

MITHRAS
INVESTMENT TRUST plc

Interim Report and Financial Statements
30 June 2016

Mithras Investment Trust plc (the “Company”) is a private equity investment trust managed by Mithras Capital Partners LLP (“MCP”).

The Company’s investment objective, approved by shareholders in January 2009, is to follow a realisation strategy which aims to crystallise value for shareholders in a manner which seeks to achieve a balance between returning cash to shareholders and maximising the value of the Company’s portfolio.

In December 2012, the Board announced that the core strategy of returning capital to shareholders would be achieved through a series of tender offers.

The Company’s investment portfolio consists of a commitment to Mithras Capital Fund LP (“MCF”), which is invested in European and United States based limited partnership buyout funds.

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FINANCIAL SUMMARY

GROUP FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2016	Six months ended 30 June 2015	Year ended 31 December 2015
Net assets attributable to owners of the Company	£26.3 million	£30.9 million	£33.7 million
Number of Ordinary shares in issue at end of period	14,228,143	19,490,606	19,490,606
Net Asset Value ("NAV") per Ordinary share	185.2 pence	158.4 pence	173.0 pence
Mid market quoted share price	152.0 pence	146.5 pence	146.5 pence
Discount	17.9%	7.5%	15.3%
Cash distributions to shareholders during the period (dividends paid plus tender offers)			
– Dividends paid	£0.2 million	£0.2 million	£0.2 million
– Tender offer proceeds	£9.1 million	£6.1 million	£6.1 million
	£9.3 million	£6.3 million	£6.3 million
– Tender offer proceeds per Ordinary share	45.9 pence	25.8 pence	25.8 pence
Total return/(loss) before tax	£1.9 million	(£0.6 million)	£2.3 million
Net dividends proposed per Ordinary share	–	–	1.0 pence
Ongoing charges (annualised) ¹	1.6%	1.5%	1.4%
Total expense ratio (annualised) ²	2.4%	2.2%	2.1%

¹ The ongoing charges figures have been calculated using the Association of Investment Companies' ("AIC") recommended methodology and relate to the ongoing costs of running the Company. Subsidiary expenses, such as those incurred by MCP and non-recurring fees are therefore excluded from the calculation.

² The ratio reflects the ongoing expense for the Group. This follows the AIC guidance in calculating ongoing charges, but includes ongoing expenses of all subsidiaries.

PERFORMANCE (TOTAL RETURN) AT 30 JUNE 2016

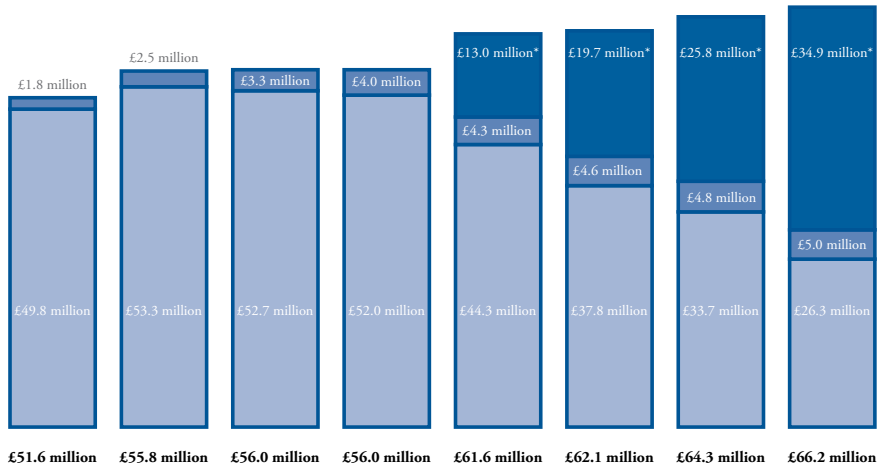
	6 months %	1 Year %	3 Year %	5 Year %	Since Flotation %
Share price	4.4	4.4	23.5	46.3	337.4
NAV*	7.6	17.5	27.1	24.5	340.8
FTSE All-Share Index	4.3	2.2	18.6	35.5	344.6

* Returns based on NAV per share adjusted for dividends paid. The return since flotation is based on Group total return after tax before dividends, attributable to owners on opening owners' equity.

INVESTMENT MANAGER'S REVIEW

NET ASSETS AND CUMULATIVE DISTRIBUTIONS TO SHAREHOLDERS FOLLOWING THE APPROVAL OF THE REALISATION STRATEGY (JANUARY 2009)

31-Dec-09 31-Dec-10 31-Dec-11 31-Dec-12 31-Dec-13 31-Dec-14 31-Dec-15 30-Jun-16



Key

Net assets attributable to owners of the Company as at the Balance Sheet date

Cumulative dividends paid

Cumulative Capital returned to shareholders through tender offers

* Gross tender offer proceeds including costs of the tender offers

SUMMARY FINANCIAL INFORMATION FOLLOWING THE APPROVAL OF THE REALISATION STRATEGY

	Net assets* £m	NAV p	Share price p	Discount %	Dividends paid per Ordinary share** p	Tender offer proceeds per Ordinary share p
31 December 2009	49.8	137.2	69.0	49.7	5.0	–
31 December 2010	53.3	146.8	112.5	23.4	2.0	–
31 December 2011	52.7	145.1	99.5	31.4	2.0	–
31 December 2012	52.0	143.1	112.5	21.4	2.0	–
31 December 2013	44.3	160.4	137.5	14.3	1.0	37.6
31 December 2014	37.8	162.1	142.5	12.1	1.0	24.0
31 December 2015	33.7	173.0	146.5	15.3	1.0	25.8
30 June 2016	26.3	185.2	152.0	17.9	1.0	45.9

* Attributable to owners of the Company.

** This is the dividend in pence per Ordinary share paid during the calendar year, declared in the previous year.

INVESTMENT MANAGER'S REVIEW

Overview of Results for the Six Months ended 30 June 2016

The Company's NAV increased from 173.0 pence per share to 185.2 pence per share in the six months to 30 June 2016, an increase of 7.1%. This increase is after the final dividend of 1.0 pence per share paid in May 2016. The Company's NAV benefited significantly from the weakening of Sterling against the Euro and the US Dollar especially post the EU referendum result. Sterling weakened by 11.3% against the Euro and by 9.3% against the US Dollar during the period.

The Company completed its fifth tender offer in April 2016, buying back 27.0% of the remaining Ordinary shares in issue and returning £9.0 million of cash to shareholders. The fifth tender offer was well supported with 77% of shareholders tendering their shares. The Company has now returned a gross total of £34.9 million to shareholders by way of tender offers which equates to a total capital return of 94.6 pence per share or the cancellation of approximately 61% of the original shares in issue.

Consistent with previous Interim Reports, these results are based upon the 31 March 2016 underlying fund valuations, being the latest available information. The Board has

made a Directors' revaluation adjustment at 30 June 2016, making a provision of £0.3 million against the current valuation of the MCF portfolio. Portfolio company performance was generally encouraging despite the current economic uncertainty that surrounds Europe and the UK.

During the period, the share price increased from 146.5 pence per share to 152.0 pence per share, an increase of 3.8% in what has been a volatile market. The Company's discount widened from 15.3% to 17.9% reflecting market uncertainty and investor sentiment towards investment trusts and private equity in particular. The Company's total return for the period of 4.4% compared to an increase of 4.3% in the Company's benchmark, the FTSE All-Share Index.

Dividend

As reported in the 2015 Annual Financial Report and approved by shareholders at the 2016 Annual General Meeting ("AGM"), a final dividend of 1.0 pence per share (2015: 1.0 pence final) was paid in May 2016 in respect of the year ended 31 December 2015. Shareholders should continue to expect the majority of future returns to be in the form of capital distributions.

INVESTMENT MANAGER'S REVIEW CONTINUED

Investment Activity within MCF

Given the Company's fully invested status, there was minimal new investment activity within MCF during the period. MCF retained approximately £0.2 million of distribution proceeds to meet its ongoing obligations. In terms of underlying fund investment activity, *PAI Europe V* called funds for the add-on acquisition of Safegate to ADB Airfield Solutions and *CVC Europe V* made an add-on investment to ista, although this did not require funding. *PAI Europe V* also announced a joint venture between portfolio company R&R Ice Cream and Nestle, which is due to complete later this year although this did not require further capital from MCF.

Realisations from MCF

The first quarter of 2016 was one of the strongest quarters for distributions received by MCF with the Company receiving gross distribution proceeds of £6.3 million during the first half of 2016 (June 2015: £4.6 million). This was despite a marked deterioration in market conditions for exits during the second quarter largely due to the uncertainty surrounding the EU and Brexit.

As reported at the 2016 AGM, *PAI Europe V* provided the largest distribution proceeds

during the period exiting Swissport at a gross multiple of 3.1x cost and Hunkemoeller at a gross multiple of 2.2x cost for combined total distribution of £2.1m. *CVC Europe V* exited Avolon and Raet for multiples in excess of 2.0x cost. *OCM Principal Opportunities Fund IV* exited Fu Sheng and Alliance Healthcare Services and subsequent to 30 June 2016 *OCM Principal Opportunities Fund IV* floated AdvancePierre Foods at a premium to its current valuation. *Riverside Europe III* sold Diatron for a gross multiple of 2.6x cost.

Liquidity and Outstanding Commitments

The Group's liquidity position continues to be strong. During the period the Group's cash position decreased from £6.8 million to £3.6 million although this was after £9.0 million was returned to shareholders in the fifth tender offer and a further £0.2 million for the 1.0 pence per share dividend paid in May 2016.

Excluding subsidiary company cash balances, the Company's cash balance of £2.8 million compares to a maximum outstanding commitment to MCF at 30 June 2016 of £3.3 million although our current expectation is that only £0.5 million could be drawn, leaving a cash surplus of £2.3 million.

INVESTMENT MANAGER'S REVIEW *CONTINUED*

Principal Risks and Uncertainties

The Company's investment activities expose it to various types of risks that are associated with its investment commitments to private equity limited partnerships. The principal risks are market risk, currency risk and liquidity risk in respect of these investments. Other key risks faced by the Company include investment strategy, management resources, regulatory, operational and financial risks. These risks, and the way in which they are managed, are described in more detail under the heading "Principal Risks and Uncertainties" within the Strategic Report in the Company's Annual Financial Report for the year ended 31 December 2015 as well as note 20 entitled "Financial Instruments, Capital and Risk Management". The Company's principal risks and uncertainties have not changed materially since the date of that report.

Outlook

Over the last few years, periods of uncertainty and volatility in financial markets have become increasingly common. The EU referendum result has clearly triggered another such period, which is likely to continue in the short-term.

Whilst the Company's NAV has benefitted from the recent weakness of Sterling, particularly against the Euro, continued economic and political uncertainty is likely to have a negative effect on market conditions for exits. Although it is difficult to predict what the longer-term impact of Brexit might be on the trading performance of the Company's remaining portfolio, the GP's of our underlying funds have stressed that they expect the impact to be limited.

Despite the uncertain environment, a number of further potential exits are being pursued. We remain optimistic that the Company will continue to make progress in delivering its exit strategy.

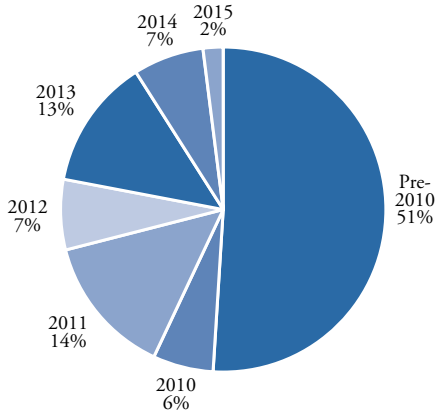
Mithras Capital Partners LLP
Investment Manager
27 July 2016

CONSOLIDATED INVESTMENT PORTFOLIO AT 30 JUNE 2016

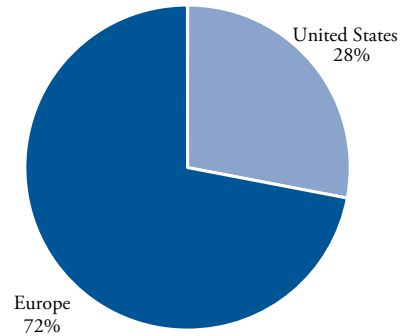
Investments at Fair Value	Fair Value £'000	% of Portfolio			
MCF limited partnership fund investments					
CVC European Equity Partners V	6,655	29			
OCM Principal Opportunities Fund IV	6,546	28			
PAI Europe V	4,040	18			
Doughty Hanson & Co V	4,008	17			
Riverside Europe Fund III	2,189	10			
Net current assets held in MCF	81	–			
Directors' revaluation adjustment	(364)	(2)			
Total investment portfolio	23,155	100			
Geographical spread of investments by fund currency exposure*					
Continental Europe (EUR)	16,528	72			
North America (USD)	6,546	28			
United Kingdom (GBP)	81	–			
Total investment portfolio	23,155	100			
* Fund currency exposure is based on the reporting currency of the underlying fund.					
Listed below are the ten largest underlying investments by value which account for 66% of the consolidated investment portfolio. All of these investments are held indirectly through the Company's commitment to MCF.					
Top Ten Largest Underlying Investments within MCF					
Portfolio Company	Sector	Country	Underlying Fund	Year of Investment	% of Portfolio
TMF Group	Services	Netherlands	Doughty Hanson & Co V	2008	14%
AdvancePierre Foods	Food & Beverage	United States	OCM Principal Opportunities Fund IV	2008	13%
Cyanco Holdings	Basic Resources	United States	OCM Principal Opportunities Fund IV	2008	7%
Quironsalud	Healthcare	Spain	CVC European Equity Partners V	2011	6%
OrthoD Group	Healthcare	United Kingdom	Riverside Europe Fund III	2008	5%
Cerba European Lab	Healthcare	France	PAI Europe V	2010	5%
Xella	Building Materials & Others	Germany	PAI Europe V	2008	4%
R&R Ice Cream	Food & Beverage	United Kingdom	PAI Europe V	2013	4%
Dayton Superior Corporation	Industrial Goods & Services	United States	OCM Principal Opportunities Fund IV	2008	4%
Ahlsell	Travel, Leisure & Retail	Sweden	CVC European Equity Partners V	2012	4%

CONSOLIDATED INVESTMENT PORTFOLIO ANALYSIS

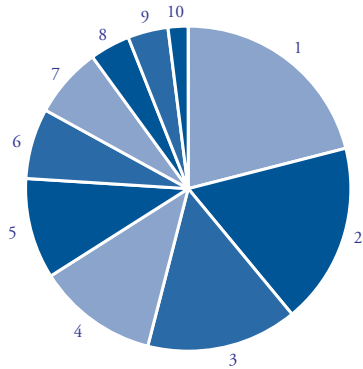
Underlying Investments by Year of Investment (by valuation)



Underlying Investments by Continent (by valuation)

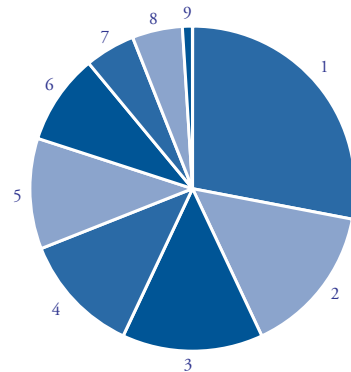


Underlying Investments by Sector (by valuation)



1	Services	21%
2	Food & Beverage	18%
3	Healthcare	15%
4	Industrial Goods & Services	12%
5	Travel, Leisure & Retail	10%
6	Basic Resources	7%
7	Building Materials & Others	7%
8	Telecoms, Media & Technology	4%
9	Financial Services & Insurance	4%
10	Oil, Gas & Chemicals	2%

Underlying Investments by Country (by valuation)



1	North America	28%
2	Benelux	15%
3	UK	14%
4	France	12%
5	Germany	11%
6	Scandinavia	9%
7	Spain	5%
8	Other Europe	5%
9	Switzerland	1%

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2016

	Notes	Revenue return £'000	Capital return £'000	Total return £'000
Income				
Net gains on investments	9	–	2,013	2,013
Investment income		21	–	21
Other income	5	232	–	232
		<u>253</u>	<u>2,013</u>	<u>2,266</u>
Expenses				
Operating expenses	6	(374)	–	(374)
(Loss)/profit before taxation		(121)	2,013	1,892
Taxation		(3)	–	(3)
(Loss)/profit and total comprehensive income for the period		<u>(124)</u>	<u>2,013</u>	<u>1,889</u>
Attributable to:				
Owners of the Company		(140)	2,013	1,873
Non-controlling Interests		16	–	16
Basic and diluted (loss)/earnings per Ordinary share (pence)	8	<u>(0.8)</u>	<u>11.4</u>	<u>10.6</u>

The total column of this statement represents the Consolidated Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards (“IFRS”). The supplementary revenue return and capital return columns are both prepared under the guidance published by the AIC.

The notes on pages 14 to 21 form an integral part of these Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *CONTINUED*

Six months ended 30 June 2015

	Notes	Revenue return £'000	Capital return £'000	Total return £'000
Income				
Net losses on investments	9	–	(806)	(806)
Investment income		343	–	343
Other income	5	230	–	230
		<u>573</u>	<u>(806)</u>	<u>(233)</u>
Expenses				
Operating expenses	6	(384)	–	(384)
Profit/(loss) before taxation		189	(806)	(617)
Taxation		(11)	–	(11)
Profit/(loss) and total comprehensive income for the period		<u>178</u>	<u>(806)</u>	<u>(628)</u>
Attributable to:				
Owners of the Company		163	(806)	(643)
Non-controlling Interests		15	–	15
Basic and diluted earnings/(loss) per Ordinary share (pence)	8	<u>0.7</u>	<u>(3.5)</u>	<u>(2.8)</u>

The total column of this statement represents the Consolidated Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under the guidance published by the AIC.

The notes on pages 14 to 21 form an integral part of these Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Share capital £'000	Capital redemption reserve £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Revenue reserve £'000	Total equity attributable to owners of the Company £'000	Non- controlling Interest £'000	Total £'000
At 1 January 2016	390	445	40,688	(12,449)	4,644	33,718	21	33,739
Loss and total comprehensive income for the period	–	–	–	–	(140)	(140)	16	(124)
Contributions by and distributions to owners								
Dividends paid (note 7)	–	–	–	–	(195)	(195)	–	(195)
Gains on disposal of investments	–	–	1,656	–	–	1,656	–	1,656
Fair value movements	–	–	–	357	–	357	–	357
Profit share paid to members in a subsidiary	–	–	–	–	–	–	(18)	(18)
Cost of shares purchased for cancellation under tender offer	(105)	105	(9,051)	–	–	(9,051)	–	(9,051)
Total contribution by and distributions to owners	(105)	105	(7,395)	357	(195)	(7,233)	(18)	(7,251)
At 30 June 2016	285	550	33,293	(12,092)	4,309	26,345	19	26,364

The notes on pages 14 to 21 form an integral part of these Condensed Consolidated Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY** *CONTINUED*
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Share capital £'000	Capital redemption reserve £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Revenue reserve £'000	Total equity attributable to owners of the Company £'000	Non- controlling Interest £'000	Total £'000
At 1 January 2015	467	368	42,595	(10,180)	4,595	37,845	21	37,866
Profit and total comprehensive income for the period	–	–	–	–	163	163	15	178
Contributions by and distributions to owners								
Dividends paid (note 7)	–	–	–	–	(233)	(233)	–	(233)
Gains on disposal of investments	–	–	2,376	–	–	2,376	–	2,376
Fair value movements	–	–	–	(3,182)	–	(3,182)	–	(3,182)
Profit share paid to members in a subsidiary	–	–	–	–	–	–	(17)	(17)
Cost of shares purchased for cancellation under tender offer	(77)	77	(6,102)	–	–	(6,102)	–	(6,102)
Total contribution by and distributions to owners	(77)	77	(3,726)	(3,182)	(233)	(7,141)	(17)	(7,158)
At 30 June 2015	390	445	38,869	(13,362)	4,525	30,867	19	30,886

The notes on pages 14 to 21 form an integral part of these Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	Unaudited 30 June 2016 £'000	Audited 31 December 2015 £'000	Unaudited 30 June 2015 £'000
Non-current assets				
Investments at fair value through profit or loss	9	23,155	27,218	27,621
Current assets				
Receivables		28	21	28
Current tax receivable		–	58	–
Cash and cash equivalents		3,562	6,824	3,633
		3,590	6,903	3,661
Total assets		26,745	34,121	31,282
Current liabilities				
Payables		(139)	(140)	(169)
Current tax liability		(42)	(42)	(27)
		(181)	(182)	(196)
Total assets less current liabilities		26,564	33,939	31,086
Non-current liabilities				
Retention arrangement for key management personnel	12	(200)	(200)	(200)
Net assets		26,364	33,739	30,886
Equity attributable to owners of the Company				
Share capital		285	390	390
Capital redemption reserve		550	445	445
Capital reserve		21,201	28,239	25,507
Revenue reserve		4,309	4,644	4,525
Equity attributable to owners of the Company		26,345	33,718	30,867
Non-controlling Interest		19	21	19
Total equity		26,364	33,739	30,886
Net assets per Ordinary share (pence)				
– basic and diluted	10	185.2	173.0	158.4

The notes on pages 14 to 21 form an integral part of these Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000
	Notes	£'000	£'000
Cash flows from operating activities			
Investment income received		21	343
Interest income received		15	13
Investment management fees received		219	218
Cash paid to service providers		(317)	(344)
Compensation to key management personnel		(75)	(74)
Taxation received		55	39
Purchase of investments	9	(159)	(765)
Sale of investments	9	6,235	4,317
Net cash flow from operating activities		5,994	3,747
Cash flows from financing activities			
Equity dividends paid		(195)	(233)
Profit share distributed to Non-controlling Interest		(18)	(17)
Tender offer proceeds		(9,043)	(6,115)
Net cash flow from financing activities		(9,256)	(6,365)
Net decrease in cash and cash equivalents		(3,262)	(2,618)
Cash and cash equivalents at beginning of period		6,824	6,251
Cash and cash equivalents at end of period		3,562	3,633

The notes on pages 14 to 21 form an integral part of these Condensed Consolidated Interim Financial Statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mithras Investment Trust plc is a company incorporated and domiciled in the United Kingdom. The Condensed Consolidated Interim Financial Statements of the Group for the six months ended 30 June 2016 comprise the Company and its subsidiaries, Mithras Investments Limited (“MIL”), Mithras Capital Holdings Limited (“MCH”), Mithras Capital Partners LLP (“MCP”), Mithras Capital Partners GP Limited (“MCGP”) and Mithras Capital Scottish GP LLP (“MCSGP”) together referred to as the “Group”. The nature of the Group’s operations and its principal activities are set out in note 4 Segment Reporting on pages 15 and 16.

The Group’s organisational structure is unchanged from the structure set out in note 17 of the Company’s Annual Financial Report for the year ended 31 December 2015.

2. STATEMENT OF COMPLIANCE

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with the Disclosure Guidance and Transparency and Listing Rules of the Financial Conduct Authority (“FCA”) and with International Accounting Standard 34, ‘Interim Financial Reporting’ as adopted by the EU. They do not include all the information required for a full Annual Financial Report and should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 31 December 2015, which have been prepared in accordance with IFRS as adopted by the EU. The Directors have reviewed the guidance issued by the Financial Reporting Council in order to determine whether the going concern basis should be used in preparing the Financial Statements for the six months ending 30 June 2016. In doing so, the Directors have reviewed the likely operational costs and cash flows for the Group for the twelve months from the date of this Report and are of the opinion that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have agreed that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements, as after due consideration, no material uncertainties that may cast significant doubt about the ability of the Group to continue as a going concern have been identified by the Directors.

The Condensed Consolidated Interim Financial Statements were authorised and approved for issue by the Board of Directors on 27 July 2016.

The Condensed Consolidated Interim Financial Statements do not comprise Statutory Accounts within the meaning of Section 434 of the Companies Act 2006. Statutory Accounts for the year ended 31 December 2015 were approved by the Board of Directors on 2 March 2016 and delivered to the Registrar of Companies. The Auditors’ report on those Financial Statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

The Interim Report and Financial Statements are being sent to shareholders and copies will be made available to the public at the Registered Office of the Company at 10 Harewood Avenue, London NW1 6AA and on the Company’s website www.mithrasinvestmenttrust.com.

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and estimates applied are consistent with those of the Annual Financial Report for the year ended 31 December 2015. Those standards which have become applicable during the period have had no significant impact on the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

4. SEGMENT REPORTING

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Board considers the operating segments to be investment activities and private equity fund-of-funds management. The Board assesses the performance of the Group based upon the KPI's as stated in the Strategic Report on pages 12 to 15 of the 2015 Annual Financial Report.

Investing activities represent the Group and Company's operations and commitment to MCF. Comprehensive income for this segment is derived from gains and losses on investments, income from investments, interest income and other income. The private equity fund-of-funds management business is undertaken by MCP. Revenue for this segment is primarily derived from management services provided to MCF.

	Investing activities £'000	Private equity fund-of-funds management £'000	Consolidated £'000
30 June 2016			
Net gains on investments	2,013	–	2,013
Investment income	21	–	21
Interest income	13	–	13
Other income	–	219	219
Operating expenses	(241)	(133)	(374)
Profit before taxation	1,806	86	1,892
Taxation	(3)	–	(3)
Profit for the period	1,803	86	1,889
Segment assets	26,607	138	26,745
Segment liabilities	(370)	(11)	(381)
Net segment assets at 30 June 2016	26,237	127	26,364

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

4. SEGMENT REPORTING CONTINUED

	Investing activities £'000	Private equity fund-of-funds management £'000	Consolidated £'000
31 December 2015			
Net gains on investments	1,920	–	1,920
Investment income	602	–	602
Interest income	21	–	21
Other income	–	440	440
Operating expenses	(452)	(277)	(729)
Profit before taxation	2,091	163	2,254
Taxation	(20)	–	(20)
Profit for the year	2,071	163	2,234
Segment assets	33,967	154	34,121
Segment liabilities	(364)	(18)	(382)
Net segment assets at 31 December 2015	33,603	136	33,739
30 June 2015			
Net losses on investments	(806)	–	(806)
Investment income	343	–	343
Interest income	12	–	12
Other income	–	218	218
Operating expenses	(244)	(140)	(384)
(Loss)/profit before taxation	(695)	78	(617)
Taxation	(11)	–	(11)
(Loss)/profit for the period	(706)	78	(628)
Segment assets	31,144	138	31,282
Segment liabilities	(382)	(14)	(396)
Net segment assets at 30 June 2015	30,762	124	30,886

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

5. OTHER INCOME

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000
Investment management fee income*	219	218
Deposit interest	13	12
	232	230

* Investment management fee income is derived from priority profit share paid by MCF to MCGP.

6. OPERATING EXPENSES

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000
Current Auditors' remuneration – audit of the Consolidated and Parent Company Financial Statements	18	–
Previous Auditors' remuneration – audit of the Consolidated and Parent Company Financial Statements	–	18
Current Auditors' remuneration – audit of the Company's subsidiaries	12	–
Previous Auditors' remuneration – audit of the Company's subsidiaries	–	13
Current Auditors' remuneration – audit related assurance services	16	–
Previous Auditors' remuneration – audit related assurance services	–	18
Previous Auditors' remuneration – tax compliance services	–	6
Directors' emoluments	59	59
Compensation to key management personnel	75	74
Other administrative expenses	194	196
	374	384

Compensation to key management personnel includes payments made to members of MCP but excludes Directors' emoluments.

All expenses include VAT where applicable.

Auditors' remuneration for audit assurance services relate to the interim review of £14,000 (2015: £17,000) and fees relating to regulatory reporting of £2,000 (2015: £1,000).

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

6. OPERATING EXPENSES CONTINUED

Auditors' remuneration also included £nil (2015: £6,000) relating to tax compliance services.

There were no other non-audit services provided by the auditors other than those disclosed above.

Other administrative expenditure includes: administration fees, legal and professional fees, general office costs and other miscellaneous expenses.

The split of expenses incurred by the Company and MCP is disclosed in note 4 on pages 15 and 16.

7. DIVIDENDS

The following dividends were declared by the Company:

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000
Final paid in relation to the year ended 31 December 2015:		
1.0 pence (2015: 1.0 pence) per Ordinary 2.0 pence share	195	233

The final dividend of 1.0 pence per Ordinary share, for the year ended 31 December 2015, was paid on 6 May 2016 on 19,490,606 shares.

8. EARNINGS PER ORDINARY SHARE

The calculation of the basic and diluted earnings per Ordinary share is based on the following data:

	Six months ended 30 June 2016			Six months ended 30 June 2015		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Earnings for the purpose of basic earnings per Ordinary share being net (loss)/profit attributable to owners	(140)	2,013	1,873	163	(806)	(643)
Weighted average number of Ordinary shares for the purpose of calculating basic earnings per Ordinary share			17,640,070			22,937,749

There is no dilution effect and therefore no difference between the diluted earnings per Ordinary share and the basic earnings per Ordinary share stated above.

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Six months ended 30 June 2016 £'000	Year ended 31 December 2015 £'000	Six months ended 30 June 2015 £'000
Opening cost at beginning of period	26,277	28,769	28,769
Gain at beginning of period	941	3,210	3,210
Opening fair value at beginning of period	27,218	31,979	31,979
Movements in the period:			
Purchases at cost	159	1,112	765
Sales – proceeds	(6,235)	(7,793)	(4,317)
– gains on disposal	1,656	4,189	2,376
Unrealised fair value movements	357	(2,269)	(3,182)
Closing fair value at end of period	23,155	27,218	27,621
Closing cost at end of period	21,857	26,277	27,593
Gain at end of period	1,298	941	28
Closing fair value at end of period	23,155	27,218	27,621
Analysis of net gain/(loss) on investments			
Gains on disposals	1,656	4,189	2,376
Fair value movements	357	(2,269)	(3,182)
	2,013	1,920	(806)

The Group is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level of the fair value hierarchy, within which the fair value measurement is categorised, is determined on the basis of the lowest level input that is significant to the fair value of the investment.

All investments of the Group are classified within level 3 for the six months ended 30 June 2016 and for the 2015 financial year.

NOTES TO THE INTERIM FINANCIAL STATEMENTS *CONTINUED*

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS *CONTINUED*

The Group values the underlying investments in the five private equity funds in which it invests in by reference to such investments' NAVs in line with the valuation methodology described in note 2 on page 48 of the Company's Annual Financial Report for the year ended 31 December 2015. Where considered appropriate, the Investment Manager adjusts these NAVs as audited NAVs as at 30 June 2016 were not available by the time these Interim Financial Statements were authorised for issue. These adjustments represent unobservable inputs that result in the private equity funds being classified as level 3 in the fair value hierarchy. Given the number of underlying investments, the Directors have not presented a sensitivity analysis at an individual input level for these investments as they do not deem it to be material. The Investment Manager does not prepare an aggregated input sensitivity analysis at a private equity fund level for all of the funds' investments, as it is not possible to calculate the effective correlation across investments.

There were no transfers between levels for the six months ended 30 June 2016, nor for the year ended 31 December 2015.

10. NET ASSETS PER ORDINARY SHARE

The basic total net assets per Ordinary share is based on the net assets attributable to owners shown in the Balance Sheet as at 30 June 2016, and on 14,228,143 Ordinary shares, being the number of Ordinary shares in issue at 30 June 2016 (30 June 2015: 19,490,606; 31 December 2015: 19,490,606).

There is no dilution effect and therefore no difference between the diluted total net assets per Ordinary share and the basic total net assets per Ordinary share stated above.

11. GUARANTEES AND COMMITMENTS

(a) Guarantees

The Company has agreed to provide such financial support to MIL as it may require to continue trading as a going concern.

(b) Commitments

The Company has a maximum outstanding commitment of £3.3 million to MCF at 30 June 2016 (30 June 2015: £4.0 million; 31 December 2015: £3.7 million).

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

12. RELATED PARTY TRANSACTIONS AND DISCLOSURES

The following note provides details of the Group and Company's related party disclosures and related party transactions during the period:

- (a) Under the Investment Management Agreement, dated 27 March 2009, the Company paid fees of £32,000 (30 June 2015: £32,000; 31 December 2015: £64,000) to MCP, of which £16,000 was outstanding at 30 June 2016 (30 June 2015: £16,000; 31 December 2015: £16,000).
- (b) Legal & General Assurance Society Limited held 32.92% of the Ordinary share capital of the Company as at 30 June 2016 (30 June 2015: 33.50%; 31 December 2015: 33.50%).
- (c) Mr Boylan, the Managing Partner and Designated Member of MCP, in his personal capacity held 0.39% (30 June 2015: 0.36%; 31 December 2015: 0.36%) of the Ordinary share capital of the Company as at 30 June 2016. Mr Boylan is a member of MCP and has a profit entitlement of 15% of the profits in MCP (30 June 2015: 15%; 31 December 2015: 15%).
- (d) Under a Retention Arrangement dated 5 November 2014, Mr Boylan would become entitled, on completion of the realisation strategy, to a sum of £200,000 in consideration for acquiring his 15% minority interest in MCP (referred to as the Non-controlling Interest within the Consolidated Financial Statements). The circumstances that will give rise to the completion of the realisation strategy could vary depending upon the choice of exit route taken by the Company and the arrangement is subject to good leaver provisions.
- (e) The compensation payable to key management personnel (which includes members of MCP but excludes Directors of the Company) amounted to £75,000 (30 June 2015: £74,000; 31 December 2015: £149,000) paid as guaranteed drawings. Profit share distributed to the Non-controlling Interests (members of MCP) amounted to £18,000 (30 June 2015: £17,000; 31 December 2015: £32,000).
- (f) The Company invests in MCF, which is managed by MCP. A carried interest scheme operates for the benefit of the founder partners in the scheme. The founder partners are Ms Gillian Brown, Mr Adrian Johnson and Mr Boylan. Carried interest of 10% of investment profits could become payable once MCF has returned all capital contributed by investors as well as exceeding a net IRR of 8% per annum. As at 30 June 2016, MCF's net fund IRR was 6.6% and therefore no provision for carried interest has been made against the valuation of MCF. No carried interest payments were made during the period or have been since the inception of MCF.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In respect of the Interim Report and Financial Statements for the six months ended 30 June 2016, we confirm that to the best of our knowledge:

- The Interim Report and Financial Statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” issued by the International Accounting Standards Board, as adopted by the EU and gives a true and fair view of the assets, liabilities, financial position and profit of the Company as required by DTR 4.2.4R;
- The Investment Manager’s Review includes a true and fair review of the information required by DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of the important events that have occurred during the first six months of the financial year and their impact on the Interim Report and Financial Statements;
- In accordance with DTR 4.2.8R of the Disclosure Guidance and Transparency Rules and as disclosed in note 12 on page 21 of this Interim Report and Financial Statements, there have been no changes in the nature or magnitude of the related party transactions that have taken place in the first six months of the current financial year and, therefore, there is nothing to report on any material effect by such a transaction on the financial position or the performance of the Company during the period; and
- In accordance with DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, the description of the principal risks and uncertainties is a fair review of the information required under DTR 4.2.7R for the remaining six months of the year.

On behalf of the Board
Mithras Investment Trust plc
Company Number: 2478424

William Maltby
Chairman
27 July 2016

INDEPENDENT REVIEW REPORT TO MITHRAS INVESTMENT TRUST PLC

INTRODUCTION

We have been engaged by the Company to review the condensed set of Financial Statements in the Interim Report and Financial Statements of Mithras Investment Trust plc for the six months ended 30 June 2016 which comprises the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Balance Sheet and, Condensed Consolidated Cash Flow Statement; and the related notes.

We have read the other information contained in the Interim Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of Financial Statements.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the condensed set of Financial Statements in the Interim Financial Report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of Interim Financial Reporting in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

INDEPENDENT REVIEW REPORT TO MITHRAS INVESTMENT TRUST PLC *CONTINUED*

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of Financial Statements in the Interim Financial Report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

BDO LLP
Chartered Accountants
London
United Kingdom
27 July 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MONITORING YOUR HOLDING

Shareholders wishing to monitor their shareholdings are able to do so via the internet, using Equiniti Registrar's Shareview Service.

The Shareview Service gives you:

- direct access to data held for you on the share register including recent share movements and dividend details; and
- the ability to change your address or dividend payment instructions online.

It is easy to sign up for the Shareview Service – you just need the 'shareholder reference' number printed on your dividend stationery. When you log on to the Shareview Service for the first time you will be sent a User ID and PIN.

The Shareview Service is:

- **Easy to use**

You just need your User ID and PIN to log on. Information about your shareholding is displayed clearly and conveniently and is updated regularly. Registration takes only a few minutes.

- **Secure**

Data transferred to your browser is encrypted and other internet users cannot gain access to your portfolio without your User ID and PIN.

- **Free**

As long as you have a PC and access to the internet, this service is free.

For more details on the Shareview Service and practical help on transferring shares or updating your details, visit **www.shareview.co.uk**.

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

Year end 31 December

Results Announced:

- Annual March
- Interim July

Annual General Meeting April

PAYMENT OF DIVIDENDS ON ORDINARY SHARES

Declared 2015:

- Final dividend of 1.0 pence Paid on 15 May 2015 to shareholders on the Register of Members on 20 March 2015.

Declared 2016:

- Final dividend of 1.0 pence Paid on 6 May 2016 to shareholders on the Register of Members on 11 March 2016.

SHAREHOLDER HELPLINE

0371 384 2498

Lines are open from 8.30 am to 5.30 pm Monday to Friday.

Overseas holders should call +44 121 415 7047.



MITHRAS
INVESTMENT TRUST plc

NOTES



MITHRAS
INVESTMENT TRUST plc

NOTES

DIRECTORS AND ADVISERS

DIRECTORS

William Maltby (Chairman)
Miriam Greenwood OBE DL
John Mackie CBE (Senior Independent Director)
David Shearer (Audit Committee Chairman)

INVESTMENT MANAGER

Mithras Capital Partners LLP
1 Northumberland Avenue
Trafalgar Square
London WC2N 5BW

*Authorised and regulated by the
Financial Conduct Authority*

COMPANY SECRETARY AND

REGISTERED OFFICE

BNP Paribas Secretarial Services Limited
10 Harewood Avenue
London NW1 6AA
Tel: 020 7410 5971
Email: secretarialservice@uk.bnpparibas.com

FUND ADMINISTRATOR

Capita Sinclair Henderson Limited
Trading as Capita Asset Services –
Fund Solutions
Beaufort House
51 New North Road
Exeter EX4 4EP

REGISTRARS

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6QQ
Tel: 0371 384 2498
Overseas helpline: +44 121 415 7047.
Lines open 8.30 am to 5.30 pm, Monday to Friday.
www.shareview.co.uk

STATUTORY AUDITORS

BDO LLP
55 Baker Street
London W1U 7EU

FINANCIAL ADVISERS AND STOCKBROKER

Winterflood Investment Trusts
The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA

SOLICITORS

Charles Russell Speechlys LLP
5 Fleet Place
London EC4M 7RD

