00	48.00	34.00
Share price discount to NAV (%)[8]	25.7	15.2	12.1	17.6	27.5
Gearing (%)[9]	–	9.1	36.3	38.7	47.6
Ongoing Charges (%)[10]	4.2	3.8	3.7	3.7	3.9

The Board assesses the Company's performance in meeting its objectives against the above KPIs, they also believe the above KPIs are of most relevance to shareholders in monitoring the performance of the Company and therefore the return on their investment in the Company.

1. 1.Returns per share are calculated by taking the figure for "Return on ordinary activities after taxation and total comprehensive income" for each column, as stated on the Income Statement, and dividing by the weighted average number of ordinary shares in issue during the period.
2. NAV total return per share is calculated as the percentage change in net asset value per share in the period, with dividend paid during the period reinvested at the time of distribution.
3. Share price total return is calculated as the percentage change in share price in the period, with dividend paid during the period reinvested at the time of distribution.
4. The Company's benchmark index is an index of the top 100 listed companies in the UK, with dividends reinvested at the time of distribution. The percentage change in value between each year-end is shown above.
5. Dividend per share is calculated as £1,098,342 divided by the number of ordinary shares in issue at the period end.
6. Dividend yield is dividend proposed/paid, divided by share price (bid) at the period end.
7. Net asset value per share is calculated as shareholders' funds divided by the number of ordinary shares in issue at the period end.
8. Calculated as the difference between net asset value per share and share price, divided by net asset value per share.
9. Net debt as a percentage of shareholders' funds. Net debt is equal to total loans less cash at bank.
10. Ongoing charges figure has been prepared in accordance with the Association of Investment Companies ("AIC") recommended methodology. Total administrative expenses, as stated on the income statement, is divided by average shareholders' funds during the year.

Portfolio Information

At 30 April 2020	Country Name	Valuation (£)	% of Portfolio	Implied % of Portfolio
Bonds & Treasury Bills				
BONCER ARS 05/08/2021*	Argentina	1,490,409	10.0	
Egypt Treasury Bill 29/09/2020	Egypt	1,198,980	8.1	
Genel Energy 10% 22/12/2022	United Kingdom	1,143,040	7.7	
Gulf Keystone 10% 25/07/2023	Bermuda	1,107,670	7.4	
Siccar Point Energy 9% 31/01/2023	Norway	952,835	6.4	
Borealis Finance 7.5% 16/11/2022	Norway	470,065	3.2	
Intergen 7.5% 30/06/2021	Netherlands	430,835	2.9	
Telford Offshore Holdings Ltd Perpetual*	Cayman Islands	388,242	2.6	
New Gold Inc 6.375% 15/05/25	Canada	382,293	2.6	
OKEA AS 8.75% 11/12/2024	Norway	372,400	2.5	
Tullow Oil plc 7% 01/03/2025	United Kingdom	349,293	2.3	
DNO ASA 8.75% 31/05/2023	Norway	338,256	2.3	
Republic of Argentina 18.2% 03/10/2021*	Argentina	261,784	1.8	
Norwegian Energy 9% 17/06/2026	Norway	190,567	1.3	
Republic of Argentina 15.5% 17/10/2026*	Argentina	123,729	0.8	
Floatel International 9% 11/04/2024	Bermuda	47,642	0.2	
Floatel International 12.75% 11/04/2024	Bermuda	25,409	0.2	
		9,273,449	62.3	
Long Equities				
Exxon Mobil Corporation	United States	640,411	4.3	
PIMCO Corp & Income Opportunity Fund	United States	475,598	3.2	
Chevron Corporation	United States	416,814	2.8	
The Trade Desk Inc	United States	377,463	2.5	
The Rubicon Project Inc	United States	339,274	2.3	
HUYA Inc - ADR	United States	334,858	2.2	
Greggs plc	United Kingdom	293,120	2.0	
AXA SA	France	271,144	1.8	
Xilinx Inc	United States	270,498	1.8	
Phoenix Group Holdings plc	United Kingdom	262,036	1.8	
Ageas SA/NV	Belgium	231,439	1.6	
Polar Capital Technology Trust plc	United Kingdom	137,662	0.9	
Amazon.com Inc.	United States	127,322	0.9	
Mastercard Inc	United States	123,600	0.8	
Telford Offshore Holdings Ltd (unlisted)*	Cayman Islands	–	–	
		4,301,239	28.9	
Short Equities				
L&G FTSE 100 Short 2xDaily ETF	United Kingdom	129,633	0.9	1.8
Lyxor ETF 2XBear FTSE MIB	Italy	128,751	0.9	1.6
Lyxor ETF 2XShort CAC 40	France	125,347	0.8	1.6
Lyxor ETF Daily Short DAX X2	Germany	106,690	0.7	1.4
ProShares 3XShort S&P500	United States	75,203	0.5	1.5
		565,624	3.8	14.2
Listed Investments		**14,140,312**	**95.0**	
Cash		**748,996**	**5.0**	
Total		**14,889,308**	**100.0**	

At 30th April 2020 the portfolio yield, as reported to the Association of Investment Companies, was 6.2% (30th April 2019 – 10.1%).

*See note 8 on page 47.

Classification of Investments by Sector

At 30 April 2020	Energy %	Government Debt %	Financials %	Information Technology %	Consumer Discretionary %	Materials %	Total 2020 %	Total 2019 %
United States	7.6	–	3.9	10.2	0.9	–	22.6	31.9
Norway	16.4	–	–	–	–	–	16.4	18.2
United Kingdom	10.5	–	2.8	1.0	2.1	–	16.4	5.0
Argentina*	–	13.3	–	–	–	–	13.3	6.0
Egypt	–	8.4	–	–	–	–	8.4	5.6
Bermuda	8.4	–	–	–	–	–	8.4	7.3
Netherlands	3.0	–	–	–	–	–	3.0	1.8
France	–	–	2.8	–	–	–	2.8	2.2
Canada	–	–	–	–	–	2.7	2.7	–
Cayman Islands*	2.7	–	–	–	–	–	2.7	2.7
Belgium	–	–	1.6	–	–	–	1.6	–
Italy	–	–	0.9	–	–	–	0.9	1.7
Germany	–	–	0.8	–	–	–	0.8	1.8
Brazil	–	–	–	–	–	–	–	13.1
Mexico	–	–	–	–	–	–	–	2.7
Totals 2020	48.6	21.7	12.8	11.2	3.0	2.7	100.0	–
Totals 2019	37.3	25.1	12.9	24.7	–	–	–	100.0

*See note 8 on page 47.

Russell Frith Chairman

Strategic Report

Investment Policy, Strategy, Objectives and Business Model

The Company's objective is to provide shareholders with a combination of capital growth and income. 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 will depend 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, bills and derivatives. However, the Company is not prohibited from investing in other types of securities including unlisted investments and property. No more than 15% 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, to mitigate investment risk in its investments, including protection against currency risks.

The company is a listed Investment Company within the meaning of sections 833 and 834 of the Companies Act 2006 and qualifies as an Investment Trust within the meaning of the Corporation Tax Act 2010. This legislation lays down a minimum distribution policy for dividends which permits the Company to retain a maximum amount of 15% of its income received in the year and exempts it from taxation on realised capital gains. The Company has directed its affairs so as to enable it to continue to satisfy the conditions required to qualify as an Investment Trust. The Company manages its assets with the objective of providing shareholders with a combination of capital growth and income. In order to achieve this objective, it invests in a broad range of assets spread across numerous countries and by gearing its portfolio with a view to enhancing returns. The Board considers that it takes a measured approach to evaluating the risks it accepts. It aims to outperform its benchmark, which comprises the top 100 listed companies in the UK on a total return basis, each year. The Company outsources its routine business administration and investment management functions (including custody of its assets) and has no employees. The key performance indicators against which we monitor our performance are shown on page 1.

Performance in the year and achievements

Strategy

We began the year by transitioning from a defensive, income focused strategy to a higher risk one focused on capital growth. This was necessitated by the Federal Reserve's decision to upend its policy in respect of interest rates. It went from raising them to cutting them. By the end of June 2019, our gearing had risen to 42.1% from 9.1% at 30th April 2019 and we had allocated a large portion of that capital to US Technology investments. This strategy worked well throughout most of the year and we outperformed our benchmark in nine out of the twelve months, reaching a cumulative peak outperformance in February 2020 of +17.1% versus +3.2% for our benchmark. Except for a period during September 2019, we outperformed the benchmark all the way through the year until two Black Swan events in February and March 2020. More detailed information on these events and our performance can be found in the Investment Manager's Report on page 10. With the second largest economy already in lockdown and Covid-19 spreading to other countries including Italy, the decision by politicians to shut down whole economies and the market sell-off that provoked, forced us to change strategy once again, this time back to a more defensive one aimed at preventing further losses. With hindsight, perhaps we should have

retained a larger exposure to equities as the sharp rebound that has occurred in equity markets since mid-March 2020 meant that we missed out on some of that recovery and underperformed significantly during March. Since then, we have selectively allocated modest amounts of capital to lower risk investments that we feel can restore value for the Company and booked profits on short-term trades along the way. However, we are not convinced that this rally is justified by what is happening in the real economy and remain very wary of it. While financial markets have soared, largely as a result of central banks printing and spending unprecedented and alarming amounts of new money, the real economy, corporate earnings, bond yields and dividends are headed in the other direction. This makes us very uneasy about joining in on the current feeding frenzy simply because this market is built on sand and may well collapse. Indeed, euphoria is always at its highest immediately before a collapse and it is certainly very high at present. We are, therefore, reluctant to commit large sums of money to this market and are sitting on the side-lines until we see more clearly what is happening. If it does collapse, we have identified multiple investments we would like to add to the portfolio and will do so once prices reset.

Capital Performance

We produced a negative capital return of 15.68p per share during the year which was due to the unprecedented market sell-off during February and March 2020. Our capital return per share leading up to the sell-off was a positive return of over 2.00p per share, which only goes to highlight the extreme volatility we experienced in those 4 weeks between February 21st, 2020 and March 23rd, 2020. More positively, we have managed to resume our outperformance of our benchmark in every month since the end of March 2020, with total returns of 8.7%, 5.9% and 3.8% during the months of April, May and June 2020 versus our benchmark's 3.9%, 3.3% and 1.7%. Whilst we have had a reasonably good start to the new financial year, there is still a long way to go to recover the value that was lost.

Income

Our revenue return per share for the year was 2.87p per share, which compares with 3.06p per share in the prior year. Whilst we managed to maintain our level of income when compared with the prior year, that is not going to be possible going forward as bond and dividend yields across the World have collapsed as a result of central bank policies. To illustrate this point, the yield on 10-year, UK Government bonds stood at 5.4% in July 2007. It is now just 0.17%, a fall of 97%. Expressed another way, an investor who wanted a pension of £50,000 per year would have had to invest £925,926 in 10-year UK gilts in 2007 to achieve that. To get that same pension today, they would have to invest £29,411,765. Central bankers have brutally punished savers to encourage excessive and reckless borrowing and bail out irresponsible borrowers. They have also made it all but impossible for people to afford even a meagre, let alone decent, pension. The problem of finding income has been further exacerbated by the fact that, following the pandemic, many companies are suspending or cancelling dividends so income lost from bonds cannot easily be replaced by income from equities.

Dividend

As shareholders will be aware your Board is committed to paying as high a dividend as we reasonably can and to having a dividend yield in excess of the FTSE 100 – an objective we have achieved in every year since our merger in 2012. In terms of the current year, we are proposing a dividend of 2.22p that equates to a dividend yield of 10.1% based on the closing bid price of the Company's shares on 30th April 2020. That is well ahead of the FTSE 100's yield of 5.2%. We are proud to have paid 21.39p in dividends since our merger on 13th June 2012. If we include the proposed dividend, that figure rises to 23.61p, the equivalent of 131% of our share price (18p offer price) at the time of our merger. Subject to approval by shareholders at the AGM, the dividend will be paid to shareholders who are on the register on 21st August 2020.

Portfolio Diversification

The Company's investments are spread across 13 countries. Our largest exposure at the year-end was to the U.S. where 22.6% of our investments were listed or traded, 16.4% were in Norway, 16.4% in the United Kingdom, 13.3% in Argentina, 8.4% in Egypt, 8.4% in Bermuda, 3.0% in Netherlands, 2.8% in France, 2.7% in Cayman Islands, 2.7% in Canada, 1.6% in Belgium, 0.9% in Italy and 0.8% Germany.

As regards to diversification across asset classes. At the year end, 62.3% of our investment portfolio was invested in bonds, 32.7% was in equities and 5.0% in cash.

In terms of diversification across sectors, our largest exposure was to the Energy sector where 48.6% of our investments were, followed by Government Debt which accounted for 21.7%, Financials for 12.8%, Information Technology for 11.2%, Consumer Discretionary for 3.0% and Materials for 2.7%.

The Fund's Discrete Annual Performance relative to its Benchmark Index since the Merger of Blue Planet investment trusts in 2012.

Year-to	Share Price Total Return	Fund's NAV Total Return	Benchmark Index's Total Return
30th April 2020	-38.2%	-30.6%	-17.1%
30th April 2019	-4.0%	-3.2%	3.2%
30th April 2018	3.3%	-4.4%	8.5%
30th April 2017	53.3%	31.2%	20.0%
30th April 2016	-8.0%	-13.6%	-6.9%
30th April 2015	8.1%	8.3%	6.4%
30th April 2014	50.1%	25.6%	9.3%
30th April 2013	22.7%	22.3%	16.4%

Principal risks, viability and going concern

The Company continues to face various risks which form an intrinsic part of international investment. These risks tend not to change from year to year. Market risk, including the risk of default by issuers of bond investments, arises mainly from the uncertainty regarding the future price performance of equities, bonds and other investments held by your Company which can be affected by any number of unforeseen external events including Brexit and this year, the global pandemic. This risk is magnified when gearing is used and will affect the NAV of the Company. Gearing the Fund by borrowing also means that interest-rate risks arise. These risk factors are beyond the control of the Company but the Board relies on the manager to monitor markets daily and react accordingly.

The Investment Manager has developed sophisticated, computerised financial models which allow it to monitor the value of the Trust's portfolio, its foreign exchange exposures, gearing, income, expenditure and other important financial information in real time. This information can be accessed remotely and is monitored daily. The Company's Board of Directors also has remote access to this financial information which allows it to monitor and assess performance and risks on a real-time basis.

The Board, which meets quarterly, imposes borrowing limits to ensure gearing levels are appropriate to market conditions and gearing can be reduced swiftly if market conditions deteriorate. When gearing is employed the potential impact of changes to interest rates is taken into consideration. The securities dealt in are predominantly liquid and readily realisable.

The Fund is exposed to foreign currency risk due to the range of currencies in which investments are held. This can affect the value of its portfolio, its income in sterling terms and its NAV. The largest risk was to the US Dollar at the period end. The Company also has a significant exposure to the Argentine Peso, see note 8 on page 47 for important

details on this risk. Currency risk is a risk that can be controlled partially by employing hedging strategies. Their use is considered on a case-by-case basis. To mitigate this risk, the Fund Manager monitors the economic data which affects the value of currencies in the portfolio, as well as the currency movements themselves, daily. As was mentioned earlier, the Board is also able to remotely monitor the Company's currency exposures and risks in real time. There were no foreign currency hedges in place at the year end.

The Company has no cyber systems of its own; instead it outsources the provision of services to third party providers who themselves, like any company, are exposed to cyber risk. This risk is monitored by a regular review of service providers by the Company Secretary who reports directly to the Board of Directors. A financial analysis of risks is provided in Note 16 to the Accounts.

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 those 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.

As with all small investment trusts, the discount to NAV can fluctuate significantly both in absolute terms and relative to other similar trusts and this is something that it is difficult for the Board to control on anything but a short-term basis. Whilst the Board proposes to renew its authority at the AGM to purchase shares in the market for treasury, the Board may not avail itself of this ability. Our current discount to NAV is approximately 28%.

The Company has been viable since its formation on 23rd December 1998 and the Directors do not see anything that would change that in the foreseeable future. The Directors consider viability as part of their continuing programme of monitoring risk. In preparing the Viability Statement, in accordance with the UK Corporate Governance Code provision C.2.2, the Directors have assessed the prospects of the Company over a longer period than the twelve months required by the 'Going Concern' provision. The Directors consider three years to be a reasonable time horizon to consider the continuing viability of the Company, although they do have due regard to viability over the longer term. The Company is an investment trust whose portfolio is principally invested in listed securities. The following support the Directors' view of the viability of the Company:

- The portfolio principally comprises investments traded on major international stock exchanges and there is a spread of investments by size of company and activity. In the opinion of the Manager, the portfolio is sufficiently liquid under current and potential stressed market conditions to meet all ongoing and future liabilities. There is no expectation that the liquidity profile of the investments held within the portfolio will be materially different in the future;
- The Company's long term viability depends on the global economy and markets continuing to function. The Directors do consider the possibility of a wide-ranging collapse in corporate earnings and/or the market value of listed securities and are alert to this risk. With regard to the latter point, it should be borne in mind that a significant proportion of the Company's expenses are in ad valorem investment management fees, which would naturally reduce if the market value of the Company's assets were to fall and;
- The Company has a robust risk control framework that, following guidelines from the Financial Reporting Council, aims to reduce the likelihood and impact of: poor judgement in decision-making; risk-taking that exceeds the levels agreed by the Board; human error, or control processes being deliberately circumvented. The Directors have conducted a robust assessment of each of the principal risks and uncertainties detailed on page 49.

Taking account of the anticipated investment holding periods, the liquidity and medium-term prospects of the Company's investment portfolio, the Directors have formed a reasonable expectation that the Company will be able to continue its operations and meet its liabilities as they fall due over the next three years.

Section 172 and Corporate and Social Responsibility

Under section 172 of the Companies Act 2006 the Directors have a duty to promote the success of the Company for the benefit of shareholders. In so doing the Directors have to report how they have given regard to the matters set out in section 172. The Directors policy is to maintain a high standard of business conduct when conducting the affairs of the Trust. Its investment policy and objectives are set out at the start of this report. The Corporate Governance report on page 27 gives details of how the Board operates and handles its relationships with its primary stakeholders who are its shareholders and its few advisors who are shown on page 59.

As the Company has no employees other than the Directors or independent business premises or location, no information is given on environmental matters, employees and diversity, social, human rights or community issues or anti bribery or anti-corruption.

Key Performance Indicators

The Board uses a number of financial KPIs to assess the performance of the Company in achieving its objectives. The principal KPIs are:

1. **Performance relative to benchmark**
   Performance in the financial year is measured against the Company's benchmark, which is an index of the 100 largest, listed companies in the UK. As shown in the Financial Record on page 1, the total return on a Share Price basis was -38.2% with the benchmark returning -17.1%, resulting in an underperformance of 21.1 percentage points. The total return, on a NAV basis, was -30.6% with the benchmark returning -17.1%, resulting in an underperformance of 13.5 percentage points. More information on performance relative to the benchmark can be found on page 4.

2. **Dividend yield relative to benchmark**
   Dividend yield for the financial year is also measured against the Company's benchmark. As shown in the Financial Record on page 1 the dividend yield for the financial year will, subject to shareholder approval, be 10.1%, against the benchmark's yield of 5.2%. Consequently, the Company's dividend yield was 1.9 times that of its benchmark index. More information relating to this can be found on page 5.

3. **Discount to net asset value**
   The Board monitors the discount and is responsible for share buybacks and the sale of Treasury shares. The Board has not actively sought to buy back the Company's own shares in the market as it sees this as an ineffective and short-lived means of lowering the discount.

Borrowings, Gearing and Liquidity

The Fund had no gearing at the year end. The Company finances its gearing by means of credit facilities with Caceis Investor Services and Interactive Brokers Group Incorporated, which will allow it to continue to gear its portfolio.

Under the Company's Articles of Association, the maximum gearing the Company may deploy is 75% of NAV although the Board has historically imposed a lower ceiling equal to 50% of NAV. 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.

Continuation Vote

Shareholders are required by the Company's Articles to be given an opportunity to vote on a Special Resolution for the winding up of the Company at the Annual General Meeting every five years with the next vote being in 2024.

Annual General Meeting

The Annual General Meeting of the Company will be held at 17 Grosvenor Crescent, Edinburgh, EH12 5EL on 22nd September 2020 at 11:00 am. **In accordance with UK Government public health guidelines relation to COVID-19, shareholders should not attend the AGM person this year**. This year's meeting will be functional and shareholders will not be permitted to attend. Attendance will be limited to Directors and a minimum quorum of two officers or employees of the Manager, who are also shareholders of the Company. Shareholders can direct any questions they may have with regards to the resolutions proposed at the Meeting to info@blueplanet.eu.

I would encourage all shareholders to vote their shares electronically using the registrar's website, www.signalshares.com and following the instructions or by returning a proxy form using the details given in the notice of AGM.

On behalf of the Board

Russell Frith
Chairman
10 August 2020

Performance of Trust

% change relative to its benchmarks over the year

30.6%

NAV Performance of Fund
1 May 2019 – 30 April 2020

17.1%

Benchmark Index
1 May 2019 – 30 April 2020

Investment Manager's Report

Performance in the Year

We began the financial year with 62.5% of our portfolio invested in fixed income, 31.2% in equities and 5.5% in short equity ETF's. At that stage we were running a defensive portfolio because of the Federal Reserve's publicly avowed policy of gradually increasing interest rates and tightening monetary policy. When it unexpectedly abandoned that policy and decided to lower them instead, we responded by increasing gearing, allocating more capital to equities and closing our shorts.

By mid-year, we had increased our gearing from 9.1% at the beginning of the financial year to 46% and 53.6% of the portfolio was invested in equities, mostly technology stocks, and 46.0% in fixed income.

This worked well and we outperformed our benchmark in five of the first six months of the year and nine out of the twelve months. With only two months to go before the year-end, we were up 17.1% against the FTSE 100's total return of 3.2%. Things then took a turn for the worse.

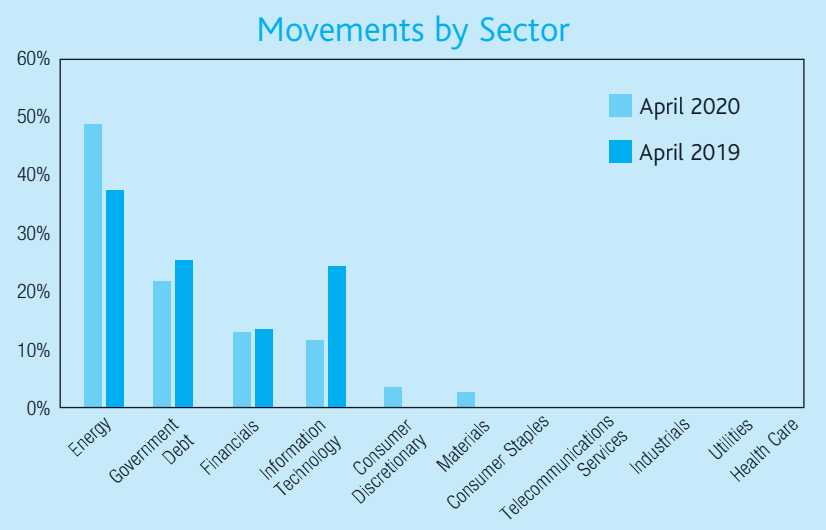
In the final week of February, increasing concern over the global spread of novel Coronavirus and its possible impact on economic activity caused stock markets across the world to suffer their worst one-week correction since the 2008 financial crisis, with the S&P 500 falling 11.5% and the Nasdaq 100, 10.4%.

This was followed on the 8th March when Saudi Arabia, without forewarning, announced that they would be slashing the price of oil and increasing production by 40%. The effect on the oil market and our holdings of oil company bonds and shares, which ironically had only recently been added to the portfolio because of their high dividend yields and low betas to reduce risk, was instantaneous and devastating. The price of oil plummeted 50%, from $50.05 a barrel to $24.95 as did our oil company bonds and shares. BP, Shell and Occidental fell 44%, 45% and 66% respectively and our bonds also suffered, falling between 30% and 60%. The oil sector, one of the largest and most important business sectors in the world, quite literally had its profits wiped out in an instant and dividends and bonds, which had previously been secure are now no longer so.

As if that was not enough, these shocks were followed by an even more damaging one when governments across the world started shutting down their economies to slow the spread of COVID-19. An act so damaging that we struggle to make sense of such a choice. This led to unprecedented falls in shares and bonds, wiping trillions of dollars off their value, as markets concluded it would lead to a global recession and possibly a depression.

Those falls were unrivalled both in terms of speed and severity with the S&P 500 dropping 35% in 23 days, its fastest drop in history. That triggered margin calls with our brokers automatically selling stocks that we would rather have retained. As a result, we suffered large losses. This was crushing for us as we had worked hard all year to deliver good returns to investors. Having been up 17.1% at the end of the third week of February, three weeks later, with no changes to the portfolio and after these two Black Swan events, we were down 33.7%. We managed to recover some of those losses in the final month of the year and made a total return of +8.7% against the FTSE100's +3.9% but that was not enough to stop us ending the year down 30.6% against -17.1% for our benchmark. Our recovery has continued in the current financial year and in May and June 2020, we generated total returns of +5.9% and +3.8% respectively versus the FTSE100's 3.3% and 1.7%, although there is a long way to go to make up lost ground.

In response to those skyrocketing risks and to protect our portfolio while we waited to see how events unfolded, we eliminated gearing, maintained our exposure to equities at low levels, put on equity hedges and set aside cash for investment at lower levels. At the year-end we had no gearing, 62.3% of the portfolio was invested in fixed income, 28.9% in equities and 3.8% in equity shorts, quite like how we began the year. With hindsight that was perhaps too cautious as stock markets have since rallied, although it is difficult to see why.



In terms of the drivers of our performance, our best contributor was our shareholding in Roku Inc which we sold at the end of October 2019, booking a total return for the year of 106.1%. Shopify Inc and Micron Technology Inc returned 15.1% and 10.2% respectively. Some investments we picked up late in the year and after the market had bottomed also produced good returns notably, Polar Capital Technology Trust plc, Amazon.com Inc and Mastercard Inc, which returned 37.0%, 28.9% and 24.9% respectively, however their impact on our performance was less significant due to lower weightings. We also had good returns from our Egyptian Treasury Bills, specifically, those that matured in December 2019 and March 2020, which returned 18.1% and 32.9% respectively. Our remaining bill, which matures in September 2020 and which we still hold, produced a total return of 12.6%.

The investments that had the most adverse impact on our performance were not bad companies but rather victims of the "sell everything" mentality that gripped markets in late February and March 2020. Our largest loss came from our largest income producer, ETRACS 2x Long WFC BDC ETN, a high yielding, diversified fund of business development companies managed by UBS. It was supposed to protect us from volatile movements, however, even with its 17%+ yield it failed to do so. It fell sharply producing a total return for the year of -67.0% and was subsequently wound up by its manager, crystallizing a loss for us. The forced crystallization of losses was the main reason for most of our losses during the sell-off. As our investments fell in value our brokers automatically liquidated them to satisfy margin calls, giving us little choice in the matter. Had this not been the case, we would have held onto all our equity investments as they were in very good companies. Other losses arising from forced sales were Arista Networks, -41.6%, Occidental Petroleum, -59.0%, Alerian MLP ETF, -52.6% and Global X Superdividend US ETF, -31.7%. We also suffered a decline in the value of

Top 10 Investments at a glance

at year end

Pos.	Company	% of net assets
1	Argentina BONCER 1% 05/08/2021	10.2
2	Egypt Treasury Bill 29/09/2020	8.2
3	Genel Energy 10% 22/12/2022	7.8
4	Gulf Keystone 10% 25/07/2023	7.5
5	Siccar Point Energy 9% 31/01/2023	6.5
6	Exxon Mobil Corp	4.4
7	PIMCO Corporate & Income Opportunity Fund	3.2
8	Borealis Finance LLC 7.5% 16/11/2022	3.2
9	Intergen N.V. 7.5% 30/06/2021	2.9
10	Chevron Corporation	2.8

Investment Manager's Report *(continued)*

our bonds, specifically our oil company bonds. However, as our bonds were not funded by borrowings, they were not subject to margin calls and we were able to hold onto them and have subsequently recovered most of our losses on them.

It was a bitterly disappointing end to the financial year given how far ahead of the benchmark we were with two months to go and how hard we had worked to achieve that. We are, however, determined to rebuild the value we have lost and are firmly focused on that. We have outperformed our benchmark index in eleven out of the last fourteen months and each of the last three months and have identified a portfolio of high-quality stocks that we wish to buy but not at current prices. We have placed orders in the market to buy them at levels roughly 35% to 50% below their highs and will have to be patient for them to reach those levels but we believe that there is a good chance that they will.

Outlook

The decision to shut down whole economies in response to a virus was unprecedented in history. The damage done by that policy is also likely to prove unprecedented. In those countries that chose to shut down their economies, large swathes of sectors, including airlines, airline manufacturing, hotels, travel, restaurants, oil, retail, car manufacturing and transport are now moribund and large numbers of companies in those sectors will not survive. It has also severely damaged government finances and cost tens of millions of people their jobs. To soften the economic and social impact of the policy on companies and individuals, governments have greatly increased their expenditure and introduced support packages; such as those whereby they paid 80% of the wages of furloughed workers. Whilst that largesse may have achieved its objective, its effect is likely to be short lived and it comes at a cost to future economic growth and prosperity. This is because that expenditure has been funded by unprecedented increases in government borrowing which will have to be paid for by higher taxes, cuts in future government expenditure or both and that will lessen the rate at which our economies would otherwise have grown.

While some expect a "V" shaped recovery, we see that as unlikely. A more likely outcome for many countries is a modest recovery followed by a deep and long-lasting recession. That is because of the exceptionally high tax and debt burdens and levels of unemployment we will be left with as a result of shutdowns. We do not expect the current stock market rally to last and foresee it being followed by a correction which may well see stock markets retest and fall below the lows they reached in March. In fact, the extent of the falls could be such as to present investors with a once in a lifetime opportunity to buy very cheap stocks and pick up assets on yields that are far higher than those currently available.

To illustrate how damaging the decision to shut down whole economies has been to government finances we need only look at the UK. UK public sector net debt was £1,950.1 billion as at the 30th May 2020 or 100.09% of GDP, the first time that debt as a percentage of GDP has exceeded 100% since 1963. That was an increase of £173.2 billion or 20.5% on the prior year, the largest year-on-year increase in debt as a percentage of GDP on record. That was as a direct result of the government's decision to shut down our economy and public sector debt will continue to rise in the coming months and years as tax receipts plummet and government expenditure remains at unaffordably high levels. The longer that situation goes on for, the more intractable the problem becomes.

Net borrowing by the UK government in 2018-19 was £24.7 billion. That is estimated to rise by 319% to £103.7 billion in the financial year that ended on the 30th May 2020, 3.2 times more than in the previous year and the highest borrowing in any April to May period on record. Even more alarming, it is forecast to rise to between £250 - £350 billion in the current financial year to 30th May 2021. Taking the midpoint of £300 billion, that is 12.1 times what it was in 2018-19. The upshot is that the government is not going to be able to fund that without very large tax rises and/or cuts in government expenditure and even then, it may not be able to do so. With the tax burden already at a 50 year high that is going to be very damaging to British businesses, productivity and future growth. In short, the financial position of UK plc is very serious and deteriorating rapidly and its wealth producing unit, the private sector, whose health is essential to resolving these problems and our prosperity, is being rendered uncompetitive and killed off by higher taxes. The UK is, in fact, uncomfortably close to being insolvent. As that becomes more widely known Sterling will weaken, perhaps materially so, and this is something we can use to our advantage. As a UK fund reporting in Sterling we can gain from that by investing in assets denominated in currencies that will appreciate relative to Sterling or in UK companies that derive most of their income in stronger foreign currencies and that is what we intend to do.

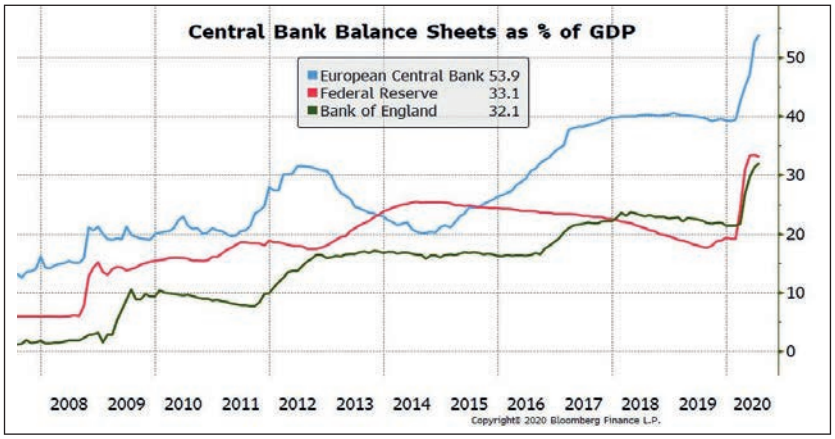
Another event that is going to impact markets and present opportunities is "quantitative easing" which is reaching its denouement. Quantitative easing is the printing of new money by central banks, to buy bonds, force down interest rates, flood financial markets with liquidity, discourage saving while forcing those who do to accept ever greater risks for ever diminishing returns but above all else, it is to encourage governments, companies and people to borrow and spend more. Expressed another way, it is to expand the supply of capital to such an extent that it drives down the cost of capital to a level where investors receive little or no return on their investments. It is highly inflationary although the assets it inflates are not included in any retail price index, they are bonds, shares and property. This allows them to claim that there is no inflation, but it is in fact rampant. It punishes good behaviour, saving, with lower interest rates and rewards bad behaviour, excessive borrowing and risk taking, with ever lower interest rates and an implicit "guarantee" from the Fed, ECB and other central banks, to bail them out when those risks come crashing down and markets collapse. It is the antithesis of what good central banking ought to be about. It promotes and rewards excessive risk-taking and punishes those who act responsibly and prudently. It is immensely destructive and destabilising. It destroys the ability of financial markets to function properly, price risk correctly and allocate capital efficiently. How destructive it is to the proper functioning of capital markets can be seen by the phenomenon of negative interest rates.

Negative interest rates would never exist in any properly functioning market and the term never appears in traditional economic textbooks because it is so irrational as to be inconceivable. Why should any rational investor lend someone money on terms whereby they take on the risk of default and risk losing everything only to receive back less than they lent. They would not. Faced with negative interest rates a rational investor should withdraw their money from the banking system and capital markets and store it in a safe or safety deposit box thereby avoiding entirely the risk of default and the guaranteed loss that is implicit in negative interest rates. Another way of viewing negative interest rates is a means by which the issuer gets the buyer of the bonds to pay off their debts. For example, if the issuer owes £100, which he funds by

Investment Manager's Report *(continued)*

issuing £100 worth of bonds with a negative interest rate of 2% then when those bonds mature their debt will have reduced to £98 and so on. This is one reason why governments and central banks are increasingly pushing them. Politicians will try and use negative interest rates to get investors to pay for their (politicians) mistakes and debts and if that does not work, they will do so by creating inflation to inflate away those debts.

Figure 1: Money printing on an unprecedented scale



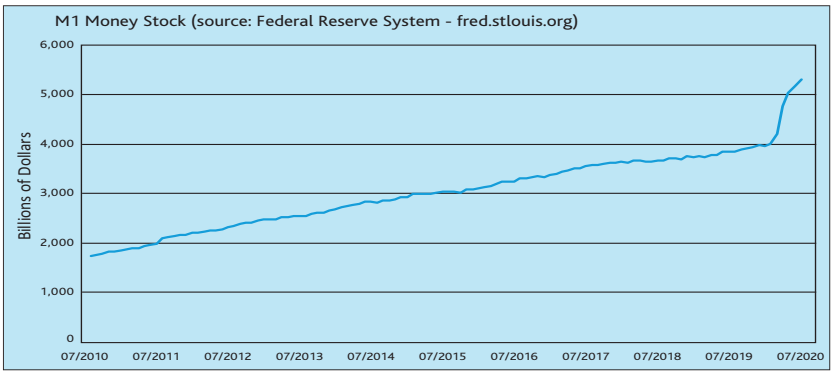
Quantitative easing, which is in truth just a scheme to encourage excessive borrowing paid for by the wilful and deliberate destruction of the real value of other people's savings, is a game of no return. Once the debt has reached a certain level it cannot be managed down and, like a Ponzi scheme, it requires ever more money to keep the scheme, in this case markets, from collapsing and you either end up with all assets yielding nothing or negative returns whereupon markets collapse, or they collapse before then when the amount of money central banks are required to print to keep it going is so large that they cannot tenably carry on doing so. As more and more individuals, companies and countries become more and more indebted and as it becomes increasingly obvious that an increasing number of them will be unable to repay their debts, the pressure on interest rates to rise to compensate investors for the rising risk of default will intensify, and the Fed and other central banks will have to print ever-larger sums of money and buy ever more bonds to stop that from happening. Eventually they will be overwhelmed as investors lose confidence, panic and sell assets on a scale that not even central banks can cope with. For those who believe that is not possible they need only remember George Soros. He proved that point when he bet that the Bank of England would be unable to defend Sterling against concerted selling by the market and keep it in the ERM and won. Rising default risk is what is going to trigger the next financial crisis which will present astute investors with the opportunity to pick up very cheap and high yielding assets in its aftermath.

The world is sinking in debt as a result of "quantitative easing" much of which is simply incapable of being repaid. At the time of the 2008 financial crisis, debt to the world's GDP stood at 230%. By the time COVID-19 came along that had risen to 323%. That already historic and dangerously high-level is now rising vertically as governments around the World rack up huge deficits as they try to sort out a problem of their own making and central banks wheel out their one-trick pony again and seek to deal with a problem that stems from us having too much debt by creating yet more debt. If that seems to defy common sense, it is because it does.

There is a positive linear correlation between the amount of debt a borrower has and their risk of default. Consequently, as a borrower becomes more indebted the interest rate at which they can borrow should also rise to compensate the lender for that increased risk of default. In addition, the more debt they carry the smaller the financial shock required to force them into insolvency. So, the aggregate amount of debt in the World is a proxy for the level of risk in the financial system and it is now off the scale and skyrocketing. Consequently, the risk of the world's financial systems collapsing are higher now than they have ever been and rising rapidly.

The Fed and other central banks have turned the World's financial markets into a giant Ponzi Scheme where, as the bubbles they have created grow ever larger, the amount of stimulus (money printing) required to stop them from bursting grows ever larger with them to the point where it now requires trillions of dollars to be printed to head off the financial catastrophe that their actions make inevitable. It was the same policies implemented by the same central banks that created the 2008 financial crisis, an event that we correctly forecast early in 2007, and they have learnt nothing from that. Instead of abandoning those destabilising and destructive policies they have doubled up on them as the graphs below show. Furthermore, just as in 2008 our politicians have so little grasp of economics that they are incapable of seeing the mortal danger that this poses to our economy and stand by idly watching as events unfold rather than intervening to stop them.

Figure 2: US M1 money supply rose by an annualised 104% between 24th February 2020 and 22nd June 2020. Source: Federal Reserve Bank



Summary

There are a great many reasons why investors should be apprehensive about what is happening. Sky-high and soaring levels of debt, rapidly rising risk of default by personal, corporate and country borrowers, the risk that those defaults pose to the solvency of the banking sector, falling earnings, high levels of unemployment, falling demand, plummeting tax receipts, skyrocketing government expenditure, huge and rising government deficits that will necessitate big future tax rises and cuts to government expenditure, the upcoming US Presidential elections, a possible resurgence of COVID-19 but most of all the threat posed by the bursting of the financial bubbles that central banks have created.

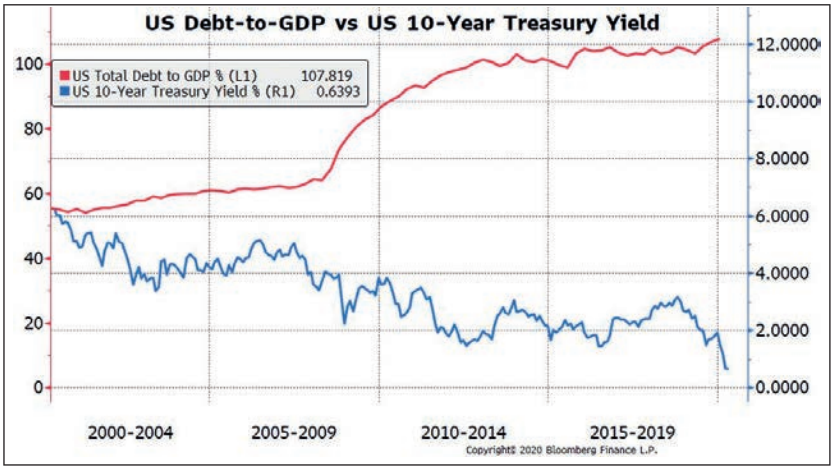
Yet, many investors appear unconcerned by those risks or are unaware of them. The S&P and Nasdaq have not only recovered from their falls, much to many people's surprise, including our own but have reached record highs. It is very difficult to see any justification for this other than irrational exuberance or a belief, perhaps correct, only

Investment Manager's Report *(continued)*

time will tell, that central banks will print and pump so much new money into the system, that even if earnings fall, the value of equities will still rise because of the amount of money in circulation. That money, they reason, will have to go somewhere and as bonds no longer offer any meaningful returns because of the past actions of central banks, the only place for it to go is equities. Investors will sell bonds to central banks and buy equities with the money they receive for them.

In other words, they believe that central banks will do to equity markets what they have already done to bond markets, albeit in a more circuitous way. They will use their ability to create endless amounts of new money to buy assets, flood markets with liquidity, overwhelm the market mechanism and make sure that stock markets do not fall, despite there being every reason for them to do so and that appears to be what is happening. We now have the prices of assets in two of the world largest financial markets, the bond and equity markets, that have been grotesquely distorted by central bank price manipulation and are nowhere near where they would be if markets were allowed to operate properly. Take, for example, the yield on 10-year Greek and Italian Government bonds. They presently stand at 1.21% and 1.28% respectively, yet both countries are on the verge of bankruptcy. Greece was bankrupt in 2010. Its government debt stood at 177% of GDP pre COVID-19 and it is rapidly heading back towards bankruptcy. Italy, one of the world's largest debtors, had a government debt to GDP ratio of 135% pre COVID-19 and it too is rapidly heading towards bankruptcy. No one can seriously suggest that those yields are a true and accurate reflection of the risk associated with those bonds and provide investors with a return that is commensurate with that risk. They don't and if yields were to be set by the market alone free from central bank interference then both bonds would yield somewhere in the region of 20%. That implies losses of 93.9% and 93.6% respectively for bondholders and illustrates how dangerously overvalued those bonds are. The current prices are entirely artificial and are a product of ECB price manipulation.

Figure 3: Risks are soaring while yields are plummeting - this should never happen. Risk and interest rates should always move in the same direction never in opposite directions.



Equity markets are the same and there are numerous examples of very overvalued "bubble" stocks. Take for example, Shopify Inc. It loses money and has never made a profit but has a market capitalisation of $106 billion. To justify that capitalisation, it would need to earn about $7 billion a year after tax and there is no realistic prospect that it will achieve that any time soon. In 2016 it lost $35m, the following year it lost $39m, in 2018 its losses rose 67% to $65m and last year they rose a further 92% to $125m. As its losses have got larger so too, paradoxically, has its valuation and much of the technology sector is the same. Soaring losses being greeted with soaring valuations. Tesla's market capitalisation ($275bn) now exceeds that of Exxon Mobil ($189bn) yet it lost $862m last year while Exxon made $14.3bn.

The prices of bonds and equities are now entirely artificial and grossly overvalued as a result of central bank policies. We also know that the further prices are pushed from their equilibrium the greater the devastation wreaked when market forces are restored, and they return to it. The countries of the former Soviet Union are testimony to that.

Prices always want to revert to their correct equilibrium and by destroying the proper functioning of markets and creating false prices for bonds and other assets, central banks are guaranteeing an adjustment shock when they do. When prices get this far removed from reality, that shock is going to be severe. Central bankers either do not fully appreciate that risk or believe that they are so powerful that they can endlessly distort markets and prevent the proper pricing of assets.

The Soviets used to think the same with their planned economies. They too set the price of things in their boardrooms and disabled the market mechanism so that prices no longer reflected what a willing buyer and a willing seller would agree to. When communism collapsed that system of price manipulation ensured that their economies collapsed with it.

Politicians and central bankers have mismanaged our economies and money supplies and as a result, we are now heading for an economic catastrophe of unprecedented magnitude and while that may at first glance be unsettling it will present a once in a lifetime opportunity for investors. Market crashes always do throw up the best opportunities for those investors who can position themselves correctly ahead of them and the greater the collapse the greater the opportunities, as Warren Buffet and others are testimony to. They relish market collapses because of the opportunities they present.

Central banks, who are supposed to guard against moral hazard, have in fact been championing it ever since Alan Greenspan took office. They have seen every economic slowdown as a mortal threat which must be stopped at all costs, when in fact they are essential and necessary parts of the economic cycle that act as circuit breakers by punishing excesses, reducing risk in the system and restoring order. By disabling those economic circuit breakers, they have allowed debt to rise to levels that properly functioning financial markets would never have permitted. With each month that goes by, the bubbles they have created get bigger and bigger as does the devastation that will result from their bursting and it is not a question of if those bubbles will burst but when. That could be weeks, months or years away, but it is inevitable. In the interim, markets will continue to rise because of the actions of central banks but eventually, they will fold. It is a typical boom and bust scenario, except this time it will be more extreme than anything we have seen before. We are going to manage our affairs so that we can profit from that when it happens.

Investment Manager's Report *(continued)*

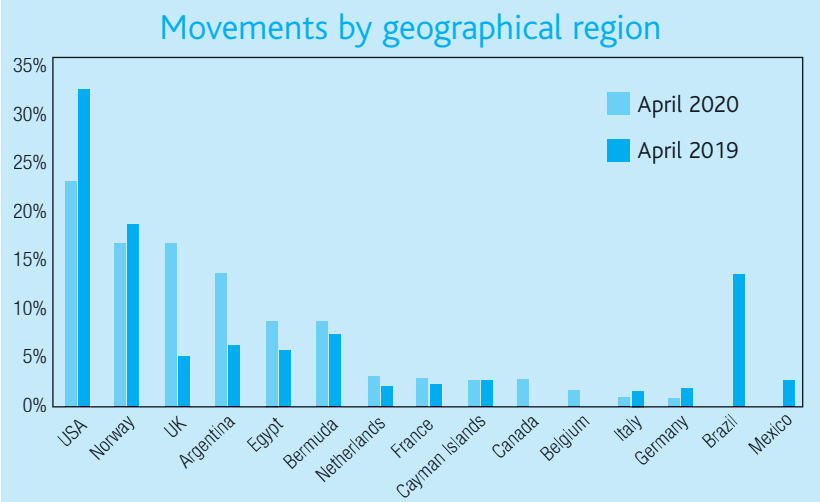
How are we going to do that?

Despite being acutely aware of those risks it is not easy to come up with a strategy for avoiding the consequences of those bubbles bursting, simply because they are so large, and the consequences will affect nearly all asset classes. Even holding cash can be risky if the bank it is in folds and many may do so. Looking at the stock market, some sectors, such as utilities, food, supermarkets, healthcare and staples, may fare better than others but even they are likely to suffer losses. As to bond markets, the situation is even more concerning as the magnitude of price distortion is even greater there. With over a quarter of all bonds in issue now having negative interest rates and a huge chunk of what is left yielding virtually nothing, losses in the bond market have the potential to be enormous. Property values will also suffer. The only assets where you will almost certainly make money are shorts, assuming the counterparty remains solvent. But they too are risky because it's all about timing and central banks will do everything within their power to put off the inevitable and it can take years for the inevitable to happen.

Early in 2007, when we foresaw that a financial meltdown was coming, our hedge fund went short of Bear Stearns, Northern Rock, Lehman Brothers, Alliance and Leicester, American bond insurers and other financial stocks that subsequently went bust but ended up losing money, not because our analysis was wrong but because we were forced out of our positions by central banks who spent, what was at the time, enormous sums of money driving markets ever higher, just as they are doing now, in an attempt to avert their collapse. Sums that now look like chicken feed by comparison to what they are currently spending to prevent their latest bubbles bursting. How many trillions of dollars will they spend this time and how long will they be able to keep the bubbles from bursting? It could be tens of trillions and take years. So even though it is obvious that a collapse is coming aggressively, shorting markets now is dangerous because they could be pushed a lot higher before they eventually implode.

In recognition of these risks, we intend to proceed very cautiously. We will maintain a relatively low exposure to equities in order to "ride the wave" in a small way while focusing on capital preservation and maturity management to ensure we have cash available in two to four years' time to invest when equities are cheaper, and yields higher. That means avoiding capital losses as best we can in the interim. In order to do that we have eliminated gearing, invested 19.7% of the portfolio in gold, and gold and precious metal miners, and switched our cash into hard currencies, predominately Swiss franc. Our exposure to equities is currently about 40% of NAV (20.3% net of gold stocks) and we have reduced risk by reducing the average size of each investment, so that each one now typically represents only about 2% of NAV. We are also concentrating our investments in very large companies that are profitable, resilient, reasonably valued, have strong balance sheets and whose earnings are inflation proofed and whose earnings are predominately in currencies that are likely to outperform Sterling. We have also invested in BioNTech SE, which is developing a Covid-19 vaccine with Pfizer Inc which is at an advanced stage of development and, all being well, should be one of the first, if not the first, to market. If that is the case, then the relatively small BioNTech should benefit greatly from this. We have also managed down the average maturity of our bond portfolio so that most mature in the next 2 to 4 years' time. This is to reduce risk and provide us with cash to reinvest at a time when equities will hopefully be cheaper and yields higher. Our corporate bond portfolio, however, remains more concentrated than we would like, and we have been trying to manage down the size of individual holdings by increasing the number of holdings, whilst maintaining

yields as best we can. That, however, is not easy because very few bonds now offer yields of any consequence without having very high risks attached. We also intend to reduce our exposure to emerging markets and, in particular, to Argentina once capital controls are removed. We have also added some geared equity shorts to the portfolio to profit from market weakness. These currently account for roughly 2.7% of net asset value but when their gearing is accounted for, they equate to about 5.7%.



Despite this increasingly defensive portfolio, we have been able to consistently outperform our benchmark index since March by good stock selection but it is not realistic to expect a portfolio of this nature, with only 20% to 40% equity exposure, to carry on doing so if equity markets continue to rise and, with central banks and governments printing and spending gigantic sums of money, that may continue for a while yet. Irrespective of that, we think the current situation is far too dangerous to ramp up our equity exposure and the purpose of our current portfolio is not to outperform rising markets but to outperform falling ones and preserve capital to reinvest when equities are cheaper and yields higher. Another unavoidable consequence of running a defensive, ungeared portfolio, particularly at a time when yields have all but vanished from many financial assets, is that it will significantly reduce our income in the current year and our dividend-paying capacity until such time as markets fall, yields rise and we re-enter the market and take on leverage.

As with all strategies, this may be subject to change if circumstances change.

Monthly Factsheets

Blue Planet Investment Management Ltd produces informative monthly factsheets on the investment trust. These contain detailed information on the portfolio, the Fund's performance, dividends, borrowings, geographic and sector allocations, amongst other things and help keep investors up to date with what is happening to the Fund. These can be viewed on or downloaded from Blue Planet's website www.blueplanet.eu. Shareholders and other interested parties can also subscribe to receive the monthly factsheet by email.

Investment Manager's Report *(continued)*

Asset Allocation

Blue Planet Investment Management Ltd applies a top down approach to its asset allocation and investment research decisions. This process seeks to assess the likely impact of economic and monetary policies on global capital and currency markets. We aim to identify how those policies will affect individual countries, sectors, companies and financial and other assets. Once we have identified those investments that stand to benefit most, we allocate capital to them.

Currency

The Fund is exposed to a range of currencies. The table below shows those exposures at the year end and how those currencies performed against Sterling over the year.

Currency	% of portfolio in currency at end of financial period	Appreciation/depreciation against £ in the financial year
US Dollar	63.3%	+3.5%
Argentine Peso*	13.3%	-31.3%
Egyptian Pound	8.5%	+12.8%
Euro	6.1%	+1.1%

*see note 8 on page 47.

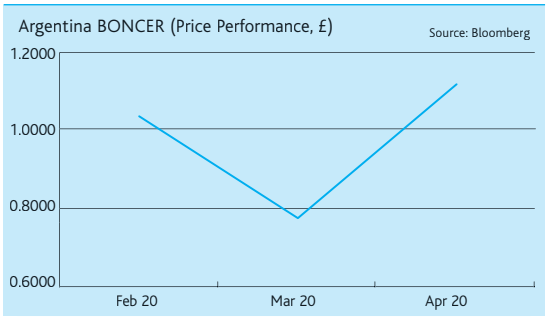
Positive currency movements have a beneficial impact on our performance but only to the extent that it affects the unhedged part, if any, of the portfolio. Negative currency movements reduce the performance of the shares denominated in that currency when translated into sterling but again only to the extent that it affects the unhedged part, if any, of the portfolio.

Review of the Top 10 Investments at year end

1. Argentina BONCER 1% 05/08/2021

We initially invested in Argentina after Mauricio Macri's government took office in December 2015, removed capital controls, allowed the currency to float and introduced pro-business policies aimed at rebuilding the country's economy. That regrettably did not work out and in October 2019 his government was replaced by one led by Alberto Fernandez. He has since moved to restructure the country's debts to make them affordable. As part of that restructuring, we agreed to swap our LEBAC treasury bill for the BONCER 2021 bond. This bond is an inflation linked bond and should protect us from a weakening currency. Argentina currently has capital controls in place and the Peso's exchange rate is set by the Central Bank of Argentina, not markets. This is referred to as the "Official Rate" and in accordance with UK accounting standards we use it to value our Argentinian assets. On 4th August 2020, Argentina reached agreement with its largest creditors to restructure $65 billion of debt. This is a welcome and positive development which should lead to the removal of capital controls in due course. Should this occur, it may result in a material change in the exchange rate and the value of our Argentinian assets, see note 8 on page 47 for further details.

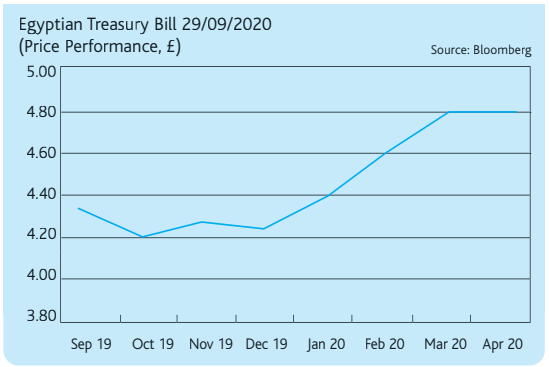
Argentina BONCER	
% of Net Assets	10.2%
Market Value	£1,490,408
Total Return for the year	-0.7%



2. Egypt Treasury Bill 29/09/2020

Egyptian Government debt denominated in Egyptian Pounds has been one of the top emerging market investments over the last few of years. The government led by President Abdel Fattah al-Sisi have implemented bold and politically sensitive reforms that previous administrations balked at. In November 2016, an agreement for a 3-year loan worth $12 billion was made with the IMF, which brought with it a steep currency devaluation, a value added tax and cuts to energy subsidies. Our fund began investing in Egyptian Treasury Bills in January 2017 when the yields on 1-year treasury bills were over 20% and the exchange rate was around 24 to 1 GBP. Today, yields have fallen to around 12.5% and the exchange rate is just over 20 to 1 GBP. Egypt is not without issues, such as a large budget deficit around 8% of GDP, however that's improved from 12.5% in 2016, GDP growth has also accelerated to 5.6%, Unemployment has fallen from 12.5% to 7.7% and inflation has come down to around 6% from a peak of over 30%.

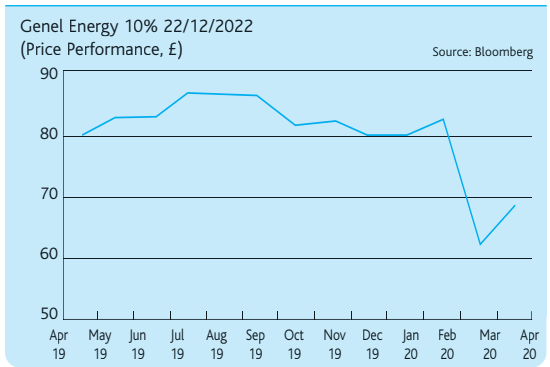
Egyptian Treasury Bill 29/09/2020	
% of Net Assets	8.2%
Market Value	£1,198,980
Total Return for the year	+12.6%



3. Genel Energy 10% 22/12/2022

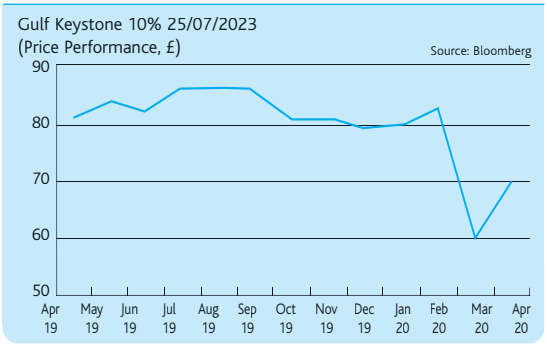
Genel Energy plc is an oil company with a registered office in Jersey and exploration and production operations in Iraqi Kurdistan. Genel Energy was created in 2011 as a result of the reverse takeover of Turkish Genel Enerji by Vallares plc, the oil and gas acquisition vehicle set up by Nat Rothschild and former BP Chief Executive, Tony Hayward. The company is listed on the London Stock Exchange and has only this one bond in issue. It is denominated in US dollars, has an annual coupon of 10% and matures in December 2022. Genel's core assets are the Taq and Tawke oil fields with estimated gross proven and probable (2P) reserves of 550 million barrels of oil. Net production in 2019 averaged 36,250 barrels of oil per day. Production from these assets is among the lowest cost in the industry and generates material free cash flow.

Genel Energy 10% 22/12/2022	
% of Net Assets	7.8%
Market Value	£1,143,040
Total Return for the year	+1.7%



Gulf Keystone 10% 25/07/2023

% of Net Assets	7.5%
Market Value	£1,107,670
Total Return for the year	-1.9%

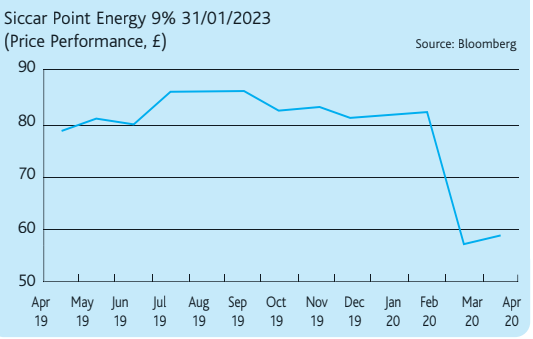


4. Gulf Keystone 10% 25/07/2023

Gulf Keystone Petroleum Limited ("GKP") is an oil and gas exploration and production company operating in the Kurdistan region of Iraq. It is listed on the London Stock Exchange. The company is registered in Bermuda with production sharing contracts for four oil fields in Iraqi Kurdistan. It is the operator of its main asset, the Shaikan oil field, which produces 40,000 barrels of oil per day and which may ultimately be capable of producing 55,000 barrels plus per day. GKP has only has this one bond in issue, denominated in US dollars and maturing in July 2023.

Siccar Point Energy 9% 31/01/2023

% of Net Assets	6.5%
Market Value	£952,835
Total Return for the year	-14.5%

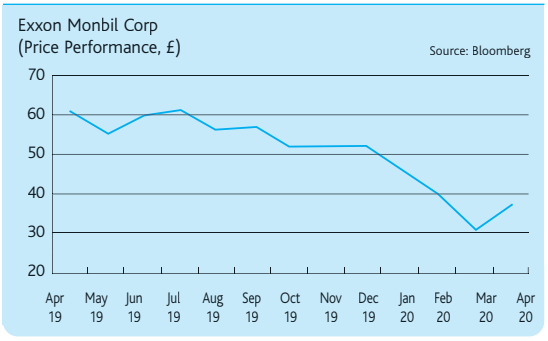


5. Siccar Point Energy 9% 31/01/2023

Siccar Point Energy Limited is a full cycle production, development and exploration company focussed on high quality, low cost, long life assets on the UK Continental Shelf. Its business includes interests in four of the largest UK oil fields by remaining reserves (Schiehallion, Mariner, Cambo and Rosebank) as well as an extensive portfolio of additional high-quality development and exploration opportunities.

Exxon Mobil Corp

% of Net Assets	4.4%
Market Value	£640,411
Total Return for the year	+12.2%



6. Exxon Mobil Corp

Exxon Mobil Corporation is a US multinational oil and gas corporation headquartered in Irving, Texas. It was formed by the merger of Exxon (formerly the Standard Oil Company of New Jersey) and Mobil (formerly the Standard Oil Company of New York) on November 30, 1999. It is one of the world's largest publicly traded energy providers and chemical manufacturers, ranking in the top 30 US companies by market capitalisation. ExxonMobil develops and applies next-generation technologies to help safely and responsibly meet the world's growing needs for energy and high-quality chemical products. ExxonMobil markets fuels and lubricants under four brands: Esso, Exxon, Mobil and ExxonMobil Chemical.

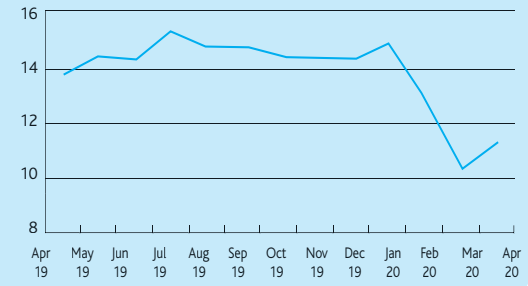
7. PIMCO Corporate & Income Opportunity Fund

PIMCO Corporate & Income Opportunity Fund is a diversified, closed-end management investment company. Using a dynamic asset allocation strategy that focuses on duration management, credit quality analysis, risk management techniques, and broad diversification among issuers, industries and sectors, the fund seeks maximum total return through a combination of current income and capital appreciation. Under normal market conditions, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets plus borrowings for investment purposes in a combination of corporate debt obligations of varying maturities, other corporate income-producing securities, and income-producing securities of non-corporate issuers, such as U.S. Government securities, municipal securities and mortgage-backed and other asset-backed securities issued on a public or private basis. The fund may invest a maximum of 25% of its total assets in non-U.S.-dollar-denominated securities and a maximum of 10% of its total assets in securities of issuers located in emerging market countries. The fund will normally maintain an average portfolio duration of between zero and eight years. Consideration of yield is only one component of the portfolio manager's approach. PIMCO also considers capital appreciation and principal preservation through intensive fundamental, macroeconomic, industry and company-specific research in making investments for the fund.

PIMCO Corp & Inc Opportunity Fund

% of Net Assets	3.2%
Market Value	£475,598
Total Return for the year	-20.5%

PIMCO Corporate & Income Opportunity Fund
(Price Performance, £)
Source: Bloomberg



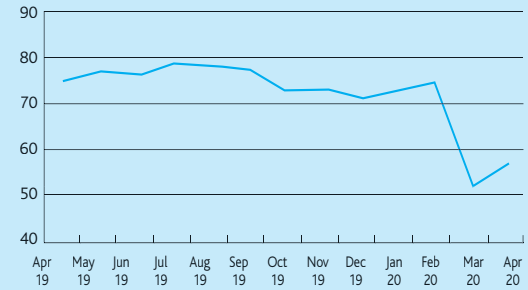
8. Borealis Finance LLC 7.5% 16/11/2022

Borealis Finance LLC indirectly owns a fleet of container and bulk vessels which are operating worldwide. Borealis Maritime Ltd., a privately owned and independent maritime shipping company founded in 2010, has been nominated by Borealis Finance LLC as manager to oversee the management of its fleet. Borealis Maritime employs highly qualified professionals whose experience is deeply anchored in the shipping industry. Its expertise draws from a proven track record in the management of maritime assets for financial investors, including commercial and technical ship management, ship finance, corporate and debt restructurings, capital markets, maritime private equity, investment management, and brokerage. Borealis Maritime is partnering with leading operators and technical managers in each segment of its shipping activities to assure best-in-class performance, secure deepest market access, and align with years of specialised experience. On a combined basis, the management team has experience in ship management of portfolios in excess of $10bn. The management team enjoys strong relationships with strategic partners across the entire shipping market, including owners, charterers, traders, operators, banks and brokers.

Borealis Finance LLC 7.5% 16/11/2022

% of Net Assets	3.2%
Market Value	£470,065
Total Return for the year	-13.2%

Borealis Finance LLC 7.5% 16/11/2022
(Price Performance, £)
Source: Bloomberg



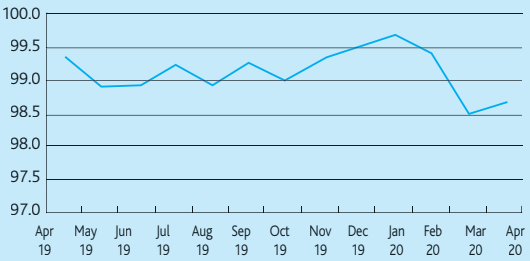
9. Intergen N.V. 7.5%

InterGen is a privately held global power generation and development company with a presence in the UK and Australia. InterGen owns more than 3,350 megawatts of electric generating capacity in six advanced technology projects. Their operating facilities generate enough electric power to run millions of homes and businesses. Most importantly, they generate this power for communities in ways that are environmentally and socially responsible. This is a mission they have met proudly, and successfully, since inception in 1995. With headquarters in Edinburgh, UK, InterGen partners with utilities, businesses, and governments to create secure, cost effective energy systems. InterGen is jointly owned by Ontario Teachers' Pension Plan and China Huaneng Group/Yudean Guandong Group.

Intergen N.V. 7.5%

% of Net Assets	2.9%
Market Value	£430,835
Total Return for the year	+6.7%

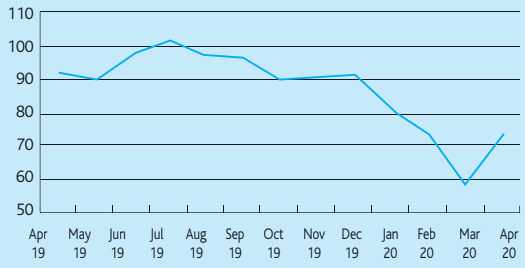
Intergen N.V. 7.5% 30/06/2021
(Price Performance, £)
Source: Bloomberg



Chevron Corporation	
% of Net Assets	2.8%
Market Value	£416,814
Total Return	+20.1%

Chevron Corporation
(Price Performance, £)

Source: Bloomberg



10. Chevron Corporation

Chevron Corporation is an American multinational energy corporation, it's history dates to 1879 and today it has activities in more than 180 countries. Chevron is engaged in every aspect of the Oil and Gas industry, including exploration and production, refining, marketing and transport, as well as chemicals manufacturing and power generation. Chevron is one of the world's largest oil companies, ranking 11th in the Fortune 500 list of the top US public corporations and among the top 40 US companies by market capitalization. Chevron's downstream operations manufacture and sell products such as fuels, lubricants, additives, and petrochemicals. The company's most significant areas of operations are the west coast of North America, the U.S. Gulf Coast, Southeast Asia, South Korea and Australia.

Transactions

Over the period, sales of investments realised £36.6m and purchases totalled £33.3m.

Blue Planet Investment Management Ltd
10 August 2020

From left to right
Russell Frith, Victoria Killay and Kenneth Murray

Board of Directors

Russell Anthony John Frith, aged 61, is a Chartered Accountant with over 35 years' experience of business, public sector auditing and supervision and in setting accounting and regulatory standards. He commenced his career with Peat Marwick Mitchell (now KPMG) where he audited major financial services companies and subsequently joined Coopers & Lybrand's (now PWC) corporate finance team, acting as reporting accountant on acquisitions, disposals and flotations. He was finance director of The Bank of Edinburgh plc from 1991 to 1994 before joining the National Audit Office as a director. He retired from Audit Scotland in 2017 as Assistant Auditor General, providing accounting, auditing, advice and decisions to both the Auditor General and the Accounts Commission. He was a member of the Financial Reporting Advisory Board to H.M. Treasury; CIPFA/LASAAC Joint Committee (the accounting standard setter for local authorities in the UK); the UK Financial Reporting Council's Audit and Assurance Council and Chairman of its Public Sector Advisory Group and has been actively involved in setting regulatory and professional standards in the UK and Ireland. He is Chairman of the Audit & Assurance Committee of Social Security Scotland and a Trustee of several charitable bodies. He was appointed a Director & Chairman of the Company on 12th March 2019.

Victoria Wendy Killay, aged 61, has over 40 years' experience in financial markets. Ms. Killay trained as a Financial Analyst with Merrill Lynch and Schroder Investment Management Ltd in London before joining IDS, a subsidiary of American Express, where she became a Fund Manager with special responsibility for Continental European stock markets and the United Kingdom. She was also Director of Marketing for CDC Investment Management Ltd, a UK based subsidiary of La Caisse des Depots et Consignations, one of France's largest and most respected financial institutions. She was appointed a Director of the Company in June 2012.

Kenneth Christopher Murray, aged 61, is Chairman and Chief Executive of Blue Planet Investment Management Ltd. He commenced his career in the City of London as an Investment Analyst and was Senior Merchant Banking and Financial Sector Analyst at Greenwell Montagu Securities Limited. He held similar posts at Sheppard's & Chase Stockbrokers Limited and Wood Mackenzie & Co Limited prior to that. In 1990, he founded The Bank of Edinburgh plc and was its Managing Director until its sale in 1994. Prior to that he was a Director of Fulton Prebon International Limited (one of the world's largest money brokers). He was appointed a Director of the Company in June 2012.

Russell Frith and Victoria Killay are members of the Audit and Management Engagement Committee which is chaired by Ms. Killay.

Blue Planet

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e-mail: info@blueplanet.eu

Website Information

Please take the time to visit our website:

www.blueplanet.eu

Subscribe to our monthly fact sheet service and view past monthly fact sheets:

https://www.blueplanet.eu/monthly-factsheet

To download historical Annual and Interim reports:

https://www.blueplanet.eu/report-accounts

To view stock market RNS announcements:

https://www.blueplanet.eu/regulatory-news

PRIIPS Key Information Documents

We are required by EU regulations, introduced at the beginning of 2018, to provide investors with a Key Information Document ("KID") which includes performance projections which are the product of prescribed calculations based on the Company's past performance. Whilst the content and format of the KID cannot be amended under the applicable EU regulations, the Board does not believe that these projections are an appropriate or helpful way to assess the Company's future prospects. Accordingly, the Board urges shareholders to also consider the more complete information set out in these annual report and accounts, together with the Company's interim report and accounts, monthly fact sheets and net asset value announcements, when considering an investment in the Company's shares. These documents are published on the investment manager's website at www.blueplanet.eu.

The Investment Manager

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

Details of the Blue Planet Investment Trust plc can be obtained from the Fund Administrators and Company Secretary, Blue Planet Investment Management Ltd, 17 Grosvenor Crescent Edinburgh EH12 5EL, +44 131 466 6666, email: info@blueplanet.eu, website: www.blueplanet.eu.

Corporate Governance & Audit Committee Report

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (AIC Code) which addresses all the principles set out in UK Corporate Governance Code as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The AIC Code may be viewed on the AIC website: www.theaic.co.uk/technical. It includes an explanation of how the AIC code adopts the principles and provisions set out in the UK Code to make them relevant for investment companies.

In February 2019, the AIC updated its code of Corporate Governance for Investment Companies which has been endorsed by the Financial Reporting Council and which the Board intends to follow as it considers that reporting against the principles and recommendations of the AIC Code will provide more relevant information to shareholders.

The UK Corporate Governance Code includes provisions relating to:

- The role of the chief executive;
- Executive Directors' remuneration;
- The need for an internal audit function.

The Board considers these provisions are not relevant to the position of the Company as, being an externally administered investment company, all the company's day to day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has not, therefore, reported further in respect of these provisions.

The Board believes in the importance of Corporate Governance and the principles contained in the UK Corporate Governance Code. The Company has put in place a framework which is relevant to a smaller investment trust to enable it to comply throughout the period with the main and supporting principles set out in the AIC Code.

The Board

The Board of the Company comprises three non-executive Directors. Biographical details of the current directors are shown on page 25. While the Board is responsible to shareholders for the overall success of the Company, day to day responsibility for administering the Company is delegated to the Investment Manager (Blue Planet Investment Management Ltd) and the Board's principal focus is on the performance of the Trust, the Manager and strategy. No senior independent Director has been appointed and the Chairman is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role. Two of the Company's Directors are wholly independent of the Investment Manager while the third is also Chairman and Chief Executive of the Investment Manager. The Board meets at least quarterly and the Investment Manager provides full agenda papers, including financial performance and share price and NAV performance for this purpose. The Board also has a number of matters reserved for its approval including investment policy and its implementation, performance objectives (including approval of the Company's benchmark), approval of dealing in stock of other investment trusts and funds, voting at shareholder meetings, borrowing strategy (gearing), dividend policy, share buybacks and the terms of appointment and evaluation of the Investment Manager and Company Secretary. In addition, representatives of the Investment Manager and Company Secretary attend Board meetings enabling the Directors to seek clarification on any matter and to enquire further on matters of concern. Detailed, real time information regarding the Company's performance and financial status, that can be accessed remotely, is made available to the Directors.

The Board issues a formal letter of appointment to Directors and would normally expect them to retire after ten years of service but considers that length of service does not necessarily compromise the independence or contribution of directors where experience and continuity can be an important strength. The Directors retire annually, and all are eligible for re-election. Details of remuneration paid to the Directors are set out in the Remuneration Report on page 34. The Directors have access to the Investment Manager at any time and to the services of the Company Secretary who is responsible to the Board for ensuring Board procedures are adhered to and that regulatory matters are complied with. The Directors can take independent advice at the expense of the Company if necessary, though no Director availed himself of this right during the period. New Directors are given an induction training tailored to their individual needs which includes a one to one briefing by the Manager on the background to the Company and the industry, including its regulatory background. The Chairman reviews and agrees with each Director any training and development needs.

For practical reasons given its size, the Board as a whole acts as a Nomination Committee and meets when necessary to evaluate and propose candidates for appointment to the Board. No meetings were held during the year. The Board has no specific policy on diversity as all appointments are made on the basis of merit and the Company has no employees. Two of its Directors are male and one is female.

The following table sets out the frequency of, and attendance at, Board and principal board committee meetings for the period 1st May 2019 to 30th April 2020:

Name	Main Board	Audit Committee
Number of meetings held	5	1
Russell Frith	5	1
Victoria Killay	5	1
Kenneth Murray	5	–

Corporate Governance & Audit Committee Report

Audit Committee Report

The Audit and Management Engagement Committee consists of the independent Directors, is Chaired by Victoria Killay and its terms of reference are available on the Blue Planet website. It tends to meet once a year. The Board has competence relevant to the investment sector and adequate financial experience to carry out their role. The committee examines the effectiveness of the Company's risk management and internal control systems and receives periodic reports from the Company Secretary on those systems. It also keeps under review the terms of the investment management agreement and the appropriateness of the Manager's continuing appointment based on the performance and level of service delivered. It also reviews the scope, cost, and effectiveness of the external audit and meets with the auditor at least once a year in order to monitor the integrity of the financial statements and their compliance with UK financial reporting requirements and the effectiveness of the Company's internal control systems. The most significant issues considered each year by the Committee and the auditors are:

- Valuation of the Company's investments – the audit committee ensures that all quoted investments are valued at bid prices verified from two different price information sources and translated at official exchange rates ruling at the year end. The valuation of the unquoted holdings in Telford Offshore Holdings Ltd were reviewed by the Board and discussed with the Auditors, resulting in valuing the bond at 70% of par value and writing the equity holding down to nil.
- Ownership of investments – the Investment Manager and company secretary perform daily, weekly and monthly verification with Custodians of the Company's portfolio. The audit committee reviews reports from its service providers on key controls over the assets of the Company.
- Income recognition – the audit committee ensures that the investment manager and company secretary obtain corporate action information from two different information sources. Income forecasts are prepared on a monthly basis and are reviewed by the Board. The audit committee reviewed the accounting policy for income, including the use of the Effective Interest Rate Method for non-equity investments.

With the exception of Telford Offshore Holdings Ltd and the valuation of the Argentinian Peso denominated bonds (see note 8 on page 47), none of these issues required the exercise of critical accounting judgements by the Board.

The Company rarely uses its auditor to supply non-audit services. As reported in the Half Yearly Report, Scott-Moncrieff resigned as the Company's auditor after merging with Cogital Group and advising the Board they were no longer willing to carry out the audit of listed companies. After carrying out a tender process the Directors appointed Johnston Carmichael to replace them and shareholders will be invited to vote on their reappointment at the 2020 AGM. So far as any Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 (2) of the Companies Act 2006.

Conclusions in respect of the Annual Report

The production and audit of the Company's annual report is a comprehensive process which requires input from a number of different contributors. One of the key governance requirements of the Company's annual report is that it is fair, balanced and understandable. The Board has requested that the audit committee confirm whether it considers that the annual report, when taken as a whole, fulfils this requirement. The Board is satisfied that the annual report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, business model and strategy after debating the following matters considered by the audit committee:

- The comprehensive reviews that are undertaken at different levels in the production process of the annual report by the investment manager, third party service providers and the audit committee that aim to ensure consistency and overall balance; and
- The controls that are in place at the investment manager and third-party service providers ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets.

Board Evaluation

During the period the Board carried out an internal evaluation of its performance using a questionnaire developed specifically for an investment trust and completed by the Directors. The results were coordinated by the Company Secretary and were discussed by the whole Board and did not result in any significant changes to the Board's operations.

Internal Control, Risk Management and Administration

The Board has delegated contractually the day to day routine management of the investment portfolio and administration to external third parties while retaining overall control of investment policy and strategy. The Company Secretary (Blue Planet Investment Management Ltd) handles the accounting, company secretarial and administration functions and its performance is constantly evaluated. The Board has delegated to the Investment Manager voting rights attaching to securities held in the portfolio. The Company's bankers, custodians and registrars are shown in the section entitled Officers and Advisors and their performance is evaluated annually.

Given the relatively straightforward nature of the Company's business typically managing a portfolio of some 37 stocks it only requires a simple system of internal control and risk management in relation to financial reporting. The Company's cash and stock positions are agreed with its

bankers and custodians every week and in addition it announces weekly and monthly net asset valuations. These reconciliations and valuations are internally reviewed. The Company has no internal audit service and does not propose to introduce one.

The Directors acknowledge that they have an important responsibility for ensuring that there is in place a sound system of risk management and internal control and for regularly reviewing the effectiveness of the system. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company which has been in place throughout the period and up to the date of this report. This process is subject to annual review by the Board. However, such a system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Directors will continue to monitor its system of internal control in order to provide assurance that it operates as intended and confirm that they have reviewed the effectiveness of the system during the year and have procedures in place to review its effectiveness on a regular basis. During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant.

The Board, assisted by the Company Secretary, undertakes a robust annual assessment of the principal risks facing the Company (both financial and non-financial) and these are analysed and recorded in a computer-based risk tracking matrix which is available to Directors on-line. The Board receives an annual report from the Company Secretary which details the steps taken to monitor these areas of risk, including those that are not directly their responsibility, and including details of any known internal control failures should they occur.

Engagement with Shareholders

At 30th April 2020, there were 3,002 (2019 – 3,100) ordinary shareholders. The Board meets with major shareholders on an ad hoc basis to make presentations on the Company's performance, governance and strategy and understand their views on significant issues and concerns affecting the Company. The Chairman ensures that all Directors are made aware of the issues and concerns raised by shareholders. The Company's Investment Manager is in regular contact with shareholders and their representatives by means of a monthly information sheet that is emailed to shareholders and other interested parties who requested it. Inclusion on this emailing list can be requested through the Investment Manager's website. The Company's Annual General Meeting provides a forum for communication with shareholders and the Board announces the level of proxies lodged, special arrangements are in place for this year's AGM. The notice period for the Annual General Meeting is at least 20 working days. Details are given in the notice convening the Annual General Meeting. Shareholders wishing to communicate directly with the Board should write to or email the Chairman via Blue Planet Investment Management Ltd whose details are given on page 59.

Compliance

The Directors consider that throughout the period the Company has complied with the main and supporting principles of the AIC Code and the relevant provisions of UK Corporate Governance Code.

On behalf of the Board

Russell Frith
Chairman
10 August 2020

Directors' Report

The Directors have pleasure in submitting to Shareholders the Report and Accounts of the Company for the year ended 30th April 2020. Shareholders will find certain important information disclosed in the Strategic Report, The Investment Manager's Report and the Corporate Governance Report which should be read in conjunction with this report.

Revenue and net return

Investment income in the year decreased by 4.0% to £2,312,997 (2019 – £2,409,765). The increase in average gearing during the year caused management fees to increase by 6% and interest payable to increase by 60%. Net return available for ordinary shareholders was £1,420,841 (2019 – £1,515,012) representing earnings per ordinary share of 2.87p (2019 – 3.06p).

Dividend

A final dividend of 2.22p (2019 – 2.40) has been proposed payable on 23rd September 2020 to shareholders on the register on 21st August 2020. The ex-dividend date is 20th August 2020. As no interim dividend was declared, the total cost of the dividend amounts to £1,098,342 (2019 – £1,187,397).

Balance Sheet and Net Asset Valuation

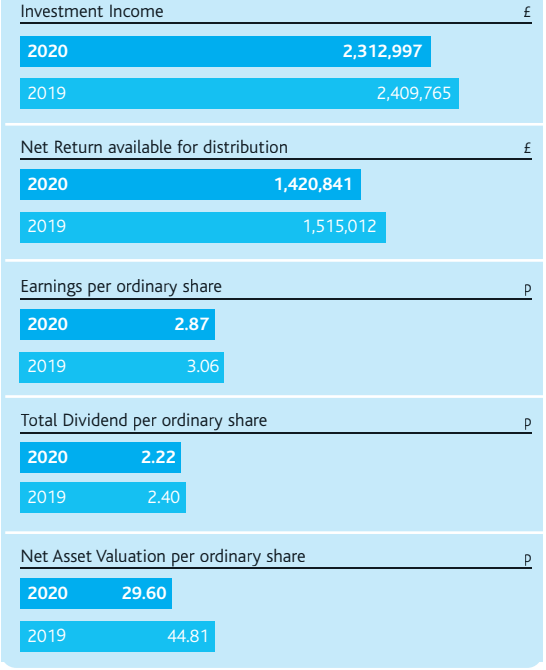
The valuation of investments at bid prices on 30th April 2020 was £14,140,312 (2019 – £24,570,508). Cash held was £748,996 (2019 – £187,640). Ordinary shareholders' funds amounted to £14,642,174 (2019 – £22,168,293) giving a net asset value of 29.60p (2019 – 44.81p) per share, a decrease of 34%. Attention is drawn to note 8 on page 47 which provides details on the valuation of Argentine Peso denominated holdings.

Manager's Continuing Appointment and Fees

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 which is a UK based investment management company regulated by the Financial Conduct Authority. This contract was transferred from Blue Planet Investment Management Ltd, Malta, in August 2019.

Blue Planet Investment Management Ltd (BPIM) receives an annual fee of 1.50% per annum of the total assets of the Company which is calculated and paid monthly. Mr. Murray is Chairman and Chief Executive of BPIM which is owned by his wife. BPIM also provides administration and secretarial services to the Company at a fee of £196,000 per annum. The investment management, administration and secretarial services agreements may only be terminated on receipt of two years' notice. The performance of the Company is covered in detail in the Strategic Report by the Chairman and the Investment Manager's report. Having carried out their annual evaluation, the Independent Directors believe that the managers track record over a number of years together with their specialist and expert knowledge of the financial sector and investment trusts, and the quality of their research, justify the continuing appointment of the Manager on the above terms and that this is in the best interest of shareholders.

Financial Record highlights



Management Fees and Interest Payable

The Directors have decided that for the current period, 70% of management fees and the interest costs of borrowings, including VAT where applicable, should be charged to revenue. This is unchanged from the prior year.

Directors

As at 30th April 2020, the Directors of the Company and their interests in the ordinary shares of the Company were as follows:

Ordinary Shares		Dividend Received during the year	30.4.20	30.4.19
Russell Frith	Beneficial	–	–	–
Victoria Killay	Beneficial	£206	8,601	8,601
Kenneth Murray	Beneficial	£335,739	13,989,137	13,989,137

Mr. Murray did not receive any dividends from the Company, however, Seabright Seattle Nominees Ltd, a company owned by his wife, received the dividend shown above. As Seabright Seattle Nominees Ltd. is a related party to the Company this dividend is required to be shown in this way, even though Mr. Murray did not actually receive any dividends from the Company.

There were no non-beneficial interests held by Directors and there have been no changes to these holdings up to the date of this report.

Kenneth Murray retires at the Annual General Meeting of the Company but is eligible for re-election and a resolution to this effect will be proposed at the Annual General Meeting. The Directors believe that it is important to have a representative of the Manager on the Board and therefore recommend Mr. Murray's reappointment to the Board.

Russell Frith was appointed a Director and Chairman on 12th March 2019, having previously served as Assistant Auditor General of Audit Scotland, a post he retired from in December 2017. Audit Scotland is responsible for the audit of Public Sector accounts in Scotland. He is a Chartered Accountant and the Board believes his wide financial experience will broaden the Boards skill set and therefore recommend his reappointment at the Annual General Meeting.

Victoria Killay retires at the Annual General Meeting of the Company but is eligible for re-election and a resolution to this effect will be proposed at the Annual General Meeting. Ms Killay has over 30 years' experience in financial markets, she has been a director of the Company since 2012 and the Directors believe she has made a valuable contribution to the Board and will provide continuity of experience to the Board's deliberations and therefore recommend her reappointment to the Board.

Contracts of Service

Terms of the Directors contracts are available on the Blue Planet website. Mr. Murray is a Director of Blue Planet Investment Management Ltd, a company owned by his wife which receives fees under the management, administration and secretarial agreements referred to above. The Company has no employees other than the Directors.

Notifiable Interest

As at 4th August 2020, the following information had been intimated to the Company in accordance with Rule 5 of the Disclosure and Transparency Rules:

Name of Shareholder	Class of shares	No. of voting rights in class	% of voting rights in class
Seabright Seattle Nominees Ltd	Ordinary	13,989,137	28.28
Philip J Milton & Company plc	Ordinary	8,489,587	17.16

There have been no changes to these holdings up to the date of this report.

Share Capital

The structure of the Company's share capital is shown in note 12 on page 48. It consists solely of ordinary shares each carrying one vote. 307,125 shares are held in treasury by the Company.

Directors' Report *(continued)*

Directors Indemnity

In terms of Section 236 of the Companies Act 2006 all the directors have been granted Qualifying Third-Party Indemnity Provisions by the Company.

Custody Arrangements

The Company's custodian is Caceis Investor Services, previously known as KAS Bank NV. KAS Bank was acquired by CACEIS on 27th September 2019, with the legal acquisition due to complete in Q4 of 2020. Furthermore, CACEIS ownership structure has changed since the acquisition of KAS Bank. Credit Agricole (who previously wholly owned CACEIS) and Santander entered a joint venture whereby CACEIS and Santander Securities Service (S3) combined, with CACEIS receiving 100% of S3 Spain and 49.99% in S3 Latin America. This has resulted in Crédit Agricole S.A. and Santander holding 69.5% and 30.5% of CACEIS, respectively. CACEIS has €3.9 trillion AUC and €2.1 trillion AUA, with A+ credit ratings from S&P and Fitch. The Company Secretary usually meets the custodian once a year to discuss the level of service received and reviews reports on Caceis Investor Services by the custodian's independent auditors KPMG.

The Company also has a margin lending facility with Interactive Brokers Group Incorporated. Interactive Brokers Group Incorporated is responsible for the safe custody of a portion of the Company's investments in order to utilise borrowing facilities. Interactive Brokers Group Incorporated is rated BBB+ by Standard & Poor's and the Company Secretary reviews this facility periodically. Loans are secured against the investments held with the custodian.

The Company owns Government Bond and Treasury Bills in Argentina. These were bought through Cohen SA, a local broker in Argentina, who manage the Company's custody accounts in Argentina. These assets are held with the central depository, Caja Da Valores SA, who act as custodian for the Company in Argentina. Caja de Valores SA was established in 1974 and is jointly owned by the Buenos Aires Stock Exchange and the Buenos Aires Securities Market.

Financial instruments and the management of risk

By its nature, as an investment trust, the Company is exposed to market risk, interest and foreign currency rate risk, liquidity risk and credit risk. The Company's policies for managing these risks are outlined in note 16 to the financial statements and in the Strategic Report by the Chairman on page 6.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from its operations nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013.

Continuation Vote

Shareholders are required by the Company's Articles to be given an opportunity to vote on a Special Resolution for the winding up of the Company at the Annual General Meeting every five years with the next vote being at the AGM in 2024.

Annual General Meeting Business

1. Authority to allot securities

The Directors may only allot shares or grant rights over shares if authorised to do so by shareholders. The authority granted at the last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution No. 9 will be proposed as an ordinary resolution to grant a new authority to allot unissued share capital up to an aggregate nominal value of £164,000, representing 33% per cent of the total issued ordinary share capital as at 30 April 2020. If given, this authority will expire 15 months after the date of passing of this resolution or at the conclusion of next Annual General Meeting, whichever is the earlier. The Directors have no present intention of issuing any of the authorised but unissued share capital of the Company.

2. Power to disapply statutory pre-emption rights and sell treasury shares

The Directors also require additional authority from shareholders to allot shares or grant rights over shares or sell treasury shares where they propose to do so for cash and otherwise than to existing shareholders pro rata to their holdings. The authority granted at the last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution No. 10 will be proposed as a special resolution to grant such authority. Apart from rights issues, open offers or other pro rata issues or offers to shareholders where the equity securities respectively attributable to the interests of all shareholders are proportionate (or as near as may be) to the respective number of shares held by them, the authority will be limited to the issue of shares and sales of treasury shares for cash up to an aggregate nominal value of £24,891 (being five per cent of the issued ordinary share capital as at 30 April 2020). If given, this authority will expire 15 months after the date of the passing of this resolution or at the conclusion of the next Annual General Meeting of the Company, whichever is the earlier.

3. Proposal to authorise the Company to purchase its own shares

The Directors believe that the Company should have the ability to purchase its own Ordinary Shares in the market with the aim of reducing any discount at which those shares may trade to net asset value. Purchases by the Company of its own ordinary shares would be expected to increase the net asset value per Ordinary Share of the remaining Ordinary Shares. Resolution No. 11 gives the Company the authority for it to purchase its own shares until 15 months from the date of the Annual General Meeting or, if earlier, the conclusion of the next Annual General Meeting on the terms set out in the resolution. Accordingly, the Board is proposing that shareholders authorise the Company to purchase in the market up to 7,467,000 of its ordinary shares, representing approximately 15 per cent of the issued ordinary share capital as at 30 April 2020.

The maximum price to be paid on any purchase of an ordinary share will not be greater than 5 per cent above the average of the middle market quotation of an ordinary share at the close of business on the five business days immediately preceding the date of purchase. The minimum price to be paid on any purchase of an Ordinary Share will be 1 pence.

The Company may hold shares repurchased as treasury shares with a view to possible re-sale at a future date rather than having to cancel them. The Company will consider holding repurchased shares pursuant to the authority conferred by this resolution as treasury shares. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base.

The Directors intend only to use such authority in circumstances where they believe it would result in an increase in the net asset value per ordinary share of the remaining shareholders and otherwise would be in the interests of shareholders generally.

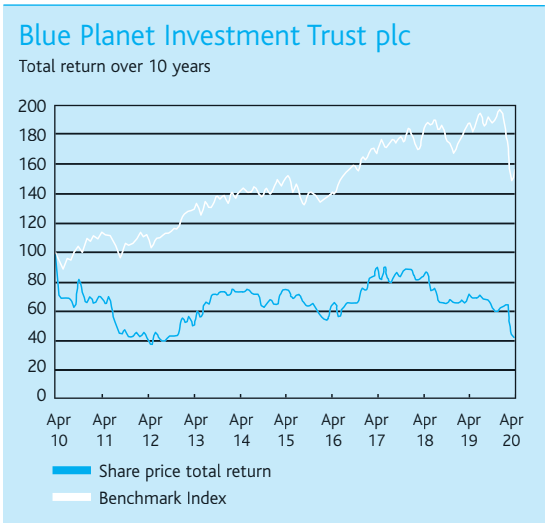
Purchase of its own ordinary shares by the Company can only be funded from either its distributable reserves or from a fresh issue of shares made for that purpose.

By order of the Board

Blue Planet Investment Management Ltd
Company Secretary
10 August 2020

Directors' Remuneration Report

The Company is required to submit a Directors' Remuneration Report to shareholders for consideration at each Annual General Meeting as an ordinary resolution and to seek shareholder approval of its remuneration policy every third year. The vote on the Report is advisory in nature and the next vote on policy is at this year's AGM. Shareholders approved the Company's policy at the AGM in August 2017 and a new vote will be held on it at this year's AGM.



Policy Report

The total annual fees paid to Directors must not exceed the maximum amount approved by shareholders in accordance with the provisions of the Company's Articles of Association. This limit remains £150,000. Directors are expected to serve for a maximum of 10 years.

As all Directors are non-executive there is no separate remuneration committee and the Board as a whole considers recommendations put forward by the Investment Manager and Company Secretary, from time to time, for changes in Directors fees. Directors are only paid a basic fee with no variable components and are not entitled to compensation for loss of office.

In setting Directors' fee levels, it is the Company's policy to take account of fees paid by comparable investment trusts to ensure that remuneration is sufficient to attract Directors of the highest quality, experience and integrity who are able to promote the long-term success of the Company. The remuneration offered, therefore, recognises the importance of the job to the Company and the individual's potential to add value. No payment can be made to Directors that is not in accordance with this policy which is unchanged from prior years and no shareholder has expressed any views on it. Terms of the Directors' contracts are available on the Blue Planet website and are terminable without notice.

Annual Statement

Currently the fees approved by the Board are £16,500 per annum for the Chairman and £15,400 per annum for other Directors, these have not been increased for 5 years (0% annual rise for each director over the 5 years). In addition, the Directors were reimbursed out of pocket travelling and subsistence expenses of £724 (2019 – £2,395). There are no long-term incentives, share option or pension schemes in operation and the Directors do not receive any taxable benefits. See note 3 on page 45 for details of Directors' fees. Information in this paragraph and note 3 has been audited. No shareholder expressed any views on these matters.

Directors' fixed fees and expenses						
	2020			2019		
	Directors' Fees	Expenses	Total	Directors' Fees	Expenses	Total
Russell Frith	£16,500	–	£16,500	£2,254	–	£2,254
Victoria Killay	£15,400	£724	£16,124	£15,400	£1,207	£16,607
Kenneth Murray	£15,400	–	£15,400	£15,400	–	£15,400
John Tyce	–	–	–	£14,078	£1,188	£15,266
Total	£47,300	£724	£48,024	£47,132	£2,395	£49,527

The Directors' Remuneration Report legislation requires each company to compare its performance with a "broad equity market index" in the form of a graph. The graph above compares the total return on the Company's ordinary shares over a 10-year period to the performance of an index comprising the top 100 UK companies on a total return basis. This index is deemed by the Directors to be the most appropriate indicator of performance in light of the Company's investment policy.

Details at 30th April 2020 of the Directors of the Company and their interests in the ordinary shares of the Company are given in the Directors' Report on page 31.

In 2020 Directors' remuneration totalled £48,024 (2019 – £49,527) and distributions to shareholders approved by the Board were £1,098,342 (2019 – £1,187,397) representing a dividend decrease of 7.5%. In 2019 shareholders approved the Remuneration report by 21,262,360 votes to 101,123 with 46,158 votes withheld.

Russell Frith
Chairman
10 August 2020

Statement of Directors' Responsibilities

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable 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 financial statements 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 Strategic, Directors' and Investment Manager's 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.
- They consider the Annual Report and Accounts, taken as a whole provide the information necessary to assess the company's position, performance, business model and strategy and is fair balanced and understandable.

The financial statements are published on a website, www.blueplanet.eu, maintained by Blue Planet Investment Management Ltd ("BPIM"). Responsibility for the maintenance and integrity of the corporate and financial information relating to the Company on this website has been delegated to BPIM by the Directors. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Russell Frith
Chairman
10 August 2020

Independent Auditor's Report

to the members of Blue Planet Investment Trust plc

Opinion

We have audited the financial statements of Blue Planet Investment Trust plc ("the Company"), for the year ended 30 April 2020, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 30 April 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to principal risks, going concern and viability statement

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

- the disclosures in the Annual Report set out on page 6 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 7 in the annual report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 8 in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on pages 7 and 8 in the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We summarise below the key audit matters in arriving at our audit opinion above, together with how our audit addressed these matters and the results of our audit work in relation to these matters.

Key audit matter	
Risk	**How our audit addressed the key audit matter**
Translation of Argentine Peso denominated investments (as per the accounting policy on page 45 and the fixed assets investments note to the financial statements on page 47). The Company's functional currency is Sterling. At the year-end date, the Company's investment portfolio had a fair value of £14.1m, of which, £1.9m related to Argentine Peso denominated investments. The Company's accounting policy is to translate foreign currency denominated assets and liabilities at the official exchange rates ruling at the year-end date.	We obtained an understanding of the issue via discussions with the Board and our own research. We satisfied ourselves that under FRS 102 an exchange rate equates to a spot exchange rate, i.e. a rate of exchange between currencies at a point in time and therefore that the Company's accounting policy in this regard was appropriate. We determined that the Blue Chip Swap Rate does not meet the definition of an exchange rate, as the underlying transactions from which this rate is derived expose the counterparties to substantive market risk. Therefore, we are satisfied that the official exchange rate was an appropriate rate to use.

Key audit matter	
Risk	**How our audit addressed the key audit matter**
Argentina currently has capital controls in place and the Peso exchange rate is set by the Central Bank of Argentina, not markets. As a result of the capital controls, the only way to realise the proceeds of sale of Argentine Peso denominated investments into Sterling at the year-end would have been via a series of transactions, known as the Blue Chip Swap mechanism, which in turn gives rise to an implied rate (the Blue Chip Swap Rate) at which Pesos could be realised into US Dollars. The Company has determined that the Blue Chip Swap Rate does not meet the definition of an exchange rate and therefore the official rate was used for the year-end translation. There is a risk that the financial statements do not adequately explain this issue and the potential impact, had the Argentine Peso denominated investments been required to be realised at the year-end date.	We reviewed the proposed disclosures in the financial statements, to ensure they made it clear that had Argentine Peso denominated investments been required to be realised at the year end, the Sterling proceeds would have been materially less than the recorded Sterling fair value of the assets. An appropriate explanation and the potential impact (a reduction in value of up to £780,000) is set out in note 8 of the financial statements and cross referenced throughout the Annual Report & Accounts. Overall, we are satisfied that the combination of the approach taken coupled with the associated disclosures is appropriate in the circumstances.
Valuation of unlisted investments (as per the accounting policy on page 45 and the fixed assets investments note to the financial statements on page 47). The Company's portfolio included unlisted investments, namely equity and bond investments in Telford Offshore Holdings Limited. The fair values attributed to these investments at 30 April 2020 were £nil and £388,242 respectively. Significant judgement is required to determine and apply appropriate valuation methodologies for unlisted investments, therefore there is a risk of a material error in the valuation of the investment portfolio.	We reviewed the most recent audited group accounts for Telford Offshore Holdings Limited and other publicly available information. We discussed the background to these investments with the Board and challenged the rationale for the valuation methodology applied and the judgements exercised in the application of that methodology. We consulted with our Corporate Finance specialist team for their assessment as to whether the valuation methodology applied and the judgements exercised were appropriate in the circumstances. We checked two pricing providers for evidence of transactions in the bonds. Only one of the two had any evidence of transactions in the bond, however, on further investigation, we were able to determine that this related to only one historic transaction, the circumstances of which are unknown and this was therefore not considered to be a reliable input to the year-end fair value assessment. We found the Company's valuation of unquoted investments to be acceptable.
Valuation and existence of investments (as per the accounting policy on page 45 and the fixed assets investments note to the financial statements on page 47). The valuation of the portfolio at 30 April 2020 was £14.1m (2019: £24.6m) consisting of listed equity investments, bonds and treasury bills and the unlisted investments noted above. The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value. Incorrect investment pricing, translation of foreign currency denominated investments at incorrect exchange rates or a failure to maintain proper legal title of the investments held by the Company, could materially impact the portfolio valuation and subsequently the return generated for shareholders. There is also a risk that investments may not be actively traded and the quoted prices used may not be reflective of fair value. Additionally, there is a risk that the investments recorded as held by the Company may not represent property of the Company.	We obtained an understanding of the Administrator's processes and controls surrounding investment pricing and trade processing, through the undertaking of system and control walkthroughs. For the Company's principal Custodians, we obtained an understanding of the Custodian's processes and controls through reviewing the audited System and Organisation Controls reports for Service Organisations. We agreed bid prices for all quoted investments to third party sources and ensured the investments were actively traded. As part of its pricing process, the Company obtains prices from a number of sources, including a pricing platform and individual brokers. Due to market volatility at around the year end, as a result of Covid-19 and oil price movements, there were, for certain bonds, significant differences between the pricing platform price and broker prices. In these instances, the prices provided by brokers were assessed by the Company to be more accurate reflections of the prices that could have been achieved, because brokers are closer to the market than the pricing platform. Where this was the case, we sought and obtained independent confirmation from the broker that they could have sold the Company's holdings, at the price stated, at the year-end date. We agreed the year-end exchange rates used to translate foreign currency denominated investments to third party sources. Also see the key audit matter re translation of Argentine Peso denominated investments detailed above. We confirmed the existence of investments through agreeing 100% of investments held to Custodian reports independently obtained from the Custodians. We are satisfied that the valuations attributed to the Company's investments were appropriate and that the Company had title to the investments reported in the financial statements.

Independent Auditor's Report *(continued)*

to the members of Blue Planet Investment Trust plc

Key audit matter	
Risk	**How our audit addressed the key audit matter**
Accuracy, occurrence and completeness of income (as per the accounting policy on page 45 and the income from investments note to the financial statements, also on page 45). The total income for the year to 30 April 2020 was £2.31m (2019: £2.41m), consisting of dividends received from listed equity investments of £362,064 and interest from listed bonds and treasury bills of £1,950,933. The Company's accounting policy is to recognise bond and treasury bill interest income based on the coupon payable by the instrument adjusted to spread any premium or discount on purchase over the instrument's remaining life. Dividend income is recognised on an ex-dividend basis. There is a risk that income recognised may not be complete and that accrued income may not be recoverable. The bond and treasury bill interest is adjusted for amortisation via effective interest rate calculations. This resulted in the recognition of £650,089 of additional income (2019: £461,000). There is a risk that amortisation calculations may not be accurate, or that the overarching requirement of the SORP to ensure that amounts so recognised are in line with reasonable commercial expectations is not appropriately considered.	We obtained an understanding of the Administrator's processes and controls surrounding revenue recognition, through the undertaking of system and control walkthroughs. We agreed a sample of debt interest calculations, comparing the bond coupon rates to the amount of income recognised on each bond. We agreed a sample of dividend receipts to third party sources, recalculated the dividend amount receivable, and agreed a sample of dividends received to bank statements. We considered the completeness of income for holdings which had not generated any income during the year, as well as holdings disposed of prior to the year-end. We considered the post year-end recovery of accrued income. We tested a sample of amortisation calculations and sought to ensure that for material adjustments, the amounts so recognised were in line with reasonable commercial expectations. We confirmed that in all material respects, income is recognised and disclosed in accordance with the AIC SORP. Overall, our testing of income did not identify any material unadjusted differences.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature and extent of our work and in evaluating the results of that work.

Overall materiality – we have set materiality as 1% of net assets as we believe that net assets is the primary measure used by investors and is the key driver of shareholder value. Materiality for the financial statements as a whole is £146,400.

Performance materiality – performance materiality represents amounts set by the auditor at less than materiality for the financial statements as a whole, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In setting this we consider the Company's overall control environment and risk of material misstatement and based on our judgement of these factors, have set this at 75% of our planning materiality, therefore £109,800.

Audit Committee reporting threshold – we agreed with the Audit Committee that we would report to them all differences in excess of £7,320 which we set as 5% of planning materiality in addition to other identified misstatements that warranted reporting on qualitative grounds, in our view. For example, an immaterial misstatement as a result of fraud

An overview of the scope of our audit

We conducted our audit of the financial statements using information maintained and provided by Blue Planet Investment Management Limited ("the Administrator") to whom the Company, with the consent of the directors, delegated the provision of certain administrative functions. We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates. We obtained an understanding of the control environment in place at both the Administrator and the principal Custodians and adopted a fully substantive testing approach to obtain our audit evidence.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in the evaluation of the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Other information

The other information comprises the information included in the Annual Report which includes all information other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

Fair, balanced and understandable (set out on page 28) – the statement given by the directors that they consider the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

Audit Committee Reporting (set out on page 28) – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

Directors' statement of compliance with the UK Corporate Governance Code (set out on page 27) – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 35, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Details of the extent to which the audit was considered capable of detecting irregularities, including fraud are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide the basis for our opinion. We planned and conducted our audit so as to obtain reasonable assurance of detecting any material misstatements in the financial statements resulting from irregularities or fraud. All engagement team members were briefed on relevant laws and regulations and potential fraud risks at the planning stage of the audit. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the Company.

Independent Auditor's Report *(continued)*

to the members of Blue Planet Investment Trust plc

We evaluated management's incentives for fraudulent activity and determined the key risk of fraud to be management override of controls in order to manipulate the financial statements. We determined that the principal risks in this regard were in relation to the valuation of investments and inappropriate journal entries to increase revenue or to increase the net asset value. We considered the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. The most significant risk in relation to non-compliance with laws and regulations was deemed to be compliance with section 1158 of the Corporation Tax Act 2010. We also considered compliance with the Companies Act 2006 and the Listing Rules.

Audit procedures performed in response to these risks included:

- Evaluation of the controls implemented by the Company, the Manager and the Administrator designed to prevent and detect irregularities;
- Discussions with the Audit Committee, the Manager and the Administrator, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessment of the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur around the key risks of valuation and existence of investments, and the accuracy, occurrence and completeness of income. Further discussion of our approach is set out in the section on key audit matters above;
- Review of all accounting journals during the year;
- Review of relevant meeting minutes;
- Reperformance of the calculations to confirm the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010; and
- Using appropriate checklists and our experience to assess the Company's compliance with the Companies Act 2006 and the Listing Rules.

It should be noted that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by the Board on 13 January 2020 to audit the financial statements for the year ending 30 April 2020 and subsequent financial periods. The period of our total uninterrupted engagement is one year, covering the year ending 30 April 2020. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of this report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Holmes (Senior Statutory Auditor)
For and behalf of Johnston Carmichael LLP
Statutory Auditor
Edinburgh, United Kingdom
10 August 2020

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Income Statement

(incorporating the revenue account) for the year ended 30 April	Notes	Revenue (£)	Capital (£)	2020 Total (£)	Revenue (£)	Capital (£)	2019 Total (£)
Capital losses on investments							
Net losses	8	–	(7,016,583)	(7,016,583)	–	(1,262,382)	(1,262,382)
Exchange losses		–	(544,793)	(544,793)	–	(876,396)	(876,396)
Net capital losses on investments		–	(7,561,376)	(7,561,376)	–	(2,138,778)	(2,138,778)
Income from investments	2	2,312,997	–	2,312,997	2,409,765	–	2,409,765
Interest receivable		1,430	–	1,430	6,687	–	6,687
Gross revenue and capital losses		2,314,427	(7,561,376)	(5,246,949)	2,416,452	(2,138,778)	277,674
Administrative expenses	3	(749,617)	(136,689)	(886,306)	(722,589)	(128,596)	(851,185)
Net return before interest payable and taxation		1,564,810	(7,698,065)	(6,133,255)	1,693,863	(2,267,374)	(573,511)
Interest payable	4	(143,495)	(61,498)	(204,993)	(89,411)	(38,319)	(127,730)
Return on ordinary activities before taxation		1,421,315	(7,759,563)	(6,338,248)	1,604,452	(2,305,693)	(701,241)
Taxation on return on ordinary activities	5	(474)	–	(474)	(89,440)	–	(89,440)
Return on ordinary activities after taxation and total comprehensive income		1,420,841	(7,759,563)	(6,338,722)	1,515,012	(2,305,693)	(790,681)
Return per ordinary share	7	2.87p	(15.68)p	(12.81)p	3.06p	(4.66)p	(1.60)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.

Balance Sheet

As at 30 April	Notes	(£)	2020 (£)	(£)	2019 (£)
Fixed assets					
Non–equity investments	8	9,273,449		15,479,573	
Equity investments	8	4,866,863		9,090,935	
			14,140,312		24,570,508
Current assets					
Debtors	9	216,999		399,035	
Cash at bank and on deposit		748,996		187,640	
		965,995		586,675	
Creditors: amounts falling due within one year	10 & 11	(464,133)		(2,988,890)	
Net current assets / (liabilities)			501,862		(2,402,215)
Net assets			14,642,174		22,168,293
Capital and reserves					
Called-up share capital	12		497,820		497,820
Share premium account	13		18,426,406		18,426,406
Other reserves	14				
Capital reserve – realised			(10,479,419)		(5,443,002)
Capital reserve – investment holding losses			(4,949,642)		(2,226,496)
Capital redemption reserve			8,167,389		8,167,389
Revenue reserve	14		2,979,620		2,746,176
Shareholders' funds			14,642,174		22,168,293
Net asset value per ordinary share	7		29.60p		44.81p

The financial statements on pages 42 to 53 were approved by the Board of Directors on 6 August 2020 and were signed on its behalf by

Russell Frith
Chairman
10 August 2020

Registered number SC192153

Statement of Changes in Equity

For the year ended 30 April 2020	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 2019	497,820	18,426,406	(5,443,002)	(2,226,496)	8,167,389	2,746,176	22,168,293
Return on ordinary activities after taxation and total comprehensive income	–	–	(5,036,417)	(2,723,146)	–	1,420,841	(6,338,722)
Dividend paid during the period (note 6)	–	–	–	–	–	(1,187,397)	(1,187,397)
Shareholders' funds at 30 April 2020	497,820	18,426,406	(10,479,419)	(4,949,642)	8,167,389	2,979,620	14,642,174

For the period ended 30 April 2019	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 2018	497,820	18,426,406	(3,699,119)	(1,664,686)	8,167,389	3,605,957	25,333,767
Return on ordinary activities after taxation and total comprehensive income	–	–	(1,743,883)	(561,810)	–	1,515,012	(790,681)
Dividend paid during the period (note 6)	–	–	–	–	–	(2,374,793)	(2,374,793)
Shareholders' funds at 30 April 2019	497,820	18,426,406	(5,443,002)	(2,226,496)	8,167,389	2,746,176	22,168,293

Notes on the Accounts

1. Accounting basis and policies

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investments, and in accordance with applicable United Kingdom Law and Accounting Standards including the adoption of The Financial Reporting Standard ("FRS") 102, applicable in the UK and Republic of Ireland. The adoption of FRS 102 has allowed the removal of a Cash Flow Statement as the Company meets the three conditions for removal; substantially all of the Company's investments are highly liquid; they are carried at market value and; the Company provides within these accounts a statement of changes in net assets. The Company follows the recommendations of the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trust's (SORP) issued by the AIC in October 2019. The functional currency of the accounts is Pound Sterling. The accounts have also been prepared on the assumption that approval as an investment trust continues to be granted and thus no tax is provided on capital gains and losses arising on the revaluation of investments. The disclosures on going concern in the Strategic Report, on page 6, form part of these financial statements. The accounts have been prepared using the following accounting policies which have been consistently applied:

(a) Revenue, expenses and interest payable – Income from equity investments, including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend. Foreign income is translated at the exchange rate applicable at the time of receipt. Interest receivable on bonds is accrued using the Effective Interest Rate Method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the bond, to that bond's net carrying amount on initial recognition. Short-term deposits and expenses are treated on an accruals basis. All expenses are charged to the revenue account with the exception of the costs of acquiring and disposing of investments (see note 8) and management fees and interest charges on borrowing; 70% of which, less the appropriate tax relief, is charged to revenue.

(b) Investments – All investments are measured at fair value through Profit and Loss, are listed on recognised changes or traded in active markets, with the exception of Telford Offshore Holdings Ltd Perpetual, which management have judged to be valued at 70% of par value based on discounted net asset value and Telford Offshore Holdings Ltd ordinary shares which have been written down to nil value on the same basis. All other investments are valued at bid prices ruling at the balance sheet date, investments denominated in foreign currencies being translated at the official rate of exchange ruling at the balance sheet date. (see note 8 on page 47).

(c) Foreign currency – All assets and liabilities denominated in foreign currency are translated to Pound Sterling using the official rate of exchange ruling at the balance sheet date.

(d) Forward currency contracts – Forward currency contracts hedging exposures in the investment portfolio are valued at the rate of exchange ruling at the balance sheet date with net unrealised gains and losses being shown in debtors or creditors.

(e) Capital reserve – realised – Gains and losses on realisation of investments and foreign currency balances are accounted for within this reserve.

(f) Capital reserve – Investment holding gains / (losses) – Unrealised gains and losses in the valuation of investments, currency balances and derivatives held are accounted for in this reserve.

2. Income from investments

	Franked (£)	Unfranked (£)	2020 Total (£)	Franked (£)	Unfranked (£)	2019 Total (£)
Dividends						
Listed investments – UK	68,043	–	68,043	167,283	–	167,283
Overseas	294,021	–	294,021	323,855	–	323,855
Interest						
Listed investments – UK	–	173,066	173,066	–	150,201	150,201
Overseas	–	1,777,867	1,777,867	–	1,768,426	1,768,426
Total	362,064	1,950,933	2,312,997	491,138	1,918,627	2,409,765

Interest income includes £650,089 (2019: £461,000) of income accounted for using the Effective Interest Rate method of calculating interest earned, as stated in Note 1(a).

3. Administrative expenses

	Revenue (£)	Capital (£)	2020 Total (£)	Revenue (£)	Capital (£)	2019 Total (£)
Investment management fee	318,941	136,689	455,630	300,058	128,596	428,654
Administration fee	196,000	–	196,000	196,000	–	196,000
Directors' fees	48,024	–	48,024	49,527	–	49,527
Auditor's remuneration - audit services	22,500	–	22,500	15,000	–	15,000
Custody and registrar fees	56,941	–	56,941	50,209	–	50,209
Printing costs	12,012	–	12,012	17,769	–	17,769
Regulatory, legal and professional fees	23,588	–	23,588	22,709	–	22,709
IT expenses	44,410	–	44,410	41,159	–	41,159
Other expenses	14,393	–	14,393	19,558	–	19,558
Irrecoverable VAT	12,808	–	12,808	10,600	–	10,600
	749,617	136,689	886,306	722,589	128,596	851,185

Directors' remuneration consisted of fees and expenses of £16,500 (2019 – £2,254) for the Chairman, £16,124 for Miss Killay (2019 – £16,607) and £15,400 for Mr. Murray (2019 – £15,400) which is paid to Blue Planet Investment Management Ltd. Mr. Tyce ,who retired last year, was paid £15,267 in 2019. Full details on Directors' remuneration and dividends received can be found on page 34 and 31 respectively.

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. The Company Secretary, Blue Planet Investment Management Ltd, also receives £196,000 p.a in respect of administration and secretarial services. Full details on fees payable to Blue Planet Investment Management Ltd can be found on page 30 the amount owed to the investment manager at the year end was £35,705 (2019: £47,779). Mr Murray is Chairman and Chief Executive of Blue Planet Investment Management Ltd.

4. Interest payable

	Revenue (£)	Capital (£)	2020 Total (£)	Revenue (£)	Capital (£)	2019 Total (£)
Interest payable on:						
Loans – note 10 and 11	143,495	61,498	204,993	89,411	38,319	127,730

5. Taxation

	2020 (£)	2019 (£)
i) Analysis of charge in the period		
UK corporation tax	–	–
Overseas taxation	(474)	(89,440)
Total tax charge for the period	(474)	(89,440)
ii) Factors affecting tax charge in the period		
Return on ordinary activities before tax	(6,338,248)	(701,241)
Tax at 19% (2019 – 19%) thereon	1,204,267	133,236
Non-taxable capital losses	(1,474,317)	(438,082)
Effects of dividend income	68,792	93,316
Costs charged to capital	37,656	31,714
Decrease in unutilised losses	163,512	162,822
Expense relief on overseas taxation	90	16,994
UK corporation tax	–	–
Overseas taxation	18,612	50,261
Overseas taxation (reclaimed)/charged for prior periods	(18,138)	39,179
Total tax charge for the period	(474)	(89,440)

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 19% (2019 – 19%).

iii) Deferred tax

No corporation tax is payable on the revenue return for the period as allowable expenditure and unutilised losses exceeds the Company's taxable unfranked investment and interest income which is a situation which is likely to continue under current legislation for the foreseeable future; no provision is made for the resulting deferred tax asset of £0.5m (2019 – £0.7m). Deferred tax is recorded in accordance with current UK tax law and Financial Reporting Standard 102. A deferred tax asset is only recognised to the extent that it is regarded as recoverable. Due to the Company's status as an investment trust company, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

6. Dividends

	2020	2019
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 30 April	1,187,397	2,374,793
Proposed final dividend for the year ended 30 April 2020 of 2.22p (2019 – 2.40p) per share	1,098,342	1,187,397

Any proposed final dividend is subject to approval by shareholders at the Annual General Meeting and would not be included as a liability in these financial statements. The proposed dividend above is calculated in line with the requirements of section 1158-1159 of the Corporation Tax Act 2010 and it is paid out of revenue profits. The Company's articles of association prohibit the distribution of capital profits.

7. Return and Net Assets per ordinary share

	2020	2019
The return per ordinary share is based upon the following figures:		
Revenue return	£1,420,841	£1,515,012
Capital return	£(7,759,563)	£(2,305,693)
Net assets	£14,642,174	£22,168,293
Weighted average number of ordinary shares in issue during the period	49,474,863	49,474,863
Revenue return per ordinary share	2.87p	3.06p
Capital return per ordinary share	(15.68)p	(4.66)p
Net asset value per ordinary share	29.60p	44.81p

The net asset value per ordinary share is calculated on 49,474,863 (2019 – 49,474,863) being the number of ordinary shares in issue at the end of the period after deducting 307,125 treasury shares.

8. Fixed asset investments

	Equity (£)	Non Equity (£)	2020 Total (£)	2019 (£)
Cost at 1 May	8,266,427	17,373,802	25,640,229	34,706,803
Opening investment holding gains / (losses)	824,508	(1,894,229)	(1,069,721)	(508,747)
Opening fair value	9,090,935	15,479,573	24,570,508	34,198,056
Analysis of transactions made during the year				
Purchases at cost	26,956,954	6,322,124	33,279,078	24,626,388
Sales proceed received	(26,578,912)	(10,113,779)	(36,692,691)	(32,991,553)
Losses on investments	(4,602,114)	(2,414,469)	(7,016,583)	(1,262,382)
Closing fair value	4,866,863	9,273,449	14,140,312	24,570,508
Closing book value	5,041,581	12,897,061	17,938,642	25,640,229
Closing investment holding losses	(174,718)	(3,623,612)	(3,798,330)	(1,069,721)
Closing fair value	4,866,863	9,273,449	14,140,312	24,570,508

The Company received £36,692,691 (2019 – £32,991,553) from investments sold during the year. The book cost of these investments when they were purchased was £40,980,665 (2019 – £33,692,961). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments. The carrying value of investments is equivalent to their fair value. Additions and disposals include transaction costs of £14,156 and £10,140 respectively (2019 – £5,620 and £11,002). The Company does not exercise significant influence over the operating and financial policies of any of its investment holdings and therefore does not consider them to be associates. All investments are measured at fair value through profit or loss, are quoted in active markets and are classified as level one, with the exception of the investment in Telford Offshore Holdings Ltd Perpetual, an unquoted bond which has been valued at 70% of par value based on management's judgement and is classified as level three (£388,242, 2019: £249,535) and Telford Offshore Holdings Ltd ordinary shares which are unlisted and have been written down to nil value (2019: £297,561).

As noted previously, Argentina currently has capital controls in place and the Peso's exchange rate is set by the Central Bank of Argentina, not markets. This is referred to as the "Official Rate" and in accordance with UK accounting standards we use it to value our Argentinian assets at the year end. Argentina is currently in talks with bondholders and the IMF regarding a restructuring of its USD debts and it is expected that capital controls will be eased if those negotiations conclude successfully, allowing the currency to float freely and FX transactions to occur without restriction. Should this occur, it may result in a material change in the exchange rate and the value of our Argentinian assets. Currently the only way to convert the Peso to GBP is by entering a series of swap transactions. At the year end this could have resulted in a reduction in value of 42% or £780,000 based on best estimates.

9. Debtors

	2020 (£)	2019 (£)
Due within one year:		
Forward currency exchanges awaiting settlement	–	25,401
Taxation recoverable	28,480	31,221
Dividends receivable	9,483	–
Bond interest receivable	166,079	334,028
Other debtors	12,957	8,385
	216,999	399,035

10. Creditors: amounts falling due within one year

	2020 (£)	2019 (£)
Credit facilities and loans (note 11)	370,202	2,214,982
Purchases awaiting settlement	–	675,499
Other creditors	93,931	98,409
	464,133	2,988,890

Other creditors include £35,705 (2019 – £47,779) due to the Investment Manager and Administrator, Blue Planet Investment Management Ltd. Details of the management and administration agreements are given on page 30 and the related fees are shown in note 3.

11. Loans

The Company has revolving credit facilities with Caceis Investor Services and Interactive Brokers Group Incorporated. Any loans are secured against the investments held in custody accounts with the respective lender. As at 30th April 2020 the value of investments held with Caceis Investor Services was £8,241,426 and at Interactive Brokers Group Incorporated it was £4,376,443.

	2020 Loan	2020 Interest rate		2019 Loan	2019 Interest rate
Caceis Investor Services credit line	£nil	London Inter-Bank offer rate + 0.75%	Caceis Investor Services credit line	£nil	London Inter-Bank offer rate + 0.75%
Interactive Brokers Group Incorporated credit line (EUR)	£370,202	EONIA Rate +1.50% - 0.50%	Interactive Brokers Group Incorporated credit line (USD)	£2,214,982	Fed Funds Overnight Rate plus 1.5% - 0.50%

At 30th April 2020, the prevailing rate of interest on Caceis Investor Services facility was 0% (2019 – 0%) and on Interactive Brokers Group Incorporated the rate was 1.17% (2019 – 3.28%).

12. Share capital

	2020 (£)	2019 (£)
Allotted, called up and fully paid:		
49,781,988 ordinary shares of 1p each	497,820	497,820

The Company is incorporated under the United Kingdom 2006 Companies Act and its registered office details are given on page 59.

The total number of shares held in treasury is 307,125 (2019 – 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. Therefore, there is no dilution effect on earnings per share. At 30th April 2020, 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 2020.

13. Share premium account

	2020 (£)	2019 (£)
Balance at 30 April & 1 May	18,426,406	18,426,406

14. Movements in other reserves

	2020 (£)	2019 (£)
Capital reserve – realised		
Balance at 1 May	(5,443,002)	(3,699,119)
Net losses on realisations during the period	(4,388,470)	(750,402)
Administration expense charged to capital	(136,689)	(128,596)
Loan interest payments	(61,498)	(38,319)
Exchange differences	(449,760)	(826,566)
Balance at 30 April	(10,479,419)	(5,443,002)
Capital reserve – investment holding losses		
Balance at 1 May	(2,226,496)	(1,664,686)
Investment holding losses in the period	(2,628,113)	(511,980)
Exchange differences	(95,033)	(49,830)
Balance at 30 April	(4,949,642)	(2,226,496)
The Capital Reserves are non-distributable		
Capital redemption reserve*		
Balance at 1 May	8,167,389	8,167,389
Balance at 30 April	8,167,389	8,167,389
Revenue reserve (distributable)		
Balance at 1 May	2,746,176	3,605,957
Revenue account transfer for the period	1,420,841	1,515,012
Dividend paid during the period	(1,187,397)	(2,374,793)
Balance at 30 April	2,979,620	2,746,176

*The Capital redemption reserve is a non-distributable reserve relating to the purchase of the Company's owns shares and represents paid up share capital.

15. Contingent Assets and liabilities

There were no contingent liabilities or uncalled liabilities at 30th April 2020 (30th April 2019 – nil).

16. Financial Instrument, Risk management policies and procedures

As an investment trust the Company invests in equities and other investments for the long-term so as to secure its investment objectives stated on page 4. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction of the profits available for dividends.

The Board of Directors and the Investment Manager coordinate the Company's risk management and take a measured approach to evaluating risk. The risks, objectives, policies and processes used for managing these risks and the methods used to measure the risks, are set out below. These have not changed from the previous accounting period.

a. Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk (see note 16.b), interest rate risk (see note 16.c), and other price risk (see note 16.d). The Board of Directors reviews and agrees policies for managing risks. These policies have remained substantially unchanged from those applying in prior years. However, the directors have given focus to Argentine exchange rates due to currency controls that are currently in place, see note 8 on page 47. The Company's Investment Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

b. Currency risk

The Company's assets, liabilities, and income are largely denominated in currencies other than sterling. As a result, movements in exchange rates may affect the sterling value of those items. The Investment Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board on a regular basis. The Investment Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed.

Foreign currency borrowings and forward currency contracts, commensurate with the asset currency exposures, are used to limit the Company's exposure to anticipated future changes in exchange rates.

16. Financial Instrument, Risk management policies and procedures *(continued)*

Income denominated in foreign currencies is translated to sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

The fair values, together with maximum and minimum exposures, of the Company's monetary items that have foreign currency exposure at 30th April 2020 are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	USD £'000	ARS* £'000	EGP £'000	Other £'000
2020				
Debtors (due from brokers, dividends receivable and accrued income)	191	8	–	–
Cash at bank	703	19	–	1
Creditors (due to brokers and accruals)	–	–	–	–
Borrowings under the credit facilities	–	–	–	–
Foreign currency exposure on net monetary items	894	27	–	1
Investments at fair value through profit or loss	8,949	1,867	1,199	863
Total net foreign currency exposure	9,843	1,894	1,199	864
Maximum (foreign currency exposure on net monetary items)	1,423	407	599	159
Minimum (foreign currency exposure on net monetary items)	(12,987)	27	–	(690)

	USD £'000	ARS £'000	BRL £'000	Other £'000
2019				
Debtors (due from brokers, dividends receivable and accrued income)	168	44	81	20
Cash at bank	1	–	–	–
Creditors (due to brokers and accruals)	(6,050)	–	–	–
Borrowings under the credit facilities	(2,215)	–	–	–
Foreign currency exposure on net monetary items	(8,096)	44	81	20
Investments at fair value through profit or loss	16,010	1,467	2,663	2,989
Total net foreign currency exposure	7,914	1,511	2,744	3,009
Maximum (foreign currency exposure on net monetary items)	(2,305)	124	130	768
Minimum (foreign currency exposure on net monetary items)	(16,277)	44	(2,440)	(3,151)

*See note 8 on page 47.

The following table illustrates the sensitivity of the total return for the period and the shareholder's equity to a 1%, 55% and a 16% strengthening or weakening of Sterling against the US Dollar, Argentinian Peso and the Egyptian Pound respectively (2019 – 2%, 68% and 5% against the US Dollar, Argentinian Peso and the Brazilian Real respectively).

These percentages have been determined based on Bloomberg forecasts for the year to 30th April 2020. The sensitivity analysis is based on the Company's monetary foreign currency financial instruments held at each balance sheet date.

	2020 USD £'000	ARS £'000	EGP £'000	**2019** USD £'000	ARS £'000	BRL £'000
If £ Sterling had weakened against the currencies shown, this would have had the following effect:						
Income statement – return on ordinary activities after taxation:						
Revenue return	1,507	1,497	1,506	1,513	1,504	1,514
Capital return	(7,710)	(6,766)	(7,617)	(2,148)	(1,283)	(2,169)
Total return on ordinary activities after taxation	(6,203)	(5,269)	(6,111)	(635)	221	(655)
Shareholders' Equity	14,777	15,711	14,869	22,324	23,180	22,304

16. Financial Instrument, Risk management policies and procedures *(continued)*

	2020 USD £'000	ARS £'000	EGP £'000	2019 USD £'000	ARS £'000	BRL £'000
If £ Sterling had strengthened against the currencies shown, this would have had the following effect:						
Income statement – return on ordinary activities after taxation:						
Revenue return	1,509	1,519	1,510	1,517	1,525	1,516
Capital return	(7,906)	(8,851)	(7,999)	(2,464)	(3,329)	(2,443)
Total return on ordinary activities after taxation	(6,397)	(7,332)	(6,489)	(947)	(1,804)	(927)
Shareholders' Equity	14,583	13,649	14,491	22,012	21,155	22,032

In the opinion of the Directors, the above sensitivity analyses are not representative of the period as a whole since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objectives.

c. Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate borrowings.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions. The Company, generally, does not, except in exceptional market conditions, hold significant cash balances. The Company finances part of its activities through borrowings at levels approved and monitored by the Board to ensure gearing levels are appropriate to the market conditions. Derivative contracts are not used to hedge against the exposure to interest rate risk.

The exposure, together with maximum and minimum exposures, of financial assets and financial liabilities to interest rate risk is shown below by reference to floating interest rates (i.e. Cash flow interest rate risk) when the interest rate is due to be re-set.

	2020 Within one year £'000	More than one year £'000	Total £'000	2019 Within one year £'000	More than one year £'000	Total £'000
Cash at bank and on deposit	749	–	749	188	–	188
Borrowings under credit / multi-currency loan facilities	(370)	–	(370)	(2,215)	–	(2,215)
Total exposure to interest rates	379	–	379	(2,027)	–	(2,027)
Maximum	(13,628)	–	(13,628)	(11,368)	–	(11,368)
Minimum	–	–	–	(1,774)	–	(1,774)

Interest receivable and finance costs are at the following rates:

Interest received on cash balances is 25bps lower than base rate or its foreign currency equivalent (2019 – 25bps less base rate). Interest paid on borrowings under the credit facilities is at a margin of 0.75% over LIBOR with Caceis Investor Services and at 1.5% – 0.5% (depending on level of borrowing) plus EONIA Rate with Interactive Brokers Group Incorporated. The weighted average effective interest rate is 2.30 % (2019 – 2.30%).

16. Financial Instrument, Risk management policies and procedures *(continued)*

The following table illustrates the total return for the period and shareholders' equity as a result of an increase or decrease of 5 basis points (2019 – 25 basis points) in interest rates in regard to the Company's monetary financial assets and financial liabilities at the balance sheet date with all other variables held constant. This level of change is considered to be reasonably possible based on observation of current market conditions.

	2020 Increase in rate £'000	2020 Decrease in rate £'000	2019 Increase in rate £'000	2019 Decrease in rate £'000
Income statement – return on ordinary activities after taxation				
Revenue return	1,421	1,421	1,513	1,518
Capital return	(7,760)	(7,760)	(2,308)	(2,304)
Total return on ordinary activities after taxation	(6,339)	(6,339)	(795)	(786)
Shareholders' equity	14,642	14,642	22,164	22,173

In the opinion of the Directors, the above sensitivity analyses are not representative of the period as a whole since the level of exposure changes frequently as borrowings are drawn down and repaid throughout the period.

d. Other price risk

The Company is invested in several market sectors and is therefore subject to the risk of market sentiment price movements, which includes the risk of defaults by issuers of the non-equity investments. Events in world markets may affect values as well as events within the companies in which the securities are held. The analysis of the Company's investment portfolio (page 2) shows that the majority of the investments' value is in US, Norway, United Kingdom, Argentina and Egypt, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

The Board of Directors manages the market price risks inherent in the investment portfolios by ensuring full and timely access to relevant information from the Investment Manager and meets regularly to review investment performance. The Board monitors the Investment Manager's compliance with the Company's objectives and is directly responsible for investment strategy and asset allocation.

The Company's exposure to changes in market prices at 30th April 2020 on its quoted equity and non-equity investments was £14.1m (2019 – £24.6m). The following table illustrates the sensitivity of the total return for the period and the shareholders' equity to an increase or decrease of 17% (2019 – 3%) in the fair values of the Company's securities. This level of change is considered to be reasonably possible based on observation of current market conditions.

	2020 Increase in fair value £'000	2020 Decrease in fair value £'000	2019 Increase in fair value £'000	2019 Decrease in fair value £'000
Income statement – return on ordinary activities after taxation				
Revenue return – (decrease)/increase	(27)	27	(8)	8
Capital return – increase/(decrease)	2,392	(2,392)	734	(734)
Total return on ordinary activities after taxation – increase/(decrease)	2,365	(2,365)	726	(726)
Shareholders' equity	17,008	12,277	22,894	21,442

e. Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Financial liabilities include the Company's credit facilities and other creditors. Financial liabilities are shown at the carrying value at the reporting date. The carrying amounts of financial liabilities represent the remaining contractual maturity. Liquidity risk is not significant as the majority of the Company's assets are cash and investments in quoted equities that are readily realisable. The Company can use its credit lines, which give it access to additional funding when required (see note 11). All current liabilities will be settled within 3 months.

16. Financial Instrument, Risk management policies and procedures *(continued)*

f. Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss. This risk is managed by ensuring that investment transactions are carried out with a number of brokers, whose credit-standing is reviewed periodically by the Investment Manager; transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default; cash is held only with reputable banks with high quality external credit ratings. None of the Company's financial assets are secured by collateral or other credit enhancements. None of the Company's financial assets are past due or impaired. Financial assets include the Company's investments and cash balances.

g. Fair values of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments and futures contracts), or the balance sheet amount is a reasonable approximation of fair value. Where financial assets and financial liabilities are denominated in a foreign currency, it is converted into the £ Sterling amount using period end rate of exchange. All investments are measured at fair value through profit or loss, are quoted in active markets and are classified as level one, with the exception of the investment in Telford Offshore Holdings Ltd Perpetual, an unquoted bond which has been valued at 70% of par value, that is £388,242, and is classified as level three and Telford Offshore Holdings Ltd ordinary shares which are unlisted and have been written down to nil value.

h. Capital management policies and procedures

The Company's capital management objectives are to ensure that it will be able to continue as a going concern, and to maximise the total return to its equity shareholders through an appropriate balance of equity capital and 'debt'. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these at regular intervals. Its current policy is that 'debt' should be no more than 75% of shareholder's funds, in line with the Company's Articles. At 30th April 2020, the Company's net gearing was 0% (2019 – 9.1%).

The Board, with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the planned level of gearing, which takes account of the Investment Manager's views on the market; the need for new issues of equity shares, including issues from treasury; and the extent to which revenue in excess of that which is required to be distributed should be retained. The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to certain externally imposed capital requirements. As a public company, the Company has to have a minimum share capital of £50,000. These requirements are unchanged since last year, and the Company has complied with them.

Notice of Annual General Meeting

IN ACCORDANCE WITH UK GOVERNMENT PUBLIC HEALTH GUIDELINES RELATING TO COVID-19, SHAREHOLDERS SHOULD NOT ATTEND THE AGM IN PERSON THIS YEAR.

As at the date of this document, the UK Government has prohibited large public gatherings, save in certain limited circumstances. In light of these measures and in order to protect the health and safety of Blue Planet Investment Trust plc's (the "Company") shareholders and directors, we hope that shareholders will understand that the Company's Annual General Meeting ("AGM") will be run as a closed meeting. Shareholders will not be able to attend in person. Instead, the Company will make arrangements to ensure that the legal requirements to hold the meeting can be satisfied through the attendance of two shareholders constituting the minimum quorum for the AGM. The format of the AGM will be purely functional and will comprise only the formal votes of the AGM resolutions. Shareholders are therefore strongly encouraged to submit a proxy vote in advance of the meeting.

Shareholders can vote electronically by logging onto www.signalshares.com and following the instructions. Shareholders can also complete a proxy form. To be valid, the form of proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible, and in any event, to reach the Company's registrars, Link Asset Services, no later than close of business on 18th September 2020 or, in the event of an adjournment, not less than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting.

Given the restrictions on attendance set out above, shareholders are strongly encouraged to appoint the Chairman as their proxy, rather than a named person who will not be permitted to attend the meeting. All resolutions will be decided by way of a poll so that the votes of shareholders who do not attend in person will be counted.

NOTICE is hereby given that the Twenty First Annual General Meeting of Blue Planet Investment Trust plc (Registered No. SC192153) will be held at 17 Grosvenor Crescent, Edinburgh, EH12 5EL on 22nd September 2020 at 11:00 am. Shareholders can direct any questions they may have with regards to the resolutions proposed at the Meeting to info@blueplanet.eu.

The meeting will be held for the following purposes:

Routine business

As routine business, to consider and, if thought fit, to pass the following ordinary resolutions:

1. To receive the accounts for the year ended 30 April 2020, together with the reports of the Directors and auditors thereon;

2. To declare a dividend on the ordinary shares in respect of the financial year ended 30 April 2020.

3. To approve the Directors' Remuneration Report for the year ended 30 April 2020.

4. To approve the Company's policy on Directors remuneration which is "The maximum amount of annual fees payable to the Directors must not exceed £150,000 with no variable elements and no compensation for loss of office. Directors are expected to serve for a maximum of 10 years."

5. To re-elect Mr. Russell Frith as a Director of the Company.

   Russell Anthony John Frith, aged 61, is a Chartered Accountant with over 35 years' experience of business, public sector auditing and supervision and in setting accounting and regulatory standards. He commenced his career with Peat Marwick Mitchell (now KPMG) where he audited major financial services companies and subsequently joined Coopers & Lybrand's (now PWC) corporate finance team, acting as reporting accountant on acquisitions, disposals and flotations. He was finance director of The Bank of Edinburgh plc from 1991 to 1994 before joining the National Audit Office as a director. He retired from Audit Scotland in 2017 as Assistant Auditor General, providing accounting, auditing, advice and decisions to both the Auditor General and the Accounts Commission. He was a member of the Financial Reporting Advisory Board to H.M. Treasury; CIPFA/LASAAC Joint Committee (the accounting standard setter for local authorities in the UK); the UK Financial Reporting Council's Audit and Assurance Council and Chairman of its Public Sector Advisory Group and has been actively involved in setting regulatory and professional standards in the UK and Ireland. He is Chairman of the Audit & Assurance Committee of Social Security Scotland and a Trustee of several charitable bodies. He was appointed a Director & Chairman of the Company on 12th March 2019. The Board believes his wide financial experience will broaden the Boards skill set and therefore recommend his re-election at the AGM.

6. To re-elect Ms. Victoria Killay as a Director of the Company.

   Ms Victoria Killay aged 61, has over 30 years' experience in financial markets. Ms. Killay trained as a Financial Analyst with Merrill Lynch and Schroder Investment Management Ltd in London before joining IDS, a subsidiary of American Express, where she became a Fund Manager with special responsibility for Continental European stock markets and the United Kingdom. She was also Director of Marketing for CDC Investment

Notice of Annual General Meeting *(continued)*

Management Ltd, a UK based subsidiary of La Caisse des Depots et Consignations, one of France's largest and most respected financial institutions. For the last decade, Ms. Killay has been working as a consultant to a number of institutions in the financial sector. She was appointed a Director of the Company in June 2012. The Directors believe she has made a valuable contribution to the Board and will provide continuity of experience to the Board's deliberations and therefore recommend her re-election at the AGM.

7. To re-elect Mr. Kenneth Murray as a Director of the Company

   Mr. Kenneth Murray aged 61, the Chairman and Chief Executive of Blue Planet Investment Management Ltd the Company's Investment Manager. He commenced his career in the City of London as an Investment Analyst and was Senior Merchant Banking and Financial Sector Analyst at Greenwell Montagu Securities Limited. He held similar posts at Sheppard's & Chase Stockbrokers Limited and Wood Mackenzie & Co Limited and was a Director of Fulton Prebon International Limited (one of the world's largest money brokers). In 1990, he founded The Bank of Edinburgh and was Managing Director until its sale in 1994. He was Chief Executive of Murray Financial Corporation plc until July 2003. He is a graduate of the University of Stirling, obtaining a BSc with Honours in Economics and Computer Science. He joined the Board in June 2012 and the Directors believe it is important to have a representative of the Manager on the Board and therefore recommend his re-election at the AGM.

8. To appoint Johnston Carmichael as auditors and authorise the Directors to fix their remuneration.

9. THAT the Directors be and are hereby generally and unconditionally authorised for the purposes of section 549(1) of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares up to an aggregate nominal value of £164,000, such authority to expire (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this resolution or at the conclusion of the next Annual General Meeting of the Company whichever is the earlier, but so that such authority shall allow the Company to make offers or enter into agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

10. THAT the Directors be and are hereby empowered, until the expiry of 15 months after the date of the passing of this resolution or the conclusion of the next Annual General Meeting of the Company whichever is the earlier, pursuant to section 570(1) and (2) 573(3) and (5) of the Act to:

    (a) allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority conferred by resolution as if section 561(1) of the Act did not apply to any such allotment; and

    (b) sell ordinary shares (as defined in section 560(1) of the Act) in the Company if, immediately before the sale such shares are held by the Company as treasury shares (as defined in section 724(5) of the Act) ("treasury shares") for cash (as defined in section 727(2) of the Act) as if section 560(1) of the Act did not apply to any such sale, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:

        (i) in connection with a rights issue, open offer and other pro rata issue or offer to shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (or as near as may be) to the respective number of shares held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems arising under the laws of, or requirements of any regulatory body or any stock exchange in, any territory;

        (ii) (otherwise than pursuant to sub-paragraphs (i) above) the allotment of equity securities up to in aggregate nominal value £24,891 provided that the subscription price payable in respect of any security allotted pursuant to this sub-paragraph (ii) shall not be less than the most recent unaudited net asset value of the security concerned which is available at the time of allotment; but so that this authority shall allow the Company to make offers or enter into agreements before the expiry of this authority which would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such offers or agreements as if the powers conferred hereby had not expired.

Non-Routine Business

As non-routine business, to consider and, if thought fit, to pass the following resolutions which will be proposed as special resolutions:

11. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 693 and 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of any of its ordinary shares of 1 pence each in the capital of the Company ("ordinary shares") on such terms and in such manner as the Directors may from time to time determine provided that:

    (a) the maximum number of ordinary shares hereby authorised to be purchased shall be 7,467,000;

Notice of Annual General Meeting *(continued)*

(b) the minimum price which may be paid for an ordinary share shall be 1 pence which amount shall be exclusive of expenses, if any;

(c) the maximum price which may be paid for an ordinary share shall be not more than five per cent above the average of the middle market quotation derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased; and

(d) unless previously renewed, revoked or varied, the authority hereby conferred shall expire 15 months after the passing of this resolution or at the conclusion of the next Annual General Meeting of the Company whichever is the earlier, save that the Company may prior to such expiry enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after such expiry and may make purchases of ordinary shares pursuant to it as if the authorities had not expired.

By order of the Board

Blue Planet Investment Management Ltd
Company Secretary
10 August 2020

Notes

1. As explained above, shareholders will not be permitted to attend the AGM and are strongly encouraged to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. Shareholders are strongly encouraged to appoint the Chairman as their proxy, rather than a named person who will not be permitted to attend the meeting.

2. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders entered in the register of members of the Company as at close of business on 18th September 2020 or, if the meeting is adjourned, in the register of members at close of business on the second day prior to the day of any adjourned meeting, shall be entitled to attend, speak and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after close of business on 13 September 2020 or, if the meeting is adjourned, in the register of members after close of business on the second day prior to the day of the adjourned meeting, shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting or at any such adjournment. Shareholders of the Company are reminded that they have a right under section 319A of the Companies Act 2006 to ask questions at the Annual General Meeting.

3. You can vote either by logging on to www.signalshares.com and following the instructions; by requesting a hard copy form of proxy from Link Asset Services on Tel: 0871 664 0300 (calls cost 12p per minute plus your telephone company's access charge) or; by downloading and completing a form of proxy which is available at www.blueplanet.eu.

4. A member entitled to attend, speak and vote at a meeting convened by the foregoing Notice is entitled to appoint a proxy or a corporate representative (who need not be a member of the Company) to attend, speak and vote instead of him/her. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him\her. If no name is entered, the return of the proxy form duly signed will authorise The Chairman of the Meeting to act as your proxy.

   In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (www.euroclear.com/CREST). The message must be transmitted so as to be received by the Company's agent, Link Asset Services (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting.

   For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. In order for a proxy appointment or instruction made by means of CREST to be

Notice of Annual General Meeting *(continued)*

valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Link Asset Services (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting.

CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertified Securities Regulations 2001. In any case your proxy form must be received by the Company's registrars no later than 48 hours before the time appointed for the meeting.

5. A Form of Proxy for use at the above Meeting and the letter of power of attorney (if any) or other authority under which it is signed or a notarially certified copy of such power or a copy certified in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the Directors should be deposited at the office of the Company's registrar, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or by envelope addressed to FREEPOST PXS, 34 Beckenham Road, Beckenham, BR3 4TU, to arrive not less than 48 hours before the time of the Meeting (disregarding any part of a day that is not a working day). Please note that delivery using this service can take up to 5 business days.
6. Completion of a Form of Proxy will not prevent shareholders from attending a Meeting and voting in person should they so wish but this will terminate the Proxy's appointment.
7. If two or more persons are jointly entitled to a share conferring the right to vote, any one of them may vote at the Meeting either in person or by proxy, but if more than one joint holder is present at the Meeting either in person or by proxy, the one whose name stands first in the register of members in respect of the joint holding shall alone be entitled to vote in respect thereof. In any event, the names of all joint holders should be stated on the form of proxy.
8. If this form is returned without any indication as to how the person(s) appointed shall vote on the resolutions, such person(s) will exercise his/her/their discretion as to how to vote or whether to abstain from voting.
9. Information regarding this notice of Annual General Meeting including the total voting rights of members can be found on Blue Planet Investment Management Ltd.'s website www.blueplanet.eu.

Summary Shareholder Information

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.

Registrars

For change of address, notification of death of shareholder, queries about shareholding, proxy, warrant or dividend, lost or destroyed certificates and confirmation of holding, please contact:
Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

shareholderenquiries@linkgroup.com

0371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9am – 5.30pm Mon-Fri)

www.linkassetservices.com

Shareholders can manage holdings held in their own name by accessing the shareholder portal at the above address. Through this portal shareholders can:

- View current shareholdings
- Change address
- Provide contact details: email address, telephone number and mobile number
- Provide bank details for dividend payments

Note: Blue Planet Investment Management Ltd does not hold individual shareholder details. Please contact your broker for a formal share valuation, to buy or to sell shares. Share prices are available from the London Stock Exchange: www.londonstockexchange.com and from a range of national press publications and electronic information services.

Dividends

No interim dividend was declared in the year. A final dividend of 2.22p net (2019 – 2.40p) per ordinary share has been proposed, payable on 23 September 2020 to shareholders on the register on 21 August 2020. The company's shares will be quoted ex dividend on 20 August 2020. Shareholders are reminded that dividends may now be paid by BACS. The advantage of this to shareholders is that it ensures that dividend payments are credited to the shareholders' bank accounts on the payment date, while at the same time it is administratively more efficient and usually less expensive in terms of bank charges to the company. Attached to shareholders' dividend warrants is a slip, which can be returned to the registrar with banking details, enabling participation in BACS. If dividends are already paid directly to shareholders' bank accounts, this will be by BACS.

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.

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.

Officers and Advisors

Directors
Russell Frith (Non-Executive Chairman)
Victoria Killay
Kenneth Murray

Investment Manager, Administrator and Company Secretary
Blue Planet Investment Management Ltd
17 Grosvenor Crescent
Edinburgh
Telephone No: +44 131 466 66 66
E-mail: info@blueplanet.eu
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Registered Office
17 Grosvenor Crescent
Edinburgh EH12 5EL
Telephone No: +44 131 466 6666
e-mail: info@blueplanet.eu
www.blueplanet.eu

Registrars
Link Asset Services
The Registry
34 Beckenham Road, Beckenham
Kent BR3 4TU
Shareholder Helpline No: 0371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Lines are open 9am – 5.30pm (Mon-Fri))
E-mail: shareholderenquiries@linkgroup.com
www.linkassetservices.com

Custodians
Caceis Investor Services
Westferry House,
11 Westferry Circus
London
E14 4HD

Caja de Valores SA
25 de Mayo
362 C1002ABH
Ciudad Autonoma de Buenos Aires
Republica Argentina

Interactive Brokers (U.K.) Ltd
Level 20 Heron Tower, 110 Bishopsgate
110 Bishopsgate
London
EC2N 4AY

Statutory Auditor
Johnston Carmichael LLP
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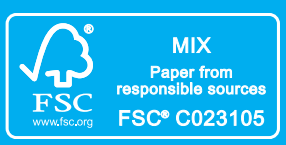

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