



# The Global Smaller Companies Trust PLC

Company Number: 28264

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**Annual Report and Financial Statements  
for the year ended 30 April 2026**



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## 2026-27 Financial year events

Annual General Meeting	15 September 2026
Final dividend payable	18 September 2026
Half-yearly results announced	December 2026
Interim dividend payable	January 2027
Final Results for 2027 announced	July 2027

## Forward-looking statements

This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Directors' current view and on information known to them at the date of this document. Nothing should be construed as a profit forecast.

# Company Overview

The Global Smaller Companies Trust PLC (the '**Company**') was founded in 1889 with initial capital of £1m. As at 30th April 2026, the Company had net assets with a value of £820.1m (2025: £736.8m) and investments in more than 40 countries worldwide.

## Objective

To invest in smaller companies worldwide in order to secure a high total return.

## Investment team

A well resourced and experienced investment management team at Columbia Threadneedle Investments aims to identify the best smaller company opportunities listed on global stock markets.

## Investment philosophy

A long term, conservative approach to investing in good quality, growing businesses when they become available at an attractive valuation.

## A dividend hero

By investing in a portfolio of growing, high quality listed companies, the Company's own dividend has risen for 56 consecutive years.

The Company is suitable for retail investors in the UK, professionally advised private clients and institutional investors who seek growth over the long term and who understand and are willing to accept the risks, as well as the rewards, of exposure to smaller companies.

Visit our website at [globalsmallercompanies.co.uk](https://globalsmallercompanies.co.uk)

The Company is registered in England and Wales with company registration number 28264

Legal Entity Identifier: 2138008RRULYQP8VP386



# Investment Manager's Investment Philosophy and Process

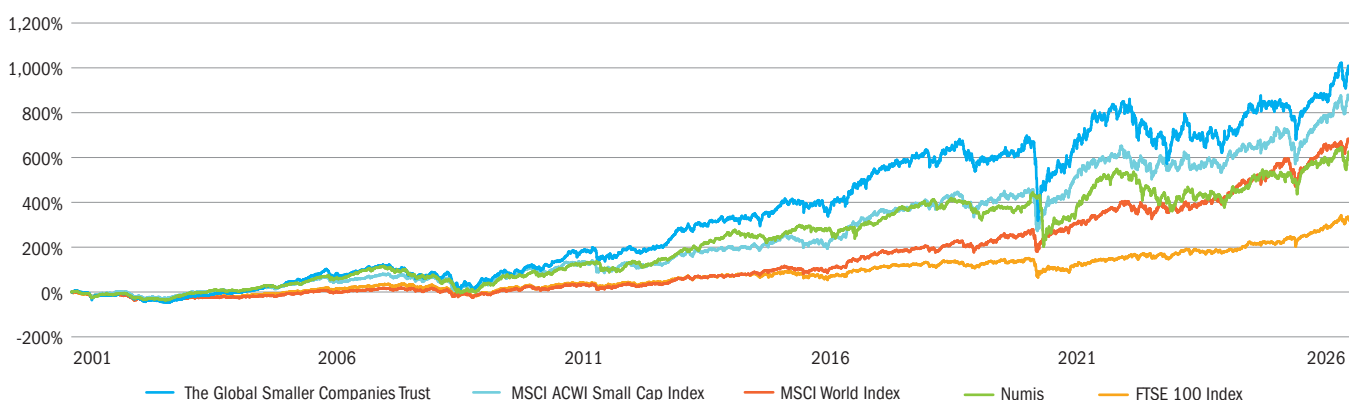
## The attraction of smaller companies

- A history of delivering long term returns that are superior to those from larger companies.
- Not well known and starting from a small base, this is the home of future 'multi baggers.'
- A very large investment universe with thousands of companies to choose from.

## Why Columbia Threadneedle Investments

- The Lead Manager draws on the expertise of a large and experienced team of smaller company focused investors and the wider research input of Columbia Threadneedle Investments' analyst team.
- Well resourced, with excellent access to corporates and third party research.
- A prudent approach that looks to generate the higher return potential that is inherent in smaller companies, but with lower levels of risk.
- A proven investment philosophy and process that has delivered strong long term, risk adjusted, total returns to shareholders.
- A focus on established, lower risk companies with ample share liquidity levels and market capitalisations above £500m.
- The Company does not invest in micro-cap companies, venture capital opportunities, or private businesses.

## Historic Returns



Source: Columbia Threadneedle Investments

For the year to 30 April 2026, the Company's Benchmark was a blend of two indices: the MSCI All Country World ex UK Small Cap Index net (80%) and the Deutsche Numis UK Smaller Companies (excluding investment companies) Index (20%). With effect from 1 May 2026, the Company adopted a new Benchmark of the MSCI ACWI Small Cap Index Net.

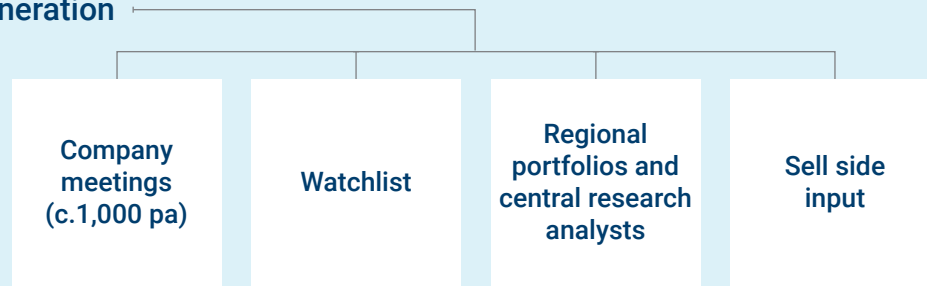
## Investment philosophy

A long term, conservative approach to investing in good quality, growing businesses when they become available at an attractive valuation.

# Investment Process

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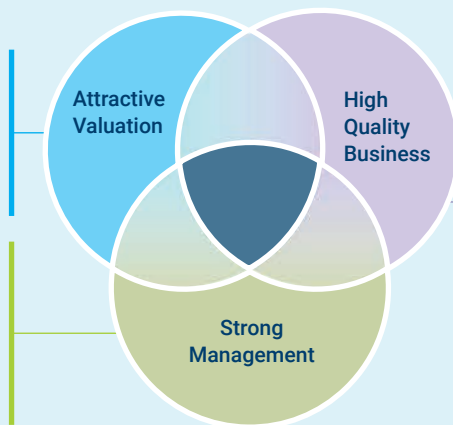
## Idea generation



2

## Company analysis

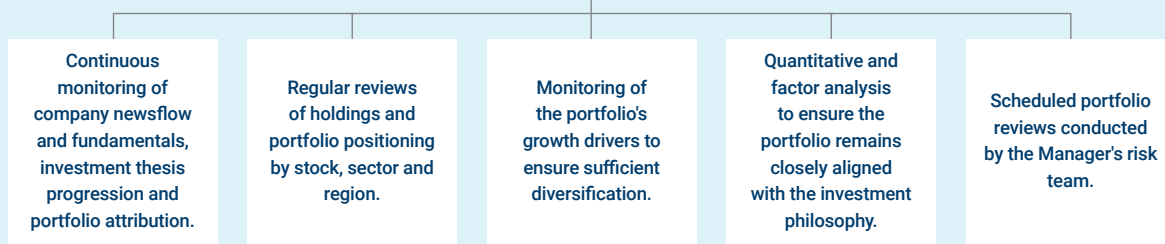
- Range of valuation measures used
- Trends in metrics important
- Assessment of downside risk and upside potential
- Analysis of implied market expectations
- Margin of safety sought
- Capable operators
- Rational
- Good capital allocators
- Aligned interests
- Prudent
- Transparent with shareholders



- Understandable business model
- Competitive advantages
- Favourable industry structure/conditions
- Diversified customer/supplier/product set
- Pricing power/market share growth
- Free cash flow generation
- Financial strength
- ESG and Sustainability

3

## Portfolio construction and monitoring



4

## Sell discipline



In the Rest of World (Asia, Latin America and some other smaller markets outside of the main regions) component of The Global Smaller Companies Trust, we use third party managed funds to gain exposure to these markets. These funds are carefully selected and actively monitored through a rigorous process including input from Columbia Threadneedle Investments' multi-manager fund selection team.



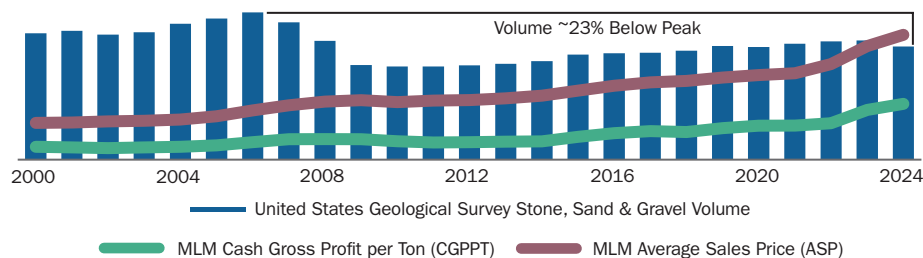
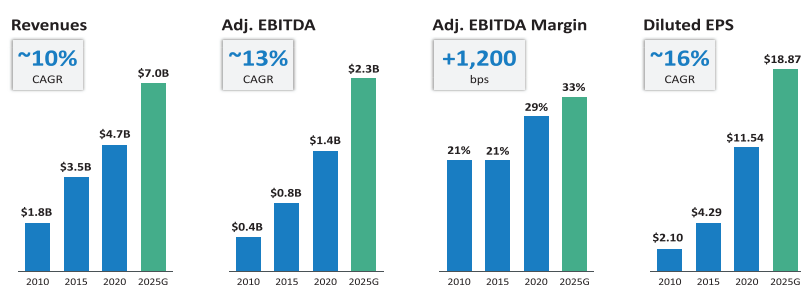
## North American Case Study

# Martin Marietta Materials

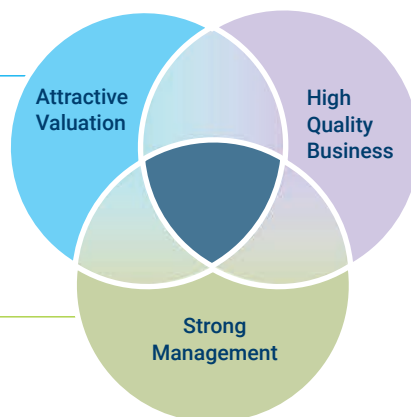
Continuation of a cyclical recovery in construction materials volumes and prices

Portfolio value at 30 April 2026: £12.6m (1.5% of total investments)

Martin Marietta Materials ("MLM") supplies its customers with aggregates (crushed stone), cement, ready mixed concrete and asphalt through its network of quarries, mines and distribution yards. The Company's building materials are used in infrastructure, non residential and residential construction projects. Listed in 1994, the Company has completed over 100 acquisitions and a number of strategic divestitures all with the purpose of strengthening and expanding its aggregates-led presence in the building materials marketplace.



- At the time of purchase, the shares were out of favour because there was a lack of certainty over federal construction budgets and a significant oil price decline led to concerns over the health of the Texas economy.
- Shares were purchased at 16x forward earnings compared to a long term average of 22x.
- History of delivering industry-leading profit margins.
- Strong track record of creating shareholder value through acquisitions, divestitures and buybacks.
- Since purchase, free cash flow per share has climbed 313% and the share price has appreciated 284%.



- Strong local market positions come from the sale of low-cost, heavy products that cannot travel too far without becoming uneconomical for the customer.
- Ownership of quarries and deposits that have long asset lives.
- High barriers to entry for new competitors: a challenging permitting process and significant capital investment.
- Long history of raising prices, even in difficult economic times.
- Long term growth in earnings from: government initiatives to repair and replace aged infrastructure, increased spending on industrial facilities and data centres and an eventual recovery in home construction.



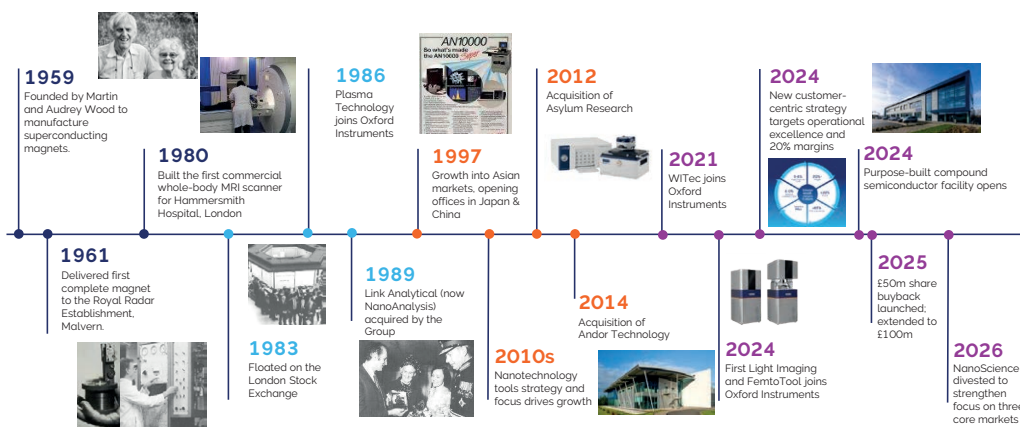
## UK case study

# Oxford Instruments

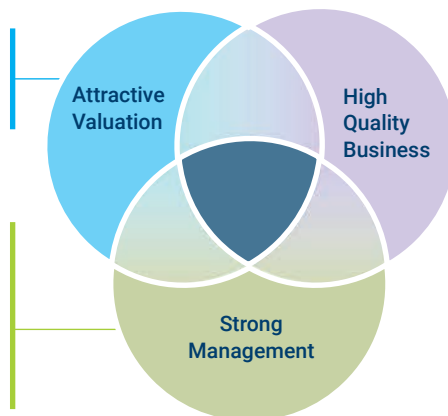
The potential to be a long-term compounder of earnings

Portfolio value at 30 April 2026: £5.0m (0.6% of total investments)

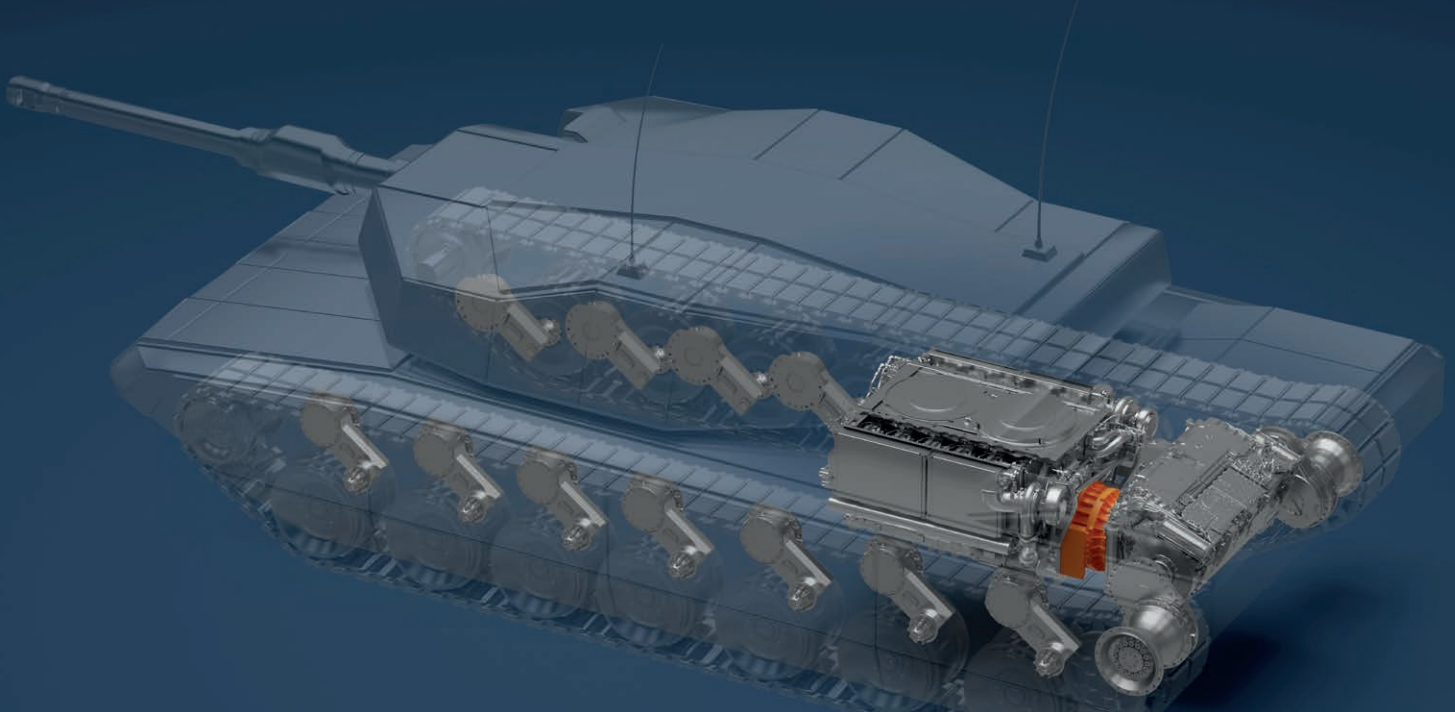
Oxford Instruments was founded in 1959 when Sir Martin Wood, an engineer at the University of Oxford's Clarendon laboratory, recognised an opportunity to commercialise superconducting magnets that were used in academic research. From these humble beginnings, Oxford Instruments has grown into a global business employing over 1,900 people across 23 countries. The company provides academic and commercial organisations with market-leading scientific technology and expertise across three key market segments: materials analysis, semiconductors, and healthcare and life sciences.



- Shares were out of favour at purchase because of weakness in the company's Chinese business and capacity expansion related costs.
- As a consequence, the shares were purchased at 18x forward earnings, below their long term average of 22x.
- Management have a strong track record in identifying and delivering operational efficiencies.
- Focus on shareholder value creation through business simplification, sale of non-core assets and return of cash to shareholders.
- Over the last 10 years, the company's operating margin has seen significant expansion and EPS has compounded at 9% pa. Since purchase in 2024, the shares have climbed 28%.



- A long history of R&D has led to technology and market leadership in the company's areas of focus.
- Close collaboration with customers. Proven track record of commercialising early-stage insights.
- History of high returns on capital and strong free cash flow generation.
- Long term growth from favourable end market trends, new product development, cross selling of academic products to commercial and industrial customers, operating leverage and acquisitions.



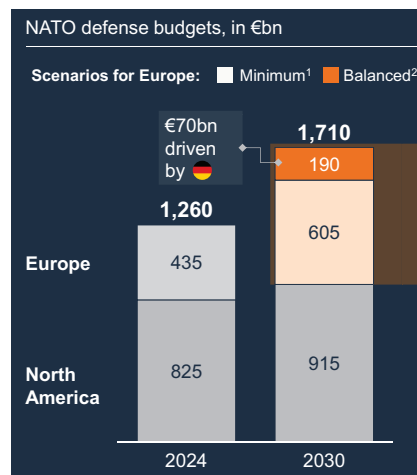
## Europe case study

# Renk Group AG

A direct beneficiary of rising defence spending

Portfolio value at 30 April 2026: £2.1m (0.2% of total investments)

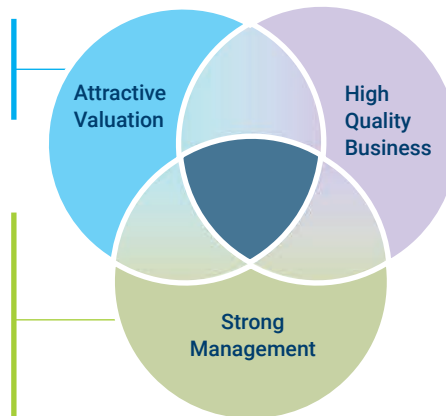
Johann Julius Renk founded Renk Group AG in Augsburg, Germany in 1873. Renk Group is a leading producer of mission-critical drive systems for defence and civil end markets. Its portfolio includes gear units, transmissions, clutches, suspensions and propulsion systems for military vehicles and vessels. These products are engineered to allow vehicles to change direction quickly and transfer high levels of force. Renk supplies its technology to over 40 armed forces and navies worldwide with a strong focus on the EU member states of NATO.



Extracted from Renk presentation

- Shares were 'undiscovered' at purchase because of a low market capitalisation and a limited public market history.
- Shares were purchased at 8x forward EBITDA, a significant discount to global peers.

- Track record of expanding profit margins through operational excellence and a focus on growing defence and aftermarket sales.
- Custodian of a highly skilled engineering workforce and a well invested manufacturing network.
- Significant insider ownership.
- Since the company's IPO in 2024, revenues and EPS have compounded at 21% and 77% pa respectively. The shares have appreciated by 117% since purchase in 2025.



- Industry leading, reliable technology that is designed for harsh conditions.
- Predictable earnings from long lived platforms and aftermarket sales.
- Innovation-led customer partnerships.
- Long term earnings growth from rising spending on defence by NATO countries and company specific, profit margin improvement initiatives.



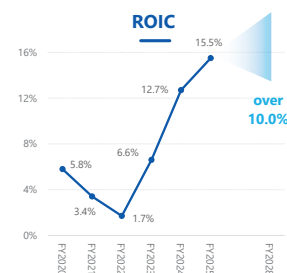
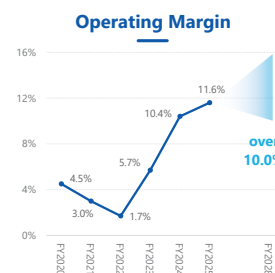
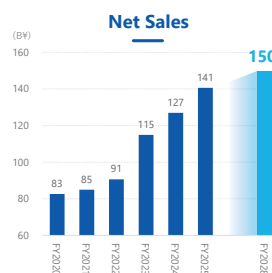
## Japan Case study

# Furuno Electric

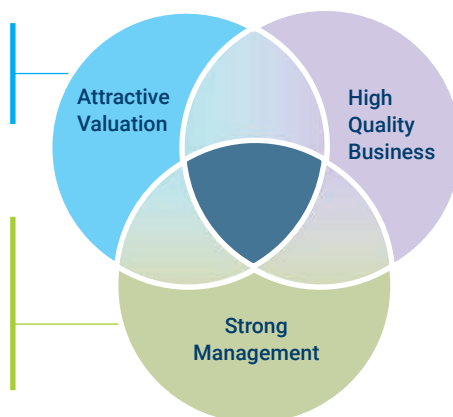
## Growth in earnings from increased investment in shipping

Portfolio value at 30 April 2026: £2.4m (0.3% of total investments)

Founded in 1948, Furuno Electric is a manufacturer of marine electronics equipment. The company has a long history of introducing pioneering technology, including radar and sonar systems, electronic chart displays and satellite communications equipment. These products are found on commercial shipping vessels, navy boats, fishing fleets and recreational yachts. Furuno Electric continues to leverage decades of expertise in marine electronics to address evolving industry needs around vessel safety, operational efficiency, maritime digitalisation and automation.



- Shares undervalued at purchase because of concerns about tariffs.
- Shares were purchased at 9x forward earnings, compared to their historic average of 14x.
- Strong operational execution.
- Focus on innovation, raising margins and returns and returning cash to shareholders.
- Revenues and EPS for the company have grown at 5% and 20% pa respectively over the last 10 years. The share price has climbed 159% since purchase in 2025.



- Long history of R&D has led to technological expertise in the areas of sensing, processing and communications for the marine industry.
- Global market shares in excess of 40% in certain sonar and radar segments.
- An expansive service network that maintains the company's installed base.
- Net cash on the balance sheet.
- Prospective earnings growth through the introduction of new products, growth in maintenance services and rising capacity utilisation at shipyards.

# Financial Highlights year to 30 April 2026

## 21.0%

### Net Asset Value ('NAV') total return

NAV with debt at fair value<sup>(1)</sup> total return<sup>(1)</sup> of 21.0% (2025: -4.8%) versus 31.3% for the Benchmark<sup>(2)</sup> (2025: -0.8%).

The NAV per share with debt at fair value increased to 198.8p from 167.1p.

## 28.8%

### Share price total return

Share price total return<sup>(1)</sup> of 28.8% (2025: -5.6%).

The share price ended the year at 188.0p (2025: 148.6p).

## 3.15p

### Total Dividend

Dividend<sup>(3)</sup> of 3.15p (2025: 3.00p), the 56th consecutive annual increase, up by 5.0% (2025: up by 6.8%).

## -5.4%

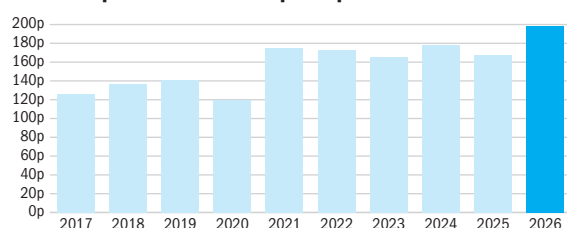
### Discount

The Company's shares ended the year at a discount<sup>(1)</sup> to NAV of 5.4% (2025: 11.0%).

## Delivering high total returns over the long term

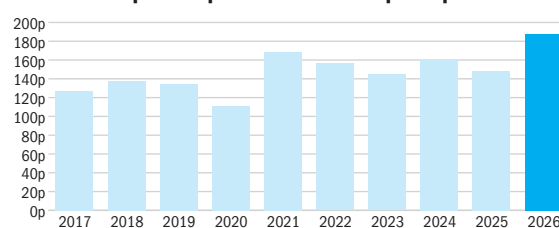
In the last ten years the Company has turned a £1,000 investment, with dividends reinvested, into £2,145, a compound annual share price total return of 7.9%.

### NAV<sup>(1),(4)</sup> per share at 30 April – pence



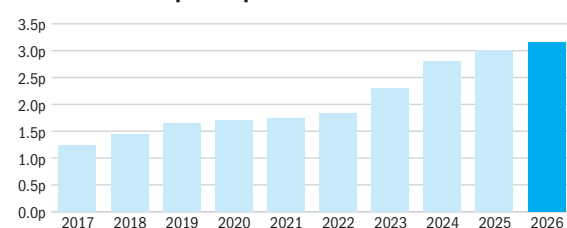
Source: Columbia Threadneedle Investments

### Mid-market price<sup>(4)</sup> per share at 30 April – pence



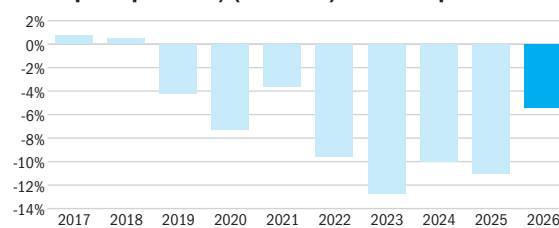
Source: Columbia Threadneedle Investments

### Dividends<sup>(3),(4)</sup> – pence per share



Source: Columbia Threadneedle Investments

### Share price premium/(discount)<sup>(1)</sup> at 30 April – %



Source: Columbia Threadneedle Investments

The dividend has increased every year for the past 56 years and over the last ten years is up 11.4% compound per annum, compared with inflation (RPI) of 4.7% compound per annum.

(1) See Alternative Performance Measures on pages 108 to 110.

(2) See Glossary of terms on page 111 for explanation of "Benchmark".

(3) Total dividend comprises an interim dividend (paid on 29 January 2026) of 0.70 pence and a final dividend for 2026 of 2.45 pence (payable on 18 September 2026), subject to shareholder approval at the AGM.

(4) Comparative figures for the years prior to 2020 have been restated due to the sub-division of each existing ordinary share of 25p into ten new ordinary shares of 2.5p each on 31 October 2019.

# Chairman's Statement



"The universe of global smaller companies is very large, offering a wealth of potential investment opportunities."

Graham Oldroyd, Chairman

Dear Shareholder,

Following the Annual General Meeting on 15th August 2025, the Chairman Anja Balfour retired from the Board and I was pleased to accept the Board's invitation to become Chairman. Anja was a director of your Company since 1st June 2015 and served as Chairman since 30th July 2020. I would like to thank Anja for her significant contribution and commitment to the Company throughout this time.

The universe of global smaller companies is very large, presenting our Lead Manager with a wealth of potential investment opportunities. In choosing between these, our Lead Manager seeks to invest in good quality, profitable businesses, when they become available at an attractive valuation, eschewing more speculative investments. This conservative approach can help

mitigate against losses in a falling market, and supports long term growth in value. It has led to good investment returns over the longer term.

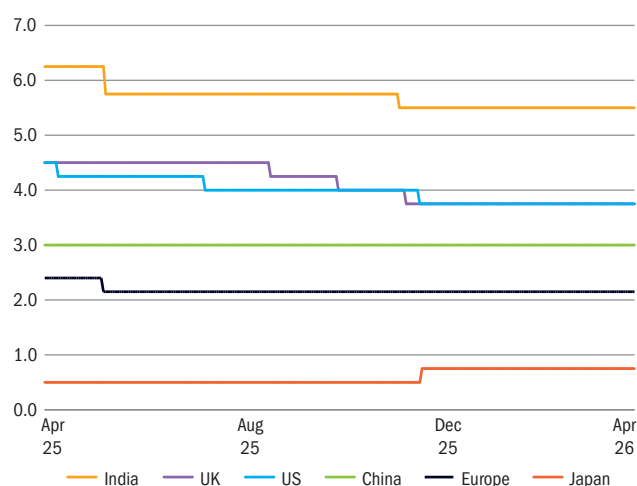
The year to 30th April 2026 proved challenging for this investment style. The Company's Benchmark incorporates both high quality and lower quality companies. Good quality, profitable businesses of the type sought out by the Company performed well, but the market chose to favour and reward to an even greater degree more speculative investment in lower quality businesses of the type the Company actively seeks to avoid. In the year, the Company's NAV per share accordingly rose strongly, but nevertheless rose less than the Benchmark with its lower quality components. Taking the Company's long-term liabilities at fair value, the Company's NAV per share rose to 198.8p, a 21.0% total return for the twelve months, compared to a total return of 31.3% from the Benchmark. Evolving

## Performance: Total returns over the long-term

	1 year %	3 years %	5 years %	10 years %	25 years %
Company NAV total return	21.0	25.6	21.6	125.8	841.9
Benchmark total return	31.3	45.1	37.5	164.0	788.9
Company share price total return	28.8	37.0	20.4	114.5	1,001.6

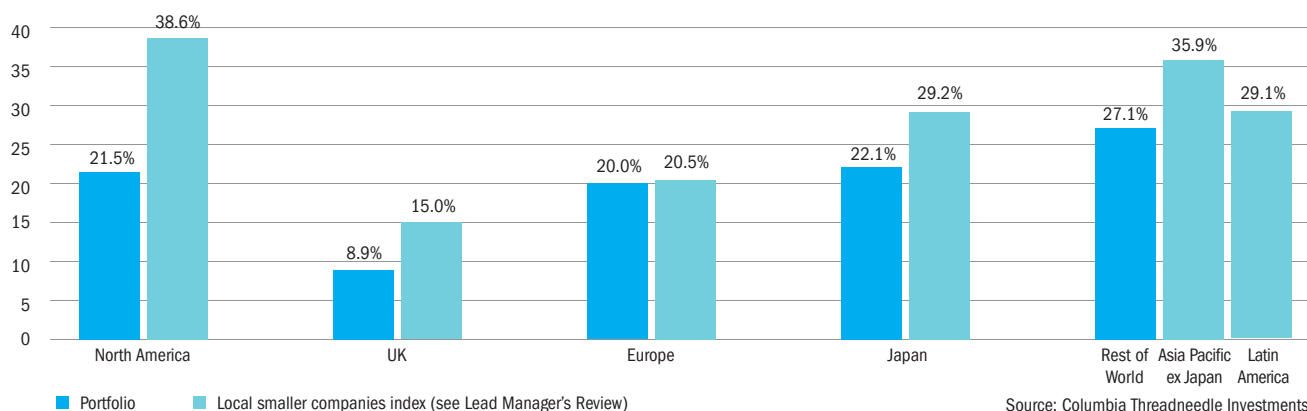
Source: Columbia Threadneedle Investments

## Benchmark interest rate by country (%)



Source: Columbia Threadneedle Investments

## Geographical performance (total return sterling adjusted) for the year ended 30 April 2026



\*Performance of the Rest of World portfolio is shown here against both the Asian and Latin American smaller company indices.

market perceptions around artificial intelligence's ('AI's') impact on various business models created a meaningful headwind, as did a rotation of capital away from profitable, well-established businesses into lower-quality, speculative companies of the kind we consciously try to avoid. These factors weighed on relative performance across most regions. The Lead Manager's Review, starting on page 14, provides detail on the various drivers of returns over the period. The Company's discount narrowed from 11.0% to 5.4% at year end. The share price rose by 26.5% in the twelve months to 188.0p, producing a total return of 28.8% after adding dividends paid in the period.

Longer term total returns from the NAV, Benchmark and share price are shown in the table on the previous page, highlighting the strong returns that the asset class has delivered to patient investors.

The global economy demonstrated exceptional resilience in the period, with growth surpassing expectations despite mounting concerns over weaker employment, trade disruptions, conflicts and elevated valuations in some areas of financial markets. Economic vitality persisted amongst wealthier consumers, driven by appreciating equity markets and robust interest income. According to a report by Moody's Analytics, the top 10% of US income earners accounted for nearly half of all consumer spending. This bifurcation was also apparent in other developed economies. In contrast, inflationary pressures weighed more heavily on lower and middle-income households, constraining real purchasing power and prompting greater selectivity in spending.

Employment conditions softened through the summer of 2025, with younger job seekers bearing the brunt of the slowdown, whilst rate-sensitive industries, including residential property, continued to face headwinds. Inflation fell but remained above central

bank targets. Whilst stubborn inflation led the Bank of Japan to raise its policy rate in the financial year, policymakers in many other regions reduced their borrowing costs in order to sustain economic momentum. The US Federal Reserve cut interest rates to three-year lows and a new Governor, Kevin Warsh, was formally appointed in May of this year. Despite lower interest rates, longer maturity sovereign bond yields stayed elevated, reflecting anxiety around the size of fiscal deficits and a possible re-emergence of price pressures. Gold and silver advanced 33% and 115% respectively, though both metals encountered sharp volatility in the latter part of the year.

Political developments once again influenced market sentiment throughout the period. There were multiple events, ranging from tariff announcements, threatened and actual military confrontations, fiscal stimulus programmes and movements away from long standing alliances and conventions. In late February, Israel and the US went into conflict with Iran. This led to damage to energy infrastructure in the Middle East and the effective closure of the Strait of Hormuz, a key waterway through which a significant portion of the World's commodities travel. Consequently, Brent oil surged to \$111 a barrel from \$61 at the start of the financial year. This changed the outlook for global growth, inflation and interest rates.

For the US, artificial intelligence ("AI") remained a dominant driver with related capital expenditure now accounting for a large part of total economic growth and offsetting headwinds from the unemployment rate climbing to a four-year high. Confidence remained low in the UK, with the economy still struggling with low productivity growth, persistent inflation, political uncertainty and higher taxes. Continental Europe was helped by fiscal stimulus, but growth was more gradual than anticipated because of American

trade barriers, profitability challenges from an appreciating Euro and higher energy costs. In contrast, a depreciating Yen benefited Japanese corporations and sustained momentum in the nation's tourism industry. The election of Sanae Takaichi as Japan's prime minister brought the prospect of expansionary fiscal policy and this lifted sentiment. Corporate governance reforms continued to influence behaviour amongst Japanese companies positively. In the year, other countries within Asia also made progress in this area. Developing economies faced headwinds from trade-related uncertainty, with China experiencing particularly acute effects. This was somewhat counterbalanced by a weaker US Dollar. Fiscal stimulus measures in China coupled with technology sector investment strengthened confidence amongst Chinese enterprises and households. India experienced weakening consumption amongst middle and lower income groups and its central bank lowered borrowing costs in response. As important producers of technology hardware, South Korea and Taiwan benefited greatly from the global boom in expenditure on AI.

### Performance and the Discount

The Lead Manager's Review, starting on page 14, covers the year from a market and portfolio view in detail. The chart on the previous page shows how our regional portfolios performed in the year compared to their relevant local smaller company indices. Most of the Company's regional portfolios faced a trifecta of challenges in the year: a rapidly rising stock market in which lower beta holdings lagged, a movement away from perceived AI casualties to potential AI winners and an increase in speculative activity. This drove gains in higher risk businesses that were not owned by the Company and, disappointingly, returns across the regions were behind their local small cap indices. Working with the Board, the Lead Manager is taking steps to address this relative underperformance. These actions are detailed in the Lead Manager's Review.

In recent years, discounts across UK investment trust companies have come under considerable pressure, driven by a combination of economic and geopolitical uncertainty, a continued shift towards passive, index-based global investment strategies and broader outflows from UK equity funds - particularly those focused on smaller companies. Over the last two years, the Company has attempted to tackle this issue by increasing the pace of its share repurchase programme and by committing more resources to PR initiatives and marketing with the aim of attracting demand for its shares from both existing and new investors. It was very pleasing to see some results from these efforts, with the Company's discount narrowing from 11.0% at the start of the financial year to 5.4% on 30th April 2026.

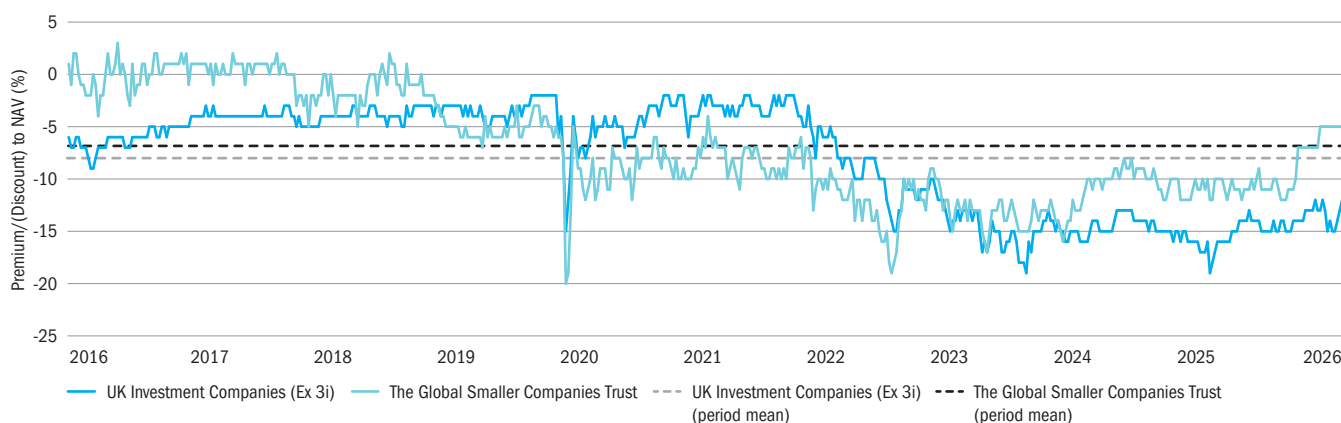
The chart below illustrates the Company's discount (and premium) over the last 10 years and that of the wider investment trust sector.

The Board and Company are committed to improving shareholder returns further, through taking several steps to address relative performance and by judiciously allocating capital to share repurchases and brand initiatives with the purpose of raising the Company's rating.

### Dividends

The companies in the portfolio continue to deliver healthy levels of income as a result of their cash generative nature. Consequently, the Board has decided to recommend the payment of a final dividend of 2.45p per share, meaning the full year payment will be up by 5.0% to 3.15p per share. This will be paid to shareholders on 18 September 2026 and will be the 56th consecutive year of increases in the Company's dividend.

10 year history of (discount)/premium compared to an index of UK Investment Companies (ex 3i) weighted by market capitalisation



Source: Columbia Threadneedle Investments

## Share Repurchases and Gearing Policy

The Board continues to believe that a consistently applied approach to share buy-backs is in the best interests of shareholders, supporting liquidity for those in need of an exit along with NAV accretion to remaining holders. 29.1m shares (representing 6.5% of the Company's share capital at the start of the period) were bought back in the financial year (2025: 47.3m), across some 179 trading days, enhancing the NAV per share by 0.7% in the process.

The Board remains of the view that making use of our borrowing powers over the long term will serve to enhance shareholder returns as markets rise over time. The Manager is also able to make use of the Company's borrowing facilities to take advantage of new investment opportunities and for funding buy-backs without being forced to make immediate, simultaneous disposals. At the end of the financial year, effective gearing was 2.5% compared to 5.3% a year earlier, reflecting higher stock market levels. Borrowings were made up of £35m 2.26% sterling loan notes maturing in 2039 and £15.7m of drawings in US dollars, Yen and Euros under our revolving credit facility. Given the predominantly fixed rate nature of the debt, our borrowing costs remain low.

## Costs

Ongoing charges (excluding the underlying costs of collective holdings) for the year increased slightly, moving from 0.62% to 0.63%. Ongoing charges including the costs of collective holdings were 0.78% (2025: 0.74%). We are pleased to report that these remain low compared to many smaller company funds in the market.

## Responsible Investment

Your Company seeks to operate with high standards of governance. In order to maintain freedom to invest in businesses operating in a wide range of sectors on a global basis, it does not specifically designate itself as being bound by rigid Environmental, Social and Governance ('ESG'), Sustainability or Impact investing criteria. As part of its overall risk management process, the Manager nevertheless integrates the consideration of financially material environmental, social, and governance factors into its research and investment process and encourages stronger ESG practices to be adopted by issuers through its engagement and voting activities. Some examples of this are outlined in the section on Responsible Investment on pages 25 to 29.

## Board Changes

On Anja Balfour's retirement from the Board at the close of our Annual General Meeting on 15th August 2025, I became Chairman of the Board and Chairman of the Nomination Committee. Bulbul Barrett was appointed Senior Independent Director.

## Cancellation of the Share Premium Account and Capital Redemption Reserve

Following approval from shareholders at its Annual General Meeting held on 15th August 2025, the Company completed the court process required to cancel its share premium account and capital redemption reserve. These reserve accounts were non-distributable. Cancelling them has created additional distributable reserves, providing the Company with additional flexibility, if required, to fund future share buybacks, dividends and other returns of capital in accordance with applicable law. This increase in our distributable reserves became effective on 4th December 2025.

## Change of Corporate Broker

During the year, on 5th December 2025, the Board appointed Investec Bank plc as the Company's sole corporate broker in place of Stifel Nicolaus Europe Limited.

## Change of Benchmark

In April 2026, the Board of the Company announced that, following a review of its performance measurement framework, the Company's Benchmark would change to the MSCI ACWI Small Cap Index Net in GBP, with effect from 1st May 2026, the commencement of the Company's next financial year. Up until the end of this reporting period, the Company's Benchmark has been a blend of two indices, namely the MSCI All Country World ex UK Small Cap Index (80% (net)) and the Deutsche Numis UK Smaller Companies (excluding investment companies) Index (20%). This Benchmark change better represents the current composition of the global smaller company equity market, given that the UK is now a much smaller percentage of total world stock market capitalisation. It also reduces complexity and increases clarity in our reporting to shareholders.

## Annual General Meeting

The Annual General Meeting will take place at Chartered Accountants' Hall, 1 Moorgate Place, London EC2R 6EA on Tuesday, 15th September 2026 at 12.00 noon. We hope as many shareholders as possible will attend. Nish Patel, the Lead Manager, will give a review of the year together with his view on the outlook. We will also be streaming the meeting live on the internet so that those shareholders who cannot attend in person will be able to view the proceedings. The live stream can be accessed by registering here: <https://www.investormeetcompany.com/the-global-smaller-companies-trust-plc/register>.

Voting on all resolutions at the AGM will be conducted by way of a poll, the results of which will be announced and posted on the Company's website following the meeting. You are therefore encouraged to lodge your votes prior to the meeting by completing

your form of proxy or form of direction in accordance with the instructions shown.

Shareholders who are unable to attend the AGM are requested to submit any questions they may have with regard to the resolutions proposed at the AGM or the performance of the Company in advance of the meeting to [gscagm@columbiathreadneedle.com](mailto:gscagm@columbiathreadneedle.com).

Following the AGM, the Lead Manager's presentation will be available on the Company's website at [www.globalsmallercompanies.co.uk](http://www.globalsmallercompanies.co.uk).

## Outlook

Despite a challenging backdrop of geopolitical tensions, rising inflationary pressures, elevated interest rates and concerns over government deficits, the global economy has shown considerable resilience and corporate earnings growth has, in aggregate, remained healthy. Higher asset prices, strong corporate and household balance sheets, significant investment in AI and stimulus programmes across various parts of the world have all played a role in sustaining economic momentum.

However, the persistence of each of these supporting factors remains uncertain, and as a consequence the range of potential future outcomes is wide. The key debates amongst investors at present are whether the substantial capital being deployed into AI will ultimately generate adequate returns, the future direction of inflation and the likely response by monetary authorities, rising geopolitical tensions and their significant potential economic ramifications, and how governments will address the challenge of large and growing fiscal deficits.

In such an uncertain and fragile environment, I believe shareholders can take comfort in the high quality, attractively valued portfolio of businesses that the Manager has assembled — one that is well positioned to navigate the inevitable challenges that the coming year may bring. We remain focused on delivering long-term value for shareholders and believe with the changes made that the Company is well placed to do so.

**Graham Oldroyd**  
**Chairman**  
**25 June 2026**

# Lead Manager's Review



“It is encouraging to see smaller company shares begin to outperform their larger company counterparts after a prolonged period of underperformance. We believe we may be in the early stages of an extended cycle of mean reversion in relative valuations for smaller companies and we are excited by that prospect.”

**Nish Patel, Lead Manager**

## Performance

The Company's NAV and share price total return were 21.0% and 28.8% respectively in the financial year which compared to a 31.3% total return from the Benchmark. Disappointingly, the NAV and share price total returns lagged the Benchmark though, encouragingly, the discount to NAV narrowed in the period.

The Company's portfolio has historically lagged in a rapidly rising, momentum led and narrow market, such as the one we experienced over the last twelve months. This is because of its focus on investing in higher quality businesses that are significantly undervalued. These investments are generally 'lower beta' or less volatile than the overall market. We also ensure that the portfolio is well-diversified across a broad range of industries.

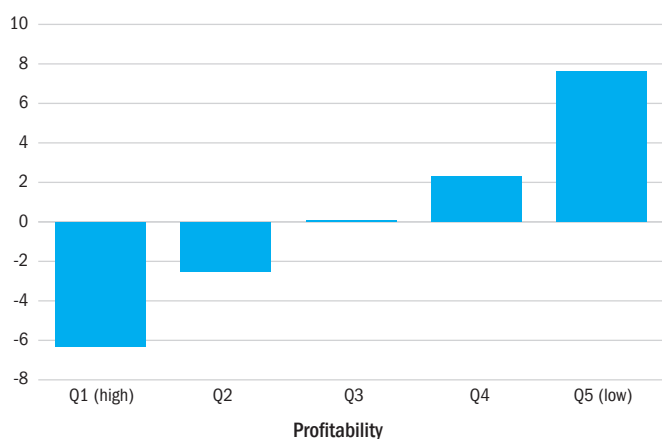
AI was also a recurrent theme that weighed on performance across the regional portfolios. Some holdings were perceived as vulnerable to disruption from the technology and consequently these companies saw their valuations contract. In some cases, the share price movement was justified. In many other cases, after a detailed

review, we concluded that it was not. In addition to this challenge, the portfolios did not have enough exposure to the companies that were seen as beneficiaries of AI. This was an issue that faced many active fund managers in the year as capital flowed from the perceived AI losers into the potential AI winners.

To compound matters, the Company's investment style fell deeply out of favour during the year. As illustrated in the chart at the bottom left of this page, equity markets over the twelve months to 30th April 2026 shunned companies that were stable, established and highly profitable and instead rewarded businesses that were more speculative and often loss making. This shift in market leadership presented a difficult environment for the Company's portfolio.

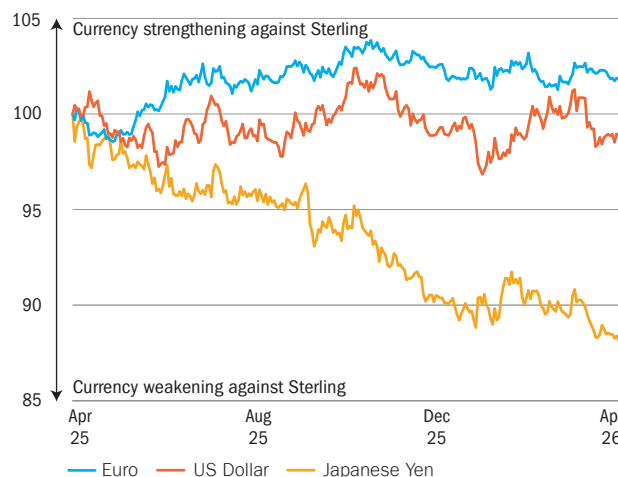
Our investment philosophy prioritises capital preservation over capital return. This philosophy is rooted in our appreciation of the devastating impact that permanent capital loss has on the compounding process. Speculative propositions of the type that did well in the period have that higher risk of permanent capital loss and that is why we do our best to stay clear of them. While

**Annualized Excess Quintile % Returns, MSCI ACWI Small Cap, 30th April 2025 – 30th April 2026**



Source: Columbia Threadneedle Investments

**Currency movements relative to sterling in the year ended 30 April 2026**



Source: Columbia Threadneedle Investments

conditions were challenging, we remained disciplined in our approach, resisting the temptation to speculate and staying true to the philosophy and process that has underpinned our track record over the past 25 years. Positively, the adverse market environment created the chance to buy into excellent businesses that were significantly undervalued. We took advantage of that opportunity.

As has been the case in recent financial years our investment income was strong and the Board has recommended a 5.0% increase in the annual dividend. The Company's dividend per share has grown by 11.4% compounded over the last 10 years, one of the fastest rates of growth across the investment trust market. This reflects the financial success of the companies held in our portfolio.

### Improvements to the Company's investment process

When the stock market will start to reward higher quality, attractively valued companies again is not in our control. We can however control our own investment process and behaviour. In this regard, we have made a number of changes to the way that the Company's assets are managed from 1st May 2026.

In line with the Benchmark change outlined in the Chairman's Statement, the overall portfolio has been realigned from a geographic perspective, reducing the Company's exposure to the UK and increasing its weighting in other regions. Historically, the Company's developed market assets have been managed in a 'fund of fund' structure with regional teams managing portfolios against local smaller company indices. This has now changed to a single portfolio that is managed by me as the Lead Manager, with the input of research analysts across Columbia Threadneedle Investments. The portfolio will contain Columbia Threadneedle Investments' highest conviction smaller company opportunities within the developed markets as well as five externally managed Rest of World funds.

In the new financial year, the implementation of this change of structure has led to the elimination of several lower conviction investments, resulting in a portfolio of approximately 130 holdings, down significantly from a peak of 213 in 2024. This new, more concentrated portfolio should channel the Company's capital into only our most compelling investment opportunities, ensure that each position has a meaningful impact on overall returns and increase the portfolio's differentiation against its Benchmark.

It is clear that in recent years, as the composition of market participants has changed, momentum has become a dominant factor behind shorter-term movements in equity prices. For fundamentals and valuation-focused investors such as ourselves, this has been a challenge: lowly valued companies have continued to fall and expensive stocks have continued to run. Whilst it is not in our nature to be momentum investors, we recognise the importance of this factor and are now using internally developed tools and analysis that can help us to be on the right side of it.

### Global Financial Markets Backdrop

Smaller companies across the World delivered strong returns in the financial year and outperformed larger companies for the first time in five years. Whilst the period was marked by sharp swings in investor sentiment, markets were supported by healthy corporate earnings growth, moderate inflation that was a little above central bank targets and cuts in interest rates from most monetary authorities. Following a pronounced downturn in April 2025, stock markets around the world recovered as market participants correctly anticipated that Washington would retreat from its most aggressive trade postures and this lifted investor confidence. As the US labour market cooled, equity markets moved higher as investors priced in potential Federal Reserve interest rate cuts. Stock markets additionally benefited from continued excitement around AI, especially after several AI related businesses announced intentions to expand their computing capacity. The equity market's

**Table of total returns (sterling)**

	1 year		3 years		5 years		10 years		15 years	
	Regional Portfolio	Regional Benchmark	Regional Portfolio	Regional Benchmark	Regional Portfolio	Regional Benchmark	Regional Portfolio	Regional Benchmark	Regional Portfolio	Regional Benchmark
North America	21.5%	38.6%	27.5%	50.9%	31.7%	33.1%	175.6%	201.9%	404.3%	382.3%
UK	8.9%	15.0%	-0.8%	28.3%	-10.2%	15.1%	58.2%	81.0%	228.2%	199.4%
Europe	20.0%	20.5%	23.1%	33.0%	1.2%	24.2%	103.0%	152.9%	248.2%	234.7%
Japan	22.1%	29.2%	49.3%	49.6%	40.0%	46.4%	127.1%	136.0%	340.2%	306.3%
Rest of World	27.1%	35.9%	36.4%	47.4%	38.8%	42.5%	124.3%	160.6%	152.3%	169.0%

The regional benchmarks used are Deutsche Numis UK Smaller Companies (excluding investment companies) Index (UK), MSCI Europe Ex UK Small Cap Index net (Europe), MSCI North American Small Cap Index net (North America), MSCI Japan Small Cap Index net (Japan) and MSCI All Country Asia Pacific ex Japan Small Cap Index net (Rest of World).

Source Columbia Threadneedle Investments

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gradual ascent was briefly halted by the outbreak of war with Iran; however, increasing signs of a sustained period of ceasefire helped markets continue their rise towards the close of the Company's financial year.

Corporate earnings generally exceeded projections across most regions and smaller companies delivered 21% earnings growth in calendar year 2025. Stock market valuation multiples expanded throughout the last 12 months, particularly in the US, where on a cyclically adjusted basis, valuations reached levels last seen in the late 1990s. Similarly, in the credit markets, issuance was very active and credit spreads narrowed to remarkably tight levels. Revived optimism lifted capital markets activity, with global dealmaking topping \$4.7 trillion, the second-highest total on record. As the year went on, market participants grew progressively more risk-seeking, with the lowest quality businesses dramatically outpacing the highest quality companies. This was particularly evident in the US market, where the companies with the lowest return on equity outperformed the businesses with the highest return on equity by 27%. Stock market concentration persisted as a theme with capitalisation-weighted indices significantly outperforming equal-weighted indices. Positively, equity market breadth improved as the financial year progressed, with the rally broadening beyond its initial narrow leadership. Smaller companies benefitted from this and outperformed larger companies over the second half of the financial year. Despite interest rates being cut, longer dated government bond yields remained high, reflecting concerns over the size of government budget deficits and a potential resurgence in inflation. These factors also supported the gold price, which surged 33% over the year. Conflict in the Middle East led to the oil price soaring 87% over the period. In the year, on a trade weighted basis the US Dollar and British Pound traded in a range, whilst the Euro strengthened and the Japanese Yen weakened.

Energy was the strongest performing sector. This was very closely followed by the technology sector whose performance was concentrated amongst semiconductor companies. Buying of semiconductor stocks reached a frenzy in April, with the Philadelphia Stock Exchange Semiconductor Index soaring 35% in that month alone. Software and IT services businesses on the other hand were hit by concerns over disruption from AI. As the year went on, several new AI products were launched that have the potential to upend many industries, including financial services, healthcare and business process outsourcing. In response to this, some investors sought refuge in more asset intensive sectors such as materials as they believed that these could better resist such disruption. In contrast, it was a difficult year for companies in the consumer sectors, because of low consumer confidence and rising input costs. Healthcare companies had a difficult year because of

regulatory uncertainty, patent expirations and margin degradation at several businesses.

The North American smaller companies market delivered very strong performance in the period, surging 39%. Companies were supported by healthy corporate earnings, resilient economic data, takeover activity and the prospect of lower interest rates.

UK smaller companies started the period strongly, with investors favouring domestically focused stocks amid concerns about global trade. However, from the summer onwards, sentiment was negatively impacted by concerns over the UK's fiscal position. Outflows from actively managed funds continued to weigh on the market. Despite this, the UK market still delivered a 15% return, albeit this was lower than other regions.

Increased government spending on defence and infrastructure lifted European smaller companies. A resilient Eurozone economy proved to be supportive, though investor confidence waned later in the period due to the Middle East conflict and its implications for inflation and interest rates.

Japanese equities rose 29% in the year as the economy moved away from three decades of deflation. The expectation of pro-growth policies by the newly elected LDP party lifted sentiment and consequently foreigners injected capital into the Japanese market. Smaller companies in particular continued to be spurred by corporate governance reforms.

Emerging markets delivered strong performance over the year, driven in part by the weaker US Dollar. Asian markets dominated, led by 90% gains from technology hardware exposed Taiwan and South Korea. China and Hong Kong also had a good year. Foreigners switched money into the aforementioned regions from India and other emerging markets.

## Regional Portfolio Performance

The Company's investment philosophy is applied uniformly across its regional portfolios. Similarly, the third party funds we have invested in for exposure to the Rest of World also have a low beta and a quality value bias. Accordingly, we saw all regional portfolios lag their benchmarks in the year as our investment style fell deeply out of favour. As mentioned above, rotation because of the AI trade presented a persistent headwind to all portfolios. Performance was most challenging in North America and the Rest of World, the two regions where sentiment behind the AI theme was strongest. After delivering a good return last year, the Japanese portfolio also struggled, particularly within the technology sector. The UK had the added challenge of a weakening housing market and this impeded some of its holdings in the construction sector.

Returns in the year were dominated by a narrow cohort of stocks. Not holding 10 AI-related stocks within a benchmark of over 6,700 companies accounted for 2.3% of the Company's NAV underperformance. The most striking example of this was memory chip manufacturer SanDisk, whose shares surged 3,257% in the period.

### Summary of Performance from the Company's Investments

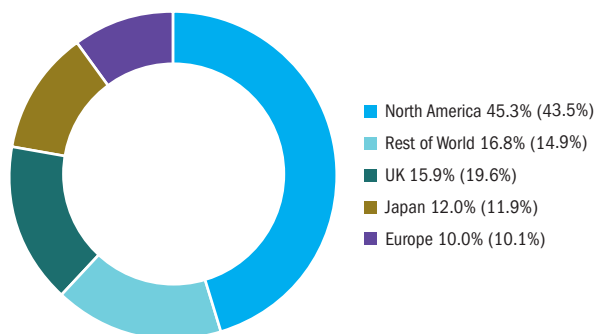
With threat levels elevated and many countries looking to be more self-reliant from a security perspective, it was not a surprise that defence related companies such as **Curtiss-Wright**, **Renk** and **Furuno Electric** delivered strong order growth and earnings in the financial year. Some of our holdings benefited from strong demand for AI related products and services. Whilst many companies that are exposed to this area are earlier stage and may not be generating revenues and earnings, the businesses we have invested in are long established and highly profitable. **MaxLinear**, **Advanced Energy Industries**, **Avnet**, **XP Power**, **ASM International** and **Nexans** all saw healthy demand because of significant spending within the AI ecosystem. Precious metals had another stellar year and this spurred the Company's largest single stock holding **Wheaton Precious Metals**. As profit margins widened and return of capital to shareholders increased, several financial companies in Europe and Japan had a good year; for our portfolio this included **Bank of Ireland**, **Storebrand** and **Nishi Nippon Financial**. The Japanese portfolio has meaningful exposure to companies that are actively improving their corporate governance and capital allocation practices. This was once again a rewarding area for us, with **Kinden**, **Nichias** and **Sanki Engineering** all seeing valuation expansion in the period while eight of our companies received takeover bids in the year. Within the US this included: industrial buildings owner **Plymouth Industrial REIT**, regional bank **Webster Financial** and footwear company **Skechers USA**. Low valuations prompted five takeovers in the UK portfolio including: **FD Technologies** (financial

services software), **1Spatial** (geospatial data software), **JTC** (fund administration services), **AlphawaveIP** (semiconductors) and **Kitwave** (a distributor of food and drink).

A recurrent theme amongst detractors was investor concern over potential disruption from AI. This particularly affected insurance broker **Brown & Brown**, business process outsourcer **Genpact**, telecommunications billing company **Amdocs**, proprietary data business **GlobalData**, compliance and training firm **Wilmington** and professional services firm **Karnov**. In each instance, we reassessed the investment case. As part of our analysis we verified that the business had a value proposition that went beyond cost, that the management team were fully cognisant of potential AI related threats and that they were positioning the company to benefit from the technology. We confirmed that the businesses had genuine barriers to entry such as proprietary data, deep customer relationships and regulatory or liability related hurdles. Where appropriate, we used share price weakness to add to our holding. Some housing markets continued to face a challenging backdrop as higher interest rates crimped affordability. This particularly affected **Crest Nicholson** and **Marshall's** in the UK and **Sanwa** in Japan. The packaging industry suffered from low volumes and weak pricing because of industry overcapacity and this was unhelpful for **Graphic Packaging** and **Vidrala**. During the financial year, there were some company specific challenges within the portfolio, most notably from: **Encompass Health**, **Auction Technology Group**, **CTS Eventim** and **IMCD**. Uncharacteristically, these are businesses that have a long history of growing reliably, these missteps therefore came as a surprise to market participants. These companies were fully reviewed and as a consequence **IMCD** was sold.

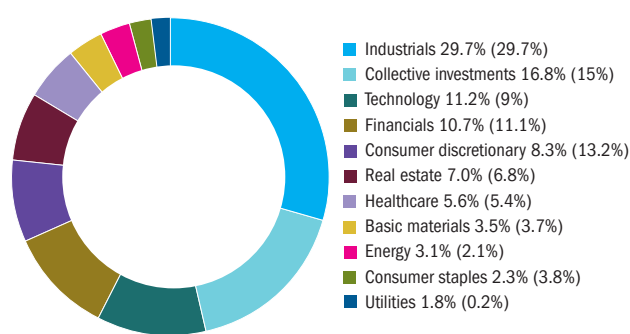
On the pages that follow there are tables outlining for each region the largest contributors and detractors to performance over the year and reasons for those movements.

Geographical distribution of the investment portfolio as at 30 April 2026



The percentages in brackets are as at 30 April 2025  
Source: Columbia Threadneedle Investments

Industrial classification of the investment portfolio as at 30 April 2026



The percentages in brackets are as at 30 April 2025  
Source: Columbia Threadneedle Investments

## North American Portfolio

### Stronger performing investments

Company	Business activity	Share price movement <sup>(1)</sup>	Contribution to performance of regional portfolio <sup>(2)</sup>	Reasons for movement
<b>MaxLinear</b>	Producer of semiconductors for the telecommunications, high speed broadband and data centre connectivity markets.	596.1%	4.5%	Reported very strong growth in its data centre business, particularly for optical components. The company's broadband business saw stabilisation.
<b>Advanced Energy Industries</b>	Supplier of precision power systems for semiconductor manufacturing, industrial, medical, and data centre applications.	288.3%	1.9%	Strong demand from customers in the company's data centre business led to higher sales and earnings. Improvement seen in the group's industrial and medical segments.
<b>Curtiss-Wright</b>	Manufacturer of mission-critical components for the aerospace, defence, general industrial and power sectors.	105.6%	1.4%	Strong sales and earnings growth in the company's aerospace, defence and power businesses. Seen as a beneficiary of increased spending on defence and nuclear power generation.
<b>Avnet</b>	A distributor of electronic components.	77.1%	0.7%	Benefitted from higher electronic component prices. Saw broad based improvement in demand that lifted profit margins and earnings.
<b>Wheaton Precious Metals</b>	Owner of precious metal royalty streams.	49.9%	0.6%	Rose with the price of gold and silver. Forecasted better than expected production. Announced a new streaming agreement with BHP Group.

### Poorer performing investments

Company	Business activity	Share price movement <sup>(1)</sup>	Contribution to performance of regional portfolio <sup>(2)</sup>	Reasons for movement
<b>Brown &amp; Brown</b>	Insurance broker that focuses on small and medium sized businesses.	-46.2%	-2.7%	Saw a slowdown in organic revenue growth because of a deceleration in insurance rate increases. Perceived as being potentially disintermediated by AI.
<b>Graphic Packaging</b>	A vertically integrated producer of boxboard packaging for food, beverage and consumer products companies.	-61.9%	-2.1%	Decline in packaging volumes because of a difficult consumer environment. Industry overcapacity led to lower prices. Earnings fell as a consequence.
<b>Genpact</b>	A business process outsourcer that focuses on the verticals of financial services, consumer, healthcare, technology and manufacturing.	-30.9%	-1.6%	Tariff related uncertainty led to delays in the signing of new outsourcing deals. Along with the wider sector, seen as being vulnerable to disruption by AI.
<b>Encompass Health</b>	A provider of inpatient rehabilitative healthcare services.	-15.4%	-1.6%	Fell on profit taking. Concerns over potentially tighter regulations for some of the company's government funded services.
<b>Amdocs</b>	A supplier of billing and customer services software and systems to telecommunications and media companies.	-26.2%	-1.3%	Management's guidance suggested lower revenues from one of the company's largest customers. Higher investment costs dampened the outlook for the group's profit margin.

(1) This is the share price total return in GBP over the period that the shares were held

(2) This is the geometric total effect of holding the stock within the regional portfolio.

Source: FactSet

## UK Portfolio

## Stronger performing investments

Company	Business activity	Share price movement <sup>(1)</sup>	Contribution to performance of regional portfolio <sup>(2)</sup>	Reasons for movement
<b>XP Power</b>	Designs and manufactures products that supply, regulate and distribute electrical power.	150.3%	1.0%	Strong order growth from the company's Semiconductor Equipment Manufacturing division. Improvement in order growth in other businesses.
<b>OXB</b>	Contract development and manufacturing organisation that focuses on cell and gene therapy.	108.0%	0.9%	Reported an acceleration in bookings growth. Announced new medium targets that were above expectations. Received a preliminary takeover approach that was eventually rejected.
<b>WAG Payment Solutions</b>	Payments platform for the commercial road transportation industry.	101.9%	0.8%	Announced solid organic growth from the group's toll business. Further progress on debt reduction.
<b>Molten Ventures</b>	Venture capital firm.	111.0%	0.8%	Realisations were better than expected. Delivered healthy growth in NAV per share.
<b>Oxford Instruments</b>	Produces specialised instruments that are used for scientific research, material analysis, imaging and semiconductor processing.	78.0%	0.6%	Reported an acceleration in bookings growth and progress on cost rationalisation.

## Poorer performing investments

Company	Business activity	Share price movement <sup>(1)</sup>	Contribution to performance of regional portfolio <sup>(2)</sup>	Reasons for movement
<b>Auction Technology Group</b>	Supplier of proprietary auction platform technology for online marketplaces.	-40.0%	-1.0%	An adverse shift in business mix impeded profitability. Announced an acquisition that concerned some investors.
<b>Marshalls</b>	Producer of building materials for the residential, commercial and infrastructure end markets.	-51.9%	-0.9%	Low demand and intense price competition pressured earnings in the company's landscape business.
<b>Crest Nicholson</b>	A homebuilder.	-62.4%	-0.9%	A challenging housing market crimped sales volumes and prices and led to the deferral of land sales. Cost inflation dampened profit margins.
<b>GlobalData</b>	Data and analytics solutions for a broad range of industries.	-37.7%	-0.7%	Shares sold off with the sector because of concerns over the threat of AI to the company's business model. Earnings were constrained by sluggish organic revenue growth and higher costs because of growth investments.
<b>Wilmington</b>	A provider of data and training services to regulated sectors including financial services, legal and healthcare.	-33.9%	-0.6%	Valuation multiple compresses as market participants worry about increased competition from large language models.

(1) This is the share price total return in GBP over the period that the shares were held

(2) This is the geometric total effect of holding the stock within the regional portfolio.

Source: FactSet

## Europe Portfolio

### Stronger performing investments

Company	Business activity	Share price movement <sup>(1)</sup>	Contribution to performance of regional portfolio <sup>(2)</sup>	Reasons for movement
<b>Bank of Ireland</b>	Provider of banking and financial services to retail and corporate customers.	72.0%	1.7%	A strong Irish economy and lower competition led to solid core loan growth. Shares benefitted from a favorable UK Supreme Court ruling on industry wide mis-selling of vehicle financing.
<b>Storebrand</b>	A diversified provider of financial services that include insurance, pensions, asset management and banking.	61.7%	1.3%	Profits were above expectations, supported by higher insurance rates and growth in asset management earnings. Long-term financial guidance also surpassed analyst forecasts.
<b>Nexans</b>	Producer of cables and electrical systems for power generation, transmission, distribution and telecommunications.	71.0%	1.2%	Announced attractive acquisitions that increase the company's exposure to the North American market, where growth prospects are supported by ongoing investment in grid infrastructure and data centers.
<b>ASM International</b>	Manufacturer of machines that process silicon wafers and that assemble and package semiconductors.	99.3%	0.9%	Growth in agentic AI lifted demand for leading-edge foundry and logic products. Margins expanded. Orders from China started to recover.
<b>RENK</b>	Producer of drive systems for military vehicles.	4.0%	0.8%	Strong order growth drove upward earnings revisions and prompted broker upgrades.

### Poorer performing investments

Company	Business activity	Share price movement <sup>(1)</sup>	Contribution to performance of regional portfolio <sup>(2)</sup>	Reasons for movement
<b>CTS Eventim</b>	Distributor of tickets for live entertainment. Organiser of tours and events.	-47.9%	-2.3%	Profitability was weighed down by elevated acquisition integration costs and margin pressure in the Live Entertainment division. Guidance disappointed as management actively exited lower-margin contracts.
<b>Karnov</b>	Provider of information systems and software in the areas of legal, tax accounting and EHS (environment, health and safety).	-24.5%	-1.3%	Organic revenue growth was lower than expected. It fell on concerns over the release of new AI products for the legal sector by Anthropic.
<b>R&amp;S</b>	Supplier of power related transformers and components to the utility, infrastructure and industrial sectors.	-43.3%	-1.2%	Medium-term sales and profitability guidance was cut, reflecting capacity constraints amongst customers and higher investment costs.
<b>Vidrala</b>	Producer of glass bottles for the food and beverage industries.	-16.2%	-1.1%	Lower demand for packaging for beer and wine led to declines in volume and pricing.
<b>IMCD</b>	Distributor of specialty chemicals.	-32.5%	-0.9%	Increased competition from China as well as sluggish demand from customers led to a deterioration in the company's organic revenue growth and profit margin.

(1) This is the share price total return in GBP over the period that the shares were held

(2) This is the geometric total effect of holding the stock within the regional portfolio.

Source: FactSet

## Japan Portfolio

## Stronger performing investments

Company	Business activity	Share price movement <sup>(1)</sup>	Contribution to performance of regional portfolio <sup>(2)</sup>	Reasons for movement
<b>Furuno Electric</b>	Manufacturer of marine equipment.	143.6%	2.9%	Management raised its profit guidance because of healthy demand. The company benefitted from an improved outlook for defence spending.
<b>Kinden</b>	Construction company that focuses on infrastructure.	106.9%	1.8%	Solid project execution and strong backlog growth prompted management to lift its earnings and dividend guidance. Significant share repurchases over the year.
<b>Nishi-Nippon Financial</b>	Banking group that operates across the Kyushu region of Japan.	75.7%	1.7%	Earnings benefitted from higher Japanese interest rates, low credit costs and gains on the sale of securities. Announced a greater than expected increase in its dividend.
<b>Amada</b>	Manufacturer of metal fabrication machinery and factory automation systems.	70.1%	1.5%	Rising Japanese machine tool orders led to valuation expansion. Reported strong order growth and earnings.
<b>Nichias</b>	Industrial company that specialises in insulation and protection products.	77.4%	1.4%	Increased confidence in a recovery in demand across the company's core markets. Encouraging order growth. Management announced further asset disposals and share repurchases.

## Poorer performing investments

Company	Business activity	Share price movement <sup>(1)</sup>	Contribution to performance of regional portfolio <sup>(2)</sup>	Reasons for movement
<b>Nippon Television</b>	A commercial television broadcaster.	-18.3%	-2.2%	Earnings guidance disappointed, with the company facing challenging prior year comparisons, higher costs and a potential slowdown in its domestic advertising market.
<b>Sanwa Holdings</b>	Global producer of shutters and doors for residential and commercial buildings.	-29.7%	-1.9%	US earnings were held back by weaker commercial demand, tariffs and elevated interest rates.
<b>Sankyo</b>	A developer of gaming machines.	-21.0%	-1.7%	Profit taking following a period of strong performance. Sales volume guidance was below expectations.
<b>m-up</b>	Technology company that provides digital content, mobile solutions and entertainment services.	-38.6%	-1.5%	E-commerce profitability declined and electronic ticket transaction volumes fell.
<b>PAL Group</b>	A producer and retailer of casual apparel.	-30.9%	-1.4%	The company's profit margin was pressured by an increase in direct imports and a weaker Yen.

(1) This is the share price total return in GBP over the period that the shares were held

(2) This is the geometric total effect of holding the stock within the regional portfolio.

Source: FactSet

## Rest of World Portfolio

### Overview of performance from third party funds held

Fund	Stated Fund Objective	Return in the period <sup>(1)</sup>	Contribution to performance of regional portfolio <sup>(2)</sup>	Drivers of return
<b>The Scottish Oriental Smaller Companies Trust</b>	To achieve long term capital growth by investing mainly in smaller Asian quoted companies.	-5.4%	-9.5%	Lower beta portfolio did not keep up with a rapidly rising market. Overweight positions in India, Philippines and the consumer sectors hurt performance, as did the underweight positions in Taiwan, South Korea and the technology sector. At the stock level, Philippine Seven and DPC Dash both struggled amid weakening same-store sales trends. Share buyback activity continued in the period. In response to relative performance challenges, several measures were implemented, including the addition of new holdings and efforts to better balance the portfolio's geographic and sector exposures.
<b>Utilico Emerging Markets Trust</b>	To provide a long term total return through a flexible investment policy that permits the company to make investments predominantly in infrastructure, utility and related sectors, primarily in emerging markets.	37.5%	0.0%	Underweight AI related companies and overindexed to the more defensive utilities sector. Brazilian waste company Orizon and Philippine port operator ICT both reported strong volume growth. IT services companies FPT and SUNeVision were among the detractors, with FPT facing headwinds from concerns around the impact of AI on its business model, while SUNeVision was held back by operational challenges. Shares were repurchased and the discount narrowed in the period.
<b>Schroder ISF Global Emerging Markets Smaller Companies Fund</b>	To provide capital growth in excess of the MSCI Emerging Markets Small Cap (Net TR) Index after fees have been deducted over a three to five year period by investing in equities of small-sized companies in global emerging market countries.	51.0%	2.9%	Underweight stance in India and overweight position in technology helped relative performance. Notable contributions came from Taiwan, this included electronic components companies Unimicron Technology and Taiwan Union Technology and technology test and measurement business Chroma Ate.
<b>PineBridge Asia ex Japan Small Cap Equity Fund</b>	To seek long term capital appreciation by investing in smaller to medium-sized companies in the Asian Region.	27.8%	0.5%	The portfolio's exposure to China and the technology sector contributed positively to relative performance, as did its underweight positions in India and real estate. At the stock level, optical modules manufacturer Eoptolink Technology and communications equipment producer Accton Technology were notable contributors during the period.
<b>Templeton Asian Smaller Companies Fund</b>	To seek long term investment growth through the growth of capital. The fund mainly invests in equities of companies with a small market capitalisation that are located in or derive significant business from Asia (excluding Japan).	5.3%	-1.1%	The fund's overweight position in India and Vietnam and underweight stance in South Korea and Taiwan hindered relative returns. Over indexation to the consumer discretionary and financials sector also hurt performance. Strong performance from semiconductor testing equipment company Leeno Industrial and electronic component producer Kinsus Interconnect Technology was offset by declines at Bajaj Holdings and Investment and a number of businesses that were seen as adversely affected by AI.

(1) This is the fund total return in GBP over the period that the fund was held

(2) This is the geometric total effect of holding the fund within the regional portfolio.

Source: FactSet

## Overview of Investment Activity

The interest rate outlook varied by region during the financial year and the Company positioned the portfolio accordingly. Rates were expected to fall in the US, so we increased our exposure to REITS and housing through the purchases of grocery-anchored neighbourhood shopping centres owner **Brixmor Property** and floor covering specialists **Mohawk Industries** and **Floor & Décor**. In contrast, inflationary pressures in Europe raised the prospect of interest rates remaining higher for longer there. This increased the attraction of well-capitalised European banks with strong credit underwriting track records. The Company initiated positions in **Bawag** of Austria and **BCP** of Portugal. A key bottleneck in the growth of AI across many countries is the availability of low-cost, reliable electricity. We initiated positions in **Alliant Energy**, a conservatively managed regulated utility that is well placed to benefit from data centre construction in Wisconsin and Iowa, and **R&S Group**, a power transformer manufacturer whose growth should be driven by the modernisation of Europe's electrical grid.

Defence companies continue to have a good outlook because of elevated geopolitical threat levels and ongoing rearmament by many countries. The Company's defence exposure was augmented in the year through purchases of **CACI International**, **Furuno Electric**, **Exosens** and **Alzchem**. Whilst the political environment was volatile during the year, this did present opportunities. A challenging funding environment for clinical research organisations allowed us to initiate positions in **ICON** and **Medpace Holdings** at valuations well below their historical averages. AI presented significant opportunities for many companies whilst posing serious threats to others. Several beneficiaries of this fast-growing technology were available outside of the US at reasonable valuations, including **XP Power** (a manufacturer of systems and components that regulate power), **Comet Holding** (a market leader in radio frequency and X-ray technology for the semiconductor equipment industry) and **SUSS MicroTec** (a provider of equipment that facilitates lithography, wafer bonding, and photomask processing). Equally, the stock market was often unforgiving towards companies perceived to be threatened by AI. Where in some cases we concluded that these concerns were overdone, share price weakness was used as an opportunity to add to **CCC Intelligent Solutions**, **Genpact**, **GlobalData** and **Trustpilot**.

We are always looking to enlarge our cohort of 'compounders' and in the last twelve months, a number of businesses were purchased or added to that we think will reliably grow their intrinsic values in the coming years. This included membership club operator **PriceSmart**, solid waste disposal company **Casella Waste Systems** and online securities broker **FlatexDEGIRO**.

Over the course of the year the Company increased its energy exposure, reflecting our view that financial markets continue to underestimate the consequences of significant underinvestment in this sector since its downturn in 2014. Positions were initiated in offshore engineering and construction services companies **Modec** and **Technip Energies** as well as oilfield equipment business **Subsea 7**.

In Japan, we increased our exposure to companies that are undertaking change from a corporate governance and capital allocation standpoint. Purchases included: **Canon Marketing Japan** (a distributor of printers), **Kanematsu** (a diversified trading company) and **Sanki Engineering** (an electrical engineering services company).

Our process for selling investments is outlined in the investment philosophy and process section of the annual report on pages 2 and 3. In keeping with that process, a number of holdings were reduced or fully divested during the year. In North America we thought that the investment thesis was no longer intact for managed care company **Molina Healthcare** and ski resort operator **Vail Resorts**. In the UK, the investment case was no longer valid for retailer **Pets at Home** and package holiday specialist **Jet2**. In Europe specialty chemicals distributor **IMCD** and glass bottle manufacturer **Vidrala** were also removed from the portfolio. Similarly, in Japan, confectionery producer **Morinaga & Co** and IT services company **WingArc1st** were sold.

There were four companies that were sold because the quality of their business models deteriorated to an extent that they were no longer investable for us. These were: **PRA Group**, **Kosmos Energy**, **Reply** and **Karnov**.

There were also many instances of profit taking or complete sales once a company's share price reached our estimate of intrinsic value. These included: **Wheaton Precious Metals**, **Curtiss Wright**, **MaxLinear**, **Storebrand**, **Accelleron Industries** and **IHI**. In a similar vein, the aforementioned takeover bids were also monetised.

In the Rest of World, we switched from the **Pinebridge Asia ex Japan Small Cap Equity Fund** to the **Templeton Asian Smaller Companies Fund**.

## Asset Allocation Changes

Asset allocation for the Company is largely the end result of our bottom-up stock selection and reflects where we are finding attractive investment opportunities. Asset allocation had a slight negative impact on performance relative to the Benchmark over the twelve-month period, with attribution from the Company's

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underweight position in North America detracting from relative returns. The pie chart on page 17 shows the positioning of the portfolio across the different markets. Over the period, our exposure to North America, Japan and the Rest of World increased, whilst the UK and Europe came down. This reflected market movements and purchase and sale activity in the period. Relative to the Benchmark, our overweight positions in Japan and Europe climbed, whilst our underweight positions in the Rest of World and North America fell slightly. We increased our underweight to the UK in the period. Japan continues to see an improvement in the quality of its businesses, whilst the outlook remains constructive for certain countries and sectors in Europe. We think this is still not fully reflected in company valuations in these geographies. Whilst North America benefits from relatively robust underlying fundamentals, equity markets there have become more speculative and valuations look less compelling. We therefore remain more cautious on that region.

With strong returns, our allocations to the technology and energy sectors rose in the year. Utilities also climbed as a result of our purchase of new positions in this sector in North America and Europe. A more challenging consumer backdrop and higher input costs led to the sale or reduction of some holdings within the consumer discretionary and staples sectors.

## **Outlook**

It is encouraging to see smaller company shares begin to outperform their larger company counterparts after a prolonged period of underperformance. We believe we may be in the early stages of an extended cycle of mean reversion in relative valuations for smaller companies and we are excited by that prospect.

From a regional perspective, the growth outlook for North America appears reasonable, supported by continued AI investment and fiscal stimulus. The UK faces a more challenging environment, characterised by subdued growth, political uncertainty and potential interest rate rises. That said, many UK-listed businesses are international in nature and are currently available at compelling valuations, which we believe presents an attractive opportunity. Europe faces stagflationary risks, though these may be partially offset by stimulus measures and new trading agreements. Meanwhile, prospects continue to improve across Japan and much of the Emerging Markets.

The broader investment environment nonetheless remains complex. Signs of speculation and overvaluation persist in certain sectors and regions, and complacency appears prevalent. We expect another volatile year ahead, and it is in this context that the selective and conservative approach that we offer becomes particularly important.

Whilst the past year proved challenging from an investment style perspective — with our quality and valuation focused approach falling out of favour — it afforded us the opportunity to upgrade the Company's portfolio. As market attention returns to fundamentals, we are optimistic that these characteristics will once again be valued by investors. A broader participation in equity market returns would also be a welcome tailwind for our balanced and diverse portfolio of businesses.

Over the past two years, a number of significant changes have been made to the way the Company is managed. We are confident that these improvements provide a solid foundation from which the Company can look to protect and grow its shareholders capital over the long term.

**Nish Patel**  
**Lead Manager**  
**25 June 2026**

# Responsible Investment

## Responsible Investment

The Company is not an investment trust with ESG or sustainable characteristics. However, as part of its overall risk management process, the Manager integrates the consideration of financially material environmental, social, and governance ('ESG') factors into its research and investment process and encourages stronger ESG practices to be adopted by issuers through its engagement and voting activities. We believe investing responsibly is fundamental to long-term wealth creation.

## Our Approach

We believe that good financial outcomes are more likely to be achieved if the Manager fully understands the risks and opportunities that relate to the markets in which the Company invests.

The Manager believes the consideration of financially material ESG factors can provide an important perspective to its investment research. Companies demonstrating a resilient business model, organisational stability, and the ability to evolve are best placed to deliver long-term value, support economic growth, and serve broader prosperity. Financially material ESG factors are therefore integrated into the Manager's investment process.

There are two strands to the Board's approach to responsible investment:

- The Company's own responsibilities on matters such as governance; and
- ESG integration, engagement and proxy voting made on its behalf by its Manager.

The Company's compliance with the AIC Corporate Governance Code is detailed in the Corporate Governance Statement on pages 56 to 57. In addition, the Principal Policies statement on pages 45 to 47 notes the Company's policies towards board diversity and inclusion, integrity and business ethics, and the Modern Slavery Act 2015.

## Stewardship

The Manager engages with the management of investee companies on ESG factors that could have a material impact on their businesses and, where necessary, encourages improvement in management practices that it believes could help drive financial returns for clients.

The Manager's stewardship activities are supported by a Stewardship Policy, which describes the Manager's approach to corporate governance, proxy voting and engagement, as well as respective addendums on how to manage potential conflicts of interest.

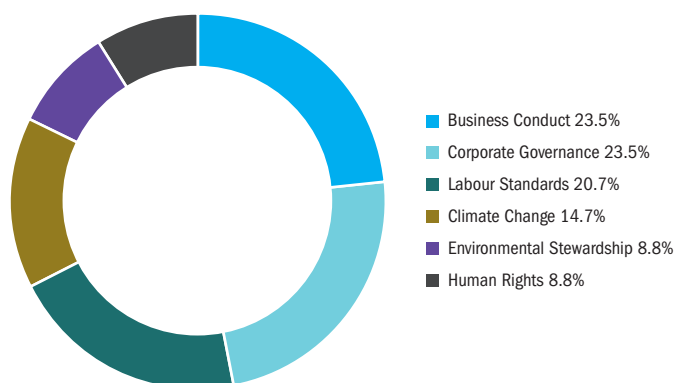
This policy supports the Manager's engagement and voting activities on behalf of its clients and is available on its website.

The Manager's Corporate Governance Guidelines, part of its Stewardship Policy, set out its expectations of the management of investee companies in terms of good corporate governance. This includes the affirmation of responsibility for reviewing internal policies and maintaining a code of conduct reflecting corporate values and promotion of responsible business practices. Codes of conduct should address business-critical compliance issues including anti-corruption practices. The Manager is a founding signatory to the United Nations-supported Principles for Responsible Investment ('PRI') under which signatories contribute to the development of a more sustainable global financial system. As a signatory the Manager aims to incorporate the consideration of financially material ESG factors into its investment processes.

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## Engagement

During the year ended 30 April 2026, the Manager conducted 24 responsible investment-focused engagements with 15 companies in the investment portfolios. The most common areas of discussion were related to business conduct, corporate governance and labour standards. The manager also recorded 1 milestone related to increased disclosure and transparency in sustainability reporting.



### Engagement examples in the year:

#### Engagement

##### FirstGroup

**Issue:** Climate Change, Environmental Stewardship

**SDG target:** 7.2 Affordable and Clean Energy

FirstGroup is positioning itself as the UK's leading operator in transport decarbonization, having converted approximately 20% of its fleet to zero-emission vehicles with a commitment to achieve a fully zero-carbon fleet by 2035. The company is also expanding its open access rail operations with a GBP500 million order from Hitachi for zero-carbon bimode trains. We engaged to understand the progress, economics, and risks associated with FirstGroup's electrification strategy across both bus and rail.

We met with FirstGroup's CEO and CFO in July 2025. The company has fully electrified 5 depots with another 10 substantially electrified and work underway at 5 more, while grid availability remains the primary constraint for 10-15 of their 60 regional depots where more innovative solutions are required. Management outlined the operational benefits of electrification, including significantly higher vehicle reliability, near-zero servicing requirements, and lower energy costs, though electric buses still require approximately 25% government subsidy support due to 20-30% higher upfront capital costs. The accelerated replacement programme has reduced average fleet age from 11.1 years to 8.8 years over four years. Battery performance is exceeding expectations, with degradation running better than the projected 1.68% annually.

FirstGroup is developing second-life battery applications through partnerships with Hitachi and energy storage companies, targeting batteries that retain approximately 70% capacity after 5-8 years and could generate value well beyond the GBP12-13k recycling price. The company is also opening its electrified depot infrastructure to third-party customers during daytime hours and noted early evidence that new electric buses may drive 10-15% passenger growth, though it is too early to separate this from post-COVID recovery effects.

The operational and financial case for electrification appears to be strengthening as battery performance exceeds projections and second-life applications develop. The key risks remain grid constraints at regional depots and dependence on government subsidy support, particularly for rural routes as diesel subsidies are reduced. Our next steps would be looking for more detail on the company's ability to manage battery sourcing risk in its upstream value chain.

## Encompass Health

### Issue: Human Rights

#### SDG Target: 3.8 Good Health and Well-Being

Encompass Health is a leading provider of post-acute healthcare services in the United States, operating inpatient rehabilitation hospitals, home health and hospice agencies across the country. The company focuses on helping patient recovery through comprehensive rehabilitation programs and personalised care plans.

We engaged with Encompass Health's COO and senior management team to discuss their patient safety improvements and human capital management approach. The company demonstrated leadership in patient outcomes through technology-driven improvements including their in-house dialysis system that improved patient safety and satisfaction while reducing acute care transfers and cutting treatment costs by 50%.

Early adoption of standardized EMR platforms and partnerships with Palantir and Oracle Cerner enabled predictive analytics that significantly lowered fall rates, reduced readmissions, and improved discharge-to-community rates to record levels of 85%.

These improvements enhance patient well-being while reducing penalties and increasing reimbursement, creating clear ROI for technology investments.

We encouraged disclosure of comprehensive patient outcome metrics and ladder program metrics. Our next steps will monitor their sustainability reporting in 2026 for enhanced disclosure across these areas.

## Paragon Banking Group

### Issue: Corporate Governance

#### SDG Target: No SDG target

Paragon Banking Group is a UK-based specialist lending and savings bank that focuses on buy-to-let mortgages, commercial lending, and development finance for professional landlords and small to medium-sized businesses.

We engaged Paragon Banking Group's management regarding their remuneration consultation process, though specific details of the discussion were limited in the available information. The conversation focused on the company's approach to executive compensation and their consultation with stakeholders regarding remuneration policies and structures.

We learned that Paragon Banking Group is actively engaging with stakeholders on remuneration matters, demonstrating commitment to transparent governance practices and stakeholder input on executive compensation structures. Their proactive approach to remuneration consultation suggests recognition of the importance of stakeholder alignment on compensation policies and practices.

We view Paragon Banking Group's engagement on remuneration consultation as demonstrating good governance practices through proactive stakeholder engagement on compensation matters. Their willingness to discuss remuneration policies shows commitment to transparency and stakeholder alignment.

Our next steps will involve following up on the specific outcomes and decisions from their remuneration consultation process, monitoring any changes to compensation structures or policies resulting from stakeholder feedback, and assessing how their approach to remuneration governance compares to industry peers while evaluating the effectiveness of their stakeholder engagement practices in compensation design and implementation.

## Voting on portfolio investments

As noted previously, the Manager's Corporate Governance Guidelines, part of its Stewardship Policy, set out expectations of the boards of investee companies in terms of good corporate governance. The Board expects to be informed by the Manager of any sensitive voting issues involving the Company's investments and receives an annual record of votes against, or abstentions on management resolutions at investee annual meetings. In the absence of explicit instructions from the Board, the Manager is empowered to exercise discretion in the use of the Company's voting rights and votes on all investee company resolutions.

The Manager is a signatory to the UK Stewardship Code, as well as the respective Codes of Japan, Taiwan, and South Korea. Its statement of compliance can be found on the Manager's website at [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com). We expect the Company's shares to be voted on all holdings where possible. During the year, the Manager voted at 206 meetings of investee companies held in the Company's portfolio accounting for over 98% of voting activity. With respect to all 2,794 items voted, the Manager supported over 96% of management resolutions during the year, casting 107 votes against management. Of these, 51 related to director elections and 30 concerned executive compensation.

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## Climate change

The Manager recognises the importance of managing financially material climate-related risks and opportunities effectively in its investment processes. The energy transition, driven by government policies and technological advancements, creates both opportunities and risks for investee companies.

Sustainability Research analysts work with the wider fundamental research team to embed these opportunities and risks into the underlying research and stewardship practices of the Manager's investment process. As potential real-world impacts of climate change become more apparent, attention is being directed to the physical risks and the need to appraise the resilience of issuers to these risks.

In June 2025, the Manager published its updated Climate Report. The report, which is available on the Manager's website, details how the Manager manages climate-related risks and opportunities in investment portfolios and across business operations under the framework established by the Task Force on Climate-related Financial Disclosures ('TCFD').

In accordance with the regulations set by the Financial Conduct Authority, the Manager has published disclosure specific to the Company's portfolio. This provides data on the portfolio's carbon footprint and the largest individual contributors to the carbon footprint by individual issuer and sector, in addition to its weighted average carbon intensity ('WACI'). This is available on the Document Library page of the Company's website at [globalsmallercompanies.co.uk](https://globalsmallercompanies.co.uk).

For the seventh year, we are disclosing, as best we can, the portfolio weighted carbon intensity<sup>(1)</sup> of the Company's investments, in line with the recommendations of the TCFD. This is based on the greenhouse gas emissions produced by each investee company, per US\$1m of revenue, and aggregated for the Company as a whole. We aim to use the information for analysis and for benchmark comparisons, but do not set targets based on it. There are constraints on the analysis of the carbon intensity of the total portfolio as data sources can be limited, especially for smaller companies.

This year, we are also reporting on the Japanese portfolio, having previously reported on the UK, European and North American portfolios. Coverage continues to improve, and this year data was available for 99% of the combined UK, European, North American and Japanese portfolios by weight. The WACI for these combined portfolios was 118.5 against the combined relevant benchmarks' carbon intensity of 133.4, 11% lower than the benchmark.

The WACI for the combined portfolio was principally due to allocations to Alliant Energy, and Eagle Materials in the North American portfolio, and Buzzi in the European portfolio. These are currently high emitters but reflect a long-term focus on transition opportunities within the utilities, materials and the building supplies industry.

To remain consistent with previous disclosure, we continue to report carbon intensity at a regional level, with the addition of the Japanese region for 2026. As of 30 April 2026, the carbon intensity of holdings was 62% less (UK), 29% more (Europe), 8% more (North America) and 85% less (Japan) compared to the relevant benchmarks.

This compares to 30 April 2025 figures of 48% less (UK), 70% more (Europe), 31% more (North America) and 78% less (Japan). The variation across regions is influenced by the nature of the holdings and sector positioning. Both the European and North American portfolios remain above their benchmark, although these values have decreased significantly from the prior year, noting that the three previously mentioned companies currently contribute approximately 40% of the entire portfolio's total carbon footprint.

We are encouraged to see relatively consistent coverage of smaller companies in this year's carbon intensity analysis. However, we remain mindful that emissions data alone does not always provide a complete picture of climate related risks, as it does not capture innovation efforts or actions companies may be taking to address future emissions. Given the company specific complexities involved in understanding individual emissions profiles, engagement remains a core pillar of Columbia Threadneedle's approach.

(1) Carbon intensity – this is measured in tons of CO2 equivalent (i.e. including the basket of six Kyoto gases) of Scope 1 and 2 emissions, divided by \$1million of sales at a company level. This is aggregated to portfolio level using a weighted average (by holding).

For example, we engaged with Buzzi in 2025 to discuss their Deune Carbon Capture project in Germany and broader energy transition investments. This project represents a substantial portion of their EUR1 billion capex plan over the next three years aimed at reducing carbon emissions from cement production operations. We view these initiatives as demonstrating commitment to decarbonizing cement production and representing meaningful investment in emerging clean technology solutions for hard-to-abate sectors. The company's focus on carbon capture technology positions them as an early adopter in cement industry decarbonization efforts, ahead of many peers in addressing emissions reduction challenges and we will continue to monitor the progress and effectiveness of the project implementation to evaluate whether their carbon capture investment delivers expected emissions reductions.

Whilst we are not currently engaged with all companies in the portfolio, we continue to identify opportunities for engagement, prioritising those where we believe engagement can be most effective and in clients' interests. We also engage with policymakers and regulators on climate change and the energy transition, either directly or through relevant trade associations. Notably we are a member of the Institutional Investors Group on Climate Change (IIGCC), the European membership body for investor collaboration on climate change. In addition, we contribute to wider industry initiatives including through the UK Investment Association and the Investment Company Institute in the US.

# Thirty Largest Holdings

30 April 2026	30 April 2025		% of total investments	Value £m
1	2	<b>Schroder ISF Global Emerging Markets Smaller Companies Fund</b> Rest of World Fund providing exposure to Emerging Markets smaller companies.	5.5	46.1
2	-	<b>Templeton Asian Smaller Companies Fund</b> Rest of World Fund providing exposure to Asian smaller companies.	4.0	33.9
3	1	<b>The Scottish Oriental Smaller Companies Trust</b> Rest of World Investment company providing exposure to Asian smaller companies.	3.9	32.5
4	4	<b>Utilico Emerging Markets Trust</b> Rest of World Investment company focusing on utility and infrastructure companies in emerging markets.	3.4	28.7
5	5	<b>Wheaton Precious Metals</b> Canada A precious metals streaming company.	2.3	19.4
6	96	<b>MaxLinear</b> United States Producer of analog and mixed-signal semiconductors.	2.3	19.1
7	10	<b>Kirby</b> United States Operator of a fleet of inland barges in the US, also a provider of repair services to marine and other end markets.	2.0	17.3
8	11	<b>The Ensign Group</b> United States Operator of skilled nursing facilities, rehabilitative care facilities, also provides home health and assisted living services mainly for post-acute care.	1.8	15.1
9	9	<b>Curtiss-Wright</b> United States Producer of mission critical components, serving the aerospace, defence and power industries in particular.	1.7	14.2
10	13	<b>Martin Marietta Materials</b> United States Aggregates and cement producer that serves the construction industry.	1.5	12.6
11	80	<b>Advanced Energy Industries</b> United States Producer of electronic components that are used in power conversion.	1.5	12.6
12	-	<b>Brixmor Property Group</b> United States Owner of grocery-anchored neighbourhood shopping centres.	1.4	11.8
13	23	<b>Avnet</b> United States Distributor of computer products, semiconductors and electronic components.	1.4	11.7
14	8	<b>Encompass Health</b> United States Leading US provider of post acute care in facility and home based settings.	1.4	11.5
15	22	<b>Bristow</b> United States Provider of helicopter services for global energy and air sea rescue markets	1.3	11.4

30 April 2026	30 April 2025		% of total investments	Value £m
16	-	<b>Wintrust Financial</b> United States A regional bank based in the Mid-West.	1.2	10.4
17	17	<b>Essential Properties Realty Trust</b> United States US based real estate company focused on service sector based tenants.	1.2	10.0
18	14	<b>WSP Global</b> Canada Canadian based but a leading global engineering consultancy business.	1.2	9.8
19	33	<b>Jones Lang LaSalle</b> United States Global real estate services company.	1.2	9.8
20	63	<b>CAI International</b> United States A provider of IT products and services to government and commercial customers.	1.1	9.3
21	19	<b>Boot Barn Holdings</b> United States US retailer of western and work wear.	1.1	9.1
22	20	<b>United Bankshares</b> United States A West Virginia based bank that focuses on commercial lending.	1.0	8.8
23	42	<b>GXO Logistics</b> United States Contract logistics provider.	1.0	8.4
24	45	<b>Standex International</b> United States Manufacturer of niche components for the electronics, science and industrial sectors.	1.0	8.1
25	119	<b>OXB</b> United Kingdom A contract development and manufacturing organisation.	0.9	7.7
26	15	<b>Genpact</b> United States IT services outsourcing business operating across a number of industries.	0.9	7.5
27	85	<b>Amada</b> Japan A manufacturer of factory automation systems and metalworking machinery.	0.9	7.5
28	21	<b>Prosperity Bancshares</b> United States USA based regional bank that focuses on commercial lending.	0.9	7.3
29	24	<b>Grand Canyon Education</b> United States Education services provider serving US universities and colleges.	0.9	7.3
30	56	<b>SharkNinja</b> United States A producer of household appliances.	0.9	7.3

The value of the thirty largest equity holdings represents 50.8% (£426.2m) (30 April 2025: 46.2% (£358.2m)) of the Company's total investments.

# List of Investments

30 April 2026			30 April 2026		
Quoted investments	Holding	Value £'000s	Quoted investments	Holding	Value £'000s
<b>UNITED KINGDOM</b>					
Auction Technology	919,950	3,220	Optima Health	171,772	-
Baltic Classifieds	500,827	973	OXB	1,276,642	7,660
Bloomsbury Publishing	239,744	1,465	Oxford Instruments	174,209	5,024
Bodycote	337,331	2,296	Paragon Banking Group	466,106	3,486
Boku	897,496	1,607	PayPoint	405,236	2,541
Breedon Group	416,866	1,277	Princes Group	230,265	852
Bridgepoint	979,982	2,452	Rank Group	1,349,340	1,286
Chemring	922,500	4,815	Rathbones Group	183,053	3,606
Clarkson	63,853	3,088	Reach	888,000	513
Crest Nicholson	1,239,023	815	Safestore Holdings	487,735	3,261
Discoverie	630,385	4,072	Savills	292,782	2,421
Eleco	422,626	499	Shawbrook Group	490,775	1,600
Elementis	1,576,168	2,333	SSP Group	1,399,950	2,225
Elixirr International	147,860	1,088	The Gym Group	1,297,346	2,322
Essentra	1,140,889	928	Travis Perkins	215,392	1,124
Everplay Group	871,724	2,284	Trifast	1,889,095	1,160
FirstGroup	1,250,015	2,033	Trustpilot Group	1,119,113	2,912
Foresight Group Holdings	660,305	2,645	Uniphar	340,192	1,216
Funding Circle Holdings	705,134	1,022	Victrex	136,976	825
Galliford Try	517,069	2,699	Volution Group	578,799	3,548
Genuit	330,231	847	WAG Payment Solutions	4,366,139	5,012
Genus	90,346	2,116	Wilmington	397,258	930
Globaldata	3,260,094	3,521	Workspace Group	487,076	1,639
Greencore	692,322	1,740	Xaar	578,460	798
Helical	592,327	1,134	XP Power	231,862	4,058
Hill & Smith	98,471	2,531	YouGov	606,907	1,151
Hollywood Bowl Group	516,707	1,315	<b>TOTAL UNITED KINGDOM</b>		<b>134,838</b>
James Fisher and Sons	500,019	2,255	<b>EUROPE</b>		
Kainos Group	260,409	2,163	<b>AUSTRIA</b>		
Knights Group	1,393,114	2,229	Do & Co	14,221	2,107
LSL Property Services	771,266	1,704	Wienerberger	81,103	1,733
Marshalls	710,764	931	<b>Total Austria</b>		<b>3,840</b>
Mitie	2,509,594	4,362	<b>BELGIUM</b>		
Molten Ventures	153,467	858	Elia	25,186	3,074
Moonpig	915,177	1,933	<b>Total Belgium</b>		<b>3,074</b>
Mortgage Advice Bureau	198,451	1,056	<b>DENMARK</b>		
Norcros	486,504	1,362	FLSmidth	19,305	1,051
			Ringkjoebing Landbobank	22,391	4,108

30 April 2026			30 April 2026		
Quoted investments	Holding	Value £'000s	Quoted investments	Holding	Value £'000s
Total Denmark		5,159	Storebrand	343,239	4,833
<b>FINLAND</b>			Subsea 7	38,904	1,025
Konecranes	54,102	1,304	<b>Total Norway</b>		<b>6,790</b>
<b>Total Finland</b>		<b>1,304</b>	<b>SWEDEN</b>		
<b>FRANCE</b>			Karnov Group	144,866	766
Elis	207,057	4,694	Nordnet	122,952	2,965
Exosens	17,194	959	<b>Total Sweden</b>		<b>3,731</b>
Gaztransport & Technigaz	13,062	2,334	<b>SWITZERLAND</b>		
LISI	42,592	2,287	Accelleron Industries	21,778	1,713
Nexans	30,143	4,114	Belimo	1,645	1,104
SPIE	83,107	3,537	Comet Holding	7,856	2,270
Technip Energies	55,141	1,914	Galencia	16,608	1,301
Virbac	2,674	854	Kardex Holding	11,056	2,897
<b>Total France</b>		<b>20,693</b>	Siegfried Holding	16,413	1,215
<b>GERMANY</b>			<b>Total Switzerland</b>		<b>10,500</b>
Alzchem	6,569	937	<b>TOTAL EUROPE</b>		<b>83,008</b>
Bilfinger	29,586	2,522	<b>NORTH AMERICA</b>		
flatexDEGIRO	98,079	2,581	<b>CANADA</b>		
Renk Group	43,961	2,054	Wheaton Precious Metals	209,027	19,439
SUSS MicroTec	34,306	2,233	WSP Global	80,689	9,843
Vincorion	39,949	755	<b>Total Canada</b>		<b>29,282</b>
<b>Total Germany</b>		<b>11,082</b>	<b>UNITED STATES</b>		
<b>IRELAND</b>			Advanced Energy Industries	44,404	12,542
Bank of Ireland Group	312,661	4,516	Alliant Energy	126,616	6,851
Cairn Homes	980,427	1,841	Amdocs	126,544	6,013
Glanbia	133,444	2,268	Ashland	60,636	2,376
<b>Total Ireland</b>		<b>8,625</b>	Avnet	192,727	11,701
<b>ITALY</b>			Boot Barn Holdings	72,430	9,126
Buzzi	41,500	1,667	Bristow	315,668	11,397
De' Longhi	44,632	1,273	Brixmor Property Group	533,288	11,801
Saipem	261,040	1,038	Brown & Brown	150,565	6,665
<b>Total Italy</b>		<b>3,978</b>	CACI International	24,178	9,248
<b>NETHERLANDS</b>			Casella Waste Systems	82,321	4,793
ASM International	3,072	2,203	CCC Intelligent Holdings	864,663	3,328
CTP	146,351	2,029	CDW	60,751	6,122
<b>Total Netherlands</b>		<b>4,232</b>	Curtiss Wright	26,800	14,189
<b>NORWAY</b>			Eagle Materials	40,325	6,236
SaIMar	21,119	932	Encompass Health	156,361	11,509

30 April 2026			30 April 2026		
	Holding	Value £'000s		Holding	Value £'000s
<b>Quoted investments</b>			<b>Quoted investments</b>		
Essential Properties Realty	432,042	9,993	Canon Marketing Japan	302,400	5,077
FB Financial	125,473	4,990	Furuno Electric	71,800	2,414
Floor & Decor	55,678	1,982	Gunma Bank	274,600	2,778
Genpact	294,346	7,525	KAKAKU	115,800	1,423
GrafTech International	212,664	1,330	Kanematsu	415,400	4,178
Grand Canyon Education	58,589	7,274	Kinden	91,000	3,566
Graphic Packaging	257,517	1,802	Kokuyo	980,200	3,604
GXO Logistics	200,289	8,419	Mitsubishi Logistics	583,100	3,817
Hayward Holdings	612,368	6,760	Mitsubishi Materials	67,900	1,619
ICON	20,433	1,780	Modec	36,000	2,183
Jefferies Financial	176,560	6,265	M-up Holdings	763,400	2,581
Jones Lang LaSalle	41,711	9,764	Nichias	401,800	5,821
Kirby	156,512	17,323	Nifco	73,500	1,590
LKQ Corp	227,139	5,277	Nippon TV	297,200	4,128
Martin Marietta Materials	27,695	12,611	Nishi Nippon Financial Holdings	380,100	7,038
MaxLinear	367,790	19,149	Niterra	111,400	4,394
Medpace Holdings	5,528	1,703	Nomura Real Estate Holdings	1,183,700	5,648
Mohawk Industries	31,306	2,431	Open House Group	96,800	4,156
MSC Industrial Direct	80,407	6,052	PAL	306,400	2,155
Nomad Foods	386,194	2,762	Raito Kogyo	266,500	4,793
PriceSmart	31,583	3,647	Sanki Engineering	544,200	6,144
Prosperity Bancshares	143,081	7,334	Sankyo	91,000	789
Quidelortho	103,080	932	Sanwa Holdings	48,200	807
SharkNinja	85,384	7,254	Toho Holdings	68,000	1,427
Spectrum Brands	107,200	6,511	Tosei	644,900	4,934
Standex International	40,413	8,110	Tsukishima Holdings	74,700	1,095
The Ensign Group	110,447	15,137	<b>TOTAL JAPAN</b>		<b>100,754</b>
U.S. Physical Therapy	76,822	4,020	<b>REST OF WORLD</b>		
United Bankshares	273,310	8,812	Schroder ISF Global Emerging Markets Smaller Companies Fund	215,140	46,052
Vitesse Energy	476,478	6,578	Templeton Asian Smaller Companies Fund	534,405	33,944
WEX	24,475	2,707	The Scottish Oriental Smaller Companies Trust	12,092,930	32,530
Wintrust Financial	94,092	10,422	Utilico Emerging Markets Trust	10,101,596	28,688
<b>Total United States</b>		<b>350,553</b>	<b>TOTAL REST OF WORLD</b>		<b>141,214</b>
<b>TOTAL NORTH AMERICA</b>		<b>379,835</b>	<b>TOTAL INVESTMENTS</b>		<b>839,649</b>
<b>JAPAN</b>					
Amada	603,800	7,438			
Amano	123,400	2,076			
ANYCOLOR	37,500	484			
Azbil	398,100	2,597			

The number of investments in the portfolio is 186 (2025:196).

# Ten Year Record (unaudited)

All Company data are based on assets, liabilities, earnings and expenses as reported in accordance with the Company's accounting policies and are unaudited but derived from the audited Financial Statements or specified third-party data providers.

## Assets

at 30 April

£'000s	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Net assets (before debt)	591,602	767,979	872,704	904,220	761,515	1,051,029	1,000,086	911,462	921,525	787,865	<b>870,759</b>
Loans	-	-	24,000	34,052	35,000	43,521	54,782	52,027	51,463	51,050	<b>50,700</b>
Convertible Unsecured Loan Stock	38,410	34,697	21,873	15,549	-	-	-	-	-	-	-
Net assets	553,192	733,282	826,831	854,619	726,515	1,007,508	945,304	859,435	870,062	736,815	<b>820,059</b>

## NAV per share

at 30 April

pence	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
NAV with debt at par per share <sup>(i)</sup>	99.8	128.3	138.4	141.7	120.3	175	172	163.7	175.9	164.7	<b>196.0</b>
NAV with debt at fair value per share	n/a	n/a	n/a	n/a	119.7	174.9	172.8	165.7	178.1	167.1	<b>198.8</b>
NAV (diluted) per share <sup>(i)</sup>	99.5	126.4	136.9	140.6	n/a	n/a	n/a	n/a	n/a	n/a	<b>n/a</b>
NAV total return % - 5 years											<b>21.6</b>
NAV total return % - 10 years											<b>125.8</b>

## Share Price

at 30 April

pence	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Mid-market price per share <sup>(i)</sup>	100.1	127.3	137.5	134.6	111.0	168.6	156.2	144.6	160.2	148.6	<b>188.0</b>
Share price high <sup>(i)</sup>	102.4	129.9	141.5	149.5	150.0	168.6	177.0	162.2	160.8	171.6	<b>193.0</b>
Share price low <sup>(i)</sup>	85.9	94.7	126.5	122.0	78.8	104.2	142.6	122.4	129.0	136.6	<b>148.6</b>
Share price total return % - 5 years											<b>20.4</b>
Share price total return % - 10 years											<b>114.5</b>

## Revenue return after tax for the year ended 30 April

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Available for ordinary shares - £'000s	6,452	7,839	9,448	10,623	10,493	7,416	10,241	12,620	14,560	13,343	<b>12,803</b>
Return per share <sup>(i) (iii)</sup>	1.18p*	1.38p*	1.59p*	1.76p*	1.73p	1.26p	1.82p	2.34p	2.84p	2.84p	<b>2.95p</b>
Dividends per share <sup>(i)</sup>	1.070p	1.225p	1.440p	1.650p	1.700p	1.750p	1.840p	2.300p	2.810p	3.000p	<b>3.150p<sup>(ii)</sup></b>

\* diluted

(i) Comparative figures for the years prior to 2020 have been restated due to the sub-division of each existing ordinary share of 25p into ten new ordinary shares of 2.5p each on 31 October 2019.

(ii) Subject to approval of the final dividend of 2.45p at the 2026 AGM.

(iii) Calculated based on the weighted average number of shares in issue during the year.

## Performance

(rebased to 100 at 30 April 2016)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
NAV per share	100	127.0*	137.6*	141.3*	120.3**	175.8**	173.7**	166.5**	179.0**	167.9**	199.8**
Mid-market price per share	100	127.2	137.4	134.5	110.9	168.4	156.0	144.5	160.0	148.5	187.8
Revenue return per share	100	116.9	134.7	149.2	146.6	106.8	154.2	198.3	240.7	240.7	250.0
Dividends per share	100	114.5	134.6	154.2	158.9	163.6	172.0	215.0	262.6	280.4	294.4 <sup>(1)</sup>
RPI	100	103.5	107	110.3	111.9	115.2	128.0	142.6	147.3	153.9	158.5

\* diluted

\*\* NAV with debt at fair value

<sup>(1)</sup> Subject to approval of the final dividend of 2.45p at the 2026 AGM.

## Costs of running the Company (ongoing charges/TER)

for the year ended 30 April

Expressed as a percentage of average net assets	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Ongoing charges</b>											
excluding performance fees	0.85%	0.84%	0.83%	0.79%	0.75%	0.78%	0.75%	0.79%	0.78%	0.74%	0.78%
including performance fees	0.85%	0.86%	0.83%	0.79%	0.75%	0.78%	0.75%	0.79%	0.80%	0.74%	0.78%
<b>Total expense ratio</b>											
excluding performance fees	0.51%	0.62%	0.60%	0.59%	0.59%	0.58%	0.58%	0.60%	0.61%	0.62%	0.63%
including performance fees	0.76%	0.62%	0.60%	0.59%	0.59%	0.58%	0.58%	0.60%	0.61%	0.62%	0.63%

## Gearing

at 30 April	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Effective gearing	4.7%	3.4%	5.1%	4.6%	(0.6%)	3.8%	4.6%	5.2%	4.7%	5.3%	2.5%
Fully invested gearing	6.9%	4.7%	5.6%	5.8%	4.8%	4.3%	5.8%	6.1%	5.9%	6.9%	6.2%

Note: definitions of Alternative Performance Measures and a Glossary of Terms are provided on pages 108 to 113.

# Purpose, Strategy and Business Model

## Purpose, Values and Culture

Our purpose is to provide an investment vehicle which meets the needs of investors, whether large or small, who seek long-term investment returns from global smaller companies in an accessible, cost effective way. Our investment objective is to invest in smaller companies worldwide in order to secure a high total return.

To ensure that the Company's purpose, values, strategy and culture are aligned, the Board comprises Directors with a breadth of relevant skills and experience acting with professional integrity who contribute in an open boardroom culture that both supports and challenges the Manager and its other third party suppliers.

## Investment and Business Strategy

Our investment strategy is designed to produce outperformance of the Benchmark and increases in dividends over the longer term. Our appointed manager, Columbia Threadneedle Investment Business Limited (the '**Manager**') selects well-managed publicly listed smaller companies with growth potential and, at initiation, market capitalisations that are equal to or lower than the market capitalisation of the largest regional small cap benchmark constituent according to the latest available benchmark data. Existing holdings can still be held and added to after they exceed this level, however within each regional portfolio, our current guideline to the Manager for the total percentage weight by value of companies with a market capitalisation above this level is capped at 30% of the value of that regional portfolio. Whilst the Company invests in smaller companies relative to the broader global equity market, most of the businesses held are substantial, established and lower risk enterprises that have market capitalisations above £500m. For the most part, the shares of the companies held have healthy levels of liquidity and this enables the Manager to exit these investments in an orderly and timely manner should there be a need to. The Company does not invest in micro-cap companies, venture capital opportunities or private businesses.

## Business Model

The Directors have a duty to promote the success of the Company. As an investment company with no employees, we believe that the best way to do this and to achieve our objective is to have an effective and strong working relationship with the Manager. Within

policies set and overseen by the Board of Directors, our Manager has been given overall responsibility for the management of the Company's assets, including asset allocation, gearing, stock and sector selection as well as risk management. The Board remains responsible for the matters listed on page 58.

Our Manager's focus is on individual company opportunities. Exposure to the different geographic markets is adjusted within specific ranges in light of the attraction of local valuations and the outlook for currencies, but stock selection is generally the main driver of the Company's overall returns. Further information regarding the Manager's Investment Philosophy and Process are outlined on pages 2 to 7 and a full list of investments appears on pages 32 to 34.

Furthermore, as a listed closed-end investment company we are not constrained by asset sales to meet redemptions and therefore the Company is particularly well suited to long-term investment in smaller, less liquid companies. Our share capital structure gives us the flexibility to take a longer term view and stay invested while taking advantage of volatile market conditions. Having the ability to borrow to invest gives us a significant advantage over a number of other investment fund structures.

## Alignment of Values and Culture

It is important that the values, expectations and aspirations of those charged with managing the assets align with those of our own. The Board considered the Manager's culture and shared values as part of the annual assessment of its performance and in determining whether its re-appointment is in the interests of shareholders. As a founder signatory to the United Nations-supported Principles for Responsible Investment ('**PRI**'), Columbia Threadneedle Investments is committed to its responsible investment approach and active ownership in listed equities. The Manager has a culture of diversity, collaboration and inclusion, anchored by shared values in keeping with the Board's own expectations and beliefs.

## Responsible Investment

The direct impact of the Company's activities on the community or environment is minimal as it has no employees, premises, physical assets or operations, either as a producer or a provider of goods

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or services, while its shareholders are effectively its customers. Consequently, it does not directly generate any greenhouse gas or other emissions or pollution. The Manager has processes in place to identify material ESG risks in investment portfolios, and it considers financially material ESG factors when assessing investee companies and other securities held in investment portfolios. For more information, please see the Manager's responsible investment approach as explained on pages 25 to 29.

### **Lead Manager and the Management of the Assets**

Since 1 May 2024, Nish Patel has been the Lead Manager on behalf of our Manager, responsible for the allocation of the assets on a regional basis and for the construction of the investment portfolio including the selection of any smaller company investment funds utilised. Nish Patel had worked closely with Peter Ewins, the previous Lead Manager, for a long period of time, managing assets for the Company for more than 15 years. Our Manager has a team of smaller company investment managers and research analysts that support the Lead Manager in the selection of stocks for the North American, UK, European and Japanese stock markets. The Lead Manager is also assisted by other colleagues within the management company in relation to the selection of managed funds used to gain exposure to other global markets.

### **Manager Evaluation**

Investment performance and responsible ownership are fundamental to delivering the investment objective for our shareholders and, therefore, an important responsibility of the Directors is exercising a robust annual evaluation of our Manager's performance capabilities and resources. This is an essential element in the mitigation of risk, as outlined under Principal and Emerging Risks on page 42, and the strong governance that is carried out by the Board of Directors, all of whom are independent and non-executive.

The process for the evaluation of our Manager for the year under review and the basis on which the re-appointment decision was made are set out on page 54. The management fee is based on the value of the Company's net assets, thus aligning the Manager's interests with those of shareholders.

### **Managing Risks and Opportunities**

We seek to make good use of our corporate structure and the investment opportunities that produce a high total return for our shareholders over the longer term. Like all businesses, these opportunities do not come without risks.

On pages 42 to 43 shareholders can see what the Directors consider to be the Principal and Emerging Risks that it faces. The risk of not achieving the Company's objective of delivering a

high total return for our shareholders over the longer term, or of consistently under-performing its Benchmark or competitors, may arise from any or all of poor stock selection, inappropriate asset allocation, weak market conditions, badly timed use of gearing, poor cost control, loss of assets and service provider governance issues.

The performance of our Manager is monitored at each Board meeting on a number of levels. In addition to managing the investments, the ancillary functions of administration, company secretarial, accounting and marketing services are carried out by the Manager. It reports on the investment portfolio; the wider portfolio structure; risks; compliance with borrowing covenants; income, dividend and expense forecasts; errors; internal control procedures; marketing; shareholder and other stakeholder issues, including the Company's share price discount or premium to NAV; and accounting and regulatory updates.

In addition to monitoring our Manager's performance, capabilities, available resources and its systems and controls, the Directors also review the services provided by other principal suppliers. These include the Custodian and Depositary in their duties towards the safeguarding of the assets.

### **Review of Performance and Outlook**

The principal policies that support our investment and business strategy are set out on pages 45 to 47. Shareholders can assess the Company's financial performance from the Key Performance Indicators that are set out on page 44. The Chairman's Statement on pages 9 to 13 and the Lead Manager's Review on pages 14 to 24, both of which form part of this Strategic Report, provide a review of the Company's returns and market conditions during the financial year, the position of the Company at the year end, and the outlook for the coming year. In light of the Company's strategy, investment processes and control environment (relating to both the oversight of its service providers and the effectiveness of the risk mitigation activities), we have set out on page 43 our reasonable expectation that the Company will continue in operation for at least the next five years.

### **Marketing**

With a large proportion of our shareholders being retail investors and savings or execution-only platforms representing a significant and growing element of our shareholder base, we remain focused on the optimal communication of the Company's investment proposition. This year, we have continued to work with the Manager to enhance the public profile of the Company across different media channels. This has included a PR campaign with an external consultancy firm, continued use of video content on the Company's website, alongside several podcasts and webinars.

The use of webinars in particular allows direct interaction with engaged retail investors and the Investor Meets Company platform was again used in the year for this purpose. Columbia Threadneedle Investments has continued to actively market its range of investment trusts during the year and as part of that, the Manager has met with a number of existing and potential new holders of the Company's shares.

### Key Stakeholders

The Company fosters good working relationships with its key stakeholders, such as the Manager, shareholders and other key service providers, including the Custodian, Depositary and Registrar. Our lenders are also important stakeholders whom we keep informed through our monthly covenant compliance reporting in the first instance. None of the financial covenants has been threatened and we had no issues over liquidity or cause to engage with the lenders in this regard during the year.

Whilst we hold our Manager to account for the management of our assets, we also recognise that relationship as being fundamental from a stakeholder perspective and as a working partnership in forming and developing our strategy. Our own engagement with our Manager is continuous, particularly through our regular Board meetings and, not least, the annual meeting that we dedicate to the review of strategic matters. The debate at our annual strategy meeting in February included a review of the areas critical to the future success of the Company including investment strategy and marketing. The relationships that our Manager has with the companies in which we invest are of key importance and we outline our approach on pages 2 and 3.

The Company welcomes the views of all shareholders and places great importance on communication with them. More generally, we engage by reporting our activities and performance through the publication of our half-year and annual reports. Most shareholders and savings plan investors prefer not to receive such detailed information. To avoid them losing this essential line of communication, we instead make available a short notification summary covering the main highlights of our half-year and annual results. Shareholders and savings plan investors can access the full information, together with monthly factsheets and periodic updates, all of which are available on our website as shown on page 1. The Annual General Meeting of the Company provides a forum, both formal and informal, for all shareholders to meet and discuss issues with the Directors and Manager of the Company.

Through our Manager, we also ensure that savings plan investors are able to participate at shareholder meetings in addition to those members who hold their shares directly on the main shareholder register. Details of the proxy voting results on each

resolution are published on the Company's website where there is also a link to the daily publication of our NAV and our monthly factsheet.

The Manager seeks to foster good relations with wealth managers and underlying investors in promoting the Company's investment proposition and over the year a number of meetings, both virtual and in-person, were held with existing and prospective investors. These meetings are reported on regularly to the Board. The Chairman and Senior Independent Director are always available to meet with major shareholders.

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# Promoting Success

## Section 172 Statement

Section 172(1) of the Companies Act 2006 ('**Section 172**') requires that a Director must act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members (i.e. shareholders) as a whole and, in doing so, have regard (amongst other matters) to the likely consequences of any decision in the long-term; the interests of the Company's shareholders; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

The Directors have had regard to the matters set out in Section 172 and have continued to act to promote the success of the Company for the benefit of its shareholders as a whole. This included the likely consequences of their decisions in the longer term and how they have taken wider stakeholders' needs into account.

As long-term investors we always look to the future and to the success of the Company in that context. We believe that the Company provides a clear investment choice, not only for investors large or small but also for those starting their investment journey. We continue to promote the Company through marketing initiatives and work towards the optimal delivery of the Company's investment proposition and to promote the success of the Company for the benefit of all shareholders, stakeholders and, through its valuable role as an investment vehicle, the community at large.

As noted on page 37, the Company is an externally managed investment company and has no employees or premises. The Board believes that the optimum basis for meeting its duty to promote the success of the Company is by appointing and managing third parties with the requisite performance records, resources, infrastructure, experience and control environments to deliver the services required to achieve the investment objective and successfully operate the Company. By developing strong

working relationships with these parties, the Board seeks to ensure high standards of business conduct and service levels are adhered to at all times. This combined with the careful management of costs is for the benefit of all shareholders who are also key stakeholders. Details of our key stakeholders are noted on page 39.

Our main working relationship is with the Manager which is responsible for the management of the Company's assets in line with the investment objective and policy. The Manager also provides ancillary functions such as administration, marketing, accounting and company secretarial services to the Company and acts as the AIFM.

The Board works closely with the Manager and oversees the various matters which have been delegated to it, and to ensure the Company's daily operations run smoothly for the benefit of all shareholders. The portfolio activities undertaken by our Manager and the impact of decisions taken are set out in the Lead Manager's Review on pages 14 to 24. The Manager has processes in place to identify material ESG risks in investment portfolios, and it considers financially material ESG factors when assessing investee companies and other securities held in investment portfolios. Its Responsible Investment approach is set out on pages 25 to 29. Information on the annual evaluation of the Manager, to ensure its continued appointment remains in the best interests of shareholders, is set out on page 38.

In addition to the Company's shareholders, Manager and bankers, other key stakeholders include its service providers such as the Custodian and Depositary, Broker and Registrar. The Board receives regular reports from the Company's key service providers on an ongoing basis and evaluates them to ensure expectations on service delivery are met.

The Board places great importance on communication with shareholders and further information is set out on page 39.

The Company's stakeholders are always considered when the Board makes decisions and examples include:

### Dividends

One of our Key Performance Indicators is dividend growth. The Board has decided to recommend to shareholders at the AGM, the payment of a final dividend of 2.45p per share. This would bring the total dividend in respect of the financial year to 30 April 2026 to 3.15p per share, which represents an increase of 5.0% compared to the prior year and extends our record to 56 years of consecutive annual increases.

### Cancellation of the Share Premium Account and Capital Redemption Reserve

Towards the start of the financial year, the Board proposed that the Company's share premium account and capital redemption reserve be cancelled. These reserve accounts totalled £228.8m and were non-distributable. Shareholders approved this proposal at the Company's AGM held on 15th August 2025, and the Company subsequently completed the court process required. Cancelling them created additional distributable reserves which will provide the Company with additional flexibility, if required, to fund share buybacks, dividends and other returns of capital in accordance with applicable law. This increase in distributable reserves became effective on 4th December 2025.

### Change of Benchmark

In April 2026, the Board of the Company, following a review of its performance measurement framework, announced that the Company's benchmark would change to the MSCI ACWI Small Cap Index Net, with effect from 1st May 2026, the commencement of the Company's next financial year. The Company's benchmark has been a blend of two indices and it is believed that this change will reduce complexity and better represents the current composition of the global smaller company equity market, given that the UK is now a much smaller percentage of total world stock market capitalisation. As set out in the Lead Manager's Review, since this change was implemented, he has made a number of changes in accordance with the Company's investment policy to the way the Company's assets are managed, for the benefit of all shareholders.

### Borrowings

During the financial year, the Company renewed its £35m revolving credit facility with The Royal Bank of Scotland International Limited for a one year term to 12 September 2026.

We use gearing to enhance returns, but this may have a negative impact at times of market shocks. We maintained a moderate level of gearing throughout the year. At the end of the year we had drawn down €6.8m, ¥557.5m and \$9.8m (in total, the

equivalent of £15.7m) of our £35m multi-currency revolving credit facility. The blended rate on this facility and the £35m private placement notes 2039 is 2.65%, which leaves us well placed to enhance investment returns over the long term and build on our performance record.

### Share Buy-backs and Change of Corporate Broker

The Board operates a share buy-back policy under an authority given by shareholders. Under this policy the Company buys back shares for the benefit of shareholders when it sees value and, importantly, with a view to moderating discount volatility and to keeping the discount at no more than 5%, in normal market conditions. Over the last couple of years, the Company has increased the pace of its share buy-backs and during the financial year we bought back 29.1m shares to hold in treasury at an average discount to NAV of 9.4%, thereby providing an accretion to the NAV per share. It was very pleasing to see that over the course of the Company's financial year to 30 April 2026, the Company's share price discount to NAV narrowed from 11.0% to 5.4%. We would only re-issue shares from treasury if the share price is at a premium to NAV. This policy is not only accretive to the NAV per share, it also helps moderate the absolute level and volatility of the discount or premium and provides liquidity in the shares. During the year, the Board also appointed Investec Bank plc ('Investec') as the Company's sole corporate broker and is working with Investec to market the Company with the aim of attracting more interest in its shares from both existing and new investors.

### Retail investors

A significant proportion of the Company's shareholders are retail investors who invest through savings or execution-only platforms. These include those who invest through the Manager's savings plans and the Board remains focused with the Manager on the optimal delivery of the Company's investment proposition for the benefit of all shareholders.

Albeit not in the traditional sense, we see our shareholders as clients who we hope will stay with us and reap the benefits of investing over the longer term. Many of our underlying shareholders are young and hold their shares through their parents in the Manager's savings plans and the Child Trust Fund and Junior ISA accounts. Now that Child Trust Fund accounts are reaching maturity, meaning that, as each child turns 18, they have full control over their holdings, the Manager's objective is to retain as many of these young investors as possible. The Manager writes to their parents ahead of the account maturity dates explaining the options available to them. Once 18, the young investor receives communications on options available to them, and then quarterly if needed, they are reminded when their valuation statement is issued.




# Principal and Emerging Risks

The Board has carried out a robust review and assessment of the Company's principal and emerging risks and the uncertainties that could threaten its future success. This includes near-term risks such as those posed by geopolitical uncertainty and longer-term risks, such as climate change. The consequences for the Company's strategy, business model, liquidity, future prospects and long term viability form an integral part of this review.

The Board's processes for monitoring the principal risks and identifying emerging risks are set out on page 61 and in note 23 to the financial statements. Any emerging risks that are identified

and that are considered to be of significance are included on the Company's risk assessment together with any mitigations. These principal and emerging risks are reviewed regularly by the Audit and Management Engagement Committee and by the Board.

During the year, such risks included ongoing macroeconomic and geopolitical concerns, the impact on financial markets of US trade tariffs and the impact and use of artificial intelligence. The principal risks are largely unchanged from those reported in the prior year. Those identified as most relevant to the assessment of the Company's future prospects and viability were those relating

Principal Risks	Mitigation by strategy
<p><b>Service providers and systems security – Errors, fraud or control failures at service providers or loss of data through business continuity failure or cyber attacks could damage reputation or investors' interests or result in loss. Cyber risks remain heightened.</b></p> <p> <b>Unchanged throughout the year.</b></p>	<p>Functions such as administration, company secretarial, accounting and marketing services are carried out by the Manager, while other services are provided by third party suppliers, such as the custodian, registrar and depository.</p> <p><b>The Board reviews and monitors the services provided and the effectiveness of service providers' processes through the review of internal controls reports. The performance of the Manager and the third party service providers are also evaluated by the Audit and Management Engagement Committee annually.</b></p>
<p><b>Investment performance – Inappropriate business strategy or policy, or ineffective implementation, could result in poor returns for shareholders. Failure to access the targeted market or meet investor needs or expectations, leading to significant pressure on the share price. Political risk factors could also impact performance as could market shocks such as those experienced in relation to Covid-19 and US trade tariffs.</b></p> <p> <b>Unchanged throughout the year but this risk remains heightened.</b></p>	<p>Under our Business Model, a manager is appointed with the capability and resources to manage the Company's assets, asset allocation, gearing, stock and sector selection and risk. The individual regional investment portfolios are managed to provide in combination a well-diversified, lower volatility and lower risk overall portfolio structure. The Board holds a separate strategy meeting each year and considers investment policy review reports from the Manager at each Board meeting.</p> <p><b>The performance of the Company relative to its Benchmark, its peers and inflation is a KPI measured by the Board on an ongoing basis and is reported on page 44.</b></p>
<p><b>Discount/premium – A significant share price discount or premium to the Company's NAV per share, or related volatility, could lead to high levels of uncertainty or speculation and the potential to reduce investor confidence. Increased uncertainty in markets due to geopolitical events could lead to falls and volatility in the Company's NAV.</b></p> <p> <b>Unchanged throughout the year.</b></p>	<p>The Board has established share buy-back and share issue policies, together with a dividend policy, which aim to moderate the level and volatility of the share price discount or premium to the NAV per share and it seeks shareholder approval each year for the necessary powers to implement those policies.</p> <p><b>The discount/premium to NAV at which the Company's shares trade is a KPI measured by the Board on an ongoing basis and is reported on page 44.</b></p>

to inappropriate business strategy, potential investment portfolio under-performance and its effect on the Company's share price discount/premium and dividends, as well as threats to security over the Company's assets. Our risk evaluation forms an inherent part of our strategy determination described on page 38.

Through a series of stress tests ranging from moderate to extreme scenarios, including the impact of market shocks and based on historical information, but forward looking over the five years commencing 1 May 2026, the Board assessed the risks of:

- Sustained high levels of inflation.
- Potential illiquidity of the Company's portfolio.
- Substantial falls in investment values on the ability to meet loan covenant requirements and to repay and re-negotiate funding.
- Significant falls in income on the ability to continue paying steadily-rising dividends and maintaining adequate revenue reserves.

The Board also took into consideration the operational robustness of its principal service providers and the effectiveness of business continuity plans in place, potential effects of regulatory changes and the potential threat from competition. The Board's conclusions are set out under 'Long-Term Viability: Five Year Horizon'.

#### Long-Term Viability: Five Year Horizon

Based on its assessment and evaluation of the Company's future prospects, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the coming five years. This period has been chosen because it is consistent with the advice provided by many investment advisers, that investors should invest in equities for a minimum of five years. The Company's business model, strategy and the embedded characteristics listed below have helped define and maintain the stability of the Company over many decades. The Board expects this to continue and will continue to assess viability over subsequent five year rolling periods.

- The Company has a long-term investment strategy under which it invests mainly in readily realisable, publicly listed securities and which restricts the level of borrowings.
- The Company's business model and strategy are not time limited and, as a global investment trust company, are unlikely to be adversely impacted as a direct result of political uncertainties.
- The Company is inherently structured for long-term outperformance, rather than short-term opportunities, with five years considered as a sensible time-frame for measuring and assessing long-term investment performance.
- The Company is able to take advantage of its closed-end investment trust structure, such as having borrowing arrangements in place and the ability to secure additional finance in excess of five years.
- There is rigid monitoring of the headroom under the Company's bank borrowing financial covenants.
- Regular and robust review of revenue and expenditure forecasts is undertaken throughout the year against a backdrop of large revenue and capital reserves and a further distributable reserve.
- The Company retains title to all assets held by the Custodian which are subject to further safeguards imposed on the Depositary.

#### Actions taken on Principal Risks in the year

The Audit and Management Engagement Committee and the Board have regularly reviewed the Company's risk management framework with the assistance of the Manager. Regular control reports are provided by the Manager which cover risk, compliance and oversight of its own third-party service providers, including IT security and cyber-threats. During the year, the Board received a presentation from the Manager's information security team on its information and cyber security programme. Reports from the Depositary, which is liable for the loss of any of the Company's securities and cash held in custody unless resulting from an external event beyond its reasonable control, were reviewed. In overall terms, this risk is considered unchanged.

Columbia Threadneedle Investments has been retained as Manager and continues to deliver on the Company's objective over the medium and long term. At each meeting of the Board, the Directors consider and discuss the Company's investment performance with Nish Patel, the Lead Manager, and also meet with the Managers of the regional portfolios during the year. Marketing and investor relations campaigns continued throughout the year, including presentations by the Lead Manager to wealth managers, private clients and institutions across the country. Detailed reports provided by the Lead Manager have been reviewed by the Board at each of its meetings. Continuing income generation from the investment portfolio over the year and the healthy level of distributable reserves has resulted in the dividend for the year increasing by 5.0%. In overall terms, this risk is considered unchanged.

The Company is active buying in shares on a regular, ongoing basis in order to address any imbalance between the supply and demand of the Company's shares. During the year, the discount has tightened, and at 30 April 2026 was 5.4%. During the course of the year, the Manager has continued to increase marketing activity over a number of channels and this activity aims to stimulate demand for the Company's shares from existing and new investors. During the year, the Company also changed its corporate broker and appointed Investec. In overall terms, this risk is considered unchanged.

# Key Performance Indicators

The Board uses a number of performance measures to assess its performance in meeting the Company's objective of securing a high total return. This is driven by NAV and share price performance, the Premium/Discount to NAV, Ongoing Charges and Dividend Growth, as well as regional performance against local benchmarks set out on page 15. Detailed commentary on these measures can be found in the Chairman's Statement and Lead Manager's Review. The key performance indicators are set out below.

## Performance: Total return<sup>(1)</sup>

	1 Year %	3 Years %	5 Years %	The Board's policy is to secure a high total return
NAV total return	21.0	25.6	21.6	This measures the Company's NAV and share price total returns, which assume dividends paid by the Company have been reinvested, relative to the Company's Benchmark.
Benchmark <sup>(2)</sup> total return	31.3	45.1	37.5	
Share price total return	28.8	37.0	20.4	

Source: Columbia Threadneedle Investments and Refinitiv Eikon

## Premium/(discount)<sup>(1)</sup> (including current period income)

At 30 April	%	The Board's premium/discount policies are to moderate the level of share price premium/discount and related volatility
2026	(5.4)	This is a measure of the divergence between the share price and the NAV per share. The Company issues shares whilst the share price is at a premium and buys back shares when it is at a discount, in the latter case with the aim that it does not exceed 5% in normal market conditions.
2025	(11.0)	
2024	(10.0)	
2023	(12.7)	
2022	(9.6)	

Source: Columbia Threadneedle Investments and Refinitiv Eikon

## Ongoing charges<sup>(1)</sup> (as a percentage of average net assets)

At 30 April	% (excluding performance fees of underlying funds)	% (including performance fees of underlying funds)	The Board's policy is to control the costs of running the Company
2026	0.78	0.78	This measures the running costs of the Company (including where applicable the performance fees incurred in underlying funds) as a percentage of the average net assets.
2025	0.74	0.74	
2024	0.78	0.80	
2023	0.79	0.79	
2022	0.75	0.75	

Source: Columbia Threadneedle Investments

## Dividend growth

	1 Year %	3 Years %	5 Years %	The Board aims to continue its progressive dividend policy
Dividends	5.0	37.0	80.0	This compares the Company's dividend growth rate to the rate of inflation.
Retail Prices Index	3.0	11.2	37.6	

Source: Columbia Threadneedle Investments and Refinitiv Eikon

(1) See Alternative Performance Measures on pages 108 to 110

(2) See Glossary of terms on page 111 for explanation of Benchmark

# Principal Policies

The Board has overall responsibility for the Company's principal policies, which support its investment and business strategies in securing a high total return for our shareholders.

## Investment

Our publicly stated Investment Policy is designed to help shareholders, prospective investors and stakeholders understand the scope of our investment remit and constraints imposed under it. Any material change to the investment policy of the Company can only be made with the prior approval of shareholders by way of an ordinary resolution at a general meeting.

Our remit is global. Risk diversification is achieved through geographic asset allocation and industry sector and stock selection across a wide range of markets. Within the general policy of maintaining a diversified portfolio, there are no specific geographic or industry sector exposure limits for the publicly listed equities.

The Board, with advice from the Manager, considers the foreign exchange outlook, as this can affect both the asset allocation and borrowing strategy, and can hedge the portfolio against currency movements. No such hedging has been undertaken in the year under review.

At every Board meeting, the Lead Manager reports on portfolio activity and investment performance and confirms adherence to the investment restrictions and limitations set by the Board. The Lead Manager's Review on pages 14 to 24 provides an overview of the outcome from the application of the Investment Policy and the underlying policies during the course of the year under review.

## Investment Objective

The Company's investment objective is to invest in smaller companies worldwide in order to secure a high total return.

## Investment Policy

The Company pursues this investment objective by investing in a large number of stocks in various industry sectors and geographic locations. There are no specific sector or geographical exposure limits. Whilst the Company has a global orientation, its objective is to find attractively valued investment opportunities wherever they may be and it is therefore not constrained to mandatory weightings per geographic region.

The Company invests mainly in quoted equities, including those quoted on the Alternative Investment Market. It is able to invest in other types of securities or assets, including collective funds. Investments in unquoted securities can be made with the prior approval of the Board. No transaction can be made which would result in a holding of the Company exceeding 10% of the value of the total portfolio. Derivative instruments, such as futures, options, and warrants, can be used for efficient portfolio management up to a maximum of 10% of the NAV at any one time.

The Company can borrow in either sterling or foreign currencies. Effective gearing is limited, in normal circumstances, to a maximum of 20% of shareholders' funds. The Company's portfolio can also be hedged for currency movements.

Under the Financial Conduct Authority's UK Listing Rules, no more than 10% of the Company's total assets may be invested in other listed closed-ended investment companies, unless such investment companies have themselves published investment policies to invest no more than 15% of their total assets in other closed-ended investment companies, in which case the limit is 15%.

## Borrowing

The Company has the flexibility to borrow over the longer term and to use short-term borrowings by way of loans. Borrowings, which can be taken out in either sterling or foreign currency, would normally be expected to fall within a range of 0-20% of shareholders' funds. In normal circumstances, the Board believes that structural gearing through the investment cycle is appropriate for the enhancement of shareholder returns. Borrowing levels and covenant headroom are monitored on an ongoing basis and reported on at each Board meeting.

The Company has issued £35 million senior unsecured loan notes at a fixed rate of 2.26% which are repayable in August 2039 and also has a £35 million multicurrency revolving credit facility with The Royal Bank of Scotland International Limited available until 12 September 2026. These are described in more detail in notes 12 and 14 to the financial statements.

## Dividend

Our revenue account is managed with a view to delivering a rising income stream in real terms for shareholders. Prudent use of revenue reserves established over many decades is made whenever necessary to help meet any revenue shortfall.

The Board applies due diligence and determines dividend payments by taking account of income forecasts, brought forward distributable reserves, prevailing inflation rates, the Company's dividend payment record and Corporation Tax rules governing investment trust status. Risks to the Company's dividend policy have been considered as part of the Principal and Emerging Risks reviews noted on page 42. The consistent application of this policy has enabled the payment of an increased dividend every year for the past 56 years.

## Discount/Premium

The Board operates a share buy-back policy under an authority given by shareholders. Under this policy the Company buys back shares for the benefit of shareholders when it sees value and, importantly, with a view to moderating discount volatility and to keeping the discount at no more than 5%, in normal market conditions. Shares are bought back at a discount to the NAV per share and are either cancelled or held in treasury, the effect of which is an accretion to the NAV per share. The levels within which the policy operates are kept under review.

Shareholders have also authorised the Board to issue shares when they are trading at a premium to the NAV per share, with a view to moderating the premium and any associated volatility. As with share buy-backs, such issues are only made when accretive to the NAV.

## Board Diversity, Inclusion and Tenure

Our policy towards the appointment of non-executive directors to the Board is based on its belief in the benefits of having a diverse range of experience, skills, length of service and backgrounds, including gender and contributions from an international perspective. The Board is conscious of the diversity targets set out in the FCA UK Listing Rules and the Board complies with the AIC Corporate Governance Code in appointing appropriately diverse, independent non-executive Directors who set the operational and moral standards of the Company. The policy is always to appoint the best person for the role and, by way of this policy statement, we confirm that there is no discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age, physical ability, educational, professional or socio-economic background. The Board is committed to maintaining the highest levels of corporate governance in terms of independence and would normally expect the Directors to serve for a nine-year

term, although this may be adjusted for reasons of flexibility and continuity. As each of the Audit and Management Engagement Committee and Nomination Committee comprise all of the Directors, the diversity policy applied to the Board generally applies equally to each of the Company's Committees.

The overriding aim of the policy is to ensure that the Board is composed of the best combination of people to deliver the Company's objective. We apply the policy for the purpose of appointing individuals that, together as a Board, will continue to achieve that aim as well as ensuring optimal promotion of the Company's investment proposition in the marketplace.

In accordance with UK Listing Rule 6.6.6R (9), (10) and (11) the Board is required to disclose on a 'comply or explain' basis whether it has met the following targets: (i) at least 40 per cent. of the Board should be women; (ii) at least one of the senior board positions should be held by a woman; and (iii) at least one member of the Board should be from a minority ethnic background. The Board has provided the information set out in the following tables in relation to diversity; the data for which has been obtained through the completion of questionnaires by the individual Directors. As is shown, the Company has met the targets.

### Board Gender as at 30 April 2026<sup>(1)</sup>

	Number of board members	Percentage of board members	Number of senior positions on the Board <sup>(3)</sup>
Men	3	60%	1
Women	2	40% <sup>(2)</sup>	1 <sup>(4)</sup>
Not Specified /Prefer not to say	-	-	-

(1) The Company has opted not to disclose against the number of Directors in executive management as this is not applicable for an investment trust which does not have the roles of CEO or CFO.

(2) This meets the UK Listing Rules target of 40%.

(3) The senior positions on the Board consist of the Chairman and the Senior Independent Director.

(4) This meets the UK Listing Rules target of at least one of the senior positions on the Board being held by a woman.

**Board Ethnic Background as at 30 April 2026<sup>(1)</sup>**

	Number of board members	Percentage of board members	Number of senior positions on the Board <sup>(3)</sup>
White British or other White (including minority white groups)	3	60%	1
Mixed/Multiple Ethnic Groups	1	20% <sup>(2)</sup>	1
Asian/Asian British	1	20% <sup>(2)</sup>	-
Black/African/Caribbean/Black British	-	-	-
Other ethnic group	-	-	-
Not Specified/Prefer not to say	-	-	-

(1) The Company has opted not to disclose against the number of Directors in executive management as this is not applicable for an investment trust which does not have the roles of CEO or CFO.

(2) This meets the UK Listing Rules target that at least one board member should be from a minority ethnic background.

(3) The senior positions on the Board consist of the Chairman and the Senior Independent Director.

**Taxation**

As an investment trust company, it is essential that the Company retains its tax status by complying at all times with Section 1158 of the Corporation Tax Act 2010 ('**Section 1158**') such that UK Corporation Tax is not suffered on its capital gains. It also ensures that correct taxation returns are submitted annually and any taxation due is settled promptly. Where possible, all taxes suffered in excess of taxation treaty rates on non-UK dividend receipts are claimed back in a timely manner. The Board's policy towards taxation is one of full commitment to complying with applicable legislation and statutory guidelines. In applying due diligence towards the retention of Section 1158 status and adhering to its tax policies, the Board receives regular reports from the Manager. The Company has received approval from HMRC as an investment trust under Section 1158 and has since continued to comply with the eligibility conditions.

**Modern Slavery Act 2015**

As an investment company with no employees or customers and which does not provide goods or services in the normal course of business, the Company considers that it does not fall within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged to make a human trafficking statement. Our own supply chain consists predominately of professional advisers and service providers in the financial services industry, which is highly regulated. We therefore believe that the potential for acts of modern slavery or human trafficking in our own working environment is extremely low.

The values we hold, our culture and the rationale for the appointment of our Manager are explained on page 37. The Manager is an organisation committed to respecting human rights and stands against all forms of slavery and human trafficking. A statement by the Manager under the Act has been published on its website [columbiathreadneedle.co.uk](http://columbiathreadneedle.co.uk). In the year under review, 29.5% of engagements with the companies in the Company's portfolio raised social themes, including human rights and labour standards.

**Integrity and Business Ethics**

We apply a strict anti-bribery and anti-corruption policy insofar as it applies to the Directors of the Company and employees of any organisation with which we conduct business, including the Manager. The Board ensures that adequate procedures are in place and followed in respect of third-party appointments, acceptance of gifts and hospitality and similar matters.

**On behalf of the Board**

**Graham Oldroyd**

**Chairman**

**25 June 2026**

# Directors



The Board of Directors comprise left to right: Randeep Grewal, Zoe King, Graham Oldroyd, Bulbul Barrett and Nick Bannerman

## Graham Oldroyd

### Chairman of the Board and Nomination Committee

Appointed to the Board on 1 October 2019 and as Chairman on 15 August 2025.

**Experience and contribution:** Graham brings to the Board in-depth investment knowledge, expertise and experience in international investment management from his present and past positions as a director of listed and unlisted European businesses across multiple sectors and geographies.

**Other appointments:** Graham is non-executive chairman of MCF Limited and a member of the Supervisory Board of MCF Corporate Finance GmbH. He is also a non-executive director of Videndum plc, Senior plc and JPMorgan Claverhouse Investment Trust plc.

## Nick Bannerman

### Chairman of the Audit and Management Engagement Committee

Appointed to the Board on 1 October 2019 and as Chairman of the Audit and Management Engagement Committee on 13 August 2024.

**Experience and contribution:** Nick brings a combination of investment, operational and management experience as well as a wider business perspective from his past business roles across multiple geographies. He is a chartered accountant and has been on the boards of investment trusts since 2003.

**Other appointments:** Nick is a non-executive director of JPMorgan China Growth & Income plc and Temple Bar Investment Trust Plc.

**Bulbul Barrett**

Appointed to the Board on 1 December 2023 and as Senior Independent Director on 15 August 2025.

**Experience and contribution:** Bulbul was previously Head of the Equities Product Group at DBS Bank Ltd London Branch and has over 30 years' experience with corporates and investment managers, having formerly been Head of Sales, MD Asian Equities at HSBC, Executive Director, Asian Equities at Goldman Sachs, Director of Asian Equities at UBS and Associate Director, Asian Equities at WI Carr.

**Other appointments:** Bulbul is a non-executive director of The North American Income Trust PLC and JPMorgan Asia Growth & Income plc and a Governor of Bradford College.

**Randeep Grewal**

Appointed to the Board on 1 December 2023.

**Experience and contribution:** Randeep has extensive experience as a fund manager and analyst, having held the roles of Portfolio Manager at Trium Multi-Strategy Hedge Fund, Senior Portfolio Manager at F&C Asset Management, Analyst at ICAP Equities and Senior Analyst and Portfolio Manager at Tudor Capital. Prior to the above, Randeep was an NHS Doctor, having trained as a vascular surgeon. Randeep was Chairman of Bellevue Healthcare Trust PLC until April 2025.

**Other appointments:** Randeep is a non-executive director of The Monks Investment Trust PLC and Hox Therapeutics Limited.

**Zoe King**

Appointed to the Board on 12 December 2024.

**Experience and contribution:** Zoe is an experienced investment professional and a director of Evelyn Partners Investment Management Limited, where she has specialised in the management of private client portfolios for over twenty years. Zoe was formerly at Merrill Lynch Mercury Asset Management, bringing an institutional approach to the management of private individuals' capital and began her career in fund management at Foreign & Colonial Investment Management, specialising in the management of institutional portfolios. Zoe graduated from Oxford University in 1994. Zoe was a non-executive director of Henderson High Income Trust PLC until May 2025.

**Other appointments:** Zoe is a director of Evelyn Partners Investment Management Limited and a member of the Trinity College, Oxford Investment Committee, the Carvetian Capital Fund Investment Committee and the Stramongate S.A. Shareholder Advisory Committee. Zoe is also a director of a private company.

All the Directors are members of the Audit and Management Engagement Committee and the Nomination Committee. No Director has a shared directorship elsewhere with other members of the Board.

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# Directors' Report

The Directors submit the Annual Report and Financial Statements of the Company for the year ended 30 April 2026. Applying the principles of the AIC Code, the Chairman's Statement on corporate governance, the Directors' biographies, the Reports of the Nomination Committee and Audit and Management Engagement Committee and the Directors' Remuneration Report all form part of this Directors' Report.

## Statement Regarding the Annual Report and Financial Statements

The Directors consider that, following a detailed review and advice from the Audit and Management Engagement Committee, the Annual Report and Financial Statements, 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 Audit and Management Engagement Committee has reviewed the draft Annual Report and Financial Statements for the purposes of this assessment. The market outlook for the Company can be found on pages 13 and 24. Principal and emerging risks can be found on page 42 with further information on financial risks in note 23 to the financial statements. There are no instances where the Company is required to make disclosures in respect of UK Listing Rule 6.6.1R.

## Results and Dividends

The results for the year are set out in the attached financial statements. Subject to shareholder approval at the Annual General Meeting ('AGM') of resolution 4, the recommended final dividend of 2.45 pence per share is payable on 18 September 2026 to shareholders on the register as at the close of business on 7 August 2026. This, together with the interim dividend of 0.70 pence per share, makes a total dividend of 3.15 pence per share and represents an increase of 5.0% over the comparable 3.00 pence per share paid in respect of the previous year. See note 9 to the financial statements.

## Company Status

The Company is registered as a public limited company and is an investment company as defined by Section 833 of the Act. The Company is registered in England and Wales with company registration number 28264 and is subject to the Financial Conduct Authority's ('FCA') UK Listing Rules, Disclosure Guidance and Transparency Rules ('DTRs') and other applicable legislation and regulations including company law, financial reporting standards, taxation law and its own articles of association. The Company's

Articles of Association may only be amended by the passing of a special resolution at a general meeting of the Company.

## Taxation

As set out on page 47 and in note 7 to the financial statements, the Company is exempt from UK Corporation Tax on most of its dividend income and from UK Corporation Tax on any capital gains arising from the portfolio of investments, provided it complies at all times with Section 1158. Dividends received from investee companies domiciled outside the UK are subject to taxation in those countries in accordance with relevant double taxation treaties.

## UK Financial Sanctions and Prevention of the Facilitation of Tax Evasion

The Board is fully committed to complying with all legislation, regulation and relevant guidelines including those relating to the UK financial sanctions regime in the context of the Company's business and also the UK's Criminal Finance Act 2017, designed to prevent tax evasion in the jurisdictions in which the Company operates. Professional advice is sought as and when deemed necessary.

## Greenhouse Gas Emissions and Taskforce for Climate-Related Financial Disclosures ('TCFD')

The Company is managed by a third party manager, it has no employees and all of its Directors are non-executive, with the day to day activities being carried out by third parties. The Company has no premises, consumes no electricity, gas or diesel fuel directly and consequently does not have a measurable carbon footprint. Therefore, it qualifies as a low energy user and is exempt from reporting under the Streamlined Energy & Carbon Reporting requirements.

In accordance with the regulations set by the Financial Conduct Authority, the Manager has published disclosure specific to the Company's portfolio. This provides data on the portfolio's carbon footprint and the largest individual contributors to the

carbon footprint by individual issuer and sector, in addition to its weighted average carbon intensity ('WACI'). This is available on the Document Library page of the Company's website at [globalsmallercompanies.co.uk](https://globalsmallercompanies.co.uk).

Under UK Listing Rule 11.4.22(R), the Company, as a listed closed-end investment company, is exempt from complying with the TCFD. Whilst the Company is not subject to the FCA entity-level TCFD disclosure requirements, the Manager is required to produce an annual product level climate-related financial disclosure report on the Company. As referred to on page 28 this is available on the Company's website at [globalsmallercompanies.co.uk](https://globalsmallercompanies.co.uk).

### Accounting and Going Concern

The financial statements, starting on page 76, comply with current UK Financial Reporting Standards, supplemented by the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP'). The significant accounting policies of the Company are set out in note 2 to the financial statements. The unqualified auditor's opinion on the financial statements appears on pages 70 to 75. Shareholders will be asked to approve the adoption of the Annual Report and Financial Statements at the AGM (**Resolution 1**).

The Directors believe that, in light of the controls and monitoring processes that are in place, the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments and the ability of the Company to meet all of its liabilities and ongoing expenses. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

### Statement as to Disclosure of Information to the Auditor

Each of the Directors confirms that, to the best of their knowledge and belief, there is no information relevant to the preparation of the Annual Report and Financial Statements of which BDO LLP ('BDO' or the 'auditor') is unaware and they have taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that BDO is aware of that information.

### Re-appointment of Auditor

BDO has indicated its willingness to continue in office as auditor to the Company and a resolution proposing its re-appointment and authorising the Audit and Management Engagement Committee to determine its remuneration for the ensuing year will be put

to shareholders at the AGM (**Resolutions 10 and 11**). Further information in relation to its re-appointment can be found on page 63.

### Capital Structure

Following a ten for one share split on 31 October 2019, each ordinary share of 25p was replaced with ten new ordinary shares of 2.5p each. As at 30 April 2026 there were 620,533,770 ordinary shares of 2.5p each ('ordinary shares') in issue, of which 202,166,413 were held in treasury. As at 22 June 2026 (being the latest practicable date before publication of this report) the number of ordinary shares held in treasury was 206,335,308.

All ordinary shares rank equally for dividends and distributions and carry one vote each. There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid. Details of the capital structure can be found in note 15 to the financial statements. The revenue profits of the Company (including accumulated revenue reserves), together with the realised capital profits of the Company and the Distributable reserve, are available for distribution by way of dividends to the holders of the ordinary shares. Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to shareholders pro rata to their holdings of ordinary shares. Full details are set out in the Company's articles of association.

### Issue and Buy-back of Shares

At the annual general meeting held on 15 August 2025, shareholders authorised the Board to issue new ordinary shares or to sell shares from treasury up to 10% of the number of shares then in issue. Shareholders also renewed the Board's authority to purchase up to 14.99% of its own issued ordinary shares (excluding any shares held in treasury) at a discount to NAV per share.

No shares were issued during the year under review or have been issued between 30 April 2026 and 22 June 2026, being the latest practicable date before the publication of this report. In accordance with the policy of aiming to keep the discount at no more than 5% in normal market conditions, a total of 29,076,072 shares with a nominal value of £726,901.80 were bought back by the Company during the year, to be held in treasury, at prices between 149.70 pence and 191.80 pence and at an average price of 173.12 pence for a total consideration, including stamp duty and commissions, of £50,336,000. The shares bought back represented 6.50% of the shares in issue (calculated exclusive of any shares held in treasury)

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at 30 April 2025. The share buy-backs in the year enhanced the NAV per share by approximately 1.23 pence. A further 4,168,895 shares have been bought back and placed into treasury since the year end.

### **Voting Rights and Proportional Voting**

As at 22 June 2026 there were 620,533,770 ordinary shares listed, of which 206,335,308 shares were held in treasury. Therefore the total voting rights in the Company as at that date were 414,198,462.

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. Each ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every ordinary share held.

Approximately 55% of the Company's share capital is held on behalf of non-discretionary clients through the Manager's Savings Plans. For those planholders who do not return their voting directions, the nominee company will vote their shares in proportion to the directions of those who do ('proportional voting'). Implementation of this arrangement is subject to a minimum threshold of 5% of the shares held in the savings plans being voted. A maximum limit of 572,000 shares that any one individual investor can vote, being approximately 5% of the minimum threshold, also applies. Any shares voted by an investor in excess of the maximum limit remain valid, but do not form part of the proportional voting basis. Planholders have the right to exclude their shares from the proportional voting arrangement.

### **Substantial Interests in the Company's Share Capital**

As at 30 April 2026 and since that date no notifications of significant voting rights have been received under the FCA's Disclosure Guidance and Transparency Rules.

### **Borrowings**

The Company has a one-year £35 million multi-currency revolving credit facility with The Royal Bank of Scotland International Limited. At the year-end, €6.8m, ¥557.5m and \$9.8m (in total, the equivalent of £15.7m) were drawn down. The Company also has in issue £35 million fixed rate 20-year unsecured private placement notes at a coupon of 2.26% which mature in August 2039. Further information is provided in notes 12 and 14 to the financial statements.

### **Remuneration Report**

The Directors' Remuneration Report, which can be found on pages 66 to 68 provides detailed information on the remuneration arrangements for Directors of the Company. Shareholders are asked to approve the Remuneration Policy and the Directors'

Remuneration Report annually. There have been no changes to the Remuneration Policy since it was last approved by shareholders at the AGM on 15 August 2025. Remuneration is set at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective (**Resolutions 2 and 3**).

### **Appointments to the Board**

Under the articles of association of the Company, the number of Directors on the Board may be no more than twelve. Directors may be appointed by the Company by ordinary resolution or by the Board. All new appointments require prior Board approval and are subject to election by shareholders at the next annual general meeting. Institutional shareholders are given the opportunity to meet any newly appointed Director if they wish. An induction process is in place for new appointees and all Directors are encouraged to attend relevant training courses and seminars.

### **Removal of Directors**

The Company may, by special resolution, remove any Director before the expiration of their term of office and may, by ordinary resolution, appoint another person who is willing to act to be a Director in their place. The provisions under which a Director would automatically cease to be a Director are set out in the Company's articles of association.

### **Contribution and Independence of Directors**

The Board is composed solely of independent non-executive Directors. The Nomination Committee has considered each Director's performance and the Board has concurred with its assessment that each Director continues to make a valuable and effective contribution and remains committed in their respective roles. Furthermore, no Director has a recent or current connection with the Manager and each remains independent in character and judgement, with no relationships or circumstances relating to the Company that are likely to affect that judgement. The Board has therefore concurred with the Nomination Committee's assessment that all Directors are independent of the Manager and of the Company itself.

The following table sets out the Directors' meeting attendance in the year under review. The Board also held a separate meeting in February 2026 to consider strategic issues and also met regularly in private sessions, without any representation from the Manager.

## Directors' attendance

	Board	Audit and Management Engagement Committee	Nomination Committee
No. of meetings	6	3	1
Anja Balfour <sup>(1)</sup>	2	1	1
Nick Bannerman	6	3	1
Bulbul Barrett	6	3	1
Randeep Grewal	6	3	1
Zoe King	6	3	1
Graham Oldroyd	6	3	1

(1) Retired on 15 August 2025

## Election/Re-Election of Directors

The names of the Directors of the Company, along with their biographical details, are set out on pages 48 and 49 and are incorporated into this report by reference. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are also set out.

With the exception of Anja Balfour who retired on 15 August 2025, all Directors held office throughout the year under review.

In accordance with the AIC Code, the Board has agreed that all Directors will retire annually. Accordingly, Nick Bannerman, Bulbul Barrett, Randeep Grewal, Zoe King and Graham Oldroyd will retire at the AGM and, being eligible, offer themselves for re-election. (**Resolutions 5, 6, 7, 8 and 9**).

## Directors' Interests and Indemnification

There were no contracts to which the Company was a party and in which a Director is, or was, materially interested during the year. There are no agreements between the Company and its Directors concerning compensation for loss of office.

The Company has granted a deed of indemnity to the Directors in respect of liabilities that may attach to them in their capacity as Directors of the Company. This covers any liabilities that may arise to a third party for negligence, default or breach of trust or duty. This deed of indemnity is a qualifying third-party provision (as defined by section 234 of the Act). During the year ended 30 April 2025, the Company put in place new deeds of indemnity in favour of each of the Directors to account for legislative updates and changes in market practice. These deeds give each Director the benefit of an indemnity to the extent permitted by the Companies Act 2006 against liabilities incurred by each of them in the execution of their duties and the exercise of their powers. These have been in force throughout the year under review and remain in

place as at the date of this report. A copy of each deed is available for inspection at the Company's registered office during normal business hours and at the AGM. The Company also maintains directors' and officers' liability insurance.

## Safe Custody of Assets

The Company's listed investments are held in safe custody by JPMorgan Chase Bank (the '**Custodian**'). Operational matters with the Custodian are carried out on the Company's behalf by the Manager in accordance with the provisions of the investment management agreement. The Custodian is paid a variable fee dependent on the number of trades transacted and location of the securities held.

## Depositary

JPMorgan Europe Limited (the '**Depositary**') acts as the Company's Depositary in accordance with the Alternative Investment Fund Manager's Directive ('**AIFMD**'). The Depositary's responsibilities, which are set out in an Investor Disclosure Document on the Company's website, include: cash monitoring; ensuring the proper segregation and safe keeping of the Company's financial instruments that are held by the Custodian; and monitoring the Company's compliance with investment and leverage limits requirements. The Depositary receives for its services a fee of one basis point per annum, based on the Company's net assets, payable monthly in arrears.

Although the Depositary has delegated the safekeeping of all assets held within the Company's investment portfolio to the Custodian, in the event of loss of those assets that constitute financial instruments under the AIFMD, the Depositary will be obliged to return to the Company financial instruments of an identical type, or the corresponding amount of money, unless it can demonstrate that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

## The Manager's Fee

With effect from 1 May 2023, a tiered element to the management fee was introduced. The Manager is paid a management fee at the rate of 0.55% per annum of the Company's net asset value up to £750m, excluding any investments made in third party collective funds and at the rate of 0.5% per annum of the Company's net asset value in excess of £750m, excluding any investments made in third party collective funds. Any investments made in third party collective funds are subject to a charge of 0.275% per annum of their market value. The management fee is calculated and paid monthly in arrears.

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The amount charged in the year under review was £4,072,000, a decrease of 2.7% from the £4,184,000 charged in the year to 30 April 2025.

Note 4 to the financial statements shows the apportionment of the management fee between capital and revenue.

### **Manager Evaluation Process**

The Manager's performance is considered by the Board at every meeting with a formal evaluation by the Audit and Management Engagement Committee each year. For the purposes of its ongoing monitoring, the Board receives detailed reports and views from the Lead Manager on investment policy, asset allocation, gearing and risk, including formal presentations on the North American, UK, European, Japanese and Rest of World portfolios at least annually. In evaluating the Manager's performance, the Board considers a range of factors including the investment performance of the portfolio as a whole, performance of the various regional sub-portfolios and the skills, experience and depth of the team involved in managing the Company's assets. The Board measures the overall relative success of the Company against the Benchmark and its peers, with each regional sub-portfolio being measured against relevant local small capitalisation indices. It also considers the resources and commitment of the Manager in all areas of its responsibility, including the marketing and administrative services provided to the Company. Portfolio performance, which is relevant in monitoring the Manager, is set out on pages 14 to 24.

### **Manager Re-appointment**

The annual evaluation that took place in April 2026 included presentations from the Lead Manager and the Manager's Head of Investment Trusts. This focused primarily on investment performance and the services provided to the Company more generally.

In light of the long-term investment performance of the Manager and the quality of the overall service provided, the Audit and Management Engagement Committee concluded that in its opinion the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole. The Board ratified this recommendation.

### **AGM and Online Viewing**

The Company's AGM will be held at Chartered Accountants' Hall, 1 Moorgate Place, London EC2R 6EA, on Tuesday 15 September 2026 at 12.00 noon. The meeting will also be streamed live on the internet so that those shareholders who cannot attend in person will be able to view the proceedings. The broadcast can be viewed by registering here: <https://www.investormeetcompany.com/the-global-smaller-companies-trust-plc/register-investor>

We encourage shareholders who cannot attend to exercise their votes either through the Registrar's online portal or by completing and returning their Form of Proxy or Form of Direction. Voting on all resolutions will be held on a poll, the results of which will be announced via a regulatory announcement and will be shown on the Company's website following the meeting.

### **Authority to Allot Shares and Sell Shares from Treasury (Resolutions 12 and 13)**

By law, directors are not permitted to allot new shares (or to grant rights over shares) unless authorised to do so by shareholders. In addition, directors require specific authority from shareholders before allotting new shares (or granting rights over shares) or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 12 gives the Directors the necessary authority to allot securities up to an aggregate nominal amount of £1,035,496.15 (41,419,846 ordinary shares), being equivalent to approximately 10% of the Company's issued share capital (calculated exclusive of the shares held in treasury) as at 22 June 2026, being the latest practicable date before the publication of the Notice of AGM. The authority will expire at the conclusion of the annual general meeting to be held in 2027 or, if earlier, 15 months from the passing of the resolution.

Resolution 13 empowers the Directors to allot such securities and to sell shares from treasury for cash, without first offering them to existing shareholders in proportion to their existing holdings, up to an aggregate nominal amount of £1,035,496.15 (representing approximately 10% of the issued ordinary share capital (excluding shares held in treasury)) of the Company as at 22 June 2026.

For completeness, this equates to approximately 6.7% of the total issued ordinary share capital (including shares held in treasury) of the Company as at 22 June 2026, being the latest practicable date prior to the publication of this document.

These authorities provide the Directors with a degree of flexibility to increase the assets of the Company by the issue of new shares or the sale of treasury shares, in accordance with the policies set out on pages 45 to 47 or should any other favourable opportunities arise to the advantage of shareholders. Under no circumstances would the Directors issue new shares or sell treasury shares at a price which would result in a dilution of the NAV per ordinary share.

### **Authority for the Company to Purchase its Own Shares (Resolution 14)**

At the annual general meeting held on 15 August 2025 the Company was authorised to purchase up to 66,019,501 ordinary shares (being 14.99% of its issued ordinary share capital, excluding

shares held in treasury, immediately prior to the passing of the resolution) for cancellation or to be held in treasury. The number of shares remaining under that authority as at 30 April 2026 was 43,963,234 shares or 10.51% of the issued share capital exclusive of the number of shares held in treasury. Resolution 14 will authorise the renewal of such authority enabling the Company to purchase in the market up to a maximum of 14.99% of the issued share capital, exclusive of treasury shares, immediately prior to the passing of the resolution and sets out the minimum and maximum prices at which such shares may be bought, exclusive of expenses, reflecting the requirements of the Act and the UK Listing Rules.

The Directors will continue to use this authority in accordance with the policies set out on pages 45 to 47. Under the Companies Act 2006, the Company is permitted to hold its own shares in treasury following a buy-back, instead of cancelling them. This gives the Company the ability to reissue treasury shares quickly and cost-effectively (including pursuant to the authority under Resolution 13) and provides the Company with additional flexibility in the management of its capital base. Such shares may be resold for cash but all rights attaching to them, including voting rights and any right to receive dividends, are suspended whilst they are held in treasury. If the Board exercises the authority conferred by Resolution 14, the Company will have the option of either holding in treasury or of cancelling any of its shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue. Purchases of ordinary shares under the authority will be financed out of realised revenue and/or capital reserves or the distributable reserve and funded from the Company's own cash resources or, if appropriate, from short-term borrowings. This authority will expire at the conclusion of the annual general meeting to be held in 2027 or, if earlier, 15 months from the passing of the resolution. The Board intends to seek the renewal of such authority at subsequent annual general meetings.

### Notice Period for Meetings (Resolution 15)

The Act and the Company's articles of association provide that all general meetings (other than annual general meetings) can be convened on not less than 14 days' notice. However, one of the requirements of the Shareholder Rights Directive is that all general meetings must be held on not less than 21 clear days' notice, unless shareholders agree to a shorter notice period. The Board is of the view that it is in the Company's interests to have a shorter notice period which complies with the provisions of the Act and the Company's articles to allow all general meetings (other than an annual general meeting) to be called on not less than 14 clear days' notice. The passing of Resolution 15 would constitute shareholders' agreement for the purposes of the Shareholder Rights Directive (which agreement is required annually) and would therefore preserve the Company's ability to call general meetings

(other than an annual general meeting) on not less than 14 clear days' notice. The Board would utilise this authority to provide flexibility when merited and would not use it as a matter of routine. The Board intends to seek the renewal of such authority at subsequent annual general meetings.

### Form of Proxy for AGM Voting

If you are a registered shareholder you will receive a form of proxy for use at the AGM. You will also have the option of lodging your proxy vote electronically at [www.eproxyappointment.com](http://www.eproxyappointment.com). For shares held through CREST, proxy appointments may be submitted via the CREST proxy voting system. Please either complete, sign and return the form of proxy in the envelope provided as soon as possible in accordance with the instructions or, alternatively, lodge your proxy vote via the Internet or the CREST proxy voting system.

All shareholders are strongly encouraged to vote in advance of the AGM and, to do so, all proxy appointments must be returned no later than 12.00 noon on 11 September 2026.

### Form of Direction and Proportional Voting

If you are an investor in any of the Manager's Savings Plans you will receive a form of direction for use at the AGM and you will also have the option of lodging your voting directions using the Internet. The Manager operates a proportional voting arrangement, which is explained on page 52.

All forms of direction should be submitted as soon as possible in accordance with the instructions thereon and, in any event, not later than 12.00 noon on 7 September 2026, so that the nominee company can submit a form of proxy before the deadline for registered shareholders.

### Voting Recommendation

Your Board considers that the resolutions to be proposed at the AGM are in the best interests of the shareholders as a whole. It therefore recommends that shareholders vote in favour of each resolution, as is the intention of the Directors in respect of their own beneficial holdings.

### Charitable Donations

During the year, the Company made a donation of £400 to a charity that supports young adults who are facing challenges in areas of their lives.

### By order of the Board

**Columbia Threadneedle Investment Business Limited**  
**Company Secretary**  
**25 June 2026**

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# Chairman's Statement

## on corporate governance

Dear Shareholder,

On pages 48 and 49 you will find summary details of the Directors responsible for the governance of your Company, including mine as your Chairman. Details are also available on the website as shown on page 1. The Company invests in a wide range of companies and, as a Board, we believe that good governance creates value and expect the companies in which we invest to apply high standards. In maintaining the confidence and trust of our own investors, we set out to adhere to the very highest standards of corporate governance, business and ethics transparency. We remain committed to doing so.

### Governance Overview

The Board has established an Audit and Management Engagement Committee and a Nomination Committee. The role and responsibilities of these committees are set out in their respective reports which follow. As the Board has no executive directors and no employees, and is comprised entirely of independent non-executive directors, it does not have a Remuneration Committee. Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Remuneration Report on pages 66 to 68 and in note 5 to the financial statements.

The Company has appointed the Manager to manage the investment portfolio as well as to carry out the day to day management and administrative functions. An explanation of the reporting arrangements from the Manager is set out in the Strategic Report on page 38 and in the Report of the Audit and Management Engagement Committee in respect of risk management and internal control on page 61. Explanations concerning the Board's appointment of the Manager, including reference to the strength of their resources, measurement of performance and alignment with the values of the Board can be found on pages 37 and 38.

The Board has direct access to the company secretarial advice and services of the Manager which, through the Company Secretary, is responsible for ensuring that Board and committee procedures are followed and applicable regulations are complied

with. The proceedings at all Board and other meetings are fully recorded through a process that allows any Director's concerns to be recorded by the Company Secretary in the minutes. The Board has the power to appoint or remove the Company Secretary in accordance with the terms of the investment management agreement.

### Composition of the Board and Committees

The Board currently comprises five directors and maintains plans for orderly succession, ensuring that the right balance of skills, experience, knowledge, independence and diversity are in place for the Board to operate effectively, as a whole. The Board currently meets the diversity targets set out in the FCA UK Listing Rules as shown on page 46.

All Directors are members of the Audit and Management Engagement Committee and the Nomination Committee and this is noted under the Directors' biographies on page 49, while the respective terms of reference can be found on the Company's website. Further detail is given in respect of the composition of the Audit and Management Engagement Committee on pages 60 and 61. The Board considers that, given its size, it would be unnecessarily burdensome to establish separate committees which did not include the entire Board and believes that this enables all Directors to be kept fully informed of any issues that arise.

### Compliance with The AIC Corporate Governance Code (the 'AIC Code')

We have considered and support the Principles and Provisions of the AIC Code published in 2024. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code published in 2024 (the 'UK Code'), as well as setting out additional provisions on issues that are of specific relevance to investment companies.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders. By reporting against the AIC Code, the Company

meets its obligations in relation to the UK Code (and associated disclosure requirements under the UK Listing Rules) and as such does not need to report further on issues contained in the UK Code which are not relevant to it as an externally managed investment company.

The Board believes that the Company has complied with the Principles and Provisions of the AIC Code during the year under review and up to the date of this report (with the exception of Provision 34, which is applicable for accounting periods commencing on or after 1 January 2026) and, except as regards the provisions of the UK Code set out below, has thereby complied with the relevant provisions of the UK Code:

- the role of the chief executive;
- executive directors' and senior management remuneration;
- membership of the Audit Committee by the Chairman of the Board; and
- the workforce.

For the reasons set out in the AIC Code, the Board considers these provisions as not being relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day to day management and administrative functions have been delegated to the Manager. As a result, the Company has no executive directors, employees or internal operations. As explained in the Report of the Audit and Management Engagement Committee, the Chairman of the Board is also a member of this Committee, as permitted by the AIC Code. Therefore, with the exception of the need for an internal audit function, which is addressed on pages 61 and 62, we have not reported further in respect of these provisions.

None of the Directors standing for re-election at the forthcoming AGM has served in excess of nine years. The tenure policy relating to the Directors, which includes the Chairman, is set out on page 64.

The AIC Code is available on the AIC website [theaic.co.uk](https://theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies. The UK Code is available on [frc.org.uk](https://frc.org.uk).

**Graham Oldroyd**  
**Chairman**  
**25 June 2026**

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# Applying the principles of the AIC Code

## Company Purpose

Information relating to the Company's purpose, values and culture can be found on page 37. How the Board seeks to promote the success of the Company is set out on pages 40 and 41.

## Board Leadership

The Board is responsible for the effective stewardship of the Company's affairs and has in place a schedule of matters that it has reserved for its decision, which are reviewed periodically. These are categorised and reviewed under strategy, policy, finance, risk, investment restrictions, performance, marketing, appointments, the Board and public documents. It has responsibility for all corporate strategic issues, principal policies (set out on pages 45 to 47) and corporate governance matters which are all reviewed regularly.

At each meeting the Board reviews the Company's investment performance and considers financial analyses and other reports of an operational nature. The Board monitors compliance with the Company's objectives and is responsible for setting investment and gearing limits within which the Lead Manager has discretion to act, and thus supervises the management of the investment portfolio which is contractually delegated to the Manager. The Board has responsibility for the approval of any unlisted investments.

## Division of Board Responsibilities

As an externally managed investment trust company, there are no executive Directors; all Directors are non-executive. The Chairman is responsible for the leadership and management of the Board and promotes a culture of openness, challenge and debate. The Chairman sets the agenda for all Board meetings under a regular programme of items in conjunction with the Company Secretary.

The Board has a strong working relationship with the Manager, whose personnel, including the Lead Manager, attend and report to the Board at every meeting. Discussions at all levels are held in a constructive and supportive manner with appropriate challenge and strategic guidance and advice from the Board whenever necessary, consistent with the culture and values.

Until his appointment as Chairman following the conclusion of the AGM on 15 August 2025, Graham Oldroyd was the Senior Independent Director. From this date, Bulbul Barrett then became the Senior Independent Director and she acts as an experienced sounding board for the Chairman and an intermediary for other Directors and shareholders. She also leads the annual evaluation of the Chairman.

In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information. Directors are able to seek independent professional advice at the Company's expense in relation to their duties. No such advice was taken during the year under review.

All Directors are considered by the Board to be independent of the Company's Manager and the Board believes that each Director is independent in character and judgement and that they perform their duties at all times in an independent manner and that there are no relationships or circumstances which are likely to affect the judgement of any Director.

## Composition and Succession

The Report of the Nomination Committee sets out on page 64 its role and key responsibilities. The composition of the Board and Committee members is set out in the Directors' details on pages 48 and 49. The Company's diversity and tenure policy is set out on page 46.

## Board Evaluation and Effectiveness

Each year the Board undertakes an evaluation of the effectiveness of individual Directors, the Board and its Committees. The Board and Committee evaluation for the year under review was carried out by an independent third party, Lintstock Limited, which has no other connection with the Company or the Directors. The process included confidential unattributable questionnaires between the facilitator and each Director. The performance of the Chairman was included as part of the process and led separately by the Senior Independent Director. The findings of the evaluations were reviewed and discussed by the Board.

There were no significant issues arising from the evaluation process and it was agreed that the Board and its Committees were functioning effectively. All Directors make an effective contribution to the Board commensurate with their experience and skills.

### **Audit, Risk Management and Internal Control**

The Board has established an Audit and Management Engagement Committee, the report of which is set out on pages 60 to 63. The report includes the rationale for the Company not having established its own internal audit function; how the independence and effectiveness of the external auditor is assessed; and how the Board satisfies itself on the integrity of the Company's financial statements. The report covers the process under which the Board satisfied itself that the Annual Report and Financial Statements presents a fair, balanced and understandable assessment of the Company's position and prospects. There is an explanation of the procedures under which risk is managed and how the Board oversees the internal control framework and determines the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives. Further information on the Company's risk management and internal control framework can be found on pages 61 and 62.

### **Relations with Shareholders and Stakeholders**

The Company's stakeholders, and the engagement undertaken with them in the year under review, are set out on page 39.

### **Remuneration**

The Board's remuneration policy is explained on page 66. As non-executive Directors, fees are set at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the contribution towards the delivery of the investment objective. The Company has no executive Directors or employees. The fees paid to the Manager are charged at a competitive rate on the Company's net assets and are therefore aligned with the Company's purpose, its values, the successful delivery of its long-term strategy and the interests of its shareholders.

### **By order of the Board**

**Columbia Threadneedle Investment Business Limited**

**Company Secretary**

**25 June 2026**

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# Report of the Audit and Management Engagement Committee

## Role of the Committee

The primary responsibilities of the Committee are to ensure the integrity of the financial reporting and statements of the Company; to oversee the preparation and audit of the annual financial statements, the preparation of the half-yearly financial statements and the internal control and risk management framework; and to assess the performance of the Manager and review the fees charged. The Committee met on three occasions during the year with representatives from the Manager, including the trust accountant, Head of Investment Trusts, Operational Risk and the Lead Manager in attendance. A representative of the Company's independent auditor, BDO, attended the year end and half year meetings and met in private session with the Committee.

Specifically, the Committee considered, monitored and reviewed the following matters:

- The audited annual results statement and annual report and financial statements and the unaudited half-yearly report and financial statements, including advice to the Board as to whether the annual report and financial statements taken as a whole are fair, balanced and understandable;
- The accounting policies of the Company;
- The principal and emerging risks faced by the Company and the effectiveness of the Company's risk management and internal control environment, including consideration of the assumptions underlying the Board's 'Long-Term Viability: Five Year Horizon' statement;
- How the Company has applied the principles of and complied with the provisions of the AIC Code;
- The effectiveness of the external audit process and the current independence and objectivity of BDO;
- The appointment, remuneration and terms of engagement of the independent auditor;
- The policy on the engagement of the external auditor to supply non-audit services and approval of any such services;
- Whether to change the Company's current policy by establishing its own Internal Audit function;

- The ISAE/AAF Report from the Manager and similar controls reports from the Custodian and the Company's Registrar;
- The performance of the Company's third party service providers, other than the Manager, and the fees charged in respect of those services;
- The performance of the Manager and its fees; and
- The Committee's terms of reference for approval by the Board.

Comprehensive papers relating to each of these matters were prepared for discussion. These were debated by the Committee and any recommendations were fully considered if there was a judgement to be applied in arriving at conclusions. Recommendations were then made to the Board as appropriate.

The Board retains ultimate responsibility for all aspects relating to external financial statements and other significant published financial information as is noted in the Statement of Directors' Responsibilities on page 69. On broader control policy issues, the Committee has considered, and is satisfied with, the Code of Conduct and the Anti-Corruption Policy and Guidelines to which the Manager and its employees are subject. The Committee has also considered the Manager's Whistleblowing Policy, under which its directors and staff may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The necessary arrangements are in place for communication by the Manager to this Committee where matters might impact the Company with appropriate follow-up action. In the year under review there were no such concerns raised with the Committee.

## Composition of the Committee

The Board recognises the requirement for the Committee as a whole to have competence relevant to the sector in which the Company operates and for at least one member to have recent and relevant financial experience. All Directors of the Company are members of the Committee, including the Chairman of the Board. In accordance with the AIC Code and given the size of the

Board it is considered appropriate for the Chairman of the Board to be a member of the Committee. All Committee members are independent non-executive Directors. Nick Bannerman, Chairman of the Committee, is a Chartered Accountant. The other members of the Committee have a combination of financial, investment and business experience through the senior posts held throughout their careers and all have a wide experience of the investment trust sector. Details of the members can be found on pages 48 and 49 and the Committee's terms of reference can be found on the Company's website as shown on page 1.

### Management of Risk

The Manager's Operational Risk team provides regular control report updates to the Committee covering risk and compliance, while any significant issues of direct relevance to the Company are required to be reported to the Committee and Board without delay. During the year, the Committee also met with a representative of the Manager's internal audit function to discuss the outcome of its recent projects and planned activities within Columbia Threadneedle Investments.

A key risk summary is maintained by the Manager in consultation with the Board to identify the risks to which the Company is exposed, the controls in place and the actions being taken to mitigate them. The Committee and Board has a robust process for considering the resulting risk control assessment at its meetings and dynamically reviews the significance of the risks and the reasons for any changes.

The Company's principal and emerging risks are set out on page 42 with additional information given in note 23 to the financial statements. The Committee noted the robustness of the Board's review of principal risks, and the identification of emerging risks, and participated as Board members themselves. The integration of these risks into the analyses underpinning the 'Long-Term Viability: Five Year Horizon' Statement on page 43 was fully considered and the Committee concluded that the Board's statement was soundly based. The period of five years was also agreed as remaining appropriate for the reasons given in the viability statement.

### Risk Management and Internal Control

The Board has overall responsibility for the Company's system of risk management and internal control, for reviewing its effectiveness and ensuring that risk management and internal control processes are embedded in the daily operations which are managed by the Manager. The Committee has reviewed and reported to the Board on those controls, which aim to ensure that the assets of the Company are safeguarded, proper accounting records are maintained and the financial information used within

the business and for publication is reliable. Control of the risks identified, covering financial, operational, reporting, compliance and overall risk management, is exercised by the Committee and the Board through regular reports provided by the Manager. The reports cover investment performance, performance attribution, compliance with agreed and regulatory investment restrictions, financial analyses, revenue estimates, performance of the third-party administrator of the Manager's savings plans and other relevant management issues.

The system of risk management and internal control is designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement, or loss or fraud. Further to the review by the Committee, the Board has assessed the effectiveness of the Company's risk management and internal control framework.

The assessment included a review of the Manager's risk management infrastructure and Report on Internal Controls for the year to 30 September 2025 (the '**ISAE/AAF Report**'). The Committee also received confirmation from the Manager that, subsequent to this date, there had been no material changes to the control environment. The ISAE/AAF Report had been prepared by the Manager in accordance with ISAE No. 3402 and AAF 01/20. The ISAE/AAF Report from independent service auditor PricewaterhouseCoopers LLP (engaged by the Manager) sets out the Manager's control environment and client control considerations. The effectiveness of those controls is monitored by the Manager's Audit and Risk Committee, which received regular internal audit reports. Procedures are also in place to capture and evaluate any failings and weaknesses within the Manager's control environment and those extending to any outsourced service providers to ensure that action would be taken to remedy any significant issues. Any errors or breaches relating to the Company are reported at each Committee and Board meeting by the Manager, including those relating to the administration of its savings plans and related complaint levels. No failings or weaknesses material to the overall control environment and financial statements were identified in the year under review. The Committee also reviewed the internal control reports of the Custodian and the Registrar and were satisfied that there were no material exceptions.

Through the reviews and reporting arrangements set out and by direct enquiry of the Manager and other relevant parties, the Committee and the Board have satisfied themselves that there were no material control failures or exceptions affecting the Company's operations during the year under review nor to the date of this Report.

The Committee has reviewed the need for an internal audit function. Based on review, observation and enquiry, the Committee and the Board have concluded that the systems and procedures employed by the Manager provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investments and the Company's assets, is maintained. In addition, the Company's financial statements are audited by an external Auditor. An internal audit function, specific to the Company, is therefore considered unnecessary but this decision will be kept under review.

### External Audit Process and Significant Issues Considered by the Committee

In carrying out its responsibilities, the Committee has considered the planning arrangements, scope, materiality levels and conclusions of the external audit for the year under review. The table below describes the significant judgements and issues considered by the Committee in conjunction with BDO in relation to the financial statements for the year and how these issues were addressed. The Committee also included in their review the areas of judgements, estimates and assumptions referred to in note 2(c)(xiii) to the financial statements. Likewise, the Committee

reviewed the disclosure and description of Alternative Performance Measures provided on page 108 and is satisfied that the disclosure is fair and relevant. Procedures for investment valuation and existence and recognition of income were the main areas of audit focus and testing.

The Committee met in June 2026 to discuss the final draft of the Annual Report and Financial Statements, with representatives of BDO and the Manager in attendance. BDO submitted its year-end report and confirmed that it had no reason not to issue an unqualified audit report in respect of the Annual Report and Financial Statements. The Committee established that there were no material issues or findings arising which needed to be brought to the attention of the Board.

The Committee recognises the importance of continually improving non-financial reporting and the increased focus on the Strategic Report by investors and regulators. The Committee has carefully considered the disclosures made in the Annual Report and Financial Statements particularly in relation to the disclosures under section 172(1) of the Act including how wider stakeholder interests have been taken into account by the Directors while

### Significant Judgements and Issues considered by the Committee for the year ended 30 April 2026

Matter	Action
<b>Investment Portfolio Valuation</b>	
Although the Company's portfolio of investments is predominantly invested in listed securities quoted on recognised stock exchanges, errors in the valuation could have a material impact on the Company's NAV per share.	The Board periodically reviews the full portfolio valuation and receives quarterly monitoring and control reports from the Manager and Depositary. The Committee reviewed the Manager's ISAE/AAF Report on internal controls which is reported on by an independent external service Auditor. This report indicated that the relevant systems and controls surrounding daily pricing, cash and holdings reconciliations and security valuation had operated satisfactorily.
<b>Misappropriation of Assets</b>	
Misappropriation of the Company's investments or cash balances could have a material impact on its NAV per share.	The Committee reviewed the Manager's ISAE/AAF Report, as previously referred to, and the Custodian's semi-annual report on internal controls which are reported on by independent external service Auditors. Neither of these reports indicated any failures of controls over the existence and safe custody of the Company's investments and cash balances. The Company's Depositary reported quarterly on the safe custody of the Company's investments and the operation of controls over the movement of cash in settlement of investment transactions. Through these reports the Committee is satisfied that the assets remained protected throughout the year.
<b>Income Recognition</b>	
Incomplete controls over, or inaccurate recognition of, income could result in the Company misstating its revenue receipts and associated tax, with consequences for overall performance, payment of dividends to shareholders, and compliance with taxation rules.	The Committee's review of the Manager's ISAE/AAF Report, as previously referred to, indicated that there were no control failures in the year. The Committee reviewed and approved at the interim and annual accounts reporting meetings, any dividend receipts deemed to be capital (special) in nature by virtue of their payment out of investee company restructuring rather than ordinary business operations. In addition, the Committee reviewed that all special dividends had been correctly treated in accordance with the Company's accounting policy.

performing their duties. The Committee has also had regard to the non-financial reporting requirements in the Act, which is an area of reporting that continues to evolve.

Consequently, the Committee recommended to the Board that the Annual Report and Financial Statements were in its view, fair, balanced and understandable in accordance with accounting standards, regulatory requirements and best practice.

The Independent Auditor's report, which sets out the unqualified audit opinion, the scope of the audit and the areas of focus, in compliance with applicable auditing standards, can be found on pages 70 to 75.

### **Auditor Assessment, Independence and Re-appointment**

The Committee reviews the re-appointment of the auditor every year and has been satisfied with the effectiveness of BDO's performance on its audit of the Company's financial statements. BDO has confirmed that they are independent of the Company and have complied with relevant auditing standards. In evaluating BDO, the Committee has taken into consideration the skills and experience of the firm and of the audit team. From direct observation and enquiry of the Manager, the Committee is satisfied that BDO will continue to provide effective independent challenge in carrying out its responsibilities. Its fee was £51,810, excluding VAT (2025: £49,350).

Following an audit tender process in 2019, BDO was first appointed as Auditor for the year ended 30 April 2020. Following professional guidelines, the Senior statutory auditor responsible for the audit at BDO rotates at least every five years. David Reeves, the current senior statutory auditor was engaged for the first time during the year ended 30 April 2025, which was BDO's sixth year as Auditor. Accordingly, the year ended 30 April 2026 represents David Reeves' second year as the Senior statutory auditor and BDO's seventh year as Auditor. The Audit Committee also considered the evaluation of BDO's audit performance through the Audit Quality Review performed by the Financial Reporting Council.

On the basis of this assessment, the Audit Committee has recommended the re-appointment of BDO to the Board.

The Company has a duty to consider carefully the audit for value and effectiveness and, as part of its annual review, considers the need for putting the audit out to tender for reasons of quality, independence or value. The Company is required to carry out a tender every ten years with the next due no later than 2029.

The Committee confirms that the Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. This order relates to the frequency and governance of tenders for the appointment of the external auditor and the setting of the policy on the provision of non-audit services.

### **Non-audit Services**

The Committee regards the continued independence of the external auditor to be a matter of the highest priority. The Company's policy with regard to the provision of non-audit services by the external auditor ensures that no engagement will be permitted if:

- the provision of the services would contravene any regulation or ethical standard;
- the auditor is not considered to be an expert provider of the non-audit services;
- the provision of such services by the auditor creates a conflict of interest for either the Board or the Manager; and
- the services are considered to be likely to inhibit the auditor's independence or objectivity as auditor.

In particular, the Committee has a policy that the accumulated costs of all non-audit services sought from the auditor in any one year should not exceed 30% of the likely audit fees for that year and not exceed 70% of the average paid over the last three years. There were no non-audit services for the year ended 30 April 2026.

### **Committee Evaluation**

The activities of the Committee were considered as part of the Board evaluation process as noted on pages 58 and 59. The evaluation found that the Committee continued to function well, with an appropriate balance of skills and experience.

**Nick Bannerman**  
**Audit and Management Engagement Committee Chairman**  
**25 June 2026**

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# Report of the Nomination Committee

## Role of the Committee

The primary role of the Nomination Committee is to review and make recommendations with regard to Board structure, size and composition. It takes into account the ongoing requirements of the Company and the need to have a balance of knowledge, experience, skill ranges, diversity (which may include gender, race, ethnicity, religion, sexual orientation, age, physical ability, educational, professional and socio-economic background), independence and knowledge of the Company within the Board and carefully considers succession planning and tenure policy. All of the Committee's responsibilities have been carried out in the year under review and to date.

The Committee met on one occasion during the year and specifically considered, monitored and reviewed the following matters:

- the structure and size of the Board and its composition particularly in terms of succession planning and the experience and skills of the individual Directors and diversity across the Board as a whole;
- tenure policy;
- the election/re-election of those Directors standing for election/re-election at the annual general meeting;
- the chairmanship of the Company;
- the attendance and time commitment of the Directors in fulfilling their duties, including the extent of their other directorships;
- each Director's independence; and
- the authorisation of each Director's situational conflicts of interests in accordance with the provisions of the Act and the policy and procedures established by the Board in relation to these provisions.

## Composition of the Committee

As the Board has no executive directors or employees and is comprised entirely of independent non-executive directors, all Directors are members of the Committee. Anja Balfour was the Chairman of the Committee until her retirement following the conclusion of the AGM on 15 August 2025. Graham Oldroyd then became Chairman of the Committee. The terms of reference of the Committee can be found on the Company's website.

## Diversity and Tenure

The Board's policy on diversity and inclusion, including the diversity targets set out in the UK Listing Rules, is set out on page 46. Director searches are undertaken in accordance with this objective and policy with the recruitment process open to a diverse range of candidates.

The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company or, indeed, its chairman. This is because continuity and experience can add significantly to the strength of investment trust company boards where the characteristics and relationships tend to differ from those of other companies. The Board is committed to maintaining the highest levels of corporate governance in terms of independence and would expect that the Chairman and Directors will serve for no more than a nine-year term, but this may be adjusted for reasons of flexibility and continuity. Currently none of the Directors have served beyond nine years.

## Appointments and Succession Planning

Appointments of all new non-executive Directors are made on a formal basis, using professional search consultants as appropriate, with the Nomination Committee agreeing the selection criteria and the method of recruitment, selection and appointment.

A succession plan, to allow for the retirement of the longer serving Directors, had been in progress over the last few years. The emphasis was on ensuring the highest level of skills, knowledge and experience of the Board and when recruiting new Directors consideration was given to the current skills and experience of the Board and the remaining tenure of each Director. This assisted in identifying the desired attributes of the new Director and ensured that the Board continued to comprise individuals with appropriate and complementary skills and experience and continuity. The composition of the Board and future succession continue to be reviewed and monitored at least annually.

Having served on the Board since 1 June 2015, Anja Balfour retired following the conclusion of the Company's AGM held on 15 August 2025.

### **Committee evaluation**

The activities of the Nomination Committee were considered as part of the Board evaluation process as reported on pages 58 and 59.

**Graham Oldroyd**  
**Nomination Committee Chairman**  
**25 June 2026**

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# Directors' Remuneration Report

## Directors' Remuneration Policy

The Board's policy is to set Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective. Time committed to the Company's business and the specific responsibilities of the Chairman, Senior Independent Director, Chairman of the Audit and Management Engagement Committee and the Directors and their retention are taken into account. The policy aims to be fair and reasonable in relation to comparable investment trust companies. This includes provision for the Company's reimbursement of all reasonable travel and associated expenses incurred by the Directors in attending Board and committee meetings, including those treated as a benefit in kind subject to tax and national insurance. This policy was last approved by shareholders at the Company's annual general meeting held on 15 August 2025 when 88.97% of the total votes received were cast in favour of the resolution and 11.03% were against. The Board has not subsequently received any views from shareholders in respect of the level of Directors' remuneration. The Board seeks approval of the policy annually and it will therefore be put to shareholders for approval at the forthcoming AGM (**Resolution 2**).

The Company's articles of association limit the aggregate fees payable to the Board to a total of £300,000 per annum. Within that limit, it is the responsibility of the Board as a whole to determine and approve the Directors' fees, following a recommendation from the Chairman and, in his case, from the Senior Independent Director. The fees are fixed and are payable in cash, quarterly in arrears. Directors are not eligible for bonuses, pension benefits, share options or long-term incentive schemes or other benefits. The Directors' fees are reviewed annually and have been increased with effect from 1 May 2026 to the levels shown in the table on the next page.

The Board is composed solely of non-executive Directors, none of whom has a service contract with the Company, and therefore no remuneration committee has been appointed. Each Director has signed a terms of appointment letter with the Company, in each case including one month's notice of termination by either party. There is no provision for compensation for loss of office.

The letters of appointment are available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Annual General Meeting. The Company also maintains Directors' and officers' liability insurance.

The dates on which each Director was appointed to the Board are set out under their biographies on pages 48 and 49. Under the terms of their respective letters of appointment, each Director is subject to election at the first annual general meeting following their appointment and thereafter will continue subject to re-election at each subsequent annual general meeting in accordance with the provisions of the AIC Code. All the Directors were last elected or re-elected at the annual general meeting held on 15 August 2025 and will stand for re-election at the AGM to be held on 15 September 2026. Anja Balfour retired as a Director with effect from the conclusion of the Company's AGM held on 15 August 2025.

## Annual Statement

As Chairman of the Board, I confirm that effective 1 May 2025, for the year to 30 April 2026, the amounts paid to Directors increased by £2,000 per annum for the Chairman, by £1,500 per annum for the Audit and Management Engagement Committee Chairman and by £1,000 per annum for each of the other Directors.

## Future Policy Table

Following a review of the level of Directors' fees for the year to 30 April 2027, the Board concluded that the amounts paid to Directors would increase by £1,500 per annum for the Chairman, by £1,300 per annum for the Audit and Management Engagement Committee Chairman and by £1,500 per annum for the other Directors.

Based on this, Directors' fees for specific responsibilities for the financial year to 30 April 2027 are set out in the following table. No additional fees are payable for membership of the Nomination Committee.

### Annual fees for Board Responsibilities

Year ended 30 April	2027 £'s	2026 £'s	2025 £'s
Chairman of the Board	54,000	52,500	50,500
Chairman of the Audit and Management Engagement Committee	43,300	42,000	40,500
Senior Independent Director	36,000	34,500	33,500
Director	34,500	33,000	32,000

\* The Senior Independent Director is paid an additional £1,500 per annum.

### Annual Percentage Change

The following table sets out the annual percentage change in Directors' fees for each Director who served in the financial year under review:

#### Annual Percentage Change in Directors' Remuneration for the years to 30 April

Directors' Name	2026	2025	2024	2023	2022
Anja Balfour <sup>(1)/(6)</sup>	-69.7	15.0	-7.6	4.4	3.4
Nick Bannerman <sup>(2)</sup>	10.2	22.9	3.3	7.1	4.0
Bulbul Barrett <sup>(3)</sup>	6.6	146.2	n/a	n/a	n/a
Randeep Grewal <sup>(3)</sup>	3.1	146.2	n/a	n/a	n/a
Zoe King <sup>(4)</sup>	166.1	n/a	n/a	n/a	n/a
Graham Oldroyd <sup>(5)/(6)</sup>	42.9	-8.3	20.3	7.1	4.0

(1) Retired as Chairman of the Board with effect from 15 August 2025

(2) Appointed as Chairman of the Audit and Management Engagement Committee on 13 August 2024

(3) Appointed to the Board on 1 December 2023 and as Senior Independent Director on 15 August 2025

(4) Appointed to the Board on 12 December 2024

(5) Appointed as Chairman on 15 August 2025

(6) From 8 November 2023 until 18 February 2024, Graham Oldroyd was the interim chairman in place of Anja Balfour.

### Directors' Interests in the Company

There is no requirement in the Company's Articles of Association for the Directors to hold shares in the Company. The beneficial shareholdings of the Directors who held office at the year end are as follows:

#### Directors' share interests (audited)

Year ended 30 April	2026	2025
Graham Oldroyd	55,057	54,409
Nick Bannerman	34,000	34,000
Bulbul Barrett	12,830	12,616
Randeep Grewal	6,213	6,213
Zoe King	30,000	30,000
<b>Total</b>	<b>138,100</b>	<b>137,238</b>

As at the latest practical date before the publication of this report, there have been no changes to the Directors' shareholdings. The Directors have no other share interests or share options in the Company.

### Policy Implementation

The Directors' Remuneration Report is subject to an annual advisory vote and therefore an ordinary resolution for its approval will be put to shareholders at the forthcoming AGM. At the AGM held on 15 August 2025, shareholders approved the Remuneration Report in respect of the year ended 30 April 2025, with 89.86% of the votes cast in favour of the resolution and 10.14% against.

### Relative Importance of Spend on Pay

The table below is shown to enable shareholders to assess the relative expenditure on Directors' remuneration, excluding taxable benefits, compared to the shareholder distributions of dividends and share buy-backs.

#### Actual expenditure

Year ended 30 April	2026 £'000s	2025 £'000s	% Change
Aggregate Directors' Remuneration	204.7	210.0	(2.5)
Aggregate Dividends paid to shareholders	13,177.0	13,536.0	(2.7)
Aggregate cost of ordinary shares repurchased	50,336.0	77,132.0	(34.7)

## Directors' Emoluments for the Year

The Directors who served during the year received the following amounts for services as non-executive Directors as well as reimbursement for expenses necessarily incurred:

### Fees for services to the Company

Year ended 30 April	Fees £'000s (audited)		Taxable Benefits <sup>(1)</sup> £'000s (audited)		Total £'000s (audited)		Anticipated fees <sup>(2)</sup> £'000s
	2026	2025	2026	2025	2026	2025	
<b>Director</b>							
Graham Oldroyd <sup>(3)</sup>	47.3	33.1	0.5	0.7	47.8	33.8	54.0
Anja Balfour <sup>(4)</sup>	15.3	50.5	2.1	4.0	17.4	54.5	n/a
Nick Bannerman	42.0	38.1	3.6	4.8	45.6	42.9	43.3
Bulbul Barrett	34.1	32.0	1.7	0.5	35.8	32.5	36.0
Jo Dixon <sup>(5)</sup>	n/a	11.9	n/a	0.0	n/a	11.9	n/a
Randeep Grewal	33.0	32.0	0.3	0.5	33.3	32.5	34.5
Zoe King <sup>(6)</sup>	33.0	12.4	0.3	0.0	33.3	12.4	34.5
<b>Total</b>	<b>204.7</b>	<b>210.0</b>	<b>8.5</b>	<b>10.5</b>	<b>213.2</b>	<b>220.5</b>	<b>202.3</b>

(1) Comprises amounts reimbursed for expenses incurred in carrying out business for the Company, which have been grossed up to include PAYE and NI contributions.

(2) Fees expected to be paid to the Directors during the year ended 30 April 2027. Taxable benefits are also anticipated but are not currently quantifiable.

(3) Highest paid Director.

(4) Retired from the Board on 15 August 2025.

(5) Retired from the Board on 13 August 2024.

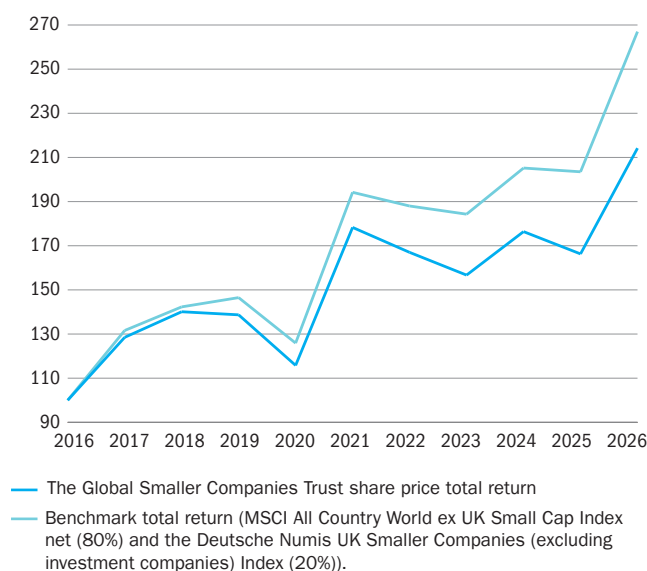
(6) Appointed to the Board on 12 December 2024.

The information in the table above for the years ended 30 April 2026 and 2025 has been audited. The amounts paid by the Company to the Directors were for services as non-executive Directors.

### Company performance

A graph showing the Company's share price total return compared with the return on its Benchmark over the required ten year period is set out. From 1 May 2023, the weighting in the Benchmark calculation has been adjusted, making the new Benchmark: 20% Deutsche Numis UK Smaller Companies (excluding investment companies) Index and 80% MSCI All Country World ex UK Small Cap Index. The calculation of the MSCI index returns is now measured on a net of tax basis.

#### Shareholder total return vs Benchmark total return over ten years



Source: State Street

**On behalf of the Board**

**Graham Oldroyd**

**Chairman**

**25 June 2026**

# Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and 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 financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. Further details can be found in note 2 to the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report,

Directors' Remuneration Report and Statement on Corporate Governance that comply with that law and those regulations.

The Annual Report and Financial Statements is published on the Company's website, as shown on page 1, which is maintained by the Manager. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The Directors are responsible for the maintenance and integrity of the corporate and financial information that is published on the website. The work undertaken by the auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed in the Directors' Report, confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and return of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- in the opinion of the Directors the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

**On behalf of the Board**  
**Graham Oldroyd**  
**Chairman**  
**25 June 2026**

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# Independent Auditor's Report to the members of The Global Smaller Companies Trust PLC

## Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2026 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Global Smaller Companies Trust plc (the '**Company**') for the year ended 30 April 2026 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, **The Financial Reporting Standard applicable in the UK and Republic of Ireland** (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Evaluating the sensitivity analysis applied by the Directors in their going concern assessment including the impact of a significant reduction in the fair value of investments;
- Assessing the appropriateness of the Directors' assumptions and judgements made in their base case and stress tested forecasts including consideration of the available cash and liquid assets relative to forecast expenditure and other commitments;
- Challenging the Directors' assumptions and judgements made in their forecasts by performing an independent analysis of the liquidity of the portfolio; and
- Reviewing the disclosures in the financial statements relating to going concern to assess whether they are consistent with the Company's circumstances.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview		2026	2025
<b>Key audit matters</b>	Valuation and ownership of quoted investments	✓	✓
	Income recognition – Dividend income from investments	✓	✓
<b>Materiality</b>	<b>Company financial statements as a whole</b> £8.2m (2025: £7.4m) based on 1% (2025: 1%) of net assets		

### An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, the applicable financial reporting framework and the system of internal control. We identified and assessed the risks of material misstatement of the financial statements. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risk of material misstatement to the financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the risk of material misstatement to an acceptable level, to provide a basis for our opinion.

### Key audit matters

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

Key audit matter	How the scope of our audit addressed the key audit matter
<p><b>Valuation and ownership of quoted investments (Note 2(c)(ii) and 10 to the financial statements)</b></p> <p>The investment portfolio at the year-end comprises of quoted equity investments held at fair value through profit or loss.</p> <p>We considered the valuation and ownership of investments to be a significant audit area, as investments represent the most significant balance in the financial statements and underpins the principal activity of the Company.</p> <p>While we do not consider the valuation of quoted investments to involve a significant degree of estimation or judgement, there is a risk that the prices used for the quoted investments held by the Company may not reflect their fair value at the year end.</p> <p>Additionally, in relation to ownership and recording, there is a risk of error in the recording of quoted investment holdings which could result in the incorrect recognition of investments by the Company.</p> <p>For these reasons, and due to the materiality of the balance in the context of the financial statements as a whole, we consider this to be a Key Audit Matter.</p>	<p>We responded to this matter by testing the valuation and ownership of 100% of the quoted investments by performing the following procedures:</p> <ul style="list-style-type: none"> <li>• Checked that the year-end bid price has been used by agreeing to externally quoted prices;</li> <li>• Recalculated the valuation by multiplying the number of shares held (as per the statement independently obtained from the custodian), by the price per share;</li> <li>• Assessed whether there were any contra indicators, such as liquidity considerations, that could suggest the bid price was not the most appropriate measure of fair value by considering the realisation period for individual holdings; and</li> <li>• Obtained direct confirmation of the number of equity shares held from the custodian.</li> </ul> <p><b>Key observations:</b></p> <p>Based on our procedures performed, we did not identify any matters to suggest that the valuation and ownership of the quoted investments were not appropriate.</p>
<p><b>Income recognition – Dividend income from investments (Note 2(c)(v) and 3 to the financial statements)</b></p> <p>Income is a key indicator of performance of the Company. A significant portion of the Company's income relates to dividend income from investments.</p> <p>Judgement may be required by management in determining the allocation of dividend income to revenue or capital for certain corporate actions or special dividends.</p> <p>Taking the above into account, there may be an incentive to recognise dividend income as revenue where it is more appropriately of a capital nature.</p> <p>For this reason, we considered income recognition – dividend income from investments to be a Key Audit Matter.</p>	<p>We responded to this matter by considering corporate actions and special dividends identified and challenged whether these had been appropriately accounted for as revenue or capital by discussing with management and reviewing the underlying supporting documentation for the issue of the dividend and whether it could be driven by a capital event.</p> <p>We analysed the population of dividend receipts to identify any unusual items that could indicate a capital distribution, for example where a dividend represents a particularly high yield. In these instances, we performed a combination of enquiry of management and our own independent research, including inspection of financial statements and dividend announcements of investee companies, to ascertain whether the underlying event may be of a capital nature.</p> <p><b>Key observations:</b></p> <p>Based on our procedures performed, we did not identify any matters to suggest that the income recognition for dividend income from investments was not appropriate.</p>

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be 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.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower

materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company financial statements	2026 (£m)	2025 (£m)
Materiality	8.2	7.4
Basis for determining materiality	1% of Net assets	
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	6.1	5.5
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

## Specific materiality

We also determined that for Revenue return before taxation, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined materiality for these items to be £709,000 (2025: £721,000), based on 5% of 'Revenue return before taxation' (2025: 5% of 'Revenue return before taxation').

## Reporting threshold

We agreed with the Audit and Management Engagement Committee that we would report to them individual audit differences in excess of £410,000 (2025: £368,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

## Other information

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

We have nothing to report in this regard.

## Corporate governance statement

The UK Listing Rules requires us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

<b>Going concern and longer-term viability</b>	<ul style="list-style-type: none"> <li>The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 51;</li> <li>The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 43; and</li> <li>The Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities set out on page 43.</li> </ul>
<b>Other Code provisions</b>	<ul style="list-style-type: none"> <li>Directors' statement on fair, balanced and understandable set out on page 63;</li> <li>Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 42;</li> <li>The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 61; and</li> <li>The section describing the work of the audit committee set out on page 60.</li> </ul>

## Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

<b>Strategic report and Directors' report</b>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> <li>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</li> <li>the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.</li> </ul> <p>In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.</p>
<b>Directors' remuneration</b>	<p>In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.</p>
<b>Corporate governance statement</b>	<p>In our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.</p> <p>In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in this information.</p> <p>In our opinion, based on the work undertaken in the course of the audit, the information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees comply with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.</p> <p>We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company.</p>
<b>Matters on which we are required to report by exception</b>	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or</li> <li>the 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</li> <li>certain disclosures of Directors' remuneration specified by law are not made; or</li> <li>we have not received all the information and explanations we require for our audit.</li> </ul>

## Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

## Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the Investment Manager and those charged with governance; and

- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Companies Act 2006, the FCA's UK Listing and Disclosure Guidance and Transparency Rules, the principles of the AIC Corporate Governance Code, industry practice represented by the AIC SORP the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of the Administrator and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust status.

## Fraud

We assessed the susceptibility of the financial statements to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Administrator and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls and classification of dividend income from investments.

In addressing the risk of management override of control and the classification of the dividend income, we:

- Considered the opportunity and incentive to manipulate accounting entries and assessed the appropriateness of any post-closing adjustments made in the period end financial reporting process;

- Performed the procedures set out in the Key Audit Matter section above on the classification of the dividend income;
- Performed a review of estimates and judgements applied by the Directors in the financial statements to assess their appropriateness and the existence of any systematic bias; and
- Reviewed for significant transactions outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Other matters which we are required to address

We were first appointed by the Shareholders at the Annual General Meeting on 25 July 2019 to audit the financial statements for the year ended 30 April 2020. Our total uninterrupted period of engagement is seven years, covering the years ended 30 April 2020 to 30 April 2026.

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

### Use of our report

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

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R - 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

**David Reeves (Senior Statutory Auditor)**  
**For and on behalf of BDO LLP, Statutory Auditor**  
**London, UK**  
**25 June 2026**

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

# Income Statement

Notes	For the year ended 30 April 2026			For the year ended 30 April 2025			
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	
10	Gains/(losses) on investments	-	137,483	137,483	-	(53,702)	(53,702)
21	Foreign exchange (losses)/gains	(65)	328	263	(56)	431	375
3	Income	16,414	249	16,663	17,031	1,660	18,691
4	Management fee	(1,018)	(3,054)	(4,072)	(1,046)	(3,138)	(4,184)
5	Other expenses	(1,158)	(18)	(1,176)	(1,168)	(40)	(1,208)
	Net return before finance costs and taxation	14,173	134,988	149,161	14,761	(54,789)	(40,028)
6	Finance costs	(345)	(1,034)	(1,379)	(378)	(1,133)	(1,511)
	Net return on ordinary activities before taxation	13,828	133,954	147,782	14,383	(55,922)	(41,539)
7	Taxation on ordinary activities	(1,025)	-	(1,025)	(1,040)	-	(1,040)
	<b>Net return attributable to equity shareholders</b>	<b>12,803</b>	<b>133,954</b>	<b>146,757</b>	<b>13,343</b>	<b>(55,922)</b>	<b>(42,579)</b>
8	<b>Return per share (basic and diluted) – pence</b>	<b>2.95</b>	<b>30.88</b>	<b>33.83</b>	<b>2.84</b>	<b>(11.90)</b>	<b>(9.06)</b>

The total column of this statement is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations.

A statement of total comprehensive income is not required as all income and expenses of the Company have been reflected in the above statement.

The notes on pages 80 to 96 form an integral part of the financial statements.

# Statement of Changes in Equity

## for the year ended 30 April 2026

Notes	Share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
Balance at 30 April 2025	15,513	212,639	16,158	-	472,553	19,952	736,815
Movements during the year ended 30 April 2026							
Cancellation of Share premium account and transfer to Distributable reserve	-	(212,639)	-	212,639	-	-	-
Cancellation of Capital redemption reserve and transfer to Distributable reserve	-	-	(16,158)	16,158	-	-	-
9 Dividends paid	-	-	-	-	-	(13,177)	(13,177)
15 Shares repurchased by the Company and held in treasury	-	-	-	-	(50,336)	-	(50,336)
Net return attributable to equity shareholders	-	-	-	-	133,954	12,803	146,757
<b>Balance at 30 April 2026</b>	<b>15,513</b>	<b>-</b>	<b>-</b>	<b>228,797</b>	<b>556,171</b>	<b>19,578</b>	<b>820,059</b>

## for the year ended 30 April 2025

Notes	Share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
Balance at 30 April 2024	15,513	212,639	16,158	605,607	20,145	870,062
Movements during the year ended 30 April 2025						
9 Dividends paid	-	-	-	-	(13,536)	(13,536)
Shares repurchased by the Company and held in treasury	-	-	-	(77,132)	-	(77,132)
Net return attributable to equity shareholders	-	-	-	(55,922)	13,343	(42,579)
<b>Balance at 30 April 2025</b>	<b>15,513</b>	<b>212,639</b>	<b>16,158</b>	<b>472,553</b>	<b>19,952</b>	<b>736,815</b>

The notes on pages 80 to 96 form an integral part of the financial statements.

# Balance Sheet

Notes	At 30 April 2026 £'000s	At 30 April 2025 £'000s
	<b>Fixed assets</b>	
10	<b>839,649</b>	774,733
	<b>Current assets</b>	
11	<b>13,732</b>	3,685
21	<b>19,238</b>	12,490
	<b>32,970</b>	16,175
	<b>Creditors: amounts falling due within one year</b>	
12,21	<b>(15,700)</b>	(16,050)
13	<b>(1,860)</b>	(3,043)
	<b>(17,560)</b>	(19,093)
	<b>Net current assets/(liabilities)</b>	
	<b>15,410</b>	(2,918)
	<b>Total assets less current liabilities</b>	
	<b>855,059</b>	771,815
	<b>Creditors: amounts falling due after more than one year</b>	
14,21	<b>(35,000)</b>	(35,000)
	<b>820,059</b>	736,815
	<b>Capital and reserves</b>	
15	<b>15,513</b>	15,513
16	-	212,639
17	-	16,158
18	<b>228,797</b>	-
18	<b>556,171</b>	472,553
18	<b>19,578</b>	19,952
	<b>820,059</b>	736,815
19	<b>196.01</b>	164.67

The notes on pages 80 to 96 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 25 June 2026 and signed on its behalf by

**Graham Oldroyd, Chairman**

# Statement of Cash Flows

Notes	For the year ended 30 April 2026 £'000s	For the year ended 30 April 2025 £'000s
20 <b>Cash flows used in operating activities before dividends received and interest paid</b>	<b>(6,853)</b>	(6,500)
Dividends received	15,941	18,262
Interest received	411	349
Interest paid	<b>(1,367)</b>	(1,516)
<b>Cash inflows from operating activities</b>	<b>8,132</b>	10,595
<b>Investing activities</b>		
Purchases of investments	<b>(256,632)</b>	(310,330)
Sales of investments	<b>318,300</b>	393,096
<b>Cash inflows from investing activities</b>	<b>61,668</b>	82,766
	<b>69,800</b>	93,361
<b>Financing activities</b>		
Ordinary dividends paid	<b>(13,177)</b>	(13,536)
Cash paid for share buy-backs into treasury	<b>(49,788)</b>	(78,318)
<b>Cash outflows from financing activities</b>	<b>(62,965)</b>	(91,854)
21 Net movement in cash at bank and in hand	<b>6,835</b>	1,507
Cash at bank and in hand at the beginning of the year	<b>12,490</b>	11,021
21 Effect of movement in foreign exchange	<b>(87)</b>	(38)
<b>Cash at bank and in hand at the end of the year</b>	<b>19,238</b>	12,490
Represented by:		
Cash at bank	<b>4,833</b>	3,740
Short-term deposits less than 3 months	<b>14,405</b>	8,750
<b>Cash at bank and in hand at the end of the year</b>	<b>19,238</b>	12,490

The notes on pages 80 to 96 form an integral part of the financial statements.

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# Notes to the Financial Statements

## 1. General information

The Global Smaller Companies Trust PLC is a public company limited by shares incorporated in England and Wales, listed on the London Stock Exchange. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. The Company registration number is 28264 and the registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AG, England.

The Company has conducted its affairs so as to qualify as an investment trust under the provisions of Section 1158 of the Corporation Tax Act 2010. Approval of the Company under Section 1158 has been received. The Company intends to conduct its affairs so as to enable it to continue to comply with the requirements. Such approval exempts the Company from UK Corporation Tax on gains realised in the relevant year on its portfolio of fixed asset investments.

There have been no significant changes to the Company's accounting policies during the year ended 30 April 2026, as set out in note 2 below.

## 2. Significant accounting policies

### (a) Going concern

The Company's investment objective, strategy and policy are subject to a process of regular Board monitoring and are designed to ensure that the Company is invested mainly in readily realisable, listed securities and that the level of borrowings is restricted. The Company retains title to all assets held by the Custodian and agreements cover its borrowing facilities. Cash is held with banks approved and regularly reviewed by the Manager.

The Directors believe that: the Company's objective and policy continue to be relevant to investors; the Company operates within a robust regulatory environment; and the Company has sufficient resources to continue operating within its stated policy for the 12 month period commencing from the date of this report. Accordingly, the financial statements have been drawn up on the basis that the Company is a going concern for the reasons set out above as well as on pages 42 and 43.

### (b) Basis of accounting

The financial statements of the Company have been prepared on a going concern basis under the historical cost convention, modified to include fixed asset investments at fair value, and in accordance with the Companies Act 2006, Financial Reporting Standard (FRS) 102 applicable in the United Kingdom and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP') issued in July 2022.

The functional and presentation currency of the Company is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

In accordance with the SORP, the Income Statement has been analysed between a revenue account (dealing with items of a revenue nature) and a capital account (relating to items of a capital nature). Revenue returns include, but are not limited to, dividend income and operating expenses and tax (insofar as the expenses and tax are not allocated to capital, as described in note 2(c) below). Net revenue returns are allocated via the revenue account to the revenue reserve, out of which interim and final dividend payments are made. Capital returns include, but are not limited to, realised and unrealised profits and losses on fixed asset investments and currency profits and losses on cash and borrowings. Following approval at the 2020 AGM, the Company's

Articles of Association no longer prohibit the distribution of realised capital profits by way of dividend. Such returns are allocated via the capital account to the capital reserves. Dividends paid to equity shareholders are shown in the Statement of Changes in Equity.

### (c) Principal accounting policies

The policies set out below have been applied consistently throughout the year.

#### (i) Financial instruments

Financial instruments include fixed asset investments, long-term and short-term debt instruments, cash and short-term deposits, debtors and creditors. Accounting standards recognise a hierarchy of fair value measurements for financial instruments measured at fair value on the Balance Sheet which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The classification of financial instruments depends on the lowest significant applicable input, as follows:

Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the Company can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

#### (ii) Fixed asset investments

As an investment trust, the Company measures its fixed asset investments at 'fair value through profit or loss' and treats all transactions on the realisation and revaluation of investments as transactions on the capital account. All purchases and sales are accounted for on a trade date basis.

Quoted investments are valued at bid value at the close of business on the relevant date on the exchange on which the investment is quoted. Investments which are not quoted or which are not frequently traded are stated at Directors' best estimate of fair value. In arriving at their estimate, the Directors make use of recognised valuation techniques and may take account of recent arm's length transactions in the same or similar investment instruments.

#### (iii) Debt instruments

Interest-bearing loans and overdrafts are recorded initially at the proceeds received, net of issue costs, irrespective of the duration of the instrument and measured at amortised cost. No debt instruments held during the year required hierarchical classification.

The fair value of the borrowings are set out in notes 12 and 14.

Finance charges, including interest, are accrued using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period. See (vi) on next page for allocation of finance charges within the Income Statement.

#### (iv) Foreign currency

Monetary assets, monetary liabilities and equity investments denominated in a foreign currency are expressed in sterling at rates of exchange ruling at the balance sheet date. Purchases and sales of investment securities, dividend income, interest income and expenses are translated at the rates of exchange prevailing at the respective dates of such transactions.

Foreign exchange profits and losses on fixed asset investments are included within the changes in fair value in the capital account. Foreign exchange profits and losses on other currency balances are separately credited or charged to the capital account except where they relate to revenue items when they are credited or charged to the revenue account.

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**(v) Income**

Income from equity shares is brought into the revenue account (except where, in the opinion of the Directors, its nature indicates it should be recognised within the capital account) on the ex-dividend date or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the investment.

Dividends are accounted for in accordance with FRS 102 on the basis of income actually receivable, without adjustment for any tax credit attaching to the dividends. Dividends from overseas companies are shown gross of withholding tax.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash (scrip dividends), the amount of the cash dividend foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in the capital account.

Underwriting commission is recognised when the Company's right to receive payment is established. Deposit interest is accounted for on an accruals basis.

**(vi) Expenses, including finance charges**

Expenses are charged to the revenue account of the Income Statement, except as noted below:

- expenses which are incidental to the acquisition or disposal of fixed asset investments are recognised immediately in the capital return of the income statement and are thus charged to capital reserve – arising on investments sold or held via the capital account;
- 75% of management fees and 75% of finance costs are allocated to capital reserve – arising on investments sold via the capital account, in accordance with the Board's long-term expected split of returns from the investment portfolio of the Company.
- all expenses are accounted for on an accruals basis.

**(vii) Taxation**

Taxation currently payable is calculated using tax rules and rates in force at the year end, based on taxable profit for the year, which differs from the net return before tax. Note 7(b) sets out those items which are not subject to UK Corporation Tax.

Deferred tax is provided on an undiscounted basis on all timing differences that have originated but not reversed by the balance sheet date, based on the tax rates that have been enacted at the balance sheet date and that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. 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, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

**(viii) Dividends payable**

Dividends are included in the financial statements on the date on which they are paid or, in the case of final dividends, when they are approved by shareholders.

**(ix) Share premium**

The surplus of net proceeds received from the issue of new ordinary shares over the nominal value of such shares, less any directly attributable costs in relation to that share issue, is credited to this account which is non-distributable. The nominal value of the shares issued is recognised in share capital.

Following a court cancellation process, the balance on the share premium account was cancelled and transferred to a new distributable reserve with effect from 4 December 2025.

**(x) Capital redemption reserve**

The nominal value of ordinary share capital purchased and cancelled is transferred out of called-up share capital and into the capital redemption reserve, which is a non-distributable reserve, on the trade date.

Following a court cancellation process, the balance on the capital redemption reserve was cancelled and transferred to a new distributable reserve with effect from 4 December 2025.

**(xi) Distributable reserve**

Created on 4 December 2025 from the Court cancellation of the share premium account and the capital redemption reserve. This may be used to fund dividends, the buy-back of shares and other returns of capital in accordance with applicable law.

**(xii) Capital reserves**

These are distributable reserves which may be utilised for the repurchase of share capital. Following approval at the 2020 AGM, the Company's Articles of Association no longer prohibit the distribution of realised capital profits by way of dividend.

**Capital reserve – arising on investments sold**

The following are accounted for in this reserve:

- 75% of management fees and finance costs as set out in note 2(c)(vi);
- gains and losses on the realisation of fixed asset investments and derivative financial instruments;
- foreign exchange differences of a capital nature;
- costs of professional advice, including related irrecoverable VAT, relating to the capital structure of the Company;
- other capital charges and credits charged or credited to this account in accordance with the above policies; and
- costs of purchasing ordinary share capital.

**Capital reserve – arising on investments held**

The following are accounted for in this reserve:

- increases and decreases in the valuation of fixed asset investments held at the year end.

**(xiii) Use of judgements, estimates and assumptions**

The presentation of the financial statements in accordance with accounting standards requires the Board to make judgements, estimates and assumptions that affect the accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on perceived risks, historical experience, expectations of plausible future events and other factors. Actual results may differ from these estimates.

The areas requiring the most significant judgement in the preparation of the financial statements are recognising and classifying unusual or special dividends received as either revenue or capital in nature.

There are no significant estimates used in preparation of these financial statements.

Dividends received which appear to be unusual in size or circumstance are assessed on a case-by-case basis, based on interpretation of the investee companies' relevant statements, in order to make a judgement to determine their allocation in accordance with the SORP to either the Revenue Account or Capital Reserves. Dividends which have clearly arisen out of the investee company's reconstruction or reorganisation are usually considered to be capital in nature and allocated to Capital Reserves. Investee company dividends which appear to be paid in excess of current year profits will still be considered as revenue in nature unless evidence suggests otherwise. The value of dividends received in the year treated as capital in nature, as disclosed in notes 3 and 18 to the financial statements, was not material in relation to capital reserves or the revenue account. The value of special dividends receivable in any period cannot be foreseen as such dividends are declared and paid by investee companies and funds without prior reference to the Company.

### 3. Income

	2026 £'000s	2025 £'000s
Income from investments		
Dividends from quoted investments	15,281	15,979
Special dividends <sup>(1)</sup>	349	298
	15,630	16,277
Other Income		
Management fee rebates from collective investment schemes	373	405
Interest on cash and short-term deposits	411	349
	784	754
Total income recognised as revenue	16,414	17,031
Special dividends recognised as capital <sup>(2)</sup>	249	1,660
Total income	16,663	18,691

(1) Special dividends classified as revenue in nature in accordance with note 2(c)(xiii).

(2) Special dividends classified as capital in nature in accordance with note 2(c)(xiii).

### 4. Management fees

	Revenue £'000s	Capital £'000s	2026 Total £'000s	Revenue £'000s	Capital £'000s	2025 Total £'000s
Management fee	1,018	3,054	4,072	1,046	3,138	4,184

The Manager, Columbia Threadneedle Investment Business Limited, provides investment management, marketing and general administrative services to the Company. With effect from 1 May 2023, net assets, after deduction of third party collective investment schemes, in excess of £750m are charged a management fee at a rate of 0.5% per annum and net assets less than £750m are charged at an amount equal to 0.55% per annum. Investments made by the Company in third party collective investment schemes are subject to a management fee, payable monthly in arrears to the Manager, of 0.275% per annum of the month end market value of those investments.

The management agreement may be terminated upon six months' notice given by either party.

75% of the management fee has been allocated to the capital reserve in accordance with accounting policies.

## 5. Other expenses

	2026 £'000s	2025 £'000s
Other revenue expenses		
Auditor's remuneration:		
Audit services <sup>(1)</sup>	55	56
Directors' fees for services to the Company <sup>(2)</sup>	205	210
Marketing	201	245
Printing and postage	107	111
Custody fees	51	47
Depository fees	86	95
Professional fees	64	27
Loan commitment and arrangement fees <sup>(3)</sup>	111	110
Sundry expenses	278	267
Total other revenue expenses	<b>1,158</b>	1,168
Capital expenses	18	40
Total other expenses	<b>1,176</b>	1,208

All expenses are stated gross of irrecoverable VAT, where applicable.

(1) Auditor's remuneration payable to BDO for the audit of the Company's financial statements, exclusive of VAT, amounts to £51,810 (2025: £49,350). No non-audit services were provided during the year (2025: none).

(2) See the Directors' Remuneration Report on page 66.

(3) Under a loan facility agreement (see note 12) the Company pays commitment fees on any undrawn portions of the facility.

## 6. Finance costs

	Revenue £'000s	Capital £'000s	2026 Total £'000s	Revenue £'000s	Capital £'000s	2025 Total £'000s
Loan interest	345	1,034	1,379	378	1,133	1,511

Finance costs have been allocated 75% to capital reserve in accordance with accounting policies.

## 7. Taxation on ordinary activities

### (a) Analysis of tax charge for the year

	Revenue £'000s	Capital £'000s	2026 Total £'000s	Revenue £'000s	Capital £'000s	2025 Total £'000s
Corporation tax payable at 25% (2025: 25%)	-	-	-	-	-	-
Overseas taxation	1,025	-	1,025	1,040	-	1,040
Total tax charge for the year (note 7(b)) on ordinary activities	<b>1,025</b>	-	<b>1,025</b>	1,040	-	1,040

The tax assessed is lower than the standard rate of Corporate Tax in the UK (2025: lower).

## (b) Factors affecting the current tax charge for the year

	Revenue £'000s	Capital £'000s	2026 Total £'000s	Revenue £'000s	Capital £'000s	2025 Total £'000s
Net return on ordinary activities before taxation	13,828	133,954	147,782	14,383	(55,922)	(41,539)
Return on ordinary activities multiplied by the standard rate of corporation tax of 25% (2025: 25%)	3,457	33,489	36,946	3,596	(13,981)	(10,385)
Effects of:						
Dividends*	(3,745)	-	(3,745)	(3,753)	-	(3,753)
Expenses not deductible for tax purposes	25	-	25	31	-	31
Overseas tax in excess of double taxation relief	1,025	-	1,025	1,040	-	1,040
Expenses not utilised in the year	263	1,026	1,289	126	1,078	1,204
Capital returns*	-	(34,515)	(34,515)	-	12,903	12,903
Total tax charge for the year (note 7(a))	1,025	-	1,025	1,040	-	1,040

\* The Company is not subject to corporation tax on capital gains or on dividend income. It therefore has unutilised expenses of £86.5m (2025: £81.4m). This results in a deferred tax asset of £21.6m (2025: £20.3m). This asset has not been recognised as the Directors believe it is unlikely that the Company will have sufficient taxable profits in future to utilise it. Of this amount £20.5m (2025: £19.5m) relates to revenue expenses and £66.0m (2025: £61.9m) to capital expenses.

## 8. Return per ordinary share

Earnings for the purpose of basic earnings per share is the profit/loss for the year attributable to ordinary shareholders and based on the following data.

	Revenue	Capital	2026 Total	Revenue	Capital	2025 Total
Net return attributable to equity shareholders – £'000s	12,803	133,954	146,757	13,343	(55,922)	(42,579)
Return per share – pence	2.95	30.88	33.83	2.84	(11.90)	(9.06)

Both the revenue and capital returns per share are based on a weighted average of 433,797,468 ordinary shares in issue during the year (2025: 469,806,386).

## 9. Dividends

Dividends on ordinary shares	Register date	Payment date	2026 £'000s	2025 £'000s
Final for the year ended 30 April 2024 of 2.13 pence	12 July 2024	20 August 2024	-	10,304
Interim for the year ended 30 April 2025 of 0.70 pence	27 December 2024	23 January 2025	-	3,232
Final for the year ended 30 April 2025 of 2.30 pence	11 July 2025	20 August 2025	10,193	-
Interim for the year ended 30 April 2026 of 0.70 pence	30 December 2025	29 January 2026	2,984	-
			13,177	13,536

The Directors have proposed a final dividend in respect of the year ended 30 April 2026 of 2.45 pence per share, payable on 18 September 2026 to all shareholders on the register at close of business on 7 August 2026. The recommended final dividend is subject to approval by shareholders at the Annual General Meeting.

The attributable revenue and the dividends paid and proposed in respect of the financial year ended 30 April 2026 for the purposes of the income retention test for Section 1159 of the Income and Corporation Tax Act 2010, are set out below:

	2026 £'000s
Revenue attributable to equity shareholders	12,803
Interim dividend for the year ended 30 April 2026 of 0.70 pence	(2,984)
Proposed final dividend for the year ended 30 April 2026 of 2.45 pence <sup>(1)</sup>	(10,148)
Amount transferred from revenue reserve for Section 1159 purposes <sup>(2)</sup>	(329)

(1) Based on 414,198,462 shares in issue at 22 June 2026.

(2) Represents minus 2.0% of total income recognised as revenue of £16,414,000 (see note 3).

## 10. Investments

	Level 1*	2026	Level 1*	2025
	£'000s	Total £'000s	£'000s	Total £'000s
Cost brought forward	665,736	665,736	717,268	717,268
Gains brought forward	108,997	108,997	193,230	193,230
Valuation brought forward	774,733	774,733	910,498	910,498
Movements in the year:				
Purchases at cost	255,307	255,307	307,819	307,819
Sales proceeds	(328,339)	(328,339)	(390,743)	(390,743)
Gains on investments sold in year	53,593	53,593	31,392	31,392
Gains/(losses) on investments held at year end	84,355	84,355	(84,233)	(84,233)
Fair value of investments at 30 April	839,649	839,649	774,733	774,733
Analysed at 30 April				
Cost at 30 April	646,297	646,297	665,736	665,736
Gains at 30 April	193,352	193,352	108,997	108,997
Fair value of investments at 30 April	839,649	839,649	774,733	774,733

Investments sold during the year have been revalued over time since their original purchase, and until they were sold any unrealised gains/losses were included in the fair value of the investments.

\* The hierarchy of investments is described in note 2(c)(i) and below. No investments held in 2026 or 2025 were valued in accordance with Level 2 or Level 3.

Level 1 includes investments listed on any recognised stock exchange or quoted on AIM in the UK.

Level 2 includes investments for which the quoted price has been suspended.

Level 3 includes unquoted investments, which are held at Directors' valuation.

A full list of investments is set out on pages 32 to 34.

### Gains/(losses) on investments

	2026	2025
	£'000s	£'000s
Gains on investments sold during the year	53,593	31,392
Gains/(losses) on investments held at year end	84,355	(84,233)
Transaction costs	(465)	(861)
Total gains/(losses) on investments	137,483	(53,702)

## 11. Debtors

	2026	2025
	£'000s	£'000s
Investment debtors	11,056	1,016
Overseas taxation recoverable	545	454
Prepayments and accrued income	2,131	2,215
	13,732	3,685

## 12. Creditors: amounts falling due within one year

<b>Bank loans</b>	<b>2026</b>	<b>2025</b>
<b>Non-instalment debt payable on demand or within one year</b>	<b>£'000s</b>	<b>£'000s</b>
EUR 6.8 million repayable May 2026	5,870	-
JPY 557.5 million repayable May 2026	2,618	-
USD 9.8 million repayable May 2026	7,212	-
EUR 6.8 million repayable May 2025	-	5,787
JPY 557.5 million repayable May 2025	-	2,926
USD 9.8 million repayable May 2025	-	7,337
	<b>15,700</b>	<b>16,050</b>

In September 2025 the Company renewed its £35m revolving credit facility with The Royal Bank of Scotland International Limited for a one year term to 12 September 2026. As at 30 April 2026 EUR 6.8m, JPY 557.5m and USD 9.8m were drawn down for the period to 13 May 2026. The interest rate on the amounts drawn down are based on the commercial terms agreed with the bank. Commitment fees are payable on undrawn amounts at commercial rates. The Directors consider that the carrying value of the loan is equivalent to its fair value. No overdraft was outstanding at the year end.

## 13. Creditors: amounts falling due within one year

	<b>2026</b>	<b>2025</b>
	<b>£'000s</b>	<b>£'000s</b>
Investment creditors	147	1,472
Interest accrued on bank loans	202	190
Share buy-backs outstanding	1,001	453
Management fee accrued	339	631
Accruals and deferred income	171	297
	<b>1,860</b>	<b>3,043</b>

## 14. Creditors: amounts falling due after more than one year

<b>Loan notes</b>	<b>2026</b>	<b>2025</b>
	<b>£'000s</b>	<b>£'000s</b>
Loan notes £35 million repayable August 2039	35,000	35,000

In August 2019 the Company issued fixed rate 2.26% senior unsecured notes of £35 million sterling denominated loan notes expiring in August 2039. The fair value of the long-term loan at 30 April 2026 was £23,372,000 (2025: £24,342,000).

## 15. Share capital

<b>Equity share capital</b>	<b>Shares held in treasury</b>	<b>Shares entitled to dividend</b>	<b>Total shares in issue</b>	<b>Issued and fully paid nominal</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>£'000s</b>
<b>Ordinary shares of 2.5p each</b>				
Balance at 30 April 2025	173,090,341	447,443,429	620,533,770	15,513
Shares repurchased by the Company and held in treasury	29,076,072	(29,076,072)	-	-
Balance at 30 April 2026	<b>202,166,413</b>	<b>418,367,357</b>	<b>620,533,770</b>	<b>15,513</b>

During the year, 29,076,072 ordinary shares of 2.5p each were repurchased and held in treasury, incurring a cost of £50,336,000. Since the year end, and up to 22 June 2026, a further 4,168,895 ordinary shares have been repurchased and held in treasury.

**16. Share premium account**

	2026 £'000s	2025 £'000s
Balance brought forward	212,639	212,639
Transfer to Distributable reserve	(212,639)	-
Balance carried forward	-	212,639

Following a Court cancellation process, the share premium account was cancelled and transferred to a new distributable reserve, effective 4 December 2025.

**17. Capital redemption reserve**

	2026 £'000s	2025 £'000s
Balance brought forward	16,158	16,158
Transfer to Distributable reserve	(16,158)	-
Balance carried forward	-	16,158

Following a Court cancellation process, the capital redemption reserve was cancelled and transferred to a new distributable reserve, effective 4 December 2025.

**18. Other reserves**

	Capital reserve arising on investments sold £'000s	Capital reserve arising on investments held £'000s	Capital reserves - total £'000s	Distributable reserve £'000s	Revenue reserve £'000s
Movements in the year					
Gains on investments sold in year (see note 10)	53,593	-	53,593	-	-
Gains on investments held at year end (see note 10)	-	84,355	84,355	-	-
Transaction costs	(465)	-	(465)	-	-
Dividends credited to capital	249	-	249	-	-
Foreign exchange gains	328	-	328	-	-
Repurchase of shares	(50,336)	-	(50,336)	-	-
Management fee charged to capital (see note 4)	(3,054)	-	(3,054)	-	-
Other expenses charged to capital (see note 5)	(18)	-	(18)	-	-
Finance costs charged to capital (see note 6)	(1,034)	-	(1,034)	-	-
Transfer from Share premium account	-	-	-	212,639	-
Transfer from Capital redemption reserve	-	-	-	16,158	-
Net revenue after tax for the year	-	-	-	-	12,803
Net return attributable to ordinary shareholders	(737)	84,355	83,618	228,797	12,803
Dividends paid in the year (see note 9)	-	-	-	-	(13,177)
	(737)	84,355	83,618	228,797	(374)
Balance brought forward	363,556	108,997	472,553	-	19,952
Balance carried forward	362,819	193,352	556,171	228,797	19,578

Included within the capital reserve movement for the year are £342,000 (2025: £708,000) of transaction costs on purchases of investments, £123,000 (2025: £153,000) of transaction costs on sales of investments and £249,000 (2025: £1,660,000) of distributions received recognised as capital.

## 19. Net asset value per ordinary share

	2026	2025
<b>Basic with debt at par value</b>		
Net assets attributable at the year end – £'000s	820,059	736,815
Number of ordinary shares in issue at the year end, excluding shares held in treasury	418,367,357	447,443,429
Net asset value per share – pence	196.01	164.67
	2026	2025
<b>Basic with debt at fair value</b>		
Net assets attributable at the year end – £'000s	820,059	736,815
Add back: Debt at par – £'000s	50,700	51,050
Deduct: Debt at fair value (see notes 12 and 14) – £'000s	(39,072)	(40,392)
Net assets with debt at fair value – £'000s	831,687	747,473
Number of ordinary shares in issue at the year end, excluding shares held in treasury	418,367,357	447,443,429
Net asset value per share – pence	198.79	167.05

## 20. Reconciliation of total return before finance costs and taxation to net cash flows from operating activities

	2026 £'000s	2025 £'000s
Net return on ordinary activities before taxation	147,782	(41,539)
Adjustments for returns from non-operating activities		
(Gains)/losses on investments	(137,483)	53,702
Foreign exchange gains	(263)	(375)
Non-operating expenses of a capital nature	18	40
Return from operating activities	10,054	11,828
Adjustments for non-cash flow items, dividend income and interest expense		
Increase in prepayments and accrued income	(28)	(35)
(Decrease)/increase in creditors	(415)	300
Dividend income	(15,879)	(17,937)
Interest income	(411)	(349)
Interest expense	1,378	1,511
Overseas taxation	(1,065)	(920)
Transaction costs	(465)	(861)
Other capital charges	(22)	(37)
Cash used in operating activities before dividends received and interest paid	(6,853)	(6,500)

## 21. Analysis of changes in net debt

	Cash £'000s	Bank loans £'000s	Loan notes £'000s	Total £'000s
Opening net debt at 30 April 2025	12,490	(16,050)	(35,000)	(38,560)
<b>Cash-flows:</b>				
Net movement in cash and cash equivalents	6,835	-	-	6,835
<b>Non-cash:</b>				
Effect of foreign exchange movements	(87)	350	-	263
Closing net debt at 30 April 2026	19,238	(15,700)	(35,000)	(31,462)

## 22. Related Parties and transactions with the Manager

The Board of Directors is defined as a related party. Under the FCA UK Listing Rules, the Manager is also defined as a related party. However, the existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under the AIC SORP, in accordance with which these financial statements are prepared, the Manager is not considered to be a related party for accounting purposes.

There are no transactions with the Board, who are the key management personnel of the Company, other than: aggregated remuneration for services as Directors as disclosed in the Remuneration Report on page 68, and as set out in note 5; and the beneficial interests of the Directors in the ordinary shares of the Company as disclosed on page 67. There are no outstanding balances with the Board at the year end.

During the financial year, Graham Oldroyd, who is the Chairman of the Company, was appointed as a non-executive director of Senior plc in which the Company had an investment which was valued at £1,788,000 at 30 April 2025. During the financial year this investment was sold.

There were no transactions with the Ameriprise Group other than those detailed in note 4 on management fees, note 10, where investments managed by Columbia Threadneedle Investments are disclosed and note 13, where accrued management fees are disclosed.

## 23. Financial Risk Management

The Company is an investment company, listed on the London Stock Exchange, and conducts its affairs so as to qualify in the United Kingdom (UK) as an investment trust under the provisions of Section 1158. In so qualifying, the Company is exempted in the UK from corporation tax on capital gains on its portfolio of fixed asset investments.

The Company invests in smaller companies worldwide in order to secure a high total return. In pursuing the objective, the Company is exposed to financial risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit. The Board, together with the Manager, is responsible for the Company's risk management. The Directors' policies and processes for managing the financial risks are set out in (a), (b) and (c) below.

The accounting policies which govern the reported Balance Sheet carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are set out in note 2 to the financial statements. The policies are in compliance with UK accounting standards and include the valuation of financial assets and liabilities at fair value, except as noted in (d) below. The Company does not make use of hedge accounting rules.

### (a) Market risks

The fair value of equity and other financial securities held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The Board sets policies for managing these risks within the Company's objective and meets regularly to review full, timely and relevant information on investment performance and financial results. The Manager assesses exposure to market risks when making each investment decision and monitors ongoing market risk within the portfolio.

The Company's other assets and liabilities may be denominated in currencies other than sterling and may also be exposed to interest rate risks. The Manager and the Board regularly monitor these risks. The Company aims to be fully invested, only holding cash to cater for short-term trading and business requirements. Borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Company's exposure to future changes in exchange rates. Gearing may be short or long-term, in sterling and foreign currencies, and enables the Company to take a long-term view of the countries and markets in which it is invested without having to be concerned about short-term volatility.

The Board regularly monitors the effects on net revenue of interest earned on deposits and paid on gearing.

## Currency Exposure

The principal currencies to which the Company was exposed, and the relevant exchange rates against sterling, are analysed below:

	2026		2025	
	At 30 April 2026	Average for the year	At 30 April 2025	Average for the year
US dollar	1.3589	1.3426	1.3357	1.2821
Euro	1.1584	1.1544	1.175	1.1902
Yen	212.9387	203.3629	190.5243	194.3236

Based on the financial assets and liabilities held and the exchange rates applying at the balance sheet date, a weakening or strengthening of sterling against each of the principal currencies by 10% would have the following approximate effect on returns attributable to equity shareholders and on the net asset value ('NAV') per share:

### Weakening of sterling by 10%

	2026			2025		
	US\$ £'000s	€ £'000s	Yen £'000s	US\$ £'000s	€ £'000s	Yen £'000s
Net revenue return attributable to equity shareholders	484	124	281	524	167	213
Net capital return attributable to equity shareholders	49,674	6,283	10,993	42,286	5,205	9,992
Net total return attributable to equity shareholders	50,158	6,407	11,274	42,810	5,372	10,205
Net asset value per share (basic) – pence	11.99	1.53	2.69	9.57	1.20	2.28

### Strengthening of sterling by 10%

	2026			2025		
	US\$ £'000s	€ £'000s	Yen £'000s	US\$ £'000s	€ £'000s	Yen £'000s
Net revenue return attributable to equity shareholders	(396)	(102)	(230)	(428)	(137)	(174)
Net capital return attributable to equity shareholders	(40,642)	(5,140)	(8,994)	(34,597)	(4,258)	(8,175)
Net total return attributable to equity shareholders	(41,038)	(5,242)	(9,224)	(35,025)	(4,395)	(8,349)
Net asset value per share (basic) – pence	(9.81)	(1.25)	(2.20)	(7.83)	(0.98)	(1.87)

These analyses are presented in sterling and are representative of the Company's activities although the level of the Company's exposure to currencies fluctuates in accordance with the investment and risk management processes. This level of change is considered to be a reasonable illustration based on observation of current market conditions.

The fair values of the Company's assets and liabilities at 30 April by currency are shown below:

2026	Short-term debtors £'000s	Cash at bank and short-term deposits £'000s	Short-term creditors £'000s	Loan notes £'000s	Unsecured Loans £'000s	Net monetary (liabilities)/ assets £'000s	Investments £'000s	Net exposure £'000s
Sterling	10,349	13,010	(1,712)	(35,000)	-	(13,353)	194,839	181,486
US dollar	2,838	1,453	-	-	(7,212)	(2,921)	449,988	447,067
Euro	545	3,826	-	-	(5,870)	(1,499)	58,042	56,543
Yen	-	949	(148)	-	(2,618)	(1,817)	100,756	98,939
Other	-	-	-	-	-	-	36,024	36,024
<b>Total</b>	<b>13,732</b>	<b>19,238</b>	<b>(1,860)</b>	<b>(35,000)</b>	<b>(15,700)</b>	<b>(19,590)</b>	<b>839,649</b>	<b>820,059</b>

2025	Short-term debtors £'000s	Cash at bank and short-term deposits £'000s	Short-term creditors £'000s	Loan notes £'000s	Unsecured Loans £'000s	Net monetary (liabilities)/ assets £'000s	Investments £'000s	Net exposure £'000s
Sterling	3,037	6,058	(2,741)	(35,000)	-	(28,646)	208,554	179,908
US dollar	-	2,808	-	-	(7,337)	(4,529)	385,099	380,570
Euro	648	2,693	-	-	(5,787)	(2,446)	49,288	46,842
Yen	-	931	(302)	-	(2,926)	(2,297)	92,222	89,925
Other	-	-	-	-	-	-	39,570	39,570
<b>Total</b>	<b>3,685</b>	<b>12,490</b>	<b>(3,043)</b>	<b>(35,000)</b>	<b>(16,050)</b>	<b>(37,918)</b>	<b>774,733</b>	<b>736,815</b>

### Interest rate exposure

The exposure of the financial assets and liabilities to interest rate movements at 30 April were:

	Within one year £'000s	More than one year £'000s	2026 Net Total £'000s	Within one year £'000s	More than one year £'000s	2025 Net Total £'000s
Exposure to floating rates - cash	19,238	-	19,238	12,490	-	12,490
Exposure to floating rates - loans	(9,830)	-	(9,830)	(10,263)	-	(10,263)
Exposure to fixed rates - loans	(5,870)	(35,000)	(40,870)	(5,787)	(35,000)	(40,787)
<b>Net exposure</b>	<b>3,538</b>	<b>(35,000)</b>	<b>(31,462)</b>	<b>(3,560)</b>	<b>(35,000)</b>	<b>(38,560)</b>

Exposures vary throughout the year as a consequence of changes in the make-up of the net assets of the Company arising out of the investment and risk management processes.

Interest received on cash balances, or paid on bank overdrafts and borrowings, is at ruling market rates. The interest rate applied on the loans is set out in notes 12 and 14. There were no holdings in fixed interest investment securities during the year or at the year end.

The Company's total returns and net assets are sensitive to changes in interest rates on cash and borrowings.

Based on the financial assets and liabilities held, and the interest rates ruling, at each balance sheet date, a decrease or increase in interest rates of 2% would have the following approximate effects on the income statement revenue and capital returns after tax and on the NAV:

	Increase in rate £'000s	2026 Decrease in rate £'000s	Increase in rate £'000s	2025 Decrease in rate £'000s
Revenue return	385	(385)	250	(250)
Capital return	-	-	-	-
Total return	385	(385)	250	(250)
NAV per share – pence	0.09	(0.09)	0.06	(0.06)

The calculations in the table above which are based on the financial assets and liabilities held at each balance sheet date, are not representative of the year as a whole, nor are they reflective of future market conditions.

#### Other market risk exposures

The Company did not enter into derivative transactions in managing its exposure to other market risks (2025: same). The portfolio of investments, valued at £839,649,000 at 30 April 2026 (2025: £774,733,000) is therefore exposed to market price changes. The Manager assesses these exposures at the time of making each investment decision. The Board reviews overall exposures at each meeting against indices and other relevant information. An analysis of the portfolio by geographical region and major industrial sector is set out on page 17.

Based on the portfolio of investments held at each balance sheet date, and assuming other factors remain constant, a decrease or increase in the fair values of the portfolio by 20% would have had the following approximate effects on the net capital return attributable to equity shareholders and on the NAV:

	Increase in value £'000s	2026 Decrease in value £'000s	Increase in value £'000s	2025 Decrease in value £'000s
Capital return	167,930	(167,930)	154,947	(154,947)
NAV per share – pence	40.14	(40.14)	34.63	(34.63)

This level of change is considered to be a reasonable illustration based on observation of current market conditions.

#### (b) Liquidity risk exposure

The Company is required to raise funds to meet commitments associated with financial instruments and share buy-backs. These funds may be raised either through the realisation of assets or through increased borrowing. The risk of the Company not having sufficient liquidity at any time is not considered by the Board to be significant, given: the large number of quoted investments held in the Company's portfolio, 186 at 30 April 2026 (2025: 196); the liquid nature of the portfolio of investments; and the industrial and geographical diversity of the portfolio. Cash balances are held with reputable banks, usually on overnight deposit. The Company does not normally invest in derivative products. The Manager reviews liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting.

The Company has a £35 million unsecured revolving floating rate credit facility available until September 2026. In August 2019 the Company issued senior unsecured notes of £35 million which expire in August 2039.

The remaining contractual maturities of the financial liabilities at each balance sheet date, based on the earliest date on which payment can be required, were as follows:

	Three months or less £'000s	More than three months but less than one year £'000s	More than one year £'000s	Total £'000s
<b>2026</b>				
Current liabilities:				
Creditors	1,658	-	-	1,658
Loans	15,700	-	-	15,700
Interest payable on Loans	50	-	-	50
Loan notes	-	-	35,000	35,000
Interest payable on Loan notes	-	791	9,888	10,679
	<b>17,408</b>	<b>791</b>	<b>44,888</b>	<b>63,087</b>
<b>2025</b>				
Current liabilities:				
Creditors	2,853	-	-	2,853
Loans	16,050	-	-	16,050
Interest payable on Loans	51	-	-	51
Loan notes	-	-	35,000	35,000
Interest payable on Loan notes	-	791	10,679	11,470
	<b>18,954</b>	<b>791</b>	<b>45,679</b>	<b>65,424</b>

### (c) Credit risk and counterparty exposure

The Company is exposed to potential failure by counterparties to deliver securities for which the Company has paid, or to pay for securities which the Company has delivered. Such transactions must be settled on the basis of delivery against payment (except where local market conditions do not permit).

Responsibility for the approval, limit setting and monitoring of counterparties is delegated to the Manager. Counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. The rate of default in the past has been negligible. Cash and deposits are held with reputable banks.

The Company has an ongoing contract with its Custodian for the provision of custody services. Details of securities held in custody on behalf of the Company are received and reconciled monthly. The Custodian has a lien over the securities in the account, enabling it to sell or otherwise realise the securities in satisfaction of charges due under the agreement. The Depositary has regulatory responsibilities relating to segregation and safekeeping of the Company's financial assets, amongst other duties, as set out in the Directors' Report. The Board has direct access to the Depositary and receives regular reports from it via the Manager.

To the extent that the Manager carries out management and administrative duties (or causes similar duties to be carried out by third parties) on the Company's behalf, the Company is exposed to counterparty risk. The Board assesses this risk continuously through regular meetings with the Manager (including the Lead Manager) and with its Operational Risk function. In reaching its conclusions, the Board also reviews the Manager's AAF Report.

The Company had no credit-rated bonds or similar securities or derivatives in its portfolio at the year end (2025: none) and does not normally invest in them. None of the Company's financial liabilities are past their due date or impaired.

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#### **(d) Fair values of financial assets and liabilities**

The assets and liabilities of the Company are, in the opinion of the Directors, reflected in the Balance Sheet at fair value, or at a reasonable approximation thereof, except for the loan notes which are carried at amortised cost.

The fair value of the loan notes is set out in note 14.

The fair value of investments quoted on active markets is determined directly by reference to published price quotations in those markets. Unquoted investments are valued based on professional assumptions and advice that is not wholly supported by prices from current market transactions or by observable market data. The Directors make use of recognised valuation techniques and may take account of recent arm's length transactions in the same or similar investments.

#### **(e) Capital risk management**

The structure of the Company's capital is described in note 15 on page 88 and details of the Company's reserves are shown in the Statement of Changes in Equity on page 77.

The objective of the Company is stated as investing in smaller companies worldwide in order to secure a high total return. In pursuing this long-term objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to: issue and buy-back share capital within limits set by the shareholders in general meeting; borrow monies in the short and long term; and pay dividends to shareholders out of current year revenue earnings as well as out of brought forward revenue reserves, capital reserves and any other distributable reserves.

The Company's objectives, policies and procedures for managing capital are unchanged from last year.

There were no breaches by the Company during the year of the financial covenants put in place in respect of the revolving credit facility provided to the Company, or in respect of the loan notes issued by the Company in August 2019.

These requirements are unchanged since last year and the Company has complied with them at all times.

#### **24. Securities financing transactions ('SFT')**

The Company has not, in the year to 30 April 2026 (2025: same), participated in any: repurchase transactions; securities lending or borrowing; buy-sell back transactions; margin lending transactions; or total return swap transactions (collectively called SFT). As such, it has no disclosure to make in satisfaction of the UK regulations on transparency of SFT, issued in November 2015.

#### **25. Events after the End of the Reporting Period**

There were no material events after the end of the reporting period other than those reported elsewhere.

# Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in the Company please forward this document, together with the accompanying documents, immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of shares, you should retain these documents.

Notice is hereby given that the one hundred and thirty seventh Annual General Meeting of the Company will be held at Chartered Accountants' Hall, 1 Moorgate Place, London EC2R 6EA on Tuesday, 15 September 2026 at 12.00 noon for the following purposes:

## Ordinary Resolutions:

To consider and, if thought fit, pass the following resolutions 1 to 12 as ordinary resolutions:

1. To receive and adopt the audited financial statements of the Company for the financial year ended 30 April 2026 and the reports of the directors and the auditor on those financial statements.
2. To approve the Directors' Remuneration Policy, the full text of which appears in the Directors' Remuneration Report for the financial year ended 30 April 2026 on page 66 of the Annual Report and Financial Statements for the financial year ended 30 April 2026.
3. To receive, adopt and approve the Directors' Remuneration Report for the financial year ended 30 April 2026 which appears on pages 66 to 68 of the Annual Report and Financial Statements for the financial year ended 30 April 2026 (other than the Directors' Remuneration Policy which appears on page 66 of the Annual Report and Financial Statements).
4. To declare a final dividend of 2.45 pence per ordinary share in respect of the financial year ended 30 April 2026 payable on 18 September 2026 to holders of ordinary shares on the register of members as at the close of business on 7 August 2026.
5. To re-elect Nick Bannerman as a Director.
6. To re-elect Bulbul Barrett as a Director.
7. To re-elect Randeep Grewal as a Director.
8. To re-elect Zoe King as a Director.

9. To re-elect Graham Oldroyd as a Director.
10. To re-appoint BDO LLP as auditor of the Company to hold office from the conclusion of the annual general meeting until the conclusion of the next annual general meeting of the Company.
11. To authorise the Audit and Management Engagement Committee to determine the remuneration of the Company's auditor.

## 12. Authority to allot shares

THAT, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the passing of this resolution, the directors of the Company (the '**Directors**') be and they are hereby generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the '**Act**'), to exercise all the powers of the Company to allot ordinary shares of 2.5 pence each in the capital of the Company ('**Shares**') and to grant rights to subscribe for, or convert any security into, Shares ('**Rights**'), up to an aggregate nominal amount of £1,035,496.15 (representing approximately 10% of the issued share capital of the Company (excluding treasury shares) as at 22 June 2026), generally from time to time on such terms as the Directors may determine, such authority to expire at the conclusion of the annual general meeting of the Company in 2027 or on the date which is 15 months after the date on which this resolution is passed (whichever is earlier), unless previously revoked, varied or extended by the Company in a general meeting (the '**relevant period**'); save that the Company may at any time prior to the expiry of this authority make offers or enter into agreements which would or might require Shares to be allotted or Rights to be granted after the expiry of the relevant period and notwithstanding such expiry the Directors may allot Shares or grant Rights in pursuance of such offers or agreements.

### Special Resolutions:

To consider and, if thought fit, pass the following resolutions 13 to 15 as special resolutions:

#### 13. Disapplication of pre-emption rights

THAT, subject to the passing of resolution 12 set out in the notice of the 2026 annual general meeting ('**Resolution 12**') and in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the passing of this resolution, the directors of the Company (the '**Directors**') be and they are hereby generally and unconditionally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the '**Act**'), to allot, or make offers or agreements to allot, equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 12, and/or by way of a sale of treasury shares for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided this power:

- (a) shall be limited to the allotment of equity securities and the sale of treasury shares up to an aggregate nominal amount of £1,035,496.15 (representing approximately 10% of the issued share capital of the Company (excluding treasury shares) as at 22 June 2026); and
- (b) shall expire at the conclusion of the next annual general meeting of the Company held after the passing of this resolution or, if earlier, on the date which is 15 months after the date on which this resolution is passed (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may before such expiry make offers and enter into agreements which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

#### 14. Share buy-back authority

THAT, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the passing of this resolution, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Companies Act 2006 (the '**Act**'), to make market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares of 2.5 pence each on such terms and in such manner as the directors of the Company may from time to time determine (either for cancellation or for retention as treasury shares for future re-issue, resale, transfer or cancellation) provided that:

- a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 62,088,349 or, if less, the number being 14.99% of the issued ordinary share capital

- of the Company (excluding ordinary shares held in treasury) immediately prior to the passing of this resolution;
- b) the minimum price (exclusive of expenses) which may be paid for an ordinary share purchased pursuant to this authority shall be 2.5p;
- c) the maximum price (exclusive of expenses) which may be paid for an ordinary share purchased pursuant to this authority is the higher of (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased, and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for such a share on the London Stock Exchange at the time the purchase is carried out;
- d) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company held after the passing of this resolution or on the date which is 15 months after the date on which this resolution is passed (whichever is earlier), unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting; and
- e) the Company may at any time prior to the expiry of such authority enter into a contract or contracts to purchase ordinary shares under such authority which will or may be completed or executed wholly or partly after the expiration of such authority and the Company may purchase ordinary shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

#### 15. General Meeting Notice

THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on not less than 14 clear days' notice, such authority to expire at the conclusion of the next annual general meeting of the Company.

**By Order of the Board**  
**Columbia Threadneedle**  
**Investment Business Limited**  
**Company Secretary**  
**25 June 2026**

**Registered office:**  
**Cannon Place**  
**78 Cannon Street**  
**London EC4N 6AG**

**Registered number: 28264**

**Notes:**

**Shareholders intending to attend the AGM are asked to register their intention as soon as practicable by email to the following dedicated address: [gscagm@columbiathreadneedle.com](mailto:gscagm@columbiathreadneedle.com).**

**Shareholders who are not able or do not wish to attend the meeting in person will be able to watch a live webcast of the meeting and access details are set out on the Form of Proxy, Form of Direction and related Email Communications. This will include the formal business of the meeting, the Manager's presentation and questions and answers. The webcast will not enable shareholders to participate in the meeting or to vote. However, shareholders can submit questions in advance of the meeting by email to [gscagm@columbiathreadneedle.com](mailto:gscagm@columbiathreadneedle.com). Questions of a similar nature may be grouped together to ensure the orderly running of the AGM.**

1. A member is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.
2. Any person holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman of the meeting as his/her proxy will need to ensure that both he/she and such person complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
3. A Form of Proxy is provided with this notice for members. If a member wishes to appoint more than one proxy and so requires additional proxy forms, the member should contact Computershare Investor Services PLC on 0370 889 4088. To be valid, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be received by post or (during normal business hours only) by hand at the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours (excluding non-business days) before the time of the holding of the meeting or any adjournment thereof. Completion and return of a Form of Proxy will not preclude members from attending and voting at the meeting should they wish to do so. Amended instructions must also be received by the Company's registrars by the deadline for receipt of Forms of Proxy.
4. Alternatively, members may register the appointment of a proxy for the meeting electronically, by accessing the website [www.eproxyappointment.com](http://www.eproxyappointment.com) where full instructions for the procedure are given. The Control Number, Shareholder Reference and PIN as printed on the Form of Proxy will be required in order to use the electronic proxy appointment system. This website is operated by Computershare Investor Services PLC. The proxy appointment and any power of attorney or other authority under which the proxy appointment is made must be received by Computershare Investor Services PLC not less than 48 hours (excluding non-business days) before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. If you want to appoint more than one proxy electronically please contact Computershare Investor Services PLC on 0370 889 4088.
5. Investors holding shares in the Company through the Columbia Threadneedle ISA, Lifetime ISA, Junior ISA, Child Trust Fund, General Investment Account and/or Junior Investment Account should ensure that forms of direction are returned to Computershare Investor Services PLC not later than 12.00 noon on 7 September 2026. Alternatively, voting directions can be submitted electronically at [www.eproxyappointment.com](http://www.eproxyappointment.com) by entering the Control Number, Shareholder Reference Number and PIN as printed on the form of direction. Voting directions must be submitted electronically no later than 12.00 noon on 7 September 2026.
6. Any person receiving a copy of this notice as a person nominated by a member to enjoy information rights under section 146 of the Act (a 'Nominated Person') should note that the provisions in notes 1, 3 and 4 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
7. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps, the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
8. Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of section 360B of the Act, the Company has specified that only those members registered on the register of members of the Company at 6.30 p.m. on 11 September 2026 (the 'Specified Time') (or, if the meeting is adjourned to a time more than 48 hours after the Specified Time, by 6.30 p.m. on the day which is two days (excluding non-business days) prior to the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Specified Time, that time

- will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting. If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [proxymity.io](https://proxymity.io). Your proxy must be lodged by 12.00 noon on Friday 11 September 2026 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. 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.
  10. 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 & International Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via [euroclear.com/CREST](https://euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is 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 number 3RA50) by the latest time(s) for receipt of proxy appointments specified in notes 3 and 4 above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application 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.
  11. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International 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/her 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 ([euroclear.com/CREST](https://euroclear.com/CREST)).
  12. 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 (as amended).
  13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
  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 accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or
    - b) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act.
  15. The Company may not require the members 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 meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
  16. Any member attending the meeting has the right to ask questions. However, members should note that no answer need be given in the following circumstances:
    - a) if to do so would interfere unduly with the preparation of the meeting or would involve a disclosure of confidential information;
    - b) if the answer has already been given on a website in the form of an answer to a question; or
    - c) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
  17. As at 22 June 2026, being the last practicable date prior to the printing of this notice, the Company's issued share capital (excluding 206,335,308 ordinary shares held in treasury) consisted of 414,198,462 ordinary shares of 2.5 pence each carrying one vote each. Therefore, the total voting rights in the Company as at 22 June 2026 were 414,198,462.
  18. This notice, together with information about the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 22 June 2026, being the latest practicable date prior to the printing of this notice and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice, will be available at [globalsmallercompanies.co.uk](https://globalsmallercompanies.co.uk).

19. Any electronic address provided either in this notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.
20. Copies of the letters of appointment between the Company and its Directors; the register of Directors' holdings; and the Directors' deeds of indemnity will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 15 minutes prior to the commencement of the meeting to the conclusion thereof.
21. No Director has a service agreement with the Company.
22. Under sections 338 and 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company:
  - a) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting, and/or
  - b) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless:

- a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise),
- b) it is defamatory of any person, or
- c) it is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 4 August 2026, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

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# Management and Advisers

## The Management Company

The Global Smaller Companies Trust PLC is managed by Columbia Threadneedle Investment Business Limited ('CTIBL'), a wholly-owned subsidiary of Columbia Threadneedle AM (Holdings) Limited which is ultimately owned by Ameriprise Financial, Inc. CTIBL is appointed under an investment management agreement with the Company, setting out its responsibilities for investment management, administration and marketing. It is authorised and regulated by the Financial Conduct Authority.

The Manager also acts as the Alternative Investment Fund Manager.

**Nish Patel**, Lead Manager. Responsible for the allocation of the assets on a regional basis and for the construction of the investment portfolio. He joined the management company in November 2007.

**Ian Ridge** Represents the Manager as Company Secretary and is responsible for the Company's statutory and regulatory compliance. He joined the management company in May 2005.

**Marrack Tonkin** Head of Investment Trusts with responsibility for the management company's relationship with the Company. He joined the management company in 1989.

## Company Secretary and Registered Office

Columbia Threadneedle Investment Business Limited  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

Telephone: 0207 464 5000

Website: [globalsmallercompanies.co.uk](http://globalsmallercompanies.co.uk)

Email: [globalsmallersec@columbiathreadneedle.com](mailto:globalsmallersec@columbiathreadneedle.com)

## Independent Auditor

BDO LLP  
(**'BDO'** or the **'auditor'**)  
55 Baker Street  
London W1U 7EU

## Custodian

JPMorgan Chase Bank (the **'Custodian'**)  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Depository

JPMorgan Europe Limited (the **'Depository'**)  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Share Registrar

Computershare Investor Services PLC  
(the **'Registrar'**)  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ

Telephone: 0370 889 4088

Authorised and regulated in the UK by the Financial Conduct Authority.

## Solicitors

Dickson Minto LLP  
Dashwood House  
69 Old Broad Street  
London EC2M 1QS

## Stockbroker

Investec Bank plc  
30 Gresham Street  
London EC2V 7QP

# Additional Information for Shareholders

## Alternative Investment Fund Managers ('AIFM') Directive

The Company is an 'alternative investment fund' ('AIF') for the purposes of the AIFM Directive and has appointed its Manager, Columbia Threadneedle Investment Business Limited, to act as its Alternative Investment Fund Manager ('AIFM'). The Manager is authorised and regulated by the United Kingdom Financial Conduct Authority as a 'full scope UK AIFM'.

The Company is required to make certain disclosures available to investors in accordance with the AIFM Directive. Those disclosures that are required to be made pre-investment are included within the Investor Disclosure Document ('IDD') which can be found on the Company's website, [globalsmallercompanies.co.uk](https://globalsmallercompanies.co.uk).

In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM is required to be made available to investors. Detailed regulatory disclosures including those on the AIFM's remuneration policy and costs are available on the Company's website or from Columbia Threadneedle Investments on request.

The Company's maximum and actual leverage levels at 30 April 2026 and 30 April 2025 are shown below:

Leverage exposure	30 April 2026		30 April 2025	
	Gross method	Commitment method	Gross method	Commitment method
Maximum permitted limit	200%	200%	200%	200%
Actual	105%	105%	107%	107%

The leverage limits are set by the AIFM and approved by the Board and are in line with the maximum leverage levels permitted in the Company's articles of association. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

The Company and AIFM also wish to make the following disclosures to investors:

- the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report. A list of the thirty largest listed holdings is included on pages 30 and 31;

- none of the Company's assets is subject to special arrangements arising from their illiquid nature;
- the Strategic Report and note 23 to the Financial Statements set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the year under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures that it employs;
- all authorised AIFMs are required to comply with the AIFMD Remuneration Code in respect of the AIFM's remuneration. The relevant disclosures are within the IDD; and
- information in relation to the Company's leverage is contained within the IDD.

Following completion of an assessment of the application of the proportionality principle to the FCA's AIFMD Remuneration Code, the AIFM has disapplied the pay-out process rules with respect to it and any of its delegates. This is because the AIFM considers that it carries out non-complex activities and is operating on a small scale.

## Key Information Document ('KID')

In September 2024 the FCA announced that, for the time being, investment companies are not required to comply with the PRIIPs regulations and therefore do not need to make a KID available for investors. However, it was decided to continue to produce a KID, which is available on the Company's website at [globalsmallercompanies.co.uk](https://globalsmallercompanies.co.uk). The costs disclosure has been revised to include the Company's Ongoing Charges figure, consistent with the annual report.

## Net asset value and share price

The Company's net asset value is released daily, on the working day following the calculation date, to the London Stock Exchange. The current share price of The Global Smaller Companies Trust PLC is shown in the investment company section of the stock market page in several leading newspapers.

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### **Unclaimed dividends**

The Company has engaged the services of Georgeson (a subsidiary of Computershare) to locate shareholders, or their beneficiaries, who have lost track of or are unaware of their investments. The service is provided at no cost to the Company; Georgeson retain 10% of unclaimed dividends from the shareholder on completion of each successful claim. Alternatively, shareholders are given the option of contacting the Registrar themselves, thereby incurring no charges.

# How to Invest

## Financial Promotion

One of the most convenient ways to invest in The Global Smaller Companies Trust PLC is through one of the savings plans run by Columbia Threadneedle Investments.

### Our adult products

Columbia Threadneedle offer three different products for those over 18 to suit your needs. The minimum opening investment amount for an adult product is £2,000 and you can then invest from £25 a month or make additional one-off investments from £100.

#### CT Individual Savings Account (ISA)

You can use your ISA allowance to make an annual tax efficient investment of up to £20,000 for the current tax year. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

#### CT Lifetime Individual Savings Account (LISA)

For those aged 18-39, a LISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year.

#### CT General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts with no maximum contributions.

### Our child products

Columbia Threadneedle also offer three different products for children. The minimum opening investment amount for these is £1,000 and you can then invest from £25 a month or make additional one-off investments from £100.

#### CT Junior Individual Savings Account (JISA)\*

A tax efficient way to invest up to £9,000 per tax year for a child. JISAs with other providers can be transferred to Columbia Threadneedle.

#### CT Junior Investment Account (JIA)

This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment.

#### CT Child Trust Fund (CTF)\*

If your child already has a CTF, you can invest up to £9,000 per birthday year. CTFs with other providers can be transferred to Columbia Threadneedle.

\*The CTF and JISA accounts are opened by parents in the child's name and they have access to the money at age 18. \*\*Calls may be recorded or monitored for training and quality purposes.

To find out more, visit [ctinvest.co.uk](http://ctinvest.co.uk)

**0345 600 3030**, 9.00am – 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.

Capital at risk. The material relates to an investment trust and its Ordinary shares are traded on the main market of the London Stock Exchange. The Investor Disclosure Document, Key Information Document (KID), latest annual or half year reports and the applicable terms & conditions are available from Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London EC4N 6AG, your financial advisor and/or on our website [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com). Please read the Investor Disclosure Document before taking any investment decision. This material should not be considered as an offer, solicitation, advice or an investment recommendation. This communication is valid at the date of publication and may be subject to change without notice. Information from external sources is considered reliable but there is no guarantee as to its accuracy or completeness. In the UK: Issued by Columbia Threadneedle Management Limited, No. 517895, registered in England and Wales and authorised and regulated in the UK by the Financial Conduct Authority. Columbia Threadneedle Investments (Columbia Threadneedle) is the global brand name of the Columbia and Threadneedle group of companies. © 2026 Columbia Threadneedle. All rights reserved. WF3321616 (02/26) UK. Expiration Date: 31/01/27

### Charges

Annual management charges and other charges apply according to the type of Savings Plan, these can be found on the relevant product Presales Cost & Charges disclosure on our website [www.ctinvest.co.uk](http://www.ctinvest.co.uk).

#### Annual account charge

ISA/LISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

You can pay the annual charge from your account, or by Direct Debit (in addition to any annual subscription limits).

#### Dealing charges

£12 per fund (reduced to £0 for deals placed through the online Columbia Threadneedle Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF. Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares (where applicable). **The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing.** For regulatory purposes, please ensure you have read the Pre-sales Cost & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to invest in, these can be found at [www.ctinvest.co.uk/documents](http://www.ctinvest.co.uk/documents).

### How to Invest

To open a new Columbia Threadneedle Savings Plan, apply online at [www.ctinvest.co.uk](http://www.ctinvest.co.uk). Online applications are not available if you are transferring an existing Savings Plan with another provider to Columbia Threadneedle, or if you are applying for a new Savings Plan in more than one name but paper applications are available at [www.ctinvest.co.uk/documents](http://www.ctinvest.co.uk/documents) or by contacting Columbia Threadneedle.

#### New Customers:

Call: **0345 600 3030\*\*** (9.00am – 5.00pm, weekdays)

Email: [invest@columbiathreadneedle.com](mailto:invest@columbiathreadneedle.com)

#### Existing Savings Plan Holders:

Call: **0345 600 3030\*\*** (9:00am – 5:00pm, weekdays)

Email: [investor.enquiries@columbiathreadneedle.com](mailto:investor.enquiries@columbiathreadneedle.com)

By post: Columbia Threadneedle Management Limited, PO Box 11114, Chelmsford CM99 2DG

**You can also invest through online dealing platforms**

Part of



# 25 Year Historical Information

All data is based on figures as reported in accordance with the Company's accounting policies and is unaudited but derived from the audited financial statements.

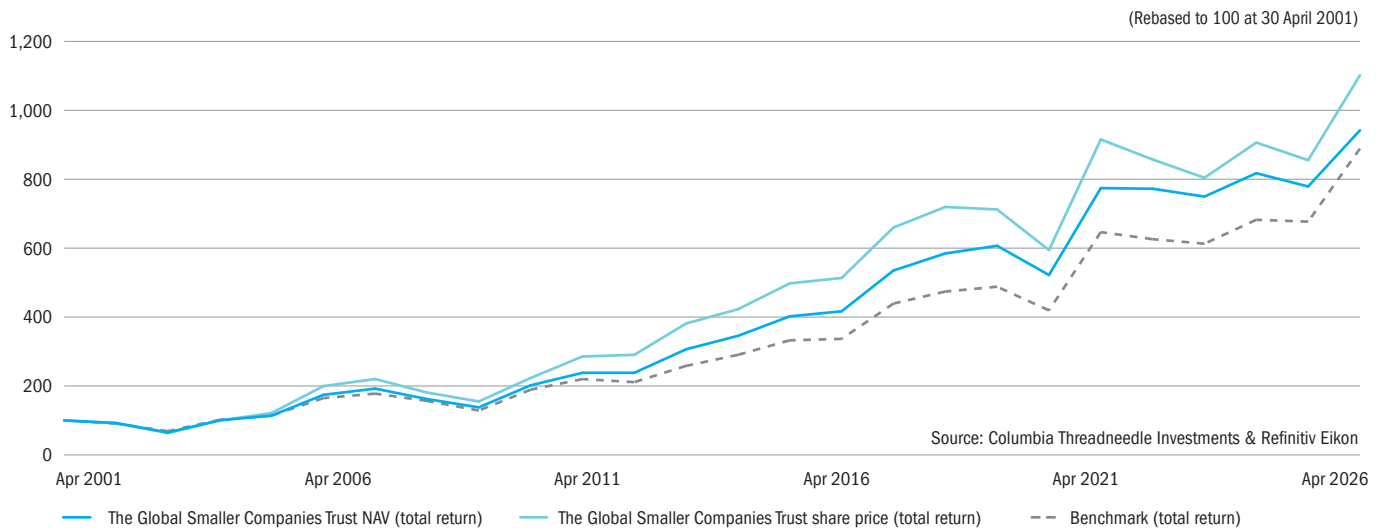
at 30 April	Net assets £'000s	Net asset value per share pence <sup>(1)</sup>	Closing share price pence <sup>(1)</sup>	Premium/ (discount) %	Revenue return per share pence <sup>(1)</sup>	Dividend per share pence <sup>(1)</sup>	Dividend growth %	Inflation (RPI) %
2001	274,930	29.2	24.3	(16.9)	0.42	0.395	5.3	1.8
2002	246,300	26.6	21.9	(17.5)	0.39	0.402	1.8	1.5
2003	167,945	18.3	14.7	(19.7)	0.36	0.415	3.2	3.1
2004	235,390	27.7	22.4	(19.1)	0.40	0.424	2.2	2.5
2005	264,398	31.1	26.9	(13.7)	0.46	0.440	3.8	3.2
2006	227,652	47.1	43.5	(7.6)	0.45	0.453	3.0	2.6
2007	239,574	51.2	47.3	(7.6)	0.48	0.469*	3.5	4.5
2008	188,100	42.8	38.5	(8.6)	0.55	0.483	3.0	4.2
2009	150,994	36.0	32.5	(7.4)	0.57	0.489	1.2	(1.2)
2010	208,384	51.8	46.1	(9.6)	0.49	0.500	2.2	5.3
2011	241,604	60.3	58.4	(2.1)	0.51	0.510	2.0	5.2
2012	246,776	59.6	58.8	(0.4)	0.69	0.563	10.4	3.5
2013	340,090	75.6	76.5	1.6	0.71	0.650	15.5	2.9
2014	431,086	84.2	84.0	(0.1)	0.93	0.800	23.1	2.5
2015	516,963	97.0	98.0	1.0	1.09	0.965	20.6	0.9
2016	553,192	99.5	100.1	0.7	1.18	1.070	10.9	1.3
2017	733,282	126.4	127.3	0.8	1.38	1.225	14.5	3.5
2018	826,831	136.9	137.5	0.5	1.59	1.440	17.6	3.4
2019	854,619	140.6	134.6	(4.3)	1.76	1.650	14.6	3.0
2020	726,515	119.7	111.0	(7.3)	1.73	1.700	3.0	1.5
2021	1,007,508	174.9	168.6	(3.6)	1.26	1.750	3.0	2.9
2022	945,304	172.8	156.2	(9.6)	1.82	1.840	5.1	11.1
2023	859,435	165.7	144.6	(12.7)	2.34	2.300	25.0	11.4
2024	870,062	178.1	160.2	(10.0)	2.84	2.810	22.2	3.3
2025	736,815	167.1	148.6	(11.0)	2.84	3.000	6.8	4.5
2026	820,059	198.8	188.0	(5.4)	2.95	3.150 <sup>(2)</sup>	5.0	3.0

\* Excludes special dividend of 0.1p also paid<sup>(i)</sup>

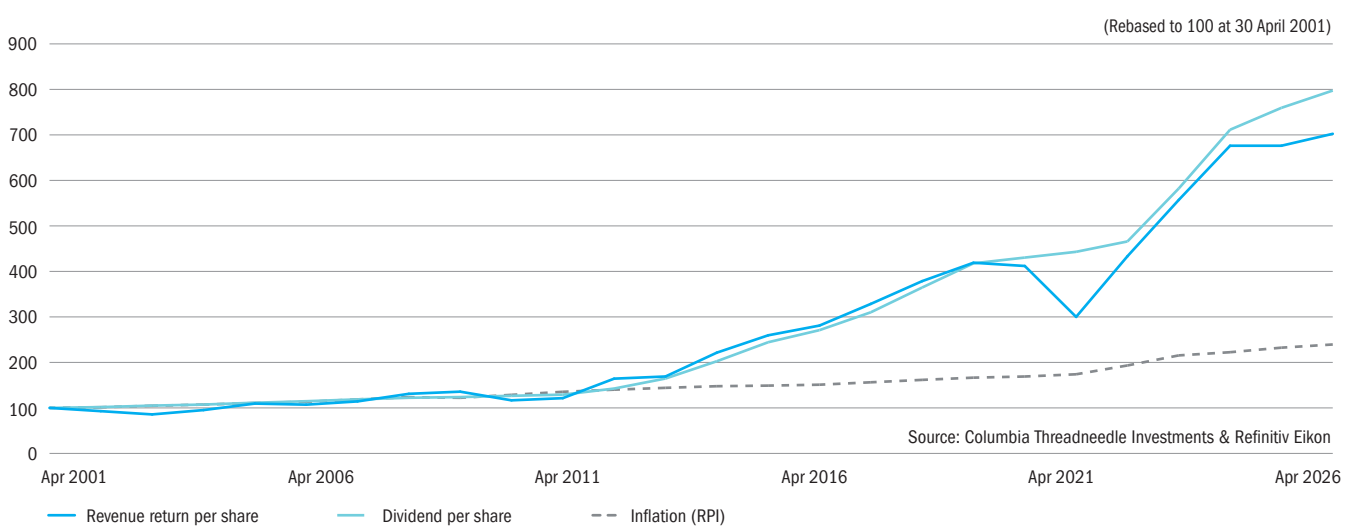
(1) Comparative figures for the years prior to 2020 have been restated due to the sub-division of each existing ordinary share of 25p into ten new ordinary shares of 2.5p each on 31 October 2019.

(2) Subject to approval of the final dividend of 2.45p at the 2026 AGM.

**Net asset value and share price performance vs Benchmark over 25 years**



**Revenue return and dividend per share vs inflation over 25 years**



# Alternative Performance Measures

The Company uses the following Alternative Performance Measures ('APMs') throughout the annual report, financial statements and notes to the financial statements. The APMs are reconciled to the financial statements through the narrative detailed below. The Board believes that each of the APMs, which are typically used within the investment trust sector, provide additional useful information to the shareholders in order to assess the Company's performance between reporting periods and against its peer group.

**Discount or Premium** – the share price of an Investment Trust is derived from buyers and sellers trading their shares on the stock market. This price is not identical to NAV per share of the underlying assets less liabilities of the Company. If the share price is lower than the NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers of shares than buyers. Shares trading at a price above NAV per share are said to be at a premium, in which case there are more buyers than sellers. The Board's policy is set out on page 46.

		30 April 2026 pence	30 April 2025 pence
Net Asset Value per share	(a)	198.79	167.05
Share price per share	(b)	188.00	148.60
(Discount)/Premium (c= (b-a)/a)	(c)	(5.4)%	(11.0)%

**Gearing** – this is the ratio of the borrowings of the Company to its net assets. Borrowings have a 'prior charge' over the assets of a company, ranking before ordinary shareholders in their entitlement to capital and/or income. They may include: preference shares; debentures; overdrafts and short and long-term loans from banks; and derivative contracts. If the Company has cash assets, these may be assumed either to net off against borrowings, giving a 'net' or 'effective' gearing percentage, or to be used to buy investments, giving a 'gross' or 'fully invested' gearing figure. Where cash assets exceed borrowings, the Company is described as having 'net cash'. The Company's maximum permitted level of gearing is set by the Board and is described within the Strategic Report and Directors' Report.

		30 April 2026 £'000	30 April 2025 £'000
Loan notes		35,000	35,000
Loans		15,700	16,050
	(a)	50,700	51,050
Less Cash and cash equivalents		(19,238)	(12,490)
Less Investment debtors		(11,056)	(1,016)
Add Investment creditors		147	1,472
Total	(b)	20,553	39,016
Net Asset Value	(c)	820,059	736,815
Effective gearing (d= b/c)	(d)	2.5%	5.3%
Fully invested gearing (e= a/c)	(e)	6.2%	6.9%

**Net Asset Value (NAV)** – the assets less liabilities of the Company, as set out in the Balance Sheet, all valued in accordance with the Company's Accounting Policies (see note 2 to the financial statements) and UK Accounting Standards. The net assets correspond to Total Shareholders' Funds, which comprise the share capital account, share premium account, capital redemption reserve, distributable reserve and capital and revenue reserves. (See calculation in note 19 to the financial statements.)

**Net Asset Value (NAV) with Debt at Fair Value** – the Company's debt is valued in the Balance Sheet (on page 78) at cost, which is equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as 'Debt at Par'. The current replacement or fair value of the debt, which assumes it is repaid and renegotiated under current market conditions, is often referred to as the 'Debt at Market Value' or 'Debt at Fair Value'. See calculation in note 19 to the financial statements.

**Ongoing Charges** – all operating costs expected to be regularly incurred and that are payable by the Company or suffered within underlying investee funds, expressed as a proportion of the average net assets of the Company over the reporting year (see Ten Year Record). The costs of buying and selling investments and derivatives are excluded, as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing ordinary shares.

		30 April 2026	30 April 2025
		£'000	£'000
<b>Ongoing Charges calculation</b>			
Management fees		4,072	4,184
Other expenses		1,176	1,208
Less loan commitment/arrangement fees and one off costs		(145)	(110)
Underlying costs of collective investments excluding performance fee		1,234	1,024
Underlying costs of collective investments - performance fee	(a)	-	-
Total including performance fee	(b)	6,337	6,306
Total excluding performance fee (b-a)	(c)	6,337	6,306
Average daily net assets	(d)	815,681	846,257
Ongoing Charges including performance fee (e= b/d)	(e)	0.78%	0.74%
Ongoing Charges excluding performance fee (f= c/d)	(f)	0.78%	0.74%

**Total Expense Ratio ('TER')** – an alternative measure of expenses to Ongoing Charges. It comprises all operating costs incurred in the reporting period by the Company (see notes 4 and 5 (pages 84 and 85) to the financial statements), calculated as a percentage of the average net assets in that year (see Ten Year Record). Operating costs exclude costs suffered within underlying investee funds, costs of buying and selling investments and derivatives, interest costs, taxation and the costs of buying back or issuing ordinary shares.

		30 April 2026	30 April 2025
		£'000	£'000
<b>TER calculation</b>			
Management fees		4,072	4,184
Other expenses		1,176	1,208
Less loan commitment/arrangement fees and one off costs		(145)	(110)
Total	(a)	5,103	5,282
Average daily net assets	(b)	815,681	846,257
TER (c= a/b)	(c)	0.63%	0.62%

**Total Return** – the theoretical return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV in the period. The dividends are assumed to have been re-invested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex-dividend.

	<b>NAV</b>	<b>Share price</b>
NAV/Share Price per share at 30 April 2025 (pence)	167.05	148.60
NAV/Share Price per share at 30 April 2026 (pence)	198.79	188.00
Change in the year	19.0%	26.5%
Impact of dividend reinvestments	2.0%	2.3%
<b>Total return for the year</b>	<b>21.0%</b>	<b>28.8%</b>

	<b>NAV</b>	<b>Share price</b>
NAV/Share Price per share at 30 April 2024 (pence)	178.07	160.20
NAV/Share Price per share at 30 April 2025 (pence)	167.05	148.60
Change in the year	(6.2)%	(7.2)%
Impact of dividend reinvestments	1.4%	1.6%
<b>Total return for the year</b>	<b>(4.8)%</b>	<b>(5.6)%</b>

# Glossary of Terms

**AAF Report** – Report prepared in accordance with Audit and Assurance Faculty guidance issued by the Institute of Chartered Accountants in England and Wales.

**Administrator** – The administrator is State Street Bank and Trust Company to which Columbia Threadneedle has outsourced certain administrative functions.

**AIFMD** – the UK version of the Alternative Investment Fund Managers Directive that requires investment vehicles in the European Union to appoint a Depositary and an Alternative Investment Fund Manager.

**AIFM** – the Alternative Investment Manager appointed by the Board of Directors in accordance with the AIFMD is the Company's Manager, as defined below.

**Ameriprise** – Ameriprise Financial Inc. which is the ultimate parent company of Columbia Threadneedle AM (Holdings) Limited which in turn owns Columbia Threadneedle Investment Business Limited.

**APMs** – Alternative Performance Measures are financial measures of historical or future financial performance, financial position, or cashflows, other than financial measures defined or specified in the applicable accounting framework. Guidelines published by the European Securities and Markets Authority aim to improve comparability, reliability and comprehensibility by way of APMs.

**Benchmark** – from 1 May 2023 to 30 April 2026, a blend of two Indices, namely the MSCI All Country World ex UK Small Cap Index (80% (net)) and the Deutsche Numis UK Smaller Companies (excluding investment companies) Index (20%). This Benchmark, against which the increase or decrease in the Company's net asset value is compared, measures the performance of a defined selection of smaller companies listed in stock markets around the world and gives an indication of how those companies have performed in any period. Divergence between the performance of the Company and the Benchmark is to be expected as: the investments within this Index are not identical to those of the Company; the Index does not take account of operating costs; and the Company's strategy does not entail replicating (tracking) this Benchmark. Prior to 1 May 2023 the weighting of the indices in the Benchmark was 70% MSCI All Country World ex UK Small Cap Index and 30% Deutsche Numis UK Smaller Companies (excluding investment companies). The MSCI index was also measured on a gross basis rather than a net basis.

From 1 May 2026, the Benchmark is the MSCI ACWI Small Cap Index Net.

**Carbon intensity** – this is measured in tons of CO<sub>2</sub> equivalent (i.e. including the basket of six Kyoto Protocol gases) of Scope 1 and 2 emissions, divided by \$1million of sales at a company level. This is aggregated to portfolio level using a weighted average (by holding).

**Closed-ended company** – a company, including an Investment Company, with a fixed issued ordinary share capital the shares of which are traded on an exchange at a price not necessarily related to the net asset value of the company and which can only be issued or bought back by the company in certain circumstances.

**Columbia Threadneedle Investments Savings Plans** – these comprise the CT General Investment Account, CT Lifetime ISA, CT Junior Investment Account, CT ISA, CT Junior ISA and CT Child Trust Fund operated by Columbia Threadneedle Investments.

**Cum-dividend** – shares are classified as cum-dividend when the buyer of a security is entitled to receive a dividend that has been declared, but not paid. Shares which are not cum-dividend are described as ex-dividend.

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**Custodian** – The Custodian is JPMorgan Chase Bank. The Custodian is a financial institution responsible for safeguarding, worldwide, the listed securities and certain cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services.

**Depository** – The Depository is JPMorgan Europe Limited. Under AIFMD rules, the Company must appoint a Depository, whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. Under the AIFMD rules, the Depository has strict liability for the loss of the Company's financial assets in respect of which it has safe-keeping duties. The Depository's oversight duties will include but are not limited to oversight of share buy-backs, dividend payments and adherence to investment limits.

**Distributable Reserves** – Reserves distributable by way of dividend or for the purpose of buying back ordinary share capital (see notes 2, 16, 17 and 18 to the financial statements). Company Law requires that Share Capital and the Capital Redemption Reserve may not be distributed. The Company's articles of association allow distributions by way of dividend out of Capital Reserves. Dividend payments are currently made out of Revenue Reserve. The cost of all share buy-backs is deducted from Capital Reserves.

**Dividend Dates** – Reference is made in announcements of dividends to three dates. The 'record' date is the date after which buyers of the shares will not be recorded on the register of shareholders as qualifying for the pending dividend payment. The 'payment' date is the date that dividends are credited to shareholders' bank accounts. The 'ex-dividend' date is normally the business day prior to the record date (most ex-dividend dates are on a Thursday).

**GAAP** – Generally Accepted Accounting Practice. This includes UK Financial Reporting Standards ('FRS') and International GAAP (IFRS or International Financial Reporting Standards applicable in the UK).

**Investment Company (Section 833)** – UK Company Law allows an Investment Company to make dividend distributions out of realised distributable reserves, even in circumstances where it has made Capital losses in any year, provided the Company's assets remaining after payment of the dividend exceed 150% of the liabilities. An Investment Company is defined as investing its funds in shares, land or other assets with the aim of spreading investment risk.

**Investment Trust taxation status (Section 1158)** – UK Corporation Tax law allows an Investment Company (referred to in Tax law as an Investment Trust) to be exempted from tax on its profits realised on investment transactions, provided it complies with certain rules. These are similar to Section 833 Company law rules but further require that the Company must be listed on a regulated stock exchange and that it cannot retain more than 15% of income received. The Directors Report contains confirmation of the Company's compliance with this law and its consequent exemption from taxation on capital gains.

**ISAE Report** – Report prepared in accordance with the International Standard on Assurance Engagements.

**Leverage** – as defined under AIFMD rules, leverage is any method by which the exposure of an AIF (being an investment vehicle under the AIFMD) is increased through borrowing of cash or securities or leverage embedded in derivative positions. Leverage is broadly equivalent to gearing but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowings). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

**Manager (AIFM)** – Columbia Threadneedle Investment Business Limited, a subsidiary of Columbia Threadneedle AM (Holdings) Limited, which in turn is ultimately owned by Ameriprise Financial Inc. Its responsibilities and fees are set out in the Business Model, Directors' Report and note 4 to the financial statements.

**Non-executive Director** – a Director who has a contract for services, rather than a contract of employment, with the Company. The Company does not have any executive Directors.

**Open-ended Fund** – a collective investment scheme which issues shares or units directly to investors, and redeems directly from investors, at a price that is linked to the net asset value of the fund.

**Scope 1, 2 and 3 emissions** – Scope 1 emissions are those direct emissions that are owned or controlled by a company, whereas Scope 2 and 3 indirect emissions are a consequence of the activities of the company but occur from sources not owned or controlled by it.

**Section 172(1)** – Section 172(1) of the Companies Act 2006 requires a director of a company to act in the way he/she considers, in good faith, to be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to matters specified in that section. The directors are required to report on this in the Strategic Report section of the Annual Report and Financial Statements each year.

**SORP** – Statement of Recommended Practice. The accounts of the Company are drawn up in accordance with the Investment Trust SORP issued by the AIC, as described in note 2 to the Financial Statements.

**Special Dividends** – dividends received from investee companies which have been paid out of capital reconstructions or reorganisations of the investees are sometimes referred to as Special Dividends and may be allocated to Capital Reserves in accordance with the Company's accounting policies and the SORP Dividends which are unusually large in terms of the investee companies' annual earnings or normal payment pattern are also sometimes referred to as special but are treated as revenue in nature unless evidenced otherwise.

**Treasury shares** – ordinary shares previously issued by the Company that have been bought back from shareholders on the open market and kept in treasury by the Company. Such shares may, at a later date, be re-issued for sale on the open market or cancelled if demand is insufficient. Treasury shares carry no rights to dividends and have no voting rights and hence are not included within calculations of earnings per share or net asset value per share.

**UK Code** – the UK Code of Corporate Governance – published in 2024, which sets out the standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders that all companies with an Equity Shares (commercial companies) category listing on the London Stock Exchange are required to report on in their annual report and financial statements.

**The United Nations Sustainable Development Goals (SDGs)** – These goals are the blueprint to achieve a better and more sustainable future for all. They address global challenges including those related to poverty, inequality, climate change, environmental degradation, peace and justice. The 17 Goals are all interconnected and the aim is to achieve them all by 2030.

**The United Nations-supported Principles for Responsible Investment (UNPRI)** – The six principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. In implementing them, signatories contribute to developing a more sustainable global financial system.

## Analysis of Ordinary Shareholders (unaudited)

Category	Holding % at 30 April 2026	Holding % at 30 April 2025
Columbia Threadneedle Investments Savings Plans	55.1	55.9
Institutions	7.2	7.9
Direct Individuals and Nominees	37.7	36.2
	100.0	100.0

Source: Columbia Threadneedle Investments.

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#### **Warning to Shareholders – Beware of Share Fraud.**

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell to you shares that turn out to be worthless or non-existent, or to buy your shares at an inflated price in return for an upfront payment following which the proceeds are never received.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register from [fca.org.uk](https://www.fca.org.uk) to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority ('FCA') on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at [fca.org.uk/scams](https://www.fca.org.uk/scams)
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at [fca.org.uk/scams](https://www.fca.org.uk/scams) where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

# The Global Smaller Companies Trust PLC

Annual Report and  
Financial Statements  
for the year ended  
30 April 2026

## Contact us

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