MITHRAS
Investment Trust plc

Annual Financial Report
31 December 2016

MITHRAS
Investment Trust plc

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

	Year ended 31 December 2016	Year ended 31 December 2015	% change compared to previous year
Net assets attributable to owners of the Company	**£31.5 million**	£33.7 million	(6.5)
Number of Ordinary shares in issue at end of year	**14,228,143**	19,490,606	(27.0)
Net Asset Value ("NAV") per Ordinary share	**221.2 pence**	173.0 pence	27.9
Mid market share price			
31 December	**181.3 pence**	146.5 pence	23.8
22 February[1]	**186.0 pence**		
Discount	**18.0%**	15.3%	2.7
Cash distributions to shareholders during the year (dividends paid plus tender offers)			
– Dividends paid	**£0.2 million**	£0.2 million	
– Tender offer proceeds	**£9.0 million**	£6.1 million	
	£9.2 million	£6.3 million	
– Tender offer proceeds per Ordinary share	**45.9 pence**	25.8 pence	
– Proposed dividend per Ordinary share[2]	**1.0 pence**	1.0 pence	
Total return before tax	**£7.0 million**	£2.3 million	
Ongoing charges (annualised)[3]	**1.6%**	1.4%	
Total expense ratio (annualised)[4]	**2.4%**	2.1%	

[1] Being the last practical date prior to approval of the Annual Financial Report.

[2] The proposed dividend, if approved by shareholders at the Annual General Meeting ("AGM"), is paid in the calendar year following proposal. Further information can be found in note 9 to the Financial Statements on page 54 and in the Financial Calendar on page 71.

[3] 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.

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

Performance (Total Return) at 31 December 2016

	1 Year %	3 Year %	5 Year %	Since Flotation %
Share price	24.4	34.0	88.2	396.0
NAV*	28.4	39.8	56.6	365.5
FTSE All-Share Index	16.8	19.3	61.8	397.8

* 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.

MITHRAS
Investment Trust plc

Chairman's Statement

Highlights for the Year

2016 was an excellent year for the Company both in terms of cash generation and NAV growth despite the background of considerable political and market volatility. The Company's NAV increased from 173.0 pence per share to 221.2 pence per share, an increase of 27.9%. The Company's NAV benefited significantly from the weakness of Sterling against the Euro and the Dollar especially after the Brexit vote.

Although there was a noticeable slowdown in private equity deal activity immediately pre and post the EU Referendum, the exit environment throughout the year remained largely positive. Cash distributions received by the Company for the year amounted to £8.6 million, a small increase over the £8.4 million of distributions received during 2015. The number of underlying portfolio companies held through MCF decreased significantly from 53 to 38 during the year, which compares to the original total of 88. Encouragingly, significant progress was made in realising a number of the larger and older underlying portfolio companies.

The fifth and largest tender offer was completed in April 2016, returning £9.0 million to shareholders. The Company has now returned a gross total of £34.9 million to shareholders by way of tender offers. This equates to a capital return of 94.6 pence per share or the cancellation of approximately 61% of the original shares in issue.

During the year, the Company's share price increased from 146.5 pence per share to 181.3 pence per share, an increase of 23.8%. The Company's discount increased slightly from 15.3% to 18.0% although we hope that this discount will narrow as the Company moves closer towards its next tender offer.

Update on the Realisation Strategy

The Board continues to believe that the current strategy of returning cash to shareholders by way of tender offers at close to NAV is the best way to maximise value in the near term. The Company had a net surplus cash position, (after allowing for estimated outstanding commitments) of £4.8 million as at 31 December 2016. A number of realisations of underlying portfolio companies have been announced which we anticipate will complete in the next few months. As a consequence, the Board expects to be in a position to announce its next tender offer during the first half of 2017.

In line with the realisation strategy, the Board monitors the balance between the prospects of NAV growth and cash generation and the ongoing costs of running the Company relative to NAV. The Company's costs for 2016 decreased slightly although the ongoing cost ratio was 1.6% (1.4% in 2015). This increase was largely a result of the reduction in net assets following the tender offer in the first half of the year. Whilst our current cost ratio remains comparable with our listed private equity peer group, completion of further tender offers will cause the ratio to rise.

As a consequence of the growth in NAV, MCF's net IRR as at 31 December 2016 was above the 8% hurdle rate and therefore a provision for carried interest of £1.4 million is included within the Company's MCF valuation. In previous years, MCF's carried interest scheme has been noted in the accounts as a potential liability.

Chairman's Statement

If market conditions for private equity exits remain favourable, it is likely that within the next 12-18 months the costs of running the Company relative to NAV will rise to a level where continuing to run the Company as an investment trust ceases to be economic. At that point, the Board will commence the final stage of the realisation strategy. This is likely to involve either the Company being put in to liquidation or the Company's stake in MCF being sold.

At present the Board envisages that the Company will make at least two further tender offers prior to the final stage of the realisation strategy, with the next tender during the first half of 2017.

As always the Board remains open to value-enhancing offers from third parties. Any offers will be evaluated against the core strategy of further tender offers followed by a liquidation of the Company.

Outlook

The last 12 months have seen a remarkable change in the political landscape, most notably in the UK and US. It seems likely that political volatility will continue, particularly as a consequence of key elections in Continental Europe. Despite the uncertain political and economic backdrop, markets and valuations have proved resilient and the environment for private equity realisations remains positive.

The managers of our underlying funds are reporting that the trading performance of their portfolio companies is generally strong. As a result, the Board believes that the current portfolio still has good prospects for further NAV growth and cash generation.

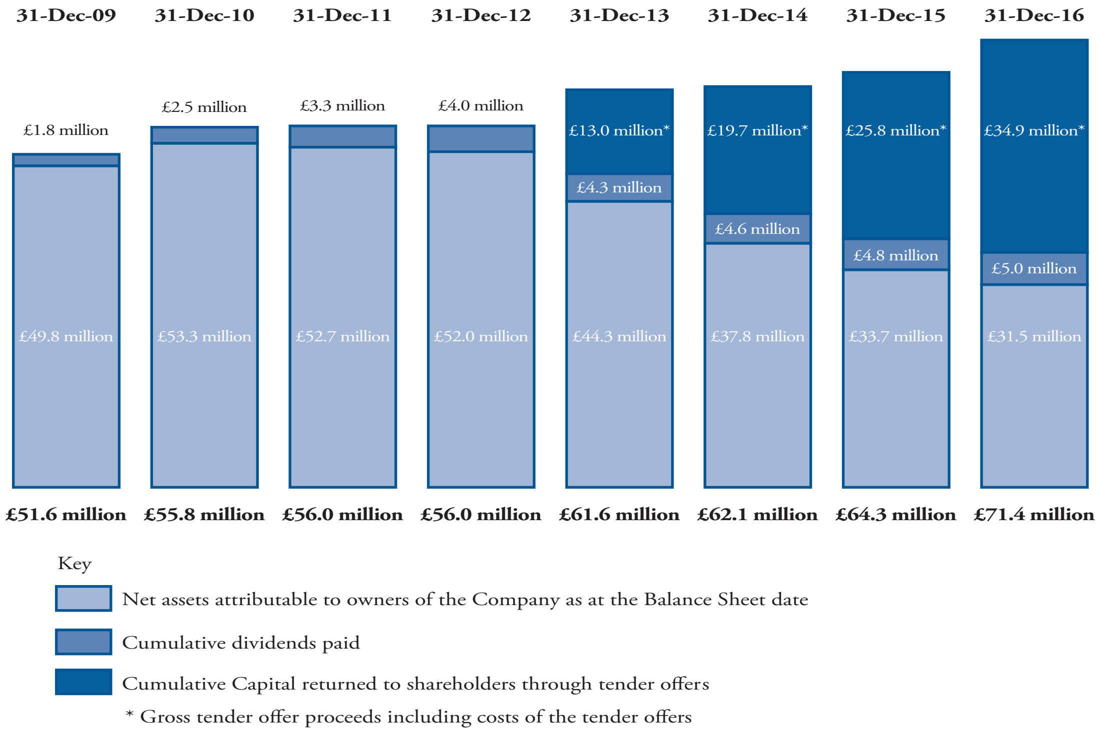
At the AGM or around the time of the next tender offer, the Board intends to provide shareholders with a timeline for the final stages of the realisation strategy.

William Maltby
Chairman
23 February 2017

Mithras
Investment Trust plc

Investment Manager's Review

Net Assets and Cumulative Distributions to Shareholders following the approval of the Realisation Strategy (January 2009)



Summary Financial Information following approval of 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
31 December 2016	31.5	221.2	181.3	18.0	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

CONTINUED

Results and Performance for the Year

The Company enjoyed a strong 2016 despite a continuation of volatility and uncertainty impacting financial markets. Strong underlying portfolio company performance and a fall in the value of Sterling have ensured that the Company's results for this year have been positive. The Company's share price increased from 146.5 pence per share to 181.3 pence per share. The Group's NAV increased from 173.0 pence per share to 221.2 pence per share during the year and the Group's total return for the year was 28.4% (2015: 7.3%) which compares to the Group's benchmark, the FTSE All-Share Index's return of 16.8% (2015: 1.0%). The Company's performance was helped by Sterling falling by 13.7% against the Euro and by 16.1% against the US Dollar during the year.

Consistent with the Company's realisation strategy, we will continue to pay a level of dividend required to maintain investment trust status. Shareholders should continue to expect the majority of future returns to be capital in nature. Accordingly, the Board has recommended a final dividend totalling 1.0 pence per Ordinary share (2015: 1.0 pence). If approved by shareholders, the proposed final dividend will be paid on 5 May 2017 to shareholders on the register on 3 March 2017.

Investment Activity

Given MCF's fully invested status, the Company was only required to provide £0.2 million of capital during the year to meet its ongoing obligations to MCF and this was funded by retained distribution proceeds. A number of value accretive add-on investments were made by underlying portfolio companies which did not require any new capital from MCF. ***PAI Europe V*** completed the add-on of Safegate to existing portfolio company ADB Airfield Solutions creating ADB Safegate and R&R Ice Cream completed a transaction with Nestlé which created Froneri, a new 50:50 joint venture in ice cream and frozen food operating across 22 countries. ***CVC Europe V*** completed an add-on acquisition to Ista and ***Doughty Hanson V*** completed several add-on acquisitions for TMF Group which were all funded directly by TMF Group.

Realisations and Repayments

The exit environment remained positive for the Company's mature portfolio despite the ongoing uncertainty surrounding the European Union ("EU") and Brexit with MCF making gross distributions to the Company totalling £8.6 million (2015: £8.4 million). These distribution proceeds comprised a number of full or partial exits, as well as some refinancing and dividend recapitalisation proceeds. A number of pending exits have been announced but are yet to complete, notably ***CVC Europe V's*** proposed sales of Quironsalud and Alix Partners, ***PAI Europe V's*** proposed sales of Xella and Cerba HealthCare and ***Doughty Hanson V's*** proposed sale of LM Wind Power. This should ensure that the Company's realisation strategy continues into 2017 on a positive note.

Investment Manager's Review

CONTINUED

CVC Europe V was again the most active underlying fund in terms of the number of exits, realising six portfolio companies and distributing a total of £1.6 million to the Company. This included the sales of Avolon and Raet for multiples in excess of 2.0x cost and the exit of Sunrise Communications for a multiple in excess of 3.0x cost. ***OCM Principal Opportunities Fund IV*** provided the largest distribution proceeds returning £2.8 million, having made good progress during the year monetising the remaining mature portfolio. ***OCM Principal Opportunities Fund IV*** exited Fu Sheng, Alliance Healthcare Services, Alstria Office and successfully floated AdvancePierre Foods during the latter part of 2016 with MCF also receiving partial distribution proceeds from the flotation. ***PAI Europe V*** distributed £2.1 million following the sales of Swissport at a gross multiple of 3.1x cost and Hunkemoeller at a gross multiple of 2.2x cost. ***Riverside Europe III*** exited Diatron for a gross multiple of 2.6x cost.

As at 31 December 2016, the MCF portfolio comprised 38 underlying investments with the largest investment, AdvancePierre Foods equating to 20% of the MCF portfolio (although the Company received a further distribution of £1.6 million from MCF in February 2017, following a further sell down of shares post IPO). The Company has made good progress with its realisation strategy with seven of the top ten largest underlying portfolio companies as at 31 December 2015 having been sold, listed or are in the process of being exited. The average hold period for the remaining portfolio has increased from 5.6 to 6.1 years.

Liquidity and Outstanding Commitments

The Group's liquidity position remains strong and the Group's cash balance as at 31 December 2016 was £5.7 million (2015: £6.8 million).

Excluding subsidiary company cash balances, the Company's cash balance was £5.2 million. This compares to maximum outstanding commitments of £3.5 million, of which only £0.4 million is expected to be drawn. This gives the Company a net surplus cash position of £4.8 million as at 31 December 2016.

Outlook

The Company enjoyed a strong 2016 both in terms of NAV and share price growth helped by good underlying portfolio company performance and a fall in the value of Sterling. The Company has made significant further progress with its realisation strategy and the pipeline of potential exits remains strong for 2017.

Whilst the Company's future performance remains sensitive to the value of both the Euro and the US Dollar and the exit environment generally, we believe the Company is well placed to deliver further growth in shareholder value as it moves towards the final stages of the realisation strategy.

Mithras Capital Partners LLP
Investment Manager
23 February 2017

Consolidated Investment Portfolio At 31 December 2016

Investments at Fair Value	Fair value £'000	% of Portfolio
MCF limited partnership fund investments		
CVC European Equity Partners V	8,393	32
OCM Principal Opportunities Fund IV	7,182	28
PAI Europe V	4,606	17
Doughty Hanson & Co V	4,243	16
Riverside Europe Fund III	2,102	8
Directors' revaluation adjustment	826	3
Net current assets held in MCF	187	1
MCF carried interest provision	(1,426)	(5)
Total investment portfolio	26,113	100
Geographical spread of investments by fund currency exposure		
Continental Europe (EUR)	19,933	76
North America (USD)	7,419	28
United Kingdom (GBP)	187	1
	27,539	105
MCF carried interest provision	(1,426)	(5)
Total investment portfolio	26,113	100

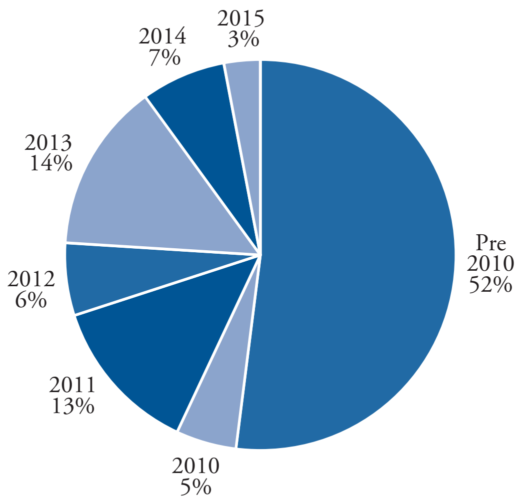
Listed below are the ten largest underlying investments by value which account for 65% of the consolidated investment portfolio. All of these investments are held indirectly through the Company's commitment to MCF.

Top Ten Largest Underlying Investments within MCF

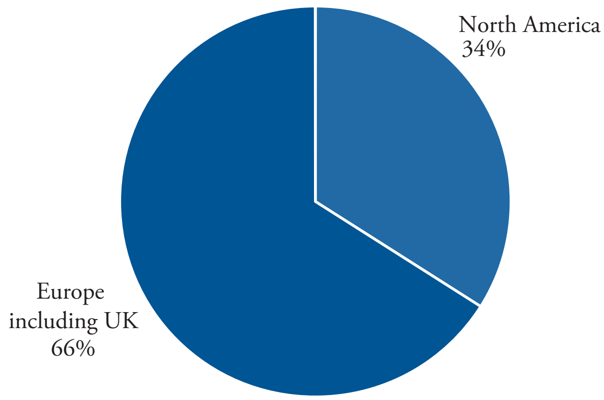
Portfolio Company	Sector	Country	Underlying Fund	Year of Investment	% of Portfolio
AdvancePierre Foods	Food & Beverage	United States	OCM Principal Opportunities Fund IV	2008	20
TMF Group	Services	Netherlands	Doughty Hanson & Co V	2008	10
Quironsalud	Healthcare	Spain	CVC European Equity Partners V	2011	8
Cyanco Holdings	Basic Resources	United States	OCM Principal Opportunities Fund IV	2008	5
Xella	Building Materials & Others	Germany	PAI Europe V	2008	4
Ista	Services	Germany	CVC European Equity Partners V	2013	4
Cerba HealthCare	Healthcare	France	PAI Europe V	2010	4
Froneri	Food & Beverage	United Kingdom	PAI Europe V	2013	4
SkyBet	Travel & Leisure	United Kingdom	CVC European Equity Partners V	2015	3
OrthoD Group	Healthcare	United Kingdom	Riverside Europe Fund III	2008	3

Consolidated Investment Portfolio Analysis

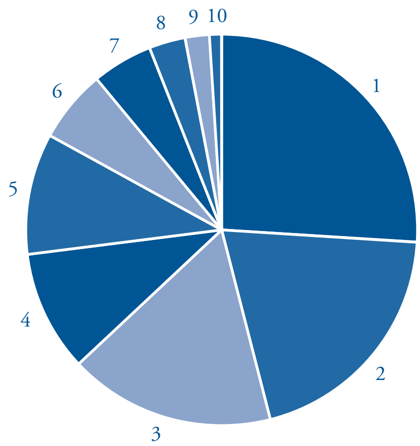
Underlying Investments by Year of Investment (by valuation)



Underlying Investments by Continent (by valuation)

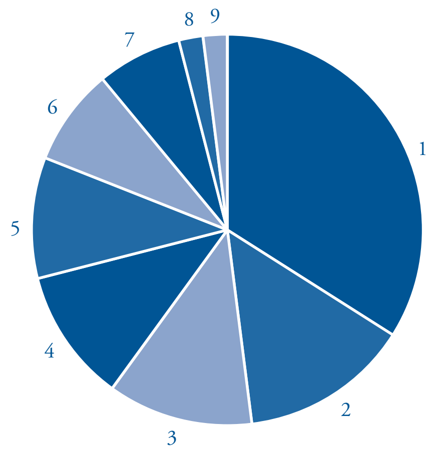


Underlying Investments by Sector (by valuation)



1	Food & Beverage	26%
2	Services	20%
3	Healthcare	17%
4	Travel, Leisure & Retail	10%
5	Industrial Goods & Services	10%
6	Building Materials & Others	6%
7	Basic Resources	5%
8	Telecoms, Media & Technology	3%
9	Financial Services & Insurance	2%
10	Oil, Gas & Chemicals	1%

Underlying Investments by Country (by valuation)



1	North America	34%
2	UK	14%
3	Benelux	12%
4	France	11%
5	Germany	10%
6	Spain	8%
7	Scandinavia	7%
8	Other Europe	2%
9	Rest of World	2%

Portfolio Review – Mithras Capital Fund LP

Mithras Capital Fund LP

Mithras Capital Fund LP

The Company has a commitment of £55.0 million to MCF, a private equity fund-of-funds managed by MCP, which held its final close in March 2008 raising a total of £120.0 million. MCF made commitments to five funds ("Underlying Funds"), mostly European buyout funds, which provide exposure across the whole range of the buyout market from the lower end through to the large segment of the market. MCF closed its commitment period on 24 July 2008 and no new commitments have been made since that date. The size of MCF was subsequently reduced to £110.0 million following a release of LP commitments totalling £10.0 million in April 2010.

The Company, through its commitment to MCF, has investment exposure to the following Underlying Funds: OCM Principal Opportunities Fund IV, Riverside Europe Fund III, Doughty Hanson & Co V, PAI Europe V and CVC European Equity Partners V. Details of these Underlying Fund investments can be found on pages 10 and 11. References to underlying portfolio companies relate to the 38 underlying portfolio companies held directly by the Underlying Funds within MCF.

Financial Position of MCF

As at 31 December 2016, MCF was valued at fair value based upon the latest available reports received from the general partners of the Underlying Funds. As part of the fair valuation process performed by MCP, a more up-to-date indication of fair value at 31 December 2016 has been sought from all underlying managers and this has been reflected as a Directors' valuation adjustment in the year end valuation for MCF.

The Company's investment in MCF at 31 December 2016 was as follows:

	31 December 2016	31 December 2015
Number of underlying portfolio companies	**38**	53
Fair value (£ million)	**26.1**	27.2
Cost (£ million)	**20.9**	26.3
Commitment to MCF (£ million)	**55.0**	55.0
Percentage of commitment drawn by MCF	**93.7%**	93.3%
Maximum undrawn commitment to MCF (£ million)	**3.5**	3.7
Percentage holding in MCF*	**49.9875%**	49.9875%
Amounts called by MCF since inception (£ million)	**51.5**	51.3
Amounts distributed by MCF since inception (£ million)	**51.4**	42.8

* The Company's investment in MCF is not consolidated within the Annual Financial Report. Please see note 2 on page 46 for further details.

The latest available audited Financial Statements for MCF at 31 December 2015 stated:

	31 December 2015
Allocation of net profit attributable to MCF limited partners (£ million)	**1.2**
Net assets attributable to MCF limited partners (£ million)	**53.7**

Portfolio Review – Underlying Funds within MCF

CVC Capital Partners

CVC European Equity Partners V ("CVC Europe V")

Company's share of CVC Europe V (via MCF)	31 December 2016	31 December 2015
Fair value (£ million)	**8.4**	6.3
Number of Investments	**15**	21
Commitment (€ million)	**15.0**	15.0
Percentage of commitment drawn	**96.0%**	95.3%
Holding in CVC Europe V	**0.1%**	0.1%

CVC Europe V is a €10.7 billion private equity fund which sought to generate long-term capital appreciation primarily by investing in large European buyouts or other similar transactions where it could exert control. CVC Europe V targeted companies which typically exhibited at least one of the following characteristics: a strong market position or product portfolio; a realistic business plan and a persuasive strategy for achieving it; or an opportunity for cash flow and profit growth internally or through acquisition. The investment period for CVC Europe V has expired meaning no new investments can be made.

OAKTREE

OCM Principal Opportunities Fund IV ("OCM POF IV")

Company's share of OCM POF IV (via MCF)	31 December 2016	31 December 2015
Fair value (£ million)	**7.2**	7.0
Number of Investments	**10**	16
Commitment (US$ million)	**20.0**	20.0
Percentage of commitment drawn	**90.0%**	90.0%
Holding in OCM POF IV	**0.6%**	0.6%

OCM POF IV is a US$3.3 billion private equity fund which made special situation private equity and distress for control investments in medium-sized companies that it believed were undervalued, possibly due to some kind of distress, which offered an opportunity for growth with an attractive risk/return profile. OCM POF IV structured investments with a view to obtaining control or significant influence. OCM POF IV's investment focus was predominantly on US opportunities although up to 35% could be invested in non-US opportunities. The investment period for OCM POF IV has expired meaning no new investments can be made.

PAI partners

PAI Europe V ("PAI V")

Company's share of PAI V (via MCF)	31 December 2016	31 December 2015
Fair value (£ million)	**4.6**	5.4
Number of Investments	**7**	9
Commitment (€ million)	**7.5**	7.5
Percentage of commitment drawn	**92.9%**	91.0%
Holding in PAI V	**0.3%**	0.3%

PAI V is a €2.7 billion private equity fund which made controlling equity investments in medium-sized private and public companies headquartered in Europe, with typical equity investments of between €100 million – €300 million. PAI V focused on buying market-leading companies in one of five core sectors: business services, food & consumer goods, general industrials, healthcare and retail & distribution. PAI V particularly focused on investing in consolidating sub-sectors or markets where growth could be sustained through both financial and economic cycles. The investment period for PAI V has expired meaning no new investments can be made.

Portfolio Review – Underlying Funds within MCF

CONTINUED

Doughty Hanson & Co V ("DH V")

Company's share of DH V (via MCF)	31 December 2016	31 December 2015
Fair value (£ million)	**4.2**	3.5
Number of Investments	**3**	3
Commitment (€ million)	**15.0**	15.0
Percentage of commitment drawn	**78.3%**	78.3%
Holding in DH V	**0.5%**	0.5%

DH V is a €3.0 billion private equity fund which made controlling equity investments in market leading, cash generative businesses which were headquartered in Europe or whose operations were primarily based in Europe. DH V targeted businesses where the enterprise value at acquisition was in the range of €250 million – €1 billion. These were typically family owned businesses with strong management teams where there was potential for equity value enhancement through improved revenue growth, market positioning, operating efficiencies and acquisitions. The investment period for DH V has expired meaning no new investments can be made

Riverside Europe Fund III ("REF III")

Company's share of REF III (via MCF)	31 December 2016	31 December 2015
Fair value (£ million)	**2.1**	4.4
Number of Investments	**3**	4
Commitment (€ million)	**15.0**	15.0
Percentage of commitment drawn	**96.7%**	96.7%
Holding in REF III	**4.7%**	4.7%

REF III is a €320 million private equity fund which followed a pan-European buy and build strategy focused on the lower mid-market. REF III targeted niche-leading companies with an initial enterprise value of between €10 million – €75 million and aimed to grow the businesses acquired over a period of three to seven years by a combination of making acquisitions and adopting measures to improve earnings growth. Riverside's philosophy was to buy small companies, grow them into larger companies and exit them at medium to large company multiples. The investment period for REF III has expired meaning no new investments can be made.

Strategic Report

Introduction

The Directors present their Strategic Report on the Group and Company for the year ended 31 December 2016. The Strategic Report contains a review of the Company's strategy and business model as well as the principal risks and challenges it faces, an analysis of its performance during the financial year and its future developments.

Pages 2 to 15 inclusive (together with the sections of the Annual Financial Report incorporated by reference) consist of a Strategic Report that has been prepared in accordance with Section 414A of the Companies Act 2006 (the "Act").

Business Model

The Group comprises the Company and its wholly owned subsidiaries, details of which together with the principal activities can be found in note 17 on pages 59 and 60.

The Company is incorporated in England and Wales as a public limited company and is domiciled in the United Kingdom. It is an investment company as defined by Section 833 of the Act and its Ordinary shares are listed and traded on the London Stock Exchange.

The Company has been approved by HM Revenue & Customs ("HMRC") as an investment trust in accordance with Section 1158 Corporation Tax Act 2010 ("CTA") and in the opinion of the Directors, continues to meet the eligibility criteria to qualify as an investment trust. As an investment trust, the Company is exempt from Corporation Tax on capital gains and given the Company's current portfolio, the shares are eligible for inclusion in an Individual Savings Account.

Objective and Investment Policy

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.

The Company will not make any new investments but will continue to meet its existing outstanding commitment to MCF. The Company will retain sufficient cash resources to meet all outstanding obligations. Realised cash may be invested in "AAA" rated money market funds pending its return to shareholders in accordance with the Company's investment objective.

Performance

An outline of performance, market background, investment activity and portfolio strategy during the year under review, as well as the outlook, is provided in the Chairman's Statement on pages 2 and 3 and the Investment Manager's Review on pages 4 to 6.

Measuring Performance – Key Performance Indicators

A number of performance measures are considered by the Board and MCP in assessing the Company's success in achieving its objectives. The Key Performance Indicators ("KPIs") used to measure the progress and performance of the Company over time are established industry measures and are as follows:

- Cash distributed to shareholders;
- Movement in NAV;
- Movement in share price;
- Ongoing charges;
- Total expense ratio; and
- Dividends per share.

These KPIs are provided in the Group Financial Highlights summary on page 1.

Financial Risk Management

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. MCP has overall responsibility for managing the financial risks and the framework for monitoring and coordinating these risks. The risk management framework is monitored by the Board. The Group's financial risk management objectives and processes used to address these risks have not changed from the previous year and the policies are set out in note 20 to the Financial Statements on pages 61 to 64.

Principal Risks and Uncertainties

The Board, in conjunction with MCP, has established a risk management framework within the context of the Company's overall objective. The Board and the Audit Committee are responsible for the risk management framework, which enables the Company to assess the overall risk and exposure of the Company and to review and monitor such risk. The Board confirms that it has carried out a robust assessment of the principal risks facing the Company as noted below together with how they are being managed or mitigated.

General Risks Associated with Investment in Private Equity:

The Group invests in private equity through its exposure to MCF which mitigates some of these general risks through diversification. MCF investments are illiquid and might be difficult to realise, particularly within a short timeframe.

Financial Risks:

By its nature as an investment trust, the Company's business activities are exposed to market risk (which includes price risk and currency risk), credit risk, liquidity risk and interest rate risk. These are monitored by the Board. Details of these risks and how they are managed are set out in note 20 to the Financial Statements on pages 61 to 64.

Operational Risks:

As the Company's main functions are delegated to MCP and third party service providers, operational risk would arise from failures of internal control of those service providers. This would include, for example, non-compliance with statutes and regulations governing the functions of the Company. Operational risks are regularly assessed by the Board, which receives timely reports from MCP and its main service providers as to the internal control processes in place within those organisations. These serve to minimise the risk exposure to the Company. Further details regarding the Group's internal controls and management of risks are set out within the Corporate Governance Statement on page 25.

Investment and Strategy Risks:

The Board considers at each meeting the performance of the investment portfolio and has established investment restrictions and guidelines within which MCP operates.

Valuation Risks:
The Group's exposure to valuation risk mainly comprises movements in the value of its underlying investments. The Company's investment in MCF is valued at fair value by the Directors in accordance with the current International Private Equity and Venture Capital ("IPEV") Guidelines. Valuation risks are mitigated by a comprehensive review of underlying investments carried out by MCP bi-annually. These valuations are then considered and approved by the Audit Committee and the Board.

Regulatory Risks:
A breach of the CTA could result in the Company losing its status as an investment trust and becoming subject to Corporation Tax on capital gains. MCP monitors the CTA qualification criteria and provides a report to the Board at each meeting. As an entity listed on the London Stock Exchange, the Company must also comply with the Listing, Prospectus and Disclosure Guidance and Transparency Rules (the "Rules") of the Financial Conduct Authority ("FCA") as well as the Act. MCP and the Company Secretary provide regular reports to the Board on compliance with relevant provisions and report breaches without delay. The Board relies on MCP, the Company Secretary and professional third party advisers to ensure compliance with laws and regulations.

In particular, under the Rules, the Company is required to maintain at least 25% of its shares in "public hands". The definition of "public hands" excludes any holdings by shareholders owning more than 5% of the issued share capital as well as the Directors own shareholdings. Details of the Company's substantial shareholders are disclosed on page 18. Any inadvertent breach of this test could result in the Company's share listing being suspended and the loss of investment trust status.

Corporate Governance and Shareholder Relations Risks:
Details of the Company's compliance with corporate governance best practice guidelines, including compliance with the AIC Code of Corporate Governance (the "AIC Code") and the maintenance of good communication with shareholders, are set out in the Corporate Governance Statement on pages 21 to 25.

Longer-Term Viability Statement
In accordance with provision C.2.2 of the 2016 revision of the UK Corporate Governance Code ("the Code"), the Directors have assessed the viability prospect of the Company over a longer period than the 12 months required by the "Going Concern" provision. The Board conducted this review to cover a period of two years. This assessment has been made with reference to the Company's realisation strategy and the principal risks and uncertainties as noted above, faced by the Company and how these are managed.

The Company's realisation strategy is modelled on a two year basis and is built on an underlying fund by fund basis using a bottom up model. The model makes certain assumptions concerning the exit plans and cash flow profile of the remaining portfolio as well as the costs of running the Company and assumes that the Company continues with its core strategy of returning capital to shareholders by way of tender offers. These assumptions are stress tested in a robust downside scenario to reflect the Company's principal risks which are adverse currency movements and a lack of secondary market liquidity. The Board reviews the results of this modelling on a quarterly basis at each Board meeting. As stated in the Chairman's Statement, a continuation of the current market conditions for private equity exits over the next 12-18 months could result in the Company commencing the final stage of its realisation strategy. However, as at the date of the Report, a period of two years is still considered appropriate by the Board.

Strategic Report

CONTINUED

Based upon the results of this analysis and taking into account the Company's current position and principal risks and uncertainties, the Directors have a reasonable expectation that the Company will continue to operate and meet its liabilities, as they fall due, for the next two years.

Going Concern

The Company has reviewed the guidance issued by the Financial Reporting Council ("FRC") in order to determine whether the going concern basis should be used in preparing the Financial Statements for the year ended 31 December 2016. In doing so, the Directors have reviewed the likely operational costs and cash flows for the Company for the 12 months from the date of this Report and are of the opinion that the Company 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 Company to continue as a going concern have been identified by the Directors.

Social and Environmental Policy

As an investment trust, the Company has no direct social, community, employee, human rights or environmental responsibilities. The Company's principal responsibility is to follow the realisation strategy approved by shareholders in 2009.

Anti-Bribery Policy

The Company is committed to the practice of responsible behaviour and to complying with all laws, regulations and other requirements which govern the conduct of its activity. The Company is committed to instilling a strong anti-corruption culture and is committed to compliance with anti-bribery legislation including, but not limited to, the Bribery Act 2010.

Modern Slavery Act 2015

The Board recognises the requirement under Section 54 of the Modern Slavery Act 2015 to prepare a slavery and human trafficking statement for the financial year. The Company however, does not fall within the scope of this Act and the Directors also consider the Company's supply chain to be low risk as its suppliers are typically professional advisers.

Accordingly, a slavery and human trafficking statement has not been included.

Gender Representation on the Board

The composition of the Board as at 31 December 2016 is set out on page 16. During the year under review, there were three male Directors and one female Director on the Board. The Board's approach to diversity is set out in the Corporate Governance Statement on page 24.

Main Trends and Future Developments

Details of the Company's key developments during the year ended 31 December 2016, together with its prospects for the future, are set out in the Chairman's Statement on pages 2 and 3 and the Investment Manager's Review on pages 4 to 6.

By Order of the Board
BNP Paribas Secretarial Services Limited
Company Secretary
23 February 2017

Board of Directors

Chairman

William Maltby (Chairman of the Board, the Management Engagement and Nomination Committees)
William was vice chairman of Investment Banking at Deutsche Bank where he worked for more than 25 years as a corporate financier and thereafter as a senior adviser. He is also the Chairman of Enigma Investments LLP. William qualified as a Chartered Accountant with Peat Marwick Mitchell and has a law degree from Cambridge University.
Appointed 2005.

Directors

Miriam Greenwood OBE DL
Miriam is a qualified Barrister who has spent more than 30 years working for a number of leading banks and financial institutions. With four partners she established SPARK Advisory Partners 5 years ago, as an independent corporate advisory business. She is a non-executive director of Eclipse Shipping Limited, SMS plc and is currently chair of OFGEM's Expert Panel on the Gas Network Innovation Competition. She is a deputy lieutenant of the City of Edinburgh and in 2000 was awarded an OBE for services to corporate finance.
Appointed 2012.

John Mackie CBE (Senior Independent Director)
Following an early career in retail management he qualified as a Chartered Accountant with Arthur Andersen & Co in Glasgow. He then spent five years with 3i Group before joining Morgan Grenfell Private Equity in 1990 as a founder director. He was chief executive of the British Venture Capital Association from 2000-2006 and a partner in Parallel Private Equity LLP until 2011. He was also chairman of Henderson Private Equity Investment Trust plc, a non-executive director of Baronsmead VCT plc and is chairman of two advisory boards at early stage technology investment funds.
Appointed 2012.

David Shearer (Chairman of the Audit Committee)
David is an experienced non-executive director, corporate financier and turnaround specialist and was previously senior partner for Scotland & Northern Ireland and a UK Executive Board member of Deloitte LLP. He is chairman of Liberty Living Group, Aberdeen New Dawn Investment Trust plc and the Scottish Edge Fund, senior independent director of STV Group plc and a director of Speedy Hire Plc. He was previously the co chairman of Martin Currie (Holdings) Limited, chairman of Crest Nicholson plc and Mouchel Group and a non-executive director of City Inn Limited in each case standing down after completing the financial restructuring of these businesses. He was also a non-executive director of Renold plc, Superglass Holdings plc and Scottish Financial Enterprise and a governor of The Glasgow School of Art. He is a Chartered Accountant.
Appointed 2007.

All Directors are members of the Nomination, Audit and Management Engagement Committees and are non-executive. No Remuneration Committee has been established. All Directors are independent of MCP in accordance with the provisions of the AIC Code.

DIRECTORS' REPORT

The Directors present their Annual Financial Report and the audited Financial Statements of the Group for the year ended 31 December 2016 incorporating the Corporate Governance Statement on pages 21 to 25. Details of the Company's key developments during the year ended 31 December 2016, together with its prospects for the future, are set out in the Chairman's Statement on pages 2 and 3 and the Investment Manager's Review on pages 4 to 6.

Information Disclosed in the Strategic Report

The following matters required to be disclosed in this report under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are covered in the Strategic Report (inclusive of the Chairman's Statement and the Investment Manager's Review) on pages 2 to 15: the Company's status, objectives, policies, dividend, financial risk management, the Company's exposure to risks and the current and future developments (this is not intended to be a detailed forecast) as well as important events affecting the Group since the year end.

Share Capital

Details of changes in the Company's share capital during the year are set out in note 15 on page 58 of the Financial Statements.

As at the date of this Report, the Company had 14,228,143 Ordinary shares of 2 pence in issue. In April 2016, the Company purchased 27% of the issued share capital (equivalent to 5,262,463 Ordinary shares) from shareholders under a fifth tender offer.

No shares are held in Treasury. Accordingly the total number of voting rights in the Company at the date of this Report is 14,228,143.

Dividend

Details of the Board's final dividend recommendation for the year ended 31 December 2016 are set out in the Investment Manager's Review on page 5.

Directors

The Directors of the Company who held office at the end of 2016 and up to the date of signing these Financial Statements are set out on page 16 (including their biographical details).

In accordance with the Articles of Association, Miss Greenwood and Mr Mackie are due to be re-elected at the 2017 AGM. In accordance with the AIC Code, Mr Maltby and Mr Shearer are also subject to annual re-election as they have served more than nine years on the Board. The Nomination Committee, having conducted a robust review of their performance as Directors and their contribution to the operation of the Company, concluded that the Company benefited from their services and their performance continued to be effective and demonstrated their commitment to the role (including time for Board and Committee meetings and any other duties.) Accordingly, the Committee recommended to the Board that a resolution be put to shareholders for the re-election of Messrs Mackie, Maltby and Shearer and Miss Greenwood. No Director has a contract of service with the Company.

Directors' and Officers' Liability Insurance/ Directors' Indemnity

The Company maintains insurance in respect of directors' and officers' liabilities in relation to their acts on behalf of the Company. Pursuant to the Articles of Association the Company is obliged to indemnify each Director (or other officer) of the Company from and against any loss, liability or expense that they may incur in relation to the Company. Accordingly, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Act.

Management and Significant Agreements

The Group's investments are self-managed by MCP, which was appointed as Investment Manager under an Agreement effective from 1 April 2009 with the Company. Under this Agreement, MCP receives a fixed management fee of £64,000 per annum (2015: £64,000) payable by the Company. The Investment Management Agreement between the Company and MCP may be terminated by either party at not less than twelve months' written notice without penalty.

In accordance with the Alternative Investment Fund Management Directive ("AIFMD"), the Board approved the appointment of MCP as the Company's Alternative Investment Fund Manager ("AIFM") following the effective authorisation of MCP as an AIFM by the FCA with effect from 1 July 2014 under the AIFMD transition rules. As MCP is considered to be sub-threshold, MCP has reduced reporting obligations under AIFMD.

Directors' Report

CONTINUED

During 2014 the Board put in place a retention arrangement with Mr Boylan such that on completion of the realisation strategy a sum of £200,000 will be paid to Mr Boylan. In consideration for this, the Company will acquire the 15% minority interest in the Investment Manager held by Mr Boylan.

The Company and MCP are supported by Capita Sinclair Henderson Limited trading as Capita Asset Services which provides administration and accounting services for the Company. The Agreement between the Company and Capita Sinclair Henderson Limited may be terminated by either party giving 12 months' written notice at any time.

Company secretarial services are provided by BNP Paribas Securities Services S.C.A. which delegate this activity to its wholly owned subsidiary, BNP Paribas Secretarial Services Limited. The Agreement between the Company and BNP Paribas Securities Services S.C.A. may be terminated by either party giving not less than six months' written notice at any time.

Continuing Appointment of MCP

Having reviewed MCP's performance, the Board is satisfied with MCP's continued ability to produce satisfactory results. Accordingly, the Board believes that the continued appointment of MCP, on its current terms, is in the interest of shareholders. Such a review is carried out on an annual basis.

Mr Boylan is the chairman of MCP and Mr Mackie is the Company's designated representative. Mr Mackie receives a fee of £5,000 per annum from MCP.

Substantial Shareholdings

As at the year end and up to the date of this Report, the Company has determined that the following held interests of 3% or more of the voting rights attaching to the Company's issued share capital.

Beneficial Owner	No. of Shares as at 22 February 2017	% of total voting rights as at 22 February 2017	No. of Shares as at 31 December 2016	% of total voting rights as at 31 December 2016
Legal & General Assurance Society Limited	4,683,662	32.92	4,683,662	32.92
C G Asset Management Limited	1,639,526	11.52	1,639,526	11.52
Troy Asset Management Limited	1,549,299	10.89	1,549,299	10.89
East Riding of Yorkshire Council	1,339,190	9.41	1,339,190	9.41
A R B Johnson	941,985	6.62	941,985	6.62
South Yorkshire Pensions UK Fund Authority	564,801	3.97	564,801	3.97

The Listing Rules require the Company to maintain at least 25% of its shares in "public hands". The definition of "public hands" excludes any holdings by shareholders owning more than 5% of the issued share capital as well as the Directors own shareholdings. Any inadvertent breach of this test could result in the Company's share listing being suspended and the loss of investment trust status. As at 31 December 2016, the Company had 28.10% of its Ordinary share capital in public hands. As the Company continues to return capital to shareholders by way of tender offers, the Directors will continue to monitor the 25% threshold with the aim of ensuring the shares in public hands test is met.

Directors' Report

CONTINUED

Takeover Directive Disclosure Requirements

- The Company's capital structure is summarised in note 15 on page 58 and the voting rights are summarised on page 66. There are no restrictions concerning the transfer of securities in the Company and there are no limitations between holders of securities regarding their transfer known to the Company;
- no restrictions exist on voting rights, including: limitations on voting rights of holders of a given percentage or number of votes; deadlines for existing voting rights; arrangements by which, with the Company's cooperation, financial rights carried by securities are held by a person other than the holder of the securities;
- the rules concerning the appointment and replacement of Directors are contained in Sections 154 to 169 of the Act and the Company's Articles of Association. The rules concerning the amendment of the Articles are contained within the Company's Articles of Association, which provide that a special resolution must be passed at a general meeting of the Company. The rules concerning the power to issue or buy back the Company's shares are contained in Sections 549 to 657 and Sections 690 to 708 of the Act respectively and within Articles 7 and 6 respectively of the Company's Articles of Association; no agreements exist to which the Company is party that may affect its control following a takeover bid; and
- no agreements exist between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid.

Greenhouse Gas Emissions

All of the Company's activities are outsourced to third parties. As such it does not have any physical assets, property, employees or operations of its own and does not generate any greenhouse gas or other emissions.

Independent Auditors

Having been appointed in 2015, the Independent Auditors, BDO LLP, have expressed their willingness to continue in office as Auditors. After careful consideration of the services provided to the Group during the year and a review of the effectiveness of the external Auditors, the Audit Committee recommended to the Board that BDO LLP should be re-appointed as Auditors to the Group. Accordingly, resolutions are to be proposed at the forthcoming AGM for their reappointment, and to authorise the Directors to agree their remuneration for the ensuing year. There are no existing contractual obligations that restrict the choice of Auditor.

Disclosure of Information to Auditors

The Directors at the date of approval of this Report, as listed on page 16, confirm that:

- to the best of their knowledge and belief, there is no relevant information of which the Company's Auditors are unaware; and
- each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Act.

Directors' Report

CONTINUED

Annual General Meeting

The twenty-seventh AGM of the Company will be held on Wednesday, 26 April 2017 at the offices of BNP Paribas Fortis, 5 Aldermanbury Square, London EC2V 7BP at 12.00 noon. The business to be transacted at the meeting is detailed in the Notice of Meeting on pages 65 to 69.

Share Buy Backs

The Board have agreed that the authority provided to the Company to make one or more market purchases at the AGM is no longer required and, as a result, the resolution will no longer be presented to the shareholders for approval.

Notice of General Meeting

The Board is seeking approval at the AGM to allow the Company to hold general meetings, other than an AGM, on 14 clear days' notice. This is permitted under the Act provided that a special resolution is passed by the shareholders approving this notice period and providing that the Company offers the facility to shareholders to vote by electronic means. The Board intends that this shorter notice period would not be used as a matter of routine, but would only be used where the flexibility was justified by the business of the meeting and it was in the best interests of shareholders as a whole.

Recommendation

The Directors consider that passing the resolutions proposed at the AGM will be in the best interests of the Company and shareholders as a whole and unanimously recommend that shareholders vote in favour of each of these resolutions, as they intend to do so, in respect of their own beneficial and non-beneficial holdings which amount in aggregate to 76,176. Ordinary shares of 2 pence each representing 0.54% of the voting rights of the Company.

On behalf of the Board
Mithras Investment Trust plc
Company Number: 2478424
William Maltby
Chairman
23 February 2017

Corporate Governance Statement

Introduction

The Board and the Investment Manager are committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company applies the principles identified in the Code issued in April 2016, which is available on the FRC's website, www.frc.org.uk. The Board has established corporate governance procedures, that it believes are appropriate for an investment trust company and that enable the Company to comply with the relevant principles of the Code and, where appropriate, with the principles of the AIC Code, which can be found on the AIC's website, www.theaic.co.uk. Given its focus on private equity and in line with other private equity investment managers, it has been concluded that MCP is not required to report against the UK Stewardship Code published in September 2012.

Statement of Compliance

The Board considers that throughout the year ended 31 December 2016, it complied with the principles of the AIC Code insofar as they apply to the Company's business.

This Corporate Governance Statement, together with the Management Report and Statement of Directors' Responsibilities set out on pages 33 and 34, demonstrates how the Company has complied with the AIC Code.

Board Responsibilities

The Directors collectively have a duty to promote the long-term success of the Company. To this end, the Board is responsible for determining the strategic direction of the Company. It meets at least four times per year to review the performance of the Company's investments, the financial position of the Company, its performance in line with the agreed investment objective and all other important issues to ensure control is maintained over the Company's affairs and that it operates within a framework of prudent and effective controls. All the Directors are non-executive and most of the Company's day-to-day responsibilities are delegated to MCP and third party service providers. Therefore, a schedule of matters specifically reserved for the Board for its decision has been adopted. There is a clear division of responsibility between the Chairman, the Directors, MCP and the third party service providers. No one individual has unfettered powers of decision making. The Chairman is responsible for leading the Board and ensuring its effectiveness in all aspects of its role, promoting a culture of openness and debate by facilitating the effective contribution of Directors and for ensuring that the Directors receive accurate, timely and clear information. MCP and the Company Secretary liaise with the Chairman prior to each meeting to agree agenda content and papers to be submitted to the Board and Committee meetings. The Chairman also ensures that there is regular communication with shareholders. The Chairman at the time of his appointment was, and remains, independent of MCP.

Corporate Governance Statement

CONTINUED

The Board has delegated responsibility for development of strategic plans and the taking of decisions as to the management of the Company's investment portfolio to MCP. The Board takes responsibility for the content of major corporate communications.

The Board has formalised arrangements under which the Directors may take independent professional advice at the Company's expense. The Company Secretary is responsible for advising the Board, through the Chairman, on all governance matters and ensuring compliance with applicable rules, regulations and Company procedures. The Directors have access to the advice and services of the Company Secretary through its appointed representatives. The appointment and removal of the Company Secretary is a matter for the whole Board.

Directors and Directors' Independence

At the year end the Board comprised the Chairman and three Directors all of whom are non-executive Directors. There is no chief executive position within the Company.

The Board considers that all Directors are independent in character and judgement and comply with the criteria for independence as set out in the AIC Code. All Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, they are responsible for ensuring that their policies and operations are in the best interests of all the Company's shareholders and that the interests of the creditors and suppliers to the Company are properly considered.

The Board is satisfied that it is of sufficient size, with an appropriate balance of skills and expertise, and that no individual or group of individuals is, or has been, in a position to dominate decision-making.

Conflicts of Interest

The Board has approved a policy on Directors' conflicts of interest and a Register of Conflicts of Interest has been compiled and approved by the Board. The Directors have also undertaken to notify the Chairman and the Company Secretary as soon as they become aware of any new actual or potential conflict of interest that would need to be considered and approved by the disinterested Directors and added to the Register, which is reviewed annually by the Board. The Board can impose limits or conditions when giving authorisation if the Directors consider this to be appropriate.

Professional Development

As the Company is following the realisation strategy approved by shareholders, it is envisaged that the Directors currently serving will remain in place for the life of the Company. In the unlikely event that there is a change to the composition of the Board, the Company has a full, formal and tailored induction programme, which covers the Group's investment strategy, policies and practices. Throughout their time in office, the Directors are continually updated on the Group's business, the regulatory environment in which it operates and other changes affecting the Group by its advisers through written briefings and at Board meetings. In addition, the Chairman reviews the training and development needs of each Director annually, as part of the evaluation process outlined below.

Corporate Governance Statement
CONTINUED

Board Evaluation

The Directors recognise the importance of the AIC Code's recommendations in respect of evaluating the performance of the Board as a whole, the Committees of the Board and the individual Directors. The Board has adopted a questionnaire to be used as a basis for this formal and rigorous annual evaluation. The evaluations take place in two stages. First, the evaluation of individual Directors is led by the Chairman, and the evaluation of the Chairman's performance is led by the Senior Independent Director. Secondly, the Board evaluates its own performance and that of its Committees.

The Board evaluation considers attendance, the balance of skills, experience, independence and knowledge of the Board, its diversity, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness including the Board's ability to challenge MCP's recommendations.

The Chairman uses the feedback from the discussion to make recommendations to improve performance where necessary. The Board considers annually, in the absence of the Chairman, matters pertaining to his performance. It was concluded that the performance of the Directors was satisfactory in all areas and they were confident in their ability to make effective contributions and to demonstrate commitment to their roles.

Re-election

Directors are appointed subject to the provisions of the Act and the Company's Articles of Association. The re-appointment of a Director is reviewed by the Nomination Committee prior to a Director seeking re-election at an impending AGM. Re-appointment is not automatic and is subject to a review of performance. All Directors are subject to election by shareholders at the first AGM after their appointment. Thereafter, all Directors are subject to re-election in accordance with the Articles of Association and the AIC Code. No Director will serve more than three years in office without shareholder approval.

Information Flows

The Board is regularly provided with information to enable it to discharge its duties, including information on regulatory changes and internal controls. MCP provides such information as requested by the Board in addition to timely clarification or amplification of specific issues from time to time. The Company Secretary is responsible for ensuring good information flows.

Board Committees

In order to enable the Directors to discharge their duties, three Board Committees, with written terms of reference, have operated throughout the year. Committee membership is set out on page 16. Attendance at the meetings of the various Committees is restricted to members and those persons expressly invited to attend. BNP Paribas Secretarial Services Limited acts as Company Secretary to each Committee. Copies of the terms of reference for the Board Committees are available from the Company Secretary and are on the Company's website, www.mithrasinvestmenttrust.com.

Corporate Governance Statement

CONTINUED

Meeting Attendance

	Scheduled Board Meetings	Audit Committee Meetings	Nomination Committee Meeting	Management Engagement Committee Meeting
Total	4	3	1	1
W J Maltby	4	3	1	1
M Greenwood	4	3	1	1
J Mackie	4	3	1	1
D J B Shearer	4	3	1	1

Two additional unscheduled meetings took place during the year under review.

Nomination Committee

The Nomination Committee has defined terms of reference and comprises all members of the Board. The Committee is chaired by Mr Maltby and on occasions when the Committee is reviewing the performance of the Chairman, the Senior Independent Director chairs the meeting. The Committee meets at least annually and, having regard to the realisation strategy which the Company is following, considers succession planning and the balance of skills and experience on the Board.

Directors' independence and diversity of the Board, including gender, is also considered. The Board recognises the objectives of the Davies Report, "Women on Boards", aimed at improving the performance of corporate boards by encouraging the appointment of the best qualified people who come from a range of differing perspectives and backgrounds. As the Company is currently following the realisation strategy, approved by shareholders, it is envisaged that the Directors' currently serving will remain in place for the life of the Company. Therefore, the Board sees limited merit in adopting a policy or target for diversity.

Management Engagement Committee

The Management Engagement Committee was established to review the performance of MCP and third party service providers, as well as to review their terms of engagement and to ensure the management contract is competitive and reasonable for the shareholders. On this basis, the Board does not consider it necessary to obtain an independent appraisal of the Investment Manager's services.

The Committee meets annually and is chaired by Mr Maltby. As the Board is considered small for the purposes of the AIC Code, the Committee consists of all the Directors of the Company.

Communication with Shareholders

The Board aims to ensure that shareholders are kept informed of developments in the Company's business through its published Annual and Interim Financial Reports. This information was supplemented by the publication of Interim Management Statements during the six months between the Annual and Interim Financial Report periods and these were announced to the London Stock Exchange, as well as being available on the Company's website.

Corporate Governance Statement

CONTINUED

The Directors are always available to enter into dialogue with shareholders and the Company places a great deal of importance upon such communications. MCP, together with the Chairman if requested, is available to meet with the Company's shareholders to discuss matters of the Group's investment strategy, performance and governance. Discussions with shareholders are reported to the Board. It is the intention of the Board that the Annual Financial Report for the year ended 31 December 2016 and Notice of the AGM be issued to shareholders so as to provide at least twenty working days' notice of the AGM. Shareholders wishing to lodge questions in advance of the AGM are invited to do so by writing to the Company Secretary at the Registered Office address given on page 73.

Internal Controls and Management of Risk

In accordance with Provision C.2.3 of the Code, the AIC Code and related guidance, the Directors are responsible for the ongoing process for monitoring and reviewing the Group's systems of internal controls and risk management.

This encompasses monitoring of all controls, which the Board has identified as including business, financial, operational, compliance and risk management. Internal controls systems are designed to meet the particular needs of the Group and the risks to which it is exposed. They are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their very nature provide reasonable but not absolute assurance against material misstatement or loss. The principal risks faced by the Group and how they are managed are set out on pages 13 and 14. The Board confirms that it has carried out a robust assessment of the Group's internal controls and risk management systems for the year under review, taking into account all matters leading up to the date of the approval of the Financial Statements.

During the course of its review of the system of internal controls, the Board has not identified nor been advised of any significant failings or weaknesses in material controls.

MCP, the Fund Administrator and the Company Secretary have established internal control frameworks to provide reasonable assurance on the effectiveness of the internal controls operated on behalf of their clients. MCP reports to the Board on the operation of its internal controls and risk management, insofar as it impacts on the Group. In addition, it reports on compliance within the terms of its delegated authority under the Investment Management Agreement on a quarterly basis. The Company Secretary also reports any breaches of law and regulation as and when they arise. This enables the Board to address any issues of concern regarding the management of the Group promptly.

The Company does not itself have an internal audit function as it employs no staff and delegates most of its operations to MCP and third parties. The Audit Committee reviews at least annually whether an internal audit function is required.

The Company does not itself have a whistleblowing policy in place. The Company delegates its main functions to MCP and third party providers who have such policies in place and the Audit Committee is happy to accept that these policies meet industry standards.

On behalf of the Board
BNP Paribas Secretarial Services Limited
Company Secretary
23 February 2017

Audit Committee Report

Audit Committee

The Audit Committee is chaired by Mr Shearer. The other members comprise all the Directors, namely Miss Greenwood and Messrs Mackie and Maltby. All members of the Committee have recent and relevant financial and investment experience and have competence relevant to the sector as a result of their current or recent employment in the financial services and other industries. As the Chairman of the Committee, Mr Shearer has relevant and recent financial experience in financial services and as audit chair across a range of listed and unlisted companies as well as being a Chartered Accountant. Messrs Mackie and Maltby are also Chartered Accountants.

The Audit Committee operates within clearly defined terms of reference, which are reviewed annually and provides a forum through which the Company's external Auditors report to the Board. Copies of the terms of reference for the Audit Committee are available from the Company Secretary and are on the Company's website, www.mithrasinvestmenttrust.com.

The Audit Committee convened three meetings during the year ended 31 December 2016 and considered the following significant issues

Issue Considered	How the issue was addressed
Accuracy and integrity of the Financial Statements	Consideration of draft Annual Financial Report, Interim Financial Report, letters of representation and the audit plan, together with a review of the appropriateness of accounting policies and regulatory developments during the year.
Review of internal control systems and risks	Review of a summary risk map and regular risk climate updates, policies and procedures in place.
Shares in "public hands" test	Communication with shareholders, provision within tender offer documentation and inclusion of risk within risk map.
Valuation of underlying funds	Review of individual funds and the valuation methodology applied.

At the request of the Board the Audit Committee considered whether the 2016 Annual Financial Report and accounts were fair, balanced and understandable and whether they provided the necessary information for shareholders to assess the Company's performance, business model and strategy. The Audit Committee was satisfied that, taken as a whole, the Annual Financial Report and accounts were fair, balanced and understandable.

Effectiveness of the External Audit Process

The Committee annually reviews the performance of the Company's external Auditors. In doing so the Committee considers a range of factors including the quality of service, the Auditors' specialist expertise, the length of tenure of the current audit firm and when a tender process was last conducted. The provision of non-audit services and the level of audit fee are also considered.

There are no contractual obligations restricting the choice of external Auditors. As the Company has no employees, there is no dedicated resource to the Audit Committee. However, representatives from Capita Asset Services, who produced the financial information for the Company for the year ended 31 December 2016, are invited to attend and present on issues as required. In addition, representatives of the Company's Auditors, attend the Audit Committee meeting at which the draft Annual Financial Report is reviewed and are given the opportunity, should they so wish, to speak to the Audit Committee members without the presence of MCP.

Audit Committee Report

CONTINUED

Provision of Non-Audit Services

The Audit Committee regularly monitors the non-audit services provided to the Group by its external Auditors, and has developed a formal policy on auditor independence to ensure that such services do not impair the independence or objectivity of the Auditors. The non-audit services provided during the year by BDO LLP were the review of the Interim Financial Report. In order to safeguard auditor independence, non-audit services are carefully monitored, in particular the level of non-audit fees to ensure this does not become excessive when compared to the level of the audit fee.

The Company's policy with respect to non-audit services is to allow the external auditors to perform services when these would not compromise Auditor independence, are assurance related and are connected to audit work and where auditor knowledge would be advantageous in carrying out the services.

Details of the amounts paid to the external Auditors during the financial year, for audit and other services, are set out in note 7 to the Financial Statements on page 52.

Financial Reporting Council

The Company received a Request for Information letter from the FRC in September 2016 relating to the Annual Financial Report and Accounts for the year ended 31 December 2015. The Request for Information focussed on two principal areas, firstly the fair value disclosures in the Annual Financial Report and secondly the Company structure. After responding to the queries therein, the FRC confirmed that it was satisfied with the response and no further action was necessary.

David Shearer
Chairman of the Audit Committee
23 February 2017

Directors' Report on Remuneration

Introduction

The Directors present their Report on remuneration for the year ended 31 December 2016, in accordance with Section 420 to 422 of the Act. This Report also meets the relevant FCA Rules and describes how the Board has applied the principles relating to Directors' remuneration.

The Directors' Remuneration Policy must be approved by a binding shareholder vote at least every three years, or less if the Company wishes to change its remuneration policy. It was approved by shareholders on 7 May 2014 at the Company's AGM and is set out below under "Directors' Remuneration Policy" and includes the table entitled "Component Parts of the Directors' Remuneration".

The Company's Auditors are required to report on certain information within this Report. Where information set out below has been audited, it is indicated as such. The Auditors' opinion is included within the Independent Auditors' Report on pages 35 to 38.

Directors' Remuneration Policy

The Board is comprised entirely of independent, non-executive Directors and as a whole considers the remuneration of Directors. Accordingly, it has not appointed a separate Remuneration Committee. As Mr Maltby has considerable industry knowledge, the Board considers his chairmanship of this function to be desirable, notwithstanding the AIC Code, and to be in the best interests of the Company and shareholders as a whole.

The Company's Articles of Association limit the aggregate fees payable to Directors to £200,000 per annum. The Company's policy is that fees payable to the Directors should reflect the time spent on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to motivate and retain candidates of a high calibre to deliver the realisation strategy and the Company's investment objectives as set out on page 12.

The component parts of the Directors' Remuneration are set out in the table below.

Component Parts of the Directors' Remuneration Year ended 31 December 2016

	Year ended 31 December 2016	Year ended 31 December 2015
Chairman base fee	**£35,000**	£35,000
Non-executive Director base fee	**£25,000**	£25,000
Additional fee for the Chairman of the Audit Committee	**£5,000**	£5,000
Additional fee for the Senior Independent Director	**£2,500**	£2,500

The Company's policy is for the Chairman of the Board, the Chairman of the Audit Committee and the Senior Independent Director to be paid higher fees than the other Director, to reflect their more onerous roles.

Directors' fees are paid up to the date of termination of their appointment, with no exit payments or compensation for loss of office payments applicable.

As the Company has no employees, there are no comparisons to be made between this Directors' Remuneration Policy and a policy on the remuneration of employees.

Directors' are entitled to claim expenses in respect of duties undertaken in connection with the management of the Company.

Fees are paid quarterly in arrears.

Directors' Report on Remuneration

CONTINUED

The Board considers any comments received from shareholders on the remuneration policy on an ongoing basis and if appropriate, takes these into consideration when reviewing remuneration.

As the Company is currently following the realisation strategy, approved by shareholders, it is envisaged that the Directors' currently serving will remain in place for the life of the Company. No Director has a contract of service with the Company.

The terms and conditions of the appointment of the Directors are set out in the Letters of Appointment which are available for inspection at the Company's Registered Office during normal business hours and at the location of the AGM during the Meeting. A Director may resign by providing notice in writing to the Board at any time; there is no fixed notice period.

Directors' Annual Remuneration Report

This Report sets out how the Directors' Remuneration Policy was implemented during the year ended 31 December 2016.

The Board as a whole has reviewed the level of fees paid to Directors and has no immediate intention of increasing the current levels of remuneration payable to Directors.

The amounts, set out in the table below, were paid by the Company to the Directors for services as Directors in respect of the year ended 31 December 2016 and the previous financial year.

Single Total Figure of Remuneration for each Director (Audited)

The Directors who served during 2016 and 2015 received the following emoluments:

	Total Fees[1]	
Director	**2016 £**	2015 £
W J Maltby	**35,000**	35,000
M Greenwood	**25,000**	25,000
J Mackie	**27,500**	27,500
D J B Shearer	**30,000**	30,000
	117,500	117,500

[1] No aspect of the Directors' remuneration, past or present, is performance-related in light of the Directors' non-executive status. As a result, no Director is entitled to any bonuses, benefit in kind, share options, long-term incentives, pension or other retirement benefit. This remuneration relates to the Company only.

Directors' Report on Remuneration

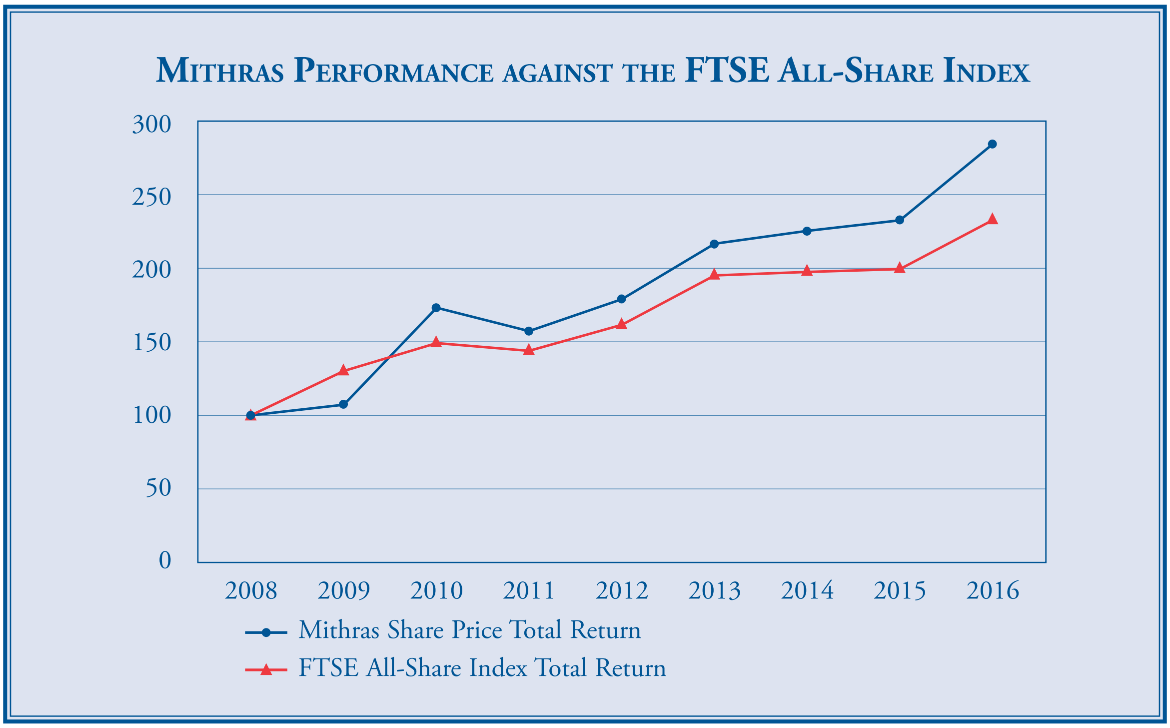
CONTINUED

Consideration of Matters relating to Directors' Remuneration

The Board reviewed the level of fees paid to Directors during the year. No external advice was sought in considering the level of Directors' fees. However the Company Secretary provided an analysis of fees payable to other investment trust companies with comparable activities which was taken into consideration.

Performance Graph

The performance graph below charts the cumulative share price total return (assuming that all dividends are reinvested) to shareholders since 31 December 2008. This return is compared to the cumulative total shareholder return on a notional investment in the FTSE All-Share Index, which is the portfolio benchmark against which the Company's performance is measured. The data has been rebased to 100 as at 31 December 2008.



Directors' Report on Remuneration

CONTINUED

Expenditure by the Company on Directors' Remuneration compared with Distributions to Shareholders

The table below compares the remuneration paid to Directors with distributions to shareholders, during the year under review and the prior financial year, by way of dividends and tender offers. In considering these figures, shareholders should take into account the realisation strategy approved by shareholders.

Directors' Beneficial and Family Interests in Shares

Neither the Company's Articles of Association nor the Directors' Letters of Appointment require any Director to own shares in the Company. The interests of the Directors and their connected persons in the shares of the Company is shown below.

Directors' Remuneration Compared with Distributions to Shareholders

	2016 £	2015 £	**% change compared to previous year**
Aggregate spend on Directors' fees*	**117,500**	117,500	0.0
Distributions to shareholders:			
(a) dividends	**195,000**	233,000	(16.3)
(b) tender offers	**8,942,000**	6,012,000	48.7
Aggregate distributions	**9,137,000**	6,245,000	46.3

* As the Company has no employees the total spend on remuneration comprises only Directors' fees.

Directors' Beneficial and Family Interests (audited)

	At 31 December 2016 Ordinary shares		At 31 December 2015 Ordinary shares	
	Beneficial	**Non-beneficial**	Beneficial	Non-beneficial
W J Maltby	**47,054**	–	51,027	13,430
M Greenwood	**9,513**	–	13,032	–
J D Mackie	**9,804**	–	13,430	–
D J B Shearer	**9,805**	–	13,430	–

There have been no changes to the above holdings between 31 December 2016 and the date of this Report.

No Director, nor any persons connected with them, had a material interest in any of the Group's transactions, arrangements or agreements during the year ended 31 December 2016.

Directors' Report on Remuneration

CONTINUED

Statement of Implementation of Directors' Remuneration Policy

The Board does not envisage that there will be any significant changes to the implementation of the Directors' Remuneration Policy during the current financial year compared to how it was implemented during the year ended 31 December 2016.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulation 2013, we confirm that the above Directors' Report on Remuneration summarises, as applicable, for the year ended 31 December 2016:

a) the major decisions on Directors' remuneration;

b) any substantial changes relating to Directors' remuneration made during the year; and

c) the context in which those changes occurred and decisions were taken.

Shareholder Approval

Shareholders will be asked to approve the Directors' Annual Remuneration Report annually, as previously, by an advisory vote and an ordinary resolution to approve the Report will be put to shareholders at the forthcoming AGM.

In addition, at least every three years, shareholders will be asked to approve the Directors' Remuneration Policy, by a binding vote and therefore, an ordinary resolution to approve the Policy will be put to shareholders at the forthcoming AGM.

At the AGM held on 27 April 2016, votes cast (including the votes cast at the Chairman's discretion) in respect of the Directors' Remuneration Report were 14,875,162 (100%) in favour, no votes were against, and no votes were withheld.

At the AGM held on 7 May 2014, votes cast (including the votes at the Chairman's discretion) in respect of the Directors' Remuneration Policy were 21,562,461 (99.98%) in favour, 3,737 (0.02%) against, and 1,298 votes were withheld.

Recommendation

The Board considers the resolutions to be proposed at the forthcoming AGM to be in the best interests of the Company and shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of resolution 2 and 3 in the Notice of Meeting, as they intend to do so in respect of their own beneficial holdings.

On behalf of the Board
William Maltby
Chairman
23 February 2017

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Management Report and Statement of Directors' Responsibilities

Listed Companies are required by the Rules to include a management report in their Annual Financial Statements. The information required to be in the management report for the purposes of the Rules is included in the Strategic Report on pages 12 to 15 inclusive (together with the sections of the Annual Financial Report incorporated by reference) and the Directors' Report on pages 17 to 20. Therefore, a separate management report has not been included.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Financial Report, the Directors' Report on Remuneration 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 prepared the Group and Company Financial Statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Strategic Report and a Directors' Report on Remuneration which complies with the requirements of the Act.

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 the Group and enable them to ensure that the Financial Statements and the Report on Directors' Remuneration comply with the Act and, as regards the Group Financial Statements, Article 4 of the International Accounting Standards Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the Annual Financial Report is made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Having taken advice from the Audit Committee, the Directors consider that the Annual Financial Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Directors have reached these conclusions through a process which is described in the Report of the Audit Committee on pages 26 and 27.

Management Report and Statement of Directors' Responsibilities

CONTINUED

Pursuant to Rule 4 of the Disclosure Guidance and Transparency Rules, each of the Directors, whose names and functions are listed on page 16 confirm that, to the best of their knowledge:

- The Group Financial Statements have been prepared in accordance with IFRSs as adopted by the EU and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The Annual Financial Report includes a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board
William Maltby
Chairman
23 February 2017

Independent Auditors' Report to the Members of Mithras Investment Trust plc

Our opinion on Financial Statements

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and the Company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent Company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

What our opinion covers

We have audited the Financial Statements of Mithras Investment Trust plc for the year ended 31 December 2016 which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheet, the Group and Company Statement of Changes in Equity, the Group and Company Statements of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the EU and, as regards the Company's Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the FRC's Ethical Standards for Auditors.

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.

Our assessment of and response to the risks of material misstatement and overview of the scope of our audit

A description of the scope of an audit of Financial Statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Our audit approach was developed by obtaining an understanding of the Group's activities, the key functions undertaken on behalf of the Board by the Investment Manager and the overall control environment. The Group audit team performs a full scope audit on all the companies included in the Consolidated Financial Statements, as identified in note 17 to the Financial Statements.

Independent Auditors' Report to the Members of Mithras Investment Trust plc

CONTINUED

Based on this understanding we assessed those aspects of the Group's transactions and balances which were most likely to give rise to a material misstatement. We tailored our audit approach to address the specific risks in order to provide an opinion on the Financial Statements as a whole, and any comments we make on the results of our procedures should be read in this context. We detail below the risks which we considered to have the greatest effect on the overall audit strategy including the allocation of resources in the audit, and our audit response. This is not a complete list of all risks identified.

Valuation and existence of private equity fund investments

The Company has an interest in Mithras Capital Fund LP ("MCF") which in turn has invested in five private equity funds, detailed in the portfolio review on pages 9 to 11.

The investments are included in the Financial Statements at fair value based on the Directors' valuation with reference to IPEV Guidelines. The valuation of investments is a key accounting estimate and there is a high level of estimation uncertainty and significant judgement involved in determining the unquoted investment valuations which may be subject to management override.

We have obtained the Investment Manager's valuation of the Company's interest in MCF as at 31 December 2016 which is derived from the valuation of the five underlying funds. We have obtained and agreed the unaudited third quarter investor statements prepared by the underlying fund General Partners which form the starting point of the Investment Manager's year end valuation. We have verified the cash flow movements between the third and fourth quarter investor statements by agreeing the cash inflows to distribution notices and bank statements and agreeing cash outflows to capital call notices and bank statements.

We met with the Investment Manager to discuss and challenge the estimation uncertainty in the valuations and resulting adjustments. Valuation adjustments based on information from the underlying fund General Partners relating to their fourth quarter expectations have been corroborated either by attendance at investor calls or review of the updated information provided on the investments in those funds.

We also assessed the accuracy and the basis of calculation of the prior year valuations of the underlying five funds by reference to the audited Financial Statements of each of the funds.

We have confirmed the Company's commitment in MCF as at 31 December 2016 and we have also confirmed MCF's commitment and percentage ownership in each of the five underlying funds at 31 December 2016 directly with the underlying funds.

The Audit Committee's consideration of these risks is set out on page 26.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the Financial Statements. We define planning materiality as the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the Financial Statements. We also determine a level of performance materiality which we use to determine the extent of testing needed 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.

Independent Auditors' Report to the Members of Mithras Investment Trust plc

CONTINUED

We determined final materiality for the Financial Statements as a whole to be £0.5 million. In determining this, we based our assessment on a percentage of non-current assets. On the basis of our risk assessment, together with our assessment of the Group's control environment, our judgement is that performance materiality for the Financial Statements should be 75% of materiality, namely £0.3 million. Our objective in adopting this approach is to ensure that total detected and undetected audit differences do not exceed our final materiality of £0.5 million for the Financial Statements as a whole.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £10,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit;

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- 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 those reports have been prepared in accordance with applicable legal requirements.

Statement regarding the Directors' assessment of principal risks, going concern and longer term viability of the Company

We have nothing material to add or to draw attention to in relation to:

- the Directors' confirmation in the Annual Financial Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the Annual Financial Report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the Financial Statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements; or
- the Directors' explanation in the Annual Financial Report as to how they have assessed the prospects of the entity, 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 entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any material disclosures drawing attention to any necessary qualifications or assumptions.

Independent Auditors' Report to the Members of Mithras Investment Trust plc

CONTINUED

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 misstatement in the Strategic Report and Directors' Report.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited Financial Statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' Statement that they consider the Annual Financial Report is fair, balanced and understandable and whether the Annual Financial Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Under the Listing Rules we are required to review the parts of the Directors' Statement 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 9.8.10 R(2). The Listing Rules also require that we review the Directors' Statements set out on pages 14 and 15 regarding going concern and longer term viability.

We have nothing to report in respect of these matters.

Vanessa-Jayne Bradley (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
23 February 2017

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

Consolidated Statement of Comprehensive Income for the year ended 31 December 2016

		2016			2015		
	Notes	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Income							
Net gains on investment	4	–	6,992	6,992	–	1,920	1,920
Investment income	5	300	–	300	602	–	602
Other income	6	459	–	459	461	–	461
		759	6,992	7,751	1,063	1,920	2,983
Expenses							
Operating expenses	7	(728)	–	(728)	(729)	–	(729)
Profit before taxation		31	6,992	7,023	334	1,920	2,254
Taxation	8	12	–	12	(20)	–	(20)
Profit and total comprehensive income for the year		43	6,992	7,035	314	1,920	2,234
Attributable to:							
Owners of the Company	10	9	6,992	7,001	282	1,920	2,202
Non-controlling Interests		34	–	34	32	–	32
Basic and diluted earnings per Ordinary share (pence)	10	0.1	43.9	44.0	1.3	9.1	10.4

The total return 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 46 to 64 form an integral part of these Financial Statements.

Consolidated Statement of Changes In Equity for the year ended 31 December 2016

	Notes	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total equity attributable to owners of the Company £'000	Non-controlling Interest £'000	Total equity £'000
31 December 2014		467	368	32,415	4,595	37,845	21	37,866
Profit and total comprehensive income for the year		–	–	1,920	282	2,202	32	2,234
Contributions by and distributions to owners								
Dividends	9	–	–	–	(233)	(233)	–	(233)
Profit share paid to members in a subsidiary	19	–	–	–	–	–	(32)	(32)
Cost of shares purchased for cancellation under tender offer		(77)	77	(6,096)	–	(6,096)	–	(6,096)
Total contributions by and distributions to owners		(77)	77	(6,096)	(233)	(6,329)	(32)	(6,361)
31 December 2015		**390**	**445**	**28,239**	**4,644**	**33,718**	**21**	**33,739**
Profit and total comprehensive income for the year		**–**	**–**	**6,992**	**9**	**7,001**	**34**	**7,035**
Contributions by and distributions to owners								
Dividends	9	**–**	**–**	**–**	**(195)**	**(195)**	**–**	**(195)**
Profit share paid to members in a subsidiary	19	**–**	**–**	**–**	**–**	**–**	**(34)**	**(34)**
Cost of shares purchased for cancellation under tender offer		**(105)**	**105**	**(9,046)**	**–**	**(9,046)**	**–**	**(9,046)**
Total contributions by and distributions to owners		**(105)**	**105**	**(9,046)**	**(195)**	**(9,241)**	**(34)**	**(9,275)**
31 December 2016		**285**	**550**	**26,185**	**4,458**	**31,478**	**21**	**31,499**

The notes on pages 46 to 64 form an integral part of these Financial Statements.

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Investment Trust plc

Company Statement of Changes In Equity for the year ended 31 December 2016

	Notes	Share capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
31 December 2014		467	368	36,613	397	37,845
Profit and total comprehensive income for the year		–	–	2,035	167	2,202
Contributions by and distributions to owners						
Dividends	9	–	–	–	(233)	(233)
Cost of shares purchased for cancellation under tender offer agreement		(77)	77	(6,096)	–	(6,096)
Total contributions by and distributions to owners		(77)	77	(6,096)	(233)	(6,329)
31 December 2015		**390**	**445**	**32,552**	**331**	**33,718**
Profit and total comprehensive income for the year		**–**	**–**	**6,934**	**67**	**7,001**
Contributions by and distributions to owners						
Dividends	9	**–**	**–**	**–**	**(195)**	**(195)**
Cost of shares purchased for cancellation under tender offer agreement		**(105)**	**105**	**(9,046)**	**–**	**(9,046)**
Total contributions by and distributions to owners		**(105)**	**105**	**(9,046)**	**(195)**	**(9,241)**
31 December 2016		**285**	**550**	**30,440**	**203**	**31,478**

The notes on pages 46 to 64 form an integral part of these Financial Statements.

Consolidated Balance Sheet as at 31 December 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Investment at fair value through profit or loss	11	**26,113**	27,218
Current assets			
Receivables	12	**20**	21
Current tax receivable		**42**	58
Cash and cash equivalents	13	**5,691**	6,824
		5,753	6,903
Total assets		**31,866**	34,121
Current liabilities			
Payables	14	**(154)**	(140)
Current tax liability		**(13)**	(42)
		(167)	(182)
Total assets less current liabilities		**31,699**	33,939
Non-current liabilities			
Retention arrangement for key management personnel	19	**(200)**	(200)
Net assets		**31,499**	33,739
Equity attributable to owners of the Company			
Share capital	15	**285**	390
Capital redemption reserve		**550**	445
Capital reserve		**26,185**	28,239
Revenue reserve		**4,458**	4,644
Equity attributable to owners of the Company		**31,478**	33,718
Non-controlling Interest		**21**	21
Total equity		**31,499**	33,739
Net assets per Ordinary share (pence)			
– basic and diluted	16	**221.2**	173.0

The Financial Statements on pages 39 to 64 were approved by the Board of Directors and authorised for issue on 23 February 2017.

The notes on pages 46 to 64 form an integral part of these Financial Statements.

They were signed on the Board's behalf by:

William Maltby
Chairman
Mithras Investment Trust plc
Company Number: 2478424

David Shearer
Chairman of the Audit Committee

Company Balance Sheet as at 31 December 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Investment at fair value through profit or loss	11	**26,654**	27,785
Current assets			
Receivables	12	**11**	12
Cash and cash equivalents	13	**5,156**	6,253
		5,167	6,265
Total assets		**31,821**	34,050
Current liabilities			
Payables	14	**(143)**	(132)
Total assets less current liabilities		**31,678**	33,918
Non-current liabilities			
Retention arrangement for key management personnel	19	**(200)**	(200)
Net assets		**31,478**	33,718
Equity attributable to owners of the Company			
Share capital	15	**285**	390
Capital redemption reserve		**550**	445
Capital reserve		**30,440**	32,552
Revenue reserve		**203**	331
Total equity		**31,478**	33,718

The Company has elected to take the exemption in Section 408 of the Act, in order not to present the Company's Income Statement and Statement of Comprehensive Income. The Company's profit for the year was £67,000 (2015: £167,000).

The Financial Statements on pages 39 to 64 were approved by the Board of Directors and authorised for issue on 23 February 2017.

The notes on pages 46 to 64 form an integral part of these Financial Statements.

They were signed on the Board's behalf by:

William Maltby
Chairman
Mithras Investment Trust plc
Company Number: 2478424

David Shearer
Chairman of the Audit Committee

Consolidated Cash Flow Statement for the year ended 31 December 2016

	Notes	**2016 £'000**	2015 £'000
Cash flows from operating activities			
Investment income received		**300**	602
Interest income received		**20**	21
Investment management fees received		**440**	440
Cash paid to service providers		**(565)**	(613)
Compensation to key management personnel		**(149)**	(149)
Taxation paid		**(1)**	(13)
Call on commitment	11	**(209)**	(1,112)
Proceeds on partial disposal of investment	11	**8,306**	7,793
Net cash flow from operating activities		**8,142**	6,969
Cash flows from financing activities			
Equity dividends paid	9	**(195)**	(233)
Profit share distributed to Non-controlling Interest	19	**(34)**	(32)
Tender offer proceeds		**(9,046)**	(6,131)
Net cash flow from financing activities		**(9,275)**	(6,396)
Net (decrease)/increase in cash and cash equivalents		**(1,133)**	573
Cash and cash equivalents at beginning of year	13	**6,824**	6,251
Cash and cash equivalents at end of year	13	**5,691**	6,824

The notes on pages 46 to 64 form an integral part of these Financial Statements.

MITHRAS
Investment Trust plc

COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Investment income received		**540**	602
Interest income received		**19**	21
Investment management fees paid		**(64)**	(64)
Cash paid to service providers		**(431)**	(450)
Taxation (paid)/received		**(17)**	3
Call on commitment	11	**(209)**	(1,112)
Proceeds on partial disposal of investment	11	**8,306**	7,793
Net cash flows from operating activities		**8,144**	6,793
Cash flows from financing activities			
Equity dividends paid	9	**(195)**	(233)
Tender offer proceeds		**(9,046)**	(6,131)
Net cash flow from financing activities		**(9,241)**	(6,364)
Net (decrease)/increase in cash and cash equivalents		**(1,097)**	429
Cash and cash equivalents at beginning of year	13	**6,253**	5,824
Cash and cash equivalents at end of year	13	**5,156**	6,253

The notes on pages 46 to 64 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. General Information

The Company is a company incorporated and domiciled in the United Kingdom. The Consolidated Financial Statements of the Group for the year ended 31 December 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 3 Segment Reporting on page 50 and in the Strategic Report on pages 12 to 15. The Group's organisational structure is disclosed in note 17 on pages 59 and 60.

2. Summary of Significant Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

a) **Basis of Preparation**

The Consolidated Financial Statements of the Group have been prepared in accordance with IFRS, as adopted by the EU.

The preparation of Financial Statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. The valuation of unquoted investments requires estimates and assumptions. The nature of the estimations means that actual outcomes could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Consolidated Financial Statements have been prepared on the historic cost basis, except for the revaluation of financial assets at fair value through profit or loss. Investments are held at fair value with unrealised gains and losses on investments and impairment of investments recognised in the Consolidated Statement of Comprehensive Income and allocated to capital. Gains and losses on investments sold are calculated as the difference between sale proceeds and cost and allocated to capital. All other assets and liabilities are held at carrying amounts, which approximate to their fair values unless otherwise stated.

In determining the analysis of total income and expenses as between capital return and revenue return, the Directors have followed the guidance contained in the Statement of Recommended Practice (the "SORP") for investment trusts issued by the AIC as revised in 2014, to the extent that this is not inconsistent with the requirements of IFRS.

To reflect the activities of an investment trust company, supplementary information which analyses the Consolidated Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Consolidated Statement of Comprehensive Income. In accordance with the Company's status as a UK investment company under Section 833 of the Act, net capital returns may not be distributed by way of dividend.

Notes to the Financial Statements

CONTINUED

2. Summary of Significant Accounting Policies *continued*

b) New IFRSs, Interpretations and Amendments Not Yet Effective

None of the new standards, interpretations or amendments which are effective for the first time in the Financial Statements has had a material impact on the Financial Statements.

The following relevant standards and interpretations were issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee before the period end but are as yet not effective for the 2016 year end:

IFRS 9	Financial Instruments (effective for annual periods beginning on or after 1 January 2018)
IFRS 15	Revenue from Contract with Customers (effective for annual reporting period beginning on or after 1 January 2018)

The Group is currently assessing the impact, if any, that these standards will have on the presentation of, and recognition in, its consolidated results in future periods.

c) Basis of Consolidation

The Consolidated Financial Statements incorporate the results of the Company and its subsidiaries. Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Where necessary, the accounting policies of subsidiaries have been aligned to ensure consistency with the policies adopted by the Group.

The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

MIT has a 49.9875% interest in MCF. MIT does not control MCF because there are certain removal clauses in the MCF limited partnership agreement which allow for the removal of its general partners without cause by the other significant independent investor (Pomona Capital VIII, LP). Therefore MCF does not form part of the Group Structure and is instead included in the Company's Consolidated Balance Sheet as the Company's sole investment.

d) Presentation of Consolidated Statement of Comprehensive Income

In order to reflect better the activities of an investment trust company and in accordance with the SORP, supplementary information which analyses the income statement and statement of comprehensive income between items of a revenue and capital nature has been presented. Additionally, the net revenue is the measure the Directors believe appropriate in assessing the Group's compliance with certain requirements set out in Section 1158 of the CTA.

e) Financial Instruments

Investments

Additions in the form of calls on commitments and disposals of investments are accounted for at the settlement date for unquoted investments. On initial recognition, being the date that the Group is committed to the call on investment, the Group and the Company have designated all investments, including investments in the subsidiaries, as held at fair value through profit or loss, with all gains and losses reflected in the Consolidated Statement of Comprehensive Income, including foreign currency gains and losses on translation of investments at the Balance Sheet date. The Group manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy and information about the Group is provided internally on this basis to the entity's key management personnel.

The Group invests in unquoted limited partnerships through its commitment to MCF. The Company's valuation process is set out in note 11 on pages 56 and 57.

Notes to the Financial Statements

CONTINUED

2. Summary of Significant Accounting Policies *CONTINUED*

e) Financial Instruments *continued*

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks or "AAA" rated money market liquidity fund investments.

f) Receivables

Other receivables are short-term in nature and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for estimated irrecoverable amounts.

g) Payables

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

h) Revenue Recognition

Investment income includes dividends and interest on investments, while interest income on cash and cash equivalents is shown as a component of other income in the revenue return column of the Consolidated Statement of Comprehensive Income.

Income from limited partnership funds is recognised when the income is distributed and received. The limited partnership funds allocate income once a year, after the general partners' priority profit share has been allocated in the partnerships' annual tax returns.

Investment management fee income is accrued over the period for which the service is provided. Interest income is recognised on a time proportion basis using the effective interest method.

i) Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Consolidated Statement of Comprehensive Income, all expenses have been presented as revenue items except as follows:

(i) Expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

(ii) Expenses are presented as capital items where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. The investment management fee has been allocated 50% to revenue and 50% to capital. Tax relief attributable to the investment management fees charged to capital is credited to the capital return. The Directors consider this apportionment to be appropriate, having regard to the quantum of investment management fee which is also an intercompany transaction eliminated on consolidation.

The Directors consider the retention arrangement to be capital in nature and this amount has been charged in full to the Capital Reserve.

(iii) Transaction costs are disclosed within the net gains and losses on investment.

j) Foreign Currency Transactions and Translation

The Company's functional and presentational currency is Sterling. Transactions in currencies other than Sterling are translated at the rates of exchange prevailing on the dates of the transactions. At each Balance Sheet date, financial assets and liabilities denominated in foreign currencies are translated at the rates prevailing. Gains and losses arising on translation are included in the Consolidated Statement of Comprehensive Income and presented as revenue or capital as appropriate.

Notes to the Financial Statements

CONTINUED

2. Summary of Significant Accounting Policies *continued*

k) Non-controlling Interest

The interest of the non-controlling member is stated as the non-controlling member's proportion of the fair values of the assets and liabilities recognised. Subsequently, the Non-controlling Interest represents the proportion of profit or loss for the year and net assets not held by the Group and are presented separately in the Consolidated Statement of Comprehensive Income and within Total Equity in the Consolidated Balance Sheet, separately from shareholders' equity.

l) Taxation

Tax recognised in the Consolidated Statement of Comprehensive Income represents the sum of current tax and deferred tax charged or credited in the year. In line with the recommendations of the SORP, the tax effect of different items of expense is allocated between revenue and capital on the same basis as the particular item to which it relates, using the marginal method.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under Section 1158 of the CTA are not liable for taxation on capital gains.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the asset is realised or the liability settled based on tax rates that have been enacted or substantively enacted by the Balance Sheet date.

m) Dividends

Dividends paid to the Company's shareholders are recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

n) Reserves

(i) Capital Redemption Reserve – the nominal value of shares bought back for cancellation is added to this reserve. This reserve is non-distributable.

(ii) Capital Reserve – an accumulation of holding gains and losses, gains and losses on the disposal of investments and exchange adjustments to overseas currencies are taken to the Capital Reserve together with the proportion of management fees and taxation allocated to capital.

(iii) Revenue Reserve – the net profit arising in the revenue column of the Statement of Comprehensive Income is added to this reserve. Dividends paid during the year may be deducted from this reserve.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

3. Segment Reporting

	Year ended 31 December 2016			Year ended 31 December 2015		
	Investment holdings £'000	**Private equity fund-of-funds management £'000**	**Consolidated £'000**	Investment holdings £'000	Private equity fund-of-funds management £'000	Consolidated £'000
Net gains on investment	**6,992**	**–**	**6,992**	1,920	–	1,920
Investment income	**300**	**–**	**300**	602	–	602
Interest income	**19**	**–**	**19**	21	–	21
Other income	**–**	**440**	**440**	–	440	440
Operating expenses	**(468)**	**(260)**	**(728)**	(452)	(277)	(729)
Profit before taxation	**6,843**	**180**	**7,023**	2,091	163	2,254
Taxation	**12**	**–**	**12**	(20)	–	(20)
Profit for the year	**6,855**	**180**	**7,035**	2,071	163	2,234
Segment assets	**31,707**	**159**	**31,866**	33,967	154	34,121
Segment liabilities	**(349)**	**(18)**	**(367)**	(364)	(18)	(382)
Net segment assets	**31,358**	**141**	**31,499**	33,603	136	33,739

The Group makes investments into various geographical areas and the information about the total gains and losses and income on investments and their fair value, analysed by geographical location, is presented in notes 4 and 5 on page 51 and note 11 on pages 55 to 57 to the Financial Statements.

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 holdings 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.

Investment holdings 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.

4. Net Gains on Investment

	Group Year ended 31 December 2016 Total £'000	Group Year ended 31 December 2015 Total £'000
Realised gain on partial disposal based on carrying value at previous Balance Sheet date	**2,760**	4,189
Unrealised gain/(loss) on investment held at fair value through profit and loss	**4,232**	(2,269)
	6,992	1,920
Segmental Analysis of Underlying Funds		
Continental Europe	**5,804**	1,080
North America	**2,709**	1,127
Asia	**202**	(40)
United Kingdom	**(297)**	(247)
	8,418	1,920
MCF carried interest provision	**(1,426)**	–
	6,992	1,920

The total fair value movement estimated using a valuation methodology detailed in note 2 on page 47 was an increase of £4,232,000 (2015: £2,269,000 decrease).

5. Investment Income

	Group Year ended 31 December 2016 Total £'000	Group Year ended 31 December 2015 Total £'000
Interest income on unquoted investment	**251**	386
Dividend income on unquoted investment	**49**	216
	300	602
Segmental Analysis		
Continental Europe	**179**	602
North America	**121**	–

Notes to the Financial Statements

CONTINUED

6. Other Income

	Group Year ended 31 December 2016			Group Year ended 31 December 2015		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Investment management fee income*	**440**	**–**	**440**	440	–	440
Deposit interest	**19**	**–**	**19**	21	–	21
	459	**–**	**459**	461	–	461

* Investment management fee income is derived from priority profit share paid by MCF to MCGP. This is calculated at 0.4% of commitments to MCF.

7. Operating Expenses

	Group Year ended 31 December 2016 £'000	Group Year ended 31 December 2015 £'000
Auditors' remuneration – audit of the Consolidated and Parent Company Financial Statements	**29**	29
Auditors' remuneration – audit of the Company's subsidiaries	**21**	21
Auditors' remuneration – audit related assurance services	**20**	2
Previous Auditors' remuneration – audit related assurance services	**–**	17
Directors' emoluments	**118**	118
Compensation to key management personnel (note 19)	**149**	149
Other administrative expenses	**391**	393
	728	729

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

All expenses include VAT where applicable, with the exception of audit fees for the current auditors which are shown gross.

Auditors' remuneration for other assurance services relate to the interim review and fees relating to regulatory reporting. There were no other non-audit services provided by the auditors.

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 3 on page 50.

8. Taxation

	Group Year ended 31 December 2016			Group Year ended 31 December 2015		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
UK Corporation Tax:						
Current tax for the year	**12**	**–**	**12**	41	–	41
Withholding tax	**17**	**–**	**17**	(3)	–	(3)
Adjustments for prior periods	**(41)**	**–**	**(41)**	(18)	–	(18)
Tax (credit)/expense	**(12)**	**–**	**(12)**	20	–	20

Factors affecting the current tax charge for the year:

The effective current tax rate for the year is lower (2015: lower) than the standard rate of Corporation Tax of 20.00% (2015: 20.25%). The differences are explained below:

	Group Year ended 31 December 2016			Group Year ended 31 December 2015		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Profit before taxation	**31**	**6,992**	**7,023**	334	1,920	2,254
UK Corporation Tax:	**6**	**1,398**	**1,404**	68	389	457
Effects of:						
Adjustments for prior periods	**(41)**	**–**	**(41)**	(18)	–	(18)
Income not taxable	**(10)**	**–**	**(10)**	(44)	–	(44)
Utilisation of tax losses	**–**	**–**	**–**	(17)	–	(17)
Difference between taxable and accounting gains and losses	**16**	**(1,398)**	**(1,382)**	34	(389)	(355)
Withholding tax	**17**	**–**	**17**	(3)	–	(3)
Tax (credit)/expense	**(12)**	**–**	**(12)**	20	–	20

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

8. TAXATION *CONTINUED*

The Group has net unrelieved realised and unrealised losses and expenses carried forward of £23,508,000 (2015: £23,091,000). No deferred tax asset has been recognised in respect of these losses or expenses as at 31 December 2016 or 31 December 2015, as it is considered unlikely that there will be any suitable profits emerging in future periods against which to relieve them.

The potential deferred tax asset unrecognised as at 31 December 2016 is £3,996,000 (2015: £4,618,000).

In line with the recommendations of the SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the "marginal" basis. Under this basis, to the extent that taxable income is capable of being offset by expenses arising in the revenue account, no tax relief is taken in the form of expenses charged to the capital account.

9. DIVIDENDS

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.

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Final dividend: 1.0 pence (2015: 1.0 pence) per Ordinary 2 pence share	**195**	233

The Company proposes the following dividend for the year ended 31 December 2016 which is subject to approval by shareholders at the forthcoming AGM. This proposed dividend, which is required to comply with Section 1158 of the CTA, has not been included as a liability in these Financial Statements.

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Proposed final dividend: 1.0 pence (2015: 1.0 pence) per Ordinary 2 pence share	**142**	195

10. Earnings per Ordinary Share

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

	Year ended 31 December 2016			Year ended 31 December 2015		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to owners	**9**	**6,992**	**7,001**	282	1,920	2,202
Basic and diluted earnings per Ordinary share (pence)	**0.1**	**43.9**	**44.0**	1.3	9.1	10.4

The weighted average number of Ordinary shares for the purpose of calculating the basic and diluted earnings per share was 15,924,784 (2015: 21,200,011).

11. Investment at Fair Value Through Profit and Loss

Investment at Fair Value Through Profit and Loss

Group	**Group Year ended 31 December 2016 Total £'000**	Group Year ended 31 December 2015 Total £'000
Opening cost at beginning of year	**26,277**	28,769
Gains at beginning of year	**941**	3,210
Opening fair value at beginning of year	**27,218**	31,979
Movements in the year:		
Call on commitment	**209**	1,112
Proceeds on partial disposal on investment	**(8,306)**	(7,793)
Gains on partial disposal of investment	**2,760**	4,189
Unrealised fair value movement	**4,232**	(2,269)
Closing fair value at end of year	**26,113**	27,218
Closing cost at end of year	**20,940**	26,277
Gains at end of year	**5,173**	941
Closing fair value at end of year	**26,113**	27,218
Segmental Analysis		
Continental Europe	**19,933**	19,611
North America	**7,419**	6,273
Asia	**–**	850
United Kingdom	**187**	484
	27,539	27,218
MCF carried interest provision	**(1,426)**	–
Fair value at 31 December	**26,113**	27,218

The movements in the year relate to the Group's interest in MCF.

11. Investment at Fair Value Through Profit and Loss *continued*

	Company Year ended 31 December 2016			Company Year ended 31 December 2015		
	Limited partnership £'000	**Equity £'000**	**Total £'000**	Limited partnership £'000	Equity £'000	Total £'000
Opening cost at beginning of year	**26,277**	**13,970**	**40,247**	28,769	13,970	42,739
Gains/(losses) at beginning of year	**941**	**(13,403)**	**(12,462)**	3,210	(13,550)	(10,340)
Opening fair value at beginning of year	**27,218**	**567**	**27,785**	31,979	420	32,399
Movements in the year:						
Call on commitment	**209**	**–**	**209**	1,112	–	1,112
Proceeds on partial disposal on investment	**(8,306)**	**–**	**(8,306)**	(7,793)	–	(7,793)
Gains on partial disposal of investment	**2,760**	**–**	**2,760**	4,189	–	4,189
Unrealised fair value movement	**4,232**	**(26)**	**4,206**	(2,269)	147	(2,122)
Closing fair value at end of year	**26,113**	**541**	**26,654**	27,218	567	27,785
Closing cost at end of year	**20,940**	**13,970**	**34,910**	26,277	13,970	40,247
Gains/(losses) at end of year	**5,173**	**(13,429)**	**(8,256)**	941	(13,403)	(12,462)
Closing fair value at end of year	**26,113**	**541**	**26,654**	27,218	567	27,785

The Company 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 and Company are classified within level 3 for 2016 and 2015.

The valuation of the Company's interest in MCF is calculated in accordance with IPEV Guidelines and is based upon the NAV's of the five Underlying Funds in which MCF has invested. As a starting point, MCF's provisional valuation is based upon the sum of its pro rata share of the each Underlying Fund's NAV. The Underlying Funds NAV's are themselves derived from the fair value of the 38 portfolio companies held by MCF and are computed by the Underlying Fund investment managers using the most appropriate valuation technique for each individual portfolio company.

Notes to the Financial Statements

CONTINUED

11. Investment at Fair Value Through Profit and Loss *continued*

The Board then considers whether this MCF NAV requires further adjustment. The Investment Manager prepares a valuation paper at the interim and year end reporting date. This valuation paper considers the valuation processes and techniques of each Underlying Fund investment manager and also the specific valuation methodology of the ten largest investments. This review also considers market conditions and any subsequent investments or realisations post balance sheet. The principal regular adjustment to the provisional MCF NAV is in respect of non co-terminus reporting periods. There is usually a significant delay in the receipt of Underlying Fund reporting and where this is the case, the Investment Manager will seek indications from Underlying Fund investment managers as to the expected valuation movements between the latest available Underlying Fund NAV and the reporting date. The Board then reviews the valuation paper along with any proposed adjustments in respect of non co-terminus reporting periods and these amounts are aggregated to represent a fair value adjustment to the MCF provisional NAV. These represent the Directors' revaluation adjustment. As at 31 December 2016, this represents 3% of the Limited Partnership fair value balance on page 56 and therefore the Directors' believe that this is not significant to warrant further disclosure other than as outlined above. The Investment Manager has visibility over the valuation methodology for over 99% of the underlying portfolio companies in terms of their fair value and the value they contribute to the MCF NAV.

MCF has a carried interest scheme where carried interest of 10% could become payable once MCF has returned all capital contributed by LPs in addition to exceeding a net MCF IRR of 8%. As at 31 December 2016, MCF has a net MCF IRR in excess of 8% and therefore a provision has been made by MCF within its valuation for carried interest. The Company's share of this carried interest provision is £1.4 million.

The Company's subsidiaries are shown at fair value and classified within level 3 of the fair value hierarchy for 2015 and 2016.

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 MCF's underlying fund investments or at the limited partnership level. This is because the Company has a diversified mature investment portfolio and a change in the estimate of one input on an individual portfolio company would not be significant in terms of the overall valuation of MCF. While the portfolio companies are concentrated in certain sectors, these portfolio companies within the sectors are located in different countries. Furthermore, the valuation methodology for the portfolio companies has been consistent over time. The investment's currency risk exposure and sensitivity is disclosed in note 20 on page 62 of the Company's Annual Financial Report for the year ended 31 December 2016.

The Directors have also not presented a sensitivity analysis for the investments in subsidiaries (shown as Equity in the table on page 56) as they do not deem it to be material. This is because the investments in subsidiaries represent less than 2% of the Company's NAV and their value is wholly represented by cash and cash equivalents.

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

Refer to note 17 on pages 59 and 60 of the Financial Statements for details of the subsidiary undertakings.

12. Receivables

	Group		Company	
	31 December 2016 £'000	31 December 2015 £'000	**31 December 2016 £'000**	31 December 2015 £'000
Prepayments and accrued income	**20**	21	**11**	12
Loan to subsidiary	**–**	–	**12,247**	12,247
Less impairment of loan to subsidiary	**–**	–	**(12,247)**	(12,247)
	20	21	**11**	12

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	31 December 2016 £'000	31 December 2015 £'000	**31 December 2016 £'000**	31 December 2015 £'000
Cash at bank and in hand	**1,041**	624	**506**	53
Money market liquidity funds	**4,650**	6,200	**4,650**	6,200
	5,691	6,824	**5,156**	6,253

14. PAYABLES

	Group		Company	
	31 December 2016 £'000	31 December 2015 £'000	**31 December 2016 £'000**	31 December 2015 £'000
Accruals	**154**	140	**95**	93
Other payables	**–**	–	**48**	39
	154	140	**143**	132

15. SHARE CAPITAL

	Group and Company 31 December 2016		Group and Company 31 December 2015	
	Number	**£'000**	Number	£'000
Issued and fully paid: Ordinary shares of 2 pence each				
Balance at beginning of year	**19,490,606**	**390**	23,342,043	467
Cancellation of shares	**(5,262,463)**	**(105)**	(3,851,437)	(77)
Balance at end of year	**14,228,143**	**285**	19,490,606	390

During the year ended 31 December 2016, 5,262,463 shares were purchased under the fifth tender offer at a cost of £9,046,000 (includes stamp duty). Further details can be found in the Investment Manager's Review and Directors' Report on pages 4 and 17 respectively.

The Company has one class of Ordinary share which carries no right to fixed income.

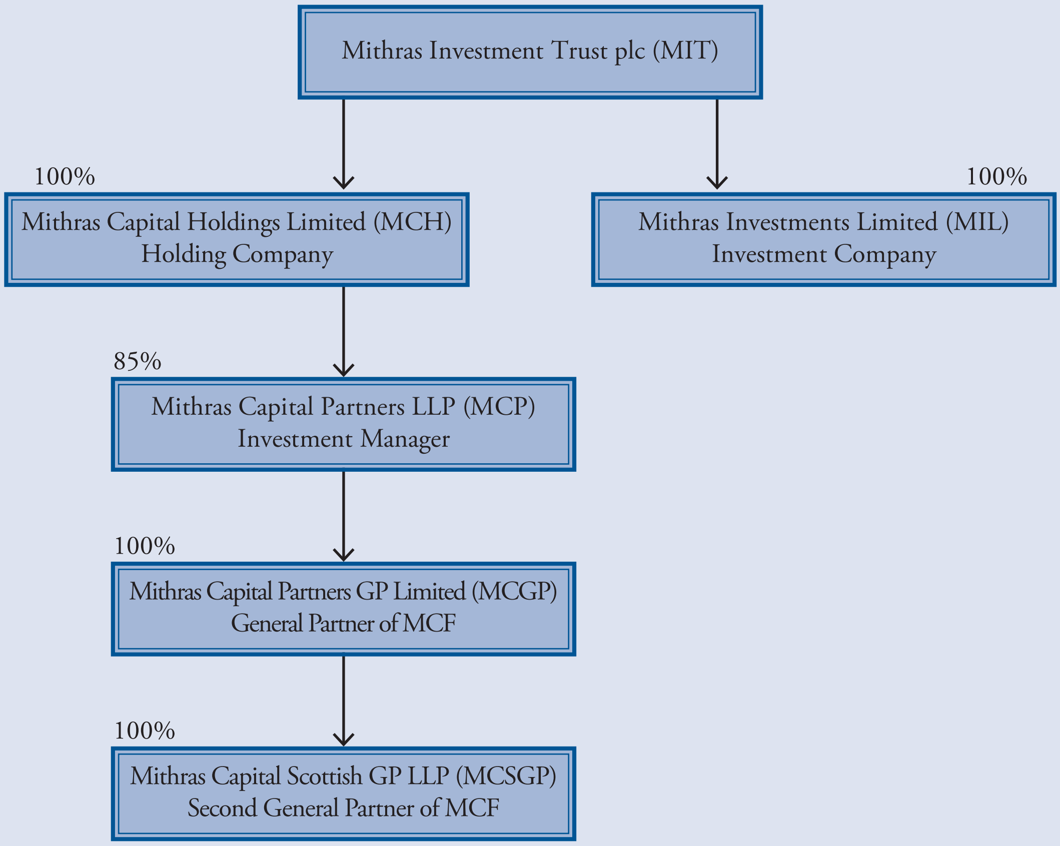
16. NET ASSETS PER ORDINARY SHARE

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

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 on page 42.

17. Group Structure and Subsidiary Undertakings

The Group Structure at 31 December 2016 was as follows:



Notes to the Financial Statements

continued

17. Group Structure and Subsidiary Undertakings *continued*

The following were subsidiary undertakings of the Company at 31 December 2016:

	Country of operation, registration and incorporation	Holdings and voting rights %
MIL[1]	England	100
MCH[2]	England	100
MCP[3]	England	85
MCGP[4]	Scotland	85
MCSGP[5]	Scotland	85

[1] A subsidiary of the Company, incorporated on 19 January 1990, to carry on business as an investment company. MIL has net liabilities of £12,295,000 as at 31 December 2016. The registered office for MIL is 10 Harewood Avenue, London, NW1 6AA.

[2] A subsidiary of the Company, incorporated on 6 February 2007, to carry on the business of a holding company. The registered office for MCH is 10 Harewood Avenue, London, NW1 6AA.

[3] A subsidiary of MCH, acquired on 30 March 2007, to carry on the business of providing investment management services. The registered office for MCP is 1 Northumberland Avenue, Trafalgar Square, London, WC2N 5BW.

[4] A subsidiary of MCP, incorporated on 9 June 2006, to carry on the business of providing investment management services. The registered office for MCGP is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

[5] A subsidiary of MCGP, incorporated on 21 November 2014, to carry on the business of providing investment management services. The registered office for MCSGP is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

During the year the Company received a dividend of £240,000 (2015: £nil) from MCH.

No dividends were paid by the other subsidiaries during the year (2015: £nil).

The Company holds ordinary equity in each of its subsidiaries.

18. 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 had a maximum outstanding commitment of £3.5 million to MCF at 31 December 2016 (2015: £3.7 million). This will take the form of capital calls.

19. 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 year:

(a) Under the Investment Management Agreement, dated 27 March 2009, the Company paid fees of £64,000 (2015: £64,000) to MCP, of which £16,000 was outstanding at 31 December 2016 (2015: £16,000).

(b) Legal and General Assurance Society Limited ("LGAS") held 32.92% of the Ordinary share capital of the Company as at 31 December 2016 (2015: 33.50%). The Company announced on 23 July 2015 that LGAS had sold its 49.99% stake in MCF to Pomona Capital, VIII LP.

(c) Mr Boylan, the Managing Partner and Designated Member of MCP, in his personal capacity held 0.39% (2015: 0.36%) of the Ordinary share capital of the Company as at 31 December 2016. Mr Boylan is a member of MCP and has a profit entitlement of 15% of the profits in MCP (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 £149,000 (2015: £149,000) paid as guaranteed drawings. Profit share distributed to the Non-controlling Interests (members of MCP) amounted to £34,000 (2015: £32,000). The compensation payable to the Directors can be found in note 7 on page 52.

(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 31 December 2016, MCF's net fund IRR was 8.3% and a provision of £1.4 million was made against the valuation of MCF. No carried interest payments were made during the period or have been since the inception of MCF.

20. Financial Instruments, Capital and Risk Management

The Company's financial instruments comprise investments in private equity limited partnerships, cash and cash equivalents and receivables and payables. All investments are designated financial assets at fair value through profit or loss upon initial recognition. The Company's current objective is to follow the realisation strategy approved by shareholders. Where references are made to the Group, they are inclusive of the Company unless specifically stated.

20. Financial Instruments, Capital and Risk Management *continued*

Financial Risk Management

The Company's investment activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The significant financial risks to which the Company is exposed are market risk, credit risk, liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. MCP has overall responsibility for managing the financial risks and the framework for monitoring and coordinating these risks. This risk management framework is monitored by the Board. The Group's financial risk management objectives and processes used to manage these risks have not changed from the previous period and the policies are set out below:

Market Risk

a) Price Risk

This is the risk that the value of a financial instrument will change as a result of changes to market prices and is one that is fundamental to the Company's objective. Some of this risk is mitigated by diversifying the portfolio across business sectors, asset classes and geographies. Details of the Company's investment portfolio at the Balance Sheet date are disclosed in the Consolidated Investment Portfolio on page 7. The Company's portfolio is monitored by MCP on an on-going basis and by the Board quarterly. All of the Company's investments are in unquoted limited partnership funds which are held at fair value, in accordance with the Company's valuation policy, the details of which are given in note 2(e) on page 47 Investments and are level 3 investments as detailed in note 11 on pages 55 to 57.

b) Currency Risk

The Company's portfolio comprises underlying investments made through MCF all of which are denominated in currencies other than Sterling. Therefore, the value of the Company's portfolio is sensitive to movements in foreign exchange rates. MCP monitors the Company's exposure to foreign currencies and reports to the Board regularly. The Company's policy is not to hedge foreign currency risk.

The Company's performance is sensitive to fluctuations in foreign exchange rates. The analysis below for the Company shows the foreign currency risk exposure and the sensitivity based upon a percentage change in exchange rates, which have been determined based upon the market volatility of exchange rates over the last year.

c) Interest Rate Risk

Interest rate movements may affect the level of income receivable on cash deposits or institutional liquidity funds. MCP monitors the level of exposure to interest rate risk and reports to the Board regularly. The Company has no borrowings and its liabilities are therefore not affected by changes in interest rates. The Company's policy is not to hedge interest rate risk.

A 0.25% increase, in the interest rate for Cash and Cash equivalents at 31 December 2016 would have increased the net assets attributable to the Group and Company's shareholders and the total return for the year by £14,000 (2015: £17,000) for the Group and £13,000 (2015: £16,000) for the Company. A 0.25% decrease in value would have decreased the net assets attributable to the Group and Company's shareholders and the total return for the year by an equivalent amount.

20. Financial Instruments, Capital and Risk Management *CONTINUED*

Currency	Foreign currency equity investments and currency assets £'000
31 December 2016	
Euro	**19,933**
US Dollar	**7,419**
	27,352
31 December 2015	
Euro	19,611
US Dollar	7,123
	26,734

		2016		2015	
Currency	Change in exchange rates %	**Effects of exchange rate increase £'000**	**Effects of exchange rate decrease £'000**	Effects of exchange rate increase £'000	Effects of exchange rate decrease £'000
Euro	+/-10	**(1,812)**	**2,215**	(1,783)	2,179
US Dollar	+/-10	**(675)**	**824**	(648)	791
		(2,487)	**3,039**	(2,431)	2,970

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party. Investments in money market liquidity funds are made in three Sterling "AAA" rated financial institutions and the credit rating of each institution is monitored by MCP. None of the Company's money market liquidity funds or cash deposits were past their due date or impaired. Should the credit rating or position of a financial institution's money market liquidity fund deteriorate significantly, MCP would move the money market liquidity fund investment to another "AAA" rated financial institution. Credit risk is monitored by MCP which reports to the Board quarterly.

The Company's maximum credit risk exposure as at 31 December 2016 was £5,691,000 (2015: £6,824,000).

There are no past due or impaired receivables other than those disclosed in note 12 on page 57. The Company has no collateral held as security.

20. FINANCIAL INSTRUMENTS, CAPITAL AND RISK MANAGEMENT *CONTINUED*

Liquidity Risk

The Company has a significant investment commitment to MCF which is inherently illiquid. The Company has an outstanding commitment to MCF, the majority of which is likely to be called, in the form of capital calls, over the next one to three years. The Company aims to manage its affairs to ensure sufficient cash is available to meet contractual commitments as and when they are called and also seeks to have cash available to meet short-term financial needs. Cash and cash equivalents are available on demand. The Company's liquidity management policy involves projecting cash flows and considering the level of liquidity required to meet short and long-term financial needs. The Company has the power to seek new borrowing arrangements, both short and long-term, should it be deemed necessary.

As at 31 December 2016, the Group's financial liabilities amounted to £154,000 (2015: £140,000) which were due in less than one year and £200,000 (2015: £200,000) which were due in more than one year. The Company's financial liabilities amounted to £143,000 (2015: £132,000) which were due in less than one year and £200,000 (2015: £200,000) which were due in more than one year. This £200,000 relates to the retention agreement which is due on completion of the realisation strategy. This is expected to be between 1 and 3 years.

Capital Management

The Company is funded through shareholders' equity and reserves. The Group's equity is analysed into its various components in the Statement of Changes in Equity. Capital is managed so as to maximise the return to shareholders while maintaining an appropriate capital base to allow the Group to operate effectively in the marketplace and to sustain future development of the business. The Company pays such dividends as are required to maintain its investment trust status.

The Company's capital requirement is reviewed regularly by the Board.

MCP is regulated by the FCA and must meet stipulated capital requirements to operate. At 31 December 2016, MCP's capital was above the regulatory capital requirements by £141,000 (2015: £136,000).

Notice of Meeting

Notice is hereby given that the Annual General Meeting ("AGM") of Mithras Investment Trust plc will be held at the offices of BNP Paribas Fortis, 5 Aldermanbury Square, London, EC2V 7BP on Wednesday, 26 April 2017 at 12.00 noon. You will be asked to consider and, if thought fit, pass the following ordinary resolutions:

Ordinary business:

1. To receive the Annual Financial Report for the year ended 31 December 2016.
2. To approve the Directors' Report on Remuneration for the year ended 31 December 2016.
3. To approve the Directors' Remuneration Policy.
4. To declare that a final dividend of 1.0 pence per Ordinary share be paid for the year ended 31 December 2016.
5. To re-elect Miss Miriam Greenwood as a Director of the Company.
6. To re-elect Mr John Mackie as a Director of the Company.
7. To re-elect Mr William Maltby as a Director of the Company.
8. To re-elect Mr David Shearer as a Director of the Company.
9. To re-appoint BDO LLP as Auditors of the Company, to hold office until conclusion of the next AGM at which Financial Statements are laid before the Company.
10. To authorise the Directors to determine the remuneration of BDO LLP.

Special business:

To consider and, if thought fit, to pass the following resolutions as special resolutions.

11. THAT, a general meeting, other than an AGM, may be called on not less than 14 clear days' notice.

Registered Office:
10 Harewood Avenue, London, NW1 6AA
Registered in England & Wales, No. 2478424

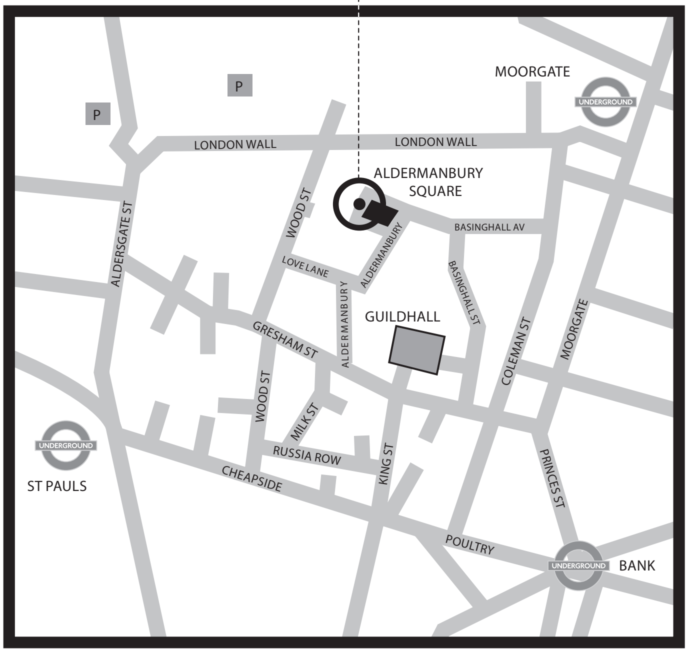
By Order of the Board
BNP Paribas Secretarial Services Limited
23 February 2017

Notice of Meeting

CONTINUED

Annual General Meeting Location Map

BNP PARIBAS FORTIS, 5 ALDERMANBURY SQUARE, LONDON EC2V 7BP



Notes

1. In accordance with Regulation 41(i) of the Uncertified Securities Regulations 2001, only persons entered on the Register of Members of the Company by 6.30 pm on Monday, 24 April 2017 (the "Voting Record Date") or their duly appointed proxies, shall have the right to attend or vote at the aforementioned meeting. If the meeting is adjourned to a time not more than 48 hours after the specific time applicable to the original meeting, that time will also apply for the purpose of entitlement of Members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period of time, to be so entitled, Members must be entered on the Company's Register of Members at the time which is not later than 6.30 pm two days prior to the adjourned meeting or, if the Company gives notice of the adjourned meeting, at a time specified in the notice.

2. Pursuant to Section 324 of the Act, a Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in their place. A proxy need not also be a Member of the Company. To be valid, the forms of proxy should be completed and lodged with the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA not less than 48 hours before the time appointed for holding the meeting or the adjourned meeting. Lodgement of the form of proxy will not preclude a Member from attending and voting at the meeting. To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting Equiniti Limited on 0371 384 2498. Lines open 8.30am to 5.30pm, Monday to Friday or the overseas helpline +44 121 415 7047 or you may copy the form of proxy.

3. Members (and any proxies or corporate representatives appointed) agree, by attending the meeting, that they are expressly requesting and are willing to receive any communications relating to the Company's securities made at the meeting.

Notice of Meeting

CONTINUED

4. Any person to whom this notice is sent who is a person nominated under Section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she, under any such agreement, has a right to give instructions to the shareholder as to the exercise of the voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in this note does not apply to Nominated Persons. The right prescribed in this note can only be exercised by shareholders of the Company.

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on Wednesday, 26 April 2017 and any adjournment(s) thereof by using the procedures described in the CREST Manual on the Euroclear website, (www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service 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. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 12.00 noon on Monday, 24 April 2017. 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) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

7. The following documents will be available for inspection at the Registered Office of the Company during usual business hours on any weekday (except Public Holidays) until the date of the meeting and at the place of the meeting for a period of 15 minutes prior to and during the meeting:

   (a) a statement of all transactions of each Director and of their family interests in the share capital of the Company;

   (b) the Articles of Association; and

   (c) Letters of Appointment of non-executive Directors.

Notice of Meeting

CONTINUED

8. The biographies of the Directors offering themselves for re-election are set out on page 16 of the Report.

9. As at 23 February 2017 the Company's issued share capital consisted of 14,228,143 Ordinary shares of 2 pence each. Accordingly, the total number of the voting rights of the Company as at 23 February 2017 was 14,228,143.

10. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests of the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the FCA. As a result, any Member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the FCA.

11. The Annual Financial Report will be available on the Company's website, www.mithrasinvestmenttrust.com, from the date of the announcement of the Company's Annual Financial Results to the market. The Annual Financial Report contains details of the total number of shares in the Company in which Members are entitled to exercise voting rights, along with the total number of votes that Members are entitled to exercise at the meeting in respect of each share class.

12. Shareholders are advised that they have the right to have questions answered at the AGM. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if:

    (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

    (b) the answer has already been given on the Company's website (www.mithrasinvestmenttrust.com) in the form of an answer to a question; or

    (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. The Board encourages shareholders to submit any questions they may wish to raise at the AGM in writing to the Company Secretary in advance of the meeting. The Company Secretary can be contacted by writing to: BNP Paribas Secretarial Services Limited, 10 Harewood Avenue, London, NW1 6AA.

13. As soon as practicable following the AGM, the results of the proxy voting at the meeting and the number of proxy votes received for and against and the number of votes withheld, in respect of each resolution, as well as a result of any poll, will be announced via a Regulatory Information Service and placed on the Company's website.

Notice of Meeting

CONTINUED

14. Under Section 527 of the Act, Members meeting the threshold requirements set out in that Section have the right to require the Company to publish on a website a statement setting out any matter relating to:

    (a) the audit of the Company's Financial Statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or

    (b) any circumstances connected with an Auditor of the Company ceasing to hold office since the previous meeting at which an Annual Financial Report was laid in accordance with Section 437 of the Act.

    The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

15. A map of the location of the AGM venue is shown on page 66 and will assist shareholders who wish to attend the AGM. A proxy form will be sent to each registered shareholder with the Annual Financial Report and this Notice of Meeting, and instructions on how to vote will be contained thereon.

16. Shareholders have the right, under Section 338 of the Act, to require the Company to give its shareholders notice of a resolution which the shareholders wish to be moved at an AGM of the Company. Additionally, shareholders have the right under Section 338A of the Act to require the Company to include a matter (other than a proposed resolution) in the business to be dealt with at the AGM. The Company is required to give such notice of a resolution or include such matter once it has received requests from shareholders representing at least 5% of the total voting rights of all the shareholders who have a right to vote at the AGM or from at least 100 shareholders with the same right to vote who hold shares in the Company on which there has been paid up an average sum per shareholder of at least £100. This request must be received by the Company not later than six weeks before the AGM (or, if later, the time at which notice is given of the AGM). In the case of a request relating to Section 338A of the Act, the request must be accompanied by a statement setting out the grounds for the request.

17. A copy of this notice, and other information required by Section 311A of the Act, can be viewed and/or downloaded at www.mithrasinvestmenttrust.com and, if applicable, any Members' statements, resolutions or matters of business received by the Company after the date of this notice will be available on the Company's website, www.mithrasinvestmenttrust.com.

Explanatory Notes

You will find on pages 65 to 69 a Notice convening the AGM of the Company for Wednesday, 26 April 2017.

This explanatory note gives further information on resolution 11 which will be proposed at the meeting set out in the Notice.

This resolution will be proposed as a special resolution:

Resolution 11 – Notice of General Meetings

The Company is currently able to call general meetings (other than AGMs) on 14 clear days' notice. The Board is proposing resolution 11 as a special resolution at the AGM so that the Company can continue to be able to convene general meetings on 14 clear days' notice. The Board intends that this shorter notice period would not be used as a matter of routine, but would only be used where the flexibility was justified by the business of the meeting and if it was in the best interests of shareholders as a whole. If resolution 11 is passed, the authority to convene general meetings on 14 clear days' notice will remain effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The notice period for AGMs will remain 21 clear days.

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**.

Financial Calendar

Announcement of Final Results for the year ended 31 December 2016

- **23 February 2017**

Annual General Meeting

- **26 April 2017**

Announcement of Interim Results for the half year ended 30 June 2017

- **July 2017**

Payment of Dividends on Ordinary Shares

Declared 2016:

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

Proposed 2017:

- **Final dividend of 1.0 pence** — **Payable on 5 May 2017 to shareholders on the Register of Members on 3 March 2017.**

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

Advisers

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

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

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Winterflood Investment Trusts
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Cannon Bridge House
25 Dowgate Hill
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Bankers
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London EC2M 4XJ

Fund Administrator
Capita Sinclair Henderson Limited
Trading as Capita Asset Services –
Fund Solutions
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