

Half Yearly Report and Accounts
for the six months ended 31 October 2018

Blue Planet
Investment Trust plc



Officers and Advisors

Directors

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

Investment Manager, Administrator and Secretary

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cost 12p per minute plus network extras, lines
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Chartered Accountants & Statutory Auditors

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Registered Number

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Investment Policy and Objective

The Company's objective is to provide investors 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 per cent of the Company's portfolio may be invested in any one investment at the time the investment is made. There is no restriction on the amount that may be invested in any one country.

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. The Board may utilise borrowing up to this limit from time to time to enhance income and capital returns over the long term and may borrow in Sterling and other currencies.

Financial Record including Key Performance Indicators	Six months ended 31 October 2018 (unaudited)	Six months ended 31 October 2017 (unaudited)	Year ended 30 April 2018 (audited)
Total return per share (p) ¹	(1.32)	0.71	(2.32)
NAV total return per share (%) ²	(2.6)	1.3	(4.4)
Share price total return (%) ³	(11.6)	3.3	3.3
Total return on Benchmark Index ⁴ (%)	(3.1)	6.1	8.5
Revenue return available for shareholders (£'000)	819	1,737	2,921
Revenue return per share (p) ¹	1.66	3.51	5.90
Capital return per share (p) ¹	(2.98)	(2.80)	(8.22)
Dividend per share (net) (p) ⁵	–	–	4.80
Dividend yield on our shares (%) ⁶	N/A	N/A	10.7
Dividend yield on Benchmark Index (%)	4.6	3.9	3.9

Financial Record including Key Performance Indicators	Six months ended 31 October 2018 (unaudited)	Six months ended 31 October 2017 (unaudited)	Year ended 30 April 2018 (audited)
Total assets less current liabilities (excluding loans) (£'000)	29,683	40,632	34,526
Loans (£'000)	(7,379)	(13,798)	(9,192)
Shareholders' funds (£'000)	22,304	26,834	25,334
Net asset value per share (p) ⁷	45.08	54.24	51.21
Share price (p) – (Bid)	35.00	45.00	45.00
Share price discount to NAV (%) ⁸	22.4	17.0	12.1
Gearing (%) ⁹	31.4	50.5	36.3
Ongoing Charges (%) ¹⁰	3.9	3.7	3.7

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. 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. (Note 4)
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 period end is shown above.
5. No interim dividend is proposed. An annual dividend for the year ended 30 April 2018 was paid to shareholders on 30th August 2018.
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 in the period.

Portfolio Information

As at 31 October 2018	Country Name	Valuation (£)	% of Portfolio
Ordinary Shares			
Universal Display Corp	United States	1,281,556	4.3
ETRACS 2x Leveraged Long Wells Fargo Business Development Company Index ETN	United States	1,219,254	4.1
MongoDB Inc	United States	1,128,578	3.8
BT Group plc	United Kingdom	942,172	3.2
Micron Technology Inc	United States	905,623	3.1
Alphabet Inc - A Shares	United States	905,517	3.1
HubSpot Inc	United States	818,072	2.8
iPath US Treasury 10-year Bear ETN	United States	810,442	2.7
The Trade Desk Inc	United States	711,279	2.4
Marketaxess Holdings Inc	United States	689,779	2.3
Direct Line Insurance Group	United Kingdom	660,038	2.2
Tencent Holdings Limited	China	648,886	2.2
Lyxor ETF 2XBear FTSE MIB	Italy	605,604	2.1
Arista Networks Inc.	United States	595,866	2.0
Alibaba Group Holdings ADR	United States	579,430	2.0
Lyxor Daily Short DAX X2 UCITS ETF	Germany	535,041	1.8
Lyxor BTP Daily 2X Inverse ETF	Italy	463,034	1.6
Total S.A.	France	421,008	1.4
Melrose Industries plc	United Kingdom	335,415	1.1
Soc Gen ETC OAT Future 5X Daily Short	Italy	223,748	0.8
KCAP Financial Inc.	United States	160,433	0.5
Telford Offshore Holding Ltd	Cayman Islands	122,380	0.4
Fidus Investment Corp	United States	71,920	0.2
		14,835,075	50.1
Debt Securities			
Republic of Brazil 10% 01/01/2029	Brazil	1,404,627	4.7
Republic of Brazil 10% 01/01/2025	Brazil	1,292,958	4.4
Genel Energy 10% 22/12/22	United Kingdom	1,262,797	4.3
Gulf Keystone 10% 25/07/2023	Bermuda	1,255,748	4.2
Siccar Point Energy 9% 01/2023	Norway	970,039	3.3
Faroe Petroleum 8% 04/2023	Norway	961,147	3.2
Point Resources 8.5% 20/09/2024	Norway	810,747	2.7
Egypt Treasury Bill 22/01/2019	Egypt	795,243	2.7
Borealis Finance 7.5% 16/11/2022	Norway	620,009	2.1

Portfolio Information (cont'd)

As at 31 October 2018	Country Name	Valuation (£)	% of Portfolio
Debt Securities (continued)			
Egypt Treasury Bill 05/02/2019	Egypt	602,641	2.0
Republic of Argentina 18.2% 03/10/2021	Argentina	584,886	2.0
Egypt Treasury Bill 26/03/2019	Egypt	577,537	2.0
Republic of Argentina BADLAR+3.25% 01/03/2020	Argentina	570,667	1.9
Petrobras 6.625% 16/01/34	Brazil	525,200	1.8
Telford Offshore Ltd 13% 12/02/2024	Cayman Islands	483,701	1.6
Deutsche Bank 7.125% Perpetual	Germany	455,000	1.5
Intergen 7.5% 30/06/21	Netherlands	438,733	1.5
Republic of Argentina 15.5% 17/10/2026	Argentina	361,272	1.2
Floatel International 12.75% 11/04/24	Bermuda	311,766	1.1
Telford Offshore Ltd 15% 31/12/2019	Cayman Islands	111,795	0.4
		14,396,513	48.6
Listed Investments		29,231,588	98.7
Cash		382,925	1.3
Total		29,614,513	100.0

The Investment Manager

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

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

Website Information

Please take the time to visit our website:

www.blueplanet.eu

Subscribe to our monthly fact sheet service:

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

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

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

To view stock market RNS announcements:

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

Retail Distribution of Investment Company Shares

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

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

PRIIPS Key Information Documents

We are required by new 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 managers website at www.blueplanet.eu

Interim Management Report

Performance

The Fund outperformed its benchmark index, the FTSE 100 Total Return Index, in the six months to 31st October 2018 producing a NAV total return of -2.6% as against the benchmark's -3.1%. It also paid its highest ever dividend, 4.80p per share, to shareholders on the 30th August 2018. An increase of 2.1% on the previous year. This equated to a dividend yield of 10.7% based on our share price at the last financial year end.

The period was a difficult one in which to manage money. The Federal Reserve increased its key Fed Funds Rate twice in the six months to 31st October 2018. From 1.75% to 2% in June and from 2% to 2.25% in September and it is widely expected to increase it by a further 0.25% in December. This, along with other factors which we discuss later, unnerved investors and set off a chain reaction that resulted in the worst emerging market crisis since 1997 and much higher levels of volatility in currency, equity, bond and commodity markets than we have seen for some time. This instability is being driven by a number of factors including:

- Soaring debt levels across the World and with them, the risk of another financial crisis;
- Fear of the impact of rising interest rates on the World's financial systems and economy, as the reckless printing of new money which Central Banks have used for the last ten years to artificially depress bond yields and interest rates, comes to an end;
- The worst emerging market crisis since 1997;
- The rising statistical probability that the bull market is nearing its end;
- Increasingly fractious trade relations, particularly between the World's two largest economies, the USA and China, and the imposition of new, unilateral tariffs that threaten to destabilise world trade and tip China's already weak banking system into a credit crisis that would have global consequences;
- Increasing discord within the EU as countries such as Hungary, Poland, Italy and the Czech Republic rebel against its increasingly authoritarian and malevolent regime and the UK leaves it;
- The election of a new, anti-EU government in Italy, the fourth most indebted country in the World, that is seemingly undeterred by the EU's threats of fines and sanctions and which proposes to press ahead with a budget deficit that will breach EU rules in a move that poses an existential threat to both the Euro and the EU, and;
- The threat of economic and political chaos and a Labour government in the UK, arising out of the mishandling of Brexit by Theresa May, Philip Hammond and Olly Robbins, an unelected civil servant, all of whom opposed Brexit yet bizarrely ended up being put in de facto charge of it by the Tory party.

All in all, this volatile, toxic cocktail of events and rising risks create an environment where it is difficult to make money and easy to lose it.

To counter these risks we have sought to construct a portfolio that mitigates them. We have reduced gearing, added equity, interest rate and currency hedges, bought assets denominated in hard currencies such as the USD, allocated a large element of our capital to treasury bills and short to medium dated bonds that protect capital and provide high and stable levels of income and invested the balance in growth stocks that are exploiting new and rapidly growing markets and whose earnings are likely to carry on growing largely irrespective of what happens to stock markets or interest rates in the interim.

At the half-year end, 50.1% of our portfolio was invested in equities and 48.6% in bonds and treasury bills. Gearing stood at 31.4%, down from 50.5% as at 31st October 2017 and 36.3% at the year end. Our net equity and bond exposures stood at approximately 42.3% and 38.7% once account is taken of our shorts.

We generated £1,327,123 of income in the six months to 31st October. That was 52% less than in the six months to 31st October 2017. The main reason for this decline was a 38.4% fall in the value of the Argentine

Peso. This reduced the value of our Argentinian assets in GBP and our income streams from them. Another reason was that we simply had less money in the market as a result of us running with lower levels of gearing. This meant less assets generating income for us. Additional reasons were the asset mix and the absence of special dividends over the period. On the cost front, we saw significant rises in our borrowing costs as a result of the rises in US interest rates. This resulted in interest payable rising from £54,828 to £83,386 despite our having lower levels of borrowing over the period. The upshot of this is that while we remain confident that we will once again be able to pay a dividend for the current year that provides shareholders with a dividend yield in excess of the FTSE 100, it is clear that it will fall well short of what we paid last year. This is disappointing but as shareholders know your Board is committed to paying high levels of dividends and we will resume dividend growth at the first available opportunity.

In terms of movements in the portfolio, we sold our equity holdings in General Motors, HSBC Holdings, Credit Suisse, Lloyds Banking Group, Royal Dutch Shell, Zurich Insurance Group, UBS Group and Direct Line Insurance Group. Virtually all of these stocks were high yielding and their disposal reduced our income but we felt it was the right thing to do given the risks that they face. Whilst a dividend yield of 5% to 6% is attractive, that amount can be lost in a single day when markets go into freefall and over time far more than that can be lost in a prolonged bear market. As regards the financial stocks we sold, particularly the banks, they are very vulnerable to any future financial crises and we wanted to minimise our exposure to that risk. We also sold part of our shareholdings in ETRACS 2x Long WFC BDCI ETN, Total SA and Melrose Industries plc. The proceeds of those sales were used to reduce gearing and put on short positions with the objective of protecting capital.

In the fixed income element of the portfolio, we also sought to reduce risk by shortening the overall maturity of our portfolio. We sold our Natwest and Lloyds Bank preference shares and our Santander perpetual bonds taking profits in the process. We did so because perpetual instruments such as those suffer the greatest capital losses in a rising interest rate environment. We also sold our BBVA perpetual bonds as the issuer has a material exposure to Turkey, a risk that we would rather not be exposed to. On the buy side, we increased our holdings of Brazilian government debt, rolled over our Egyptian Treasury Bills and bought Floatec Intl. 12.75% 2024, Interger NV 7.5% 2021 and Borealis Finance 7.5% 2022 bonds. Finally, we sold all of our LEBAC's (Argentine treasury bills) in order to reduce our exposure to the Peso.

In terms of the drivers of our performance, the top contributors from our equities were MongoDB Inc with a total return of +79.4%, Universal Display Corp +50.8%, Hubspot Inc +31.4%, Lyxor ETF 2X Bear FTSE MIB +21.2%, ETRACS 2X Long WFC BDCL ETN +13.9% and Lyxor Daily Short DAX X2 UCITS ETF +13%. Our worst performers were Tencent Holdings Limited -26.1%, Melrose Industries plc, -23.0%, Alibaba Group Holdings ADR -23.4%, Micron Technology Inc -11.5% and Arista Networks Inc -11.4%.

In terms of our debt securities, our best performer was Point Resources. It produced a total return in GBP of +31.3% in the six months to 31st October 2018. This was followed by our Republic of Brazil 2029 which produced a total return of +17.9%, Gulf Keystone Petroleum with +17.5%, Siccar Point Energy with +14.9% and our Egyptian Treasury Bills which produced a total return of +14.6%. Our worst performing bonds were our Republic of Argentina 2021 bonds; Republic of Argentina 2026 bonds; Republic of Argentina BADLAR bonds; Republic of Argentina LEBACs (Treasury Bills), and our Deutsche Bank 7.125% Perpetual bonds which produced total returns of -42.0%; -39.5%; -29.4%; -6.4% and -4.2% respectively.

At the half-year end our largest currency exposure was to the USD with 57.4% of our assets being denominated in it. The reasons for this are to benefit from and protect us against GBP weakness. It is also to obtain the protection that is afforded by that currency's status as a safe haven in times of turmoil. Our other currency exposures were Brazilian Real where we had 9.2% of our assets; Euro where we had 7.7%, Egyptian Pound where we had 6.8% and the Argentinian Peso where we had 5.2%.

Income and Dividends

A dividend of 4.8p per share was paid on 30th August 2018 in respect of the financial year ended 30th April 2018. This represented a 2.1% increase on the 4.7p per share dividend paid for the financial year ended 30th April 2017. As the table below shows we have increased the dividend we pay to shareholders by 250% over the last six years. We have also increased it in every one of those years.

We are very proud of that record and have always strived to provide our investors with a very high level of income and a dividend yield above that of the FTSE 100 Index. While we are confident on the basis of current forecasts that we will once again be able to pay a dividend in the current year that provides a dividend yield in excess of the FTSE 100, it is becoming clear that it will fall substantially short of what we paid last year. This is due to a reduction in our income for the reasons set out in the Interim Management Report and rising borrowing costs.

Financial Year	Dividend Amount per share	% Change	Ex-date	Record date	Pay date
2018	4.80p	+2.1%	26/07/2018	27/07/2018	30/08/2018
2017	4.70p	+56.7%	06/07/2017	07/07/2017	15/08/2017
2016	3.00p	+6.4%	14/07/2016	15/07/2016	23/08/2016
2015	2.82p	+22.6%	23/07/2015	24/07/2015	28/08/2015
2014	2.30p	+67.9%	16/07/2014	18/07/2014	25/08/2014
2013	1.37p	-	26/06/2013	28/06/2013	29/07/2013

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

Outlook

As shareholders will gather from this and previous reports your Board is very concerned about some of the risks that are building and we are inclined to act early rather than wait and see how they pan out. That may be overly cautious and premature. It will also cost us income and reduce our dividends in the short term but a number of those risks have the potential to set off another 2007-2009 type meltdown and whilst we cannot entirely avoid the adverse consequence of that we can act to limit the damage and this is what we are striving to do. The reckless monetary policies of central banks have encouraged borrowing on a vast scale and discouraged saving with the consequence that debt levels have soared to the point where the risks of a financial crash are very high. That debt has to a large extent gone to fund bubbles in various assets including developed world government bonds, property and equities and the risk of those bursting as interest rates rise is high.

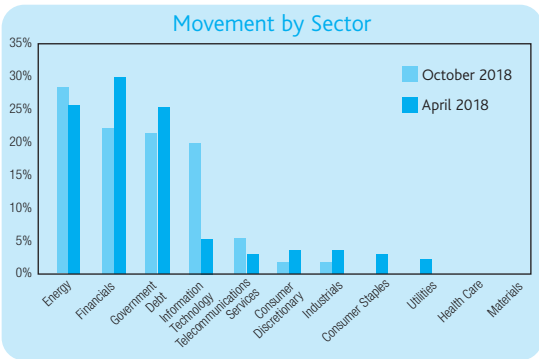
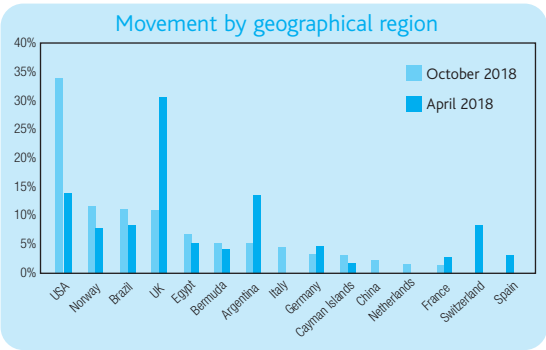
It also looks very much like equity markets have peaked after a multiyear rally fuelled by artificially low interest rates and it is likely that we may have reached the end of this bull market. While US equities may yet have some more mileage fuelled by President Trump's tax cuts, high levels of employment and protectionist economic policies it is only a matter of time before they too start to buckle. The era of artificially low interest rates and the boost that they have given to the world economy is coming to an end and market-based pricing is set to return to the setting of interest rates and the pricing of risk. In other words, markets, having effectively been excluded from the process since 2008, will increasingly reassert their control over the setting of interest rates and the pricing of risk as we go forward and that means one thing and one thing only interest rates are going to rise. By how much and how quickly will determine what happens next but history tells us to that these adjustments are fraught with risk and are seldom orderly. Once asset prices start to fall, as credit becomes less

affordable and harder to come by, they have a habit of gathering momentum and the strength of that momentum is a function of how inflated the bubbles are and all the indications are that they are more inflated now than they were in 2007-2009.

The entirely foreseeable consequences of central bank's deliberate and grossly irresponsible policy of disabling the economic processes that would have brought about economic and financial stability post 2007-2008 pose by far the biggest risk to investors. While trade wars, European economic and political crises and Brexit capture all the news headlines, because they are more readily understood by lay persons, they are insignificant by comparison. We continue to monitor those risks and calibrate our portfolio and currency exposures accordingly.

Gearing and Capital Allocation

At the end of the six-month period to 31st October 2018 the Trust had gearing, net of cash, equal to 31.4% of NAV and its portfolio was allocated as follows: 50.2% was invested in ordinary shares; 48.6% in bonds and 1.3% in cash. Figure 1 shows the movement in the allocation of our capital by geographical region and figure 2 shows the movement by sector, since our year end 30th April 2018.



Principal risks and going concern

Your Company is, and will continue to be, exposed to a number of risks which are detailed in full in the Strategic Report on page 6 of the Annual Report and have not changed up to the date of this report. The key market risk arises from the uncertainty regarding the future price performance of the listed securities held by your Company. If gearing is employed this risk is magnified.

The prices of the individual listed securities in the portfolio are monitored on a daily basis and the Board, which meets quarterly, imposes borrowing limits to ensure gearing levels are

appropriate to market conditions. When gearing is employed the potential impact of changes in interest rates is taken into consideration. The securities dealt in are all listed on recognised exchanges and are readily realisable.

The Fund is exposed to currency risk, due to the range of currencies in which investments are held. A substantial proportion of the Company's assets are held in assets denominated in foreign currencies and movements in these currencies can significantly affect the Sterling value of the Company's foreign denominated income and assets. The fund manager tracks currency movements on a regular basis and hedging is considered on a case-by-case basis.

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.

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

The Company's business model and strategy, together with the risk factors likely to affect its future position are set out in the Strategic Report on page 5 of the Annual Report and Accounts. The Directors consider that the Company has adequate financial resources in the form of readily realisable listed securities, including cash and credit facilities to continue in operational existence for the foreseeable future. For this reason, they continue to use the going concern basis in preparing the accounts.

Borrowings, Gearing and Liquidity

The Fund ended the period with gearing net of cash of 31.4%. The Company financed its gearing by means of credit facilities with KAS Bank N.V and Interactive Brokers Incorporated.

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

Tender of Audit

As noted in the Annual Report and Accounts the audit committee put the audit for year-end April 2019 out to tender. Following this process, the Board has appointed Scott Moncrieff, an Edinburgh based firm who are members of the Moore-Stephens group, as the Company's auditor in respect of this current financial year and Deloitte LLP have resigned. They will remain in place until the Company's 2019 AGM at which shareholders will be invited to vote on their reappointment and authorise the Board to set their remuneration.

Blue Planet Services and Price Information Sources

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

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

John Tyce
Chairman
12 December 2018

Balance Sheet

	At 31 October 2018 (unaudited) £	At 31 October 2017 (unaudited) £	At 30 April 2018 (audited) £
Fixed assets (note 6)			
Listed equity investments	14,835,075	19,411,272	17,146,304
Listed non – equity investments	14,396,513	20,406,305	17,051,752
	29,231,588	39,817,577	34,198,056
Current assets			
Debtors	366,745	1,491,363	444,750
Cash at bank and in hand	382,925	247,992	6,103
Creditors: amounts falling due within one year (note 7)	(7,677,442)	(14,722,715)	(9,315,142)
Net current liabilities	(6,927,772)	(12,983,360)	(8,864,289)
Net assets	22,303,816	26,834,217	25,333,767
Capital and reserves			
Called-up share capital	497,820	497,820	497,820
Share premium account	18,426,406	18,426,406	18,426,406
Other reserves:			
Capital reserve – realised	(3,841,197)	(5,034,481)	(3,699,119)
Capital reserve – investment holding (losses)/gains	(2,996,843)	2,355,597	(1,664,686)
Capital redemption reserve	8,167,389	8,167,389	8,167,389
Revenue reserve	2,050,241	2,421,486	3,605,957
Shareholders' funds	22,303,816	26,834,217	25,333,767
Net asset value per ordinary share – (note 4)	45.08p	54.24p	51.21p

Statement of Directors' responsibilities:

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

On behalf of the Board

John Tyce
Chairman
12 December 2018

Statement of Changes in Equity

	Called-up Share capital	Share premium	Capital reserve- realised	Capital reserve- investment holding losses	Capital Redemption reserve	Revenue reserve	Total shareholders' funds
For the six months ended 31 October 2018 (unaudited)	£	£	£	£	£	£	£
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	–	–	(142,078)	(1,332,157)	–	819,077	(655,158)
Dividend paid during the period	–	–	–	–	–	(2,374,793)	(2,374,793)
Shareholders' funds at 31 October 2018	497,820	18,426,406	(3,841,197)	(2,996,843)	8,167,389	2,050,241	22,303,816
For the six months ended 31 October 2017 (unaudited)							
Shareholders' funds at 1 May 2017	497,820	18,426,406	(5,775,072)	4,480,288	8,167,389	3,010,184	28,807,015
Return on ordinary activities after taxation	–	–	740,591	(2,124,691)	–	1,736,621	352,521
Dividend paid during the period	–	–	–	–	–	(2,325,319)	(2,325,319)
Shareholders' funds at 31 October 2017	497,820	18,426,406	(5,034,481)	2,355,597	8,167,389	2,421,486	26,834,217
For the year ended 30 April 2018 (audited)							
Shareholders' funds at 1 May 2017	497,820	18,426,406	(5,775,072)	4,480,288	8,167,389	3,010,184	28,807,015
Return on ordinary activities after taxation	–	–	2,075,953	(6,144,974)	–	2,921,092	(1,147,929)
Dividend paid during the period	–	–	–	–	–	(2,325,319)	(2,325,319)
Shareholders' funds at 30 April 2018	497,820	18,426,406	(3,699,119)	(1,664,686)	8,167,389	3,605,957	25,333,767

Income Statement

For the six months ended 31 October 2018

	Revenue	Capital	(unaudited) Total
	£	£	£
Capital (losses) / gains on investment			
Net realised gains / (losses)	–	486,935	486,935
Unrealised (losses) / gains	–	(1,101,996)	(1,101,996)
Exchange losses	–	(761,733)	(761,733)
Net capital (losses) / gains on investment	–	(1,376,794)	(1,376,794)
Income from investments	1,327,123	–	1,327,123
Bank interest receivable	2,212	–	2,212
Gross revenue and capital (losses) / gains	1,329,335	(1,376,794)	(47,459)
Administrative expenses	(439,952)	(72,425)	(512,377)
Net return before interest payable and taxation	889,383	(1,449,219)	(559,836)
Interest payable	(58,370)	(25,016)	(83,386)
Return on ordinary activities before taxation	831,013	(1,474,235)	(643,222)
Taxation on ordinary activities (note 3)	(11,936)	–	(11,936)
Return on ordinary activities after taxation and total comprehensive income	819,077	(1,474,235)	(655,158)
Return per ordinary share (note 4)	1.66p	(2.98)p	(1.32)p

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

For the six months ended 31 October 2017			For the year ended 30 April 2018		
Revenue	Capital	(unaudited) Total	Revenue	Capital	(audited) Total
£	£	£	£	£	£
–	827,195	827,195	–	2,162,440	2,162,440
–	(1,830,200)	(1,830,200)	–	(5,806,795)	(5,806,795)
–	(206,865)	(206,865)	–	(216,738)	(216,738)
–	(1,209,870)	(1,209,870)	–	(3,861,093)	(3,861,093)
2,138,503	–	2,138,503	3,858,964	–	3,858,964
94	–	94	667	–	667
2,138,597	(1,209,870)	928,727	3,859,631	(3,861,093)	(1,462)
(355,122)	(146,816)	(501,938)	(810,004)	(169,407)	(979,411)
1,783,475	(1,356,686)	426,789	3,049,627	(4,030,500)	(980,873)
(27,414)	(27,414)	(54,828)	(89,883)	(38,521)	(128,404)
1,756,061	(1,384,100)	371,961	2,959,744	(4,069,021)	(1,109,277)
(19,440)	–	(19,440)	(38,652)	–	(38,652)
1,736,621	(1,384,100)	352,521	2,921,092	(4,069,021)	(1,147,929)
3.51p	(2.80)p	0.71p	5.90p	(8.22)p	(2.32)p

Notes

1. The financial statements for the six months to 31st October 2018 have been prepared on the basis of the accounting policies set out in the Company's Annual Report and Accounts as at 30th April 2018 and in accordance with FRS 104 "Interim Financial Reporting" and applicable to UK law and accounting standards.
2. All expenses are charged to the revenue account with the exception of management fees and interest charges on borrowings, 30 % of which, less the appropriate tax relief, is charged to capital. Investment Management and Administrators fees totalled £339,416 in the period (Full year to 30 April 2018 – £760,690).
3. The taxation charge arises wholly from overseas withholding tax on investment income.
4. The return per ordinary share is based upon the following figures:

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

	31 Oct 2018 (unaudited)	31 Oct 2017 (unaudited)	30 Apr 2018 (audited)
Revenue return	£819,077	£1,736,621	£2,921,092
Capital return	£(1,474,235)	£(1,384,100)	£(4,069,021)
Weighted average number of ordinary shares in issue during the period	49,474,863	49,474,863	49,474,863

5. No interim dividend is proposed.
6. The carrying value of investments is equivalent to their fair value and all investments are measured at fair value through profit or loss, are quoted in active markets and classified as level one, with the exception of Telford Offshore Holding Ltd, which is unlisted and represents 0.4% of the portfolio.
7. The Company has credit facilities with KAS Bank N.V and Interactive Brokers Incorporated. Loans are secured against the investments held in custody accounts. As at 31st October 2018 the prevailing rate of interest on KAS Bank N.V facility was 1.45% and with Interactive Brokers Incorporated it was 2.7%. At 31 October 2018, the amount outstanding with these facilities was £1,279,379 and £6,100,093 respectively (31st October 2017 – £13,798,149 with KAS Bank N.V)
8. The total number of shares held in treasury is 307,125. These shares have no voting rights, do not rank for dividend and are excluded from the calculation of net asset value and return per ordinary share. At 31st October 2018, 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 2019.
9. The figures and financial information for the year ended 30th April 2018 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for the period as defined in section 434 of the Companies Act 2006. Those accounts have been delivered to the Registrar of Companies and include the report of the auditors which was unqualified and did not contain a statement either under section 498(2) or 498(3) of the Companies Act 2006. The half yearly Report and Accounts have not been audited or reviewed by the Company's Auditors.

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