Annual Report 2026

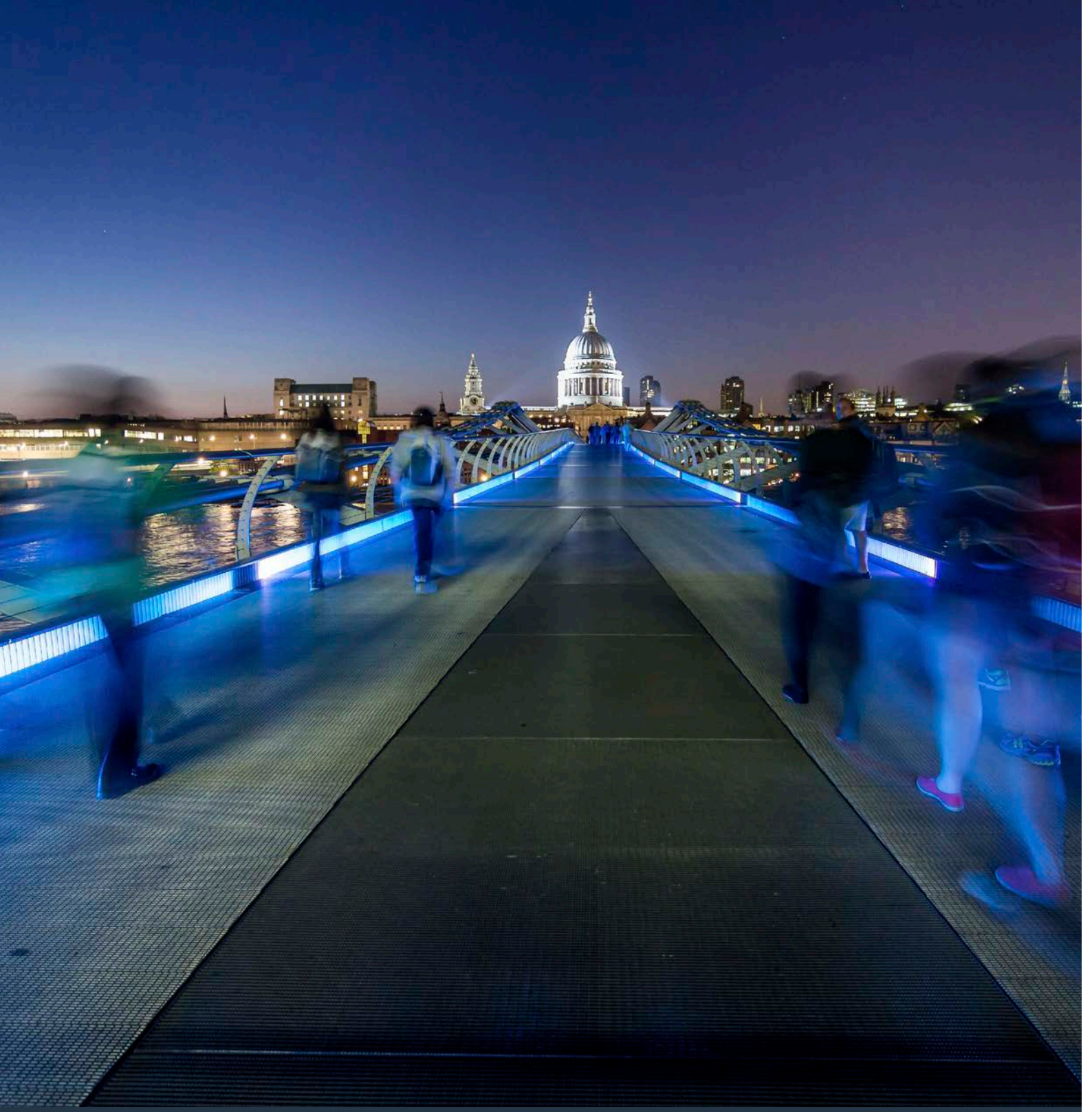
The City of London Investment Trust plc

60 YEARS CONTINUOUS DIVIDEND GROWTH

aic DIVIDEND HERO

ISA MILLIONAIRE aic 2026

MANAGED BY
Janus Henderson
INVESTORS



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For the methodology behind AIC Dividend Hero and AIC ISA Millionaire, see the AIC website at **www.theaic.co.uk**

Strategic Report

Objective

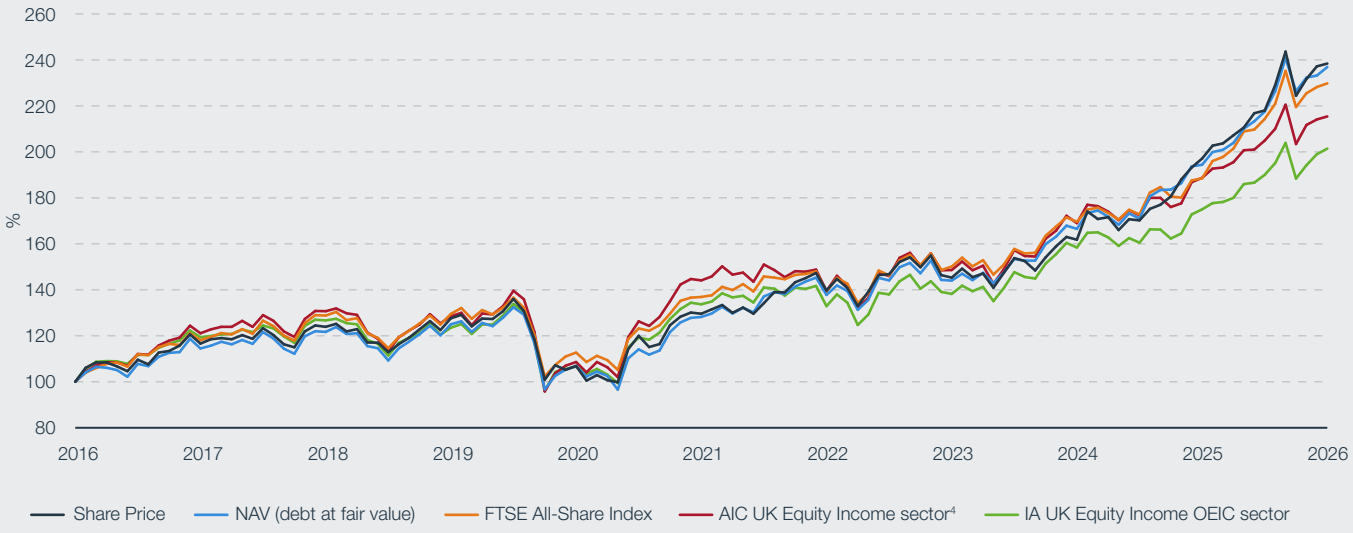
The Company's objective is to provide long-term growth in income and capital, principally by investment in equities listed on the London Stock Exchange. The Board fully recognises the importance of dividend income to shareholders.

Performance at 30 June

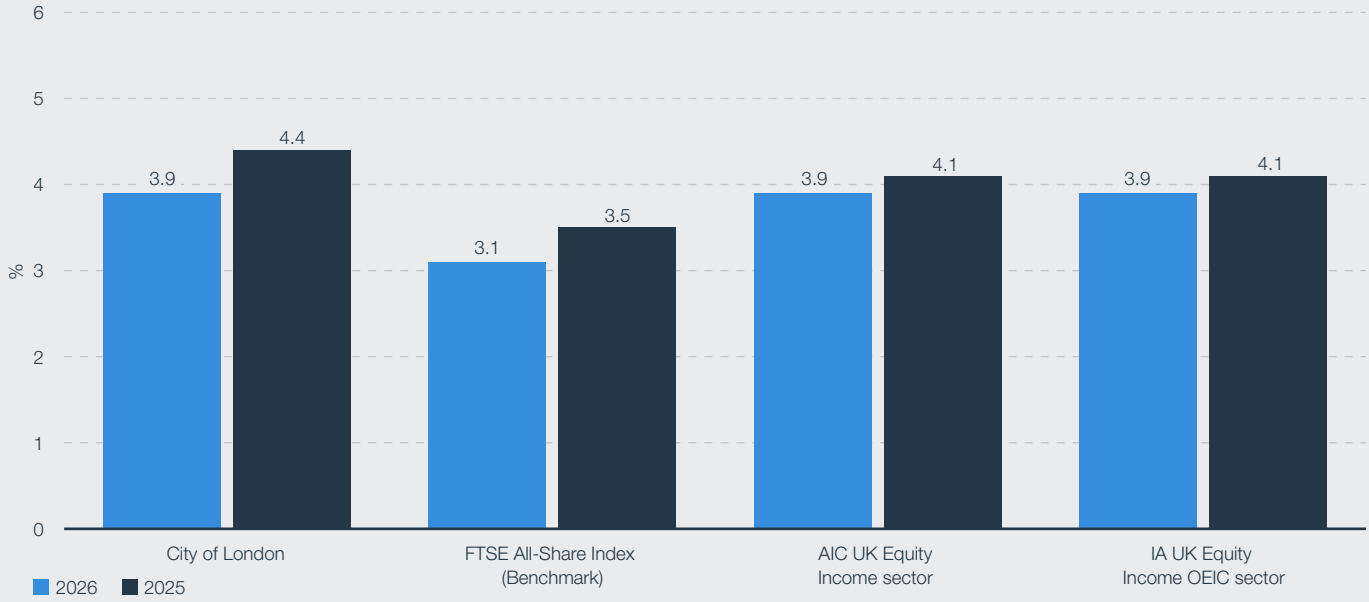
Total Return Performance for year to 30 June

	2026 %	2025 %
NAV[1,6]	21.9	16.8
Share price[2,6]	21.0	21.8
FTSE All-Share Index (Benchmark)	21.9	11.2
AIC UK Equity Income sector[3]	13.7	12.6
IA UK Equity Income OEIC sector	15.1	10.5

Total Return Performance for 10 years to 30 June 2026 (rebased to 100)

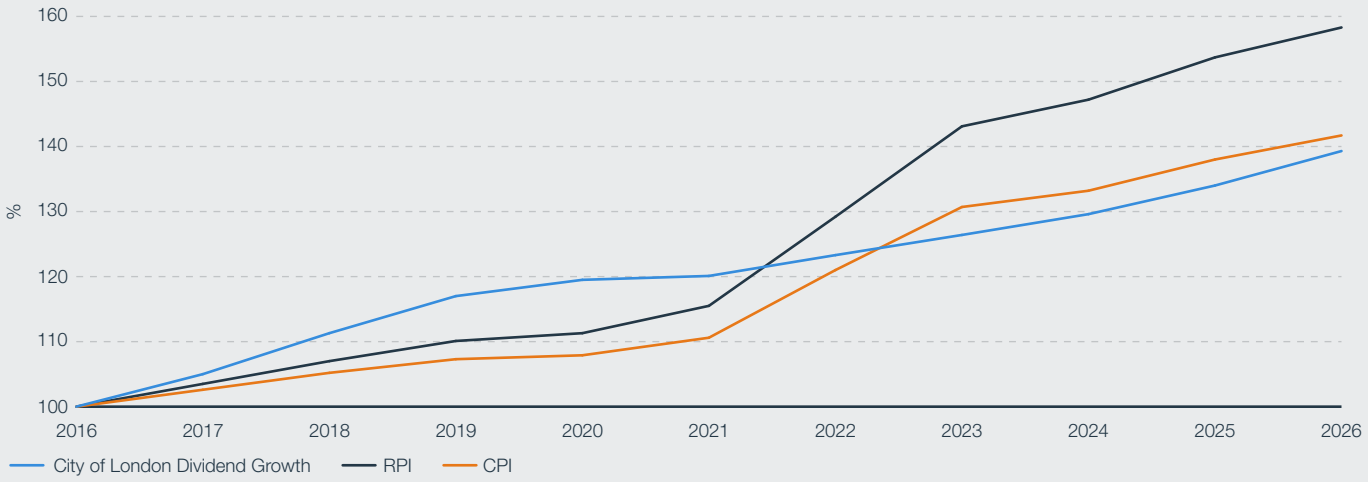


Dividend Yields

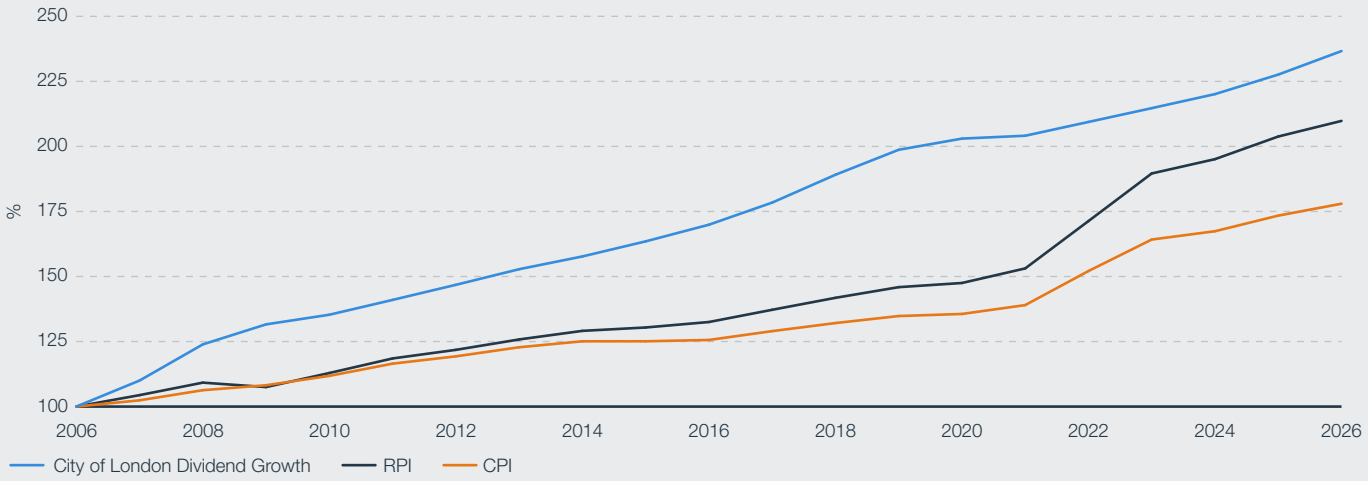


Performance at 30 June

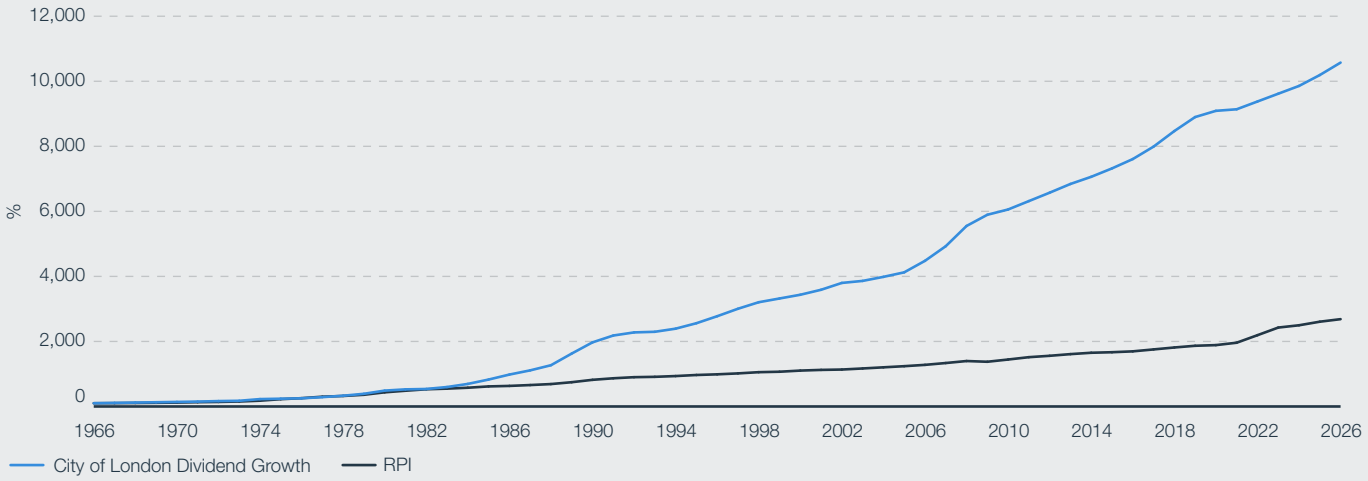
City of London 10 Years of Dividend Growth (rebased to 100)



City of London 20 Years of Dividend Growth (rebased to 100)



City of London 60 Years of Dividend Growth (rebased to 100)



Note: The Consumer Prices Index ("CPI") was first introduced in the UK as an official measure in 1996 and is therefore not available for 60 years

Performance at 30 June

NAV per share[6]

2026	2025
553.4p	472.5p

Premium[6]

2026	2025
2.3%	3.2%

NAV per share (debt at fair value)[6]

2026	2025
558.9p	478.1p

Premium (debt at fair value)[6]

2026	2025
1.3%	2.0%

Share price

2026	2025
566.0p	487.5p

Gearing at year end[6]

2026	2025
4.7%	5.3%

Revenue earnings per share

2026	2025
22.5p	21.6p

Dividends per share

2026	2025
22.15p	21.30p

Ongoing charge for the year[5,6]

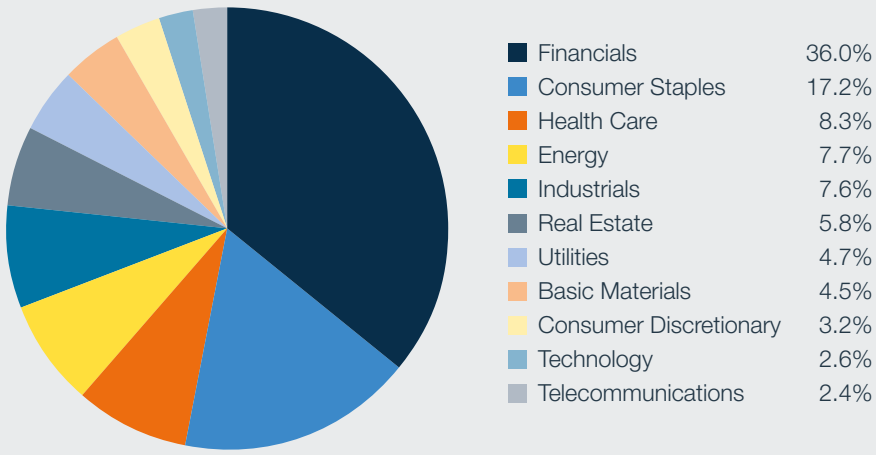
2026	2025
0.36%	0.36%

Revenue reserve per share[6]

2026	2025
10.2p	9.9p

Sector Exposure

As a percentage of the investment portfolio excluding cash:



Source: Janus Henderson

1 Net asset value ("NAV") per ordinary share total return with debt at fair value (including dividends reinvested)
2 Share price total return using mid-market closing price
3 Association of Investment Companies ("AIC") UK Equity Income sector size-weighted average NAV total return (shareholders' funds)
4 AIC UK Equity Income sector NAV total return calculated on a simple average basis
5 Calculated using the methodology prescribed by the AIC
6 Alternative Performance Measure
Sources: Morningstar Direct, Janus Henderson, LSEG Datastream
A glossary of terms and an explanation of Alternative Performance Measures are on pages 93 to 95

Performance at 30 June

NAV Total Return Performance to 30 June 2026

	1 year %	3 years %	5 years %	10 years %
NAV per ordinary share[1]	21.9	64.5	84.8	136.9
FTSE All-Share Index	21.9	53.1	67.9	129.8
AIC UK Equity Income sector average[2]	13.7	42.1	52.6	120.4
IA UK Equity Income OEIC sector average	15.1	45.8	50.8	101.5

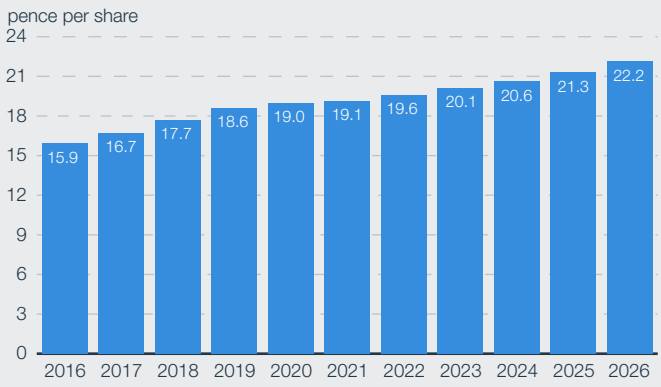
Share Price Performance Total Return to 30 June 2026

Value of £1,000 with net income reinvested	1 year £	3 years £	5 years £	10 years £
Share price per ordinary share[3]	1,209.8	1,640.4	1,839.2	2,384.2
FTSE All-Share Index	1,218.9	1,530.9	1,678.8	2,297.6
AIC UK Equity Income sector average	1,145.2	1,441.9	1,531.8	2,291.2
IA UK Equity Income OEIC sector average	1,151.0	1,457.6	1,507.8	2,015.2

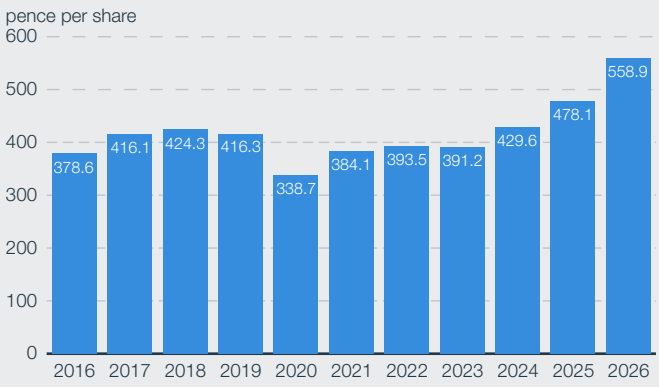
Ten-Year NAV and Dividend Record

Year ended	Net asset value per ordinary share (p)[4]	Net asset value per ordinary share (rebased)[5]	Net dividends per ordinary share (p)	Net dividends per ordinary share (rebased)[5]
30 June 2016	378.6	100.0	15.90	100.0
30 June 2017	416.1	109.9	16.70	105.0
30 June 2018	424.3	112.1	17.70	111.3
30 June 2019	416.3	110.0	18.60	117.0
30 June 2020	338.7	89.5	19.00	119.5
30 June 2021	384.1	101.5	19.10	120.1
30 June 2022	393.5	103.9	19.60	123.3
30 June 2023	391.2	103.3	20.10	126.4
30 June 2024	429.6	113.5	20.60	129.6
30 June 2025	478.1	126.3	21.30	134.0
30 June 2026	**558.9**	**147.6**	**22.15**	**139.3**

Historical dividend



Historical NAV[4]



1 NAV per share total return with debt at fair value (including dividends reinvested)
2 AIC UK Equity Income sector size-weighted average NAV total return (shareholders' funds)
3 Share price total return using mid-market closing price
4 NAV per ordinary share is calculated after deducting all prior charges, including the preference and preferred ordinary stocks, at fair value
5 Rebased to 100 at 30 June 2016
Sources: Morningstar Direct, Janus Henderson, LSEG Datastream
A glossary of terms and Alternative Performance Measures are on pages 93 to 95

The City of London Story

A Brief History

The Company (or "City of London") was formed as The City of London Brewery Company in 1860 to acquire Calverts, a family brewing business at Upper Thames Street in the City of London, registering as a limited company in 1891. The brewery had extensive interests in the licensed premises trade.

Photo credit: Keith Osbourne

In 1932, the name was changed to The City of London Brewery and Investment Trust Limited, parts of the business having been sold and the proceeds invested in securities according to investment trust principles. In 1968, the remaining part of the brewery business was sold and the Company concentrated exclusively on investments in securities.

In 1970, the Company appointed Touche, Remnant & Co. as Investment Manager and in 1982 the name was changed to TR City of London Trust PLC. In 1992, Touche, Remnant & Co. was acquired by Henderson Administration Group plc. The name of the Company was changed to The City of London Investment Trust plc in October 1997.

The Company has grown significantly with a strong performance record. Invested mainly in UK equities with a bias towards large, multinational companies and a conservative approach to portfolio composition, it prioritises sustainable income and long-term capital growth.

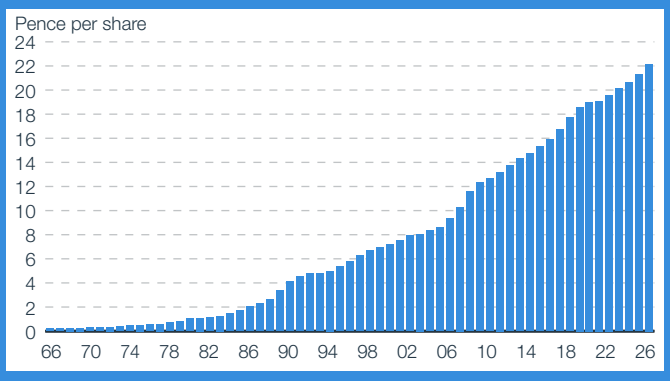
Photo credit: The Brewery History Society (custodians)

The Company has increased its dividend every year since 1966 and this 60 year record is the longest of any investment trust.

In May 2017, Henderson Group plc merged with Janus Capital Group Inc. to become Janus Henderson Group plc.

On 30 June 2026, Janus Henderson Group completed a take-private transaction with Trian Fund Management L.P., General Catalyst Group Management LLC and Qatar Investment Authority.

City of London: 60 Years of Dividend Growth



Source: Janus Henderson

The City of London Story (continued)

History of income growth

The summer of 1966 was significant for English football fans as it was the first (and most recent) time that England's men's team won the World Cup. It was also the start of City of London's dividend growth track record which has continued uninterrupted for 60 years.

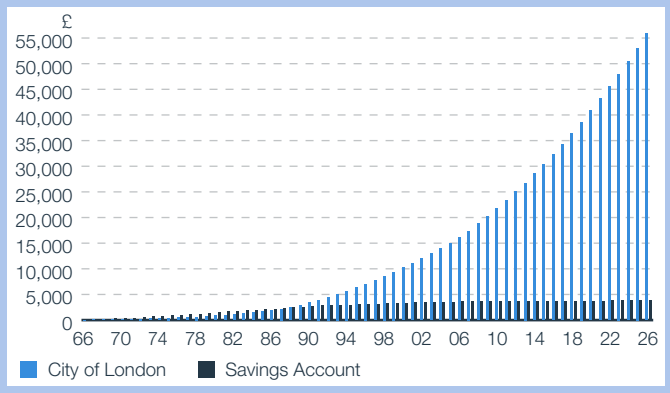
Over that time, an initial investment of:

£1,000 in **CITY OF LONDON** has yielded investors **£55,900** in gross income, assuming that they had not reinvested their income.

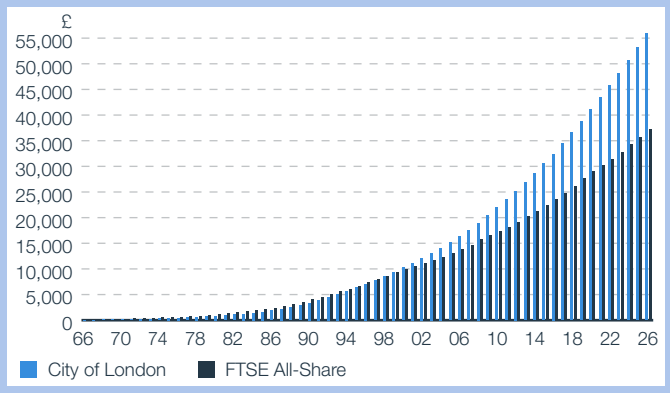
This compares to just **£3,900** earned from a **SAVINGS ACCOUNT**, based on the Bank of England base rate, or

£37,300 paid out by the **UK EQUITY MARKET**, as measured by the FTSE All-Share Index over the same period.

Cumulative income received from £1,000 initial investment



Source: Janus Henderson and LSEG Datastream

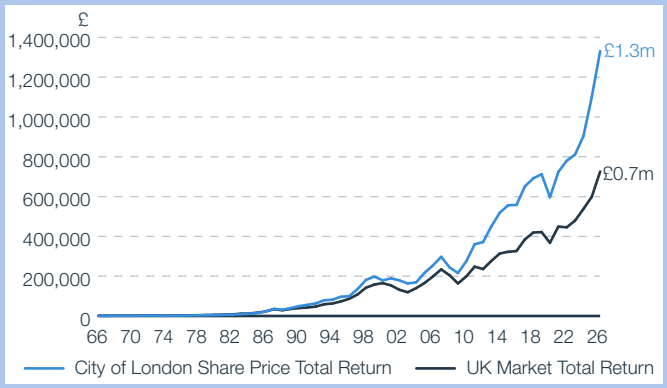


Source: Janus Henderson and LSEG Datastream

Compounding income and total return

While City of London has provided investors with a growing source of income, it has also delivered strong long-term capital growth on a total return basis. If investors had reinvested their dividends back into shares in the Company over the period since 1966, an initial investment of £1,000 would be worth £1.3m today. For comparison, an investment of £1,000 in the UK market over 60 years, as measured by the Datastream UK Market Index (as data for the FTSE All-Share Index total return only goes back to 1986), would be worth £0.7m on a comparable total return basis. This comparison demonstrates a significant outperformance by City of London over the long term.

City of London total return from a £1,000 initial investment



Source: Janus Henderson and LSEG Datastream

Reserves

One of the main advantages of investment trusts is their ability to retain surplus income and create revenue reserves. These reserves can be added to in profitable years and paid out in the leaner years, thereby smoothing the level of dividend payments to shareholders where appropriate. The investment process for City of London aims to avoid companies that cannot sustain dividend payments and the diversification of the portfolio limits the impact of any dividend cut. Furthermore, the use of revenue reserves along with the ability to distribute capital reserves arising from gains realised from investments gives compelling reassurance of the sustainability of the dividend in challenging market conditions.

City of London's dividend growth track record and strong reserves position should give investors comfort over the long term.

Chairman's Statement

Sir Laurie Magnus CBE
Chairman

"The dividend was increased, for the 60th consecutive year, by 4.0% and was fully covered by earnings per share. This continues City of London's unique leadership in delivering the longest record of consecutive annual dividend increases in the investment trust sector."

Chairman's Statement

City of London produced a net asset value ("NAV") total return of 21.9% over the year to 30 June 2026, which was the same as the FTSE All-Share Index total return. The Company also exceeded the FTSE All-Share Index total return over 3, 5 and 10 years.

The dividend was increased, for the 60th consecutive year, by 4.0% and was fully covered by earnings per share. This continues City of London's unique leadership in delivering the longest record of consecutive annual dividend increases in the investment trust sector. The Board is determined to maintain this leadership position over the years ahead.

The Markets

Despite volatile global politics, stock markets produced good returns during the twelve months. Excitement about the potential for artificial intelligence ("AI") shifted from the large technology companies that will provide AI to those benefiting from the huge capital expenditure in building out the infrastructure, such as semi-conductor manufacturers. Companies whose business models appeared to be threatened by AI were notable underperformers, even if the threat had not yet impacted their results.

Equity markets were also helped by a loosening of monetary policy in the second half of 2025. The US Federal Reserve reduced interest rates to 3.75% after announcing three 25 basis points ("bps") cuts and the Bank of England also reduced its rate to 3.75% after two 25 bps cuts. Following the outbreak of armed conflict between the US and Iran at the end of February 2026, which led to the closure of the Strait of Hormuz and an upward spike in the oil price, interest rates stayed on hold in the US and UK. The European Central Bank lifted its key deposit rate, in June, by 25 bps to 2.25% as pricing pressures increased. Equity markets initially fell on the escalation of the conflict in the Middle East but recovered in anticipation of a ceasefire and with the Memorandum of Understanding signed by the US and Iran in June.

UK GDP growth was tepid during the second half of 2025, partly because of damaging speculation, for the second consecutive year, about tax changes in the Budget. 10-year Gilt yields rose during the 12 months from 4.5% to a peak of 5.2% in May, before falling to 4.8% at the end of June, with continuing doubts in the markets about the sustainability of the UK government's fiscal policy. Economic growth improved marginally during the first half of 2026, but the arrival of Andy Burnham as Prime Minister has revived uncertainty concerning the government's attitude towards business and its fiscal credibility.

There was a significant number of takeover bids for UK listed companies by overseas companies and private equity firms, as has been the case for several years. City of London's portfolio benefited with the proposed acquisitions of Beazley by Zurich Insurance, Schroders by Nuveen of the US, Tate & Lyle by Ingredion of the US and Segro by Prologis of the US.

Performance

Earnings and Dividends

City of London's earnings per share increased by 4.4%. The growth in dividends from the banks sector was the most important positive contributor for the third year in a row. Special dividends accounted for as revenue amounted to £0.3 million, down from £0.6 million for the previous year and reflecting the corporate trend for effecting shareholder distributions through share buybacks rather than dividend payments.

Expenses remained under tight control, with City of London's ongoing charge ratio of 0.36% remaining very competitive compared to most other actively managed funds. The management fee with Janus Henderson is 0.3% for net assets up to £3.0 billion, dropping to 0.275% on any excess above £3.0 billion. Net assets amounted to £2.85 billion as at 30 June 2026.

City of London's annual dividend grew by 4.0%, ahead of UK CPI inflation of 2.6%. Over ten years, City of London's dividend has grown by 39.3%, slightly behind UK CPI inflation of 41.7%. The last decade has been a difficult period for real dividend growth, adversely affected both by the widespread cuts during the Covid pandemic and a period when, mainly because of rising energy costs, the annual rate of inflation exceeded 10%. Over 20 years, City of London's dividend has risen by 136.6%, compared to UK CPI inflation of 78.0%.

City of London's record of 60 consecutive annual dividend increases is the longest of any investment trust. It has been achieved by investing predominantly in the UK stock market and by harnessing the benefits of the investment trust structure, including the facility to use revenue reserves and to raise low-cost long-term debt. It has also been achieved through the exemplary custodianship of the fund management team, led by Job Curtis, who has consistently steered the portfolio through numerous unpredictable market challenges over a tenure of 35 years with skill, humility and dedicated commitment.

The revenue reserve increased by £3.6 million to £52.3 million, with the revenue reserve per share rising by 3.0% to 10.2p. The Board is firmly of the view that dividend payments should, other than in very exceptional circumstances, be covered by revenue alone and not be supplemented by distribution from realised capital profits. Whilst the Company's capital reserves arising from gains on investments sold (which rose by £61.0 million to £459.4 million) could help to fund dividend payments, the Board considers that a healthy revenue reserve provides an important backstop for dividend payments made from revenue alone, especially during periods of dividend cuts across the stock market, as occurred during the Covid pandemic.

NAV Total Return

City of London's NAV total return of 21.9% for the 12 months was the same as for the FTSE All-Share Index. Gearing, which

Chairman's Statement (continued)

contributed positively by 0.8%, was financed mainly by secured debt. The £30 million 2.67% secured notes (maturing in 2046) and the £50 million 2.94% secured notes (maturing in 2049) will continue to provide low-cost debt financing over the next 20 years for investment in equities.

Stock selection detracted relative to the FTSE All-Share Index by 0.5%. The biggest stock detractor relative to the FTSE All-Share Index was Rolls Royce, the aero engine manufacturer, which pays a low level of dividend and was not held. The next largest detractors were being underweight in HSBC, the bank, and AstraZeneca, the pharmaceutical company. The biggest contributor to relative performance was not holding London Stock Exchange followed by IG, the online trading company, and not holding Experian, the credit rating company.

As mentioned in the introduction, City of London's NAV total return was ahead of the FTSE All-Share Index over 3, 5 and 10 years. City of London was also ahead of the AIC UK Equity Income and IA UK Equity Income OEIC sector averages over 1, 3, 5 and 10 years.

Share Issues and Buybacks

The Board takes very seriously its stated policy to issue and buy back shares within a narrow band relative to NAV. The ability to do this is underpinned by the liquidity of the Company's portfolio, all of which is listed and readily marketable, in contrast to the position of some other investment trusts. Over the last 15 years, the Company's prevailing share price premium and discount to NAV has stayed within narrow bands rarely exceeding 3%. City of London's shareholders have therefore benefited from a relatively low volatility of share price relative to NAV. In addition, share issues at a premium and buybacks at a discount have enhanced NAV. During the 12 months to 30 June 2026, the Company sold 9.1 million shares from treasury (which had been bought back in earlier periods) and issued 12.4 million new shares - all at a premium to NAV for total proceeds of £114.8 million.

Environmental, Social and Governance

The Fund Manager and Deputy Fund Manager, supported by specialists at Janus Henderson, give careful consideration to environmental, social and governance ("ESG") related risks and opportunities when selecting stocks for the portfolio. The Board recognises that these risks are highly relevant to the long-term performance of City of London and of interest to shareholders and commentators. An analysis by MSCI, a company widely used in the review of ESG factors, shows that City of London's portfolio, as at 30 June 2026, had a lower weighted score to ESG risks than the FTSE All-Share Index.

ESG-related issues receive careful consideration at each Board meeting, including how shareholdings have been voted at investee meetings. Further details on how the Fund Managers take ESG considerations into account in their investment decision-making process are provided on pages 34 to 37.

Annual General Meeting

The 2026 Annual General Meeting ("AGM") will be held in the offices of Janus Henderson, 201 Bishopsgate, London EC2M 3AE on Thursday, 29 October 2026 at 1.00pm. The meeting will include a presentation by our Fund Manager, Job Curtis, and Deputy Fund Manager, David Smith. Any shareholder who is unable to travel is encouraged to join virtually by Zoom webinar by registering at **www.janushenderson.com/cty-agm**. The Board has decided to adopt the practice of conducting the voting for each resolution on a poll, as an alternative to shareholders voting on a show of hands at the meeting. This will mean that all votes submitted by proxy will be taken into account, as well as the votes of those shareholders physically present. All shareholders, and particularly those who cannot attend in person, are therefore requested to submit their votes by proxy by the deadline set out in the Notice of Meeting to ensure their vote counts.

Outlook

The huge amount being spent on rolling out the infrastructure for AI suggests it will be a groundbreaking new technology. While there will be significant medium-term productivity benefits for the world economy, there will also be disruption for some industries and related labour markets. The returns on the vast sums being invested could also be disappointing, with adverse consequences for the highly valued stocks that have capitalised on the speculation associated with the AI "revolution". In addition, this capital expenditure is having a short-term upward impact on inflation, with price rises in commodities and components, such as copper and semiconductors, even if the adoption of AI will ultimately be deflationary.

Movements in oil and natural gas prices continue to have an important influence on global inflation. The wars in Ukraine and Iran have constrained the availability of these energy resources and reduced refining capacity with adverse consequences for critical products, such as jet fuel and diesel. The outcome of these conflicts, which is still uncertain, will have a significant effect on the global economy. Overall, while inflation remains above target in the US and UK and rising in Europe, further interest rate cuts by central banks are unlikely.

Chairman's Statement (continued)

The UK equity market offers a diverse range of sectors and is not dominated by technology companies, as is the case with the US stock market. The Board is confident that companies in industries with large weightings in the UK stock market, such as financials, resources and consumer staples, will grow in the years ahead. The share prices of UK companies remain at a considerable valuation discount to comparable companies overseas and therefore likely to continue to attract takeover bids. The Board believes City of London's portfolio is well placed to build on its record-breaking 60 years of consecutive dividend growth and to provide shareholders with a competitive total return.

Sir Laurie Magnus CBE
Chairman
15 September 2026

Portfolio Snapshot

Forty Largest Investments as at 30 June 2026

The 40 largest investments, representing 84.35% of the portfolio, are listed below.

Position	Company	Sector	Market value £'000	Portfolio %
1	HSBC	Banks	191,727	6.42
2	Shell	Oil and Gas	126,076	4.22
3	British American Tobacco	Tobacco	123,940	4.15
4	NatWest	Banks	118,357	3.96
5	Lloyds Banking	Banks	104,434	3.50
6	BAE Systems	Aerospace and Defence	101,365	3.40
7	Unilever	Personal Care, Drug and Grocery Stores	94,564	3.17
8	AstraZeneca	Pharmaceuticals and Biotechnology	93,060	3.12
9	Tesco	Personal Care, Drug and Grocery Stores	89,656	3.00
10	M&G	Investment Banking and Brokerage Services	87,386	2.93
Top 10			**1,130,565**	**37.87**
11	Rio Tinto	Industrial Metals and Mining	84,752	2.84
12	Imperial Brands	Tobacco	80,184	2.69
13	Barclays	Banks	78,270	2.62
14	BP	Oil and Gas	73,327	2.46
15	GSK	Pharmaceuticals and Biotechnology	73,278	2.45
16	IG	Investment Banking and Brokerage Services	72,720	2.44
17	Aviva	Life Insurance	72,367	2.42
18	Standard Life (formerly Phoenix)	Life Insurance	71,968	2.41
19	RELX	Software and Computer Services	64,052	2.14
20	National Grid	Gas, Water and Multi-utilities	60,029	2.01
Top 20			**1,861,512**	**62.35**
21	Legal & General	Life Insurance	57,915	1.94
22	British Land	Real Estate Investment Trusts	57,739	1.93
23	Land Securities	Real Estate Investment Trusts	57,569	1.93
24	Schroders	Investment Banking and Brokerage Services	43,438	1.45
25	Severn Trent	Gas, Water and Multi-utilities	35,472	1.19
26	Diageo	Beverages	35,017	1.17
27	Reckitt Benckiser	Personal Care, Drug and Grocery Stores	34,370	1.15
28	Glencore	Industrial Metals and Mining	33,397	1.12
29	TotalEnergies	Oil and Gas	30,464	1.02
30	Munich Re	Non-life Insurance	27,329	0.92
Top 30			**2,274,222**	**76.17**
31	St. James's Place	Investment Banking and Brokerage Services	27,259	0.91
32	Segro	Real Estate Investment Trusts	26,694	0.89
33	Swire Pacific	General Industrials	26,672	0.89
34	SSE	Electricity	26,176	0.88
35	Novartis	Pharmaceuticals and Biotechnology	26,011	0.87
36	BT	Telecommunications Service Providers	25,942	0.87
37	TP ICAP	Investment Banking and Brokerage Services	21,996	0.74
38	IMI	Electronic and Electrical Equipment	21,474	0.72
39	ITV	Media	21,359	0.72
40	Smiths	General Industrials	20,480	0.69
Top 40			**2,518,285**	**84.35**

All classes of equity in any one company are treated as one investment.

Portfolio Snapshot (continued)

Classification of Investments and Portfolio Weighting as at 30 June 2026

		Portfolio %	FTSE All-Share Index %	Relative to the FTSE All-Share Index percentage points
Energy	Oil and Gas	7.7	8.6	(0.9)
		7.7	**8.6**	**(0.9)**
Basic Materials	Chemicals	0.6	0.3	0.3
	Industrial Metals and Mining	3.9	6.5	(2.6)
	Precious Metals and Mining	–	0.6	(0.6)
		4.5	**7.4**	**(2.9)**
Industrials	Aerospace and Defence	3.4	6.7	(3.3)
	Construction and Materials	0.4	0.5	(0.1)
	Electronic and Electrical Equipment	1.3	1.2	0.1
	General Industrials	1.6	0.7	0.9
	Industrial Engineering	0.4	0.5	(0.1)
	Industrial Support Services	0.5	2.5	(2.0)
	Industrial Transportation	–	0.1	(0.1)
		7.6	**12.2**	**(4.6)**
Consumer Staples	Beverages	1.6	2.1	(0.5)
	Food Producers	1.4	0.5	0.9
	Personal Care, Drug and Grocery Stores	7.3	6.1	1.2
	Tobacco	6.9	4.1	2.8
		17.2	**12.8**	**4.4**
Health Care	Medical Equipment and Services	0.6	0.5	0.1
	Pharmaceuticals and Biotechnology	7.7	11.5	(3.8)
		8.3	**12.0**	**(3.7)**
Consumer Discretionary	Consumer Services	–	1.4	(1.4)
	Household Goods and Home Construction	1.1	0.6	0.5
	Leisure Goods	–	0.3	(0.3)
	Media	0.7	0.9	(0.2)
	Personal Goods	–	0.2	(0.2)
	Retailers	1.2	1.4	(0.2)
	Travel and Leisure	0.2	1.9	(1.7)
		3.2	**6.7**	**(3.5)**
Telecommunications	Telecommunications Service Providers	2.4	1.2	1.2
		2.4	**1.2**	**1.2**
Utilities	Electricity	0.9	1.2	(0.3)
	Gas, Water and Multi-utilities	3.8	3.3	0.5
		4.7	**4.5**	**0.2**
Financials	Banks	16.8	17.0	(0.2)
	Closed End Investments	–	5.6	(5.6)
	Finance and Credit Services	–	1.5	(1.5)
	Investment Banking and Brokerage Services	9.7	2.9	6.8
	Life Insurance	7.2	2.4	4.8
	Non-life Insurance	2.3	0.9	1.4
		36.0	**30.3**	**5.7**
Real Estate	Real Estate Investment Trusts	5.4	1.8	3.6
	Real Estate Investment and Services	0.4	0.2	0.2
		5.8	**2.0**	**3.8**
Technology	Software and Computer Services	2.6	2.3	0.3
		2.6	**2.3**	**0.3**
Total		**100.0**	**100.0**	**–**

Fund Managers' Report

Job Curtis
Fund Manager

David Smith
Deputy Fund Manager

"The portfolio is designed to continue growing City of London's dividend and provide a competitive total return, including capital appreciation. We believe the companies in the portfolio offer good value relative to our view of the prospects for earnings and dividend growth."

Fund Managers' Report

Investment Background

The UK equity market, as measured by the FTSE All-Share Index, produced a total return of 21.9% over the year under review. UK GDP growth slowed in the second half of 2025, adversely affected by speculation over the Budget, but recovered in the first half of 2026, leading to growth of 1.1% over the 12 months. After poor results in the May local elections, Sir Keir Starmer resigned as Prime Minister and was replaced by Andy Burnham in July 2026.

Globally, the dominant investment theme was excitement over the new technology of artificial intelligence ("AI"). The vast sums being spent on building out the infrastructure for AI led to very substantial opportunities for suppliers, such as manufacturers of semi-conductor chips, copper miners and builders of data centres. But concern grew towards the end of the period about whether the returns would justify the scale of investment.

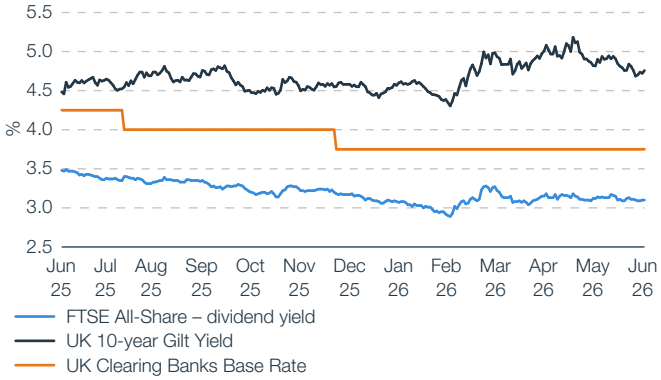
The outbreak of hostilities between the US and Iran, which led to the Strait of Hormuz being closed, caused a rise in the oil price and fall in global equity prices. These moves reversed in the second quarter of 2026 as the conflict appeared to de-escalate.

FTSE All-Share Index total return (rebased to 100)

Source: LSEG Datastream, as at 30 June 2026. Rebased to 100 as at 30 June 2025

During the 12 months, the Bank of England made two 25 basis points cuts in the base rate, in August and December 2025, taking it from 4.25% to 3.75%. CPI inflation started the period under review at 3.6% and was on a declining trend until the conflict between the US and Iran led to a rise in the oil price and inflation. The 10-year gilt yield, which was 4.5% on 30 June 2025, rose to a peak of 5.2% on 19 May 2026 and ended the 12 months at 4.8% on 30 June 2026. The dividend yield of the FTSE All-Share Index was 3.1% at 30 June 2026, below the 10-year gilt yield and the base rate, but with equities offering the prospect of dividend growth.

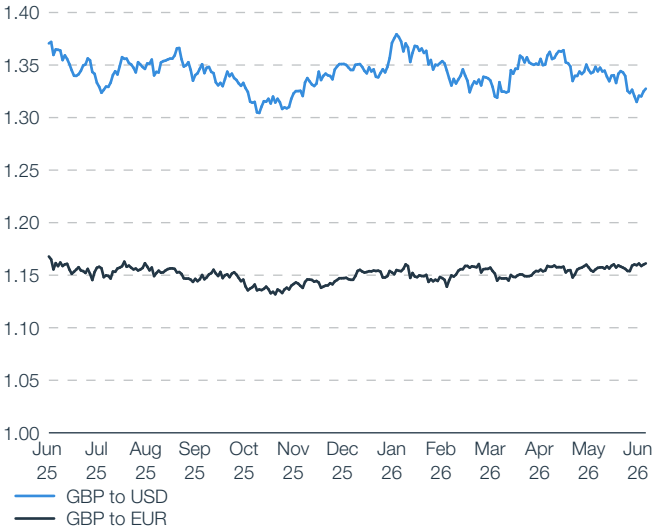
FTSE All-Share Index dividend yield, UK 10-year gilt yield and UK base rate



Source: LSEG Datastream, as at 30 June 2026

In 2017 and 2021, when interest rates were exceptionally low, the Company was able to fix cheap rates of borrowing for long periods through the following secured notes: £30 million 2.67% 2046 and £50 million 2.94% 2049. In addition, there is also one secured note with two-and-a-half years until maturity: £35 million 4.53% 2029. These borrowings remained invested in equities throughout the year. The HSBC facility, which is priced off the base rate, was used opportunistically: £17 million was drawn down at the start of the 12-month period, falling to £4 million at 30 September 2025, rising to £73 million at 31 May 2026 and falling to £32 million at 30 June 2026.

UK £ vs US$ and Euro



Source: LSEG Datastream, as at 30 June 2026

In the foreign exchange market, the US dollar strengthened against sterling, which reflected the better growth of the US economy, partly due to capital expenditure on AI infrastructure. The exchange rate between the US dollar and sterling fell from 1.37 to 1.33. Against the euro, sterling was more stable, with the exchange rate moving from 1.17 to 1.16.

Fund Managers' Report (continued)

Brent Crude Oil US$/bbl

Source: Bloomberg, as at 30 June 2026

The oil price softened during the first eight months of the period under review, reflecting an excess supply of oil in world markets. There was a dramatic change with the outbreak of the conflict between the US and Iran leading to the closure of the Strait of Hormuz, a significant artery in the export of oil and liquified natural gas ("LNG") from the Middle East. In some respects, it was surprising that the oil price did not rise higher than $118/bbl. Consumers globally reduced demand for oil and China was able to draw on its large oil reserves. The oil price fell in June 2026, as the Memorandum of Understanding between the US and Iran was agreed, and ended the 12 months at $73/bbl.

Performance Review

Estimated performance attribution (relative to FTSE All-Share Index total return)

	2026 %	2025 %
Stock selection	-0.51	+5.54
Gearing	+0.76	+0.39
Expenses	-0.36	-0.36
Share issues/buybacks	+0.11	+0.02
Total	0.00	+5.59

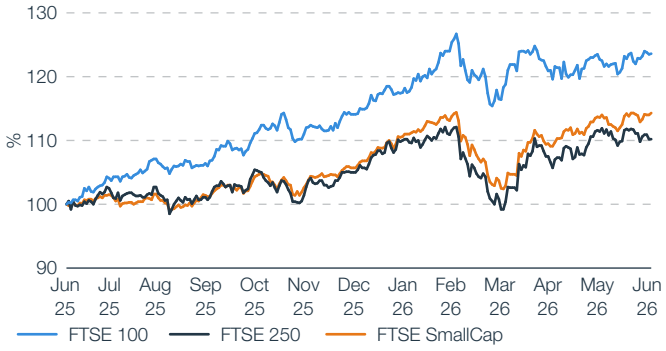
Source: Janus Henderson

The Company produced a net asset value total return of 21.9%, which was the same as the FTSE All-Share Index. Gearing contributed to performance by 0.76 percentage points ("pp") and stock selection detracted by 0.51pp.

The biggest stock detractor to relative performance was not owning Rolls Royce, the aero engine manufacturer. Benefiting from the upswing in the civil aerospace cycle, Rolls Royce's shares performed strongly but the company continued to pay a low level of dividend. The second and third biggest detractors were HSBC, the bank, and AstraZeneca, the pharmaceutical company. Both were large holdings in the portfolio but underweight relative to the benchmark index. The fourth biggest detractor was RELX, the provider of information and analytics to businesses, lawyers and scientists. RELX's shares underperformed on general fears of the medium-term impact of AI on its business, despite it delivering short-term profits growth in line with expectations. The fifth biggest detractor was Anglo American, the mining company, which was sold from the portfolio but subsequently announced a combination with Teck of Canada, which was well received.

The biggest and third biggest contributors to relative performance were respectively London Stock Exchange and Experian, the credit rating company, which were not held in the portfolio. Both companies derated on fears about the impact of AI on their businesses. The second biggest contributor was IG, the online trading company, which benefited from supportive market conditions and an improved product offering leading to strong customer growth. The fourth biggest contributor was 3i, the investor in private companies, where the holding was reduced and the portfolio was underweight. The fifth largest contributor was Schroders, the fund management company, which agreed to be taken over by Nuveen of the US.

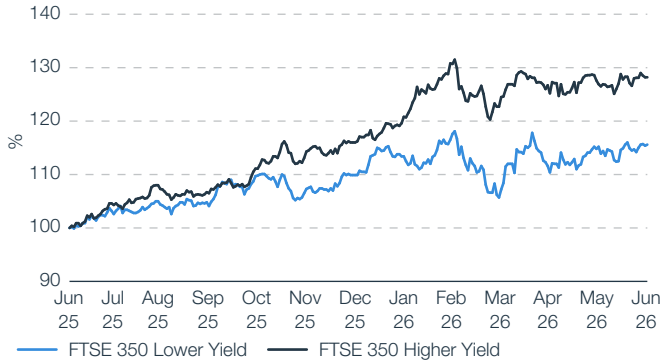
FTSE 100, 250 and SmallCap Indices total return (rebased to 100)



Source: LSEG Datastream, as at 30 June 2026. Rebased to 100 as at 30 June 2025

Large companies, as represented by the FTSE 100 Index, produced a total return of 23.6%, outperforming the 10.2% return for medium-sized companies, as represented by the FTSE 250 Index, and the 14.3% return for smaller companies, as represented by the FTSE Smallcap Index. The FTSE 100 was helped by its large weighting in mining, banks and health care which were strongly performing sectors.

FTSE 350 Higher and Lower Yield (rebased to 100)



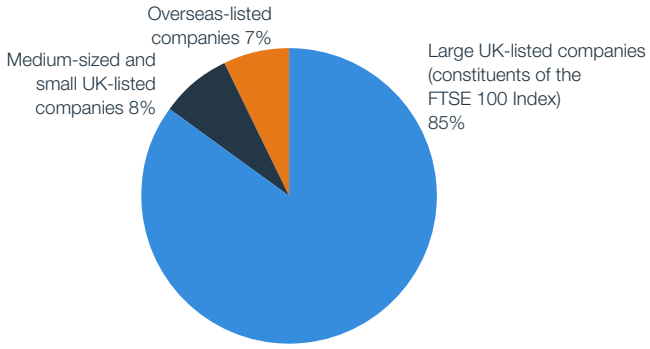
Source: LSEG Datastream, as at 30 June 2026. Rebased to 100 as at 30 June 2025

Fund Managers' Report (continued)

Higher yielding shares outperformed, with the FTSE 350 Higher Yield Index (the higher dividend-yielding half of the largest 350 companies listed in the UK) producing a return of 28.2% compared to a total return of 15.6% by the FTSE 350 Lower Yield Index (the lower yielding half of the largest 350 companies listed in the UK). The perceived AI loser companies, such as RELX, London Stock Exchange and Experian mentioned above, tended to be lower yielding.

Portfolio Changes

Distribution of the portfolio as at 30 June 2026



Source: Janus Henderson, as at 30 June 2026

The proportion of the portfolio in large UK-listed companies (constituents of the FTSE 100 Index) rose during the 12 months from 81% to 85%. This reflects the strong performance and continuing good prospects, in our view, for capital and income growth from sectors and companies typically found in the FTSE 100 Index, such as banks and life insurers. The proportion in overseas-listed companies reduced slightly from 8% to 7%, given our preference for UK companies which stood at a valuation discount to overseas equivalents. There is scope for up to 20% of the portfolio to be in overseas-listed equities and it did reach 17% as at 30 June 2022. In the future, a greater allocation will be given to overseas-listed equities when we perceive the relative valuation to have improved.

There were four new holdings bought during the 12 months. Big Yellow is the UK's largest self-storage operator with a footprint of some six million square feet. Its estate is primarily freehold and concentrated in London, the South-East and large urban conurbations. Although demand can be affected by the volume of housing transactions, evidence suggests there is considerable scope for secular growth of self-storage in the UK to reach the penetration found in some other countries, such as the US.

ICG is an alternative asset management firm, in areas such as structured capital, private debt, private equity secondaries, credit and real assets. The private markets in which ICG operates have been growing faster than public markets with less pressure on management fees.

ITV's revenues are split between media and entertainment, where it is the leader in UK TV advertising, and the studios, where it is one of the world's largest makers of television programmes. ITV has reached agreement to sell its media and entertainment division to Sky (owned by Comcast of the US), subject to regulatory approval. The remaining studios division should be able to achieve a higher valuation given its growth rate.

Rightmove is the UK's leading property portal, with some 90% of estate agents paying a monthly subscription to advertise an unlimited number of properties on its website. Rightmove's shares have derated because of fears about AI disrupting its business model. Rightmove is investing in AI to enhance its platform and has proprietorial data and analytics to build on.

There were seven complete sales made during the 12 months. Two companies were sold ahead of the completion of takeovers: Beazley, the specialist insurer, which is being bought by Zurich Insurance; and Dowlais, the motor components company, which was taken over by American Axle.

Anglo American, the mining company, was sold after it cut its dividend severely and concern about the difficulty of selling its coal assets in Australia and its controlling interest in De Beers, the diamond company. XP Power, a power supply manufacturer, passed its dividend, and Hays, the employment agency, and Mondi, paper and packaging company, both cut their dividends. These three companies, which were small holdings in the portfolio, were sold given uncertainty about their recovery prospects.

In the oil and gas sector, the holding in Harbour Energy was sold, given the cut in its dividend and its high leverage. In contrast, a significant addition was made to BP, which stopped its share buyback but continued to increase its dividend. The elevated oil price has enabled BP to reduce its debt levels more quickly than previously anticipated. In addition, the company made several discoveries of new oil and gas fields over the last year, including Bumerangue, a large prospect off the coast of Brazil.

In consumer staples, additions were made to two long-standing holdings, Diageo and Unilever. Diageo is one of the world's largest alcoholic drinks companies, with brands such as Johnnie Walker (Scotch whisky), Guinness (beer), Smirnoff (vodka) and Don Julio (tequila). Diageo has performed poorly in recent years, with falling profits leading to a cut in its dividend. Although weight-loss drugs may have had an impact, there is also an element of cyclicality in demand for premium alcoholic beverages, which should recover. The new Chief Executive, Sir Dave Lewis, who had an excellent record turning around Tesco, should be able to improve Diageo's trading performance and operational efficiency over the medium term.

Unilever is in the process of significantly simplifying its business. It spun out its ice cream business, Magnum, which was sold from the portfolio. It also announced the merger of its food division with McCormick of the US. This will take

Fund Managers' Report (continued)

place in 2027 and lead to a better-balanced food business. McCormick also has a good record of dividend growth. The remaining Unilever business (personal care, beauty & well-being and homecare) should have a higher growth rate, especially given their large presence in emerging markets.

GSK, the pharmaceutical company, was added to given its more consistent profits delivery and promising pipeline of new drugs in research and development. The holding in RELX, the provider of information and analytics to businesses, lawyers and scientists, was increased. In our view, RELX has high barriers to entry around its businesses and is likely to be a beneficiary of AI.

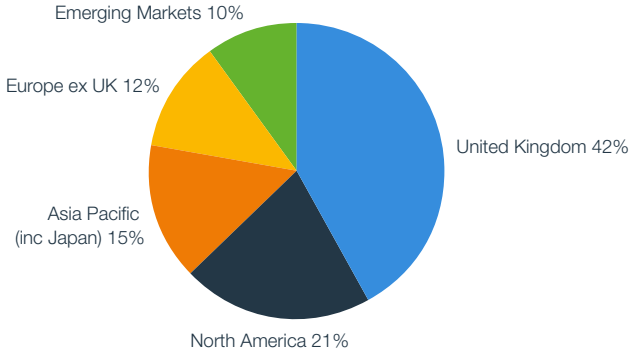
The share prices of the Real Estate Investment Trust shares held in the portfolio traded on substantial discounts to their net asset values despite high occupancies of their properties and improving rental growth. Additions were made to Land Securities (London offices and shopping centres), British Land (London offices and retail warehouses) and Segro (industrial warehouses and data centres). In June 2026, there was a takeover approach for Segro from Prologis of the US, subsequently recommended by Segro's board in August 2026.

Reductions were made in the utilities SSE and National Grid on substantial premiums to their regulatory asset values. While both businesses have strong growth prospects as renewable energy infrastructure is built out, they will need to execute well on their large investment programmes.

Over 80% of the holding in 3i, the investor in private companies, which entered the portfolio in 2021, was sold at a large profit compared with our book cost. 3i's shares were standing on a large premium to its NAV, reflecting the success of its investment in Action, a European discount retailer. Subsequently, Action's sales fell short of expectations, leading to share price underperformance.

Portfolio Outlook

Revenue exposure (%)



Source: FactSet, as at 30 June 2026

The portfolio remains well diversified, with 58% of investee companies' revenues coming from overseas. As shown in the chart above, the detailed split is 42% UK, 21% North America, 15% Asia Pacific, 12% Europe ex UK and 10% Emerging Markets.

Largest sector weightings

	Portfolio %	FTSE All-Share Index %	Relative to the FTSE All-Share Index %
Banks	16.8	17.0	-0.2
Investment Banking and Brokerage Services	9.7	2.9	+6.8
Oil and Gas	7.7	8.6	-0.9
Pharmaceuticals and Biotechnology	7.7	11.5	-3.8
Personal Care, Drug and Grocery Stores	7.3	6.1	+1.2
Life Insurance	7.2	2.4	+4.8
Tobacco	6.9	4.1	+2.8

The largest sector exposure is banks at 16.8% of the portfolio, which had risen from 14.0% a year ago due to strong share price performances rather than any additions to the holdings. The largest position in the banks sector (and in the whole portfolio) is in HSBC (6.4% of the portfolio) followed by NatWest (4.0%), Lloyds (3.5%) and Barclays (2.6%). The sector should continue to benefit as balances that were hedged out when bond yields were low before 2023 (often referred to as the "structural hedge") are rolled over to the higher yields that are now available. The regulatory climate continues to improve with the overall capital position of the leading banks seen to be sufficient with the trend towards a relaxation of capital requirements to boost lending and economic growth. As the profitability of the banks sector builds, further dividend growth can be expected, with pay-out ratios at a conservative level.

The second largest sector weighting is in investment banking and brokerage services (9.7% of the portfolio). This sector includes fund managers, wealth managers and financial advisers. The three largest holdings are: M&G (2.9%), the fund manager and life insurer; IG (2.4%), the online trading company; and Schroders (1.5%), the asset management group. M&G offers a compelling dividend yield backed by the cash flow from its life insurance business. Its fund management operation should benefit from the strategic partnership with Dai-ichi Life of Japan, which has bought a 15% stake in M&G. IG is well placed in the large and growing markets for the investment in and trading of financial instruments, while the recently announced acquisition of Underdog increases the company's exposure to the US and adds new products in sports and prediction markets. Schroders has agreed to be taken over by Nuveen of the US and will probably exit the portfolio in the second half of 2026.

The oil and gas sector is the third largest in the portfolio, with the two largest holdings being Shell (4.2%) and BP (2.5%), but slightly underweight compared with the benchmark index. The price of oil and natural gas are the key determinants for the profitability of the oil companies, which can make them volatile despite their large size. Shell has a strong balance

Fund Managers' Report (continued)

sheet, with a low level of debt, and a large share buyback programme, which should lead to its share price being defensive relative to others in the sector. As discussed in the Portfolio Changes section above, BP, in our view, has considerable recovery potential.

The fourth largest sector is pharmaceuticals and biotechnology, where the two largest holdings are AstraZeneca (3.1%) and GSK (2.5%). AstraZeneca has a strong record for the discovery and development of new drugs and a promising pipeline. Its share price stands at a valuation premium compared with most others in the global sector, with a relatively low dividend yield. The portfolio is underweight relative to the FTSE All-Share Index. GSK is more modestly rated and, as discussed in the Portfolio Changes section, additions have been made to the holding given improved prospects.

The fifth largest sector is personal care, drug and grocery stores, where the two largest holdings are Unilever (3.2%) and Tesco (3.0%). As discussed above, Unilever will be demerging its food business, which should release the growth potential of its remaining operations. Tesco is the UK's leading food retailer with a market share of around 29%. Tesco trades in a variety of different sized stores as well as online. It is competitive with its prices and offers a full range of goods in its large stores. It also has a more sophisticated loyalty card programme than competitors.

The sixth largest sector is life insurance, where the largest holdings are Aviva (2.4%), Standard Life (2.4%) and Legal & General (1.9%). These companies benefit from the cash flow from existing books of business as well as the growth potential as leaders in the market for UK savings and retirement products.

The seventh largest sector is tobacco, where the holdings are British American Tobacco (4.2%) and Imperial Brands (2.7%). Both companies are strongly cash generative with scope to enhance returns through share buybacks as well as dividends. British American Tobacco is also well placed in what are widely considered to be less harmful nicotine products, such as pouches and vapes, whose growth is offsetting some of the decline in volumes from combustible products.

The largest seven sectors, which make up 63.3% of the total portfolio, illustrate the range of the UK equity market as they include companies from financial industries (banks, investment banking and brokerage services and life insurers), energy (oil and gas), health care (pharmaceuticals) and consumer staples (personal care, drug and grocery stores and tobacco). In addition, there are large holdings in other sectors with significant growth potential, such as BAE Systems (3.4%, in aerospace and defence), Rio Tinto (2.8%, in mining) and RELX (2.1%, in software).

Overall, the portfolio is designed to continue growing City of London's dividend and provide a competitive total return, including capital appreciation. It has a tilt towards stocks with above-average dividend yield, but some lower yielding stocks are included in the mix. The portfolio is diversified by geography and sector, in contrast to many global portfolios which are dominated by technology shares. We believe the companies in the portfolio continue to offer good value relative to our view of the prospects for earnings and dividend growth and compared with equivalents overseas.

Job Curtis
Fund Manager
15 September 2026

David Smith
Deputy Fund Manager

Portfolio Information

Sector Breakdown of Investments as at 30 June 2026

	Valuation £'000
ENERGY	
Oil and Gas	
Shell	126,076
BP	73,327
TotalEnergies[1]	30,464
	229,867
Total Energy	**229,867**
BASIC MATERIALS	
Chemicals	
Johnson Matthey	12,866
Victrex	4,313
	17,179
Industrial Metals and Mining	
Rio Tinto	84,752
Glencore	33,397
	118,149
Total Basic Materials	**135,328**
INDUSTRIALS	
Aerospace and Defence	
BAE Systems	101,365
	101,365
Construction and Materials	
Ibstock	7,164
Marshalls	6,600
	13,764
Electronic and Electrical Equipment	
IMI	21,474
Morgan Advanced Materials	8,819
Rotork	7,680
	37,973
General Industrials	
Swire Pacific[1]	26,672
Smiths	20,480
	47,152
Industrial Engineering	
Vesuvius	11,872
	11,872
Industrial Support Services	
PayPoint	14,338
	14,338
Total Industrials	**226,464**

	Valuation £'000
CONSUMER STAPLES	
Beverages	
Diageo	35,017
Coca-Cola[1]	13,464
	48,481
Food Producers	
Nestlé[1]	19,786
Tate & Lyle	14,681
Hilton Food	8,240
	42,707
Personal Care, Drug and Grocery Stores	
Unilever	94,564
Tesco	89,656
Reckitt Benckiser	34,370
	218,590
Tobacco	
British American Tobacco	123,940
Imperial Brands	80,184
	204,124
Total Consumer Staples	**513,902**
HEALTH CARE	
Medical Equipment and Services	
Smith & Nephew	17,985
	17,985
Pharmaceuticals and Biotechnology	
AstraZeneca	93,060
GSK	73,278
Novartis[1]	26,011
Johnson & Johnson[1]	19,903
Merck[1]	16,928
	229,180
Total Health Care	**247,165**

1 Overseas listed
All classes of equity in any one company are treated as one investment

Portfolio Information (continued)

	Valuation £'000
CONSUMER DISCRETIONARY	
Household Goods and Home Construction	
Persimmon	18,060
Taylor Wimpey	12,909
	30,969
Media	
ITV	21,359
	21,359
Retailers	
Kingfisher	15,293
Inchcape	11,943
Halfords	8,068
	35,304
Travel and Leisure	
Young & Co's Brewery	6,900
	6,900
Total Consumer Discretionary	**94,532**
TELECOMMUNICATIONS	
Telecommunications Service Providers	
BT	25,942
Deutsche Telekom[1]	16,899
Vodafone	15,933
Verizon Communications[1]	12,751
	71,525
Total Telecommunications	**71,525**
UTILITIES	
Electricity	
SSE	26,176
	26,176
Gas, Water and Multi-utilities	
National Grid	60,029
Severn Trent	35,472
United Utilities	19,635
	115,136
Total Utilities	**141,312**
FINANCIALS	
Banks	
HSBC	191,727
NatWest	118,357
Lloyds Banking	104,434
Barclays	78,270
Nationwide Building Society 10.25% Var Perp CCDS	8,393
	501,181
Investment Banking and Brokerage Services	
M&G	87,386
IG	72,720
Schroders	43,438
St. James's Place	27,259
TP ICAP	21,996
Rathbones	16,420
ICG	12,660
3i	7,955
	289,834
Life Insurance	
Aviva	72,367
Standard Life (formerly Phoenix)	71,968
Legal & General	57,915
Prudential	12,036
	214,286
Non-life Insurance	
Munich Re[1]	27,329
Admiral	17,800
Hiscox	15,691
Sabre Insurance	8,690
	69,510
Total Financials	**1,074,811**
REAL ESTATE	
Real Estate Investment Trusts	
British Land	57,739
Land Securities	57,569
Segro	26,694
Big Yellow	18,050
	160,052
Real Estate Investment and Services	
Rightmove	12,708
	12,708
Total Real Estate	**172,760**
TECHNOLOGY	
Software and Computer Services	
RELX	64,052
Sage	13,954
	78,006
Total Technology	**78,006**
TOTAL INVESTMENTS	**2,985,672**

1 Overseas listed
All classes of equity in any one company are treated as one investment

Business Review

Business Model

Our Purpose

The Company's purpose is to deliver growth in income and capital to shareholders principally by investing in equities listed on the London Stock Exchange. We do this by following a disciplined process of investment, by controlling costs and using borrowings to enhance returns.

Investment Approach

The Fund Manager, Job Curtis, has managed the Company's portfolio since July 1991. He is a member of Janus Henderson's Global Equity Income team and is assisted by David Smith, who has been Deputy Fund Manager since 2021. They manage the portfolio in a conservative way, focusing on companies with cash-generative businesses able to grow their dividends with attractive yields. The portfolio is well diversified. At 30 June 2026, 85% of the portfolio was in FTSE 100 companies (compared with 81% at 30 June 2025) and it remains biased towards UK-listed companies with international exposure to economies likely to grow faster than the UK. In order to provide a stable and reliable income, the portfolio aims to provide shareholders with a dividend yield broadly between 10% and 30% higher than the FTSE All-Share Index.

The Fund Managers are committed to maintaining a diversified portfolio and have structured the portfolio so that shareholders stand to gain in the short term through quarterly dividends, while long-term capital appreciation is central to stock-picking decisions.

How the Company Creates Value

The Company's business model offers numerous advantages:

- it provides investors with access to a professionally and actively managed portfolio of assets;
- it offers investors exposure to large UK companies;
- it enables investors to spread the risks of investing;
- it enhances returns to investors by operating as an approved investment trust meaning no capital gains tax is paid on the realisation of investments;
- the closed end structure allows the Fund Managers to take a longer-term view on investments and remain fully invested;
- the ability to draw on revenue reserves to support the payment of dividends;
- the ability to use leverage to increase returns for investors; and
- oversight by a Board of Directors wholly independent of the Manager.

Investment Objective

The Company's objective is to provide long-term growth in income and capital, principally by investment in equities listed on the London Stock Exchange. The Board fully recognises the importance of dividend income to shareholders.

Investment Policy

Asset allocation

While the Company will mainly invest in equities, there is the flexibility to invest in debt securities, such as convertibles, corporate bonds or government debt, if it is deemed that these will, at a particular time or for a particular period, enhance the performance of the Company in the pursuit of its objective.

The Company has a portfolio invested predominantly in larger companies. Typically at least 60% of the portfolio by value will be invested in large companies (being companies with a market capitalisation greater than £5 billion at the time of investment). The remainder of the portfolio will be invested in medium-sized and small companies. No more than 20% of the portfolio will be invested in overseas listed stocks.

There are no set limits on sector exposures, although the Board regularly monitors the Company's investments and the Manager's investment activity. The Manager primarily employs a bottom-up value-based investment process to identify suitable opportunities and pays particular regard to cash generation and dividends.

The portfolio yield will usually be broadly between 10% and 30% above the average dividend yield for the UK equity market. There may be some holdings, selected for their above average growth potential, which have a dividend yield lower than the market.

Gearing

The Company will at times utilise limited gearing, both short and long term, in order to enhance performance. Other than in exceptional market conditions, gearing will not exceed 20% of net asset value at the time of draw down of the relevant borrowings. Up to 10% of the net assets can be held in cash.

Selling traded options where the underlying share is held in the portfolio can be used to generate income. Buying and selling FTSE 100 Index Futures can be used to increase or reduce gearing.

Diversification

The Company achieves an appropriate spread of investment risk principally through a broadly diversified portfolio.

The Company will not invest more than 15% of its portfolio in any single investment on acquisition, nor will it invest more than 15% of the portfolio in any other UK listed investment trusts or investment companies.

Any material change to the investment policy would require the prior approval of both shareholders and the FCA.

Business Model (continued)

Liquidity and Discount Management

The Board's policy, subject to prevailing market conditions, is for the Company's share price to reflect closely its underlying NAV, while smoothing volatility and encouraging a liquid market in the shares. The ability to influence this meaningfully over the longer term is, of course, limited. However, the Board intends, subject always to the overall impact on the portfolio, the pricing of other investment companies and general market conditions, to consider issuance and buybacks within a narrow band relative to NAV. We believe that flexibility is important and that it is not in shareholders' interests to have a specific issuance and buyback policy.

Borrowings

The Company has a borrowing facility of £120.0 million (2025: £120.0 million) with HSBC Bank plc, of which £31.6 million was drawn at the year end (2025: £17.0 million).

The Company has £114.4 million (2025: £114.3 million) of secured notes in issue (fair value of the secured notes: £84.9 million (2025: £85.5 million)).

The level of borrowing at 30 June 2026 was 5.2% of NAV with debt at par (2025: 5.8%) and 4.1% with debt at fair value (2025: 4.5%).

Structure and Governance

The Company was founded in 1860 and registered as a public limited company in 1891. It is an investment company as defined in Section 833 of the Companies Act 2006. It is not a close company.

The Company operates as an investment trust under Sections 1158/9 of the Corporation Tax Act 2010, as amended ("Section 1158/9"), under which it is exempt from corporation tax on capital gains. The Company has obtained approval from HMRC as an investment trust. The Directors are of the opinion that the Company has conducted its affairs in compliance with Section 1158/9 since approval was granted and intends to continue to do so.

The Company's shares trade on the Main Market of the London Stock Exchange under the closed ended investment funds category. It is included in the FTSE 250 Index. It is subject to applicable FCA requirements, including the UK Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules. The Company is a member of the Association of Investment Companies ("AIC").

The Company has a Board of independent non-executive Directors. It has no employees and investment and operational matters are delegated to specialist third-party service providers. The Board retains responsibility for strategy, governance, risk oversight and the monitoring of the performance of service providers. The Board is accountable to shareholders, who have the ability to remove a Director from office where they consider it to be in the interests of the Company.

The Company and the Board are governed by its Articles of Association, amendments to which must be approved by shareholders by way of a special resolution.

The Board

It is the Board's aim to have an appropriate level of diversity in the boardroom. The current Directors have a diverse range of experience and skills, bringing knowledge of investment management, financial markets, accounting and auditing, risk and governance, and marketing and distribution expertise to discussions on the Company's business. At the date of this report, the Board comprises five Directors, three of whom are male and two are female.

The Nominations Committee considers diversity in its broadest sense when making recommendations for appointments to the Board. Diversity is an important consideration, although the Board's responsibility is to ensure its overall strength and effectiveness. Further details regarding the Board's Diversity and Inclusion Policy, including its approach to recommended diversity targets, can be found in the Nominations Committee report on pages 55 and 56.

The Company has no employees and, therefore, has nothing further to report in respect of gender representation within the Company. Details of Janus Henderson's diversity and inclusion initiatives can be found on its website at **www.janushenderson.com/corporate/who-we-are/diversity-equity-and-inclusion/**.

Culture, Values and Business Ethics

Good governance is at the heart of any company and is integral to ensuring its success and sustainability as a business. The Board aspires to follow high standards of governance, with a culture based upon openness, mutual respect, integrity, constructive challenge and trust. The Board seeks always to act in the best interests of shareholders, making the most effective use possible of the diversity of skills and experience of the Directors. This culture of openness and constructive challenge extends to the Board's interaction with the Manager, being the Company's most important service provider. The Board expects the Manager and all of the Company's other service providers to hold values which align with the high standards promoted by the Board.

The Company has a number of policies and procedures in place to assist with maintaining a culture of good governance including those relating to Directors' conflicts of interest, Directors' dealings in the Company's shares, bribery (including the acceptance of gifts and hospitality) and tax evasion. The Board assesses and monitors compliance with these policies and procedures regularly through Board meetings and an annual review process.

Business Model (continued)

As an investment vehicle, the Company does not provide goods or services in the normal course of business and does not have any customers. Accordingly, the Board considers that the Company is not within the scope of the Modern Slavery Act 2015 and is therefore not required to make a modern slavery statement.

As the Company's operations are delegated to third-party service providers, the Board seeks annual assurances from its service providers that they comply with the provisions of the UK Modern Slavery Act and maintain adequate safeguards in relation to anti-bribery and corruption, criminal finances and sanctions compliance. Given the Company's externally managed structure and absence of employees, its direct exposure to employee, social, community and human rights matters is limited; where relevant, these matters are considered through the Board's oversight of service providers and the Manager's stewardship of investee companies.

Management Arrangements

The Company is an Alternative Investment Fund ("AIF") in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). The Board has appointed Janus Henderson Fund Management UK Limited ("JHFM") to act as its Alternative Investment Fund Manager. JHFM delegates investment management services to Janus Henderson Investors UK Limited. Both entities are authorised and regulated by the FCA, and form part of the Janus Henderson group of companies. References to "Janus Henderson" or the "Manager" refer to the services provided to the Company by the Manager's group.

The Manager is engaged under the terms of an agreement dated 15 February 2024. The agreement is terminable by JHFM on six months' notice. The Company may terminate the agreement on three months' notice without compensation.

Janus Henderson and its subsidiaries also provide accounting, company secretarial and general administrative services. Some of the administration and accounting services are carried out, on behalf of the Manager, by BNP Paribas.

Janus Henderson Secretarial Services UK Limited, a subsidiary of Janus Henderson Investors, acts as the Corporate Secretary. It has its own reporting lines and audited internal controls. There are processes and controls in place to ensure that there is a clear distinction between the Corporate Secretary and Janus Henderson, particularly when dealing with any conflicts or issues between the Company and Janus Henderson.

Management Fee

The Manager is paid a fee of 0.3% per annum of net assets under management on the first £3 billion of assets and 0.275% on any excess over £3 billion of net assets under management. Fees are payable quarterly in arrears based on the level of net assets at the relevant quarter end. There is no performance fee arrangement in place.

Approval

The Strategic Report, set out on pages 1 to 37, has been approved by the Board.

On behalf of the Board

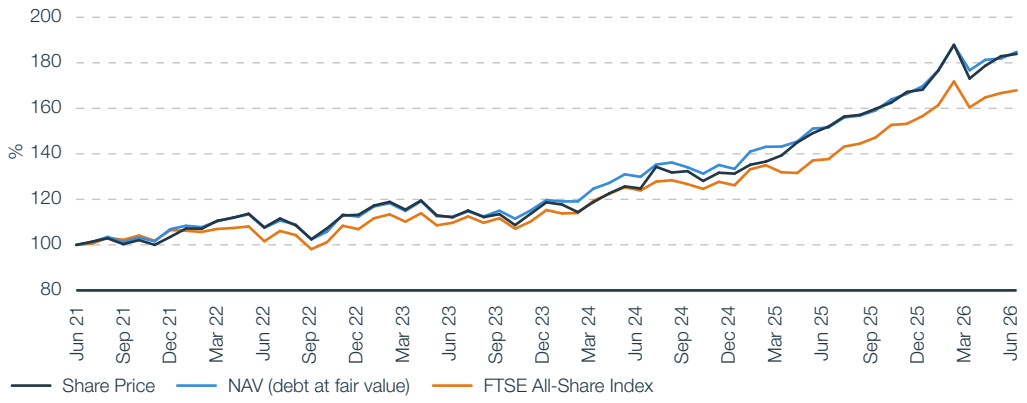
Sir Laurie Magnus CBE
Chairman
15 September 2026

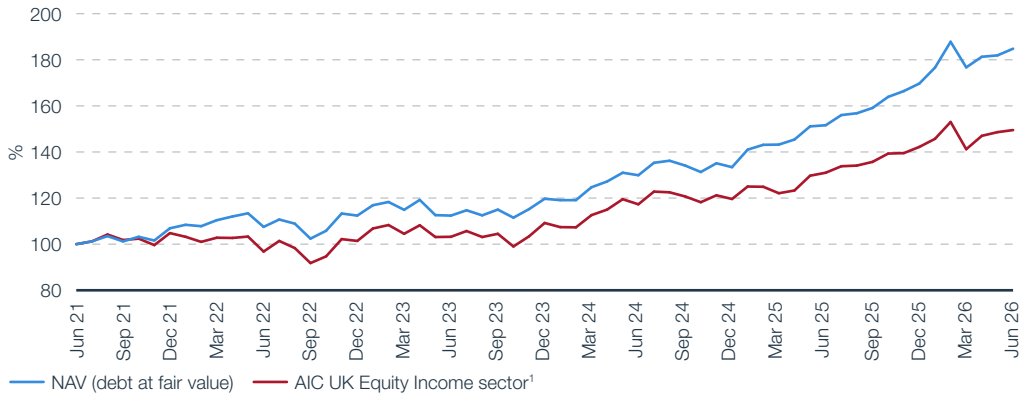
Key Performance Indicators

Measuring our Performance

The Directors use the following Key Performance Indicators ("KPIs") to measure the success of the Company in meeting its objective and to evaluate the performance of the Manager. The charts and data on pages 2 to 5 give more insight into how the Company has performed against these KPIs. They are also explained in the glossary of terms and Alternative Performance Measures on pages 93 to 95.

KPI	Action
Performance against benchmark	The Board reviews and compares, at each meeting, the performance of the portfolio as well as the NAV and share price for the Company and the FTSE All-Share Index. During the year under review, the Company's NAV performed in line with the Index (2025: +5.6%) on a total return basis. Over five years to 30 June 2026, the Company's NAV has outperformed the benchmark by 16.9%.
Performance against peer group	The Company is included in the AIC UK Equity Income sector. The Board considers the size-weighted average NAV total return of its AIC peer group at each Board meeting. During the year under review, the Company outperformed the peer group by 8.2% (2025: 4.2%). Over five years, the Company has outperformed the peer group by 32.2% (on a size-weighted average basis).

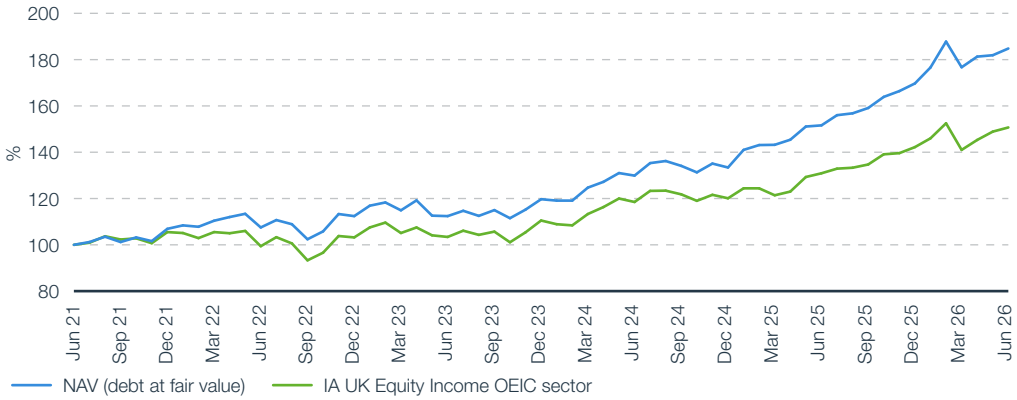




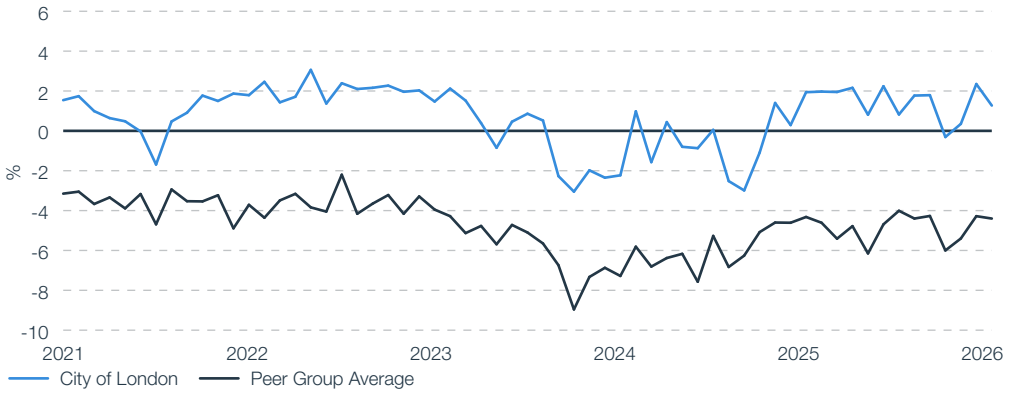
1 AIC UK Equity Income sector NAV total return calculated on a simple average basis (see Glossary on page 95)

Key Performance Indicators (continued)

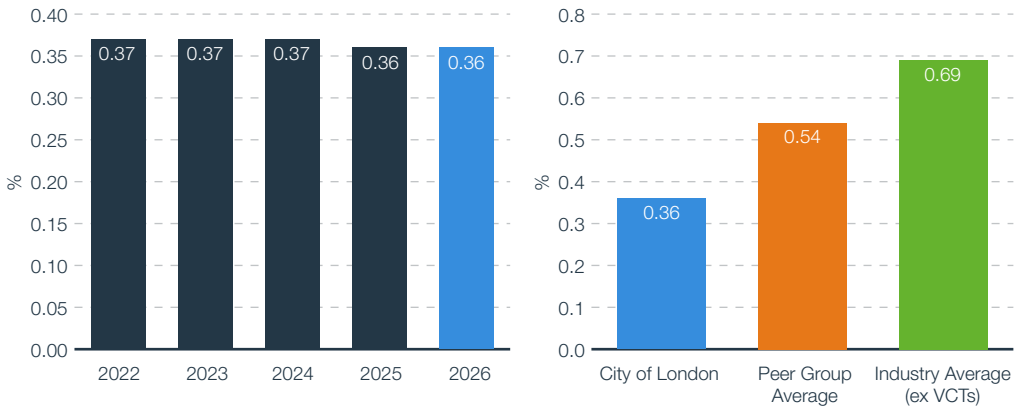
KPI	Action
Performance against the OEIC sector	The Board considers the performance of the portfolio against the IA UK Equity Income OEIC sector. During the year under review, the Company outperformed the OEIC sector average by 6.8% (2025: 6.3%). Over five years, the Company has outperformed the OEIC sector average by 34.0%.



Premium/discount to net asset value	The Board's policy, subject to prevailing market conditions, is for the Company's share price to reflect closely its underlying NAV while smoothing volatility and encouraging a liquid market in the shares. At each meeting, the Board monitors the level of the Company's premium/discount to NAV per share and reviews the average premium/discount for the Company's AIC sector. At 30 June 2026, the Company's shares were trading at a premium of 1.3% to NAV (2025: 2.0% premium) with debt at fair value.



Ongoing charge	The Board regularly reviews the ongoing charge and monitors Company's expenses. For the year ended 30 June 2026, the ongoing charge as a percentage of average shareholders' funds was 0.36% (2025: 0.36%). This is the lowest in the AIC UK Equity Income sector, and the Board remains focused on maintaining this comparative cost advantage for shareholders.



Source: Association of Investment Companies

Promoting the Company's Success

Section 172 Statement

The Board regards a well-governed business as essential for the successful delivery of its investment proposition. The Directors carry out their duties under Section 172 of the Companies Act 2006 to act in good faith to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the likely consequences of any decisions in the longer term, the need to foster the Company's wider stakeholders, the impact of the Company's operations on the community and the environment and the desirability of the Company maintaining a reputation for high standards of business conduct.

The Company has no employees, premises, assets other than financial assets, or operations. Core activities are conducted through the Manager (Janus Henderson), with whom the Board maintains a close working relationship, and the Board holds the Manager to account for the smooth running of the Company's day-to-day business. Each service provider has an established track record and has in place suitable policies and procedures to ensure it maintains high standards of business conduct.

The Board retains responsibility for decisions over corporate strategy, corporate governance, risk and internal control assessment, investment performance monitoring and setting marketing budgets. It also determines the overall limits and restrictions for the portfolio, including gearing and asset allocation.

Engagement with Stakeholders

Shareholders' assets are managed taking account of the Company's stakeholders and their interests. The Board has mapped who the stakeholders are to support it in identifying and understanding them and fostering the appropriate level and form of interaction. Interaction is facilitated through meetings (both face-to-face and via video conferencing and other electronic means), seminars, presentations, publications and the Company's website. Set out below are examples of the way the Board and the Company engage with key stakeholders.

Why we engage	How we engage	Outcome
Shareholders and investors		
The Board is conscious of the importance of providing an investment product which meets the needs of its investors. Shareholders rely on the Company to deliver sustainable and reliable returns on investment, with regular, ongoing income. The Board believes that its primary focus should be on providing an excellent service to its shareholders and it seeks to ensure that the Company is accessible and available.	Regular updates on the Company and its activities are made available on the Company's website with the aim of enhancing investors' understanding of the Company, its performance and prospects. The Chairman and Directors are available to meet with shareholders. A number of meetings were attended by the Chairman and the Senior Independent Director during the year. The Fund Managers, the Manager's sales team, the Broker and external marketing research provider (Kepler Partners) also regularly meet with shareholders and analysts. Shareholders are encouraged to attend the AGM, where they have the opportunity to address questions directly to the Directors and the Fund Managers. Shareholders who cannot attend the AGM in person are able to join the meeting and raise questions online. Details of this year's AGM are in the Notice of Meeting on pages 98 to 106. Shareholders can raise issues or concerns with the Directors at any time by writing to the Chairman at the registered office or by email to **itsecretariat@janushenderson.com**. The Fund Managers promote the Company with the support of the Manager's dedicated investment trust sales team and the Board makes additional spend available to support marketing activities aimed at raising the profile of the Company.	The Company provides an accessible, affordable and reliable investment for retail and institutional investors. Clear communication of the Company's strategy and performance against its objective helps shareholders to make informed decisions about their investments, facilitating the retention of existing shareholders and attracting new ones. Close interaction with shareholders provides the Board with a good understanding of how the Company is perceived in the market. This enables it to run the Company in line with shareholders' interests as a whole and for the Company's long-term success.

Promoting the Company's Success (continued)

Why we engage	How we engage	Outcome
Manager – Janus Henderson		
The Manager provides the following services: • Fund management • Sales and marketing • Company secretarial • Financial reporting • Internal controls functions • Investment accounting and administration (outsourced by Janus Henderson to BNP Paribas) • Oversight of third-party service providers Successful management of the Company's portfolio is essential for the Company to meet its strategic objectives and enable its long-term sustainable success, whilst effective provision of the ancillary services ensures the efficient running of the Company's day-to-day affairs.	The Board sets and oversees the parameters for the Manager's activities, including asset allocation, gearing and risk management. The Board seeks to engage with the Manager in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, whilst also ensuring appropriate and regular challenge. The Board receives presentations from the Fund Manager and Deputy Fund Manager at each Board meeting and receives timely and accurate information from the Manager. There is continuous engagement and dialogue between Board meetings with the Fund Managers and Corporate Secretary, as well as with other representatives, as and when necessary, with communication channels remaining open and information, ideas and advice flowing freely. The Board meets with other key representatives of the Manager throughout the year to develop strategy, assess internal controls and risk management, and to discuss the sales and marketing activities to promote the success of the Company and raise its profile. The Board, with the assistance of the Nominations Committee, formally reviews the performance and terms of appointment of the Manager at least annually (see pages 48, 49 and 56 for further details). The portfolio activities undertaken by the Manager and the impact of decisions are set out in the Fund Managers' Report on pages 15 to 19.	The Board places great value on the expertise and experience of the Fund Manager and Deputy Fund Manager to execute the investment objective and deliver returns for shareholders, and on the Manager's internal controls and risk management. The Board is confident that the Company's assets are well-managed and managed in line with the investment objective and the parameters established by the Board.
Other service providers		
The Company needs to be supported by experienced and capable third parties for all the services required in order to be able to function effectively and provide the outcome desired by shareholders.	The Manager maintains the overall day-to-day relationship with the other service providers and reports back to the Board on performance. The Board regularly considers the support provided by the service providers, including quality of service, succession planning, costs and any potential interruption of service or other risks to provision. The Board evaluates the terms of engagement and the control environments in place at each service provider and, through the Nominations Committee, formally assesses their appointment annually.	The Board is confident that Janus Henderson has developed and maintains good working relationships with all of the Company's third-party suppliers and ensure that the costs are commensurate with the services provided.

Promoting the Company's Success (continued)

Why we engage	How we engage	Outcome
Investee companies and the environment		
Stewardship is a fundamental part of the Manager's long-term, active approach to investment management. Strong ownership practices, including engagement with management and boards, can help protect and enhance long-term shareholder value. The Board is conscious of the need to take appropriate account of broader ESG concerns.	The Board discusses stock selection, asset allocation and engagement with investee companies with the Fund Managers at each Board meeting. The investment team regularly conducts face-to-face and/or virtual meetings with portfolio companies' management teams to enable them to understand current trading and prospects for their businesses. The Manager has a dedicated Responsible Investment and Governance Team that the Fund Managers can utilise when making investment decisions and voting. The Manager's approach to engagement and voting is set out on pages 34 to 37.	The Company is a responsible investor.

Board decision-making

In making decisions, the Board seeks to promote the success of the Company for the benefit of shareholders as a whole. It also considers the interests of other stakeholders and the other factors set out in Section 172 of the Companies Act 2006. In addition to its regular, detailed consideration of the Company's investment portfolio, strategy and performance, the Board discussed and made the following key decisions during the year under review.

Dividends paid to shareholders

The Company's investment objective recognises the importance of dividend income to shareholders. The Board reviewed revenue forecasts for the current and following financial year, supported by scenario modelling and an assessment of the economic and geo-political outlook. It also considered the long-term sustainability of the dividend and the Company's capacity to continue increasing it. Following this review, the Board approved a 4.0% increase in the annual dividend for the year ended 30 June 2026. This marked the 60th consecutive year of dividend growth, while £0.9 million was added to the revenue reserve.

Share capital

As explained on page 24, the Board's policy is to manage the Company's share price so that it reflects closely the underlying NAV, while smoothing volatility and encouraging a liquid market in the shares. The Board considers it beneficial to shareholders for the Company to issue shares when they trade at a premium to NAV and to buy back shares when they trade at a discount. Both actions enhance NAV, and issuing shares also spreads certain costs across a larger asset base. The Board reconfirmed this policy at its annual strategy meeting. During the year, the Company's shares traded largely at a premium to NAV. To meet investor demand, the Company sold all the remaining 9 million shares that were being held in treasury and issued more than 12 million new shares.

Marketing and promotion

Retail investors represent a significant and growing proportion of the Company's share register and remain an important source of demand for its shares. To maintain the momentum of the retail advertising campaign and mark the Company's 60th consecutive year of dividend growth, the Board approved an increase in the marketing budget for the calendar year 2026. The total marketing spend for the year ended 30 June 2026 was £0.6 million (including VAT) and remains immaterial in the context of the Company's assets and revenue account. Mr Dhillon was appointed as the Board's Marketing Lead to oversee marketing activities and monitor the increased budget. He liaises directly with the Janus Henderson investment trust marketing team. The Board also established a marketing sub-group, which meets on an ad hoc basis as required.

Articles of Association

The Board reviewed the Company's Articles of Association, which were last updated in 2014. A number of amendments to modernise these and ensure they are aligned with current best market practice and latest regulations are being proposed for shareholder approval at the forthcoming AGM. Further details are set out in the Explanation of the Resolutions on pages 101 to 103.

Managing Our Risks

The Board, with the assistance of the Manager, has carried out a robust assessment of the principal and emerging risks and uncertainties facing the Company, including those that would threaten its business model, future performance, solvency or liquidity and reputation.

The Audit and Risk Committee maintains a detailed risk matrix which sets out the risks facing the Company and the steps taken to mitigate these. This is reviewed at each Committee meeting, and the full Board also regularly considers the principal and emerging risks facing the Company. The mitigating measures include a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy, within which the fund management team must operate. In addition, one of the meetings of the Audit and Risk Committee held each year is dedicated to a review of risk management and internal controls.

During the year, the Audit and Risk Committee began formalising the mapping of existing key controls to the material controls reporting requirement under Provision 34 of the AIC Code of Corporate Governance. The enhanced reporting requirements under Provision 34 will apply to the Company for the financial year ending 30 June 2027.

As well as the principal risks, the Directors regularly consider emerging risks, defined as potential trends, sudden events or changing risks which are characterised by a high degree of uncertainty in terms of the probability of them happening and the possible effects on the Company. Should an emerging risk become sufficiently clear, it may be reclassified as a principal risk. During the year under review, the Board did not identify any emerging risks which are not already encompassed within the existing principal risks.

The principal risks which have been identified and the steps taken by the Board to mitigate these are set out in the table below. The principal financial risks are detailed in note 16 to the financial statements. Details of how the Board monitors the services provided by Janus Henderson and its other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal controls section of the Corporate Governance Report on pages 49 and 50.

Principal risk	Trend	Key controls and mitigating measures
Portfolio and market price Although the Company invests almost entirely in securities that are listed on recognised markets, share prices may move rapidly. The companies in which investments are made may operate unsuccessfully, or fail entirely. A fall in the market value of the Company's portfolio would have an adverse effect on equity shareholders' funds.	⟷	The Board reviews the portfolio at each Board meeting and receives regular reports from the Company's brokers. A detailed liquidity report is considered on a regular basis. The Fund Managers closely monitor the portfolio and mitigate this risk through diversification of investments. The Fund Managers periodically present the Company's investment strategy in respect of current market conditions to the Board. Performance relative to the FTSE All-Share Index, other UK equity income trusts and IA UK Equity Income OEICs is also monitored. The majority of the Company's investments are multi-national companies with operations in local markets and are therefore not dependent on the UK economy.
Dividend income A reduction in dividend income from investee companies could adversely affect the Company's ability to maintain its record of paying a growing dividend to shareholders each year.	⟷	The Board reviews income forecasts at each meeting. The Fund Managers consider the sustainability of the dividend for each stock held and provide scenario analyses for each Board meeting. The Board monitors the level of the Company's reserves as well as income received in the period. The Company has revenue reserves of £52.3 million (before payment of the fourth interim dividend) and distributable capital reserves of £459.4 million.

⟷ Unchanged on the previous year

Managing Our Risks (continued)

Principal risk	Trend	Key controls and mitigating measures
Investment activity, gearing and performance An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against the Company's benchmark and/or its peer group. Investment performance could be disrupted over the longer term by the impact of potentially catastrophic events, whether man-made (for example extreme political tensions, conflict, poor trade relations, wide-scale financial market disruption), or natural disasters, whether arising from climate change, adverse weather events or disease.	⟷	At each meeting, the Board reviews investment performance, both absolute and relative to the benchmark and the Company's peer group, the level of gearing, the level of premium/discount, income forecasts and a schedule of expenses. It also has an annual meeting focused on strategy at which these matters are considered in more depth.
Tax and regulatory Changes in the tax and regulatory environment, including the Company failing to identify and implement any necessary regulatory change, could adversely affect the Company's financial performance, including the return on equity, or demand for the Company's shares. These may also include government measures which damage the market appeal of investment trusts for investors. A breach of Section 1158/9 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the UK Listing Rules could result in suspension of the Company's shares, while a breach of the Companies Act 2006 could lead to criminal proceedings, or financial or reputational damage.	⟷	The Manager provides its services, inter alia, through suitably qualified professionals and the Board receives internal control reports produced by the Manager on a quarterly basis, which confirm legal and regulatory compliance. The Fund Managers also consider tax and regulatory change in their monitoring of the Company's underlying investments.
Operational The disruption or failure of technology systems used by the Manager or its Administrator (BNP Paribas) (for example, cyber attacks, failed software updates or data breaches) could profoundly impact the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its suppliers may not provide the required level of service.	⟷	The Board monitors the services provided by the Manager and its other suppliers and the Audit and Risk Committee receives reports on the key elements in place to provide effective internal control. Cyber security is closely monitored and the Audit and Risk Committee receives regular updates from Janus Henderson's Chief Information Security Officer. The Board considers the loss of the Fund Manager as a risk but this is mitigated by the depth of experience of the team at Janus Henderson and the appointment of the Deputy Fund Manager.

⟷ Unchanged on the previous year

The Company's Viability

The AIC Corporate Governance Code includes a requirement for the Board to assess the future prospects for the Company, and to report on the assessment within the Annual Report. The Directors have completed their assessment and report as set out below.

The Board considers that certain characteristics of the Company's business model and strategy are relevant to this assessment:

- The Board seeks to deliver long-term performance by the Company.
- The Company's investment objective, strategy and policy, which are subject to regular Board monitoring, mean that the Company is invested mainly in readily realisable, UK-listed securities and that the level of borrowings is restricted.
- The Company is a closed end investment company and therefore does not suffer from the liquidity issues arising from unexpected redemptions.
- The Company has an ongoing charge of 0.36%, which is lower than other comparable investment trusts.

Also relevant are a number of aspects of the Company's operational agreements:

- The Company retains title to all assets held by the Custodian under the terms of a formal agreement with the Depositary.
- Longer-term fixed rate borrowing is in place, being 4.53% secured notes 2029 (which are due to be repaid during the five-year assessment period), 2.94% secured notes 2049 and 2.67% secured notes 2046 which are subject to financial covenants with which the Company complied in full during the year. The value of long-term borrowing is relatively small in comparison to the value of net assets, being 4.0%.
- Revenue and expenditure forecasts are reviewed by the Directors at each Board meeting. This includes stress testing of the forecast under different scenarios.
- Cash is held with approved banks.

Three model scenarios are considered which evaluate the impact on revenue reserves over a five year period. These range from a worst-case scenario which includes low consensus dividend estimates and significant dividend cuts of up to 50% from specific sectors and investee companies, to a best-case scenario with high consensus dividend estimates, no dividend cuts in any specific sector and limited dividend cuts in specific investee companies. Increasing dividend payments to shareholders could continue under all three scenarios whether through revenue, or supported by distributable capital reserves. None of the results from the three scenarios would therefore threaten the viability of the Company.

Covenant limits are tested to ascertain the level that net assets would need to fall by to breach any covenant conditions. Net assets would need to fall by amounts in excess of £2.5 billion to breach covenants, with all other factors remaining constant. The Board considers this to be highly unlikely and therefore does not threaten the viability of the Company.

In addition, the Directors carried out a robust assessment of the principal risks and uncertainties which could threaten the Company's business model, including future performance, liquidity and solvency, and considered emerging risks that could have a future impact on the Company.

The principal risks identified as relevant to the viability assessment were those relating to investment portfolio performance, including climate change, and its effect on the NAV, share price and dividends, and threats to security over the Company's assets. The Board took into account: the liquidity of the Company's portfolio; the existence of the longer-term fixed rate borrowings; the effects of any significant future falls in investment values and income receipts on the ability to repay and renegotiate borrowings, grow dividend payments and retain investors; and the potential need for share buybacks to maintain a narrow share price discount.

The Directors assess viability over five-year rolling periods, taking account of foreseeable severe but plausible scenarios. The Directors believe that a rolling five-year period best balances the Company's long-term objective, its financial flexibility and scope with the difficulty in forecasting economic conditions affecting the Company and its shareholders. The Directors have considered the current geopolitical and macroeconomic uncertainties and the potential for sudden catastrophic events such as pandemics, conflict and climate events, in particular the impact on income and the Company's ability to meet its investment objective. The Directors do not believe that they will have a terminal impact on the viability of the Company and its ability to continue in operation, notwithstanding the short-term uncertainty these events could cause in the markets and specific short-term issues, such as energy and/or supply chain disruption, inflation and labour shortages.

Based on their assessment, and in the context of the Company's business model, strategy and operational arrangements set out above, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period.

ESG

How we integrate Environmental, Social and Governance considerations in our investment decisions

The Board believes that integrating ESG into investment decision-making and ownership practices is an important factor for delivering the investment outcomes our shareholders seek. ESG considerations are therefore a fully embedded component of the investment process employed by the Fund Managers, and the wider Janus Henderson investment teams. The Company integrates ESG but does not pursue a sustainable investment objective or otherwise take ESG factors into account in a binding manner. ESG integration is the practice of incorporating material environmental/social and governance information or insights in a non-binding manner alongside traditional measures into the investment decision process to improve long-term financial outcomes of portfolios. ESG related research is one of many factors considered within the investment process.

Defining ESG

Environmental factors include climate change, use of natural resources, pollution, waste management, water usage and deforestation.

Social factors include corporate culture, diversity, health and safety, community relations and supply chain management.

Governance factors include business ethics, board composition, remuneration and shareholder rights.

Investment Considerations

Resilience of business models is crucial to the Company's investment strategy. The Company's investment philosophy is valuation driven, with a dividend yield considered the most important measure of value. As such, a considerable amount of time is spent by the Fund Managers identifying fundamental factors, including ESG factors which may impact profits, cash flow and dividends and ensuring that investee companies have robust policies and processes in place to manage these.

Whilst no company is specifically excluded based on ESG considerations, the Fund Managers would seek to avoid companies where ESG risks are not sufficiently considered or managed. As the Fund Managers strive to understand all drivers of company performance, they also strive to understand the risks. An evaluation of ESG factors is integral to this.

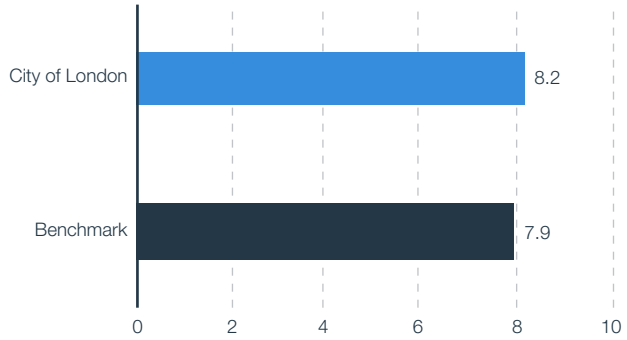
Governance is a key part of fundamental factor analysis with good corporate governance supportive of long-term decision-making and investment returns. The significance of environmental and social factors can vary depending on the sector and the region in which a company operates. Nonetheless, each ESG factor, in addition to the quantitative and qualitative assessments, is an important consideration when evaluating the opportunity in an equity investment.

Fundamental factors considered vary, but may include:

Financial Analysis	Dividend sustainability, free cash flow, operating margin, balance sheet strength, leverage, profitability, earnings growth.
Qualitative Evaluation	Competitive position, industry trends, business volatility, business model, barriers to entry, exposure to disruption.
Environmental	Pollution, carbon emissions, water usage, waste management, resource use, sustainable sourcing.
Social	Health and safety, employee relations, diversity and inclusion, employee development, data privacy, supply chain management.
Governance	Shareholder alignment, board independence, shareholder rights, business ethics, voting structure, remuneration, board experience, accounting standards.
Valuation	Dividend yield, free cash flow, price to earnings ratio ("P/E"), earnings per share ("EPS"), enterprise value/earnings before interest, tax, depreciation and amortisation ("EV/EBITDA") and dividend cover.

The Manager engages MSCI (see footnote 1 on page 37), a leading firm researching and rating ESG factors globally, to support investment research. MSCI can also be used to monitor the holdings within the Company and analyse its overall ESG risk exposure.

Weighted average ESG score

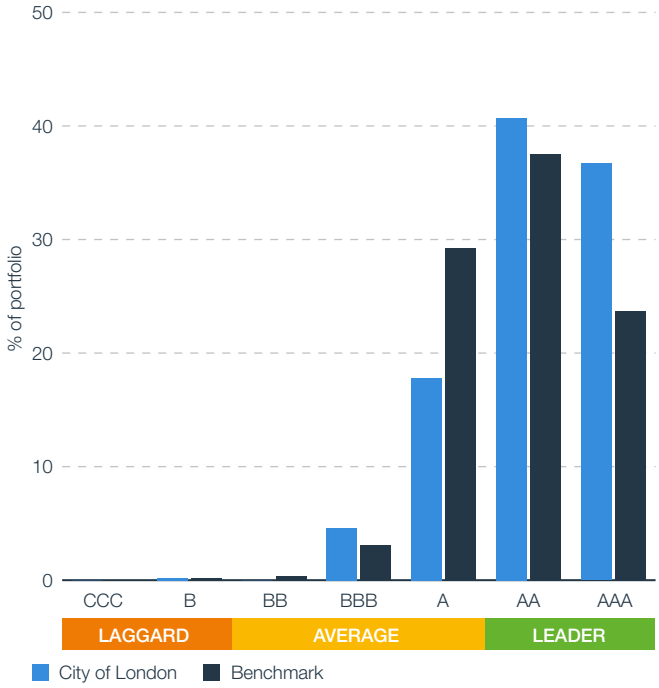


Source: MSCI, City of London and Index weights as at 30 June 2026
MSCI Risk data as at 30 June 2026

MSCI provides an ESG quality score which measures the ability of the underlying holdings to manage key medium to long-term risks and opportunities that arise from ESG factors. It is based on MSCI ESG ratings and is measured on a scale of 0 to 10 (0 being worst and 10 being best). For this metric the Company scores 8.2 and the benchmark 7.9. The risk ratings are aggregated for the Company's portfolio and the benchmark, the FTSE All-Share Index. The Company's ESG risk is 3.8% lower than the benchmark, as assessed by MSCI.

ESG (continued)

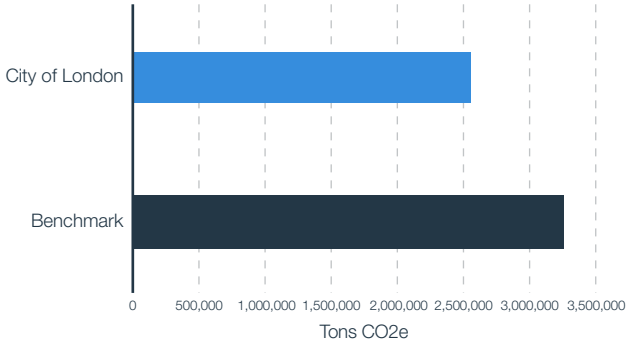
Distribution of MSCI ESG Fund Ratings Universe



Source: MSCI, City of London and Index weights as at 30 June 2026
MSCI Risk data as at 30 June 2026

MSCI's ESG ratings are ranked using a seven-point AAA-CCC scale. Both the Company and the benchmark score AA ratings using this analysis. The Company has no exposure to companies with the lowest CCC scores, with more exposure to AAA rated stocks than the benchmark.

Carbon emissions



Source: MSCI, City of London and Index weights as at 30 June 2026
MSCI Risk data as at 30 June 2026

The above chart shows the direct and indirect carbon emissions of the holdings in both the Company and the benchmark. These emissions are based on the assets under management of the Company compared to an equivalent portfolio of assets under management invested in the benchmark. Scope 1 and 2 emissions are the direct emissions from a company's operations and scope 3 emissions are indirect emissions. The Company's direct and indirect carbon emissions are 21.9% lower than the benchmark.

Engagement and Stewardship

Stewardship is a fundamental part of the Manager's long-term, active approach to investment management. Strong ownership practices, including engagement with management and boards, can help protect and enhance long-term shareholder value. Janus Henderson is a signatory to the UK Stewardship Code and is a founding member of the UN Principles of Responsible Investment ("UN PRI"). Additionally, Janus Henderson is a supporter of a number of broader ESG initiatives such as the Access to Medicine Index which aims to improve availability of health care in developed and emerging markets and Climate Action 100+, an investor-led initiative to engage with heavily emitting companies to reduce their greenhouse gas emissions.

As a part of the research process, portfolio managers and analysts meet frequently with company management, senior executives and boards, with Janus Henderson conducting thousands of meetings per year. These meetings typically occur prior to initiating a position and throughout the holding period. The portfolio managers develop long-term relationships with the management of firms in which they invest. Should concerns arise over a firm's practices or performance, they would seek to leverage these constructive relationships by engaging with company management or express their views through voting on management or shareholder proposals. Escalation of engagement activities depends upon a company's individual circumstances.

Voting

The Board believes that voting at general meetings is an important aspect of corporate stewardship, and a means of signalling shareholder views on board policy, practices and performance. The Board has delegated responsibility for voting the rights attached to the shares held in the Company's portfolio to the Manager, who actively votes at shareholder meetings and engages with companies as part of the voting process.

Voting decisions are guided by the best interests of the investee companies' shareholders and made in consultation with the Fund Managers, who have an in-depth understanding of the respective company's operations. Voting decisions are taken in keeping with the provisions of the Manager's Responsible Investment Policy, which sets out the Manager's approach to corporate governance, corporate responsibility and compliance with the Stewardship Code, and is publicly available on the Manager's website at **www.janushenderson.com**. To retain oversight of the process, the Directors regularly receive reports on how the Manager has voted the shares held in the Company's portfolio. They also review the Manager's Responsible Investment Policy and Proxy Voting Policy and Procedures at least annually.

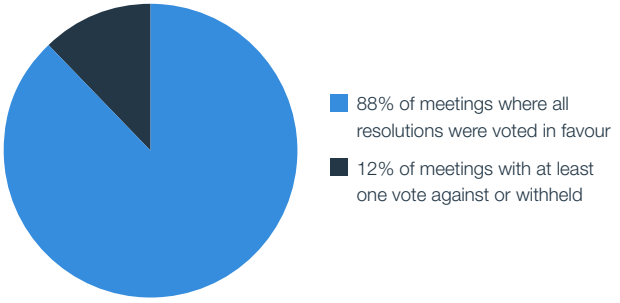
In the period under review, the shares in the Company's portfolio were voted in respect of 85 meetings. The level of governance in leading global companies is generally of a high

ESG (continued)

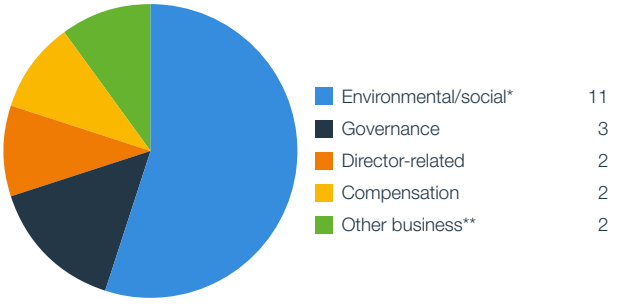
standard in terms of best practice, which meant support in favour of the resolutions proposed by management was warranted. However, in respect of 4 resolutions (<1% of the resolutions proposed), support was not warranted and, following discussion between the Fund Managers and Janus Henderson's governance team, the shares were voted against the investee board recommendation. On occasion, the Fund Managers take voting decisions after consultation with the Chairman on behalf of the Board.

As an active manager, Janus Henderson's preference is to engage with management and boards to resolve issues of concern rather than to vote against shareholder meeting proposals. This approach is more likely to be effective in influencing company behaviour. The Fund Managers therefore actively seek to engage with companies throughout the year and in the lead up to the annual shareholder meeting to discuss any potentially controversial agenda items. However, where they believe that proposals are not in shareholder interests or where engagement proves unsuccessful, they will vote against.

Voting record



In terms of resolutions not supported, the principal area was environment/social resolutions:



Source: Janus Henderson using Institutional Shareholder Services ("ISS") categories
Note: Some meetings had more than one vote against management
* Environmental/social voting relates to where an improvement in reporting and disclosures are needed by companies on environmental and/or social matters
** Janus Henderson routinely votes against proposals labelled 'other business'. Many companies put forward proposals labelled 'other business'. This is a request to allow the board and shareholders to raise other issues and discuss them at the meeting. It is often a routine request, however as it could potentially lead to subsequent approval of items without prior disclosure to minority shareholders, Janus Henderson routinely votes against these items

Engagement Example

The Fund Manager engaged with investee companies in the tobacco sector to discuss the risks and opportunities evolving from "next generation" nicotine products, such as vapes/e-cigarettes, heated tobacco products and modern oral (nicotine pouches). Job Curtis (Fund Manager) and Charlotte Nisbet (Janus Henderson Responsible Investment & Governance Analyst) met with executives of Imperial Brands (on 13 August 2025) and British American Tobacco (on 23 September 2025).

Both companies explained the complex market of "next generation" product development and regional regulation differences. New product development and growth is determined by what is permitted by regulators and consumer preferences. A key risk is the semi-illicit market for products, including Chinese produced vapes and oral nicotine, sometimes targeted at the youth market. Both companies would welcome more regulation to restrict this activity.

From this engagement, we gained comfort that Imperial Brands and British American Tobacco were responding to the growing demand for "next generation" nicotine products in a responsible way.

The Environment

As an investment company, the Company's own direct environmental impact is minimal. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reasons, the Company considers itself to be a low energy user under the Streamlined Energy & Carbon Reporting ("SECR") regulations and therefore is not required to disclose energy and carbon information.

The Manager recognises the importance of managing its operational activities in a sustainable way and minimising any adverse impact on the environment. In 2021, Janus Henderson reached its target to reduce its carbon footprint for its own operations by 15% per full-time employee ("FTE") based on 2018 consumption levels. In 2022, Janus Henderson set new five-year reduction targets for its operations relative to a 2019 baseline:

- reduction target of 29.4% in Scope 1 (fuel) and Scope 2 (electricity) emissions;
- reduction target of 17.5% in Scope 3 (business travel, freight, paper, water, waste) emissions; and
- reduction target of 17.5% on water and waste consumption by FTEs.

ESG (continued)

Janus Henderson has been certified as a CarbonNeutral® company since 2007 and retained that certification throughout 2025, offsetting its residual emissions by financing renewable energy, afforestation and landfill methane capture projects. Janus Henderson discloses its carbon emissions annually through regulatory and voluntary reporting frameworks, including the CDP, as well as in its 2025 Responsibility Report.

Janus Henderson produces product-level Task Force on Climate-Related Financial Disclosures ("TCFD") reports for funds in scope as well as an entity-level TCFD report. These reports include an overview of the climate-related governance, strategy, risk management, and metrics and targets of Janus Henderson and its portfolios. Product-level metrics include absolute carbon emissions, carbon footprint, weighted average carbon intensity, implied temperature rise and climate scenario analysis (Climate Value at Risk). Janus Henderson's TCFD Report specific to City of London is available on the Company's website at **www.cityinvestmenttrust.com**.

1 Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc, MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages

Governance

Directors and Fund Managers

Directors

Sir Laurie Magnus CBE

Position: Chairman of the Board and Nominations Committee

Date of Appointment:
1 March 2020 (Chairman on 27 October 2020)

Skills and Experience: Sir Laurie has over 45 years of experience in corporate finance markets and over 20 years as a member of investment supervisory bodies, including as a director of various investment trusts. He was Chairman of Pantheon International plc until October 2022. He has held senior positions at financial institutions including Samuel Montagu, Phoenix Securities, Donaldson Lufkin & Jenrette and Lexicon Partners (latterly as Chairman prior to its merger with Evercore). He is currently a non-executive senior adviser to Evercore's European business.

Current External Appointments:
Sir Laurie is the Independent Adviser to the Prime Minister on Ministerial Standards. In the not-for-profit sector, he is a trustee of the Migration Museum.

Sally Lake

Position: Chair of the Audit and Risk Committee

Date of Appointment:
1 August 2024 (Chair of the Audit and Risk Committee from 31 October 2024)

Skills and Experience: Sally is a fellow of the Institute of Actuaries, and has spent the majority of her career within non-life commercial insurance. During her time at Beazley plc, from 2006 to 2024, she held a variety of roles, including within both business units and the actuarial and finance functions.

In her final five years with Beazley, Sally served as group CFO during a period of significant change both within the business, within the finance and accounting function as well as the wider macro environment. As part of her role, she also was responsible for investments, investor relations, actuarial, corporate governance, compliance, finance change and modernisation as well as all aspects of finance. She was a member of the plc board until May 2024, as well as a number of subsidiaries.

Sally is a very proud and active DEI advocate. She was the executive sponsor for HM Treasury's Women in Finance Charter, as well as a supporter of a number of changes at Beazley to improve inclusion and representation for women, families and people of colour.

Current External Appointments:
None.

Ominder Dhillon

Position: Director

Date of Appointment:
1 September 2021

Skills and Experience: Ominder brings to the Board strong investment knowledge across public and private markets, sustainable investing, sales and marketing expertise and a good understanding of governance and risk management. He was, until January 2020, Global Head of Institutional Distribution at M&G plc. Prior to that, from 2011 to 2015, he was Head of Distribution at Impax Asset Management. He was also formerly Head of UK and Ireland at Fidelity International, Director of Institutional Sales at Scottish Widows Investment Partnership and a trustee of UK charity Facing History and Ourselves.

Current External Appointments:
Non-executive Director of Fidelity Special Values PLC and a Director of Ocris Partners SL.

All Directors are non-executive and independent of Janus Henderson.
All Directors are members of the Nominations Committee.
The Audit and Risk Committee comprises Sally Lake, Ominder Dhillon, Ted Holmes and Clare Wardle.
The Insider Committee comprises the Chairman and Senior Independent Director or, in their absence any two Directors.

Directors and Fund Managers (continued)

Robert Holmes (Ted)

Position: Director

Date of Appointment:
1 January 2018

Skills and Experience: Ted has a strong background in investment management. Ted joined the Board following a twenty-year career at UBS Asset Management. During that time, he worked as a managing director in both the Chicago office (previously Brinson Partners) and London office (previously Phillips and Drew) in a variety of positions, from analyst to European Head of Equities. Prior to UBS, he worked for Ernst & Young in Washington, D.C. He has an MBA from the University of Chicago Booth School of Business, is a Chartered Financial Analyst and is a Certified Public Accountant.

Current External Appointments:
Non-executive Director and Chair of the Audit Committee of River UK Micro Cap Limited and Director of Octopus AIM VCT 2 plc and Blue Ocean Investment Partners Limited.

Clare Wardle

Position: Senior Independent Director

Date of Appointment:
1 November 2019

Skills and Experience: Clare brings to the Board considerable international experience in risk, governance, competition and compliance. Clare was General Counsel and Company Secretary of Coca-Cola Europacific Partners plc until March 2026. She played a leading role in the growth of Coca-Cola Europacific from a $15 billion market cap company operating in Europe to a $33 billion market cap company operating in 30 countries. Previously she was Group General Counsel and Company Secretary of Kingfisher, Europe's largest home improvement group. Before that, Clare was Commercial Director, General Counsel and Company Secretary of Tube Lines, held a number of senior roles in Royal Mail Group and worked at what is now Hogan Lovells. She is currently chair of a fundraising committee for Royal British Legion Industries. She was also formerly a non-executive Director of ViaCode Limited, Chair of Basketball England, Senior Independent Director of Modern Pentathlon GB and a trustee of the Friendly Almshouses.

Current External Appointments:
None.

Fund Manager

Job Curtis has been City of London's Fund Manager since 1 July 1991. After graduating from Oxford University in 1983 with a BA Hons in Philosophy, Politics and Economics, he joined Grieveson Grant stockbrokers as a trainee. In 1985, he joined Cornhill Insurance as an assistant fund manager and then moved to Touche Remnant in 1987 where he became a fund manager. Touche Remnant was taken over by Henderson Group plc in 1992 and Job is currently a member of Janus Henderson's Global Equity Income team.

Deputy Fund Manager

David Smith is a Fund Manager on the Janus Henderson Global Equity Income team, a position he has held since 2008. David manages Henderson High Income Trust plc, a number of UK equity institutional funds and co-manages the Janus Henderson Cautious Managed Fund. He joined Janus Henderson in 2002, initially working in operations and progressing to the UK Equities team, and is now part of the Global Equity Income team. David graduated with a BSc degree (Hons) in Chemistry from Bristol University. He holds the Investment Management Certificate and the Chartered Financial Analyst designation.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 30 June 2026.

The Investment Portfolio on pages 20 and 21, Corporate Governance Report, Audit and Risk Committee Report and Nominations Committee Report on pages 44 to 56, Statement of Directors' Responsibilities on page 61, explanations to the AGM resolutions on pages 101 to 104 and Securities Financing Transactions, Alternative Performance Measures and other information on pages 90 to 97 form part of the Directors' Report.

Results and Dividends

The results for the year are set out in the financial statements. First and second interim dividends of 5.40p each, a third interim dividend of 5.65p and a fourth interim dividend of 5.70p, totalling 22.15p per share, have been declared and paid in respect of the year to 30 June 2026, an increase of 4.0% over the previous year. See note 10 on page 79 for more information. No final dividend is being proposed.

A review of the year and the outlook for the forthcoming year can be found in the Strategic Report.

Directors

The Directors of the Company are listed on pages 39 and 40. All served throughout the period.

In accordance with the recommendations of the AIC Corporate Governance Code, all Directors will offer themselves for re-election at the forthcoming AGM.

The beneficial interests of the Directors and their connected persons in the securities of the Company as at 30 June 2026 are set out in the Directors' Remuneration Report on page 59. Details of Directors' insurance and indemnification are set out on page 48.

Share Capital

There are no restrictions on the transfer of the Company's share capital and there are no shares or stock which carry specific rights with regards to control of the Company. The Company is not aware of any agreements or arrangements between holders of securities which would result in restrictions on the transfer of securities or voting rights.

The Company's equity and non-equity share capital comprises:

Ordinary shares of 25p nominal value each

The voting rights of the ordinary shares on a poll are one vote for every 15 shares held. At the beginning of the year, there were 502,664,868 ordinary shares in issue, of which 9,147,762 shares were held in treasury. Accordingly, there were 493,517,106 shares in issue with voting rights. During the year, the Company sold from treasury/issued a total of 21,555,000 shares with a nominal value of £5,388,750 and representing 4.3% of the shares in issue at the beginning of the year. This figure includes 9,147,762 shares sold from treasury and the issue of 12,407,238 new shares. The shares were sold/issued to Cavendish Capital Markets Limited at a price range of 497p to 580p per share for total proceeds (net of commissions) of £114,836,000. No shares were bought back during the year.

At 30 June 2026, the number of ordinary shares in issue was 515,072,106, with no shares held in treasury.

Since 30 June 2026 and up to 11 September 2026, being the last practicable date prior to publication of the Annual Report, 770,000 new shares have been issued. No shares have been bought back since the year end.

Cumulative first preference stock

The voting rights of the first preference stock on a poll are one vote per £10 of stock held. At 1 July 2025 and at 30 June 2026 there was £301,982 of first preference stock in issue.

Non-cumulative second preference stock

Second preference stockholders have no rights to attend and vote at general meetings (except on the winding-up of the Company or if dividends are in arrears). At 1 July 2025 and at 30 June 2026 there was £507,202 of second preference stock in issue.

Non-cumulative preferred ordinary stock

The voting rights of the preferred ordinary stock on a poll are one vote per £20 of stock held. At 1 July 2025 and at 30 June 2026 there was £589,672 of preferred ordinary stock in issue.

Further details on the first and second preference stock and the preferred ordinary stock are contained in note 15 on pages 81 and 82.

Total voting rights

At 30 June 2026, the total voting rights in the Company were 34,397,822, comprising 34,338,140 ordinary share voting rights (99.8%), 30,198 first preference stock voting rights (0.1%) and 29,484 preferred ordinary stock voting rights (0.1%).

Shareholder authorities

The Directors seek annual authority from the shareholders to allot new ordinary shares, to dis-apply the pre-emption rights of existing shareholders and to buy back, for cancellation or to be held in treasury, the Company's ordinary shares. In addition, the Directors seek annual authority to buy back and cancel the Company's preferred and preference stocks.

The Directors will once again be seeking to renew the authorities to allot and repurchase the ordinary shares at the upcoming AGM, when the existing authorities will expire. Details are set out in the Notice of Meeting on pages 99 to 104.

Directors' Report (continued)

Holdings in the Company's Shares

There are no declarations of interests in the voting rights of the Company as at 30 June 2026 in accordance with the Disclosure Guidance and Transparency Rules of the FCA.

No changes have been notified in the period from 1 July 2026 to 11 September 2026.

Fund Managers' Interests

As at 30 June 2026, Job Curtis, the Fund Manager, has a beneficial interest in 320,258 shares and a non-beneficial interest in 18,700 shares and David Smith, the Deputy Fund Manager has a beneficial interest in 56,792 shares.

Related Party Transactions

The Company's transactions with related parties in the year were with the Directors and the Manager. There were no material transactions between the Company and its Directors during the year and the only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the year end.

In relation to the provision of services by the Manager, other than fees payable by the Company in the ordinary course of business and the provision of marketing services, there were no material transactions with the Manager affecting the financial position of the Company during the year under review. More details on transactions with the Manager, including amounts outstanding at the year end, are given in note 23 on page 88.

Financial Risk Management

The principal risks and uncertainties facing the Company are set out on pages 31 and 32. The Company's financial risk management policies and procedures, including its exposure to market price, currency, interest rate, liquidity and credit risks, are set out in note 16 to the financial statements on pages 82 to 86.

Greenhouse Gas Emissions

The Company's environmental statements are set out in the Strategic Report on pages 34 to 37.

Annual General Meeting

The AGM will be held on 29 October 2026 at 1.00pm. The Board invites shareholders to attend the meeting at the registered office at 201 Bishopsgate, London EC2M 3AE. The Meeting will include a presentation by the Fund Manager, Job Curtis, and Deputy Fund Manager, David Smith. Shareholders will also be able to join the Meeting via Zoom webinar by registering at **www.janushenderson.com/cty-agm**.

Voting at the meeting will be held on a poll. Joining the meeting electronically via the Zoom webinar will not constitute formal attendance for quorum or voting purposes and shareholders will not be able to vote live through the platform. The Board therefore requests all shareholders, and particularly those who cannot attend physically, to submit their votes by completing a Form of Proxy. Shareholders with shares held in their own names will receive a Form of Proxy enabling them to vote; shareholders holding shares through nominee accounts, such as through a share dealing service or platform, should contact their provider directly and ask them to submit the proxy votes on their behalf.

Instructions for attending the AGM and details of resolutions to be put to the AGM are included in the Notice of AGM on pages 98 to 106. If shareholders would like to submit any questions in advance of the Meeting, they are welcome to send these to the Corporate Secretary at **itsecretariat@janushenderson.com**.

The Board considers that the resolutions to be proposed at the AGM are in the best interests of the Company's shareholders as a whole. The Board therefore recommends unanimously to shareholders that they vote in favour of each of the resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Disclosure of Information to Auditor

Each of the Directors who were members of the Board at the date of approval of this report confirms that, to the best of their knowledge and belief, there is no information relevant to the preparation of the Annual Report of which the Company's 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 the Company's Auditor is aware of that information.

Re-appointment of Auditor

Ernst & Young LLP ("EY") have indicated their willingness to continue in office as Auditor and resolutions proposing their re-appointment and authorising the Audit and Risk Committee to determine their remuneration for the ensuing year will be put to shareholders at the forthcoming AGM. Further information in relation to their re-appointment can be found in the Audit and Risk Committee Report on pages 51 to 54.

UK Listing Rule 6.6.4

UK Listing Rule ("UKLR") 6.6.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross-reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard, other than in accordance with UKLR 6.6.1(6), the information for which is detailed on page 41 under Share Capital.

Directors' Report (continued)

Securities Financing Transactions

The Company has appointed HSBC Bank plc as its lending agent. All stocklending is carried out in line with the Securities Lending Agreement and is overseen by the Depositary. Under that Agreement, HSBC provides indemnification to the Company against borrower default. As the Company undertakes securities lending, it is required to report on securities financing transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending for the accounting period ended 30 June 2026 are detailed on pages 90 to 92.

Approval

The Directors' Report has been approved by the Board.

By order of the Board

Janus Henderson Secretarial Services UK Limited
Corporate Secretary
15 September 2026

Corporate Governance Report

Governance Structure

The Board has two principal Committees: the Audit and Risk Committee and the Nominations Committee. The terms of reference for these committees are available on the Company's website at **www.cityinvestmenttrust.com**. The Company has also established an Insider Committee, which would meet as required to assist the Board in meeting its obligations under the Market Abuse Regulation.

Corporate Governance Report (continued)

Corporate Governance

The Board is accountable to shareholders for the governance of the Company's day-to-day affairs and is pleased to report to shareholders on the Company's governance arrangements and how the principles of the applicable codes have been applied during the year under review.

Applicable Corporate Governance Codes

By virtue of the Company's listing on the London Stock Exchange, the Board is required to report on how the principles of the 2024 UK Corporate Governance Code ("UK Code") have been applied. Being an investment company, a number of the provisions of the UK Code are not applicable as the Company has no executive directors or internal operations and all day-to-day activities are outsourced to external service providers. The Board has therefore considered the principles and recommendations of the Corporate Governance Code published by the Association of Investment Companies in August 2024 ("AIC Code"). The AIC Code addresses the principles set out in the UK Code as well as additional principles and recommendations on issues that are of specific relevance to investment companies. The Financial Reporting Council ("FRC") has endorsed the AIC Code and confirmed that, by following it, the boards of investment companies should fully meet their obligations in relation to the UK Code and UK Listing Rule 6.6.6. The Board considers that reporting against the principles and provisions of the AIC Code provides more relevant information to shareholders in terms of its governance arrangements.

The 2024 AIC Code applies to the Company's financial year ended 30 June 2026. The enhanced reporting requirements under Provision 34 of the AIC Code relating to the Board's declaration on the effectiveness of material controls, will apply for the year ending 30 June 2027. The preparatory work undertaken during the year is described in the Strategic Report on page 31.

The AIC Code and the UK Code can be found on the respective organisations' websites: **www.theaic.co.uk** and **www.frc.org.uk**. The AIC Code includes an explanation of how it adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

Statement of Compliance

The Company has complied with the principles and provisions of the 2024 AIC Code throughout the year to 30 June 2026 except as set out below.

The Company has no chief executive or other executive directors. It therefore has no need to consider the remuneration of executive directors and has not reported further in respect of these provisions. In addition, the Company does not have any internal operations and therefore does not maintain an internal audit function. However, the Audit and Risk Committee considers the need for such a function at least annually (see page 49 for further information).

As the Company has no employees and has a small Board of solely non-executive Directors, the Board has not established a separate remuneration committee. The remuneration of Directors is dealt with by the Board as a whole.

Given the business model operated by the Company and the importance of the role of the Manager in ensuring the success of the Company, the Board believes that it remains its responsibility to keep under review the level of service provided by the Manager. It is assisted in this by the Nominations Committee, as set out in the Nominations Committee Report on pages 55 and 56. Accordingly, a separate Management Engagement Committee has not been formed.

The AIC Code includes two deviations from the UK Code permitting the Chairman of the Board to be a member of the Audit and Risk Committee and for their tenure to exceed nine years. The Company has not taken advantage of these provisions and continues to comply with the provisions of the UK Code in this respect.

Governance Overview

The Board is comprised entirely of non-executive Directors and has constituted two principal committees: the Audit and Risk Committee and the Nominations Committee. The Board has also constituted an Insider Committee. The governance structure and committee membership are set out on pages 39 and 44.

The Board engages third-party service providers to deliver the operations of the Company. Janus Henderson has been appointed to manage the investment portfolio and is the Company's Alternative Investment Fund Manager. Janus Henderson also provides or manages the day-to-day accounting, company secretarial, administrative, sales and marketing activities. The Company has appointed a Depositary, which in turn appoints the Custodian, responsible for the safe custody of the Company's assets, and a Registrar to maintain the Register of Members and assist shareholders with queries in respect of their holdings. The Board and its Committees maintain oversight of the third-party service providers through regular and ad hoc reporting. The Board also meets annually with representatives from the Depositary and Custodian to discuss amongst other matters performance, service levels, their value for money, information security and business resilience plans.

Board Leadership and Purpose

The Board has overall responsibility for the Company's affairs and for promoting the long-term success of the Company. The Board is collectively responsible for providing leadership, setting the investment objective and policy, appointing the Company's third-party service providers, establishing a robust internal control and risk management system and monitoring the performance delivered by service providers within the established control framework. It is also responsible for setting the Company's standards and values and for ensuring that its obligations to its shareholders and other stakeholders are understood and met. Information relating to the Company's purpose and values can be found in the Business Model on pages 23 and 24 and to the Board's engagement with stakeholders on pages 28 to 30.

Corporate Governance Report (continued)

Division of Responsibilities

Role	Primary responsibilities
Shareholders/ investors	• Approving material changes to the Company's investment policy. • Making decisions regarding changes to the Company's constitution. • Electing and re-electing Directors to the Board, or removing them from office if deemed appropriate. • Determining the overall limit for Directors' remuneration.
Chairman	• Leading and managing Board business and ensuring the timely flow of information from service providers to the Board, facilitating open, honest and constructive debate among Directors. • Leading the Nominations Committee in developing succession planning and the identification of potential candidates for appointment to the Board (except when considering his own succession). • Leading the Board in determining its governance framework, culture and values. • Leading the Board's relationship and engagement with shareholders and other stakeholders. • Managing the relationship with the Manager. The role description for the Chairman is available on the Company's website.
Senior Independent Director	• Acting as a sounding board for the Chairman and intermediary for the other Directors as necessary. • Leading the performance evaluation of the Chairman. • Acting as a channel of communication for shareholders in the event that contact through the Chairman is inappropriate. The role description of the Senior Independent Director is available on the Company's website.
Independent non-executive Directors	• Providing independent judgement and constructive and effective challenge, especially to the decisions of the Manager. • Scrutinising and holding to account the performance of the: – Fund Managers in meeting the investment objective; and – Manager in the promotion of the Company and day-to-day smooth operations of the Company's business. • Providing strategic guidance and offering specialist advice.
Committee Chairs	• The leadership and governance of their Committee. • Maintaining the relationships with specialist service providers delivering services within the remit of their Committee. • Reporting on the activities of their Committee to the Board. • Seeking approval from the Board for the responsibilities set out in their respective terms of reference.
Company Secretary	• Advising the Board on governance, regulatory and procedural matters. • Supporting the Chairman in planning Board and Committee business. • Minuting the proceedings of Board and Committee meetings. • Helping to ensure that Board and Committee processes operate effectively.
Manager (AIFM)	• Promoting the Company's investment proposition to professional and retail investors. • Making the necessary reporting to the FCA regarding the Company's status as an AIF. • Providing accounting, company secretarial and other administrative services to the Company ensuring compliance with the applicable statutory and regulatory provisions. • Coordinating the delivery of services provided by the Company's other third-party service providers.
Fund Managers	• Selecting the stocks held within the portfolio. • Diversification and risk management through stock selection and size of investment. • Determining the volume and timing of acquisitions and disposals. • Determining the frequency and level of gearing within the overall limits set by the Board.

Corporate Governance Report (continued)

Operation of the Board

The Board met formally seven times in the year to 30 June 2026. With effect from the current financial year, it is anticipated that there will be six scheduled meetings each year. Additional Board or Committee meetings are convened when required. The Directors have regular contact with the Fund Managers, Corporate Secretary and other employees of the Manager between meetings.

The Board has a formal schedule of matters specifically reserved for its decision, which includes setting strategy and oversight of performance, risk management and internal controls. All matters that are not delegated to the Manager under the management agreement are reserved for the Board's decision. A copy of the schedule of matters reserved is available on the Company's website. A procedure for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company has been adopted.

At each meeting the Board reviews with the Fund Managers the Company's investment performance and compliance with the approved investment policy, and also considers financial analyses and other reports of an operational nature. The Board monitors compliance with the Company's objective and is responsible for setting asset allocation, investment and gearing limits within which the Fund Managers have discretion to act. The Fund Managers take decisions as to the purchase and sale of individual investments, although the Board has responsibility for the approval of any investments in in-house funds managed or advised by the Manager.

The Manager and Corporate Secretary ensure that all Directors receive, in a timely manner, all relevant management, financial, regulatory and other information to allow them to discharge their responsibilities and to enable the Board (and its Committees) to function effectively. Representatives of the Manager attend each Board meeting enabling the Directors to probe further on matters of concern. In addition, the Chairman is invited to attend meetings of all the chairs of the investment trust companies managed by Janus Henderson which provide a forum to discuss industry matters, and then reports back to the Board.

The Directors have direct access to the advice and services of the Corporate Secretary, Janus Henderson Secretarial Services UK Limited, which provides company secretarial services, through its nominated chartered secretary, and advises the Board on governance, regulatory and procedural matters. The Corporate Secretary is a subsidiary of Janus Henderson. It has its own reporting lines and controls in place to ensure that there is a clear distinction between the two entities to manage potential conflicts between the Company and Janus Henderson.

Any correspondence from shareholders addressed to the Chairman or the Board received at Janus Henderson's offices is forwarded to the Chairman in line with the established procedures in place. Any correspondence is submitted to the next Board meeting. See page 28 for information about how the Company communicates with shareholders.

Janus Henderson and BNP Paribas, which is engaged by Janus Henderson, have arrangements in place by which their staff may, in confidence, raise concerns about possible improprieties in relation to financial reporting or other matters.

The Board, the Manager and the Corporate Secretary operate in a supportive, co-operative and open environment.

The Board

Board composition and independence

Under the Company's Articles of Association, the total number of Directors shall not be less than three nor more than seven. As at the date of this report, the Board comprises five non-executive Directors, whose biographies are included on pages 39 and 40. These biographies demonstrate the breadth of investment, financial, commercial and professional experience relevant to their positions as Directors.

Sir Laurie Magnus was appointed as Chairman of the Board on 27 October 2020. Sir Laurie was independent on appointment in accordance with the criteria set out in the AIC Code and has no relationships that may create a conflict of interest between his interests and those of shareholders. Details of his other significant commitments can be found on page 39. Following review by the Nominations Committee as part of the performance evaluation, the Board is satisfied that Sir Laurie has sufficient time to devote to the Company.

The independence of the Directors is determined with reference to the AIC Code. The Nominations Committee considers the independence of each Director at least annually by reviewing their other appointments and commitments, as well as their tenure of service and any connection they may have with the Manager.

Following evaluation, the Nominations Committee determined that all Directors continued to be independent in character and judgement and that their individual skills, broad business experience and knowledge and understanding of the Company were of benefit to shareholders. All Directors are considered by the Board to be independent of the Manager and free of any relationship which could materially interfere with the exercise of their independent judgement.

There were no contracts subsisting during or at the end of the year in which any Director is or was materially interested and which is or was significant in relation to the Company's business. No Director has a contract of service with the Company and there are no agreements between the Company and its Directors concerning compensation for loss of office.

Appointment and retirement

The Board may appoint Directors at any time and any Director so appointed will stand for election by shareholders at the next AGM following appointment. Each Director receives a letter of appointment that sets out, amongst other matters, what is expected of them in terms of time commitment.

Corporate Governance Report (continued)

In keeping with the provisions of the AIC Code, the Board has adopted a policy for all Directors to retire and stand for re-election annually at each AGM.

Under the Articles of Association, shareholders may remove a Director before the end of their term by passing an ordinary resolution at a general meeting.

The Board considers a potential candidate's other commitments on appointment and then annually through the performance evaluation process to ensure that Directors have sufficient time to commit to the Company. A schedule of Directors' other commitments is reviewed at each Board Meeting and Directors are required to seek the Chairman's approval prior to accepting further appointments.

Tenure

The Board's policy for Directors, including the Chairman, is that they serve for no more than nine years, other than in exceptional circumstances and where it considers this to be in the best interests of the Company. This ensures the regular refreshment of the Board and its Committees and forms an integral part of the Board's succession planning.

In advance of each AGM, the Nominations Committee will consider and make recommendations to the Board about whether it is appropriate for eligible Directors to be recommended for re-election, taking into account the results of the annual performance evaluation and the ongoing requirements of the AIC Code.

Professional development

Newly appointed Directors are offered a bespoke induction programme which covers the legal and regulatory framework for investment companies and the operations of the Manager, including the compliance and risk management frameworks, accounting, sales and marketing, and other administration services provided by the Manager.

Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors also regularly participate in relevant training and industry seminars and may do so at the expense of the Company.

Directors' individual training requirements are considered as part of the annual evaluation process which is led by the Chairman of the Board.

Conflicts of Interest

The Company's Articles of Association permit the Board to authorise situations where a Director has or may have an interest that conflicts, with the interests of the Company ("situational conflicts"). The Board has a formal system in place for Directors to declare situational conflicts to be considered for authorisation by those Directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non-conflicted Directors must act honestly and in good faith with a view to the best interests of the Company and they may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate. Any situational conflicts considered, and any authorisations given, are recorded in the relevant meeting's minutes. The Board believes that the systems it has in place for reporting and considering situational conflicts continue to operate effectively. No situational conflicts of interest were considered during the year or up to the date of this report.

Insurance and Indemnification

Directors' and officers' liability insurance cover is in place in respect of the Directors. Under the Company's Articles of Association and subject to the provisions of UK legislation, a qualifying third-party indemnity may be provided to Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgment is given in their favour by the Court. No indemnity was given during the year or up to the date of this report.

Board Attendance

The table below sets out the number of scheduled formal Board and Committee meetings held during the year under review and the number of meetings attended by each Director. All Directors attended the 2025 AGM. The number in brackets denotes the number of meetings each Director was entitled to attend.

	Board	Audit and Risk Committee	Nominations Committee
Ominder Dhillon	7 (7)	3 (3)	1 (1)
Ted Holmes	7 (7)	3 (3)	1 (1)
Sally Lake	7 (7)	3 (3)	1 (1)
Sir Laurie Magnus	7 (7)	3 (3)	1 (1)
Clare Wardle	7 (7)	3 (3)	1 (1)

Notes:

Sir Laurie Magnus attended each of the Audit and Risk Committee meetings by invitation. An additional meeting of the Nominations Committee was held during the year to consider the Board evaluation process. The Insider Committee did not meet during the year

Continued Appointment of the Manager

The Board monitors investment performance at each meeting, including information about performance relative to the benchmark and competitors in the AIC's UK Equity Income sector, receives updates in respect of professional sales and marketing activities carried out by the Manager for the Company twice annually and receives a formal recommendation from the Nominations Committee in

Corporate Governance Report (continued)

respect of the continued appropriateness of the terms of the management agreement at least annually.

The assessment of the Manager by the Nominations Committee included consideration of the quality of the team involved in all aspects of servicing the Company, including company secretarial, administration, sales and marketing, the Manager's use of gearing and management of the portfolio's risk profile, the stability of the management group, its business priorities and the adequacy of succession planning.

Following completion of the review, the Board was satisfied with the performance of the Manager and the services being provided and believes that the continued appointment of the Manager on the terms agreed is in the interests of the Company's shareholders as a whole.

Internal Control and Risk Management

The Board has overall responsibility for the Company's risk management and internal control framework and for reviewing its effectiveness, as set out in the chart on the following page. The Audit and Risk Committee supports the Board in the continuous monitoring of the framework. Details of the principal risks facing the Company, including emerging risks, and how these are mitigated are set out on pages 31 and 32.

The Board has established an ongoing process for identifying, evaluating and managing the principal and emerging risks faced by the Company. The process was in operation throughout the period and up to the date of this report. The framework is designed to meet the specific risks faced by the Company and takes account of the nature of the Company's reliance on its service providers and their internal controls. The framework is designed to manage rather than eliminate the risk of failure to achieve the Company's business objectives and provides reasonable, but not absolute, assurance against material misstatement or loss.

The key components of the internal control framework include:

- clearly defined investment criteria which specify levels of authority and exposure limits. The Board reviews reports on compliance with the criteria at each meeting;
- regular reporting which allows the Board to assess the Company's financial position. The management accounts and forecasts are reviewed by the Board at each meeting including reports on investment performance and gearing;
- the contractual agreements with the Manager and other third-party service providers. The Board reviews performance levels and adherence to relevant provisions of the agreements on a regular basis. The Nominations Committee conducts a formal evaluation of the overall level of service provided at least annually (see Nominations Committee Report on pages 55 and 56);
- the review of controls (including financial, operational and compliance) at the Manager and other third-party service providers. The Board receives quarterly reporting from the Manager and Depositary, and reviews annual assurance reports on the effectiveness of the control environments at the Company's key service providers; and
- the review of additional reporting provided by:
  - the Manager's Operational Risk team on the control environment in operation at the Manager and their view of the control environments in place at the third-party service providers used by the Company; and
  - the Manager's Internal Audit team on areas of operation which are relevant to the Company.

The Board, assisted by the Audit and Risk Committee, has carried out a review of the effectiveness of the Company's system of internal controls for the year ended 30 June 2026. During the course of its review the Board did not identify and was not advised of any failings or weaknesses relating to the Company's portfolio that have been determined as material.

Internal Audit Function

Systems are in operation to safeguard the Company's assets and shareholders' investments, to maintain proper accounting records and to ensure that financial information used within the business, or published, is reliable.

The Company is an investment company, has no employees and delegates all executive activities to third-party service providers, principally among them, the Manager. The Board places reliance on the Company's framework of internal control and the Audit and Risk Committee's view on reporting received from specific second and third line of defence teams at the Manager.

The Manager's Operational Risk team supports the Audit and Risk Committee in considering the independently audited reports on the effectiveness of internal controls in place at the Company's third-party service providers. The Manager's Internal Audit department provides regular reporting to the Board on the operations at the Manager and presents at least annually to the Audit and Risk Committee. The Board considers the need for its own internal audit function annually and continues to conclude that it is not necessary at the present time for the Company to have its own function.

Corporate Governance Report (continued)

Framework of Internal Controls

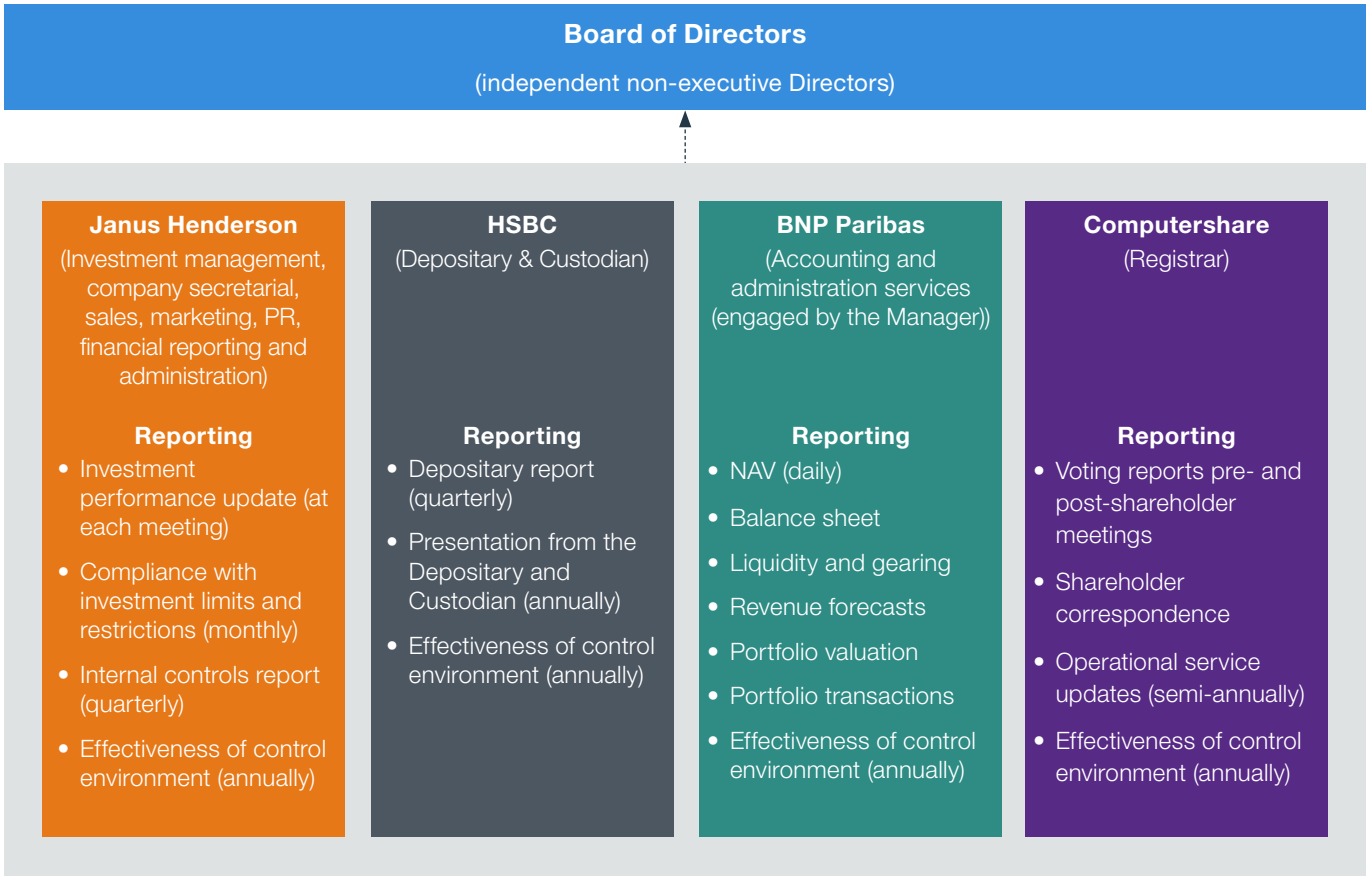
How the system of internal control operates

The Board delegates contractually to third-party service providers all of the Company's operational requirements. It maintains oversight of these providers throughout the year by receiving regular reporting on their activities. All are considered stakeholders.

The Nominations Committee formally evaluates the performance and service delivery of key third-party service providers at least annually.

The Audit and Risk Committee evaluates the performance of the Auditor on completion of each audit cycle and monitors the effectiveness of the control environment of the key third-party service providers each year through review of their annual assurance reports (usually ISAE 3402), supplemented by the view of the Manager's Operational Risk team.

Ernst & Young LLP has been appointed as the Company's Auditor.



Audit and Risk Committee Report

I am pleased to present the Audit and Risk Committee Report for the year ended 30 June 2026.

Membership

The members of the Audit and Risk Committee ("Committee") are Sally Lake (Committee Chair), Ominder Dhillon, Ted Holmes and Clare Wardle. The Committee Chair is considered by the Board to have recent and relevant financial experience, and the Committee as a whole has competence relevant to the sector in which the Company operates and to the Company as an investment trust. The Chairman of the Board may attend meetings by invitation of the Chair.

Meetings

The Committee usually meets three times a year, to review the half-year results, the annual results and to review the Company's risk management and internal controls. It met three times in the year under review. The Company's Auditor, the Fund Managers and the Manager's Financial Reporting Senior Manager for Investment Trusts are invited to attend meetings of the Committee on a regular basis. Other representatives of the Manager, including those responsible for operational risk, internal audit and information security, and BNP Paribas may also be invited to attend if deemed necessary by the Committee.

Role and Responsibilities

The primary responsibilities of the Committee are: to ensure the integrity of the Company's financial reporting, including oversight of the preparation and audit of the annual financial statements; to monitor and review the effectiveness of the Company's risk management and internal control framework and the control environments of the Manager and the Company's other third-party service providers; and to monitor the effectiveness and objectivity of the external Auditor. The Committee oversees the relationship with the external Auditor, approving the terms of their appointment or their removal. The Committee reports to the Board after each meeting.

The Committee's responsibilities are set out in formal terms of reference which are reviewed at least annually. The FRC's Minimum Standard for Audit Committees is incorporated within the terms of reference and this report includes details of the activities undertaken to meet the requirements of the Minimum Standard. The terms of reference were updated during the year to reflect the 2024 AIC Code and the forthcoming enhanced reporting requirements relating to material controls.

Committee Effectiveness Review

The activities of the Committee were considered as part of the Board effectiveness review (see page 55 for more details). The review concluded that the Committee continued to operate effectively.

Activities during the Year

In the year under review, the Committee considered the following matters:

Financial reporting

- The appropriateness of the Company's accounting policies and of the quality and effectiveness of the accounting records and management information maintained on behalf of the Company.
- The level of dividends to be paid by the Company, for recommendation to the Board.
- The disclosures made in the annual and half year reports in relation to internal controls and risk management, viability, going concern and related parties and consideration of whether the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy in order to make recommendations to the Board.

Auditor

- The audit plan, including the principal areas of focus.
- The nature, scope and cost of the external audit and reviewing the Auditor's findings in this respect.
- The re-appointment and evaluation of the independence, effectiveness and objectivity of the Auditor.

Internal controls and management of risk

- The principal risks facing the Company, including consideration of emerging risks, the risk management systems in place and the Company's risk map.
- Reports on the effectiveness of the internal controls in place at Janus Henderson and the Company's other principal third-party service providers and discussing them with the Manager's Operational Risk Team.
- Compliance with the terms of the loan notes in issue.
- The need for the Company to have its own internal audit function.
- The whistleblowing arrangements in place at the Manager and other key service providers for their staff to raise concerns, in confidence, about possible improprieties, including in relation to the Company.
- The Manager's policies and arrangements in relation to information security, meeting with the Janus Henderson Chief Information Security Officer.
- Meeting with representatives of Janus Henderson's business resilience and internal audit teams.
- The Company's anti-bribery policy, approach to tax evasion and the confirmations received from third-party service providers as to whether they have appropriate procedures in place in these respects.
- The annual confirmation from the Company's Depositary in respect of the safe-keeping of the Company's assets.

Audit and Risk Committee Report (continued)

The Committee also undertook preparatory work to support the enhanced reporting requirements under Provision 34 of the 2024 AIC Code. The Board will be required to make a declaration on the effectiveness of material controls in the Annual Report for the year ending 30 June 2027.

External Audit

Appointment and Tenure of the Auditor

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 auditors and the setting of the policy on the provision of non-audit services.

An audit tender was last carried out in 2023. The appointment of Ernst & Young LLP ("EY") as Auditor was recommended to the Board, and their appointment was confirmed by shareholders at the 2023 AGM. The financial statements for the year ended 30 June 2026 will be the third to be audited by EY and the third year for the audit partner, Mike Gaylor.

Auditor's Independence

The Committee monitors the Auditor's independence by:

- approving the policy regulating the non-audit services that may be provided by the Auditor to the Company;
- assessing the appropriateness of the fees paid to the Auditor for all work undertaken by them; and
- reviewing the information and assurances provided by the Auditor on their compliance with the relevant ethical standards.

For the year ended 30 June 2026, EY confirmed that all of its partners and staff involved with the audit were independent of any links to the Company and had complied with its ethics and independence policies and procedures, which are fully consistent with the FRC's Ethical Standards. Having considered the above-mentioned aspects, the performance and behaviour of the Auditor during the audit process and the assurances received from EY, the Committee is satisfied that auditor independence and objectivity are safeguarded.

Audit Fees

The fees payable to the Auditor for audit services in respect of the year ended 30 June 2026 were £67,000 (2025: £65,000) (inclusive of VAT).

Policy on Non-Audit Services

The Committee has approved, and keeps under regular review, the policy on the provision of non-audit services by the auditor. The policy sets out that the Company's auditor will not be considered for non-audit work where this is prohibited by the current regulations and where it appears to affect their independence and objectivity. In addition, the provision of any non-audit services by the auditor is not permitted to exceed 70% of the average annual statutory audit fee for the three consecutive financial periods preceding the financial period to which the cap applies. Such services require approval in advance by the Committee, or Audit and Risk Committee Chair, following due consideration of the proposed services.

No non-audit services were provided by EY in the year under review.

FRC Review of the 2025 Annual Report

The Company's Annual Report for the year ended 30 June 2025 was reviewed by the FRC as part of their normal monitoring activities. Confirmation was received from the FRC that they had no questions or queries to raise with the Company, although they noted that they may raise queries in the future should new information become available to them that they considered to be relevant. Their letter advised that their review had been based solely on the report and accounts and did not benefit from detailed knowledge of the Company's business or an understanding of the underlying transactions entered into. It had, however, been conducted by staff of the FRC who had an understanding of the relevant legal and accounting framework. It also noted that the FRC's role was not to verify the information provided but to consider compliance with reporting requirements.

Audit for the Year ended 30 June 2026

In the year under review, EY challenged both the Manager's and the Board's judgements and exercised professional scepticism. The audit team required detailed evidence of all metrics, numbers and disclosures made within the Annual Report to support a robust assessment and evaluation of the financial information contained therein. As an example, the Manager provides the Committee and the Auditor with an analysis of special dividends and the rationale for whether these should be treated as income or capital. The Auditor's review included challenge to the Manager to provide additional justification or background to the dividends before confirming whether they concurred with the proposed treatment.

The Committee faces fewer issues of judgement than might apply with an operating business. Areas where the Committee challenges the Manager include the determination of the fair market value of debt in order to confirm the appropriate basis for calculation, and stress testing of the revenue forecast to support the dividend payment policy and the assumptions in the viability statement.

The Committee did not consider it necessary to request the Auditor to look at any specific areas in addition to those already identified in the audit plan in relation to the audit for the year ended 30 June 2026.

The Committee is satisfied that the Annual Report for the year ended 30 June 2026, 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.

Audit and Risk Committee Report (continued)

In relation to the Annual Report for the year ended 30 June 2026, the following significant issues were considered by the Committee:

Significant issue	How the issue was addressed
Valuation and ownership of the Company's investments	The Directors have appointed the Manager, who outsources administration and accounting services to BNP Paribas, to perform the valuation of the assets of the Company in accordance with its responsibilities under the AIFMD rules. As required under the AIFMD rules, the Manager has adopted a written valuation policy, which may be modified from time to time. Actively traded investments are valued using stock exchange prices provided by third-party pricing vendors. Ownership of listed investments is verified by reconciliation to the Custodian's records and the Directors have received quarterly reports from the Depositary, which has responsibility for overseeing the Company's operations, including verification of ownership and valuation.
Recognition of income	Income received, including special dividends, is accounted for in line with the Company's accounting policy (as set out on page 74). Special dividends, and their treatment as revenue or capital, have been reviewed by the Committee and the rationale agreed. The Board reviews revenue forecasts and scenario analyses at each Board meeting in support of the Company's future dividends.
Maintaining internal controls	Information about the internal control and risk management framework adopted by the Company is set out in the Corporate Governance Report on pages 49 and 50. The Committee receives regular reports on internal controls and assurance reporting from Janus Henderson, BNP Paribas, HSBC Bank plc and Computershare Investor Services plc and has access to the relevant personnel of Janus Henderson who have a responsibility for risk management and internal audit. The assurance report for one of the Company's service providers had received a qualified opinion by the respective service auditor. The Committee thoroughly reviewed the instances giving rise to the qualification, whether these had impacted the Company directly and the corrective actions taken by management. Following these discussions, the Committee was satisfied that the Company's internal controls had operated as intended and that the qualification had had no direct impact on the Company. The Committee also meets annually with representatives from Janus Henderson and HSBC Bank plc to discuss and challenge their reports.
Maintenance of investment trust status	The Committee considered regularly the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times, receiving supporting documentation from Janus Henderson and BNP Paribas.

Effectiveness of the External Audit

The Auditor attended two Committee meetings in the year, when the Committee was considering the audit plan and the annual results. An initial audit planning meeting between EY, BNP Paribas, the Fund Managers and the Manager's staff was held. The Committee Chair met with the Auditor prior to the commencement of the audit to discuss the audit plan and proposed audit fee, and again to review the audit results prior to these being presented to the Committee.

The Auditor presented and discussed the findings of the FRC's latest Audit Quality Inspection Report on EY to the Committee and reported on the progress made by the firm in addressing the areas identified for improvement in the prior year's report.

The Committee carried out a post-audit assessment of the performance of the Auditor. The Committee reviewed and assessed the robustness of the audit, the level of challenge offered by the audit team, the Auditor's understanding of the Company and the investment trust sector, the quality of the audit team and the timeliness of delivering the tasks required for the audit and reporting for the Committee. The Committee Chair invited views from the Directors, the Fund Managers and other members of the Manager's staff. The Committee also met privately with the Audit Partner to discuss how the audit operated from his perspective.

Audit and Risk Committee Report (continued)

Overall, the Committee considers that the audit quality for the year ended 30 June 2026 has been high and that the Manager and EY have worked together effectively. Following completion of the assessment, the Committee remained satisfied with the effectiveness of the audit provided by EY. EY have indicated their willingness to continue in office and resolutions re-appointing them as Auditor to the Company and authorising the Committee to determine their remuneration will be proposed at the AGM.

Sally Lake
Chair of the Audit and Risk Committee
15 September 2026

Nominations Committee Report

I am pleased to present the Nominations Committee Report for the year ended 30 June 2026.

Membership

All Directors are members of the Nominations Committee ("Committee"). The Chairman of the Board is the Chairman of the Committee but does not chair discussions relating to his own performance or succession.

Meetings

The Committee meets at least once a year. One additional meeting was held in the year under review to agree the format for the annual Board evaluation.

Role and Responsibilities

The Committee advises the Board on the composition of the Board and its Committees, in making appointments to the Board and ensuring suitable succession plans are in place for the Directors and the Fund Manager. It carries out annual Board effectiveness reviews and makes recommendations to the Board for the proposed election and re-election of Directors ahead of each AGM. It also reviews and monitors the engagement and performance of the Manager and other third-party service providers.

The Committee reports to the Board after each meeting and its responsibilities are set out in formal terms of reference which are reviewed at least annually.

Committee Effectiveness Review

The activities of the Committee were considered as part of the Board effectiveness review (see below for more details). The review concluded that the Committee continued to operate effectively.

Succession Planning and Recruitment

When considering succession planning, the Committee bears in mind the balance of skills, knowledge, experience and diversity existing on the Board. Once a decision is made to recruit an additional Director, a formal job description is drawn up. The Committee will engage external recruitment agencies to facilitate the search. The Committee will assess candidates against objective criteria and with due regard for the benefits of diversity on the Board (including gender, social and ethnic backgrounds, as well as cognitive and personal strengths), taking care that any candidates recommended for appointment will be able to allocate sufficient time to the Company to discharge their responsibilities fully and effectively.

New appointments to the Board are made on a staggered basis in line with the tenure policy, ensuring ongoing refreshment combined with the importance of maintaining continuity and corporate knowledge. As part of the evaluation process, the Committee reviews the tenure of the Directors. At the date of this report, the Directors have been on the Board for between 2 and 8 years.

In the normal course of events, Mr Holmes is due to retire at the 2027 AGM. The Committee will be commencing steps to recruit a successor to Mr Holmes during the final quarter of 2026.

The Committee also reviews and recommends to the Board the Directors seeking re-election. Recommendation is not automatic and will follow a process of evaluation of each Director's performance and consideration of the Director's independence, including their time commitment. The Committee also takes into account the mix of skills and experience of the current Board members.

Board Effectiveness Review

Each year, the Committee assesses the composition of the Board and its performance, including that of individual Directors. An external review is conducted every three years, with the next external review due to be carried out in 2028. This year, the evaluation was undertaken internally, with each Director completing a questionnaire and then meeting individually with the Chairman.

The areas considered included Board composition and dynamics, management of meetings and support from the Manager in this respect, the appropriateness of the investment strategy and performance, the quality of the Board's understanding of shareholders' views and the Manager's sales and marketing activities, succession planning and priorities for change. A review of the performance and effectiveness of the Board Committees was included as part of the evaluation process. The Committee also reviewed the independence of each Director and their time commitment.

The principal areas for attention identified from the review included:

- maintaining the focus on risk management, in particular remaining alert to the challenges of cyber security;
- the appointment of a new Director to succeed Mr Holmes; and
- monitoring the results from the investment in marketing activity.

The review of the Chairman was led by Clare Wardle as the Senior Independent Director. Mrs Wardle met with each Director to discuss the leadership and effectiveness of the Chairman.

Following completion of the review, the Committee concluded that the Board remained fit for purpose and worked in a harmonious, effective and collegiate manner. Directors gave an appropriate level of focus and discussion to the oversight of strategy and performance. There was a very good range of skills represented on the Board and a clear understanding of the risks facing the Company. The Board Committees were operating effectively. Mrs Wardle also reported that the Chairman provided effective leadership. No areas of material weakness or concern were identified. The Committee accordingly recommended to the Board that it should support those Directors seeking re-election at the 2026 AGM.

Nominations Committee Report (continued)

Diversity and Inclusion

All Board appointments are subject to a formal, rigorous and transparent procedure. The Company seeks to ensure that any Board vacancies are filled by the most qualified candidates based on objective criteria and merit and in the context of the skills, knowledge and experience that are needed for the Board to be effective.

Whilst the Board does not feel that it would be appropriate to use specific diversity targets, given its small size, the Directors acknowledge that diversity is important to ensure that the Company can draw on a broad range of backgrounds, skills, knowledge, experience and perspectives to achieve effective stewardship of the Company. An integral part of the appointment process includes the consideration of diversity in its broadest sense and the Nominations Committee ensures that long lists of potential non-executive Directors include diverse candidates of appropriate experience and merit and there will be no discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability. The Committee reviewed the Company's Diversity and Inclusion Policy during the year and concluded that it remained appropriate.

As at 30 June 2026, the Board met the applicable UK Listing Rule diversity targets: 40% of the Board were female, two senior Board positions were held by women, and at least one Director was from a minority ethnic background. In relation to the senior board positions target, the Company has followed the AIC guidance for externally managed investment companies, as explained in the note to the tables below.

The following tables set out the gender and ethnic diversity of the Board at 30 June 2026:

Gender identity	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]
Men	3	60	1
Women	2	40	2
Ethnic background			
White British or other White (including minority-white groups)	4	80	3
Asian/Asian British	1	20	–

1 Senior positions include Chairman, Senior Independent Director and Audit and Risk Committee Chair

As an investment trust company with solely independent, non-executive Directors, the Company does not have a Chief Executive or a Chief Financial Officer and has no employees. Accordingly, there are no disclosures about executive management positions to be included. The role of Audit and Risk Committee Chair is considered to be a senior position and has been included in the above tables. The categories for ethnic groups which are not represented on the Board are not included in the ethnic background table. The information in the tables was provided by individual Directors in response to a request from the Company.

There have been no changes to the Board or the roles of Directors since 30 June 2026.

Performance of Third-Party Service Providers

Each year, the Committee carries out an evaluation of the Manager and the Company's key third-party service providers and their respective terms of engagement.

The Committee's evaluation of the Manager includes assessing whether the contractual arrangements and remuneration structure in place remain appropriate and competitive and in the interests of shareholders as a whole. The Committee also considers the arrangements in place at Janus Henderson in terms of a short-term incapacity of the Fund Manager and succession planning for the Fund Manager over the longer term. The evaluation includes consideration of the quality of the team involved in all aspects of servicing the Company and a review of the stability of the management group and its business priorities.

Following its review, the Committee concluded that it was in the interests of shareholders as a whole to recommend to the Board that the appointment of the Manager should continue on the existing terms. The Committee also recommended the continuation of the appointment of the other key third-party service providers.

Sir Laurie Magnus CBE
Nominations Committee Chairman
15 September 2026

Directors' Remuneration Report

Remuneration Policy

The Remuneration Policy ("the Policy") sets out the principles applied in the remuneration of the Company's Directors. The Policy was last approved by shareholders at the AGM on 31 October 2023. Shareholders will be asked to re-approve the Policy at the 2026 AGM; if approved, it will continue in force until the AGM in 2029.

The Board has not established a separate remuneration committee and matters relating to Directors' remuneration are dealt with by the Board as a whole. Individual Directors do not participate in discussions relating to their own remuneration. The appropriateness and relevance of the Policy is reviewed at least annually, particularly in terms of whether the policy supports the Company's long-term sustainable success. In determining the Policy, the Board takes into account all factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the UK Code and the AIC Code and fees paid to directors of comparable investment trusts.

The objective of the Policy is to attract, retain and motivate non-executive Directors of the quality required to manage the Company successfully. The Company's approach is that fees payable to the non-executive Directors should reflect the time spent on the Company's affairs, reflect the responsibilities borne by the Directors, and be sufficient to promote the long-term success of the Company.

Directors are remunerated in the form of fees payable to the Director personally quarterly in arrears. Fees are pro-rated where a change takes place during a financial year. The total annual aggregate fees payable to Directors shall not exceed £350,000.

The Chairman of the Board is paid a higher fee in recognition of his additional responsibilities, as is the Senior Independent Director, the Chair of the Audit and Risk Committee and the Marketing Lead. The Directors may be reimbursed for all reasonable and properly documented expenses incurred in the performance of their duties. The level of fees paid to each Director is reviewed annually, although such a review may not necessarily result in any change to the rates. The level of fees paid to the directors of other investment companies of a similar size and nature is taken into account when carrying out the review in order to avoid and manage conflicts of interest in determining remuneration levels. The Board may amend the level of remuneration paid to individual Directors within the parameters of the Policy.

No Director is eligible to receive bonuses, pension benefits, share options or other benefits and no long-term incentive schemes are in place.

The Policy, irrespective of any changes, is put to shareholders at intervals of not more than three years with the next approval due to be sought at the AGM in 2029.

Letters of appointment

All Directors are non-executive and are appointed under a Letter of Appointment. No Director has a service contract with the Company. There are no set notice periods and a Director may resign by notice in writing to the Board at any time. No compensation is payable for loss of office.

Recruitment principles

All Directors, including any new appointments to the Board, are paid at the same rate. The Chairman of the Board, Senior Independent Director, Chair of the Audit and Risk Committee and Marketing Lead are paid higher fees in recognition of their additional responsibilities.

The Board will not pay any introductory fee or incentive to any person to encourage them to become a Director, but may pay the fees of search and selection specialists in connection with the appointment of any new non-executive Director.

The Company intends to appoint only non-executive Directors for the foreseeable future.

Views of shareholders

Any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board when reviewing levels of remuneration.

Annual Report on Remuneration

This report has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended (the "Regulations"). The report also meets the relevant requirements of the Companies Act 2006 (the "Act") and the UK Listing Rules of the FCA and describes how the Board has applied the principles relating to Directors' remuneration.

As required by the Act, an ordinary resolution to approve the Directors' Remuneration Report will be proposed at the forthcoming AGM.

Directors' Remuneration Report (continued)

The Company's Auditor is required to report on certain information contained within this report; where information set out below has been audited, it is indicated as such.

All Directors are non-executive and the Company has no chief executive officer or employees; as such some of the reporting requirements contained in the Regulations are not applicable and have not been reported on, including the requirement for a future policy table and an illustrative representation of the level of remuneration that could be received by each individual Director. It is believed that all relevant information is disclosed within this report in an appropriate format.

The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration.

Statement from the Chairman

As the Company has no employees and the Board comprises entirely non-executive Directors, the Board has not established a separate Remuneration Committee. Directors' remuneration is reviewed annually and is determined by the Board as a whole within the parameters approved by shareholders.

During the year, the Board reviewed the fees paid by other investment companies in the AIC UK Equity Income sector (the Company's peer group), fees paid to directors of other large investment trusts with assets of over £1 billion (excluding sector specialists) and those paid by the Janus Henderson managed investment trusts. The Board also took into consideration the prevailing rate of inflation, looking at RPI, CPI, as well as the increasing responsibilities and time commitment required of Directors. Following consideration, the Directors' fees were increased with effect from 1 January 2026 by 3.5% (rounded to the nearest £100), slightly below the CPI rise of 3.6% for the 12 months to 31 October 2025. Mr Dhillon carries out additional work for the Board as Marketing Lead, liaising with the Manager on the marketing and advertising programme and budget. It was agreed that he should be paid an annual fee equivalent to that of the Senior Independent Director to reflect his additional responsibilities. The new rates are as set out in the table below. The increases were to ensure that the Directors are properly remunerated for their services to the Company and so that the Company can remain competitive when seeking new Directors. There have been no other major decisions on Directors' remuneration or any other changes to the remuneration paid to each individual Director in the year under review.

The Board is satisfied that the changes to the remuneration of the Directors are compliant with the Directors' Remuneration Policy approved by shareholders at the 2023 AGM. There will be no significant change in the way that the Remuneration Policy will be implemented in the course of the next financial year.

Directors' annual fees

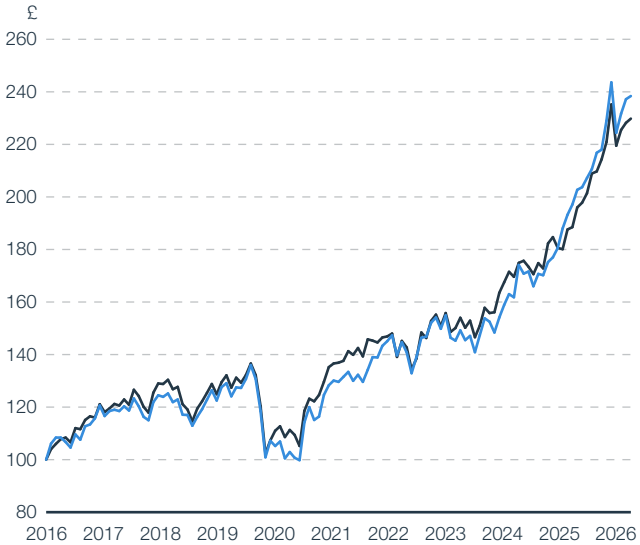
The current fees for specific responsibilities are set out in the table below. Other than the Chair of the Audit and Risk Committee, no fees are payable for membership of the Board's Committees.

Role	**Rate at 30 June 2026 £**	Rate at 30 June 2025 £
Chairman of the Board	**58,500**	56,500
Chair of the Audit and Risk Committee	**44,000**	42,500
Senior Independent Director	**40,300**	38,900
Marketing Lead	**40,300**	n/a
Other non-executive Directors	**36,600**	35,300

Performance

The chart below illustrates the total shareholder return for a holding in the Company's shares over the ten-year period to 30 June 2026 as compared with the FTSE All-Share Index, which was adopted as the Company's benchmark index with effect from 1 July 2019.

Total return performance over the ten-year period to 30 June 2026



City of London share price total return, assuming the investment of £100 on 30 June 2016 and the reinvestment of all dividends (excluding dealing expenses)

FTSE All-Share Index total return, assuming the notional investment of £100 on 30 June 2016 and the reinvestment of all income (excluding dealing expenses)

Sources: Morningstar Direct and LSEG Datastream

Directors' Remuneration Report (continued)

Directors' remuneration (audited)

The remuneration paid to the Directors who served during the year ended 30 June 2026 and 30 June 2025 was as follows:

	Year ended 30 June 2026 Total salary and fees £	Year ended 30 June 2025 Total salary and fees £	**Year ended 30 June 2026 Total expenses and taxable benefits £**	Year ended 30 June 2025 Total expenses and taxable benefits £	**Year ended 30 June 2026 Total £**	Year ended 30 June 2025 Total £
Ominder Dhillon[1]	37,800	34,900	218	250	38,018	35,150
Ted Holmes	35,950	34,900	–	–	35,950	34,900
Sally Lake[2]	43,250	36,804	–	–	43,250	36,804
Sir Laurie Magnus[3]	57,500	55,850	–	–	57,500	55,850
Clare Wardle	39,600	38,550	–	–	39,600	38,550
Samantha Wren[4]	–	13,833	–	–	–	13,833
Total	**214,100**	**214,837**	**218**	**250**	**214,318**	**215,087**

Notes:

The amounts paid by the Company to the Directors were for services as non-executive Directors. The table above omits other columns set out in the relevant regulations because no payments of other types such as performance-related pay and pension-related payments were made. No variable pay was paid to any Director

1 Appointed as Marketing Lead with effect from 1 January 2026

2 Appointed as a non-executive Director on 1 August 2024 and appointed as Chair of the Audit and Risk Committee on 31 October 2024

3 Chair and highest paid Director

4 Chair of the Audit and Risk Committee until resignation on 31 October 2024

No other remuneration or compensation was paid or payable by the Company during the year to any of the current or former Directors or third parties.

Directors' interests in shares (audited)

	Ordinary shares of 25p	
Beneficial interest	**30 June 2026**	1 July 2025
Ominder Dhillon	**5,943**	5,943
Ted Holmes	**10,000**	10,000
Sally Lake	**9,200**	9,200
Sir Laurie Magnus	**110,000**	110,000
Clare Wardle	**16,447**	16,447

The interests of the Directors and their connected persons in the ordinary shares of the Company at the beginning and end of the financial year are shown in the table. There have been no changes to any of the Directors' interests in the period from 1 July 2026 to the date of this report. No Director has any interests in the preference or preferred stock of the Company.

The Company does not have a shareholding requirement for Directors.

Relative importance of spend on pay

In order to show the relative importance of spend on pay, the table below sets out the total level of remuneration compared with the distributions to shareholders by way of dividends. There were no other significant distributions, payments or other uses of the Company's net return or cash flow deemed to assist in the understanding of the relative importance of spend on pay.

	2026 £	2025 £	Change £	Change %
Total Directors' remuneration	214,318	215,087	(769)	(0.4)
Ordinary dividends paid	109,827,058	104,438,793	5,388,265	5.2

Directors' Remuneration Report (continued)

Statement of voting at AGM

At the Company's last AGM held on 30 October 2025, shareholders approved the Directors' Remuneration Report in respect of the year ended 30 June 2025. Shareholders last approved the Directors' Remuneration Policy at the AGM on 31 October 2023.

Resolution	For (including at Chairman's discretion)	% of total votes[1]	Against	% of total votes[1]	Withheld
Remuneration Policy	6,622,825	99.2	56,004	0.8	53,908
Remuneration Report	5,958,371	99.0	62,014	1.0	47,965

1 Excluding votes withheld

Approval of the Annual Report on Remuneration

The Annual Report on Remuneration was approved by the Board on 15 September 2026.

On behalf of the Board

Sir Laurie Magnus CBE
Chairman
15 September 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland", and applicable law). 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 net return 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, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report and Corporate Governance Report that comply with that law and those regulations.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Directors' Responsibility Statement

Each of the Directors, who are listed on pages 39 and 40, confirms that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with UK Accounting Standards on a going concern basis, give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- the Strategic Report and financial statements include 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.

On behalf of the Board

Sir Laurie Magnus CBE
Chairman
15 September 2026

The financial statements are published on the website **www.cityinvestmenttrust.com**.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The maintenance and integrity of the website is the responsibility of Janus Henderson; the work carried out by the Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Annual Report since it was initially presented on the website.

Independent Auditor's Report to the Members of The City of London Investment Trust plc

Opinion

We have audited the financial statements of The City of London Investment Trust plc (the "Company") for the year ended 30 June 2026 which comprise the Income Statement, the Statement of Changes in Equity and the Statement of Financial Position and the related notes 1 to 23, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to 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 the 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:

- Confirming our understanding of the Company's going concern assessment process by engaging with the Directors and the Corporate Secretary to determine if the key factors were considered in their assessment.
- Inspecting the Directors' assessment of going concern, including the revenue forecast, for the period to 15 September 2027 which is at least 12 months from the date these financial statements are authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments to cover the working capital requirements should revenue decline significantly.
- Reviewing the factors and assumptions, including the impact of the current economic environment and other significant events that could give rise to market volatility, as applied to the revenue forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the revenue forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company.
- Considering the mitigating factors included in the revenue forecast that are within the control of the Company.
- In relation to the Company's borrowing arrangements, we recalculated the Company's compliance with debt covenants and performed stress testing to assess the likelihood of the Company breaching the financial covenants as a result of a reduction in the value of the Company's portfolio.
- Reviewing the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

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 the period assessed by the Directors, being the period to 15 September 2027, which is at least 12 months from the date these financial statements are authorised for issue.

Independent Auditor's Report to the Members of The City of London Investment Trust plc (continued)

In relation to the Company's reporting on how they have 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.

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

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition. • Risk of incorrect valuation or ownership of the investment portfolio.
Materiality	• Overall materiality of £28.5m which represents 1% of the net asset value.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

Stakeholders are increasingly interested in how climate change will impact The City of London Investment Trust. The Company has determined that the most significant future impacts from climate change could affect the Company's investments. These are explained on pages 31 and 32 in the principal risks and uncertainties. All of these disclosures form part of the "Other information", rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 1(a) and conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing as required by FRS 102. We also challenged the Directors' considerations of climate change risks in their assessment of going concern, viability and associated disclosures. Based on our work, we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

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

Independent Auditor's Report to the Members of The City of London Investment Trust plc (continued)

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Incomplete or inaccurate revenue recognition (as described on page 53 in the Audit and Risk Committee Report and as per the accounting policy set out on page 74). The total revenue for the year to 30 June 2026 is £119.88m (2025: £112.47m), consisting primarily of dividend income from listed equity investments. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. Additionally, in accordance with the AIC SORP, special dividends received by the Company can be included in either the revenue or capital columns of the Income Statement depending on the commercial circumstances behind the payments.	**We performed the following procedures:** We obtained an understanding of the processes and controls surrounding revenue recognition, including the classification of special dividends, by performing walkthrough procedures. For 100% of dividends received and accrued, we recalculated the income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We also agreed all exchange rates to an independent data vendor and agreed a sample of dividend receipts to bank statements. For 100% of dividends accrued, we reviewed the investee company announcement to assess whether the dividend entitlements arose prior to 30 June 2026. To test completeness of recorded income, we verified that expected dividends for each investee company held during the year had been recorded as income with reference to investee company announcements obtained from an independent data vendor. For all investments held during the year, we inspected the type of dividends paid with reference to an external data vendor to identify those which were special dividends. The Company received six special dividends in the year, three classified as revenue and three classified as capital. The total value of special dividends was immaterial to our audit.	The results of our procedures identified no material misstatement in relation to incomplete or inaccurate revenue recognition.

Independent Auditor's Report to the Members of The City of London Investment Trust plc (continued)

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Incorrect valuation or ownership of the investment portfolio (as described on page 53 in the Audit and Risk Committee Report and as per the accounting policy set out on page 73). The valuation of the investment portfolio at 30 June 2026 was £2,986.02m (2025: £2,455.88m) consisting primarily of listed investments. The valuation of the investments held by the Company is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the net asset value and the return generated for shareholders. The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date. The Company participates in stock lending activity governed by a stock lending agreement with the custodian, HSBC. The agreement allows the custodian to use, for their own purposes, the collateral posted for the stocks on loan. There is a risk that valuation or ownership of the stocks on loan is incorrect.	**We performed the following procedures:** We obtained an understanding of the processes surrounding investment pricing and legal title of listed investments by performing walkthrough procedures. For 100% of investments in the portfolio, including the stocks on loan and collateral, we verified the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year end. For all investments in the portfolio, we obtained the market prices from an independent pricing vendor for five business days pre and post the year end date and calculated the day-on-day movements to identify any stale prices. We verified that the listed prices are valid fair values through review of trading activity. We compared the Company's investment holdings including the stocks on loan as at 30 June 2026 to an independent confirmation received directly from the Company's Custodian and Depositary.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £28.50m (2025: £23.32m), which is 1% (2025: 1%) of net assets. We believe that net asset value provides us with a materiality aligned to the key measure of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2025: 75%) of our planning materiality, namely £21.38m (2025: £17.49m). We have set performance materiality at this percentage due to our past experience of working with the Company which therefore indicates a lower risk of misstatements, both corrected and uncorrected.

Independent Auditor's Report to the Members of The City of London Investment Trust plc (continued)

Given the importance of the distinction between revenue and capital for investment trusts, we also applied a separate testing threshold for the revenue column of the Income Statement of £5.71m (2025: £5.36m) being 5% (2025: 5%) of the revenue net return before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £1.43m (2025: £1.17m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Corporate Governance Report

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Report relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

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

Independent Auditor's Report to the Members of The City of London Investment Trust plc (continued)

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 73;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 33;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 33;
- Directors' statement on fair, balanced and understandable set out on page 61;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 31;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 49; and
- The section describing the work of the Audit and Risk Committee set out on page 51.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 61, 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.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are UK GAAP, the Companies Act 2006, the UK Listing Rules, the UK Corporate Governance Code, the Statement of Recommended Practice for the Financial Statements of Investment Trust Companies as issued by the Association of Investment Companies, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit and Risk Committee and Company Secretary, review of Board and committee minutes and review of papers provided to the Audit and Risk Committee.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

Independent Auditor's Report to the Members of The City of London Investment Trust plc (continued)

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

Other matters we are required to address

- Following the recommendation from the Audit and Risk Committee, we were appointed by the Company on 31 October 2023 to audit the financial statements for the year ending 30 June 2024 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is three years, covering the year ended 30 June 2026.
- The audit opinion is consistent with the additional report to the Audit and Risk 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.

Mike Gaylor (Senior statutory auditor)
For and on behalf of Ernst & Young LLP
Statutory Auditor
London
15 September 2026

Financial Statements

Income Statement

Notes		Year ended 30 June 2026 Revenue return £'000	Capital return £'000	Total return £'000	Year ended 30 June 2025 Revenue return £'000	Capital return £'000	Total return £'000
2	Gains on investments held at fair value through profit or loss	–	409,587	409,587	–	244,522	244,522
3	Income from investments held at fair value through profit or loss	119,588	–	119,588	112,223	–	112,223
4	Other interest receivable and similar income	290	–	290	242	–	242
	Gross revenue and capital gains	**119,878**	**409,587**	**529,465**	**112,465**	**244,522**	**356,987**
5	Management fee	(2,417)	(5,639)	(8,056)	(2,006)	(4,680)	(6,686)
6	Other administrative expenses	(1,453)	–	(1,453)	(1,228)	–	(1,228)
	Net return before finance costs and taxation	**116,008**	**403,948**	**519,956**	**109,231**	**239,842**	**349,073**
7	Finance costs	(1,852)	(3,954)	(5,806)	(1,954)	(4,191)	(6,145)
	Net return before taxation	**114,156**	**399,994**	**514,150**	**107,277**	**235,651**	**342,928**
8	Taxation	(733)	–	(733)	(812)	–	(812)
	Net return after taxation	**113,423**	**399,994**	**513,417**	**106,465**	**235,651**	**342,116**
9	**Return per ordinary share - basic and diluted**	**22.52p**	**79.43p**	**101.95p**	**21.57p**	**47.74p**	**69.31p**

The total columns of this statement represent the Company's Income Statement. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations. The Company has no recognised gains or losses other than those recognised in the Income Statement.

The notes on pages 73 to 88 form part of these financial statements

Statement of Changes in Equity

Notes	Year ended 30 June 2026	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 1 July 2025	125,666	1,073,479	2,707	1,081,493	48,694	2,332,039
	Net return after taxation	–	–	–	399,994	113,423	513,417
17, 18, 19	Sale of 9,147,762 ordinary shares from treasury	–	8,079	–	38,277	–	46,356
17, 18	Issue of 12,407,238 new ordinary shares	3,102	65,378	–	–	–	68,480
10	Dividends paid	–	–	–	–	(109,799)	(109,799)
	At 30 June 2026	**128,768**	**1,146,936**	**2,707**	**1,519,764**	**52,318**	**2,850,493**

Notes	Year ended 30 June 2025	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 1 July 2024	125,666	1,072,624	2,707	849,910	46,621	2,097,528
	Net return after taxation	–	–	–	235,651	106,465	342,116
17, 19	Buyback of 2,530,895 ordinary shares for treasury	–	–	–	(11,154)	–	(11,154)
17, 18, 19	Sale of 1,685,000 ordinary shares from treasury	–	855	–	7,086	–	7,941
10	Dividends paid	–	–	–	–	(104,392)	(104,392)
	At 30 June 2025	**125,666**	**1,073,479**	**2,707**	**1,081,493**	**48,694**	**2,332,039**

The notes on pages 73 to 88 form part of these financial statements

Statement of Financial Position

Notes		30 June 2026 £'000	30 June 2025 £'000
	Fixed assets		
11	**Investments held at fair value through profit or loss**		
	Listed at market value in the United Kingdom	2,667,474	2,163,235
	Listed at market value overseas	210,207	190,162
	Investments on loan	107,991	102,131
12	Investment in subsidiary undertakings	347	347
		2,986,019	**2,455,875**
	Current assets		
13	Debtors	16,428	14,443
		16,428	14,443
14	**Creditors: amounts falling due within one year**	(36,172)	(22,552)
	Net current liabilities	**(19,744)**	**(8,109)**
	Total assets less current liabilities	**2,966,275**	**2,447,766**
15	**Creditors: amounts falling due after more than one year**	(115,782)	(115,727)
	Net assets	**2,850,493**	**2,332,039**
	Capital and reserves		
17	Called up share capital	128,768	125,666
18	Share premium account	1,146,936	1,073,479
19	Capital redemption reserve	2,707	2,707
19	Other capital reserves	1,519,764	1,081,493
20	Revenue reserve	52,318	48,694
21	**Total shareholders' funds**	**2,850,493**	**2,332,039**
21	**Net asset value per ordinary share - basic and diluted**	**553.42p**	**472.53p**

The financial statements on pages 70 to 88 were approved by the Board of Directors on 15 September 2026 and signed on its behalf by:

Sir Laurie Magnus CBE
Chairman

Registration number: 34871

The notes on pages 73 to 88 form part of these financial statements

Notes to the Financial Statements

1 Accounting policies

(a) Basis of accounting

The Company is a registered investment company as defined in Section 833 of the Companies Act 2006 and is incorporated in the UK. It operates in the UK and is registered at the address on page 107.

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (the "SORP") issued in July 2022 by the Association of Investment Companies.

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

As an investment fund the Company has the option, which it has taken, not to present a cash flow statement. A cash flow statement is not required when an investment fund meets all the following conditions: substantially all of the entity's investments are highly liquid, substantially all of the entity's investments are carried at market value, and the entity provides a Statement of Changes in Equity. The Directors have assessed that the Company meets all of these conditions.

The financial statements have been prepared under the historical cost basis except for the measurement at fair value of investments. In applying FRS 102, financial instruments have been accounted for in accordance with Section 11 and 12 of the standard. All of the Company's operations are of a continuing nature.

The financial statements of the Company's three subsidiaries have not been consolidated on the basis of immateriality. Consequently, the financial statements present information about the Company as an individual entity. The Directors consider that the values of the subsidiary undertakings are not less than the amounts at which they are included in the financial statements.

The preparation of the Company's financial statements on occasion requires the Directors to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

The decision to allocate special dividends as income or capital and the allocation of expenses to income or capital are judgements taken by the Directors. Neither of these have any impact on net assets but do impact the net revenue return that is available to pay dividends from current year revenue in any specific year, The Directors believe that any accounting judgements or estimates applied to this set of financial statements do not create significant risk of material adjustments in the future to the carrying amount of assets and liabilities.

(b) Going concern

The assets of the Company consist of securities that are readily realisable. As set out in the Viability Statement, the Directors consider three model scenarios that stress test the revenue reserves. None of the results from these scenarios would threaten the viability of the Company and its ability to continue as a going concern. The Directors have also considered the current geopolitical and macroeconomic uncertainties and the impact of potentially catastrophic events, whether man-made or natural disasters, including cash flow forecasting, a review of covenant compliance including the headroom above the most restrictive covenants and an assessment of the liquidity of the portfolio. They have concluded that the Company is able to meet its financial obligations, including the repayment of the bank overdraft, as they fall due for a period to 15 September 2027, which is at least 12 months from the date of approval of the financial statements. Having assessed these factors, the principal risks and other matters discussed in connection with the Viability Statement, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

(c) Valuation of investments held at fair value through profit or loss

Listed investments are valued at fair value, which is deemed to be closing bid market prices or the last traded price depending on the convention of the exchange on which the investment is quoted.

The only unquoted investments are the Company's subsidiaries which are valued at the net asset value according to their latest financial statements and this is considered to be fair value.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as "Gains on investments held at fair value through profit or loss". Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Income Statement. All purchases and sales are accounted for on a trade date basis.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

(d) Foreign currency

The results and financial position of the Company are expressed in pounds sterling, which is the functional currency and presentational currency of the Company. Sterling is the functional currency because it is the currency of the primary economic environment in which the Company operates.

Transactions recorded in overseas currencies during the year are translated into sterling at the appropriate daily exchange rates. Assets and liabilities denominated in overseas currencies at the Statement of Financial Position date are translated into sterling at the exchange rates ruling at that date.

Any gains or losses on the translation of foreign currency balances, whether realised or unrealised, are taken to the capital or to the revenue return of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature.

(e) Income

Dividends receivable from equity shares are taken to the revenue return on an ex-dividend basis except where, in the opinion of Directors, the dividend is capital in nature in which case it is taken to the capital return. Special dividends are recognised on an ex-dividend basis and treated as capital or revenue depending on the facts and circumstances of each dividend. Bank interest and stock lending revenue are accounted for on an accruals basis.

The ordinary element of scrip dividends received in lieu of cash dividends is recognised as revenue. Any enhancement above the cash dividend is treated as capital.

Fees earned from stock lending are accounted for on an accruals basis and shown in the revenue return based on amounts to which the Company is entitled. This is after deduction of amounts withheld by the counterparty arranging the stock lending facility. The stock lending accounting policy is set out in note 16.3.

(f) Management and other administrative expenses and finance costs

All expenses and finance costs are accounted for on an accruals basis. In accordance with the Board's expectation, over the long term, that investment returns will be attributable 70% to capital and 30% to revenue, the Company charges to capital 70% of the finance costs (excluding dividends payable on the preference and preferred ordinary stocks) and management fees with the remaining 30% being charged to revenue. Other administrative expenses are charged 100% to revenue except where they relate directly to a capital transaction.

(g) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the effective tax rate of corporation tax for the accounting period.

The tax effect of different items of expenditure is allocated between the capital return and revenue return using the Company's effective rate of tax for the year. In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income Statement is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Income Statement, then no tax relief is transferred to the capital return column.

Deferred taxation is provided on all timing differences that have originated but not reversed by the Statement of Financial Position date. This is subject to deferred tax assets only being 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. Any liability to deferred tax is provided at the average rate of tax expected to apply based on tax rates and laws that have been enacted or substantially enacted at the Statement of Financial Position date. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

(h) Borrowings

Overdrafts and secured notes are initially recorded at the value of the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost. Finance costs, including interest payable, premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement 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 in which they arise.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

(i) Preference stocks

The preference and preferred ordinary stocks have been assessed against the criteria set out in section 22.5 of FRS 102 and are deemed to be debt and are therefore classified as financial liabilities. The dividends associated with the preference and preferred ordinary stocks are fixed amounts paid in priority to dividends on ordinary shares and on a winding up are repaid in priority to ordinary shareholders. Dividends in respect of preference and preferred ordinary stocks are charged fully to the Company's revenue return within finance costs.

(j) Dividends payable to shareholders

Dividends payable to shareholders are recognised in the financial statements when they are paid, or in the case of final dividends, when they are approved by shareholders. Dividends are disclosed in the Statement of Changes in Equity.

(k) Issue and repurchase of ordinary shares and associated costs

The proceeds from the issue of new ordinary shares (including those relating to the sale of shares out of treasury) and the aggregate cost of repurchasing ordinary shares (including those to be held in treasury) are taken directly to equity and dealt with in the Statement of Changes in Equity. Issue costs incurred in respect of shares sold out of treasury are offset against proceeds received and dealt with in other capital reserves. Share issues and repurchase transactions are accounted for on a trade date basis.

(l) Capital and reserves

Called up share capital represents the nominal value of ordinary shares issued.

The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs and proceeds of sales of shares held in treasury in excess of the weighted average purchase price paid by the Company to repurchase the shares.

The revenue reserve represents accumulated revenue profits retained by the Company that have not currently been distributed to shareholders as a dividend.

The capital redemption reserve represents the nominal value of ordinary shares, preference stock and preferred ordinary stock that have been repurchased and cancelled.

Other capital reserves are split into two components, the capital reserve arising on investments sold and the capital reserve arising on revaluation of investments held. The following analyses what is accounted for in each of these components.

Capital reserve arising on investments sold

The following are accounted for in this reserve: gains and losses on disposals of investments; expenses and finance costs allocated to capital net of tax relief; realised foreign exchange differences of a capital nature; and cost of repurchasing ordinary share capital.

Capital reserve arising on revaluation of investments held

The following are accounted for in this reserve: increases and decreases in the valuation of investments held at the year end; and unrealised foreign exchange differences of a capital nature.

(m) Distributable reserves

The Company's capital reserve arising on investments sold and revenue reserve may be distributed by way of a dividend. There may however, be other factors that restrict the value of reserves that can be distributed. In the case of the Company, there are small priority amounts that are payable to preference stock and preferred stockholders, which amount to less than 1% of distributable reserves at 30 June 2026. In addition, unrealised fair value losses on investments held would be deducted from distributable reserves, but at 30 June 2026, the Company had unrealised fair value gains of £1,060,369,000.

Notes to the Financial Statements (continued)

2 Gains on investments held at fair value through profit or loss

	2026 £'000	2025 £'000
Gains on the sale of investments based on historical cost	32,290	65,072
Revaluation gains recognised in previous years	(24,326)	(50,280)
Gains on investments sold in the year based on carrying value at the previous Statement of Financial Position date	7,964	14,792
Revaluation of investments held at 30 June	401,624	229,729
Exchange (losses)/gains	(1)	1
Total gains on investments held at fair value through profit or loss	**409,587**	**244,522**

3 Income from investments held at fair value through profit or loss

	2026 £'000	2025 £'000
UK dividends:		
Listed - ordinary dividends	103,858	97,526
Listed - special dividends	252	616
	104,110	98,142
Other dividends:		
Dividend income – overseas investments	8,399	8,665
Dividend income – UK REIT	7,079	5,416
	15,478	14,081
	119,588	**112,223**

4 Other interest receivable and similar income

	2026 £'000	2025 £'000
Bank interest	65	1
Underwriting commission (allocated to revenue)[1]	7	5
Stock lending revenue	218	236
	290	**242**

1 During the year the Company was not required to take up shares in respect of its underwriting (2025: none)

Stock lending revenue has been shown net of brokerage fees of £55,000 (2025: £59,000).

Notes to the Financial Statements (continued)

5 Management fee

	2026			2025		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	Revenue return £'000	Capital return £'000	Total return £'000
Management fee	**2,417**	**5,639**	**8,056**	**2,006**	**4,680**	**6,686**

A summary of the terms of the Management Agreement is given on page 25 and in note 23 on page 88.
Details of apportionment between revenue and capital can be found in note 1 on page 74.

6 Other administrative expenses[1]

	2026 £'000	2025 £'000
Directors' fees and expenses (see Directors' Remuneration Report on page 59)	214	215
Auditors' remuneration – for statutory audit services	67	65
Marketing	600	377
Bank charges (overdraft facility fees)	10	10
Annual and Half Year reports	33	28
Registrar's fees	80	80
AIC subscriptions	29	23
Listing fees	259	219
Advisory and consultancy fees	31	75
Depositary fees	63	63
Other expenses	67	73
	1,453	**1,228**

1 Administrative expenses include VAT where applicable

All transactions with Directors are disclosed in the Directors' Remuneration Report and are related party transactions.

7 Finance costs

	2026			2025		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	Revenue return (Restated*) £'000	Capital return (Restated*) £'000	Total return (Restated*) £'000
Interest on secured notes repayable wholly or partly						
– between one and five years (includes amortisation of issue costs)	487	1,137	1,624	485	1,132	1,617
– after five years (includes amortisation of issue costs)	685	1,598	2,283	693	1,616	2,309
Bank overdraft interest	523	1,219	1,742	619	1,443	2,062
Dividends per share:						
– cumulative first preference stock	18	–	18	18	–	18
– non-cumulative second preference stock	21	–	21	21	–	21
– non-cumulative preferred ordinary stock	118	–	118	118	–	118
	1,852	**3,954**	**5,806**	**1,954**	**4,191**	**6,145**

* Restated to reflect the 4.53% secured notes expiry on 22 January 2029

Details of apportionment between revenue return and capital return can be found in note 1 on page 74.

Notes to the Financial Statements (continued)

8 Taxation

Analysis of tax charge for the year

	2026			2025		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	Revenue return £'000	Capital return £'000	Total return £'000
Analysis of tax charge for the year						
Overseas withholding tax	1,199	–	1,199	1,108	–	1,108
Less: overseas withholding tax recoverable	(466)	–	(466)	(296)	–	(296)
	733	**–**	**733**	**812**	**–**	**812**

The UK corporation tax rate is 25% (2025: 25%). The tax charge for the year is lower than the corporation tax rate. The differences are explained below:

Factors affecting the tax charge for the year

	2026			2025		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	Revenue return £'000	Capital return £'000	Total return £'000
Net return before taxation	114,156	399,994	514,150	107,277	235,651	342,928
Corporation tax at 25% (2025: 25%)	28,539	99,999	128,538	26,819	58,913	85,732
Effects of:						
Non-taxable UK dividends	(25,571)	–	(25,571)	(24,391)	–	(24,391)
Non-taxable overseas dividends	(2,556)	–	(2,556)	(2,568)	–	(2,568)
Overseas tax suffered	733	–	733	812	–	812
Excess management expenses	(451)	2,398	1,947	101	2,218	2,319
Preference and preferred ordinary dividends not allowable for tax	39	–	39	39	–	39
Net capital gains not subject to tax	–	(102,397)	(102,397)	–	(61,131)	(61,131)
	733	**–**	**733**	**812**	**–**	**812**

Investment trusts are exempt from corporation tax on capital gains provided that the Company complies with tests under Section 1158 of the Corporation Tax Act 2010.

Deferred taxation

No provision for deferred taxation has been made in the current or prior accounting year. The Company has not provided for deferred tax on capital gains or losses arising on the revaluation and disposal of investments as it is exempt from tax on these items because of its investment trust status.

Factors that may affect future tax charges

The Company can offset management fees, other administrative expenses and interest costs against taxable income to eliminate any tax charge on such income. The tax legislation refers to these as management expenses (management fees and other administrative expenses) and non-trade loan relationship deficits (interest costs) and these are captured together under the heading "Excess management expenses" in the table above. Where these are not fully utilised, they can be carried forward to future years. As the Company is unlikely to generate future taxable profits to utilise these amounts, the Company cannot recognise an asset to reflect them, but must still disclose the deferred tax amount carried forward arising from any unutilised amounts.

Consequently, the Company has not recognised a deferred tax asset totalling £43,692,000 (2025: £42,680,000) arising as a result of having unutilised management expenses and unutilised non-trade loan relationship deficits totalling £174,768,000 (2025: £170,721,000). These expenses will only be utilised, to any material extent, if changes are made either to the tax treatment of the capital gains made by investment trusts or to the Company's investment profile which require them to be used.

Notes to the Financial Statements (continued)

9 Return per ordinary share – basic and diluted

The return per ordinary share is based on the net return attributable to the ordinary shares of £513,417,000 (2025: £342,116,000) and on 503,585,202 ordinary shares (2025: 493,599,088), being the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

The return per ordinary share is analysed between revenue and capital as below.

	2026 £'000	2025 £'000
Net revenue return	113,423	106,465
Net capital return	399,994	235,651
Net total return	**513,417**	**342,116**
Weighted average number of ordinary shares in issue during the year	**503,585,202**	**493,599,088**

	2026 Pence	2025 Pence
Revenue return per ordinary share	22.52	21.57
Capital return per ordinary share	79.43	47.74
Total return per ordinary share	**101.95**	**69.31**

The Company does not have any dilutive securities, therefore the basic and diluted returns per share are the same.

10 Dividends paid on ordinary shares

	Record date	Payment date	2026 £'000	2025 £'000
Fourth interim dividend (5.25p) for the year ended 30 June 2024	26 July 2024	30 August 2024	–	25,953
First interim dividend (5.25p) for the year ended 30 June 2025	25 October 2024	29 November 2024	–	25,953
Second interim dividend (5.25p) for the year ended 30 June 2025	24 January 2025	28 February 2025	–	25,953
Third interim dividend (5.40p) for the year ended 30 June 2025	25 April 2025	30 May 2025	–	26,580
Fourth interim dividend (5.40p) for the year ended 30 June 2025	25 July 2025	29 August 2025	26,650	–
First interim dividend (5.40p) for the year ended 30 June 2026	24 October 2025	28 November 2025	27,018	–
Second interim dividend (5.40p) for the year ended 30 June 2026	23 January 2026	27 February 2026	27,344	–
Third interim dividend (5.65p) for the year ended 30 June 2026	24 April 2026	29 May 2026	28,815	–
Unclaimed dividends over 12 years old			(28)	(47)
			109,799	**104,392**

In accordance with FRS 102, interim dividends payable to equity shareholders are recognised in the Statement of Changes in Equity when they have been paid to shareholders.

All dividends have been paid or will be paid out of revenue reserves or current year revenue profits and at no point during the year did the revenue reserve move to a negative position.

The total dividends payable in respect of the financial year which form the basis of the test under Section 1158 of the Corporation Tax Act 2010 are set out below.

	2026 £'000	2025 £'000
Revenue available for distribution by way of dividend for the year	113,423	106,465
First interim dividend of 5.40p (2025: 5.25p)	(27,018)	(25,953)
Second interim dividend of 5.40p (2025: 5.25p)	(27,344)	(25,953)
Third interim dividend of 5.65p (2025: 5.40p)	(28,815)	(26,580)
Fourth interim dividend of 5.70p (2025: 5.40p) paid on 28 August 2026[1]	(29,385)	(26,650)
Transfer to revenue reserve[2]	**861**	**1,329**

1 Based on 515,522,106 ordinary shares in issue at 23 July 2026 (the ex-dividend date) (2025: 493,517,106)
2 The surplus of £861,000 (2025: surplus of £1,329,000) has been taken to the revenue reserve

Since the year end, the Board has announced a first interim dividend of 5.70p per ordinary share in respect of the year ending 30 June 2027. This will be paid on 30 November 2026 to holders registered at the close of business on 23 October 2026. The Company's shares will go ex-dividend on 22 October 2026.

Notes to the Financial Statements (continued)

11 Investments held at fair value through profit or loss

2026	Investments in subsidiaries £'000	Other investments £'000	Total £'000
Valuation at 1 July 2025	347	2,455,528	2,455,875
Investment holding gains at 1 July 2025	–	(683,071)	(683,071)
Cost at 1 July 2025	**347**	**1,772,457**	**1,772,804**
Additions at cost	–	248,896	248,896
Disposals at cost	–	(96,050)	(96,050)
Cost at 30 June 2026	**347**	**1,925,303**	**1,925,650**
Investment holding gains at 30 June 2026	–	1,060,369	1,060,369
Valuation at 30 June 2026	**347**	**2,985,672**	**2,986,019**

2025	Investments in subsidiaries £'000	Other investments £'000	Total £'000
Valuation at 1 July 2024	347	2,246,245	2,246,592
Investment holding gains at 1 July 2024	–	(503,622)	(503,622)
Cost at 1 July 2024	**347**	**1,742,623**	**1,742,970**
Additions at cost	–	170,312	170,312
Disposals at cost	–	(140,478)	(140,478)
Cost at 30 June 2025	**347**	**1,772,457**	**1,772,804**
Investment holding gains at 30 June 2025	–	683,071	683,071
Valuation at 30 June 2025	**347**	**2,455,528**	**2,455,875**

The portfolio valuation at 30 June 2026 of £2,985,672,000 (2025: £2,455,528,000) is shown on the Statement of Financial Position as investments held at fair value through profit or loss.

At 30 June 2026, the total value of securities on loan by the Company for stock lending purposes was £107,991,000 (2025: £102,131,000). The maximum aggregate value of securities on loan at any one time during the year ended 30 June 2026 was £360,430,000 (2025: £383,119,000). The Company's agent holds collateral at 30 June 2026, with a value of £114,313,000 (2025: £108,057,000) in respect of securities on loan, the value of which is reviewed on a daily basis and comprises CREST Delivery By Value ("DBVs") and Government Bonds with a market value of 106% (2025: 106%) of the market value of any securities on loan.

Purchase transaction costs for the year ended 30 June 2026 were £1,251,000 (2025: £845,000). These comprise mainly of stamp duty and commission. Sale transaction costs for the year ended 30 June 2026 were £49,000 (2025: £65,000).

The Company received £128,340,000 (2025: £205,550,000) from investments sold in the year. The book cost of these investments when they were purchased were £96,050,000 (2025: £140,478,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

12 Subsidiaries and related undertakings

The Company's related undertakings are its three wholly-owned subsidiary undertakings, all of which are registered in England and Wales: The City of London European Trust Limited, City of London Investments Limited and The City of London Finance Company Limited.

The financial statements of the three companies have not been consolidated on the basis of immateriality. Consequently the financial statements present information about the Company as an individual entity. The Directors consider that the values of the subsidiary undertakings are not less than the amounts at which they are included in the financial statements. The subsidiaries are maintained in order to protect the company names.

- The City of London European Trust Limited was incorporated in 1899 as Patrick & McGregor Limited and is dormant, not having traded since 1968. Its registered office is 201 Bishopsgate, London, EC2M 3AE. The aggregate amount of the capital and reserves of The City of London European Trust Limited at 30 June 2026 was £347,000 (2025: £347,000). This Company has 10,000 issued ordinary shares of £1 each.
- City of London Investments Limited is a dormant company and has not traded since its incorporation in 1982. Its registered office is 201 Bishopsgate, London, EC2M 3AE. The aggregate amount of the capital and reserves of City of London Investments Limited at 30 June 2026 was £2 (2025: £2). This company has two issued ordinary shares of £1 each.

Notes to the Financial Statements (continued)

12 Subsidiaries and related undertakings (continued)

- The City of London Finance Company Limited was incorporated in 1978 as a share dealing company. It is a dormant company, having not traded since 2009. Its registered office is 201 Bishopsgate, London, EC2M 3AE. The aggregate amount of capital and reserves of The City of London Finance Company Limited at 30 June 2026 was £2 (2025: £2). This company has two issued ordinary shares of £1 each.

13 Debtors

	2026 £'000	2025 £'000
Withholding and income tax recoverable	2,724	2,526
Sales for future settlement	1,871	–
Share issues for future settlement	–	1,960
Prepayments and accrued income	11,833	9,957
	16,428	**14,443**

14 Creditors: amounts falling due within one year

	2026 £'000	2025 £'000
Bank overdraft	31,611	17,020
Amounts owed to subsidiary undertakings	347	347
Purchases for future settlement	–	1,776
Dividends payable on preference and preferred ordinary stocks	79	79
Accruals and deferred income	4,135	3,330
	36,172	**22,552**

The Company has an uncommitted overdraft facility of £120,000,000 at 30 June 2026 (2025: £120,000,000) provided by its Custodian and has provided a floating charge over its assets in return. The overdraft may be withdrawn by the Custodian at any time and is repayable on demand. Interest on the overdraft was payable at a rate of HSBC base rate plus 1.25% at 30 June 2026 (2025: plus 1.25%). Covenants relating inter alia to a maximum level of borrowings apply to the Company's borrowing facility. A breach of these covenants may result in any overdraft drawn down becoming repayable immediately. Further details are provided in note 16.6 on page 86.

15 Creditors: amounts falling due after more than one year

	2026 £'000	2025 £'000
4.53% secured notes 2029	34,895	34,856
2.67% secured notes 2046	29,782	29,774
2.94% secured notes 2049	49,706	49,698
£301,982 cumulative first preference stock	302	302
£507,202 non-cumulative second preference stock	507	507
£589,672 non-cumulative preferred stock	590	590
	115,782	**115,727**

On 22 January 2014 the Company issued £35,000,000 (nominal) 4.53% secured notes due 2029, net of issue costs totalling £476,000. The issue costs will be amortised over the life of the secured notes.

On 17 November 2017 the Company issued £50,000,000 (nominal) 2.94% secured notes due 2049, net of issue costs totalling £360,000. The issue costs will be amortised over the life of the secured notes.

On 19 March 2021 the Company issued £30,000,000 (nominal) 2.67% secured notes due 2046, net of issue costs totalling £257,000. The issue costs will be amortised over the life of the secured notes.

The repayment terms of the secured notes are as follows:

- £35,000,000 4.53% secured notes 2029 redeemable at par on 22 January 2029.
- £30,000,000 2.67% secured notes 2046 redeemable at par on 19 March 2046.
- £50,000,000 2.94% secured notes 2049 redeemable at par on 17 November 2049.

Notes to the Financial Statements (continued)

15 Creditors: amounts falling due after more than one year (continued)

The notes are secured by a first floating charge over the Company's assets.

A summary of the rights that attach to each of the preference and preferred ordinary stocks, all of which are non-redeemable, is given below.

	First Preference Stock	Second Preference Stock	Preferred Ordinary Stock
a) Rights to dividends	A fixed cumulative dividend of 6% per annum, of which 5.5% is payable in preference to the dividend on the second preference stock and 0.5% is payable after it.	A fixed non-cumulative dividend of 4.2% per annum, which is payable after the first 5.5% per annum entitlement on the first preference stock.	A fixed non-cumulative dividend of 20% per annum, which is payable after the entitlements on the first and second preference stocks.
b) Priority and amounts receivable on a winding-up	Repayment of capital in priority to payment to the other members of the Company. Any arrears of dividend are payable after the repayment of the capital on the second preference stock.	Repayment of capital after the repayment of the capital on the first preference stock.	Payment of £3.50 in respect of each £1 of capital, after the repayment of the entitlements on the first and second preference stocks.
c) Voting rights at general meetings	Right to attend and vote at general meetings. On a poll, voting rights are one vote per £10 of stock held.	No rights to attend or vote at general meetings (except on a winding-up of the Company or if dividends are in arrears).	Right to attend and vote at general meetings. On a poll, voting rights are one vote per £20 of stock held.

Notes:

i) The dividend entitlements of the first preference stock and the preferred ordinary stock reverted on 6 April 1999 to the rates which applied before 6 April 1973

ii) In the event of a winding-up, the preferred ordinary stock would be repaid at £3.50 per £1 of stock. However, its share of equity shareholders' funds is included in the financial statements at par because no winding-up is envisaged

16 Risk management policies and procedures

The Directors manage investment risk principally through setting an investment policy (that is approved by shareholders) which incorporates risk parameters (see page 23), by contracting management of the Company's investments to an investment manager (Janus Henderson) under a contract which incorporates appropriate duties and restrictions and by monitoring performance in relation to these. Internal control and the Board's approach to risk is on pages 31 and 32. There have been no material changes to the management or nature of the Company's investment risks from the prior year.

The main risks arising from the Company's pursuit of its investment objective are market risk (comprising market price risk, currency risk and interest rate risk), credit risk and liquidity risk. The effects of these can also be increased by gearing.

The Board and Janus Henderson coordinate the Company's risk management and there are various risk management systems in place as detailed below.

- Straight-through processing via a deal order and management system ("OMS") is utilised for listed securities.
- Portfolio modelling and investment management functions (including order-raising, dealing and trade execution) are performed using one of, or a combination of, the following third-party software applications: Charles River Development OMS and/or Imagine.
- Fund pricing and accounting services are outsourced to a third-party administrator (currently BNP Paribas) which utilises HiPortfolio software.
- The IT tools to which the Janus Henderson risk, compliance and operations teams have access for independent monitoring and risk measurement purposes include:
  - Charles River Compliance module for investment restrictions monitoring;
  - SAI360 operational risk database;
  - RiskMetrics, UBS Delta, Style Research and Barra for market risk measurement;
  - Bloomberg for market data and price-checking; and
  - HiPortfolio for portfolio holdings and valuations.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.1 Market risk

The fair value of a financial instrument held by the Company may fluctuate due to changes in market prices. This market risk comprises market price risk (see note 16.1.1), currency risk (see note 16.1.2) and interest rate risk (see note 16.1.3). The Fund Managers assess the exposure to market risk when making each investment decision, and monitor the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

16.1.1 Market price risk

Market price risk (changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of investments. The Company's investments are susceptible to market price risk arising from uncertainties about the future prices of the investments.

Management of the risk

The Board manages the risks inherent in the investment portfolio by ensuring full and timely access to relevant information from Janus Henderson. The Board meets regularly and at each meeting reviews investment performance. The Board monitors Janus Henderson's compliance with the Company's objectives, including investment strategy and asset allocation.

When appropriate, the Company may buy/sell put or call options or futures on indices and on equity investments in its portfolio to manage its exposure to price risk or to generate income. At 30 June 2026, the Company had no open positions (2025: nil).

Concentration of exposure to market price risk

An analysis of the Company's investment portfolio is shown on pages 20 and 21. This shows that the majority of the Company's investments are in UK-listed companies. Accordingly, there is a concentration of exposure to the UK, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The sensitivity of (a) the return after taxation for the year and (b) the Company's net assets to an increase or decrease of 10% in the fair values of the Company's investments at each Statement of Financial Position date is shown below. This level of change is considered to be reasonably possible, based on observation of current market conditions.

The impact of a 10% increase in the value of the investments on the revenue return as at 30 June 2026 is a decrease of £269,000 (2025: £221,000) and on the capital return is an increase of £297,940,000 (2025: £245,037,000). The total impact on equity shareholders' funds would be an increase of £297,671,000 (2025: £244,816,000).

The impact of a 10% decrease in the value of the investments on the revenue return as at 30 June 2026 is an increase of £269,000 (2025: £221,000) and on the capital return is a decrease of £297,940,000 (2025: £245,037,000). The total impact on equity shareholders' funds would be a decrease of £297,671,000 (2025: £244,816,000).

16.1.2 Currency risk

The Company is not itself materially exposed to currency risk, although some of the investments will be in companies that have operations that involve currency risk and pay dividends in foreign currencies.

Management of the risk

Investment income denominated in foreign currencies is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt. However, the Company does sometimes hedge foreign currency exposure ahead of the declaration of dividends from companies in which it invests.

Foreign currency exposure

The fair values of the Company's monetary items that have foreign currency exposure at 30 June 2026 are £4,752,000 (2025: £2,350,000).

Foreign currency sensitivity

The Company's sensitivity to movements in exchange rates affecting its investment income, assuming a 10% movement in the sterling/US dollar rate, will be a loss of £1,715,000 (2025: £1,456,000) if sterling strengthens and a profit of £2,480,000 (2025: £2,513,000) if sterling weakens and, assuming a 10% movement in the sterling/euro rate, will be a loss of £54,000 (2025: £129,000) if sterling strengthens and a profit of £1,042,000 (2025: £1,051,000) if sterling weakens. The 10% movement has been based on average market volatility in exchange rates in the previous 12 months.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.1.3 Interest rate risk

Interest rate movements may affect:

- the level of income receivable from cash at bank and on deposit; and
- the interest payable on the Company's variable rate bank borrowings.

Management of the risk

The Company, generally, does not hold significant cash balances. The Company finances part of its activities through borrowings at levels approved and monitored by the Board. Derivative contracts have not been used during the year to hedge against the exposure to interest rate risk. There has been no hedging during the year.

Interest rate exposure

The Company's exposure at 30 June 2026 of financial liabilities to fixed interest rate risk can be found in note 15. The exposure to floating interest rates can be found on the Statement of Financial Position under cash at bank and under bank overdraft in note 14.

Interest receivable and finance costs are at the following rates:

- interest paid on borrowings under the overdraft facility provided by the Custodian is at a margin of 1.25% above the HSBC base rate (2025: same).

The table below analyses the Company's aggregated interest costs and principal amounts due over the life of the liabilities.

	2026			2025		
	Within 1 year £'000	**Between 1 and 5 years £'000**	**More than 5 years £'000**	Within 1 year £'000	Between 1 and 5 years £'000	More than 5 years £'000
Secured notes[1]	3,857	47,255	119,210	3,857	48,840	121,481
Preference stock and preferred ordinary stock[2]	157	628	1,399	157	628	1,399
Bank overdrafts and interest	31,611	–	–	17,020	–	–
Other creditors and accruals	4,561	–	–	5,532	–	–
	40,186	**47,883**	**120,609**	**26,566**	**49,468**	**122,880**

1 The above figures show interest payable over the remaining term of the secured notes. The figure in the "between 1 and 5 years" column also includes the capital to be repaid on the 2029 secured notes. The figure in the "more than 5 years" column also includes the capital to be repaid on the 2046 and 2049 secured notes. Details of repayment are set out on page 81 and interest payment dates on page 97

2 The figures in the "more than 5 years" columns are the repayments at par value of the preference and preferred ordinary stock. They do not include the ongoing annual finance cost of £157,000

Interest rate risk sensitivity

The Company is not materially exposed to changes in interest rates.

16.2 Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets is in investments in quoted equities that are readily realisable. For details of the Company's bank borrowing facility, see note 14.

The Board gives guidance to Janus Henderson as to the maximum amount of the Company's resources that should be invested in any one company. The policy is that the Company should remain fully invested in normal market conditions and that short-term borrowings should be used to fund short-term cash requirements.

Liquidity risk exposure

The remaining contractual maturities of the financial liabilities at 30 June 2026, based on the earliest date on which payment can be required, is given on page 81.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.3 Credit and counterparty risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

The risk is not significant and is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit standard is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker; and
- cash at bank and overdrafts is held only with reputable banks with high quality external credit ratings.

Stock lending transactions are carried out with a number of approved counterparties, whose credit rating is reviewed regularly and limits are set on the amount that may be lent to any one counterparty. Stock lending is the temporary transfer of securities by a lender to a borrower, with an agreement by the borrower to return equivalent securities to the lender at an agreed future date. Stock lending revenue is received for making the investments available to the borrower, which increases the returns on the portfolio. Securities lent are disclosed separately in the Statement of Financial Position. Details of the value of securities on loan at the year end, and the collateral held, can be found in note 11.

In summary, the Company only transacts with counterparties considered to be creditworthy. In addition to the stock lending exposure referred to above, the exposure to credit and counterparty risk at 30 June 2026 was to other debtors of £16,428,000 (2025: £14,443,000).

None of the Company's financial assets are past their due date or impaired.

16.4 Fair values of financial assets and financial liabilities

The financial assets and financial liabilities (other than long-term liabilities) are either carried in the Statement of Financial Position at their fair value or at a reasonable approximation of their fair value (sales for future settlement, dividends, interest receivable, purchases for future settlement, accruals and deferred income, bank overdraft). The secured notes, preference stocks and preferred ordinary stock are carried in the Statement of Financial Position at par.

At 30 June 2026, the fair value of the secured notes was estimated to be £84,928,000 (2025: £85,446,000). At 30 June 2026, the fair value of the preference and preferred ordinary stock was £2,635,000 (2025: £2,635,000). The valuation of the preference and preferred ordinary stock is from the Daily Official List quotations.

The fair value of the secured notes is calculated using a discount rate which reflects the yield of a UK Gilt of similar maturity plus a suitable credit spread.

The preference stocks and preferred ordinary stock are categorised as Level 1 in the fair value hierarchy. The secured notes are categorised as Level 3 in the fair value hierarchy. These are not included in the values in note 16.5.

16.5 Fair value hierarchy disclosures

The table below sets out fair value measurements using FRS 102 fair value hierarchy.

Financial assets at fair value through profit or loss at 30 June 2026	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity investments	2,985,672	–	347	2,986,019
Total	**2,985,672**	**–**	**347**	**2,986,019**

Financial assets at fair value through profit or loss at 30 June 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	2,455,528	–	347	2,455,875
Total	**2,455,528**	**–**	**347**	**2,455,875**

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – the unadjusted quoted prices in an active market for identical assets or liabilities that the entity 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; and

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

The valuation techniques used by the Company are explained in the accounting policies note on page 73.

Notes to the Financial Statements (continued)

16 Risk management policies and procedures (continued)

16.6 Capital management policies and procedures

The Company's capital management objectives are to ensure that it will be able to continue as a going concern, and to provide long-term growth in income and capital, principally by investment in UK equities.

The Company's capital at 30 June 2026 comprises its equity share capital, reserves and bank debt that are shown in the Statement of Financial Position as a total of £2,850,493,000 (2025: £2,332,039,000).

The Company is subject to several externally imposed capital requirements:

- borrowings under the overdraft facility are not to exceed the lower of £120,000,000 or 15% of the portfolio;
- as a public company, the Company has a minimum share capital of £50,000;
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law; and
- the terms of the secured notes include financial covenants in relation to the level of borrowings, including net worth not being less than £400,000,000, the ratio of gross borrowings to net worth not exceeding 50%, and gross borrowings owed to the custodian not exceeding the greater of 12% of net worth and £80,000,000 (for the 2029 notes)/£120,000,000 (for the 2046 and 2049 notes).

The Company has complied with these requirements.

Other than in exceptional market conditions, gearing will not exceed 20% of the net asset value at the time of the draw down of the relevant borrowings.

17 Called up share capital

	Number of shares held in treasury	**Number of shares entitled to dividend**	**Total number of shares in issue**	**Nominal value of total shares in issue £'000**
Allotted and issued ordinary shares of 25p each				
At 1 July 2025	9,147,762	493,517,106	502,664,868	125,666
Sale of shares from treasury	(9,147,762)	9,147,762	–	–
Issue of new shares	–	12,407,238	12,407,238	3,102
At 30 June 2026	**–**	**515,072,106**	**515,072,106**	**128,768**

	Number of shares held in treasury	Number of shares entitled to dividend	Total number of shares in issue	Nominal value of total shares in issue £'000
Allotted and issued ordinary shares of 25p each				
At 1 July 2024	8,301,867	494,363,001	502,664,868	125,666
Buyback of shares for treasury	2,530,895	(2,530,895)	–	–
Sale of shares from treasury	(1,685,000)	1,685,000	–	–
At 30 June 2025	**9,147,762**	**493,517,106**	**502,664,868**	**125,666**

During the year the Company sold 9,147,762 ordinary shares from treasury with total proceeds of £46,356,000, and 12,407,238 new ordinary shares were issued for total proceeds of £68,480,000 (2025: the Company sold 1,685,000 ordinary shares from treasury with total proceeds of £7,941,000 and bought back into treasury 2,530,895 shares for a net payment of £11,154,000) after deduction of issue costs of £452,000 (2025: £12,000). The average price of the ordinary shares that were issued was 536.6p (2025: 468.5p).

Notes to the Financial Statements (continued)

18 Share premium account

	£'000
At 1 July 2025	1,073,479
Sale of shares from treasury	8,079
Issue of new shares	65,830
Less: issue costs	(452)
At 30 June 2026	**1,146,936**

	£'000
At 1 July 2024	1,072,624
Sale of shares from treasury	855
At 30 June 2025	**1,073,479**

19 Other capital reserves

	Capital redemption reserve £'000	Capital reserve arising on revaluation of investments held £'000	Capital reserve arising on investments sold £'000	Total other capital reserves £'000
At 1 July 2025	2,707	683,071	398,422	1,081,493
Transfer on disposal of investments	–	(24,326)	24,326	–
Net gains on investments[1]	–	401,624	7,964	409,588
Exchange losses	–	–	(1)	(1)
Sale of shares from treasury	–	–	38,277	38,277
Management fees charged to capital	–	–	(5,639)	(5,639)
Finance costs charged to capital	–	–	(3,954)	(3,954)
At 30 June 2026	**2,707**	**1,060,369**	**459,395**	**1,519,764**

	Capital redemption reserve £'000	Capital reserve arising on revaluation of investments held £'000	Capital reserve arising on investments sold £'000	Total other capital reserves £'000
At 1 July 2024	2,707	503,622	346,288	849,910
Transfer on disposal of investments	–	(50,280)	50,280	–
Net gains on investments	–	229,729	14,792	244,521
Exchange gains	–	–	1	1
Buyback of shares to treasury	–	–	(11,154)	(11,154)
Sale of shares from treasury	–	–	7,086	7,086
Management fees charged to capital	–	–	(4,680)	(4,680)
Finance costs charged to capital	–	–	(4,191)	(4,191)
At 30 June 2025	**2,707**	**683,071**	**398,422**	**1,081,493**

1 During the year the Company received special dividends totalling £3,011,000 (2025: no special dividends) which were deemed to be capital in nature and were taken to the capital reserve arising on investments sold. These dividends are available to be distributed to shareholders as part of realised capital profits

Notes to the Financial Statements (continued)

20 Revenue reserve

	£'000
At 1 July 2025	48,694
Net return for the year	113,423
Dividends paid (note 10)	(109,799)
At 30 June 2026	**52,318**

	£'000
At 1 July 2024	46,621
Net return for the year	106,465
Dividends paid (note 10)	(104,392)
At 30 June 2025	**48,694**

21 Net asset value per ordinary share – basic and diluted

The net asset value per ordinary share of 553.42p (2025: 472.53p) is based on the net assets attributable to the ordinary shares of £2,850,493,000 (2025: £2,332,039,000) and on 515,072,106 (2025: 493,517,106) shares in issue on 30 June 2026, excluding treasury shares.

An alternative net asset value per ordinary share can be calculated by deducting from the total assets less current liabilities of the Company the preference and preferred ordinary stocks and secured notes at their market (or fair) values rather than at their par (or book) values. The net asset value per ordinary share at 30 June 2026 calculated on this basis was 558.89p (2025: 478.14p). See page 93 for further details of the Alternative Performance Measure and how it is calculated.

The movements during the year of the assets attributable to the ordinary shares were as follows:	**£'000**
Total net assets attributable to the ordinary shares at 30 June 2025	2,332,039
Total net return after taxation	513,417
Dividends paid on ordinary shares in the year	(109,799)
Sale of shares from treasury	46,356
Issue of new shares	68,480
Total net assets attributable to the ordinary shares at 30 June 2026	**2,850,493**

The Company does not have any dilutive securities.

22 Capital commitments and contingent liabilities

Capital commitments

There were no capital commitments as at 30 June 2026 (2025: none).

Contingent liabilities

There were no contingent liabilities as at 30 June 2026 (2025: none).

23 Transactions with the Manager and related parties

The Company appointed subsidiaries of Janus Henderson Group to provide investment management, accounting, secretarial and administrative services under an agreement dated 22 July 2014. This agreement was updated and restated with effect from 15 February 2024. Janus Henderson has contracted BNP Paribas to provide accounting and administration services.

The management fee is charged at 0.3% per annum of net assets under management on the first £3 billion of assets and 0.275% thereafter. The total of management fees paid or payable to Janus Henderson under this agreement in respect of the year ended 30 June 2026 was £8,056,000 (2025: £6,686,000). The amount outstanding at 30 June 2026 was £2,131,000 (2025: £1,740,000).

In addition to the above services, Janus Henderson facilitates marketing activities with third parties which are recharged to the Company. The total fees paid or payable for these services for the year ended 30 June 2026 amounted to £580,000 including VAT (2025: £367,000) of which £521,000 was outstanding at 30 June 2026 (2025: £180,000).

Details of fees paid to Directors are included in the Directors' Remuneration Report on page 59 and in note 6 on page 77.

Additional Information

Securities Financing Transactions (unaudited)

The Company engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015-2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending for the year ended 30 June 2026 are detailed below.

Global Data

The amount of securities on loan as a proportion of total lendable assets and the Company's net assets as at 30 June 2026 are disclosed below:

Stock lending 2026		
Market value of securities on loan £'000	% of lendable assets	% of assets under management
107,991	3.62	3.79

Concentration Data

The ten largest collateral issuers across all the securities financing transactions as at 30 June 2026 are disclosed below:

Issuer	Market value of collateral received £'000
Government of United States of America	9,083
Alibaba	7,640
Government of Japan	4,812
AGL Energy	4,554
Westgold	4,553
Aurizon	4,553
Ampol	4,553
J Front Retail	4,553
Tosoh	4,552
Sandfire	4,267
	53,120

The top ten counterparties of each type of securities financing transactions as at 30 June 2026 are disclosed below:

Counterparty	Market value of securities on loan £'000
Macquarie	42,952
Barclays	29,953
Morgan Stanley	12,563
HSBC	6,064
Skandinaviska Enskilda	4,347
Goldman Sachs	3,624
UBS	2,504
Société Générale	2,070
BNP Paribas	2,048
Bank of Nova Scotia	1,866
	107,991

All counterparties are shown.

Securities Financing Transactions (unaudited) (continued)

Aggregate Transaction Data

The following table discloses a summary of aggregate transaction data related to the collateral received from securities on loan as at 30 June 2026:

		Stock lending					
Counterparty	Counterparty country of origin	Type	Quality	Collateral currency	Settlement basis	Custodian	Market value of collateral received £'000
Macquarie	Australia	Equity	Main Market Listing	AUD	Tri-party	HSBC	30,120
		Equity	Main Market Listing	JPY	Tri-party	HSBC	10,944
		Equity	Main Market Listing	HKD	Tri-party	HSBC	4,465
Barclays	UK	Equity	Main Market Listing	HKD	Tri-party	HSBC	19,047
		Equity	Main Market Listing	EUR	Tri-party	HSBC	12,701
		Equity	Main Market Listing	CAD	Tri-party	HSBC	2
Morgan Stanley	US	Government Debt	Investment Grade	USD	Tri-party	HSBC	5,277
		Government Debt	Investment Grade	JPY	Tri-party	HSBC	4,812
		Government Debt	Investment Grade	EUR	Tri-party	HSBC	2,638
		Equity	Main Market Listing	EUR	Tri-party	HSBC	429
		Equity	Main Market Listing	SGD	Tri-party	HSBC	31
		Equity	Main Market Listing	USD	Tri-party	HSBC	10
HSBC	UK	Equity	Main Market Listing	GBP	Tri-party	HSBC	2,571
		Equity	Main Market Listing	EUR	Tri-party	HSBC	1,928
		Equity	Main Market Listing	USD	Tri-party	HSBC	1,048
		Equity	Main Market Listing	SEK	Tri-party	HSBC	643
		Equity	Main Market Listing	NOK	Tri-party	HSBC	238
Skandinaviska Enskilda	Sweden	Equity	Main Market Listing	JPY	Tri-party	HSBC	3,200
		Government Debt	Investment Grade	EUR	Tri-party	HSBC	454
		Equity	Main Market Listing	USD	Tri-party	HSBC	439
		Equity	Main Market Listing	CHF	Tri-party	HSBC	333
		Equity	Main Market Listing	EUR	Tri-party	HSBC	177
Goldman Sachs	US	Government Debt	Investment Grade	USD	Tri-party	HSBC	3,805
UBS	Switzerland	Equity	Main Market Listing	JPY	Tri-party	HSBC	1,247
		Equity	Main Market Listing	USD	Tri-party	HSBC	662
		Equity	Main Market Listing	HKD	Tri-party	HSBC	256
		Equity	Main Market Listing	SGD	Tri-party	HSBC	199
		Equity	Main Market Listing	AUD	Tri-party	HSBC	169
		Equity	Main Market Listing	GBP	Tri-party	HSBC	65
		Equity	Main Market Listing	CAD	Tri-party	HSBC	57
Société Générale	France	Equity	Main Market Listing	USD	Tri-party	HSBC	2,176
		Equity	Main Market Listing	EUR	Tri-party	HSBC	19
BNP Paribas	France	Equity	Main Market Listing	EUR	Tri-party	HSBC	1,208
		Equity	Main Market Listing	CHF	Tri-party	HSBC	394
		Equity	Main Market Listing	GBP	Tri-party	HSBC	394
		Equity	Main Market Listing	JPY	Tri-party	HSBC	175
		Government Debt	Investment Grade	USD	Tri-party	HSBC	1
Bank of Nova Scotia	Canada	Equity	Main Market Listing	GBP	Tri-party	HSBC	944
		Equity	Main Market Listing	USD	Tri-party	HSBC	425
		Equity	Main Market Listing	CAD	Tri-party	HSBC	208
		Equity	Main Market Listing	AUD	Tri-party	HSBC	197
		Equity	Main Market Listing	CHF	Tri-party	HSBC	141
		Equity	Main Market Listing	EUR	Tri-party	HSBC	64
							114,313

The lending and collateral transactions are on an open basis and can be recalled on demand.

Securities Financing Transactions (unaudited) (continued)

Re-use of collateral

The Company does not engage in re-use of collateral.

Return and cost

The return and cost of engaging in securities lending by the Company and the securities lending agent in absolute terms and as a percentage of overall returns are disclosed below:

Total gross amount of securities lending income	Direct and indirect costs and fees deducted by securities lending agent	% return of the securities lending agent	Net securities lending income retained by the Company	% return of the Company
£273,000	£55,000	20	£218,000	80

Alternative Performance Measures (unaudited)

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 below. The Board believes that each of the APMs, which are typically used within the investment trust sector, provide additional useful information to shareholders to help assess the Company's performance against its peer group.

Performance is calculated based on the daily NAV per ordinary share published as at the year-end date with debt at fair value. The NAV per share reported in the financial statements may differ due to the financial statements being prepared on a different basis to the daily NAV in order to comply with accounting standards, or adjustments made in the preparation of the financial statements subsequent to the published NAV.

Discount or Premium

The amount by which the market price per share of an investment trust is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per ordinary share.

	NAV with debt at fair value Pence	NAV with debt at par value Pence	Share price Pence	Premium/ (discount) to fair value NAV %	Premium/ (discount) to par value NAV %
At 30 June 2026	558.89	553.42	566.00	1.3	2.3
At 30 June 2025	478.14	472.53	487.50	2.0	3.2

Gearing/(Net Cash)

Gearing means borrowing money to buy assets with the expectation that the return on investments bought will exceed the interest cost of the borrowings. The gearing percentage reflects the amount of borrowings (e.g. bank loans, overdrafts or secured notes) the Company has used to invest in the market, and is calculated by taking the difference between total investments (see note 11 on page 80) and total shareholders' funds (see Statement of Financial Position), dividing this by total shareholders' funds and multiplying by 100 as indicated below:

		2026	2025
Investments held at fair value through profit or loss (see note 11) (£'000)	(A)	2,985,672	2,455,528
Net assets (page 72) (£'000)	(B)	2,850,493	2,332,039
Gearing (C = A/B -1) (%)	(C)	4.7	5.3

The Company can also use synthetic gearing through derivatives and foreign exchange hedging.

NAV with Debt at Par and Fair Value

		2026 £'000	2025 £'000
Investments held at fair value through profit or loss (see note 11)		2,985,672	2,455,528
Investment in subsidiary undertakings (see note 12)		347	347
Current assets (see page 72)		16,428	14,443
Creditors: amounts falling due within one year (see note 14)		(36,172)	(22,552)
Creditors: amounts falling due after more than one year (see note 15)		(115,782)	(115,727)
NAV with debt at par	**(A)**	**2,850,493**	**2,332,039**
Less: fair value of preference and preferred stock and secured notes (see note 16.4)		(87,563)	(88,081)
Add back: par value of preference and preferred stock and amortised cost of secured notes		115,782	115,727
NAV with debt at fair value	**(B)**	**2,878,712**	**2,359,685**
Ordinary shares in issue excluding treasury shares (see note 17) (C) (number)	**(C)**	515,072,106	493,517,106
NAV per ordinary share with debt at par (see page 72) (A/C x 100) (pence)		**553.42**	**472.53**
NAV per ordinary share with debt at fair value (B/C x 100) (pence)		**558.89**	**478.14**

The aggregate NAV is also referred to as total shareholders' funds in the Statement of Financial Position. The NAV per ordinary share is published daily and the year end NAV can be found on page 72 and further information is available on page 88 in note 21.

Alternative Performance Measures (unaudited) (continued)

Ongoing Charge

The ongoing charge ratio has been calculated in accordance with the guidance issued by the AIC. It represents the total investment management fee and other administrative expenses expressed as a percentage of the average net asset values with debt at fair value throughout the year.

	2026 £'000	2025 £'000
Management fee (see note 5)	8,056	6,686
Other administrative expenses (see note 6)	1,453	1,228
Less: non-recurring expenses	(95)	(31)
Ongoing charge	**9,414**	**7,883**
Average net assets[1]	**2,631,120**	**2,200,090**
Ongoing charge ratio	**0.36%**	**0.36%**

1 Calculated using the average daily net asset value with debt at fair value

The non-recurring expenses primarily include costs associated with the Board evaluation process, legal fees regarding a review of the Company's Articles of Association and stocklending agreement and additional marketing costs associated with the Company's 60th anniversary of dividend growth (2025: Board evaluation and research on the Company and its competitors).

Revenue Earnings per Share

The revenue earnings per share is the revenue return for the year (see Income Statement) divided by the weighted average number of ordinary shares in issue during the year (see note 9 on page 79).

Revenue Reserve per Share

The revenue reserve per share is the revenue reserve (see Statement of Financial Position) at the year end divided by the number of shares in issue (see note 17 on page 86) at the year end date.

Total Return

The total return is the return on the share price or NAV with debt at fair value taking into account both the rise and fall of NAVs/ share prices and dividends paid to shareholders. Each component of the total return needs to be compounded as a geometric return to arrive at the total return. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV with debt at fair value total return). The dividend reinvestment factor is based on geometric returns. Dividends paid and payable are set out in note 10 on page 79.

	2026		2025	
	NAV per share with debt at fair value	Share price	NAV per share with debt at fair value	Share price
Opening NAV/share price per share (pence)	478.14	487.50	429.57	420.00
Closing NAV/share price per share (pence)	558.89	566.00	478.14	487.50
Change in the year (%)	16.9	16.1	11.3	16.1
Impact of dividends reinvested (%)	4.3	4.2	4.9	4.9
Total return for the year (%)	**21.9**	**21.0**	**16.8**	**21.8**

Yield

The yield is the annual dividend expressed as a percentage of the year end share price.

		30 June 2026	30 June 2025
Annual dividend (pence)	(A)	22.15	21.30
Share price (pence)	(B)	566.0	487.5
Yield (C = A/B) (%)	(C)	3.9	4.4

Glossary

Alternative Investment Fund Managers Directive ("AIFMD")

The AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIFs") and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and depositary to manage and oversee the operations of the investment vehicle. The Board of Directors retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Alternative Performance Measures

Details of alternative performance measures used by the Company can be found on pages 93 and 94.

Association of Investment Companies ("AIC")

The Company is a member of the AIC which is the trade body for investment companies and represents the industry in relation to various matters which impact the regulation of such entities. The Company is a constituent of the UK Equity Income sector.

Benchmark

A measure against which performance is compared. For the Company this is the FTSE All-Share Index.

Custodian

The custodian is responsible for ensuring the safe custody of the Company's assets and ensuring that all transactions in the underlying holdings are transacted in an accurate and timely manner.

Depositary

As an AIF, the Company is required to appoint a depositary who has responsibility for overseeing the operations of the Company including safekeeping, cash monitoring and verification of ownership and valuation. The Depositary is strictly liable for the loss of any investments or other assets in its custody unless it has notified that it has discharged its liability in certain markets. The Depositary has confirmed that it has not discharged liability in relation to any of the Company's assets.

The Depositary has further confirmed that, in all material respects, the Company has been managed in accordance with the FCA's Investment Funds Sourcebook, the Company's Articles of Association and as required by the AIFMD.

Derivative

A contract between two or more parties in relation to an underlying security. The value of a derivative will fluctuate in accordance with the value of the security and is a form of gearing as the fluctuations in value are usually greater than the fluctuations in the underlying security's value. Examples of derivatives are put and call options, swap contracts, futures and contracts for difference. Foreign exchange, interest rates and commodities may also be traded using derivative contracts.

Dividend Dates

When declared or recommended, each dividend will have three key dates applied to it. The payment date is the date on which shareholders will receive their dividend, either by BACS transfer or by receipt of a dividend cheque. The record date applied to the dividend is used as a cut-off for the Company's Registrar to know which shareholders should be paid a dividend. Only shareholders on the Register of Members at the close of business on the record date will receive the dividend. The ex-dividend date is the business day before the record date and is the date upon which the Company's net asset value will be disclosed ex-dividend.

Investment Trusts

Investment trusts are public limited companies, listed on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments subject to meeting certain criteria. Income, net of expenses and tax, is substantially distributed to shareholders. Investment trusts are also known as investment companies, although the tax legislation retains the reference to investment trusts.

Liquidity

In the context of the liquidity of shares in the stock market, this refers to the availability of buyers in the market for the share in question. Where the market in a particular share is described as liquid, that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

Market Capitalisation

The market value of a company, calculated by multiplying the mid-market price per share by the number of shares in issue.

Ongoing Charge

The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to revenue or capital, and which relate to the operation of the Company as a collective fund, excluding the costs of acquisition or disposal of investments, finance costs and gains or losses arising on investments. Details of the calculation of the ongoing charge can be found on page 94.

Simple versus Weighted Average

The simple average ignores the fund size and assigns an equal weight to all data points. Under the weighted average, greater importance (weight) is assigned to funds of a larger size.

General Shareholder Information

AIFMD Disclosures and Remuneration

In accordance with the AIFMD, information in relation to the Company's leverage and remuneration of Janus Henderson Fund Management UK Limited, as the Company's AIFM are required to be made available to investors. These disclosures, including those on the AIFM's remuneration policy, are contained in an AIFMD Disclosure document which can be found on the Company's website.

BACS

Dividends and interest can be paid to shareholders and stockholders by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the Registrar. Alternatively, shareholders can write to the Registrar to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Common Reporting Standard ("CRS")

Tax legislation requires the Company to provide personal information to HMRC on certain investors who purchase shares in investment trusts. This information is provided annually to the local tax authority of the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Cost Disclosures

The FCA published final rules for the new Consumer Composite Investments regime in December 2025. The new regime, which will apply fully from 8 June 2027, will introduce updated requirements for the presentation of costs and charges information for closed-ended funds. While an annual ongoing costs figure must be shown as the main headline, it will exclude transaction costs, performance fees, and one-off costs, which must instead be disclosed separately. The new rules will also not require closed-end investment funds to include the cost of gearing and borrowing in their cost disclosures.

Equality Act 2010

This report and other documents issued by the Company are available from the Corporate Secretary. If needed, copies can be made available in a variety of formats, including larger type.

A 'typetalk' operator (provided by the Royal National Institute for Deaf People) is available to support speech and hearing-impaired people to make telephone calls. Please dial 18001 followed by the number you wish to dial.

General Data Protection Regulation ("GDPR")

A privacy statement can be found on the website **www.janushenderson.com**.

Individual Savings Account ("ISA")

The Company intends to continue to manage its affairs in order to qualify as an eligible investment for a stocks and shares ISA.

Non-Mainstream Pooled Investments Status

The Company currently conducts its affairs so that its ordinary shares of 25p each can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Performance Details/Share Price Information

Information about the Company's share price and NAV is available on its website, **www.cityinvestmenttrust.com** and in the London Stock Exchange Daily Official List. The Company's NAV is published daily.

The market price of the Company's ordinary shares is published daily in The Financial Times and other leading newspapers. The Financial Times also shows figures for the estimated NAV and the premium/discount.

Shareholder Details

Shareholders who hold their shares in certificated form can check their shareholding with the Registrar, Computershare Investor Services PLC, via **www.investorcentre.co.uk**. To gain access to your details on the Computershare site you will need the holder reference number shown on your share certificate.

Taxonomy Regulation

Regulation (EU) 2020/852 establishes the basis for the EU taxonomy. This is a classification system, establishing a list of environmentally sustainable economic activities to provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. The Company confirms that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Financial Calendar

Financial Calendar

Annual results: September

Annual General Meeting: October

Half-year results: February

Dividends[1]

Ordinary shares:

- first interim payable on 30 November
- second interim payable on 28 February
- third interim payable on 31 May
- fourth interim payable on 31 August

Preference and preferred ordinary stocks:

- payable on 28 February and 31 August

1 Payments are made on the nearest working day prior to the dates indicated

Secured Notes Interest

4.53% secured notes 2029:

- payable on 22 January and 22 July[1]
  Redeemable at par on 22 January 2029

2.94% secured notes 2049:

- payable on 17 May and 17 November[1]
  Redeemable at par on 17 November 2049

2.67% secured notes 2046:

- payable on 19 March and 19 September[1]
  Redeemable at par on 19 March 2046

FCA Share Fraud Warning

Investment and pension scams are often sophisticated and difficult to spot

FCA FINANCIAL CONDUCT AUTHORITY
Be a ScamSmart Investor

Be a ScamSmart investor and spot the warning signs

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they're only making the offer available to you or even ask you to not tell anyone else about it

How to avoid investment and pension scams

1 **Reject unexpected offers**
Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.

2 **Check the FCA Warning List**
Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.

3 **Get impartial advice**
Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the link below.

If you've lost money in a scam, contact Report Fraud on 0300 123 2040 or www.reportfraud.police.uk

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Notice of Annual General Meeting

Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you should consult your stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the UK, or if not, from another appropriately authorised independent financial adviser in your own jurisdiction.

If you have sold, transferred or otherwise disposed of all your shares or other voting securities in The City of London Investment Trust plc, please pass this document, but not any accompanying personalised Form of Proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. If you have sold or transferred or otherwise disposed of only part of your holding, you should retain this document and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom you made the sale, transfer or disposal.

Notice is hereby given that the 134th Annual General Meeting of The City of London Investment Trust plc (the "Company") will be held at 201 Bishopsgate, London EC2M 3AE on **Thursday, 29 October 2026** at **1.00pm** for the transaction of the following business:

Ordinary Business

1 To receive the Annual Report and the audited financial statements for the year ended 30 June 2026.

2 To approve the Directors' Remuneration Report for the year ended 30 June 2026.

3 To approve the Directors' Remuneration Policy.

4 To re-elect Sir Laurie Magnus CBE as a Director of the Company.

5 To re-elect Mr Ominder Dhillon as a Director of the Company.

6 To re-elect Mr Robert Holmes as a Director of the Company.

7 To re-elect Ms Sally Lake as a Director of the Company.

8 To re-elect Mrs Clare Wardle as a Director of the Company.

9 To re-appoint Ernst & Young LLP as independent auditor to the Company.

10 To authorise the Audit and Risk Committee to determine the auditor's remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions, of which resolutions 11 and 12 will be proposed as ordinary resolutions and resolutions 13 to 17 will be proposed as special resolutions:

11 To approve the Company's dividend policy of continuing to pay four quarterly interim dividends in each year.

12 THAT, in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot ordinary shares of 25p each in the capital of the Company ("ordinary shares") and to grant rights to subscribe for, or to convert any security into, ordinary shares up to an aggregate nominal amount of £12,896,052 (or such other amount as shall be equivalent to 10% of the issued ordinary share capital at the date of passing of this resolution, excluding shares held in treasury). This authority shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, on the expiry of 15 months from the passing of this resolution, unless renewed at a general meeting prior to such time, save that the Directors may before such expiry make an offer or enter into an agreement which would or might require ordinary shares to be allotted or rights to be granted after such expiry and the Directors may allot ordinary shares and grant rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

13 THAT, subject to the passing of Resolution 12 and in substitution for all existing authorities, the Directors be and they are hereby empowered pursuant to Sections 570 and 573 of the Companies Act 2006 ("the Act") to allot ordinary shares for cash pursuant to the authority conferred by Resolution 12 and to sell ordinary shares from treasury for cash as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this authority shall be limited to the allotment or sale of ordinary shares:

(a) up to an aggregate nominal amount of £12,896,052 (or such other amount as shall be equivalent to 10% of the issued ordinary share capital at the date of passing of this resolution, excluding shares held in treasury); and

(b) at a price not less than the net asset value per share;

and shall expire at the conclusion of the next annual general meeting of the Company, or if earlier, on the expiry of 15 months from the passing of this resolution, unless renewed at a general meeting prior to such time, save that the Directors may before such expiry make an offer or enter into an agreement which would or might require

Notice of Annual General Meeting (continued)

ordinary shares to be allotted or sold from treasury after such expiry and the Directors may allot ordinary shares or sell ordinary shares from treasury in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

14 THAT, in substitution for all existing authorities, the Company be and is hereby generally and unconditionally authorised 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 ordinary shares of 25p each in the capital of the Company, on such terms and in such manner as the Directors may from time to time determine, provided that:

(a) the maximum number of ordinary shares which may be purchased is 14.99% of the Company's issued ordinary share capital at the date of the resolution, excluding shares held in treasury (equivalent to 77,324,731 ordinary shares as at 11 September 2026, being the last practicable date prior to publication of this Notice);

(b) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not exceed the higher of:

(i) 105% of the average of the middle market quotations for the shares as taken from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase; and

(ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange;

(c) the minimum price (exclusive of expenses) which may be paid for an ordinary share shall be 25p, being the nominal value per share;

(d) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company, or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed before that expiry;

(e) the Company may make a contract to purchase ordinary shares under the authority hereby conferred which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract; and

(f) any ordinary shares so purchased shall be:

(i) cancelled immediately upon completion of the purchase; or

(ii) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act.

15 THAT the Company be and is hereby authorised 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 the Company's 4.2% cumulative first preference stock ("the First Preference Stock"), 4.2% non-cumulative second preference stock ("the Second Preference Stock") and 14% non-cumulative preferred ordinary stock ("the Preferred Ordinary Stock") (together "the Preferred Stock"), provided that:

(a) the maximum amount of Preferred Stock hereby authorised to be purchased is the entire issued capital amount of each such class of Preferred Stock as at the date of this resolution, being:

(i) £301,982 of First Preference Stock;

(ii) £507,202 of Second Preference Stock; and

(iii) £589,672 of Preferred Ordinary Stock;

(b) the minimum price (exclusive of expenses) which may be paid for each £1 of capital of Preferred Stock is 1p;

(c) the maximum price (exclusive of expenses) which may be paid for each £1 of capital of Preferred Stock is an amount equal to a yield of 175 basis points over the 50-year gilt at the time of purchase;

(d) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company, or, if earlier on the expiry of 15 months from the passing of this resolution, unless such authority is renewed before that expiry; and

(e) the Company may make a contract to purchase any class of Preferred Stock under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Preferred Stock pursuant to any such contract.

16 THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice, such authority to expire at the conclusion of the next annual general meeting of the Company.

17 THAT with effect from the conclusion of the meeting, the draft articles of association produced to the meeting and, for the purposes of identification, initialled by the Chairman be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the Company's existing Articles of Association.

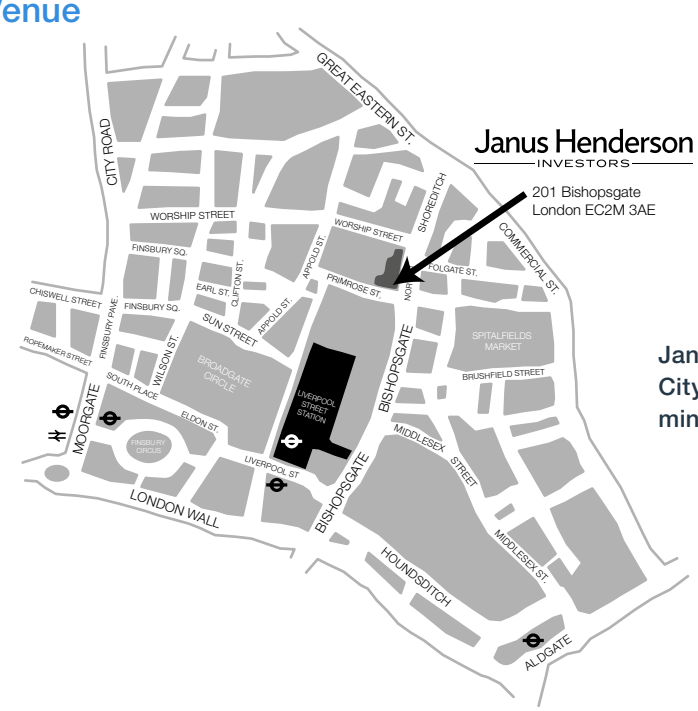
By order of the Board

Janus Henderson Secretarial Services UK Limited
Corporate Secretary
15 September 2026

Registered Office:
201 Bishopsgate, London EC2M 3AE

Notice of Annual General Meeting (continued)

AGM Venue



Janus Henderson Investors is located in the City of London at 201 Bishopsgate. It is a few minutes' walk from Liverpool Street Station.

Explanations of the Resolutions

The information below is an explanation of the business to be considered at the 2026 Annual General Meeting. Shareholders are welcome to attend the AGM in person. The Company also provides a facility for shareholders to watch the meeting remotely by Zoom webinar. Shareholders wishing to watch the meeting remotely should register in advance at **www.janushenderson.com/cty-agm**. Shareholders watching the meeting remotely will not be able to vote through the webinar facility and are therefore encouraged to appoint a proxy in advance of the AGM. Questions may be submitted in advance of the meeting by email to **itsecretariat@janushenderson.com**, or during the meeting via the online Q&A feature.

Resolutions 1 to 12 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed more than half of the votes cast must be in favour of the resolution. Resolutions 13 to 17 are proposed as special resolutions. This means that for each of those resolutions to be passed at least three-quarters of the votes cast must be in favour of the resolution.

Ordinary Business

Resolution 1: Annual Report (ordinary resolution)

The Directors are required to present to the Meeting the Annual Report and audited financial statements for the year ended 30 June 2026, including the Strategic Report, Directors' Report, Independent Auditor's Report and the Directors' Remuneration Report. Shareholders will be given an opportunity to ask questions on these items at the Meeting before being invited to receive the Annual Report and audited financial statements.

Resolutions 2 and 3: Remuneration Report and Remuneration Policy (ordinary resolutions)

Shareholders are asked to approve the Directors' Remuneration Report for the year ended 30 June 2026 and the Directors' Remuneration Policy, which are set out on pages 57 to 60 of the Annual Report. The vote on the Remuneration Report is advisory and does not affect the remuneration payable to any individual Director. However, the Board will take feedback from shareholders regarding remuneration and incorporate this into any future remuneration discussions. The vote on the Directors' Remuneration Policy is binding and put to shareholders every three years in accordance with legislation. The Remuneration Policy was last approved at the AGM in 2023.

Resolutions 4 to 8: Re-election of Directors (ordinary resolutions)

In keeping with provisions of the AIC Code of Corporate Governance ("the AIC Code"), all Directors will be retiring at the Meeting and offer themselves for re-election.

The Board has reviewed the performance and commitment of the Directors standing for re-election and considers that each of the Directors should continue in office as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company. Furthermore, the Board is satisfied that, having considered each Director's experience and the nature of, and anticipated demands on their time by their other business commitments, each Director is able to commit the time required to fulfil their responsibilities as a Director of the Company.

The biographies of each Director, including details of their skills and experience, are set out on pages 39 and 40 of the Annual Report. All directors standing for re-appointment held office throughout the year under review.

Notice of Annual General Meeting (continued)

Resolutions 9 and 10: Re-appointment and remuneration of the auditor (ordinary resolutions)

In accordance with Sections 489 and 492 of the Companies Act 2006 (the "Act"), shareholders are required to approve the appointment of the Company's auditor, Ernst & Young LLP. Ernst & Young have expressed their willingness to continue as auditor to the Company. Following a satisfactory performance review, the Board is recommending their re-appointment in respect of the year ending 30 June 2027 and seeking authority for the Audit and Risk Committee to determine their remuneration.

Special Business

Resolution 11: Dividend payment policy (ordinary resolution)

The Company's policy is to pay dividends on a quarterly basis, with dividends declared in September, December, April and July and paid in November, February, May and August each year. As the fourth dividend is payable prior to the AGM, which is held in October each year, it is declared as an interim dividend and there is accordingly no final dividend.

The Board is conscious that this means shareholders will not be given the opportunity to vote on payment of a final dividend. Accordingly, shareholders are asked to confirm their ongoing approval of the approach to paying four quarterly interim dividends, which in the year ended 30 June 2026 totalled 22.15p per ordinary share.

Resolutions 12 and 13: Authority to allot shares and disapply pre-emption rights (ordinary and special resolutions respectively)

On 30 October 2025, the Directors were granted authority to issue up to 50,034,208 ordinary shares, having a nominal value of £12,508,552 and representing 10% of the issued ordinary share capital, on a non pre-emptive basis. 15,500,000 shares have been sold from treasury/issued under this authority in the period since the 2025 AGM to 11 September 2026 (the latest practicable date prior to publication of this notice). The authorities will expire at the 2026 AGM.

Resolution 12 will renew the authority to allot shares and Resolution 13 will authorise the Directors to disapply pre-emption rights when issuing shares and selling shares from treasury. The authorities will allow the Directors to issue or sell up to 51,584,208 ordinary shares (with a nominal value of £12,896,052) (or such other amount as shall be equivalent to 10% of the issued ordinary share capital (excluding shares held in treasury) at the date of passing the resolution) on a non pre-emptive basis. If renewed, the authorities will expire on the earlier of the date falling 15 months after the passing of the resolution and the conclusion of the next AGM.

The Board's policy, subject to prevailing market conditions, is for the Company's share price to reflect closely its underlying NAV while smoothing volatility and encouraging a liquid market in the ordinary shares. For this reason, the Board has, when appropriate, sought to utilise the Company's ability to issue additional ordinary shares to satisfy investor appetite and reduce share price volatility by preventing the build-up of excessive demand for the ordinary shares. By issuing the shares at a premium to NAV, the Board seeks to protect the interests of existing shareholders so they benefit from an enhancement to NAV, to increase liquidity and to spread the fixed costs of the Company over a larger asset base. The Board also seeks to ensure that the price at which new ordinary shares are issued remains attractive to potential investors.

Resolution 14: Repurchase of the Company's ordinary shares (special resolution)

On 30 October 2025, the Directors were granted authority to repurchase 75,001,281 ordinary shares (with a nominal value of £18,750,320). Resolution 14 will renew the Company's authority to buy back shares. The authority under this resolution is limited to the purchase of a maximum of 14.99% of the ordinary shares in issue at the date of the resolution (excluding shares held in treasury), equal to 77,324,731 ordinary shares at 11 September 2026.

No shares have been bought back under the existing authority in the period to 11 September 2026. The Directors believe that, from time to time and subject to market conditions, it will continue to be in the shareholders' interests to buy back the Company's shares when they are trading at a discount to the underlying net asset value per share.

The Company may utilise the authority to purchase shares by either a single purchase or a series of purchases when market conditions allow, with the aim of maximising the benefit to shareholders. This proposal does not indicate that the Company will purchase shares at any particular time or price, nor imply any opinion on the part of the Directors as to the market or other value of the Company's shares.

The Company may cancel or hold in treasury any shares bought back under this authority. The authority granted under Resolution 14 will expire at the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the next AGM and it is the present intention of the Directors to seek a similar authority annually.

Resolution 15: Repurchase of the Company's Preferred Stock (special resolution)

The Company has in issue 4.2% cumulative first preference stock ("First Preference Stock"), 4.2% non-cumulative second preference stock ("Second Preference Stock") and 14% non-cumulative preferred ordinary stock ("Preferred Ordinary Stock") (together the "Preferred Stock").

On 30 October 2025, the Directors were granted authority to repurchase for cancellation up to the entire issued capital amount of each class of Preferred Stock. At the date of this Notice, no repurchases have been made of any of the Preferred Stock under this authority.

Notice of Annual General Meeting (continued)

The Board considers that the Company should continue to have the power to make market purchases of its Preferred Stock in the event that appropriate opportunities to make such purchases arise. Accordingly, a resolution will be proposed at the forthcoming AGM to authorise the Company to make market purchases for cancellation of the Preferred Stock, up to the entire issued capital amount of each class in issue. The maximum price that can be paid for each £1 of Preferred Stock is an amount equal to a yield of 175 basis points over the 50-year gilt at the time of purchase. By way of example, as at 11 September 2026, the 50-year gilt was at a 5.49% yield to maturity. The lowest yield that would therefore be paid would be 7.24%, resulting in maximum prices (excluding accrued interest and calculated as the stock interest coupon divided by the yield) of 82.9p on the First Preference Stock, 58.0p on the Second Preference Stock and 276.2p on the Preferred Ordinary Stock.

The Directors will only use the authority if to do so will result in an increase in the NAV per ordinary share and will be in the best interests of shareholders generally. This authority will expire at the earlier of the date falling 15 months after the passing of this resolution and the conclusion of the next AGM.

Resolution 16: Notice of general meetings

(special resolution)

The Act and the Company's Articles of Association provide that all general meetings (other than an annual general meeting) can be convened on 14 clear days' notice. However, one of the requirements of the Shareholders' Rights Regulation is that all general meetings must be held on 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 allows all general meetings (other than an annual general meeting) to be called on not less than 14 clear days' notice. The passing of Resolution 16 would constitute shareholders' agreement for the purposes of the Shareholders' Rights Regulation and would therefore preserve the Company's ability to call general meetings (other than an annual general meeting) on 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 a renewal of such authority at subsequent annual general meetings.

Resolution 17: Articles of Association

(special resolution)

The Board is this year asking for shareholder approval to adopt new articles of association ("New Articles") to take account of changes to law and best practice, improve the Company's corporate governance and include additional protections for shareholders. A summary of the main changes proposed to the existing articles of association ("Existing Articles") is set out below.

Appointment and retirement of Directors and Board continuity

New provisions address the unlikely scenario where, following a general meeting at which resolutions are proposed for the election, re-election and/or removal of Directors, the Company is left with no Directors, or fewer than the minimum number of Directors required by law or the New Articles. In such circumstances, the proposed amendments provide for the automatic and temporary appointment or re-appointment of the incumbent Directors. The Board will then be required to convene a further general meeting as soon as reasonably practicable for the purpose of appointing or re-appointing persons as Directors so that the number of Directors is not less than the minimum number of Directors required by law or the New Articles.

These arrangements are intended to ensure the Company can continue to operate and comply with its legal obligations at all times, in line with AIC guidance. The provisions are not designed to entrench Directors who have not secured sufficient shareholder support at a general meeting. The amendments are designed to ensure that shareholder decisions regarding the composition of the Board are respected, while also safeguarding the orderly management and legal standing of the Company.

In addition, the provisions of the Existing Articles requiring the Directors to retire by rotation are proposed to be removed as all Directors stand for re-election annually, in accordance with the AIC Code. The New Articles reflect this and require all Directors to retire and, if desired, seek re-election at each annual general meeting.

Remuneration of Directors

The Existing Articles do not currently provide for Directors to be paid additional remuneration where they perform any duties or services outside their ordinary duties as a director. There is no current intention to make any such payments and, in any event, shareholders would need to approve amendments to the remuneration policy in future to enable any such additional payments to be made. The Board considers it would be prudent, however, to include such a provision in the New Articles which is a common provision in articles of other investment trusts and may be a consideration for any future appointees to the Board.

Strengthened conflict of interest provisions

A new article has been added which provides that where a proposed investment manager has a significant existing interest in the Company, or is associated with a shareholder who has a significant interest in the Company, shareholders are provided with appropriate information and any decision regarding that appointment is determined by a vote of shareholders who are independent of the relevant conflict of interest. This amendment does not restrict the Board's right to appoint or replace an investment manager. Rather, it is intended to ensure that decisions affecting the Company's management arrangements are taken transparently and in the interests of shareholders as a whole.

Notice of Annual General Meeting (continued)

In addition, the provisions relating to Directors' conflicts of interest have been updated and strengthened to make clearer the situations in which Directors may not count in the quorum or vote on resolutions by the Board relating to transactions or arrangements in respect of which they (or their connected persons) may have a conflict of interest.

The Directors believe that these measures are consistent with good corporate governance, enhance the integrity of shareholder decision-making and are in the best interests of shareholders as a whole.

Untraced shareholders

The New Articles modernise the process for selling shares belonging to shareholders who remain untraced for a prolonged period. Under the New Articles, the Company will be required to make reasonable tracing enquiries and to send a notice to the registered address of the shareholder before it may sell the shares of the untraced shareholder. However, the New Articles no longer oblige the Company to publish advertisements in national and local newspapers.

The New Articles also no longer require the Company to obtain the best price reasonably obtainable; instead, they allow the Directors to sell the shares at such time and price and on such terms as the Directors may determine.

There is no change to the provisions which require that the Company must account to a member or former member whose shares have been sold.

These changes seek to reflect current market practice and safeguard shareholder rights while not placing unduly onerous administrative obligations on the Company.

General modernisation

The New Articles also include changes in line with modern practice and to reflect current statutory and regulatory rules, including, for example, to remove references to the issue of share warrants, to remove reference to the register of directors and to remove references to special business of a general meeting. The New Articles also contain other non-substantive tidy-up and clarificatory amendments.

Notes to the Notice of Annual General Meeting

1. Voting record date

Only members registered in the Registers of Members of the Company at close of business on Tuesday, 27 October 2026 (the "voting record date") shall be entitled to attend, speak and vote at the AGM in respect of the number of voting rights registered in their name at that time. Changes to entries on the Registers of Members after the voting record date shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

If the AGM is adjourned for no more than 48 hours after the original time, the same voting record date will also apply for the purpose of determining the entitlement of members to attend, speak and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If the AGM is adjourned for more than 48 hours, then the voting record date will be close of business on the day which is two days (excluding non-working days) before the day of the adjourned meeting or, if the Company gives notice of the adjourned meeting, at any time specified in that notice.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

2. Right to attend and vote

Holders of ordinary shares, First Preference and Preferred Ordinary Stock are entitled to attend, speak and vote at the AGM. On a vote on a show of hands, each shareholder and stockholder or their proxy has one vote. On a poll, holders of: (a) ordinary shares have one vote for every 15 shares; (b) First Preference Stock have one vote for every £10 of stock held; and (c) Preferred Ordinary Stock have one vote for every £20 of stock held.

The Board has reviewed the voting process. A poll will enable the votes of all shareholders to be counted, whether or not they attend the AGM in person. Accordingly, voting on the Resolutions will be by way of a poll rather than a show of hands.

3. Holders of Second Preference Stock

This notice is sent for information only to holders of the Second Preference Stock who are not entitled to attend, speak or vote at the Meeting.

Notice of Annual General Meeting (continued)

4. Right to appoint proxies

A member entitled to attend, speak and vote at the Meeting may appoint one or more proxies to exercise all or any of their rights to attend, speak and vote on their behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.

A Form of Proxy is enclosed. The return of the Form of Proxy or a CREST proxy instruction will not preclude a member from attending and voting in person at the Meeting.

If the total number of voting rights that the Chairman will be able to vote (taking into account any proxy appointments from shareholders over which he is given discretion and any voting rights in respect of his own shares) is such that he will have a notifiable obligation under the Disclosure Guidance and Transparency Rules ("DTRs") of the FCA, the Chairman will make the necessary notifications to the Company and to the FCA. Therefore, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the DTRs, need not make a separate notification to the Company and to the FCA. However, any member holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman as proxy will need to ensure that both the member and the proxy comply with their respective disclosure obligations under the DTRs.

The rights of members relating to the appointment of proxies do not apply to nominated persons. Persons nominated to receive information rights under Section 146 of the Act have been sent this Notice and are hereby informed, in accordance with Section 149(2) of the Act, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this Meeting. If they do not wish to exercise their right or do not have such right, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated (not the Company) in respect of their arrangements.

If you are an institutional investor you may also 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 **www.proxymity.io**. Your proxy must be lodged by 1.00pm on Tuesday, 27 October 2026 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.

5. Proxies' right to vote at the Meeting

All or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, Section 285(4) of the Act does not permit the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

6. Voting by corporate representatives

Corporate representatives are entitled to attend, speak and vote on behalf of the corporate member in accordance with Section 323 of the Act provided they do not do so in relation to the same shares.

7. Receipt and termination of proxies

To be valid the enclosed Form of Proxy must be received by the Company's Registrar (Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY) before 1.00pm on Tuesday, 27 October 2026 (or, in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting).

As an alternative to completing and returning the printed Form of Proxy, you may submit your proxy electronically by accessing **www.investorcentre.co.uk/eproxy**. For security purposes, you will be asked to enter the control number, your shareholder reference number ("SRN") and personal identification number ("PIN") to validate the submission of your proxy online. The control number and members' individual SRN and PIN numbers are shown on the Form of Proxy. To be valid, electronic proxies must be received no later than 1.00pm on Tuesday, 27 October 2026 (or, in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting).

A member may terminate a proxy's authority at any time before the commencement of the Meeting. Termination must be provided in writing and submitted to the Company's Registrar.

In accordance with the Company's Articles of Association, in determining the deadline for receipt of proxies, no account shall be taken of any part of a day that is not a working day.

8. Submitting proxies through CREST

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number 3RA50) no later than the deadline specified in Note 7. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Instructions on how to vote through CREST can be found on the website **www.euroclear.com**.

Notice of Annual General Meeting (continued)

9. Communication with the Company

Members may not use any electronic address provided either in the Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

10. Questions at the Meeting

Any member attending the Meeting has the right to ask questions. Section 319A of the Act requires the Directors to answer any question raised at the AGM which relates to the business of the Meeting, although no answer need be given:

(a) if to do so would interfere unduly with the proceedings of the Meeting or involve disclosure of confidential information; or

(b) if the answer has already been given on the Company's website; or

(c) if it is undesirable in the best interests of the Company or the good order of the Meeting that the question be answered.

11. Website

Members satisfying the thresholds in Section 527 of the Act can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's financial statements (including the Auditors' 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 last AGM, that the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses.

Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required to publish on its website.

By attending the Meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the Meeting.

A copy of this Notice, including the information required by Section 311A of the Act, is available from the Company's website, **www.cityinvestmenttrust.com**.

12. Documents available for inspection

Copies of the Directors' letters of appointment and the proposed amended Articles of Association, marked to show the proposed changes, will be available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) and will be available at the AGM from 15 minutes prior to the commencement of the Meeting until its conclusion. The proposed amended Articles of Association will also be available to view via the National Storage Mechanism (**https://data.fca.org.uk/#/nsm/nationalstoragemechanism**). No Director has a contract of service with the Company.

13. Total voting rights

As at 11 September 2026 (being the last practicable date prior to the publication of this Notice) the Company's total voting rights were:

(a) 515,842,106 ordinary shares (excluding shares held in treasury), representing 34,389,473 votes;

(b) £301,982 of First Preference Stock, representing 30,198 votes;

(c) £589,672 of Preferred Ordinary Stock, representing 29,484 votes.

Therefore, the total number of voting rights in the Company as at 11 September 2026 was 34,449,155. There are no ordinary shares held in treasury.

Corporate Information

Registered Office

201 Bishopsgate
London EC2M 3AE

Service Providers

Alternative Investment Fund Manager

Janus Henderson Fund Management UK Limited
201 Bishopsgate
London EC2M 3AE

Corporate Secretary

Janus Henderson Secretarial Services UK Limited
201 Bishopsgate
London EC2M 3AE
Telephone: 020 7818 1818
Email: **itsecretariat@janushenderson.com**

Depositary and Custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Stockbroker

Cavendish Capital Markets Limited
1 Bartholomew Close
London EC1A 7BL

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 889 3296
Email: **WebCorres@computershare.co.uk**

Investors with share certificates (i.e. not those with a share plan or ISA) can check their holding at **www.investorcentre.co.uk**

Independent Auditor

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Information Sources

For more information about The City of London Investment Trust plc, visit the website at **www.cityinvestmenttrust.com** This includes factsheets, interviews, current information on the Company and up-to-date share price and net asset value details.

To sign up for expert insights about investment trusts, updates from our fund managers as well as AGMs and Trust TV episodes, please visit this page: **www.janushenderson.com/en-gb/investor/subscriptions**

Follow the Janus Henderson Investment Trusts on LinkedIn – Janus Henderson Investment Trusts, UK

Investing

Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not get back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

The City of London Investment Trust plc
Registered as an investment company in England and Wales
Registration Number: 34871
Registered Office: 201 Bishopsgate, London EC2M 3AE

ISIN number/SEDOL: Ordinary Shares: GB0001990497/0199049
London Stock Exchange (TIDM) Code: CTY
Global Intermediary Identification Number (GIIN): S55HF7.99999.SL.826
Legal Entity Identifier (LEI): 213800F3NOTF47H6AO55

Telephone: **020 7818 1818**
Email: **itsecretariat@janushenderson.com**

www.cityinvestmenttrust.com

MANAGED BY
Janus Henderson
INVESTORS

aic
The Association of
Investment Companies

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by FundCalibre.com

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of the Year
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WINNER
City of London

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