



**INVESTMENT TRUST**  
**SINCE 1868**

**ANNUAL REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2025**



# CONTENTS

<b>Strategic Report</b>	
Company Overview	2
Financial Highlights	3
Chairman's Statement	4
Fund Manager's Review	9
Our Approach to Responsible Investment	19
Twenty Largest Listed Equity Holdings	29
Ten Year Record	31
Business Review	33
Purpose, Values and Investment Objective	33
Principal Policies	35
Section 172 Statement	38
Key Stakeholders and Shareholder Engagement	39
Key Performance Indicators	41
Principal and Emerging Risks	43
Long-Term Viability	47
<b>Governance Report</b>	
Board of Directors	49
Directors' Report	51
Corporate Governance Report	57
Report of the Management Engagement Committee	61
Report of the Audit Committee	63
Directors' Remuneration Report	69
Statement of Directors' Responsibilities	73
<b>Independent Auditor's Report</b>	74
<b>Financial Report</b>	
Income Statement	82
Statement of Changes in Equity	83
Balance Sheet	84
Statement of Cash Flows	85
Notes to the Accounts	86
<b>Notice of Annual General Meeting</b>	108
<b>Other Information</b>	
Management and Advisers	113
Additional Information for Shareholders	114
How to Invest	116
Alternative Performance Measures	117
Glossary of Terms	120

<b>2026-27 Financial Calendar</b>	
Annual General Meeting	29 April 2026
Final dividend for 2025 payable	6 May 2026
Interim Results for 2026 announced	end July 2026
First interim dividend for 2026 payable	August 2026
Second interim dividend for 2026 payable	November 2026
Third interim dividend for 2026 payable	February 2027
Final Results for 2026 announced	March 2027
Final dividend for 2026 payable	May 2027

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



## TRUE TO OUR GOAL FOR OVER 150 YEARS

Our focus has never wavered since the day we were founded in 1868. Our approach aims to deliver long-term growth in capital and income. To achieve this, we invest on the world's major and developing stock and private markets in the shares of established companies, strong newcomers and rising stars.

It's a diverse portfolio strategy that also gives investors exposure to a range of well managed private equity funds and co-investments. Whether you're new to investing or looking to add a firm foundation to your existing portfolio, F&C is the smart choice for investors.



INVESTMENT TRUST

SINCE 1868

# COMPANY OVERVIEW

F&C Investment Trust PLC (the ‘Company’ or ‘F&C’) was founded in 1868 as the first investment trust with the purpose of providing the investor of more moderate means access to the same opportunities and advantages as the very largest investors.

This purpose continues today, providing a foundation for the long-term investment needs of large and small investors through a diversified, convenient and cost-effective global investment choice.

The Company’s objective is to secure long-term growth in capital and income through a policy of investing primarily in an internationally diversified portfolio of publicly listed equities, as well as unlisted securities and private equity, combined with the use of gearing.

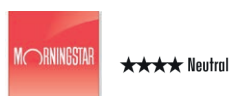
Our approach is designed to obtain the investment performance benefits from a range of individually concentrated global and regional portfolios alongside the diversification benefits of lower risk and lower volatility achieved by managing those portfolios in combination. Columbia Threadneedle Investments is a market leading asset manager with strong capabilities in a number of areas. The Company’s portfolio is managed by Paul Niven, Columbia Threadneedle Investments’ Head of Multi-Asset Solutions for Europe, the Middle East and Africa. He is responsible for determining the Company’s asset allocation and the overall composition of the investment portfolio. By blending the portfolio’s exposure to investment strategies managed by Columbia Threadneedle Investments and other leading asset managers, the Company provides a cost-effective exposure to differentiated value-adding sources of return. Offering a globally diversified portfolio of assets, the Company aims to be a core investment choice through all available channels.

The Company continues to evolve, allowing it to keep pace with new investment opportunities and maintain its relevance in today’s world. A commitment has been made to transition the Company’s portfolio to net zero carbon emissions by 2050.

The Company is suitable for retail investors in the UK, professionally advised private clients and institutional investors who seek growth in capital and income from investment in global markets and who understand and are willing to accept the risks, as well as the rewards, of exposure to equities.

VISIT OUR WEBSITE AT [fandc.com](https://www.fandc.com)

The Company is registered in England and Wales with company registration number 12901  
Legal Entity Identifier: 213800W6B18ZHTNG7371



## FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are up to date as at the date of this report and are based on the Directors’ current view and on information available to them as at that date. There is no obligation to update the statements and nothing should be construed as a profit forecast.

# FINANCIAL HIGHLIGHTS

+14.6%

**14.6% share price total return<sup>(1)</sup>**

+11.6%

**Net Asset Value total return<sup>(1)</sup> (with debt at market value) of +11.6%, behind the return from our benchmark<sup>(3)</sup>, the FTSE All-World Index, of +14.2%**

55th

**Annual dividend<sup>(2)</sup> per share up by 6.4% to 16.6p, our 55th consecutive annual increase**

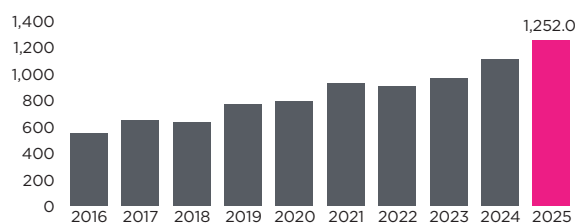
6.8%

**The discount<sup>(1)</sup> to NAV moved from 9.2% at the start of the year, to end the year at 6.8%**

## DELIVERING LONG-TERM GROWTH IN CAPITAL AND INCOME

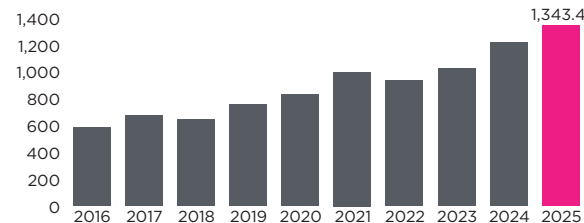
In the last ten years £1,000 invested in the Company on 1 January 2016, assuming dividends had been reinvested in the Company's shares, would be worth £3,283 as at 31 December 2025.

### Mid-market price per share at 31 December – pence



Source: Columbia Threadneedle Investments

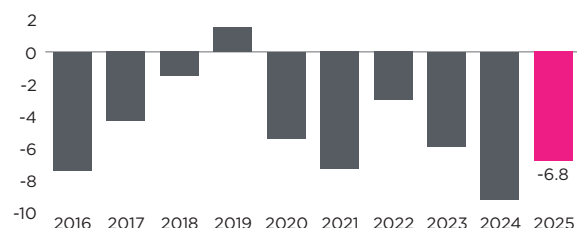
### Net asset value<sup>(1)</sup> per share with debt at market value at 31 December – pence



Source: Columbia Threadneedle Investments

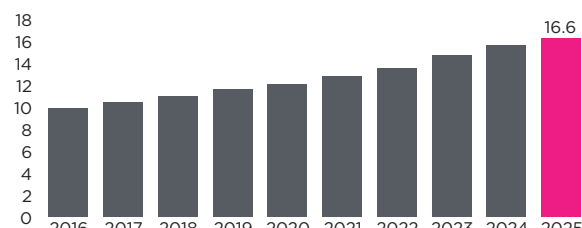
A dividend has been paid every year since inception and has increased every year for the past 55 years. Over the last ten years it has increased by 72.9% (5.6% compound per annum), compared with inflation of 39.7% (3.4% compound per annum).

### Share price discount/premium<sup>(1)</sup> to net asset value<sup>(1)</sup> at 31 December – %



Source: Columbia Threadneedle Investments

### Total dividends<sup>(2)</sup> per share – pence



Source: Columbia Threadneedle Investments

Potential investors are reminded that the value of investments and the income from dividends may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

(1) See Alternative Performance Measures on page 117.

(2) The final dividend for 2025 is subject to shareholder approval at the forthcoming Annual General Meeting.

(3) See Glossary of Terms on page 120.

# CHAIRMAN'S STATEMENT

**"OVER THE TEN YEARS TO THE END OF 2025 YOUR COMPANY DELIVERED A SHARE PRICE TOTAL RETURN EQUIVALENT TO +12.6% PER ANNUM."**



Dear Shareholder,  
2025 was a good year for shareholder returns with our +14.6% share price total return exceeding that of our benchmark index, which returned +14.2% over the year. Despite this positive outturn there was significant volatility in equity markets, and our share price, over the course of the year.

Early in the second quarter there was a sharp market downturn as markets responded to aggressive tariff announcements from the US administration and rising fears of a trade war. As tensions eased, equities rebounded strongly, and our share price ended the year at an all-time high.

Weakness in the US dollar, which declined sharply against sterling during the first half of the year, eroded returns from our US holdings. This coincided with a change in the longstanding dominance of the US equity market. International markets outperformed the US and there was also a broadening of leadership within the equity markets beyond the large US technology stocks which have been a main driver of US equity returns in recent years. Indeed, while the Artificial Intelligence ('AI') theme remained important, there was far greater discrimination from investors between perceived winners and losers. In part, this trend reflected investors' response to significant increases in capital expenditure plans related to the AI theme and concerns over the future profitability of these companies.

As the year drew to a close, markets were buoyed by another year of strong growth in corporate earnings and a supportive fundamental backdrop, with economic growth relatively robust, modest rates of inflation, albeit above central bank targets, and ongoing cuts in interest rates from most major global central banks.

While our share price total return exceeded that of our benchmark, our net asset value ('NAV') total return, taking debt at market value, of +11.6% underperformed the benchmark. However, both our shareholder and NAV total returns were better than the median of our closed and open-ended peers for the year and it is very pleasing that we remain ahead of the peer group median over one, three, five and ten years. Indeed, our NAV total returns are the strongest of any peer over the five years to the end of 2025. The level of consistency of our excess returns relative to the closed-end peer group of global investment trusts is unique.

Our NAV, with debt at market value, rose from 1219.6p per share to 1343.4p per share and our share price rose from 1,108p to 1,252p. Our share price discount to NAV narrowed from 9.2% at the start of the year to 6.8% by the end. This was accretive to shareholder returns over the year. We bought back 1.7% of our issued capital, a total of 8.1m shares, significantly less than in 2024. We remain committed towards our objective of achieving a sustainably low deviation between our share price and NAV, as well as reducing the volatility of the discount.

We enjoyed strong absolute returns from all components of our listed equity strategies over the year but, while some of our US value holdings produced high levels of excess returns and our emerging markets allocation performed well, disappointing relative returns from our European portfolio and those of some of our US components hampered our overall return relative to the benchmark index. This was despite the decision to hold underweight positions in most of the so-called "Magnificent Seven" stocks relative to the benchmark, which did add relative value over the year.

Our private equity portfolio again produced respectable absolute returns over the year, but performance was significantly behind that of the listed global equity benchmark.

As our investment portfolio has significant investments in US assets, the decline in the US dollar (of -7.4%) against sterling was detrimental to returns but, in a year where markets rose strongly, our gearing added value over the year.

I am delighted to report that we were awarded the Investment Week Investment Company of the Year Global Award 2025. These awards highlight outstanding managers who have delivered consistently strong performance for investors across a variety of sectors, and who the judges believe can continue to perform well in the future.

### LONG-TERM RESULTS

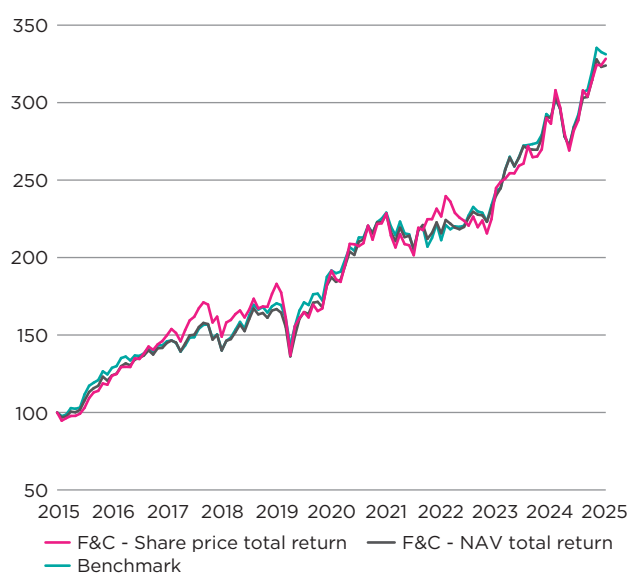
We remain resolutely focused on our investment objective of securing growth in both capital and income for our shareholders over the long term. Over the ten years to the end of 2025 your Company delivered a share price total return equivalent to +12.6% per annum. Returns have remained remarkably consistent with limited losses on an annual basis over the past decade.

Over the twenty-year period to 31 December 2025 the Company's NAV return was +567.7%, equivalent to +10.0% per annum. Our capital-only return (i.e. without dividends reinvested) over the past twenty years was +384.3% (+8.2% per annum) and our shareholder total return was +619.1% (+10.4% per annum). Dividends paid to shareholders have risen by +5.6% per annum over the past decade and by 6.5% over the past twenty years. Such results continue to demonstrate the importance of compounding income and capital gains over the long term.

### FIFTY FIFTH CONSECUTIVE ANNUAL DIVIDEND INCREASE

Our gross and net income generated in 2025 represented another record high. Gross income rose by +1.3% to £113.2m and our net revenue rose by +2.0% to £86.2m. Special dividends fell slightly to £2.8m (2024: £3.6m). The impact of currency movements reduced our income by £2.2m (2024: -£3.4m). Our Net Revenue Return per share rose by +5.6% on the year to 17.97 pence, from 17.01 pence. It remains the ambition of the Board to deliver real rises in dividends for shareholders over the long term that are

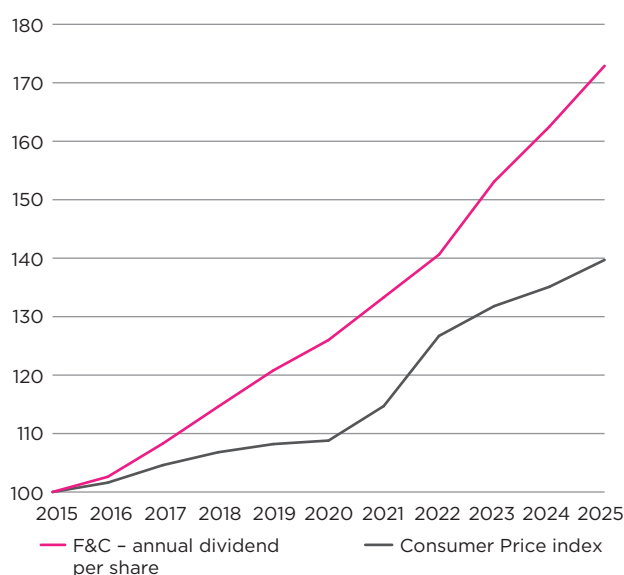
### F&C NAV and share price performance vs Benchmark<sup>(1)</sup> over 10 years



Rebased to 100 at 31 December 2015

Source: Columbia Threadneedle Investments & Refinitiv Eikon

### F&C annual dividend growth<sup>(2)</sup> vs Consumer Price Index over 10 years



Rebased to 100 at 31 December 2015

Source: Columbia Threadneedle Investments & Refinitiv Eikon

(1) See Glossary of Terms on page 120 for explanation of "benchmark".

(2) See Alternative Performance Measures on page 117.

## CHAIRMAN'S STATEMENT (CONTINUED)

sustainable. I am therefore delighted to report another rise in the proposed annual dividend, which will again be fully covered by our revenue earned in the year. Subject to approval at the Annual General Meeting ('AGM'), shareholders will receive a final dividend of 5.2 pence per share on 6 May 2026, bringing the total dividend for 2025 to 16.6 pence: an increase of +6.4% over that of 2024. The increase compares to inflation of +3.4%, as measured by CPI and means that the growth in our dividends has exceeded UK inflation over one, three, five and ten years. Indeed, the growth in our dividends over the past decade, at +72.9%, is almost double that of UK inflation over the equivalent period (+39.7%). Furthermore, our full year 2025 dividend, as well as being our fifty fifth consecutive rise in annual dividends, is our one hundred and fifty eighth annual dividend payment for shareholders.

We continue to benefit from a strong financial position with respect to both our revenue reserves (£125.5m), which represent approximately one year of dividend payments, and our capital reserves which stood at £5.78bn at the year end. As both are potentially distributable, we remain very well placed to continue our track record of increasing annual dividends well into the future.

### EFFICIENCY

Our 2025 Ongoing Charges figure remained at 0.45%, the same level as in 2024. The Board continues to focus on delivering value for money for shareholders as part of its performance objectives and the Manager is also supportive of providing benefits of scale for its clients. With effect from 1 January 2025, the Company's management fee has been paid at the rate of 0.3% on the first £3.5bn of the market value of the Company (down from £4bn previously) and at 0.25% on the value of the Company between £3.5bn and £6bn. A new tier was introduced, with a fee of 0.2% on market value above £6bn applying. From 1 January 2026, the level at which the 0.25% fee will start to apply has fallen further, to £3bn. I would reiterate that the revised fee arrangements ensure that your Company remains competitively positioned relative to its peers and the Board believes that, along with our strong long-term investment performance, this positions the Company to both attract and retain new shareholders over time.

### BORROWINGS

We did not add to our total borrowings of £581.2m over the course of the year. Our cash and cash equivalent

holdings were reduced from £91.1m to £84.6m. Our effective gearing level (with debt at par) fell to 8.0% from 8.6% at the start of the year.

With our substantial long-term borrowings and low fixed rates on our loans that extend to 2061, we remain very well positioned to add value through investment in assets which should be expected to deliver a superior return. Our loans have a blended interest rate of approximately 2.4%, which is far below current and prospective interest rates which we would pay for short and long-dated loans.

### SHARE SPLIT

The Board is recommending that shareholders approve at the forthcoming AGM the proposal to agree a share split for the Company's shares, where shareholders would be issued four shares for each share that they currently hold. Our share price has risen from 258.5p per share at the end of 2005 and 449.2p per share at the end of 2015 to 1,252p per share at the end of 2025. Strong performance in our share price over many years has led to a high share price in absolute terms and the Board has received feedback from shareholders that a share split would be welcomed.

The effect of a four for one share split will be to reduce the absolute level of our price per share, without altering the value of individual shareholders' total holdings. A lower price per share will be of particular benefit to shareholders who invest monthly or elect to re-invest their dividends and may benefit the wider shareholder base through increasing the affordability and liquidity of our shares. If agreed, the share split will be effected on Monday 11 May 2026.

### REDUCING CARBON INTENSITY

The Board remains committed to transitioning the Company's portfolio to net zero carbon emissions by 2050 ('Net Zero') and the Manager's approach to Responsible Investment is set out on pages 19 to 28. It is pleasing to note that the portfolio's carbon intensity decreased in 2025. However, it remains above that of the benchmark and, as I have explained previously, it is important to be aware that progress towards Net Zero will not be in the form of a straight-line trajectory. The Company has an investment objective to deliver growth in capital and income over time and the Board considers that this remains the primary objective for the Fund Manager. In the short term, delivering on the investment returns objective might periodically mean increases in the

overall carbon intensity of the portfolio but, over time, we intend to reduce it both through investments in renewable energy and other decarbonisation technologies, as well as engaging with companies across our portfolio to ensure their activities are aligned or aligning to Net Zero. As a result of that engagement, companies are assessed as to whether they are aligned, aligning, committed, or not aligned to Net Zero and we also pay close attention to progress on this alignment. More detail is given in the Responsible Investment section of this report. The Board is also cognisant that there might be short term disruption and challenges in achieving its Net Zero target and it has identified the failure to transition to Net Zero as a principal risk.

#### BOARD COMPOSITION

Josh Bottomley was appointed to the Board on 1 September 2025, replacing Edward Knapp who stepped down from the Board on 31 July 2025. Josh is Chief Executive Officer of Dunnhumby, a global AI and analytics business. He was previously an Operating Partner at CVC Capital Partners and has held senior positions at HSBC Holdings plc, Google Inc. and LexisNexis.

I will have served as a Director for nine years in September this year. I will seek re-election at the forthcoming AGM but will step down from the Board later this year. I shall miss working with the other Board members and with the management team, but I know I will be leaving your Company in very capable hands and that my fellow Directors will continue to act in shareholders' best interests. The process to appoint my successor is underway and is being led by Quintin Price, our Senior Independent Director. A further announcement will be made in due course.

#### F&C LIVE

Following the success of the lectures that the Company has sponsored in previous years, I am pleased to report that the Company again sponsored an event this year. F&C Live was held at The Landmark London Hotel on Tuesday 3 March 2026, with the theme "The Long View: Resilience in an Age of Upheaval" and featured thought-provoking presentations from two distinguished speakers as well as our own Fund Manager, Paul Niven.

Video clips will be made available to everyone on the Company's website, [fandc.com](https://www.fandc.com), shortly.

#### ANNUAL GENERAL MEETING

The forthcoming AGM will be a "hybrid" meeting, which will enable shareholders who cannot attend in person to view the AGM online and to participate by asking questions and voting if they wish. Full details of how to do so are set out in the letter that accompanies your Form of Proxy or Form of Direction.

Voting will be conducted by way of a poll, and you are requested to lodge your votes ahead of the meeting by completing your Form of Proxy or Form of Direction in accordance with the instructions. Its completion and return will not preclude you from attending the meeting and voting in person. If you are unable to attend the AGM, you are requested to submit any questions you may have with regard to the resolutions proposed at the AGM, or the performance of the Company, in advance of the meeting to [fcitagm@columbiathreadneedle.com](mailto:fcitagm@columbiathreadneedle.com). Following the AGM, the Fund Manager's presentation will be available on the Company's website at [fandc.com](https://www.fandc.com).

#### OUTLOOK

As mentioned above, equity markets delivered strong returns over the past year, even as geopolitical events and policy shifts created periods of volatility. Encouragingly, this progress was accompanied by a widening of market leadership across regions and sectors, with a broader set of companies contributing to overall gains. 2026 has already seen significant volatility, driven by developments in US trade policy, where the Supreme Court has overturned the Liberation Day tariffs, and from the oil price shock which has resulted from the US and Israeli war with Iran. We expect volatility to remain a feature of markets during 2026.

The global environment is undergoing a period of significant transition. Shifts in geopolitical relationships, supply chain structures and economic policy frameworks are reshaping the backdrop for investors. At the same time, the long standing dominance of the US equity market - powered by a remarkable group of highly profitable, capital-light technology companies - is evolving. While it is too early to call an end to US or technology leadership, despite near term stress in global equity markets, the balance of drivers is changing and we see a more diverse set of opportunities emerging across global markets.

## CHAIRMAN'S STATEMENT (CONTINUED)

A major catalyst for this shift is the scale and speed of the AI investment cycle. The AI revolution is ushering in extraordinary levels of capital expenditure, with companies and nations competing to build the data infrastructure and energy capacity needed to support future applications. There is justified optimism about the long term productivity benefits that these technologies can unlock. However, such rapid investment inevitably brings areas of over spend and pockets of unprofitable activity and we expect investor returns to vary widely across the value chain.

This increasing differentiation between winners and losers - both among those developing AI technologies and those deploying them - reinforces the importance of disciplined stock selection and broad diversification. Attractive opportunities extend well beyond today's technology leaders and into areas that stand to benefit indirectly from innovation, including industrials, energy infrastructure and parts of the services economy. We see similarly broad opportunity across geographies, with regions outside the US contributing more meaningfully to market leadership than in recent years.

It is a historic feature of equity markets that, the longer the holding period, the greater the likelihood of positive returns. Despite periods of volatility, however, the returns generated since the Global Financial Crisis, over fifteen years ago, have been extraordinary. Indeed, more recently, the recovery of equity markets after Covid, and growth in scale of leading technology stocks, have propelled markets to new highs. Recent events remind us that volatility, and periods of decline, are also a feature of equity markets and we recognise that valuation levels are, in many areas, unforgiving.

Against this backdrop, we believe that a diversified approach across both public and private equity markets is well suited to the environment ahead. The breadth of our global mandate, combined with our long term investment horizon, positions the Company to capture opportunities created by structural change while managing the associated risks arising from market volatility. As markets continue to adjust to this evolving landscape, we remain confident that our balanced and globally diversified portfolio will continue to serve shareholders well over the long term.

**Beatrice Hollond**  
**13 March 2026**

# FUND MANAGER'S REVIEW

**“STRONGER EARNINGS FOUNDATIONS, MORE OPPORTUNITIES WITHIN GLOBAL EQUITY MARKETS AND A MORE EVEN DISTRIBUTION OF MARKET LEADERSHIP SUPPORT A FAVOURABLE ENVIRONMENT FOR DIVERSIFIED GLOBAL EQUITY INVESTORS.”**



## MARKET BACKDROP

Global equity markets delivered strong returns in 2025, though the year was marked by sharp swings in investor sentiment and volatility in equity prices. An early year sell off - triggered chiefly by US trade policy announcements - was followed by a strong recovery, as resilient global growth and renewed interest rate cuts supported equity markets. Many indices ended the year at record highs, with the FTSE All-World (Total Return) Index up 14.2% in sterling terms.

A key theme over the year was a significant shift in regional market leadership, as non-US equities substantially outperformed the US market. Indeed, equity markets in Europe, the UK, emerging markets and Japan all outperformed US equities - the first time all these regions have simultaneously outpaced American markets in over two decades. This market rotation, and a broadening of returns beyond the US and the mega-cap technology companies, follows an extended period of US dominance that saw American equities grow to represent more than 60% of the global equity market index, rising from approximately 45% in 2010.

US trade policy was a key driver of volatility in global markets with President Trump announcing 'Liberation Day' in early April, proposing tariff measures which were greater than expected. These measures targeted trading partners with a 10% baseline tariff level and higher country-specific tariffs intended to achieve reciprocity in trade barriers faced by the US. China retaliated with tariffs of their own which prompted a further escalation from the US. Equity markets initially fell sharply, fearing the impact of a global trade war and concerns around growth and inflation.

Negotiations over tariff levels helped to reduce market stress and supported a recovery but broader uncertainty over US policy and a resumption of interest rate cuts by the US Federal Reserve led to dollar weakness over the year, a headwind for investors in dollar-denominated assets. Indeed, sterling rose from 1.25 to almost 1.35 relative to the US dollar over the year as the dollar posted its worst first half performance since 1973. Gold and silver posted their strongest annual gains since 1979, returning 65% and 148% respectively in US dollar terms, driven by the weakness in the US currency, above target inflation globally and ongoing geopolitical uncertainty.

## F&C share price 2025 (pence per share)



Source: Refinitiv Eikon

## FUND MANAGER'S REVIEW (CONTINUED)

Investors had begun the year with excitement around companies with exposure to the Artificial Intelligence ('AI') theme and for reduced regulation in the US that was expected to drive improvement in corporate earnings. In dollar terms, the S&P 500 delivered another year of solid returns, though performance within the "Magnificent 7" technology stocks proved to be mixed. Only two of those leading seven companies - Alphabet and Nvidia - outperformed the bellwether S&P 500 index. Greater selectivity within this group of leading companies reflected investors' assessment of AI winners and losers amid rising capital expenditure on AI-related infrastructure. Investor sensitivity to corporate capital expenditure plans was evident early in the year when, in January, Nvidia shares fell sharply (before staging a powerful recovery) following the release of a new AI model from Chinese company DeepSeek, which suggested the possibility that effective AI models could be developed at substantially lower costs than previously expected, with resultant implications for demand for semiconductors and AI-related infrastructure.

European equity markets performed strongly, boosted in part by pledges for increased government spending. In Germany, the new coalition government proposed to reform the constitutional debt brake to facilitate higher defence spending, as well as to fund a €500bn infrastructure fund. Russia's invasion of Ukraine was a key reason why NATO member states agreed to raise defence spending targets significantly while also reflecting a desire to reduce reliance on the US and a broader regional pivot towards increased defence investment.

In the UK, equity markets advanced despite bouts of Gilt market volatility linked to shifting fiscal expectations. Gilt yields rose sharply in July after the Government reversed planned cuts to welfare spending, while fresh market pressure emerged in November as the market speculated over the state of Government finances which would result from the Budget. Despite initial concerns, the Chancellor's Budget was generally well received by markets, with the fiscal headroom larger than expected and planned Government bond issuance for the fiscal year coming in at below market forecasts.

Japanese equities advanced as the economy moved away from three decades of deflation and on expectations of increased government spending and pro-growth policies. There was also a leadership change when Sanae Takaichi was elected LDP leader in October and became Prime Minister later that month.

Emerging markets delivered strong performance over the year, driven in part by the weaker US dollar and cuts in US interest rates, while markets in Korea and Taiwan benefitted from ongoing strength in Asian technology and the demand for semiconductors.

Inflation remained elevated across major economies, though there was significant divergence in central bank policy responses over the year. In the US, economic data weakened in the second half, with a worse-than-expected July jobs report leading Federal Reserve Chair Powell to strike a dovish tone at the Jackson Hole economic policy symposium. Continued economic weakness subsequently prompted the Federal Reserve to deliver three consecutive quarter point cuts in interest rates between September and December.

In contrast, the European Central Bank began the year by easing policy as the Eurozone grappled with lacklustre economic growth and potential trade war concerns. Those concerns eased in the second half of the year, with the deposit rate held steady, and the ECB upgraded growth and inflation forecasts. In contrast, having abandoned its ultra-loose monetary policy in 2024, the Bank of Japan raised interest rates twice, taking the policy rate to 0.75% - the highest level since 1995.

### INVESTMENT PERFORMANCE

As explained on page 35, our investment strategy remains one of managing the Company's assets across a range of diversified investment portfolios, each adopting their own individual investment approach. Each individual portfolio invests on a global or a regional basis using the wide range of skills and resources available from the Manager or, in the case of the majority of our US exposure and our emerging markets exposure, from external third-party managers. We invest in both public and private equity opportunities across the world and adopt this diversified approach to smooth returns for investors with the objective of delivering growth in both capital and income over the long term.

**Weighting, stock selection and performance over one year in each investment portfolio strategy and underlying geographic exposure versus Index at 31 December 2025**

Investment Portfolio Strategy	Our portfolio strategy Weighting %	Underlying geographic exposure % <sup>(1)</sup>	Benchmark Weighting %	Our strategy Performance %	Net Index Performance in sterling %
North America	39.1	62.7	65.2	8.2	10.0
Europe inc UK	8.6	19.5	14.7	16.9	26.2
Japan	4.4	5.5	5.7	15.7	16.7
Emerging Markets	6.1	8.7	10.4	27.6	24.4
Developed Pacific	-	3.6	4.0	-	31.3
Global Strategies <sup>(2)</sup>	30.4	-	-	13.6	14.2
Private Equity <sup>(3)</sup>	11.4	-	-	5.3	-

(1) Represents the geographic exposure of the portfolio, including underlying exposures in private equity and fund holdings.

(2) The Global Strategies allocation consists of Global Income, Global Focus and Global Enhanced.

(3) Includes the holdings in Schiehallion and Syncona.

Source: Columbia Threadneedle Investments

**Contributors to total returns in 2025 (%)**

Portfolio return <sup>(1)</sup>	11.2
Management fees	-0.4
Interest and other expenses	-0.1
Share buybacks	0.1
Change of value of debt	-0.1
Gearing/other	0.9
<b>NAV total return</b>	<b>11.6</b>
Change in share price discount	3.0
<b>Share price total return</b>	<b>14.6</b>
FTSE All-World (Total Return) Index	14.2

Source: Columbia Threadneedle Investments

(1) See Glossary of terms on page 120 for explanation of "Portfolio return".

**Underlying Classification of Listed Investment Portfolio as at 31 December 2025 (%)**

Information Technology	27.3
Financials	18.7
Industrials	11.2
Consumer Discretionary	11.2
Healthcare	8.7
Communication Services	7.9
Consumer Staples	3.4
Energy	3.3
Utilities	3.3
Materials	3.3
Real Estate	1.7

Source: Columbia Threadneedle Investments

**LISTED EQUITIES**

All of our regional equity strategies delivered positive returns over the year, with emerging markets (+27.6%) the area with strongest gains. Indeed, our emerging markets exposure strongly outperformed the developed and global strategies, with North America (+8.2%) lagging other areas of listed equities. It was a good year, in absolute terms, for Europe (+16.9%) and Japan (+15.7%), while our exposure in private equity (+5.3%) lagged.

Within the US, Nvidia (+29.3%) continued its strong run of performance on the back of resilient demand for its semiconductor chips. Nvidia, which reached \$5trn in market value at the end of October, less than four

months after becoming the first to breach the \$4trn level, continues to be the Company's largest listed holding. Our overweight exposure to this holding within our equity allocation throughout the year had a positive impact on both our absolute and relative performance. While the gains in Nvidia outpaced the broader market, other Magnificent Seven companies did not perform as strongly as the prior year. Indeed, along with Alphabet (+54.5%), Nvidia was one of only two companies within this cohort to deliver stronger returns in 2025 than the S&P 500. Our lighter-than benchmark exposure to Apple (+1.5%), Amazon (-2.1%), Microsoft (+7.6%) and Tesla (+3.6%), which all underperformed the broader global equity market, was a tailwind for our relative returns.

## FUND MANAGER'S REVIEW (CONTINUED)

With our overall underexposure to the Magnificent Seven a positive for relative returns, our broader portfolio delivered robust absolute returns. Among these companies, Applied Materials (+48.6%) and TSMC (+45.1%) both benefitted from enthusiasm for the AI theme.

### NORTH AMERICA

Continued strong performance from highly-valued growth stocks in the US led to another year of outperformance of growth against more lowly-rated value stocks. However, it was notable that the outperformance of 'growth' (of 2.5%) was narrower than in previous years (19.4% in 2024 and 29.4% in 2023). Indeed, 'value' outperformed growth in the fourth quarter by 2.7%, suggesting a potential shift in sentiment from mega-cap technology companies towards cheaper stocks.

Market concentration and a narrow return profile remained a key feature of the US market last year. Indeed, the weight of the Magnificent Seven remained at around a third of the US market and an equally weighted version of the S&P 500 underperformed the headline index return by 6% last year, reflecting outperformance of larger companies in the index.

Our North American returns (+8.2%) were behind those of the regional benchmark (+10.0%) despite strong returns from the value strategy managed by Columbia Threadneedle Investments (+18.5%), which was substantially ahead of the Russell 1000 Value Index (+7.8%). This component of the portfolio benefitted from strong stock selection across a number of holdings in Materials, Financials, Industrials, Technology and Healthcare in particular. Barrick Mining (+166.9%) was one of the strongest performing holdings across our entire portfolio, fuelled by record operating profits and free cash flows, a rise in production at key assets and, of course, by strong tailwinds arising from exceptional strength in gold prices. Freeport McMoran (+26.0%) was also a key beneficiary of rises in copper and gold prices over the year.

Corning (+74.7%), a technology holding with key business lines focused on optical communications and AI infrastructure, reported a return to profitability after prior losses, benefitting from demand for products related to data centre expansion. Applied Materials benefitted from strong demand for semiconductor equipment and services while CVS Health (+71.5%) was buoyed by

strong growth across its healthcare benefits and services businesses as well as through growth in its pharmacy franchise. Financial stock Citigroup (+58.6%) and Caterpillar (+49.2%), the manufacturer of construction and mining equipment, were also key contributors to excess returns.

In contrast, our other US value portfolio, managed by Barrow Hanley, was challenged in 2025 by poor stock selection and size-factor headwinds, returning +3.0%, lagging the Russell 1000 Value Index return. The longer-term track record of the strategy, however, remains strong.

The position in Vertiv (+32.9%), a strong performer for us over the past two years, was again a top contributor to returns in the portfolio. The manager sold out of the position entirely at the end of 2024, ahead of a sharp sell-off in the stock which was driven by concern arising from the Deepseek announcement in January. Barrow Hanley did, however, use this weakness to repurchase Vertiv, which continues to benefit from strong demand for its cooling systems in the build out of AI data centres.

Stock selection in Healthcare, Technology and Financials, as well as an under-exposure to larger capitalised companies, all contributed to the underperformance of the strategy. Avantor (-49.4%), a 'picks and shovels' provider of products and services to the life sciences and biotechnology industry, was a notable detractor as the company continued to face operational challenges and volume headwinds. Fidelity National Information Services (-21.7%), a fintech firm focused on transaction processing solutions for banks alongside capital market solutions, was another detractor. Despite working to reshape its business to be sustainably faster growing with higher margins, the stock de-rated on wider industry challenges. In this portfolio, a lack of exposure to memory providers, some of which trebled in price on the year, was also a key detractor from relative performance.

Our US growth portfolio, managed by JPMorgan, returned +6.6% over the year, which was behind the Russell 1000 Growth Index (+10.3%). Despite modest outperformance over the first quarter, driven by a lighter-than benchmark allocation to high growth technology stocks, the strategy lagged over the remainder of the year, following a shift in market leadership post "Liberation Day". Indeed, from April, a handful of companies - the Magnificent Seven, Broadcom (+40.2%) and Palantir (+118.7%) - accounted

for nearly three quarters of the Russell 1000 Growth index return.

While the portfolio held significant positions in high-growth technology stocks that drove market returns, an overall underweight allocation to this sector detracted from performance. Two newly established positions proved particularly beneficial, however: Inmed (+134.6%) and Robinhood (+182.5%). Both positions were built gradually as conviction on each investment thesis increased throughout the year. Despite being a new holding, Inmed became one of the largest contributors to excess returns following the approval of its drug Brinsupri for treating non-cystic fibrosis bronchiectasis, a progressive lung disease.

Other notable contributors included positions in Spotify (+20.8%) and Goldman Sachs (+45.8%). Spotify's strong performance was driven by robust user growth, with the company announcing it had reached 700 million monthly users and over 281 million premium subscribers - a 12% year-over-year increase. The company also announced the integration of OpenAI's ChatGPT in the fourth quarter, allowing users to leverage the chatbot to discover artists, songs and playlists. Goldman Sachs benefitted from a 42% surge in third-quarter investment banking fees, supported by advisory work on deals worth over \$1 trillion in the first nine months of the year, including the \$55bn Electronic Arts transaction.

Finally, our allocation to North American core holdings, managed by Columbia Threadneedle Investments, returned +7.3%, lagging the FTSE North America return of +10.0%. This strategy targets a proprietary alpha factor based on identifying stocks which display growth at a reasonable price, with positive momentum, whilst controlling exposure to other factors and risk. Overweight positions in NRG Energy (+66.5%) and Monolithic Power Systems (+43.7%) were additive to returns, although holdings in software companies such as ServiceNow (-32.8%) and Salesforce (-25.8%) detracted.

## EUROPE

The performance of our European strategy was disappointing in 2025 and followed strong relative performance in the prior year. The European market saw outperformance of more lowly-rated stocks, both across and within sectors and, therefore, our focus on high quality businesses with strong growth characteristics

faced significant headwinds. In addition, over-exposure to some perceived 'AI losers' detracted from returns. The largest contributors, in relative return terms, were all banks, including Bank of Ireland (+105.1%), National Bank of Greece (+90.2%), Intesa Sanpaolo (+73.2%) and Standard Chartered (+89.0%). Despite these strong contributions, a lack of exposure to lower quality names in the sector, including Commerzbank (+148.0%), Deutsche Bank (+115.5%), Societe Generale (+181.3%) and a number of Spanish banks, detracted from our overall return.

The single biggest negative in our European portfolio was Smurfit Westrock (-30.8%) which, after being a top positive contributor to the strategy in 2024, performed very poorly on the back of concerns over the impact of US tariffs and weak packaging demand. In addition, a lack of earnings momentum hampered returns, as the costs of the merger with Westrock were front-loaded, before the expected benefits had been realised. Exposure to Novo Nordisk (-43.6%) was also a detractor, suffering from a cut in sales and profit guidance due to increased competition from generic and compounded GLP-1 products and slower-than-expected sales in some of their key markets.

The other significant area of negative relative performance came from the Media and Software sub sector, an area where our exposure has performed strongly for many years. In 2025, the market assigned this segment as one of the likely losers from AI adoption. Despite good operating results, Pearson (-16.4%), Relx (-15.4%), Publicis (-5.7%) and SAP (-6.3%) were all very weak performers. In response to potential challenges to their business models we did sell the first three of those companies, retaining SAP where we have more confidence that the business will not only be AI-resilient but that it can benefit from technological change.

The final area which hindered our returns in this strategy was an initial lack of exposure to Aerospace and Defence stocks - highly performing sectors which benefitted from plans to increase defence spending in Europe. We subsequently added positions in BAE (+52.1%), Safran (+49.6%) and Airbus (+38.3%) during the year.

## JAPAN

Our Japanese strategy (+15.7%) was slightly behind its benchmark index (+16.7%). Japanese markets performed strongly over the year, driven by improving corporate earnings and a focus by companies on the enhancement

## FUND MANAGER'S REVIEW (CONTINUED)

of shareholder returns. Semiconductor and AI-related stocks led the rally, while sustained foreign investor buying, expectations for structural reforms and supportive policy measures (despite rises in interest rates) provided additional positive momentum throughout the year.

Our strategy maintained overweight positions in Financials and Industrials throughout 2025, while remaining underweight in Consumer Staples, Healthcare and Materials due to limited attractive investment opportunities in those sectors. The allocation to Financials was increased, capitalising on compelling valuations and anticipating that the Bank of Japan's monetary tightening cycle would serve as a positive catalyst for the sector.

Several holdings made notable positive contributions to performance. Kinden (+115.0%), an engineering business, continued to benefit from increased orders for power transmission line construction and renewable energy projects, supported by optimistic earnings expectations. PAL (+27.2%), a clothing retailer, enjoyed sharp gains in the third quarter following disclosure of year-over-year operating profit growth, driven by nearly 16% growth in online sales and an improved freight cost-to-sales ratio.

Conversely, detractors included Sanwa (-10.9%), a commercial shutter manufacturer, which declined amid concerns about sluggish recovery in its US housing segment; Otsuka (-13.7%), an IT services company, which underperformed market expectations as the business moved past peak earnings with diminished upside potential; and Sekisui Chemical (-6.4%) as it faced headwinds as earnings fell short of estimates due to tariff-related cost increases and foreign exchange volatility, leading to share price weakness towards the year end.

### EMERGING MARKETS

We appointed Invesco Asset Management to manage our emerging markets strategy in March 2025. Overall, our emerging markets allocation delivered strong performance, with a return of +27.6%, compared to the MSCI Emerging Markets Index return of +24.4% for the year.

Technology stocks were a major contributor to performance, supported by AI-driven investment. While the portfolio's underweight position in Technology detracted from relative performance, this was largely

offset by positive stock selection, in particular the strong performance of Samsung Electronics (+120.1%). 'Value-up' reform momentum continued to build across the region, particularly in South Korea, with an overweight position in this market adding value, although stock selection here detracted slightly as some holdings lagged the broader market rally.

The portfolio's underweight position in India was a big benefit to relative performance as that market underperformed due to high starting valuations, subdued earnings, currency weakness and the large volume of equity issuance. Stock selection also contributed positively, with Shriram Finance (+55.0%) a notable contributor to our returns.

Our exposure in Latin America supported performance, particularly the portfolio's tilt towards Brazil, although strong positive contributions from Vale (+56.7%), real estate developer Cyrela (+107.2%) and Telefonica (+57.6%) were offset by weakness from Banco do Brasil (-0.3%) and Petrobras (-4.2%), while Ambev (+34.4%) and retailer Lojas Renner (+23.0%) slightly lagged a strongly rising market.

Commodity-related stocks contributed positively, led by Valterra Platinum (+189.4%) as precious metal prices continued to climb, with higher copper and iron ore prices also buoying the likes of Grupo Mexico (+93.2%) and Vale.

In our Asian exposure, Hong Kong conglomerate Jardine Matheson (+63.0%) added significant value, supported by strong performance across its group businesses. Meanwhile, stock selection in China was mixed: strong gains from Tencent Music (+46.7%) and NetEase (+47.7%) helped offset weakness in JD.com (-21.5%) and Autohome (-13.9%). Selected consumer-related holdings also detracted, including Yili dairy products (-2.4%), Gree Electric appliances (-8.0%) and China Resources Beer (-0.2%).

Finally, stock selection in financials was strong, with notable contributions from Samsung Fire & Marine (+38.6%), Kasikornbank (37.3%) in Thailand and Peru's Credicorp (+53.9%), which helped to offset weakness in Bank Rakyat Indonesia (-11.3%) amid political and macroeconomic uncertainty. Banco do Brasil and HDFC Bank (+0.4%) also underperformed.

## GLOBAL STRATEGIES

The combined return from our Global Strategies (+13.6%) was just behind that of the index (+14.2%). Our exposure to Global Income (+18.8%) was ahead of benchmark and Global Enhanced (+14.0%) performed in line.

Our Global Focus strategy (+8.2%), however, which delivered strong performance in 2024, underperformed its benchmark in 2025. As a strategy focused on quality growth companies, the strong performance of value stocks in Europe and Japan, led by banks and defence companies, was a significant headwind to performance.

Similar to the experience of our European strategy, software and business service companies generally underperformed the market, with stocks such as Relx, Experian (-1.1%) and SAP detrimental to our returns. Much of the narrative surrounding this downturn focused on those companies being 'AI Losers' and, although the intensive capital expenditure of hyper-scalers like Amazon, Meta and Microsoft is a concern, many of these quality stocks continued to post impressive earnings growth and positive earnings revisions.

Positive contributors to performance for the year included Applied Materials and Western Digital (+257.1%). Howmet Aerospace (+74.9%), an aircraft engine and engine parts company that had performed well in 2024, continued to contribute positively to performance. Similar to our European strategy, detractors included SAP and Smurfit Westrock.

Our Global Income allocation, which targets a diversified exposure to stocks which provide a higher dividend yield than the market, returned +18.8%. This was ahead of both high yield index comparators and the broader global equity benchmark. This strategy continues to be helpful for managing our overall revenue and has, over a period of more than a decade, delivered results which have exceeded broad index returns, while providing a higher income for the Company. The strong performance of this strategy was helped by its exposure to banks such as HSBC Holdings (+57.9%), BNP Paribas (+58.0%), ING Groep (+79.7%) and Morgan Stanley (+35.1%) which all contributed positively to relative returns.

Over 2025, our Global Enhanced strategy returned +14.0%, broadly in line with its global benchmark which returned +14.2%. Top performers were Expedia (+42.7%)

and Monolithic Power Systems (+43.7%). Shares in Expedia gained significantly in the second half of the year as the company raised its full-year gross booking and revenue outlook, shrugging off concerns regarding a slowdown in consumer spending. Overweight positions across ServiceNow (-32.8%), Salesforce (-25.8%) and HubSpot (-46.4%) were, however, a drag on relative returns for the strategy.

## PRIVATE EQUITY

Our private equity portfolio delivered a reasonable return of +5.3% over the year but this was well behind the returns from listed equities for the third consecutive year. Consequently, while this allocation did add value in absolute terms, it detracted from our overall return relative to the benchmark index (as our listed equity comparator rose by 14.2% on the year).

2025 saw an environment of constrained liquidity across the private equity market with still-sluggish deal flow and historically lower levels of exits. Nonetheless, PE Investment Holdings 2018 LP, which is managed by Columbia Threadneedle Investments, delivered a return of +5.1% and over the year it received distributions totalling £48.2m, against drawdowns on investment of £62.7m. Our exposure within this programme tends to be focused on mid-market businesses where valuations are attractive and where they have high levels of cashflow generation. Our holding in Prestige, the leading Bulgarian confectionery group, was written up by £15.3m, reflecting an uplift from depressed valuations at which we purchased the company (from a seller with a strong interest in concluding a sale) and strong operational performance. We also benefited from a £5m uplift in our holding in Kelso Pharma, the specialist pharmaceutical platform with a portfolio of branded generic drugs, predominantly sold into the NHS. We received distributions from several positions during the year, including our co-investment in Dutch-based Amethyst Radiotherapy (for £20.0m) which delivered a 1.8x return on our investment and an internal rate of return of 11.0%. We chose to commit some of the proceeds (€15m) into a new vehicle which includes this company as we believe there is further scope for substantial value creation in this holding. Fifteen additional underlying companies were sold, with a modest average uplift to the previous holding value. The uplift on exits which was achieved over the year was below longer-run averages, reflecting weaker capital markets in 2025 as well as a higher proportion of 'continuation vehicle' exits, with

## FUND MANAGER'S REVIEW (CONTINUED)

Private Equity portfolio		Commitment outstanding 31 December 2025 £'000s	Value of holding 31 December 2025 £'000s
Total Private Equity portfolio <sup>(1)</sup>	Brought forward	365,731	636,592
Committed in 2025 <sup>(2)</sup>		28,222	-
Cash drawn in 2025 <sup>(2)</sup>		(97,399)	97,399
Cash returned in 2025 <sup>(2)</sup>		-	(53,034)
Valuation movements <sup>(3)</sup>		-	52,929
Exchange movements <sup>(3)</sup>		(8,514)	(16,258)
Total Private Equity portfolio <sup>(3)</sup>	Carried forward	288,040	717,628 <sup>(4)</sup>

(1) Exchange rates ruling at 31 December 2024

(2) At actual exchange rates in 2025

(3) Exchange rates ruling at 31 December 2025

(4) Total does not include investments in Syncona and Schiehallion, which are classified as Level 1 investments.

Source: Columbia Threadneedle Investments

these transactions being typically priced around the NAV of each holding. Here, such continuation vehicles acquire one or more assets from an existing fund that is nearing the end of its life.

Our portfolio also benefited from an uplift (£2.4m, including the impact of distributions) in the value of Inflexion Strategic Partners, a leading UK mid-market private equity firm, reflecting the strong growth in assets under management and continued robust financial performance.

Over recent years we have sought access to leading global growth and venture private equity managers through our bespoke Pantheon Future Growth programmes. These programmes comprise \$360m of total commitments, across two vintages, which have a long time horizon and we remain several years away from being fully drawn on our commitments. Whilst the recent improvement in broader private markets is a benefit, we continue to take a long-term perspective regarding this exposure in our portfolio and it was pleasing to see an uplift in performance (+4.5%), with our exposure showing positive progress in its holding valuation over the year. This component had a drawdown of £41.2m and a distribution of £2.7m over the year.

Syncona (-10.0%), a backer of healthcare companies, had poor returns for a third consecutive year. However, our position in Schiehallion (+20.8%) had another very strong year. It is managed by Baillie Gifford and invests in late-stage disruptive technology businesses. Schiehallion's

holding in SpaceX has risen to almost 14% of its portfolio, following its recent valuation of \$800bn. An IPO of this holding appears increasingly likely in 2026.

Older fund investments which we largely hold with Harbourvest and Pantheon returned £8.3m during the year. We continue to work with the managers to realise value from these holdings as they head towards their end of life. They represented approximately 0.4% of the total portfolio value as at end of 2025.

### PORTFOLIO ACTIVITY

We made several changes to our portfolio allocations during the year and were net sellers of equity holdings, in part to fund share buybacks. The majority of our sales involved a reduction in our US listed equity exposure, predominantly through dis-allocation from our US core portfolio, managed by Columbia Threadneedle Investments (where we sold a net £155m) and from our Global Enhanced portfolio, primarily allocated to US equities (where we sold a net £75m).

We review periodically the investment management options both internally and externally for each component within the Company. Following a thorough research process across the entire universe of emerging markets managers we identified Invesco as our preferred manager. As a result, in March 2025 we divested from the strategy managed by Columbia Threadneedle Investments and funded a new mandate managed by Invesco, which is more style agnostic than the previous strategy. The experienced Invesco team use a robust and consistent valuation-driven

approach to build a portfolio of around 50 emerging markets stocks with strong balance sheets. Despite the valuation-driven approach the team has delivered consistent outcomes across different market conditions, sectors and countries. Furthermore, our assessment of the individuals involved and their interactions with each other reflected a strong and cohesive team with a top-tier investment culture. It was pleasing that since the change, the Invesco managed portfolio outperformed its benchmark.

In addition to these allocation changes we implemented some derivatives transactions during the year. In reflecting a large position in US dollar-denominated assets, and the risks to our capital return arising from potential strength in sterling, we bought £100m of sterling relative to the US dollar, through foreign exchange forward contracts. This position was closed after the year end and resulted in a capital loss of £2.1m. In addition, reflecting our more positive perspective on emerging markets equities relative to global equities, we chose to reduce our Japanese equity position, via futures, and increase the exposure to emerging markets, also via futures. While our position in emerging markets equities gained in value, the effect of reducing exposure to Japanese equities, during a period of market strength, more than offset this gain and this resulted in a capital loss of £2.6m.

Finally, in terms of our private equity exposure, we deployed £56.2m in fresh capital into PE Investment Holdings 2018 LP and realised £42m in distributions. The investment commitments to our two Pantheon Future Growth programmes (of \$180m each) are still drawing capital and we do expect further calls for capital over the coming year.

### REVENUE RETURNS

Our gross and net income both reached new highs in 2025, rising by 1.3% and 2.0%, respectively. Net revenue return per share climbed to 17.97p, from 17.01p in 2024. Sterling detracted £2.2m, compared with a £3.4m negative impact in 2024.

Our dividend has continued its record of exceeding inflation rates over the long term and, as our planned total dividend payment of 16.6p for the full year is less than that our annual revenue, we will modestly increase again the level of our revenue reserve. Subject to approval at

the AGM, we will deliver our fifty fifth consecutive annual dividend increase for shareholders in May of this year.

### GEARING

Our gearing stood at 8.0% at the end of the year, below our starting year level of 8.6%. The effect of our gearing, during a year of strong rises in the values of our investments, added 0.9% to our NAV total return for the year.

At year end, the nominal value of our total borrowings was £581.2m, though the effect of a rise in market interest rates since the loans were agreed served to reduce the market value of our outstanding debt to £378.4m and we held £84.6m in cash. Our blended average interest rate on our outstanding loans is 2.4%, which remains exceptionally low by historic standards. Over the long run, we expect the returns from our investments made from these borrowings to exceed the cost of our debt and therefore be accretive to NAV returns.

Our debt maturity profile is diversified and, excluding a small perpetual debt instrument, extends out to 2061, where we have sterling borrowings with a coupon of 1.87%. We do, however, have a loan which matures in 2026 and gearing levels have declined in recent years as equity markets have performed strongly and as the fair value of our debt has declined, driven by rises in market interest rates. The Board will, therefore, assess opportunities to secure borrowings at advantageous rates for shareholders as the year progresses.

### CURRENT MARKET PERSPECTIVE

It has been a volatile and challenging start to the year, with geopolitics and regional conflict both front of mind for investors. The outlook for global equities in 2026 had appeared to be constructive, driven by a combination of improving fundamentals, shifting regional dynamics and an increasingly differentiated return profile across markets and sectors. Indeed, after a year in which earnings expectations outside the US proved overly optimistic, the balance of risks in 2026 appears more evenly distributed.

The early part of 2026 has, however, been dominated once again by US policy actions. First, the decision of the Supreme Court to overturn US tariffs has been met with resistance from the President, and a determination

## FUND MANAGER'S REVIEW (CONTINUED)

to push ahead with broadly equivalent tariffs through alternative mechanisms. The resultant uncertainty, with renewed threats from the US administration, risks more confusion over future trading relationships and a potential knock-on impact to corporate activity. Second, the US and Israeli war with Iran has generated a significant rise in energy prices which have the potential to increase inflation again and derail the constructive growth backdrop. The economic pain which the conflict inflicts will be a direct result of the disruption to energy supplies which unfolds in the coming weeks and months. Despite history suggesting that, on many occasions, such events tend to have relatively limited long-term impact on markets, investors are fearful that conflict in the Middle East will spread in extent and duration.

Until the Iran war, we had entered the year with a clearer, more stable corporate earnings backdrop, supported by evidence that growth is becoming less concentrated than in previous cycles. Across major economies, inflation trends had been moving in the right direction and central banks - most notably the US Federal Reserve - are still expected to ease policy.

Regional valuation disparities remain a defining feature of equity markets. The US continues to demonstrate robust earnings delivery but valuations in several areas reflect elevated expectations. By contrast, many international markets - particularly Europe, Japan and parts of emerging markets - offer a combination of improving fundamentals and more attractive starting valuations. This creates a more balanced global opportunity set than has been seen for several years.

A key driver of market behaviour will again be the development and adoption of AI-related technologies. The pace of investment across hardware, infrastructure and software remains extremely high and we expect this to continue. However, the pattern of returns within the theme is becoming increasingly uneven as the market differentiates between companies capable of sustaining returns on high capital expenditure and those whose investments may not generate economic value. This dispersion is likely to persist. From our perspective, this creates opportunities for stock selection across the

value chain - semiconductors, data centre infrastructure, enterprise software and selected industrial applications - while reinforcing the need to avoid areas where business models are more vulnerable to competitive or technological pressure.

We also expect cyclical and value oriented parts of the market to play a more meaningful role in returns than in recent years. Improvements in earnings momentum across banks, industrials and selected commodity linked businesses, coupled with more moderate valuations, give these areas scope to contribute alongside long-duration growth companies. The rotation seen in 2025, although not uniform, provides a useful reminder that leadership in global equity markets is no longer confined to a narrow cohort of companies.

Against this backdrop, the breadth of our investment universe - encompassing multiple underlying strategies across regions, styles and both public and private markets - remains a significant advantage. The diversification across growth, value, income and factor driven approaches allows the portfolio to participate in a widening range of opportunities while limiting reliance on any single theme, region or market style. It also positions us well to capture differentiated drivers of return as the global earnings cycle continues to broaden.

While geopolitical developments and policy shifts will inevitably create periods of volatility, we entered 2026 with a constructive but disciplined outlook. Stronger earnings foundations, more opportunities within global equity markets and a more even distribution of market leadership support a favourable environment for diversified global equity investors. We remain focused on identifying high quality companies across public and private markets with the potential to generate sustainable long term returns and believe that the portfolio is well positioned to benefit from the opportunities ahead.

**Paul Niven**  
**Fund Manager**  
**13 March 2026**

# OUR APPROACH TO RESPONSIBLE INVESTMENT

**AS STEWARDS OF MORE THAN £6 BILLION OF ASSETS, WE BELIEVE INVESTING RESPONSIBLY IS FUNDAMENTAL TO LONG-TERM WEALTH CREATION. IN THIS RESPECT THE COMPANY BENEFITS FROM THE MANAGER'S APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES.**

## OVERVIEW

We believe that good financial outcomes are more likely to be achieved if we fully understand the risks and opportunities that relate to the markets in which we invest. Environmental, Social and Governance ('ESG') factors are critical components of this understanding. As a responsible investor we need to ensure that we, and the companies we invest in, have a robust approach to managing environmental and social risks and opportunities. We also expect good governance practices which we believe positions issuers better to manage risks, identify opportunities and deliver sustainable growth. We have a Manager that integrates material ESG factors into its research, investment and stewardship activities.

Our approach covers our own governance responsibilities on matters such as the composition of the Board, as well as the responsible investment approach of the Manager regarding our portfolio of investments. In setting and reporting on our responsible investment policies, we have considered relevant regulatory guidance including the Companies Act 2006 (the 'Act'), the UK and AIC Corporate Governance Codes and the Task Force on Climate-related Financial Disclosures ('TCFD')<sup>(1)</sup>.

The primary purpose of this report is to provide shareholders with a clear understanding of our approach to responsible investment and how that is integrated into the Manager's investment process. It also outlines how we are implementing our commitment to achieve a net zero carbon emissions portfolio by 2050. We also explain our stewardship in terms of engagement with portfolio companies and our voting practice; how we measure our progress; and how we have performed against those measures. We recognise the importance of disclosing information that is relevant, reliable and, as far as possible, ensuring that it is presented in a consistent way from year to year in order that our progress can be assessed.

## OUR APPROACH

Whilst we are cognisant of the importance of ESG factors, the Company is not an investment trust with specifically targeted ESG or sustainable characteristics. However, as part of its

overall risk management process, the Manager integrates the consideration of financially material ESG factors into its research and investment process and encourages issuers to manage these ESG risks and opportunities better through its engagement and voting activities. Consideration of these factors can help assess future investment risk and unlock potential new investment opportunities.

In 2024 we broadened our approach beyond the primary focus on climate change and agreed four priority themes: Social Media and Responsible AI, Human Rights, Net Zero and Biodiversity. These priority themes have remained in place for 2025 and the case studies at the end of this section demonstrate some of the engagement that the Manager has undertaken on these themes during the year.

The impact of climate change on the value of the Company's investments has been considered and more information is given in the following pages and in note 2(c)(xiii) to the Accounts.

*With respect to the listing of its shares on the New Zealand Stock Exchange, the Company relies on an exemption from the climate-related disclosure requirements imposed under New Zealand law (specifically the requirements of part 7A of the New Zealand Financial Markets Conduct Act 2013). The Company is able to rely on this exemption as a result of its listing on the London Stock Exchange and because the Company does not have a "large presence" in New Zealand.*

## ACTIVE OWNERSHIP

The Manager engages with issuers on ESG factors that could have a material impact on their businesses and, where necessary, encourages improvement in management practices that it believes could help drive financial returns. Use of our voting rights is an important component of our active ownership approach. In the absence of explicit instructions from the Board, our Manager is empowered to exercise discretion in the use of the Company's voting rights, in accordance with its own corporate governance policies.

(1) The TCFD was disbanded in December 2023, after its recommendations were incorporated into the standards of the International Sustainability Standards Board (ISSB). However, companies continue to utilise its climate reporting framework.

## OUR APPROACH TO RESPONSIBLE INVESTMENT (CONTINUED)

The Manager’s active ownership activities are supported by a breadth of policies, including on corporate governance, proxy voting, engagement and investment strategy-specific policies. These support and inform the Manager’s engagement and voting activities on behalf of its clients and are available on its website at [columbiathreadneedle.com](http://columbiathreadneedle.com). The Manager is a signatory of the UK Stewardship Code and its statement of compliance can also be found on its website.

### EXCLUDED INVESTMENTS

Whilst the focus of our Manager’s approach is to incorporate material ESG issues into investment decisions and to engage with issuers on ESG factors that could have a material impact on their businesses, the Board believes that there are some business activities which are incompatible with a responsible approach to investment and where exclusion or divestment are the only options: namely, controversial weapons, tobacco

production and thermal coal. We exclude companies with exposure to these activities which exceed certain revenue thresholds.

### PRIVATE EQUITY

Many aspects of our responsible investment activities and reporting focus on our listed equity investments. However, these issues are equally significant in private markets. Responsible Investment is therefore embedded across our entire private equity investment cycle, including research, investment screening, due diligence, ownership and reporting through to exit. The Manager engages with the underlying private equity managers to understand their current ESG approaches and their plans to develop these in the future. A case study of the responsible investment rationale for a private equity investment, Kee Safety, made in 2025 is included below.

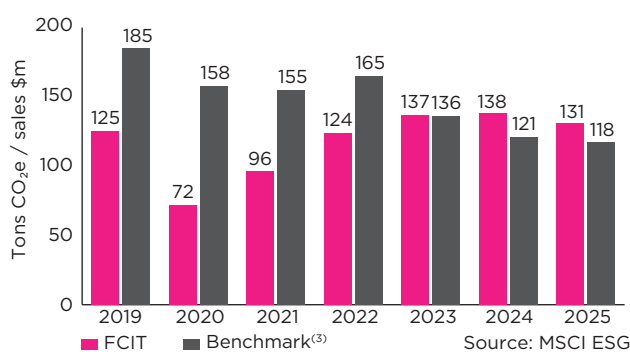
## CLIMATE CHANGE AND OUR NET ZERO COMMITMENT

The Manager recognises the importance of managing climate-related risks and opportunities effectively to protect long-term investment returns. In June 2025, the Manager published its updated Climate Report, detailing how it manages climate-related risks and opportunities, in line with the recommendations of the TCFD.

During 2025, in accordance with regulations set by the Financial Conduct Authority (**‘FCA’**), the Manager also published a TCFD disclosure specific to the Company’s portfolio. This report, which is available on the Company’s website, provides data on the portfolio’s carbon footprint and the largest individual contributors to it by individual issuer and sector, as well as the overall Net Zero alignment of the portfolio. We have included much of this data in this Annual Report.

The Board has stated its commitment to transition the Company’s portfolio to net zero carbon emissions by 2050. Our Manager’s methodology is based on the Net Zero Investment Framework<sup>(2)</sup> (**‘NZIF’**). This is used to implement the transition and to assess investee companies’ performance on a number of criteria relating to how they manage their greenhouse gas emissions and their Net Zero strategy.

**Weighted average carbon intensity<sup>(3)</sup> (Scope 1 + 2) (tCO<sub>2</sub>e/\$m revenue)<sup>(4)</sup>**



### PERFORMANCE IN 2025

As shown in the above chart, the carbon intensity of the portfolio and the benchmark have reduced versus the previous year end. Within the portfolio, the Utilities and Materials sectors were the most significant contributors to carbon intensity, including electric utilities, cement and chemicals firms. During the year, engagements with the sector included meeting with cement firms Holcim and CRH to discuss their emissions strategy. We subsequently

(2) See <https://www.parisalignedassetowners.org/net-zero-investment-framework/> for further details.

(3) See Glossary of terms on page 120.

(4) WACI shows the emissions impact of companies as a proportion of sales. It is calculated by dividing greenhouse gases (‘GHG’) emissions by the revenue generated by companies held. It is reported in GHG per \$m of underlying revenues of holdings in the portfolio. A low score indicates that a fund invests in more carbon-efficient companies.

recorded a milestone as Holcim announced record sales of ECOPact concrete and ECOPlanet cement. This is continued evidence of the company's strategy to expand the relative sales of lower carbon materials, which are also margin accretive. Engagement with French Chemicals firm Air Liquide also allowed us to record three climate-related milestones as the company not only published its climate transition plan in May, but followed up with improved disclosures, and detailed progress against this plan in December.

The Manager's target is for at least 70% of the Company's portfolio emissions to be produced by companies that are either Aligned to the NZIF methodology or under engagement, with engagement aimed at increasing the proportion of portfolio companies that are Committed, Aligning or Aligned. In 2025 this target was achieved, with 78% of portfolio emissions being produced by companies either Aligned or under engagement.

Despite our ongoing engagements, the overall alignment status of the portfolio shifted in 2025, with a larger proportion of the portfolio's carbon footprint now coming from companies with a 'Not Aligned' status. This was driven by portfolio changes made during the year, with a reduction in the holding in Vistra Corp, previously the portfolio's largest emitter and which had a 'Committed' status, together with the purchases of Anhui Conch Cement and Indocement, both significant contributors to the portfolio's carbon footprint and currently rated as 'Not Aligned'. The holding in Marathon Petroleum, another substantial emitter that is rated as Not Aligned, also increased during the year. These changes all increased the proportion of portfolio emissions from 'Not Aligned' issuers and reduced the proportion from 'Committed' issuers.

Our Manager has provided further information on how to interpret climate data<sup>(5)</sup> for investment portfolios.

## OUR NET ZERO APPROACH

As referenced above, our Manager is using the NZIF as a basis for its approach and has published details of how it is implementing this methodology<sup>(6)</sup> for equities and corporate credit. Its methodology has three main components:

- 1. Company level assessment.** Using a range of data sources, our Manager has created a framework to assess companies' performance on a number of criteria relating to their emissions management and strategy. This framework is used to assign an alignment rating:
  - Aligned – meets expectations in all categories
  - Aligning – meets core expectations
  - Committed – has committed to set a Net Zero target
  - Not aligned – does not meet expectations
  - Not assessed – outside model scope
- 2. Net Zero stewardship.** Consistent with client expectations, our Manager engages with companies where they believe climate risk may be financially material, with a focus on heavy greenhouse gas emitters and those with high exposure through their value chain and product mix. The Company aims to have at least 70% of portfolio emissions produced by companies that are either aligned to a Net Zero pathway (i.e. the investee company meets expectations in all relevant categories) or under engagement by the Manager.
- 3. Portfolio-level financed emissions intensity target setting.** As well as issuer-level analysis, our Manager also aims to compare portfolio-level financed emissions intensity with a Net Zero aligned benchmark trajectory. Portfolio-level data is seen as an accountability tool, to monitor how well investment and stewardship activities are working in achieving actual reductions in emissions.

(5) <https://www.columbiathreadneedle.com/en/gb/intermediary/insights/esg-viewpoint-interpreting-climate-data-for-investment-portfolios/>

(6) <https://docs.columbiathreadneedle.com/documents/Net Zero Investing - Columbia Threadneedle Investments Approach.pdf?inline=true>

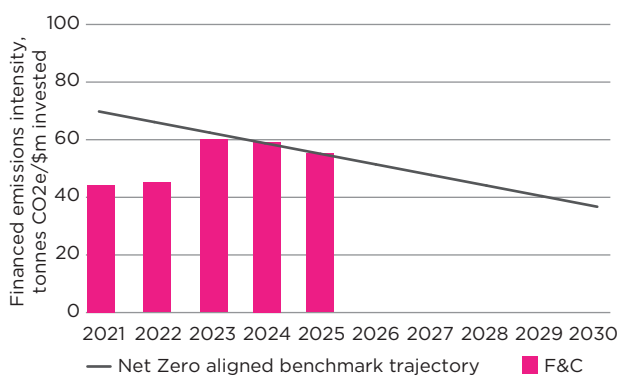
## OUR APPROACH TO RESPONSIBLE INVESTMENT (CONTINUED)

The following charts show the Company's progress on company-level alignment and financed emissions intensity.

### Alignment status of portfolio companies: percentage of carbon footprint (scope 1 & 2)<sup>(7)</sup>



### Financed emissions intensity<sup>(8)</sup>



Note: the 2023 figure has been restated. As a result of an error in the calculation, the 2023 figure was previously understated as 40 tonnes CO2/\$m invested.

Source: Columbia Threadneedle Investments & Refinitiv Eikon

The grey line in the chart above represents a Net Zero aligned benchmark trajectory. It is based on taking the financed emissions intensity of the FTSE All-World Index, which is the market benchmark for the Company, as at the end of 2019 and reducing this by 50% by 2030. The bars represent financed emissions intensity for the Company, showing data as at the end of the last five financial years.

Our aim is to keep financed emissions within the Net Zero trajectory for the benchmark and, over the longer term, we strive to outperform this target. Having said that, we may choose to retain our investments in certain higher-emissions companies and sectors that we believe will deliver a good investment return if we feel those companies are strongly aligned to Net Zero or that our engagement is making good progress. Actively engaging with companies in the highest greenhouse gas and carbon emitting industries to drive change to greener practices is a key element of our Manager's approach. We engage with companies that we believe are not yet addressing material climate risks adequately. We are focusing currently on companies which are not yet aligned and are high contributors to portfolio emissions.

If companies fail to respond and continue to fall short of our minimum expectations, we may consider divesting our holding. This approach applies to our listed equity holdings.

Different considerations apply to private equity, where data is not available in the same way and Net Zero methodologies are more nascent.

(7) Sum of the GHG emissions of each portfolio company, weighted by the proportion of each company that the portfolio holds

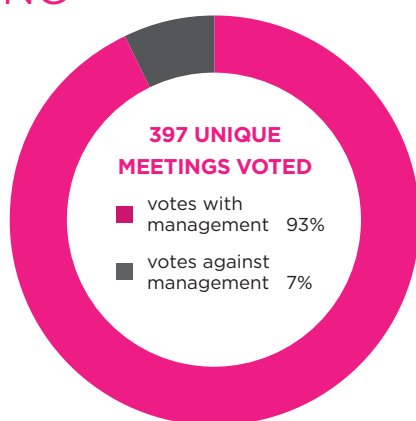
(8) Shows the financed emissions of the Company in relation to the amount invested. We calculate the total emissions of the companies held using the same method as for total emissions calculation (shown above). We then express this as a proportion of each \$m invested in the portfolio.

## CLIMATE CHANGE AND PRIVATE EQUITY

Disclosure, strategies and targets continue to improve within the private equity asset class, as evidenced in the annual survey of General Partners ('GPs') carried out by Columbia Threadneedle Investments. It found that there has been a notable rise in GPs tracking emissions, with 82% tracking some or all their portfolio, up from 74% in 2024<sup>(9)</sup>. Of this total of 82%, 73% also report their emissions, compared with 67% in 2024, a marked improvement.

The number of GPs with a Net Zero target in place increased from 23% in 2024 to 27% in 2025, with a further 4% expected to implement a target in the next 12 months. Most of the GPs use the Science Based Targets Initiative ('SBTi'), the Net Zero Asset Managers initiative ('NZAM') or TCFD in order to assess Net Zero.

## VOTING



Exercising the right to vote is a key part of our stewardship responsibilities. It is an impactful tool for driving improvement in company practices and market standards, as well as for re-enforcing the objectives set in engagement. The Manager applies its voting policy to all listed portfolio holdings. During 2025, it voted against management on 7% of proposals. This compared to 8% in 2024 and 13% in 2022. This slight reduction relative to the previous year was driven by fewer votes against management relating to compensation but was partially offset by an increase in votes against management on environmental and social issues via shareholder proposals.

The highest number of votes against management related to director elections and other director related issues. Votes against management on director elections were commonly related to board structure, particularly on independence but also on diversity and tenure. Boards should have a diverse representation of skills, background, and expertise that can manifest in a variety of ways. Non-executives should be primarily independent of the company, although we recognise that, in certain cases, connected non-executives have a valuable role to play.

(9) Data presented is based on prior years' reporting

The Manager did not support 8% (2024: 14%) of all management resolutions relating to compensation, often due either to concerns around the incentive reward disclosure or a misalignment between pay and long-term performance. Levels of compensation and other incentives should be designed to promote sustainable, long-term shareholder value creation and reflect the executives' work and contribution to the company. Given the consistent upward trend in total compensation, benchmarks should be carefully used and robustly justified. Where we have ongoing concerns regarding remuneration decisions, the Manager may also vote against a remuneration committee chair.

The Manager voted against management on 38% (2024: 9%) of shareholder proposals on environmental issues, and against management on 36% (2024: 38%) of shareholder proposals on social issues. These significant changes, particularly on environmental resolutions, reflected a change to our Manager's voting policy. In 2025 it took a split approach to voting certain shareholder resolutions, allowing for different votes to be cast dependent on client preferences. This resulted in it taking a more supportive stance for clients which, like the Company, have stronger ESG principles, including its Net Zero commitment. These environmental votes typically related to improving disclosures or setting emissions targets, while votes against management on social issues often requested company or independent reporting on human rights, forced labour or diversity.

Each year the Manager's proxy voting and corporate governance analysts lead a review of its voting policy, with a view to updating, where necessary, the principles that form the basis of the Manager's approach.

## OUR APPROACH TO RESPONSIBLE INVESTMENT (CONTINUED)

### ENGAGEMENT

During 2025, the Manager engaged with 150 listed companies in the Company's portfolio (2024: 139) on issues that could have a material impact on their businesses and, where necessary, to encourage improvement in management practices that it believes could help drive financial returns for clients. In 2025, the Manager continued to integrate engagement activities carried out by its sustainable research analysts with its fundamental investment research process. This integration ensures a focus on the most material sustainability topics and a greater support for investment decision making.

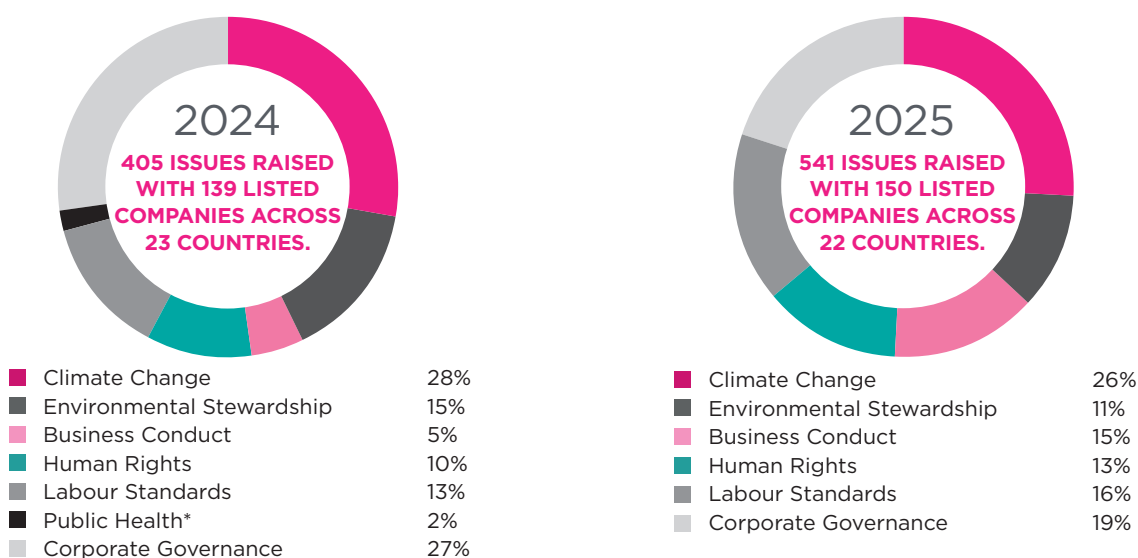
Consistent with the Company's Net Zero commitment, climate change was the leading topic for engagement in 2025, accounting for 26% of issues raised with companies. Our Manager continued to engage with companies on their Net Zero strategy as well as energy transition. This included discussions with automakers including Toyota, General Motors and Mercedes-Benz about their transition to electric vehicles, with materials companies including CRH and Holcim assessing the impact of new EU emissions regulations, and with utilities such as SSE and E.ON regarding their plans for development of renewable energy generation.

Corporate governance continued to be a key topic for engagement, accounting for 19% of issues raised with companies (2024: 27%). Well-governed companies are better positioned to manage risks, identify opportunities and deliver

sustainable growth and returns. Within this theme, board effectiveness and remuneration were the most common topics discussed.

On biodiversity (which falls under Environmental Stewardship), an example of our engagement was multiple discussions during 2025 with US agricultural supplier Deere & Co, discussing precision agriculture technology. Innovations in this area can reduce overapplication of chemicals. By targeting only weeds rather than broadcasting herbicides across entire fields, the technology helps farmers reduce costs, minimize environmental impact, and decrease potential chemical runoff into waterways. The Manager will continue to monitor the adoption and environmental impact of this technology, which represents a significant opportunity for Deere.

Social Media and Responsible AI (which, typically, fall under Business Conduct and Human Rights respectively) remain priority themes for the Company, and engagements were made during the year with major technology companies including Microsoft, Alphabet and Meta, discussing the social and ethical issues surrounding their development of AI. The Manager also conducted engagements addressing the potential positive impacts of AI in the healthcare sector with US pharmaceutical firms Pfizer and Merck & Co, as well as Japanese medical imaging provider Hoya. A case study of the Manager's engagement with Microsoft on these issues is included below.



\* Following a review of the high-level themes used to structure Columbia Threadneedle's research and engagement program, Public Health was retired as an engagement theme from 1 January 2025. Engagement on all relevant topics are now captured within other core themes.

## ENGAGEMENT CASE STUDIES provided by our Manager

### MICROSOFT

(3.2% OF THE COMPANY'S PORTFOLIO)

**THEMES: HUMAN RIGHTS, RESPONSIBLE AI**

**SUBTHEMES: COMMUNITY RELATIONS**

#### Background

We engaged with Microsoft on its strategic approach to AI in healthcare. Microsoft is addressing two critical priorities in the healthcare AI landscape: implementing robust AI governance and advancing healthcare innovation through its commercial cloud platform. On the AI governance front, it maintains comprehensive oversight frameworks for sensitive technologies, with accountability at the executive level under President Brad Smith. For example, its responsible AI approach was recently validated when an independent third-party human rights expert confirmed Microsoft's internal investigation finding no evidence of its cloud offerings being used in Gaza surveillance operations. Simultaneously, Microsoft is tackling the healthcare knowledge explosion challenge by positioning its commercial cloud platform with specialised AI solutions to improve workflow efficiency and clinical decision support.

#### Action

Our engagement focused on Microsoft's approach to AI governance and healthcare innovation. The company maintains strict controls over AI deployment, particularly in sensitive contexts, with mandatory impact assessments and enhanced scrutiny for sensitive use

cases. In healthcare specifically, it is enhancing its cloud platform with specialised solutions, notably through the Dragon acquisition for ambient clinical documentation. This technology directly addresses frontline healthcare worker productivity challenges by automating clinical note-taking and evidence summarisation, allowing providers to spend more time with patients. Microsoft's differentiated approach combines broad cloud capabilities with industry-specific solutions. The company remains committed to responsible AI deployment while addressing both clinical outcomes and sustainability goals.

#### Verdict

Microsoft balances healthcare AI innovation with responsible governance. Its investments in ambient clinical intelligence and workflow automation align with our view that AI will increasingly support healthcare, potentially improving diagnostics and reducing administrative burdens. The company's proactive governance frameworks and transparent handling of sensitive issues indicate effective management of both opportunities and risks in AI deployment. Microsoft's approach integrates validated AI into existing healthcare workflows while ensuring regulatory compliance and measurable outcomes.

## OUR APPROACH TO RESPONSIBLE INVESTMENT (CONTINUED)

### ENGAGEMENT CASE STUDIES (CONTINUED)

provided by our Manager

#### **TAIWAN SEMICONDUCTOR ('TSMC') (1.2% OF THE COMPANY'S PORTFOLIO)**

**THEMES: CLIMATE CHANGE, ENVIRONMENTAL STEWARDSHIP**

**SUBTHEMES: RESILIENCE AND ADAPTATION, ENVIRONMENTAL SUPPLY CHAIN MANAGEMENT, NATURAL RESOURCES - BIODIVERSITY, NATURAL RESOURCES - WATER, POLLUTION IMPACTS AND SUSTAINABLE WASTE MANAGEMENT**

#### **Background**

TSMC is the largest independent semiconductor foundry and the second most valuable semiconductor company in the world. Semiconductor production is water intensive and TSMC used up 104 million tons of water in 2022 while Taiwan faced droughts in both 2021 and 2023. To address this, the company has set ambitious targets for water recycling within Taiwan and at facilities abroad. Our sustainability research team engaged with management at TSMC in May 2025 to discuss their water recycling and sustainability initiatives.

#### **Action**

We discussed the company's water recycling and how it plans to address water stewardship challenges. TSMC has achieved a 90% water recycling rate by reusing water in both manufacturing and non-manufacturing processes. The company operates reclaimed water plants and plans to expand these facilities to more locations. In Arizona, TSMC has set targets to be "water positive" and carbon neutral, believing they can exceed its results in Taiwan. By 2030, the company is targeting 60% reclaimed water replacement in Taiwan through

conservation and alternative sources. For climate goals, TSMC has committed to 60% renewable energy by 2030 and 100% by 2040, with their first offshore wind project launching in 2026. It collaborated with suppliers on sustainability initiatives and currently represents 8% of Taiwan's electricity usage while accounting for over half the country's green energy purchases.

#### **Verdict**

Despite the company's impressive percentage of recycled water, volumes from municipal water sources are still increasing on both an absolute and per wafer basis. TSMC expect efficiency to continue improving, though usage may increase as they expand production, potentially increasing water stress. Following our engagement, we continued to monitor the company's water stewardship and recorded a milestone in September 2025 as TSMC successfully achieved a water pollution composite indicator reduction rate of 63% vs its 60% target. The company also achieved a 17% replacement of water resources with reclaimed water. This is positive, however further action is needed to achieve the 2030 water risk linked targets.

**CHEVRON****(0.4% OF THE COMPANY'S PORTFOLIO)****THEMES: CLIMATE CHANGE, HUMAN RIGHTS, CORPORATE GOVERNANCE****SUBTHEMES: NET ZERO STRATEGY, DISCLOSURE AND TRANSPARENCY, CAPITAL STRUCTURE AND SHAREHOLDER RIGHTS****Background**

Chevron is one of the world's largest integrated energy companies, operating across the entire oil and gas value chain from exploration and production to refining and retail distribution. The company faced three significant shareholder proposals concerning human rights, anti-Net Zero Emissions ('NZE') scenario planning and special meeting threshold requirements. The company's approach to these proposals reflected broader challenges in balancing traditional energy operations with evolving environmental and social expectations. The human rights proposal highlighted the need for enhanced oversight and disclosure, while the anti-NZE scenario proposal demonstrated ongoing tensions between climate commitments and operational strategy. The governance proposal regarding the special meeting threshold represented continuing shareholder interest in strengthening accountability mechanisms.

**Action**

We engaged with management to discuss these proposals, examining each systematically. Regarding human rights, the company demonstrated that it has codified board oversight and implemented a strong human rights policy, integrated into its Enterprise Risk Management process. On the anti-NZE scenario

proposal, our analysis indicated that the proponent misunderstood the company's use of scenario planning in its strategy development. The company's 15% special meeting threshold was found to be aligned with, or better than strategic peers. Management also addressed compensation matters, explaining increased perquisites due to executive security needs, particularly following specific incidents such as protests at its Oakland facility in January 2024. The company maintained strong pay-versus-performance ratio metrics.

**Verdict**

The engagement revealed Chevron's methodical approach to addressing shareholder concerns through enhanced governance frameworks and operational oversight. Its human rights policy integration and board-level oversight demonstrate commitment to systematic risk management. While some shareholders may desire more aggressive climate action, the company's approach to scenario planning appears well-reasoned within its operational context. The strong pay-performance alignment and justified security-related compensation adjustments indicate appropriate board oversight of executive compensation. Consequently we voted with management.

## OUR APPROACH TO RESPONSIBLE INVESTMENT (CONTINUED)

# PRIVATE EQUITY RESPONSIBLE INVESTMENT CASE STUDY

### AN EXAMPLE OF HOW OUR RESPONSIBLE INVESTMENT PROCESS SUPPORTS INVESTMENT OPPORTUNITIES

#### KEE SAFETY

##### Background

Kee Safety is a global leader in intelligent safety solutions, supplying innovative components and bespoke systems for railings, barriers, roof edge protection, fall prevention and safe access across construction, manufacturing, energy, transport and facilities management. Founded in 1934, the company now operates 65 sites in 16 countries and employs over 1,200 people, serving customers worldwide with design and installation, hazard assessment surveys, specialist safety training and inspection, testing and recertification service.

##### Responsible Investment

In terms of ESG impact, Kee Safety is dedicated to creating safer working environments and reducing both fatal and non-fatal injuries, particularly for industrial workers routinely exposed to hazardous conditions. Falls from height remain one of the most serious risks, accounting for 25–30% of workplace fatalities in the UK and ranking as the second leading cause in the United States. Research indicates that effective fall protection systems can cut these risks by up to 70–80%, underscoring the critical importance of robust safety solutions. Kee Safety sets industry benchmarks, contributes to international safety standards and continually innovates to make working at height even safer - helping protect lives worldwide. Examples of projects undertaken by the company include:

- **Dubai Airport:** Installed 547m of Kee Line horizontal lifeline systems, providing workers with safe freedom of movement while ensuring fall restraint across rooftops
- **University of Southern California:** Designed CAL/OSHA-compliant<sup>(1)</sup> Kee Guard systems, transforming unsafe roof maintenance areas
- **Houston Zoo:** Deployed Kee Anchor and custom platforms with on-site safety training, eliminating temporary ladders and aligning with OSHA standards.

Our investment rationale was built around:

- **Global leader in a growing market:** £11bn market growing at 6% annually, supported by rising regulatory requirements and clear cost-efficiency benefits.
- **Distinctive, vertically integrated model:** Efficient supply chain and customer-facing brands drive double-digit revenue growth and strong EBITDA<sup>(2)</sup> margins.
- **Proven M&A execution:** Over 50 acquisitions completed and a significant pipeline of opportunities.
- **PE-experienced management team:** Highly incentivised leadership with a strong track record of outperformance under private equity ownership.
- **Compelling valuation for scale:** Leading industrial asset of scale and strong alignment with management who are re-investing in the company.

The Manager invested in the company in July 2025.

(1) CAL/OSHA-complaint: Meets California's occupational safety and health standards for protecting workers from workplace hazards.

(2) Earnings Before Interest, Taxes, Depreciation, and Amortization. A financial metric used to evaluate a company's operational profitability and cash-generating power by removing non-operating expenses and non-cash accounting items.

# TWENTY LARGEST LISTED EQUITY HOLDINGS

## 1. NVIDIA (1)

US listed designer and manufacturer of graphic processing units.

**5.14% TOTAL INVESTMENTS**  
**£342.6M VALUE**

## 6. MASTERCARD (7)

US listed financial services company providing financial transaction processing services worldwide as well as offering credit and debit cards and internet payment systems.

**1.27% TOTAL INVESTMENTS**  
**£84.7M VALUE**

## 2. MICROSOFT (2)

US listed technology company focused on software products and cloud computing. The company also designs and sells hardware devices.

**3.19% TOTAL INVESTMENTS**  
**£212.3M VALUE**

## 7. BROADCOM (9)

US designer and supplier of semiconductor and infrastructure software solutions.

**1.21% TOTAL INVESTMENTS**  
**£80.6M VALUE**

## 3. ALPHABET (4)

US listed parent company of Google. Google's primary business is focused on internet related services and products, including its internet search engine and its Android smartphone operating system.

**2.24% TOTAL INVESTMENTS**  
**£161.4M VALUE**

## 8. TAIWAN SEMICONDUCTOR MANUFACTURING (TSMC) (8)

Taiwanese listed manufacturer and designer of semiconductors.

**1.21% TOTAL INVESTMENTS**  
**£80.5M VALUE**

## 4. APPLE (3)

US listed technology company predominantly involved in design, development and sale of consumer electronics and software worldwide.

**2.40% TOTAL INVESTMENTS**  
**£160.0M VALUE**

## 9. META PLATFORMS (6)

US listed operator of social media sites and social networking services.

**1.00% TOTAL INVESTMENTS**  
**£66.9M VALUE**

## 5. AMAZON.COM (5)

US listed e-commerce and cloud computing company. Largest listed internet retailer in the world based on market capitalisation.

**1.31% TOTAL INVESTMENTS**  
**£87.6M VALUE**

## 10. BOOKING HOLDINGS (10)

US listed platform for travel and accommodation reservations, rental cars, airline tickets and vacation packages.

**0.86% TOTAL INVESTMENTS**  
**£57.3M VALUE**

## TWENTY LARGEST LISTED EQUITY HOLDINGS (CONTINUED)

<p><b>11. BANK OF AMERICA (16)</b> US listed multinational investment bank and financial services holding company. One of the world's largest financial institutions.</p> <p><b>0.79% TOTAL INVESTMENTS</b> <b>£52.4M VALUE</b></p>	<p><b>16. NOVARTIS (62)</b> Swiss listed pharmaceutical company engaged in the research, development and manufacture of healthcare products.</p> <p><b>0.64% TOTAL INVESTMENTS</b> <b>£42.6M VALUE</b></p>
<p><b>12. SAFRAN (-)</b> French listed aerospace and defence company specialising in aircraft engines and equipment.</p> <p><b>0.76% TOTAL INVESTMENTS</b> <b>£50.7M VALUE</b></p>	<p><b>17. MORGAN STANLEY (14)</b> US listed bank providing diversified financial services spanning investment banking, wealth management and investment management.</p> <p><b>0.64% TOTAL INVESTMENTS</b> <b>£42.4M VALUE</b></p>
<p><b>13. APPLIED MATERIALS (150)</b> US listed company providing equipment and services to the semiconductor industry.</p> <p><b>0.75% TOTAL INVESTMENTS</b> <b>£50.1M VALUE</b></p>	<p><b>18. WALMART (290)</b> US listed retail corporation operating supermarkets, discount stores and e-commerce platforms worldwide.</p> <p><b>0.63% TOTAL INVESTMENTS</b> <b>£42.1M VALUE</b></p>
<p><b>14. TESLA (17)</b> US listed automotive and clean energy company. Designs and manufactures electric vehicles, battery energy storage, solar panels and solar roof tiles.</p> <p><b>0.74% TOTAL INVESTMENTS</b> <b>£49.0M VALUE</b></p>	<p><b>19. QUALCOMM (42)</b> US listed semiconductor company providing chips and technology for mobile and wireless communications.</p> <p><b>0.63% TOTAL INVESTMENTS</b> <b>£41.7M VALUE</b></p>
<p><b>15. GOLDMAN SACHS (33)</b> US listed bank providing financial services across investment banking, global markets and asset and wealth management.</p> <p><b>0.67% TOTAL INVESTMENTS</b> <b>£44.9M VALUE</b></p>	<p><b>20. SAP (59)</b> German listed software company specialising in enterprise business applications.</p> <p><b>0.60% TOTAL INVESTMENTS</b> <b>£40.2M VALUE</b></p>

The value of the twenty largest listed equity holdings represents 26.86% (2024: 26.85%) of the Company's total investments.

The figures in brackets denote the position within the portfolio at the previous year end.

There were no convertible securities in the total portfolio at 31 December 2025 (2024: nil). There were no fixed interest gilts included in the investments as at 31 December 2025 (2024: nil).

These are the largest listed equity holdings excluding collective investment schemes. If the whole portfolio was considered then PE Investment Holdings 2018 LP (£273.8m), Pantheon Access SICAV (£204.4m) and Inflexion Strategic Partners (£76.0m) would have been included in the list.

The Company's full list of investments is just under 400 and is published monthly on the website at [fandc.com](https://www.fandc.com).

# TEN YEAR RECORD (UNAUDITED)

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

Assets at 31 December											
£m	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total assets less current liabilities (excl loans)	3,001	3,461	3,960	3,817	4,545	4,919	5,831	5,232	5,615	6,258	6,752
Loans and debentures	299	248	292	325	436	407	550	582	581	579	581
Available for ordinary shares	2,702	3,213	3,668	3,492	4,109	4,512	5,281	4,650	5,034	5,679	6,171
Number of ordinary shares (million) <sup>(1)</sup>	559	547	542	542	543	537	527	518	510	483	474

Net Asset Value (NAV) at 31 December											
pence	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
NAV per share - with debt at par <sup>(3)</sup>	483.4	587.9	676.5	643.9	757.3	840.7	1002.5	896.9	987.6	1,176.8	1,300.6
NAV per share - with debt at market value <sup>(3)</sup>	483.4	587.2	675.8	642.9	753.9	831.8	998.7	932.1	1,022.1	1,219.6	1,343.4
NAV total return % - 5 years <sup>(2)</sup>											73.1
NAV total return % - 10 years <sup>(2)</sup>											223.9

Share price at 31 December											
pence	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Middle market price per share	449.2	544.0	647.0	633.0	765.0	787.0	926.0	904.0	962.0	1,108.0	1,252.0
(Discount)/premium to NAV with debt at market value % <sup>(3)</sup>	(7.0)	(7.4)	(4.3)	(1.5)	1.5	(5.4)	(7.3)	(3.0)	(5.9)	(9.2)	(6.8)
Share price High	465.0	544.0	649.0	741.0	778.0	807.0	941.0	946.0	992.0	1,144.0	1,252.0
Share price Low	401.6	391.2	542.0	612.0	636.0	478.0	750.0	770.0	830.0	931.0	962.0
Share price total return % - 5 years <sup>(2)</sup>											71.5
Share price total return % - 10 years <sup>(2)</sup>											228.3

## TEN YEAR RECORD (UNAUDITED) (CONTINUED)

Revenue for the year ended 31 December											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Available for ordinary shareholders - £'000s	47,262	58,393	63,486	69,438	70,937	52,480	58,500	72,595	81,660	84,557	86,206
Net revenue return per share - pence	8.42	10.57	11.67	12.81	13.06	9.71	10.99	13.92	15.83	17.01	17.97
Dividends per share - pence	9.60	9.85	10.40	11.00	11.60	12.10	12.80	13.50	14.70	15.60	16.60

Cost of running the Company											
%	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expressed as a percentage of average net assets:											
Total Expense Ratio <sup>(3)</sup>	0.53	0.53	0.52	0.56	0.53	0.51	0.47	0.48	0.45	0.43	0.42
Ongoing Charges <sup>(3)</sup>	0.80	0.79	0.79	0.65	0.63	0.59	0.54	0.54	0.49	0.45	0.45

Gearing <sup>(3)</sup> at 31 December											
%	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net gearing	8.6	6.9	7.2	6.6	9.9	8.0	9.4	7.3	9.9	8.6	8.0

(1) Shares entitled to dividends.

(2) Source: Morningstar UK Limited.

(3) See Alternative Performance Measures on page 117 for explanation.

# BUSINESS REVIEW

## PURPOSE, VALUES AND INVESTMENT OBJECTIVE

Our purpose is essentially unchanged since inception in 1868; to provide the investor of relatively moderate means access to the same opportunities and advantages as the very largest investors and to diminish risk by investing broadly. We invest in global equities, both listed and private, and continue to provide a diversified, convenient and cost-effective global investment choice to meet the longer-term investment needs of large and small investors. Our values centre around integrity, innovation, adaptation and diversification and are integral to and inherent in our long-term strategy. More recently, we have incorporated a commitment to transitioning the portfolio to net zero carbon emissions by 2050.

Our investment objective is to secure long-term growth in capital and income for our shareholders. Our investment strategy is therefore designed to produce outperformance and rises in dividends in excess of inflation over the longer-term. We do this by investing mainly in public and private equity markets, using borrowings to enhance returns and by managing costs carefully. Our investments are held in a number of portfolios that are individually concentrated but are managed as a whole to provide global diversification, lower volatility and lower risk. In an ever changing environment in which there is a greater need for individuals to take control of their future financial wellbeing, our wider business strategy aims to position us as a core investment choice through all available channels.

## COMPANY STATUS

The Company is a public limited company and an investment company as defined by section 833 of the Act. The Company is registered in England and Wales with company registration number 12901 and is subject to the Financial Conduct Authority (**'FCA'**) UK Listing Rules, Disclosure Guidance and Transparency Rules (**'DTRs'**) and other applicable legislation and regulations including company law, financial reporting standards, taxation law and its own Articles of Association. As set out below and in note 7 to the Accounts, the Company is exempt from UK Corporation Tax on its worldwide dividend income and from UK Corporation Tax on any capital gains arising from the portfolio of investments, provided that it complies at all times with Section 1158 of the Corporation Tax Act 2010. Dividends received from investee companies domiciled

outside the UK are subject to taxation in those countries in accordance with relevant double taxation treaties.

## BUSINESS MODEL

As an investment trust company with no employees, we believe that the best way to achieve our objective is to have an effective and strong working relationship with our appointed manager, Columbia Threadneedle Investment Business Limited (**'Columbia Threadneedle Investments'** or the **'Manager'**). Within policies set and overseen by the Board, our Manager has been given overall responsibility for the management of the Company's assets, including asset allocation, gearing, stock and sector selection as well as risk management. The Manager has the flexibility to use other fund managers by delegating the management of some investment portfolios externally. These currently include a proportion of the North American and emerging markets listed equity portfolios and Private Equity holdings. Engagement on responsible investment matters is undertaken through a global team within Columbia Threadneedle Investments composed of staff in Columbia Threadneedle Management Limited, Columbia Management Investment Advisers LLC and Threadneedle Asset Management Limited, as affiliates acting on behalf of the Manager. The Board remains responsible for the matters listed on pages 57 to 60.

To provide a breadth of sources of return, the individual investment portfolios are managed on a global or regional basis. While we invest primarily in listed equities, we retain complete investment flexibility to invest in other types of securities or assets depending on the return prospects and in consideration of the implications for the broader portfolio. Furthermore, as a closed-end, listed investment trust company we are not constrained by asset sales to meet redemptions. Our share capital structure gives us the flexibility to take a longer-term view and remain invested, while taking advantage of illiquidity throughout normal and volatile market conditions. Having the ability to borrow to invest gives us a significant advantage over a number of other investment fund structures. These features combine to form a resilient and adaptable business model that has helped us to weather the impact of many a world crisis.

## BUSINESS REVIEW (CONTINUED)

### ALIGNMENT OF VALUES AND CULTURE

In addition to strong investment performance from our Manager, we expect it to adhere to the highest standards of responsible investment, transparency, corporate governance and business ethics and that its values and culture align with our own. As a founder signatory to the United Nations Principles for Responsible Investment ('UNPRI'), Columbia Threadneedle Investments is committed to incorporating sustainability issues into its investment approach. The Board considered the Manager's culture and shared values as part of the annual evaluation of its performance and in determining whether its reappointment is in the interests of shareholders.

### RESPONSIBLE INVESTMENT IMPACT

Our environmental, social and governance principles are key elements of our responsible investment approach and are central to our objective to deliver sustainable investment performance over the long-term. We continue to review and challenge our approach to responsible investment, recognising our globally diversified strategy. As we continue to evolve our approach, our responsible investment principles will remain at the core of our strategy.

The direct impact of the Company's activities is minimal as it has no employees, premises, physical assets or operations, either as a producer or a provider of goods or services and it does not have customers in the traditional sense. It is therefore exempt from reporting on its energy and carbon emissions under the Streamlined Energy and Carbon Reporting requirements. However, we provide information on the emissions of our portfolio companies in Our Approach to Responsible Investment which begins on page 19.

### MANAGER EVALUATION AND ALIGNMENT OF SHAREHOLDER INTERESTS

An important responsibility of our wholly independent Board of non-executive Directors is the robust annual evaluation of the Manager's performance and its capabilities and resources, given that investment performance and responsible investment are fundamental to delivering sustainable long-term growth in capital and income for our shareholders. As part of the evaluation, the Board reviews the Manager's approach to the FCA's Consumer Duty<sup>(1)</sup>, which sets high standards of consumer protection across financial services and requires firms to put their

customers' needs first. This includes a review of the Manager's "Assessment of Value" for the Company that is submitted to the FCA. Our evaluation is an essential element of strong governance and mitigation of risk, as outlined under the Principal and Emerging Risks identified on page 43. The process for the evaluation of our Manager for the year under review and the basis on which the reappointment decision was made are set out on page 61. The management fee is based on the Company's market capitalisation, thus aligning the Manager's interests with those of our shareholders through share price performance. Details of the management fee arrangements are set out in the Report of the Management Engagement Committee.

### MANAGING RISKS AND OPPORTUNITIES

We seek to make effective use of our corporate structure and the investment opportunities that lead to long-term growth in capital and income for our shareholders. These opportunities do not come without risks and therefore the performance of our Manager is monitored at each Board meeting on a number of levels. In addition to managing the investments, the ancillary functions of administration, company secretarial, accounting and marketing services are all carried out by the Manager. It reports on the Company's investment portfolios; the wider portfolio structure; risks; compliance with borrowing covenants; income, dividend and expense forecasts; errors; internal control procedures; marketing; shareholder and other stakeholder issues, including the Company's share price discount or premium to NAV; and accounting and regulatory updates. The performance of each individual investment portfolio is reviewed through a series of presentations given by each specialist investment management team throughout the year.

Shareholders can assess the Company's financial performance from the Key Performance Indicators that are set out on pages 41 and 42. On pages 44 to 47 are set out what the Directors consider to be the principal and emerging risks that the Company faces. In addition to monitoring our Manager's performance, commitment, available resources and its systems and controls, the Directors also review the services provided by other principal third-party suppliers. These include the Custodian and Depositary in the safeguarding of the Company's assets.

(1) See Glossary of Terms on page 120.

The principal policies that support our investment and business strategy are set out opposite, whilst the Fund Manager's review of activity in the year can be found on pages 9 to 18. In light of the Company's strategy, investment processes and control environment (relating to both the oversight of its service providers and the effectiveness of the risk mitigation activities), we have set out in our long-term viability statement on pages 47 and 48 our reasonable expectation that the Company will continue in operation for at least the next ten years.

#### **FUND MANAGER AND MANAGEMENT OF THE ASSETS**

As Fund Manager on behalf of our Manager, Paul Niven is responsible for developing and implementing the investment strategy with the Board and for the day to day management of the total portfolio, covering the entire range of individual investment portfolio strategies. His role covers tactical decisions over the allocation of assets between the different investment portfolios as well as determining the level and timing of gearing within the range prescribed by the Board. He has responsibility for overall portfolio composition but delegates stock selection decisions to the underlying specialist in-house and third-party portfolio management teams, who are responsible and accountable to him and ultimately to the Board for their investment performance.

#### **MARKETING**

Reflecting changes in the investor market in recent years, an increasing proportion of the Company's shareholders hold their investments via third-party platforms, as well as through the Columbia Threadneedle Savings Plans, which are a cost effective and flexible way to invest. Recognising the changes in how our key target market is choosing to invest, as well as the benefits of the Company continuing to maintain and grow a well-diversified underlying shareholder base, a key focus of our marketing activities is to maintain, and ideally increase, the proportion of shares held via third-party platforms and the Columbia Threadneedle Savings Plans. This has been on an upward trend in recent years, although there was a slight fall in 2025, as shown in the Key Performance Indicators on page 42. In 2022 we launched new branding for the Company and we have supported it with a marketing campaign aimed at increasing awareness of the benefits of investing in the Company and attracting new investors, which will continue throughout 2026. Having established the new branding, we reduced our spending in 2025 as we focused on those areas which research has shown are the most effective in terms of retaining and attracting investors.

## **PRINCIPAL POLICIES**

The Board has responsibility for the Company's following principal policies, which support its investment objective of securing long-term growth in capital and income for our shareholders.

#### **INVESTMENT**

Our publicly stated investment objective and policies are designed to help shareholders, prospective investors and stakeholders understand the scope of our investment remit and the constraints imposed under it. Any material changes to the stated objective or policies can only be made with shareholder approval. No changes are necessary at present as a result of the commitment to transition our investments to net zero carbon emissions by 2050.

Our remit is global. Risk diversification is achieved through geographic asset allocation and industry sector and stock selection across a wide range of markets. Within the general policy of maintaining a diversified portfolio, there are no specific geographic or industry sector exposure limits for the publicly listed equities. A limit of 5% of the value of the total portfolio, excluding private equity investments, has been placed on unlisted securities at the time of acquisition. Any unlisted investment requires specific Board approval, with the exception of new private equity investments, responsibility for which has been delegated to our Manager. Shareholder approval would be sought in the event that it is considered that the long-term exposure to Private Equity investments could exceed 20% of the value of the total portfolio.

Under the Company's Articles of Association, with limited exceptions, no single investment may be made which exceeds 10% of the value of the total portfolio at the time of acquisition. In addition, the Fund Manager may not, without the prior approval of the Board, invest in any stock which, at the time of purchase, would account for more than 7% of the total assets of the Company. Under the UK Listing Rules, no more than 10% of the total assets may be invested in other listed closed-end investment companies, unless such investment companies have themselves published investment policies to invest no more than 15% of their total assets in other closed-end investment companies, in which case the limit is 15%. A limit of 5% of the value of the total portfolio has been placed on investment funds managed by the Manager at the time of acquisition and any such investment requires specific Board approval.

## BUSINESS REVIEW (CONTINUED)

The Company will typically remain fully invested in equities but is not prohibited from investing in other types of securities or assets. Derivatives may be used for the purposes of income enhancement and efficient portfolio management, covering tactical asset allocation and risk mitigation, including protection against currency risks within strict limits. Government bond instruments, such as UK Gilts and US Treasuries, may be used as an alternative to holding cash.

Due diligence with regard to the investment policies is carried out at each Board meeting, with regular, comprehensive reporting from the Fund Manager. Confirmation of adherence to the investment restrictions set by the Board is required, and given, at each meeting. The Fund Manager's Review on pages 9 to 18 provides an overview of the outcome from the application of the investment policies during the course of the year.

### **BORROWINGS**

Using our closed-end investment company structure, we have a long record of successfully using borrowings (or "gearing") to enhance shareholder returns. Our policy is to borrow in sterling or foreign currency over short, medium or long-term periods. Our Fund Manager has discretion to be invested within the range of 90-120% of net assets. Borrowing levels and covenant headroom are monitored by Columbia Threadneedle and reported to the Board.

The Company has issued various unsecured, fixed rate senior notes (the 'Notes'). The Company also has a small perpetual debenture stock. At present it does not have any revolving credit facilities. Further information is given in notes 13, 14 and 15 to the Accounts. A short term credit facility is available at the custodian for settlement purposes only.

In his report, the Fund Manager explains the impact and longer-term performance potential for our returns as a result of our borrowings.

### **DIVIDEND**

Our revenue account is managed with a view to delivering a rising dividend in real terms over the long term for shareholders. Prudent use of our Revenue Reserve established over many decades is made whenever necessary to help meet any revenue shortfall and to weather periods of crisis. The Revenue Reserve meant that the Company had the capacity to continue to pay

an increased dividend in recent years, despite the impact of the Covid-19 pandemic on our earnings. Worldwide economic, political and financial instability continues and the ongoing conflicts in Ukraine and the Middle East are of great concern, but in the year under review our net revenue return per share increased by 5.6% on 2024 and as a result the proposed dividend for the year is covered by our earnings. Dividends can also be paid from Capital Reserves, although we have no current need, or intention, to do so.

The Board applies due diligence and determines dividend payments by taking account of timely income forecasts, brought forward distributable reserves, prevailing inflation rates, the Company's dividend payment record and Corporation Tax rules governing investment trust status. Risks to the dividend have been considered as part of the Principal and Emerging Risks review noted on page 43. They include worldwide economic, political and financial instability leading to significant deterioration in the level of income we receive and unforeseen and significant changes to our regulatory environment. The Company has sufficient liquid resources to fund envisaged levels of dividend payment. Information on the dividend for 2025 is reported on page 6.

### **DISCOUNT/PREMIUM**

Over many years we have consistently applied a share "buyback" policy. Under this policy we repurchase the Company's shares in the market for the benefit of continuing shareholders where we see value and, importantly, in pursuit of a sustainably low deviation between the share price and NAV per share and to dampen discount volatility, in normal market conditions. The policy and the levels within which it has operated are continually reviewed, with the aim of achieving the long-held aspiration of the Company's shares trading at or close to NAV per share. Shares bought back may be cancelled or held in treasury. Those held in treasury can be re-issued, or new shares issued, in order to satisfy shareholder demand and to moderate the premium to which the share price can rise in relation to the NAV per share. The discount or premium levels are reviewed at each Board meeting. Information on the results of this policy can be found on page 4.

## RESPONSIBLE INVESTMENT

The Board has committed to transition the Company's portfolio to net zero carbon emissions by 2050. Our approach reflects our belief in the power of investor engagement rather than simply divesting or excluding stocks or sectors. However, the activities of some companies are incompatible with our responsible investment approach; namely producers of tobacco products, controversial weapons (such as cluster bombs and landmines) and thermal coal. We exclude companies with exposure to these activities which exceed certain revenue thresholds.

## BOARD DIVERSITY

Our policy towards the appointment of non-executive Directors to the Board is based on our belief in the benefits of having a diverse range of experience, skills, length of service and backgrounds, including gender, ethnicity and contributions from an international perspective. The policy is always to appoint the best person for the role based on merit and objective criteria and we confirm that appointments to the Board and its succession plans reflect its policy to promote diversity, inclusion and equal opportunity.

The overriding aim of the policy is to ensure that the Board is composed of individuals with the best combination of skills and experience for ensuring the delivery of the Company's objective of securing long-term growth in capital and income. We apply the policy for the purpose of appointing individuals that, together as a board, will continue to achieve that aim as well as ensuring optimal promotion of our investment proposition in the marketplace. In terms of diversity, the current gender balance of four men and four women Directors exceeds the recommendation of the FTSE Women Leaders Review of a target of 40% women on FTSE 350 boards. As at 31 December 2025, the Company met the targets of the FCA's UK Listing Rules for gender and ethnic diversity on the board. The Board will strive to ensure that it continues to comprise individuals with diverse and complementary skills and experience in order to meet the Company's objectives. In accordance with UK Listing Rule 6.6.6R (9) the Board has provided the following information in relation to its diversity:

### Board Gender as at 31 December 2025<sup>(1)</sup>

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	4	50%	1
Women	4	50% <sup>(2)</sup>	2 <sup>(3)</sup>

(1) The Company does not disclose the number of Directors in executive management as there are none for an externally managed investment trust company.

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

(3) This exceeds the FCA UK Listing Rules target of one. The three senior positions are: Chairman of the Board, Senior Independent Director and Chairman of the Audit Committee. The position of the Chairman of the Audit Committee is held by a woman. This role is not currently defined as a senior position under the UK Listing Rules, however the Board believes that, for an investment trust company, it should be regarded as such as it is broadly equivalent to the Chief Financial Officer of a trading company.

### Board Ethnic Background as at 31 December 2025<sup>(1)</sup>

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or other White (including minority-white groups)	7	88%	3 <sup>(2)</sup>
Mixed/Multiple Ethnic Groups	1 <sup>(3)</sup>	12%	-

(1) The Company does not disclose the number of Directors in executive management as there are none for an externally managed investment trust company.

(2) The three senior positions are: Chairman of the Board, Senior Independent Director and Chairman of the Audit Committee (see footnote (3) above).

(3) This meets the FCA UK Listing Rules target of the Board having at least one director from an ethnic minority background.

The information included in the above tables has been obtained from the individual Directors.

## TAXATION

As an investment trust company, it is essential that we retain our tax status by complying at all times with Section 1158 of the Corporation Tax Act 2010 ('Section 1158') such that UK Corporation Tax is not suffered on our capital gains. Taxation returns are submitted annually and any taxation due is settled promptly. Where possible, all taxes suffered in excess of taxation treaty rates on non-UK dividend receipts are claimed back in a timely manner. The Board's policy towards taxation is one of full commitment to complying with applicable legislation and statutory guidelines. In applying due diligence towards the retention of Section 1158 status and adhering to our tax policies, the Board receives regular

## BUSINESS REVIEW (CONTINUED)

reports from the Manager. We have received approval from HMRC as an investment trust under Section 1158 and have since continued to comply with the eligibility conditions.

### MODERN SLAVERY ACT 2015

The values that we hold, our culture and the rationale for the appointment of the Manager are explained on pages 33 and 34. Columbia Threadneedle Investments is an organisation committed to respecting human rights and stands against all forms of slavery and human trafficking. It is recognised as a leader in responsible investment and works with policymakers worldwide to deliver market-wide improvements in standards and regulations. In 2025 approximately 13% of its engagement issues across the companies in which the Company invests was focused on human rights and 16% on labour standards. We are very supportive of the Manager's approach and its formal statement can be found on its website at [columbiathreadneedle.com](https://columbiathreadneedle.com).

Our own supply chain consists predominately of professional advisers and service providers in the financial services industry, which is highly regulated. We believe therefore that the potential risk of acts of modern slavery or human trafficking in our own environment is extremely low.

### CRIMINAL FINANCES ACT 2017

The Board is committed to compliance with the Criminal Finances Act 2017, designed to prevent tax evasion in the jurisdictions in which the Company operates, and has zero tolerance for tax evasion. The Company's shares are purchased through third party intermediaries, therefore no funds flow directly from shareholders into the Company. As the Company has no employees, the Board's focus is to ensure that the risk of the Company's service providers facilitating tax evasion is also very low. Therefore it seeks assurance from its service providers that effective policies and procedures are in place.

### BUSINESS ETHICS

The Board has procedures in place to deal with potential conflicts of interest and has a strict anti-bribery and anti-corruption policy insofar as it applies to the Directors. The Company's operations are delegated to third-party service providers and therefore the Board seeks assurances annually from its principal suppliers that they maintain appropriate policies and procedures to ensure compliance with the provisions of the UK Modern Slavery Act 2015, the Bribery Act 2010 and Criminal Finances Act 2017 and the sanctions elements of the Economic Crime (Transparency and Enforcement) Act 2022.

## SECTION 172 STATEMENT

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

The Directors have had regard to the matters set out in Section 172 and have continued to act to promote the success of the Company for the benefit of its shareholders as a whole. This included the likely consequences of their decisions in the long term and how they have taken wider stakeholders' needs into account. Details of the Company's key stakeholders and the engagements undertaken in 2025 are set out below.

As a long-term investor we always look to the future and to the success of the Company from that perspective. We believe that the Company provides a clear investment choice, not only for existing investors, large and small, but also for those starting their investment journey. As reported above, we continue therefore to promote the Company through marketing initiatives and, at a wider social level, by supporting broader financial education across schools and universities. We have continued to work on these initiatives and towards the optimal delivery of the Company's investment proposition and to promote the success of the Company for the benefit of all shareholders, stakeholders and the community at large.

## KEY STAKEHOLDERS AND SHAREHOLDER ENGAGEMENT

Stakeholders	Engagement and Outcomes in 2025
<p><b>The Manager</b></p> <p>The Board's main working relationship is with our Manager, with the aim of achieving the Company's investment objective in an effective, responsible and sustainable way in the interests of shareholders, future investors and society at large.</p>	<p>Engagement with our Manager is ongoing through regular Board meetings and discussion. Emphasis was on investment performance. We also monitor our progress towards transitioning the Company's investment portfolio to net zero carbon emissions by 2050. Our approach towards responsible investment and aspects concerning environmental, social and governance issues are set out on pages 19 to 28. We also show the key performance indicators that are in place to measure our progress in meeting this Net Zero objective. The portfolio activities undertaken by our Manager and the impact of decisions affecting investment performance are set out in the Fund Manager's Review.</p> <p>With Columbia Threadneedle we are well placed to encourage awareness and dialogue on responsible investment issues amongst the wider community. As in 2018, 2020, 2022 and 2024, the Company sponsored an event, "F&amp;C Live", which was held at The Landmark London Hotel on 3 March 2026, with the theme "The Long View: Resilience in an Age of Upheaval". A recording of the event and interviews with the speakers will be available on the Company's website at <a href="https://www.fandc.com">fandc.com</a> shortly.</p> <p>More information on the evaluation of the Manager is provided on page 61.</p>
<p><b>Lenders</b></p> <p>Our lenders are key stakeholders as we use borrowings to enhance returns to shareholders over the longer-term.</p>	<p>We keep our lenders informed through monthly covenant compliance reporting. The Company has total borrowings of £581m, the majority of which are through sterling denominated fixed rate senior notes which have maturities between 2026 and 2061. The interest rates are highly attractive by historic comparisons and the blended fixed interest rate is approximately 2.4%. At present, the Company does not have any short term bank facilities.</p>
<p><b>Child Trust Fund, Junior ISA and other young investors</b></p> <p>Many of our underlying shareholders are young and hold their shares through their parents in Columbia Threadneedle's Child Trust Fund and Junior ISA. We hope to retain these investors for the longer-term and also foster education among young people more generally.</p>	<p>Now that many Child Trust Fund accounts have reached maturity, our focus continues to be on keeping as many of these young investors with us as possible. Ahead of account maturity, Columbia Threadneedle writes to their parents setting out their options. The results of our initiative to retain these young investors are in line with expectations.</p> <p>Our financial education programme continues. The programme is designed to help people understand better the opportunities and significance of not just saving, but how their savings can work much harder through investment over the long-term.</p>

## BUSINESS REVIEW (CONTINUED)

---

### Shareholders

Although not in the traditional sense, our shareholders are our customers who we hope will stay invested with us and reap the benefits of investing over the long-term.

The Chairman and Senior Independent Director are available to engage with shareholders. Access to the daily publication of the Company's NAV and monthly factsheet is available from our website.

We also publish our detailed half year and annual results for main register shareholders and Columbia Threadneedle Savings Plan ('Savings Plan Investors') investors. As an alternative, we provide the option of a short notification summary with the main highlights and access details to where the full information can be found. In addition to main register shareholders, Savings Plan Investors are encouraged to participate fully at shareholder meetings.

The Company's Annual General Meeting is a "hybrid" format, with shareholders and Savings Plan Investors being able to attend in person or online. This allows many more of our shareholders to view the meeting, to ask questions and to vote online. Voting at the Annual General Meeting is taken on a poll, which ensures that all votes cast are counted, whether the shareholder attends the meeting or not. The results on each resolution are published on the Company's website.

The Company has very few institutional shareholders and instances of engagement are therefore rare but are always reported to the Board.

---

### Wealth managers and independent financial advisers

Columbia Threadneedle has a team dedicated to fostering good relations with wealth managers and independent financial advisers and keeping underlying investors informed, with the aim to promote the Company's investment proposition and improve the share price.

This team organises meetings with wealth managers and independent financial advisers as well as preparing webinars, interviews, newsletters and videos shared via several media channels. It gathers feedback and answers questions in relation to the Company and its investment strategy. Feedback from these meetings, webinars and interviews is reported regularly to the Board.

---

Further to the provisions of the Companies Act 2006 relating to the preparation of a Strategic Report and concerning non-financial and diversity information, we have integrated the information required for a Non-Financial and Sustainability Information Statement ('NFSIS') into this Strategic Report with a view to cohesive reporting. The NFSIS requirements are explained on page 123, together with a guide to the location of the embedded information.

## KEY PERFORMANCE INDICATORS

We assess the efficacy of our strategy by comparing the Company's long-term outcomes against the following five key measures: Performance, Dividend, (Discount)/Premium, Efficiency and Marketing. Detailed commentary on these measures can be found in the Chairman's Statement and in the Fund Manager's Review.

Our Key Performance Indicators ('KPIs') have been set to help us achieve our overriding strategic objective of securing long-term growth in capital and income for our shareholders. Whilst the NAV per share is an important indicator of our portfolio performance, we recognise that the share price total return, which is the change in the share price and assumes all dividends are reinvested, is most important to shareholders. Income is important and we aspire to a rising dividend in real terms over the long term, but this is not achieved at the expense of risking capital growth potential. A balance is struck between income and capital needs, which may result in periods when the dividend is not covered by earnings in pursuit of superior total returns. Nevertheless, with our substantial revenue reserve and the flexibility to use capital reserves, we are in the enviable position of being able to continue our long track record of dividend increases, even in recent years when many companies passed or cut their dividend payments. 2025 marks the fifty fifth consecutive increased annual dividend and the one hundred and fifty eighth annual dividend payment.

Volatility in the share price discount to the NAV per share can be regarded by many as an investment opportunity but can be unsettling for shareholders. We therefore show this disparity between the share price and the NAV per share as a KPI and have set a policy aspiration to see the Company's shares trading consistently at, or close to, the NAV per share. Whilst not a panacea for controlling the discount, the application of a consistent share buyback policy over many years has dampened discount volatility and, in most years, helped to narrow this disparity. The Board remains resolute in applying the necessary measures towards achieving this important policy aspiration.

We are also very focused on costs. The recognised method of cost measurement within the investment trust industry is Ongoing Charges<sup>(1)</sup> and the Company's Ongoing Charges ratio has shown a downward trend in recent years. In 2025 it was 0.45%, consistent with the prior year and remains highly competitive within the investment trust sector. Our Ten Year Record on page 31 shows the extent to which we have kept costs under control, which has made a considerable contribution to our results over multiple years.

We promote and market the Company in a number of ways. One of our KPIs is a marketing performance measure that tracks the percentage of the Company's shares held on retail platforms as we recognise that these can provide investors with convenient and relatively low cost access to the Company's shares and are an important source of demand. A healthy level of demand will show the extent to which we are continuing to meet our purpose and should help to support the share price. In turn, a well-supported share price should help towards achieving the Board's aspiration of the Company's shares trading consistently at, or close to, the NAV per share. The percentage of shares held on platforms has increased over the long term.

The Board has also agreed KPIs to measure progress towards transitioning the Company's portfolio to net zero carbon emissions by 2050. Those KPIs are shown within the responsible investment report on pages 19 to 28.

(1) See Alternative Performance Measures on page 118 for explanation. Following the FCA announcement in September 2024 that, for the time being, investment companies are not required to comply with the PRIIPs regulations, we only disclose the Company's Ongoing Charges figure as a KPI.

## BUSINESS REVIEW (CONTINUED)

<b>Performance: Total returns to 31 December 2025 (Cumulative)</b>					
	<b>1 Year %</b>	<b>3 Years %</b>	<b>5 Years %</b>	<b>10 Years %</b>	<b>We aim to secure long-term growth in capital and income</b>
Share price <sup>(1)</sup>	14.6	44.9	71.5	228.3	This compares the Company's share price and NAV total return against that produced by the benchmark, our peers and against inflation.
NAV (with debt at market value) <sup>(1)</sup>	11.6	50.2	73.1	223.9	
Benchmark <sup>(2)</sup>	14.2	56.8	72.8	231.2	
AIC Global Sector Median share price (investment companies) <sup>(3)</sup>	6.2	44.7	24.9	216.8	
AIC Global Sector Median NAV (investment companies) <sup>(3)</sup>	8.7	42.6	36.1	197.6	
IA Global Sector Median (open-ended funds) <sup>(3)</sup>	9.9	40.5	45.4	169.0	
Consumer Price Index	3.4	10.2	28.4	39.7	

Source: Columbia Threadneedle Investments, Morningstar UK Limited and Refinitiv Eikon

<b>Dividend: Dividend Growth<sup>(1)</sup> per annum to 31 December 2025 (Annualised)</b>					
	<b>1 Year %</b>	<b>3 Years %</b>	<b>5 Years %</b>	<b>10 Years %</b>	<b>We aim to deliver a rising dividend stream in real terms over the longer-term</b>
Dividend	6.4	7.1	6.5	5.6	This shows the Company's compound annual dividend growth rate and compares it to the Consumer Price Index.
Consumer Price Index	3.4	3.3	5.1	3.4	

Source: Columbia Threadneedle Investments and Refinitiv Eikon

<b>(Discount)/premium: Share price (discount)/premium to NAV</b>						
	<b>2021 %</b>	<b>2022 %</b>	<b>2023 %</b>	<b>2024 %</b>	<b>2025 %</b>	<b>We aspire to seeing the Company's shares trading at or close to NAV per share</b>
(Discount) at 31 December <sup>(1)</sup>	(7.3)	(3.0)	(5.9)	(9.2)	(6.8)	This is the difference between the share price and the NAV per share (with debt at market value). It is an indicator of excess supply over demand for the Company's shares in the case of a discount and the excess demand over supply in the case of a premium.
Average discount in year	(7.2)	(7.5)	(6.6)	(9.2)	(7.9)	

Source: Columbia Threadneedle Investments

<b>Efficiency: Costs</b>						
<b>Year to 31 December:</b>	<b>2021 %</b>	<b>2022 %</b>	<b>2023 %</b>	<b>2024 %</b>	<b>2025 %</b>	<b>Our policy is to control the costs of running the Company</b>
Ongoing charges <sup>(1)</sup>	0.54	0.54	0.49	0.45	0.45	This data measures the running costs as a percentage of the average net assets in the year.

Source: Columbia Threadneedle Investments

<b>Marketing: Platforms</b>						
<b>As at 31 December:</b>	<b>2021 %</b>	<b>2022 %</b>	<b>2023 %</b>	<b>2024 %</b>	<b>2025 %</b>	<b>We promote access to F&amp;C's shares through all available distribution channels with the aspiration of being on as many platforms as possible.</b>
Platforms	65.5	67.1	67.5	69.1	68.8	This shows how the percentage of shares held through platforms, including the Columbia Threadneedle Investment Savings Plans, has been increasing over the long term.
Other individuals, advisers and institutions	34.5	32.9	32.5	30.9	31.2	

Source: Columbia Threadneedle Investments

(1) See Alternative Performance Measures on page 117 for explanation.

(2) See Glossary of terms on page 120 for explanation of "benchmark".

(3) These are considered by the Board to be the most relevant and reliable industry-standard peer group performance measures.

## PRINCIPAL AND EMERGING RISKS

### RISK MONITORING

The Board has continued to work with the Manager in managing the Company's risks. A risk summary is produced by the Manager in consultation with the Board to identify the risks to which the Company is exposed, the controls in place and the actions being taken to mitigate them. The Board, through the Audit Committee, has a robust process for considering the resulting risk control assessment at regular meetings and on an ongoing basis it reviews the significance of the risks and the reasons for any changes.

To a great extent, the Company is reliant on the risk management and internal control processes that are embedded in the Manager's day-to-day operations. The Board is confident through regular review and scrutiny that the Manager has the required systems, tools, governance and processes in place to identify, assess, monitor, manage and mitigate all material risk and control issues that might impact the Company. This includes the ability of the Manager to leverage expert resource as required: for example, the Company benefits from the Manager's global team of experts that focuses continuously on cybersecurity. The Manager provides ongoing comprehensive risk management and control across the whole of the Company's portfolio, including management and oversight of the risks arising from the use of both internal resource and third-party managers.



The Board confirms that it has carried out a robust review and assessment of the Company's Principal and Emerging Risks that could threaten its future success. This included near-term risks such as those posed by geopolitical uncertainty and longer-term risks, such as climate change. The consequences for the Company's strategy, business model, liquidity, future prospects, long term viability and its commitment to transition the portfolio to net zero carbon emissions by 2050 formed an integral part of the review. In 2024, the Board identified Responsible Investment Disclosure as an emerging risk, specifically the inaccurate collection and disclosure of relevant data. This was as a result of an error that had occurred in the prior year. The Board is satisfied that the Manager has implemented additional controls and therefore this risk has receded and is no longer considered an emerging risk.



Our risk evaluation forms an inherent part of our strategy determination, which seeks to mitigate risks and to pursue the opportunities that arise. As a result of the Board's assessment, the following risk disclosures reflect what it believes to be the Principal and Emerging Risks that the Company faces at present, the material controls in place to mitigate those risks and whether the status of those risks has changed in the year under review.

## BUSINESS REVIEW (CONTINUED)

### PRINCIPAL RISKS



Risk Description	Risk Mitigation/Controls	Status
<b>Unsatisfactory Investment Performance</b>		
<p>Sub-optimal implementation of the investment strategy, for example poor asset allocation, sector and stock selection, concentration risk, excessive diversification, inadequate in-house private equity capability, currency exposure and use of gearing and derivatives may give rise to under-performance against the Company's benchmark and companies within its peer group. It may also impact the Company's dividend paying capacity.</p>	<p>Under our business model, a Manager is appointed with the capability and resources to manage the Company's assets through asset allocation, sector and stock selection, risk management and the use of gearing. The Manager can delegate the management of investment portfolios externally to third-party managers. The individual global and regional investment portfolios are managed as a whole to provide diversification, lower volatility and lower risk.</p> <p>The performance of the Company relative to its benchmark, its peers and inflation is a KPI measured by the Board on an ongoing basis. The Company's portfolio is well diversified and its closed-end structure enables it to continue to take a long-term view. Detailed reports, including revenue forecasts, provided by the Fund Manager are reviewed by the Board at each of its meetings.</p> <p>Long-term performance remains in line with the Company's objective and the Board's expectations. Prudent management of the Company's Revenue Reserve means that its dividend paying capacity remains strong. The key indicators of risk remain within tolerance across the long-term, diversified portfolio.</p>	
<b>Geopolitical Events</b>		
<p>Geopolitical risks may result in global financial and equity markets instability. Geopolitical actions may result in the imposition of government and/or regulatory controls, causing falls in equity markets and resulting in long term bear markets, with inflation damaging real returns, thereby restricting growth opportunities.</p> <p>A significant weakening of the US Dollar against sterling would impact dividend income and absolute performance negatively and reduce the attractiveness of overseas assets to UK investors.</p>	<p>The Company has a clearly defined investment strategy. Assets are diversified to reduce concentration risk and investment processes incorporate non-financial and risk considerations in the assessment of investment opportunities. Gearing limits are set by the Board and levels are reported regularly.</p> <p>The Manager has systems, staff and controls in place to enable ongoing monitoring of, and quick reaction to, financial crises.</p> <p>The results of forward-looking stress tests, ranging from moderate to extreme scenarios, have provided the basis for the Board to confirm the Company's long-term viability.</p> <p>Recent events in the Middle East demonstrate clearly that this risk has increased.</p>	

Risk Description	Risk Mitigation/Controls	Status
<b>Service Delivery Failure</b>		
<p>Service providers are unable to provide expected services. Delivery failure may be due to various factors including systems failure, a data breach as a result of cybercrime, material error and fraud.</p> <p>This includes functions delegated by the Manager, for example fund accounting, third party sub-portfolio managers and third party providers appointed directly by the Company, such as the Custodian, Registrar and Depository.</p>	<p>Legal agreements are in place with the Manager, sub-portfolio managers and other third party service providers. These set out the agreed service levels which are monitored. All third parties provide reports on their internal controls environment which are independently audited. These reports are reviewed by the Board with follow up queries directed to the relevant parties where necessary.</p> <p>The Manager produces a quarterly investment trust controls report, detailing any breaches, errors and/or general updates relevant to the Company. Each year the Board reviews the Manager's Assessment of Value for the Company, which is submitted by the Manager to the FCA in compliance with the Consumer Duty regulation.</p> <p>The Company's Depository is liable in the event of a loss of assets.</p> <p>The performance of the Manager and the third party service providers are evaluated formally by the Management Engagement Committee on an annual basis.</p>	
<b>Discount</b>		
<p>The absolute level and volatility of the discount/premium to NAV at which the Company's shares trade moves to an extent that it disadvantages shareholders. For example, the discount may widen through lack of demand for the shares in the market as a result of significant underperformance. As a result, the attractiveness of the Company's shares to investors is diminished. A wide discount may also attract activist shareholders.</p>	<p>The Board monitors the discount/premium at which the shares trade on an absolute level and relative to its peer companies and the wider investment trust sector.</p> <p>It operates a share buyback programme, thereby enhancing the NAV per share for ongoing shareholders and with the aim of minimising the absolute level and volatility of the discount at which the Company's shares trade.</p> <p>During 2025, the discount on the Company's shares ranged between 3.6% and 13.8% and averaged 7.9% over the year.</p>	

## BUSINESS REVIEW (CONTINUED)

### PRINCIPAL RISKS (CONTINUED)

Risk Description	Risk Mitigation/Controls	Status
<b>Cybercrime</b>		
<p>Disruption to the Manager's or third party suppliers' systems as a result of cybercrime, including with the use of Artificial Intelligence, could prevent the accurate monitoring and reporting of the Company's financial position and impact the confidentiality or integrity of company data. Cybercrime could also impact other service providers' ability to provide the agreed services and could result in the theft of client assets.</p>	<p>The Audit Committee receives an annual update from the Manager's Chief Information Security Officer and the organisation ensures that it is compliant with the Digital Operational Resilience Act ('<b>DORA</b>')<sup>(1)</sup>, which came into effect in January 2025. There are multiple layers of controls in place from protecting data, applications, end points, servers and the network through to people and processes and there are a number of proactive policies in place, along with a 24/7 security operation centre to monitor threats. The Manager is fully aware and acts upon new cyber information as and when it becomes available.</p> <p>Whilst the risk remains high, Board and management vigilance also remains heightened.</p>	
<b>Loss of Key Personnel</b>		
<p>A key individual or team could depart from the Manager causing disruption to the management of the Company's assets and under-performance.</p> <p>The greatest key person risk is the Company's Fund Manager, Paul Niven, who is Head of Multi-Asset Solutions (EMEA) at Columbia Threadneedle Investments and who has been managing the Company's assets since 2014.</p>	<p>The Board meets with members of the wider Columbia Threadneedle Investments management team to ensure that relationships are fully developed at all levels. Succession planning concerning any potential significant management changes is shared with the Board.</p> <p>The Manager's Multi-Asset Solutions team is more than 20 strong and senior members of the team attend Board meetings regularly. The Board has received assurance from senior management at Columbia Threadneedle Investments that it has the necessary breadth and experience if it was required to manage without Mr Niven and it is confident that the structure that supports him could manage in the event that he was to become incapacitated or leave the firm. Having considered who are the key people that could potentially pose a risk to the Company should they leave Columbia Threadneedle Investments, the Board is confident that they could be replaced appropriately through internal promotion or external recruitment.</p>	
<b>Failure to Transition to Net Zero</b>		
<p>The Board has made a commitment to transition the Company's portfolio to net zero carbon emissions by 2050. Responsible investment is a field that is evolving rapidly and it can present both opportunities and threats to the long-term investment performance that we aim to deliver to our shareholders.</p>	<p>The Manager believes in the power of engaged, long-term ownership as a force for positive change. It applies high standards of responsible investment in managing the investments on behalf of our shareholders and takes seriously its stewardship responsibilities, actively engaging with investee companies. The Board meets with Columbia Threadneedle's responsible investment team on a regular basis. We recognise the importance of disclosing information on responsible investment that is relevant, reliable and, as far as possible, ensuring that it is presented in a consistent way from year to year in order that our progress can be assessed.</p> <p>Continuing geopolitical uncertainty and policy changes may lead to increases in carbon intensity globally.</p>	

(1) See Glossary of terms on page 120.

## EMERGING RISKS

Risk Description	Risk Mitigation/Controls
<p><b>Disruptive Technology</b></p> <p>The emergence of new, disruptive technology, including the use of Artificial Intelligence, presents both opportunities and threats. It could have a negative impact on the valuation of investments within the portfolio and/or the consequences of new disruptive technology are not understood fully and therefore investment opportunities are missed.</p>	<p>The Company's Fund Manager is supported by a team of experienced investment professionals who provide research, supplemented by third party firms.</p> <p>Assets are diversified to reduce concentration risk, in line with the agreed investment strategy. We believe that it will take some time for the impact of Artificial Intelligence to flow through which, therefore, gives the Fund Manager time to react and reposition the Company's portfolio accordingly.</p>

## LONG-TERM VIABILITY

The UK Corporate Governance Code and the AIC Code of Corporate Governance require the Board to assess the prospects of the Company over a longer period than the 12 months required by the Going Concern provision.

The Audit Committee carried out scenario testing in order to consider the Company's long-term viability over a period of ten years to 31 December 2035. The tests commenced with a base case scenario that covered a range of assumptions that it considers to be the most relevant, to which sensitivity analysis was then applied in order to assess the impact of more extreme scenarios. A key assumption in each scenario included no change to the Company's dividend policy.

The worst case scenario tested by the Audit Committee was based on what it believed to be severe but realistic assumptions. It addressed the potential impact of falls of 40% in the value of the listed investments and 35% for the private equity investments in 2026; followed by a 20% fall in listed equities in 2027 together with fluctuations in income receipts. The fall in value of investments may occur for a variety of reasons. Under this scenario the early funding of the private equity commitments would increase the proportion of that portfolio as a percentage of the total value of the investments as a whole. All loans were assumed to have been repaid at the beginning of 2026. Private equity valuations were assumed to make a modest recovery in later years, while exchange rate movements would fluctuate from year to year.

The results from the worst-case scenario showed that under such highly adverse conditions the net assets would fall to no lower than £1.6 billion and would be at £2.5 billion by 31 December 2035. Dividend payments to shareholders could continue to be paid through the utilisation of Capital Reserves.

Under a scenario based on the movements in income, inflation and valuations over the ten year period that followed the financial crisis of 2008, net assets would rise to £11.9 billion at 31 December 2035. Whilst a scenario that used the movements in income, inflation and valuations in the ten years following the 1970's oil crisis showed that net assets would rise to £13.1 billion by 31 December 2035.

The assumptions used for these tests purposefully did not take into account that under such severe conditions the Board and Manager would have taken further action to mitigate the impact. Furthermore, the tests were a theoretical and illustrative scenario exercise, the assumptions for which are extreme and highly unlikely. Their purpose was to help inform the Directors of the Company's resilience under conditions so severe that they would impact global economies, markets, companies and businesses alike. The tests help to support the Board's assessment of the Company's long-term viability. The results do not represent its views or give an indication of the likely outcome.

Having considered its current position and the principal and emerging risks that the Company faces and having applied stress tests under worst-case scenarios that would severely impact global economies and markets alike, the Board confirms that it has assessed the Company's prospects, to the extent that it is able to do so, over the next ten years.

## BUSINESS REVIEW (CONTINUED)

In concluding that ten years is an appropriate period for this assessment, the Board considers that this approximates to a suitable period over which its longer-term investment performance should be judged and the periods over which it would typically commit to and benefit from its private equity investments.

The Board also took into consideration the long-term duration of the Company's debt, the perceived viability of the Company's principal service providers, the potential effects of expected regulatory changes and the potential threat from competition. The Company's business model, strategy and the embedded characteristics have helped define and maintain its stability over many decades. The Board expects this to continue over many more years to come.

The Directors confirm therefore, that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities in full over the coming ten years to 31 December 2035.

### On behalf of the Board

**Beatrice Hollond**

**Chairman**

**13 March 2026**

#### **RESILIENT, RESPONSIBLE AND PROSPEROUS FOR OVER 150 YEARS**

- We have a long-term investment strategy under which we invest mainly in readily realisable, publicly listed securities and which restricts the level of borrowings.
- We are able to take advantage of our closed-end investment trust structure to deliver on our objective over the long-term and have secured borrowings with terms well in excess of ten years at historically low interest rates.
- Our business model and strategy are not time limited and, as a global investment trust company, we are unlikely to be adversely impacted materially as a direct result of geopolitical events over the long term.
- We have a strong record of taking advantage of investment opportunities that arise from market shocks and volatility.
- Our revenue and expenditure forecasts are subject to regular and robust review throughout the year against a backdrop of large revenue and capital reserves.
- We have substantial headroom under our loan covenants.
- We can hold a proportion of our long-term less liquid private equity investments over very many years without pressure to realise them ahead of time.
- We retain title to all assets held by the Custodian which are subject to further safeguards imposed on the Depositary.
- We have made a commitment to transition our portfolio to net zero carbon emissions by 2050.

# BOARD OF DIRECTORS



## **BEATRICE HOLLOND<sup>(2)</sup>**

**Chairman** Appointed to the Board on 1 September 2017 and as Chairman of the Board and the Management Engagement Committee on 1 January 2020. She was appointed Chairman of the Nomination Committee on 1 September 2019.

**Experience and skills:** Beatrice brings to the Board investment knowledge and expertise in both equities and global fixed income. She also brings leadership skills from her time as

a Managing Director of Credit Suisse Asset Management, LLC where she spent 16 years in global fixed income. Beatrice was a non-executive director of Templeton Emerging Markets Investment Trust PLC until 2022.

**Other public company appointments:** None.



## **JOSH BOTTOMLEY<sup>(3)</sup>**

Appointed to the Board on 1 September 2025.

**Experience and skills:** Josh is Chief Executive Officer of Dunnhumby, a global artificial intelligence and analytics business. He brings experience and expertise in leading differentiation, innovation and scaled growth in highly competitive, rapidly changing sectors.

Josh was previously an Operating Partner at CVC Capital Partners and has held senior positions at HSBC Holdings plc (Global Head of Digital, Data and Development), Google Inc. (Global Head, Display) and LexisNexis (Managing Director).

**Other public company appointments:** None.



## **ANURADHA CHUGH<sup>(1)(3)</sup>**

Appointed to the Board on 1 July 2023. Anu has been appointed Chairman of the newly-established Customer Strategy Committee.

**Experience and skills:** Anu brings to the Board extensive marketing experience. She was the Chief Executive of Pukka Herbs, where she was responsible for governance and strategy until June 2023. She is a marketing professional

with more than 25 years' experience in the consumer-packaged goods industry, having formerly been Managing Director of Ben and Jerrys Europe, Global Marketing Director of Unilever and Marketing Director of Pepsi Lipton International. Prior to that she held a number of senior marketing roles at Unilever.

**Other public company appointments:** None.



## **RAIN NEWTON-SMITH<sup>(2)</sup>**

Appointed to the Board on 11 May 2021.

**Experience and skills:** Rain has considerable economic and political insight as well as expertise in sustainability, governance on reducing carbon emissions and in developing environmental, social and governance ('ESG') reporting. She is Chief Executive of the Confederation of British Industry, having previously been its Chief Economist,

providing business leaders with advice on the UK economic outlook and global risks. Rain was formerly Head of Emerging Markets at Oxford Economics, where she was the lead expert on China. Prior to that, Rain worked as a research advisor to the Bank of England's Monetary Policy Committee, which included a secondment to the International Monetary Fund.

**Other public company appointments:** None.

## BOARD OF DIRECTORS (CONTINUED)



### **QUINTIN PRICE**<sup>(1)(2)</sup>

#### **Senior Independent Director**

Appointed to the Board on 10 March 2020.

**Experience and skills:** Quintin brings investment banking and investment management knowledge and expertise to

the Board from a 40 year career working at a senior level for a number of leading companies. From 2005 to 2015 he was at BlackRock where he was Global Head of Alpha Strategies and a member of the Global Executive Committee.  
**Other public company appointments:** None.



### **RICHARD ROBINSON**<sup>(1)</sup>

Appointed to the Board on 3 May 2024.

**Experience and skills:** Richard has extensive investment knowledge, expertise and experience in global equity markets. He is Investment Director at Paul Hamlyn Foundation. Richard was previously Head of

Charities & Foundations at Schroders plc and held a number of senior positions at Rothschild Asset Management. He is a former director of JPMorgan Global Emerging Markets Income Trust plc and Aurora Investment Trust plc.  
**Other public company appointments:** None.



### **STEPHEN RUSSELL**<sup>(1)(3)</sup>

Appointed to the Board on 1 February 2022.

**Experience and skills:** Stephen brings a very high level of investment skills and knowledge to the Board. Until 2025 he was Investment Director and a member of the multi asset investment committee at Ruffer LLP, where he helped direct its investment strategy. He joined Ruffer in 2003 and managed its flagship

pooled funds and developed its institutional pension fund offering into one of the largest multi asset/absolute return fund managers in the UK. Stephen previously managed segregated pension funds at Sun Life of Canada and advised pension fund managers as a strategist at HSBC.  
**Other public company appointments:** None.



### **JULIE TANKARD**<sup>(1)(2)</sup>

#### **Chairman of the Audit Committee**

Appointed to the Board and as Chairman of the Audit Committee on 1 August 2022.

**Experience and skills:** Julie has a strong financial background. She is a fellow of the Chartered Institute of Management Accountants and until July 2023 was the Chief Financial Officer and a Board member of the Port of London Authority where, as

well as finance, she was responsible for risk, procurement, legal and information technology. Julie previously chaired the audit committee of Leeds & York NHS Foundation Trust, prior to which she held various senior positions at BT plc.  
**Other public company appointments:** Julie is a non-executive director of The Biotech Growth Trust plc.

(1) Member of the Audit Committee

(2) Member of the Nomination Committee

(3) Member of the Customer Strategy Committee

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

# DIRECTORS' REPORT

The Directors submit the Annual Report and Accounts of the Company for the year ended 31 December 2025. The Business Review, Corporate Governance Report, Directors' biographies, the Reports of the Management Engagement and Audit Committees and the Directors' Remuneration Report all form part of this Directors' Report.

## RESULTS AND DIVIDENDS

The results for the year are set out in the attached accounts. The three interim dividends totalling 11.40 pence per share, together with the final dividend of 5.20 pence per share which, subject to approval at the forthcoming Annual General Meeting ('AGM') (**Resolution 4**), will be paid on 6 May 2026 to shareholders registered on 10 April 2026, will bring the total dividend for the year to 16.6 pence per share. This represents an increase of 6.4% over the comparable 15.60 pence per share paid in respect of the previous year.

## ACCOUNTING

The Financial Statements, starting on page 82, comply with current UK Financial Reporting Standard (**FRS**) 102, supplemented by the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('**SORP**') published by the Association of Investment Companies ('**AIC**'). The significant accounting policies of the Company are set out in note 2 to the Accounts. The unqualified auditors' opinion on the Financial Statements appears on page 74. Shareholders will be asked to approve the adoption of the Annual Report and Accounts at the forthcoming AGM (**Resolution 1**).

## DISCLOSURE OF INFORMATION TO THE AUDITORS

Each Director confirms that, to the best of their knowledge and belief:

- i) there is no information relevant to the preparation of the Annual Report and Accounts of which Ernst & Young LLP ('**EY**' or the '**auditors**') is unaware; and
- ii) each of the Directors has taken all the steps that a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that EY is aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

## APPOINTMENT OF AUDITOR

As explained more fully in the Report of the Audit Committee on page 68, an audit tender was undertaken during the year. As a result of that process, it was agreed to appoint KPMG LLP to succeed EY as the Company's auditor. Resolutions proposing KPMG's appointment and authorising the Audit Committee to determine its remuneration for the ensuing year will be put to shareholders at the AGM (**Resolutions 13 and 14**).

## CAPITAL STRUCTURE

As at 31 December 2025 there were 561,819,016 ordinary shares of 25 pence each ('**ordinary shares**') in issue, of which 87,350,495 were held in treasury. The total number of voting rights in the Company as at 11 March 2026 is set out in Note 17 to the Notice of Annual General Meeting.

All ordinary shares (excluding those held in treasury) rank equally for dividends and distributions and carry one vote each. There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid. More details of the capital structure can be found in note 16 to the Accounts. The revenue profits of the Company (including accumulated Revenue Reserve), together with the realised capital profits of the Company, are available for distribution by way of dividends to the holders of the ordinary shares. Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to shareholders pro rata to their holdings of ordinary shares. Full details are set out in the Company's Articles of Association.

The price of the Company's existing ordinary shares of 25p each (the '**Existing Ordinary Shares**') has increased substantially over the last 10 years and, as at 11 March 2026 (being the latest practicable date prior to publication of this document), the closing share price was 1,228p. To assist monthly savers and those who reinvest their dividends or are looking to invest smaller amounts, the Directors believe that it is appropriate to propose a sub-division of each Existing Ordinary Share into four new ordinary shares of 6.25p each (the '**New Ordinary Shares**'). The Directors believe that the sub-division (the '**Share Split**') may also improve the liquidity in and marketability of the Company's shares, which would benefit all shareholders. Following the

## DIRECTORS' REPORT (CONTINUED)

Share Split, each shareholder will hold four New Ordinary Shares for each Existing Ordinary Share that they held immediately prior to the Share Split. Whilst the Share Split will increase the number of ordinary shares the Company has in issue, upon the Share Split becoming effective the net asset value, share price and dividend per share can be expected to become one quarter of their respective values immediately preceding the Share Split. A holding of New Ordinary Shares following the Share Split will represent the same proportion of the issued ordinary share capital of the Company as the corresponding holding of Existing Ordinary Shares immediately prior to the Share Split. The Share Split will not affect, therefore, the overall value of a shareholder's holding in the Company.

By way of example, taking the net asset value (including current year revenue with debt at par) and share price as at 11 March 2026 of 1,309.13p and 1,228p respectively per Existing Ordinary Share, if the Share Split had become effective as at that date, each holder of one Existing Ordinary Share would receive four New Ordinary Shares with a share price of 307p per share and an aggregate net asset value and share price of 1,309.13p and 1,228p respectively immediately following the Share Split. The New Ordinary Shares will rank *pari passu* with each other and will carry the same rights and be subject to the same restrictions as the Existing Ordinary Shares, including the same rights to participate in dividends paid by the Company. The ex-dividend date and the payment date for the final dividend payable in respect of the financial year ended 31 December 2025 are before the date of the Share Split and therefore the dividend payment on 6 May 2026 is not affected. In future years, dividends per share will be one quarter of the level that they would otherwise have been but a shareholder who neither buys nor sells shares will continue to receive the same total amount in dividends as they would otherwise have received.

Communication preferences and mandates and other instructions for the payment of dividends in paper form or via CREST will, unless and until revised, continue to apply to the New Ordinary Shares. The Share Split will not itself give rise to any liability to UK income tax (or corporation tax on income) for shareholders. For the purposes of UK capital gains tax and corporation tax on chargeable gains, the receipt of the New Ordinary Shares from the Share Split will be a reorganisation of the share capital of the Company. Accordingly, a shareholder's holding of New Ordinary Shares will be treated as the same asset as the shareholder's holding

of Existing Ordinary Shares and as having been acquired at the same time, and for the same consideration, as the shareholder's holding of Existing Ordinary Shares. The Share Split requires the approval of shareholders and, accordingly, **Resolution 17** at the forthcoming AGM seeks such approval.

The Share Split is conditional on the New Ordinary Shares being admitted to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities. Applications for such admissions will be made and, if they are accepted, it is proposed that the last day of dealings in the Existing Ordinary Shares will be Friday 8 May 2026 (with the record date for the Share Split being 6.00pm on that date) and that dealings in the New Ordinary Shares will commence on Monday 11 May 2026. If Resolution 17 is passed, the Share Split will become effective on admission of the New Ordinary Shares to the Official List, which is expected to be at 8.00am on Monday 11 May 2026. The aggregate nominal value of the Company's issued share capital as at 11 March 2026 was £118,312,883 comprising 473,251,531 ordinary shares of 25p each (a further 88,567,485 shares were held in treasury). If the Share Split is applied to the issued share capital as at 11 March 2026, the total aggregate nominal value of the share capital will remain at £118,312,883 but will comprise 1,893,006,124 ordinary shares of 6.25p each in issue and a further 354,269,940 shares in treasury.

The New Ordinary Shares may be held in certificated or uncertificated form. Following the Share Split becoming effective, share certificates in respect of the Existing Ordinary Shares will cease to be valid and will be cancelled. New certificates in respect of the New Ordinary Shares will be issued to those shareholders who hold their Existing Ordinary Shares in certificated form and are expected to be dispatched not later than 22 May 2026. No temporary documents of title will be issued. Transfers of New Ordinary Shares between 11 May 2026 and the dispatch of new certificates will be certified against the Company's register of members held by the Company's Registrars. It is expected that the ISIN (GB0003466074) of the Existing Ordinary Shares will be disabled in CREST at the close of business on 8 May 2026 and the New Ordinary Shares will be credited to CREST accounts on 11 May 2026. In order for the Share Split to be processed and for trading on the New Zealand Stock Exchange to continue, a temporary ticker code with a new ISIN will be created only for use in New Zealand. It is expected that this will be used from the commencement of trading on 7 May 2026 until close of

trading on 8 May 2026. On 11 May 2026, trading will resume using the original ticker code with the new ISIN continuing to be used and trading in the temporary ticker code will cease.

### REPURCHASE AND ISSUE OF SHARES

At the annual general meeting held on 30 April 2025, shareholders renewed the Board's authority to repurchase up to 14.99% of its own issued ordinary shares, (excluding any shares held in treasury) at a discount to NAV per share. The shares repurchased can either be cancelled or held in treasury, to be re-issued as and when the share price is at a premium to the NAV per share. Shareholders also authorised the Board to issue new ordinary shares or sell shares from treasury up to 10% of the number then in issue.

A total of 8,064,027 ordinary shares were repurchased during the year, all of which were placed in treasury. The shares repurchased represented 1.7% of the shares in issue (calculated exclusive of any shares held in treasury) as at 31 December 2024. The repurchases were made at prices ranging between 1,063.4 pence and 1,251.2 pence per share and the aggregate consideration paid for the shares, including stamp duty and commissions, was £95.4m. A total of 1,216,990 ordinary shares have been repurchased into treasury between 31 December 2025 and 11 March 2026.

### NOTIFIABLE INTERESTS IN THE COMPANY'S VOTING RIGHTS

As at 31 December 2025 and since that date no notifications of significant voting rights have been received under the DTRs.

### PROPORTIONAL VOTING

Approximately 42% of the Company's share capital is held on behalf of non-discretionary clients through the Columbia Threadneedle Savings Plans. For those planholders who do not return their voting directions for the forthcoming AGM, the nominee company will vote their shares in proportion to those who do vote ('**proportional voting**'). Implementation of this arrangement is subject to a minimum threshold of 5% of the shares held in the plans being voted. A maximum limit of 492,261 shares that any one individual investor can vote, being approximately 5% of the minimum threshold, also applies. Any shares voted by an investor in excess of the maximum limit remain valid, but do not form part of the proportional voting basis. Planholders have the right to exclude their shares from the proportional voting arrangement.

### APPOINTMENTS TO THE BOARD

Under the Articles of Association of the Company, the number of Directors on the Board may be no less than three and no more than fifteen. Directors may be appointed by the Board or by the Company by ordinary resolution. All Directors so appointed are subject to re-election by shareholders at the next annual general meeting. On appointment, Directors are provided with a handbook that includes key company documents and details and have a series of meetings with key individuals at Columbia Threadneedle Investments as part of their induction process.

### REMOVAL OF DIRECTORS

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

### CONTRIBUTION AND INDEPENDENCE OF DIRECTORS

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

### DIRECTORS

The biographies of the Directors who held office at the end of the financial year are set out on pages 49 and 50. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are also set out there. Having served as a Director for nine years, in accordance with corporate governance best practice, Edward Knapp retired from the Board on 31 July 2025. With the exception of Josh Bottomley, who was appointed on 1 September 2025, all the other Directors held office throughout the year under review. All the Directors will stand for re-election by shareholders at the forthcoming AGM in accordance with the Company's Articles of Association (**Resolutions 5 to 12**). Beatrice Hollond will have

## DIRECTORS' REPORT (CONTINUED)

served as a Director for nine years in September 2026. She will seek re-election at the AGM but will step down from the Board later this year.

### DIRECTORS' INTERESTS AND INDEMNIFICATION

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

The Company has granted a deed of indemnity to the Directors in respect of liabilities that may attach to them in their capacity as Directors of the Company. This covers any liabilities that may arise to a third party for negligence, default or breach of trust or duty. This deed of indemnity is a qualifying third-party provision (as defined by section 234 of the Act) and has been in force throughout the year under review and remains in place as at the date of this report. It is available for inspection at the Company's registered office during normal business hours and at the AGM. The Company also maintains directors' and officers' liability insurance.

### ARTICLES OF ASSOCIATION

The Company may only adopt new Articles of Association by special resolution passed by shareholders at a general meeting.

### CONFLICTS OF INTEREST

A company director has a statutory obligation to avoid a situation in which they have, or potentially could have, a direct or indirect interest that conflicts with the interests of the company of which they are a director (a **'situational conflict'**). The Board therefore has procedures in place for the review and authorisation of potential conflicts relating to the Directors. Limits can be imposed as appropriate.

Other than the formal authorisation of the Directors' other directorships, no authorisations have been sought. Those authorisations were reviewed last in January 2026. Aside from situational conflicts, the Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company.

### SAFE CUSTODY OF ASSETS

The Company's listed investments are held in safe custody by JPMorgan Chase Bank (the **'Custodian'**). Operational

matters with the Custodian are carried out on the Company's behalf by Columbia Threadneedle in accordance with the provisions of the investment management agreement. The Custodian is paid a variable fee dependent on the volume of transactions and the value and location of the securities held.

### DEPOSITARY

JPMorgan Europe Limited (the **'Depositary'**) acts as the Company's Depositary in accordance with the Alternative Investment Fund Managers Directive (**'AIFMD'**). The Depositary's responsibilities, which are set out in an Investor Disclosure Document on the Company's website, include: cash monitoring; ensuring the proper segregation and safe keeping of the Company's financial instruments that are held by the Custodian; and monitoring the Company's compliance with investment and leverage limits requirements. The Depositary receives for its services a fee of one basis point per annum on the first £1 billion of the Company's net assets and 0.25 basis points per annum on net assets in excess of that amount, payable monthly in arrears.

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

### MANAGEMENT FEES

Information on the management fees payable by the Company is set out in the Report of the Management Engagement Committee on page 61.

### UK LISTING RULE 6.6.4R

The FCA's UK Listing Rule 6.6.4R requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where that information is set out. The Directors confirm that there are no disclosures to be made in this respect.

### ANNUAL GENERAL MEETING ('AGM')

The Company's AGM will be held at The Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB on Wednesday 29 April 2026 at 12.00 noon. The Notice of Meeting is set out on pages 108 to 112 and includes a map of the venue location. The Fund Manager will give a presentation at the meeting and there will be an opportunity to ask questions. If you are unable to attend the AGM, you are requested to submit any questions you may have with regard to the resolutions proposed at the AGM or the performance of the Company, in advance of the meeting to the following email address: [fcitagm@columbiathreadneedle.com](mailto:fcitagm@columbiathreadneedle.com). The Fund Manager's presentation will be available to view on the Company's website at [fandc.com](http://fandc.com), following the meeting.

The AGM will be a "hybrid" meeting, with shareholders being able to attend the meeting in person or online. For shareholders choosing to view the AGM online, they will be able to participate by asking questions and voting. Details of how to do so are given in the letter that accompanies your Form of Proxy or Form of Direction. Voting on all resolutions will be conducted by way of a poll. You are therefore requested to lodge your votes either through the online portal or by completing and returning your Form of Proxy or Form of Direction in accordance with the guidance set out below. Its completion and return will not preclude you from attending the meeting and voting in person. The results of each poll will be announced via a regulatory announcement to The London Stock Exchange and posted on the Company's website at [fandc.com](http://fandc.com) after the meeting.

### AUTHORITY TO ALLOT SHARES AND SELL SHARES FROM TREASURY (RESOLUTIONS 15 AND 16)

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

**Resolution 15** gives the Directors the necessary authority to allot securities up to an aggregate nominal amount of £11,831,288, being equivalent to approximately 10% of the Company's issued share capital (calculated exclusive of any shares held by the Company in treasury) as at 11 March 2026, being the latest practicable date before the publication of the notice of the AGM.

**Resolution 16** empowers the Directors to allot such securities for cash, other than to existing shareholders on a pro rata basis and also to sell treasury shares without first offering them to existing shareholders in proportion to their holdings, up to an aggregate nominal amount of £11,831,288 (representing approximately 10% of the issued ordinary share capital of the Company at 11 March 2026, calculated exclusive of the shares held in treasury).

These authorities provide the Directors with a degree of flexibility to increase the assets of the Company by issuing new shares or re-issuing shares from treasury, in accordance with its policies or should any other favourable opportunities arise to the advantage of shareholders. The Directors expect that they will use the authorities mainly to satisfy demand from participants in the Columbia Threadneedle Savings Plans when they believe it is advantageous to the Company's shareholders to do so. Under no circumstances would the Directors issue shares or re-issue treasury shares at a price which would result in a dilution of the NAV per ordinary share.

### SHARE SPLIT (RESOLUTION 17)

The Board is recommending that shareholders approve the proposal for a four for one share split of the Company's shares, whereby shareholders will be issued four shares of 6.25p each for each share of 25p currently held. Full details are provided on pages 51 and 52 under Capital Structure.

### AUTHORITY FOR THE COMPANY TO REPURCHASE ITS OWN SHARES (RESOLUTION 18)

At the annual general meeting held in 2025 the Company was authorised to repurchase approximately 14.99% of its own shares for cancellation or to be held in treasury. The number of shares remaining under that authority as at 31 December 2025 was 64,704,593 shares or 13.6% of the issued share capital, exclusive of the number of shares held in treasury. **Resolution 18** will authorise the renewal of such authority, enabling the Company to repurchase in the market up to a maximum of 70,940,404 ordinary shares (or, should Resolution 17 be passed and the proposed share split become effective, 283,761,617 New Ordinary Shares) equivalent to approximately 14.99% of the issued share capital, exclusive of treasury shares and sets out the minimum and maximum prices at which they may be repurchased exclusive of expenses, reflecting the requirements of the Companies Act 2006 (the 'Act') and the UK Listing Rules.

## DIRECTORS' REPORT (CONTINUED)

The Directors will continue to use this authority in accordance with its share repurchase policy. Under the Act, the Company is allowed to hold its own shares in treasury following a repurchase, instead of cancelling them. This gives the Company the ability to reissue shares from treasury quickly and cost-effectively (including pursuant to the authority under Resolution 16, see above) and provides the Company with additional flexibility in the management of its capital base. Such shares may be resold for cash but all rights attaching to them, including voting rights and any right to receive dividends are suspended whilst they are held in treasury. Repurchases of ordinary shares under the authority will be financed out of realised revenue and/or capital reserves and funded from the Company's own cash resources or, if appropriate, from borrowings. The Board intends to seek a renewal of such authority at subsequent annual general meetings.

### FORM OF PROXY

If you are a registered shareholder you will have received a Form of Proxy for use at the AGM. You will also have the option of lodging your proxy vote using the internet. For shares held through CREST, proxy appointments may be submitted via the CREST proxy voting system. Please either complete, sign and return the Form of Proxy in the envelope provided as soon as possible in accordance with the instructions or, alternatively, lodge your proxy vote via the internet or the CREST proxy voting system, whether or not you intend to be present at the AGM.

All proxy appointments should in any event be returned or lodged so as to be received not later than 12.00 noon on Monday 27 April 2026.

### FORM OF DIRECTION

If you are an investor in any of the Columbia Threadneedle Savings Plans, you will have received a Form of Direction for use at the AGM and you will also have the option of lodging your voting directions using the internet.

All voting directions should be made as soon as possible in accordance with the instructions on the Form of Direction and, in any event, not later than 12.00 noon on Wednesday 22 April 2026, so that the nominee company can submit a Form of Proxy within the required period.

### VOTING RECOMMENDATION

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

**By order of the Board  
Columbia Threadneedle Investment Business Limited  
Company Secretary  
13 March 2026**

# CORPORATE GOVERNANCE REPORT

## COMPLIANCE

The Board is committed to high standards of corporate governance. It has considered the principles and provisions of the AIC Code of Corporate Governance published in 2024 (the 'AIC Code'), which addresses the principles and provisions set out in the UK Corporate Governance Code (the 'UK Code'), as they apply to investment trust companies. The Board considers that reporting against the AIC Code, therefore, provides more appropriate information to the Company's shareholders. It confirms that the Company has complied with the principles and provisions of the AIC Code (with the exception of provision 34, which is applicable for accounting periods commencing on or after 1 January 2026), in so far as they apply to the Company's business, throughout the year under review. As all of the Company's day-to-day management and administrative functions are outsourced to third parties, it has no executive directors, employees or internal operations and therefore has not reported in respect of the following:

- the role of the executive directors and senior management;
- executive directors' and senior management remuneration; and
- the workforce

The rationale for the Company not having established its own internal audit function is explained on page 65.

Copies of the AIC Code and UK Code can be found on the following websites: [theaic.co.uk](https://theaic.co.uk) and [frc.org.uk](https://frc.org.uk).

## GOVERNANCE OVERVIEW

The Board has established an Audit Committee, Management Engagement Committee, Nomination Committee and Customer Strategy Committee. As the Board has no executive directors and no employees and is composed solely of non-executives, it does not have a Remuneration Committee. Detailed information on the remuneration arrangements for the Company's Directors can be found in the Directors' Remuneration Report on pages 69 to 72 and in note 5 to the Accounts.

The Company has appointed the Manager to manage the investment portfolios as well as to carry out the day-to-day management and administrative functions. An explanation of the reporting arrangements from the Manager is set out in the Strategic Report on page 39 and in the Report of the Audit Committee in respect of risk management and internal control on pages 64 to 65. Explanations regarding

the Board's appointment of the Manager, including reference to the strength and depth of its resources, measurement of performance and alignment with the values of the Board can be found on pages 33 and 34.

The Board has direct access to the company secretarial advice and services of the Manager which, through the Company Secretary, is responsible for ensuring that Board and committee procedures are followed and applicable laws and regulations are complied with. The proceedings at all Board and committee meetings are fully recorded through a process that allows any Director's concerns to be recorded by the Company Secretary in the minutes. The Board has the power to appoint or remove the Company Secretary in accordance with the terms of the investment management agreement.

## BOARD LEADERSHIP

The Board, led by the Chairman, is responsible for the effective stewardship of the Company's affairs and has in place a schedule of matters that is reserved for its decision, which are reviewed annually. These are categorised and reviewed under strategy, policy, finance, risk, investment restrictions, performance, marketing, appointments, the Board and public documents. It has responsibility for all corporate strategic issues, principal policies and corporate governance matters, which are all reviewed regularly.

At each meeting the Board reviews the Company's investment performance and considers financial analyses and other reports of an operational nature. The Board monitors compliance with the Company's objective and is responsible for setting investment and gearing limits within which the Fund Manager has discretion to act and thus supervises the management of the investment portfolio which is contractually delegated to the Manager. The Board has the right of veto over the appointment of sub-managers recommended by the Fund Manager. It has responsibility for the approval of all investments in in-house funds managed or advised by the Manager and any unlisted investments with the exception of new private equity investments, responsibility for which has been delegated to the Manager.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### **DIVISION OF BOARD RESPONSIBILITIES**

As an externally managed investment company, there are no executive directors; all the Directors are non-executive. The Chairman is responsible for the leadership and management of the Board and promotes a culture of openness, challenge and debate. The Chairman sets the agenda for all Board meetings under a regular programme of items in conjunction with the Company Secretary. Building on the strong working relationship with the Manager, the Fund Manager and other management company personnel attend the meetings throughout the year and report to the Board. Discussions at all levels are held in a constructive and supportive manner with appropriate challenge and strategic guidance and advice from the Board whenever necessary consistent with its culture and values.

Quintin Price is the Board's Senior Independent Director ('SID'). He acts as an experienced sounding board for the Chairman and an intermediary for other Directors and shareholders and he leads the annual evaluation of the Chairman.

In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information. Directors are able to seek independent professional advice at the Company's expense in relation to their duties. No such advice was taken during 2025.

### **COMPOSITION OF BOARD COMMITTEES**

Committee membership is noted in each Director's biography on pages 49 and 50, while the respective terms of reference can be found on the Company's website at [fandc.com](http://fandc.com).

### **CUSTOMER STRATEGY COMMITTEE**

The Customer Strategy Committee was established in January 2026 to formalise the work that Directors undertake in partnership with the Manager on the Company's marketing and sales strategy and related activities.

### **NOMINATION COMMITTEE**

The primary role of the Nomination Committee is to review and make recommendations regarding Board structure, size and composition, the balance of knowledge, experience, range of skills and diversity and to consider succession planning and tenure policy. It oversees the process for evaluating the Board, its committees and individual Directors. The Committee also reviews the level of Directors' fees and makes recommendations to the Board

as appropriate. Mr Price, as SID, is leading the recruitment process for the Chairman's successor.

### **TENURE**

The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company or, indeed, its chairman. This is because continuity and experience can add significantly to the strength of investment trust company boards where the characteristics and relationships tend to differ from those of trading companies. However, the Chairman and Directors normally serve for a maximum nine-year term. None of the Directors standing for re-election at the forthcoming AGM has served in excess of nine years. The Chairman will have served as a Director for nine years in September 2026. She will stand for re-election at the forthcoming AGM and step down from the Board later this year.

### **DIVERSITY**

The Board's policy on diversity is set out on page 37.

### **SUCCESSION PLANNING**

A Board succession plan is in place, with the emphasis on maintaining the highest level of skills, knowledge and experience on the Board. When recruiting a new Director to the Board, the Nomination Committee refers to a matrix that sets out the skills and experience and considers the remaining tenure of each of the Directors. This assists in identifying the desired attributes of the new Director and ensures that the Board continues to be composed of individuals with appropriate and complementary skills and experience and provides continuity.

Nurole Limited was engaged for the recruitment process that resulted in the appointment of Josh Bottomley in September 2025 to succeed Edward Knapp, who retired from the Board on 31 July 2025. A wide range of candidates with diverse backgrounds, skills and experience were considered.

Sainty Hird & Partners has been engaged for the process to recruit a successor to the Chairman, who will retire from the Board later this year.

Neither Nurole Limited or Sainty Hird provide any other services to the Company and have no other connection with the Company or individual Directors.

## BOARD EVALUATION AND EFFECTIVENESS

The 2025 annual evaluation of the Board, its committees and the individual Directors was carried out by an independent third party, Christopher Saul Associates ('CSA'). CSA has no other connection with the Company, save that Quintin Price is a trustee of The Leverhulme Trust and Christopher Saul was also a trustee until 31 December 2025. The evaluation process included (i) a review of past Board and Committee meeting papers; (ii) confidential, unattributable one-to-one interviews between the external evaluator and each Director, Columbia Threadneedle's Head of Investment Trusts, the Company Secretary and the Fund Manager and (iii) attendance at a meeting of the Board and each of its Committees as an observer. CSA also conducted an appraisal of the Chairman and shared the outcome with the Senior Independent Director..

CSA discussed the findings of the review with the Chairman and delivered a comprehensive report to the Board. The review concluded that the Board is operating effectively. Board culture is collegiate, open, positive and engaged. There is an appropriate mix of skills and experience among the Directors, each of whom is well prepared and demonstrates commitment to their role, and challenge of the Fund Manager is thoughtful and constructive.

Areas identified for ongoing focus included succession, with Chairman succession being the priority, and ensuring that agenda setting continues to highlight key opportunities and threats in a fast-changing world.

The activities of the Nomination, Management Engagement and Audit Committees were considered as part of the review process. The conclusion was that the Committees continued to operate effectively, with an appropriate balance of membership, experience and skills, and are well integrated into overall Board processes.

## BOARD AND COMMITTEE MEETINGS

The table below sets out the Directors' meeting attendance record in 2025. The Board also held a separate meeting in September 2025 to consider strategic issues. In addition to its scheduled annual meeting, the Nomination Committee met on two other occasions as part of the process to recruit a new Director and to determine which independent third party would be engaged to conduct the external evaluation of the Board, its committees and the Chairman.

### Directors' attendance in 2025

	Board	Audit Committee	Nomination Committee	Management Engagement Committee
<b>No. of meetings</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>1</b>
Beatrice Hollond <sup>(1)</sup>	6	3	3	1
Josh Bottomley <sup>(2)</sup>	2	n/a	n/a	n/a
Anuradha Chugh	6	3	n/a	1
Edward Knapp <sup>(3)</sup>	4	2	n/a	1
Rain Newton-Smith	6	n/a	3	1
Quintin Price	6	3	3	1
Richard Robinson <sup>(4)</sup>	6	3	n/a	1
Stephen Russell	6	3	n/a	1
Julie Tankard	6	3	3	1

(1) Attended but is not a member of the Audit Committee.

(2) Appointed to the Board on 1 September 2025.

(3) Retired from the Board on 31 July 2025.

(4) Attended one meeting of the Audit Committee prior to becoming a member of the Committee on 1 July 2025.

## AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL

The Board has a well established and effective Audit Committee, whose report is set out on pages 63 to 68. The report includes an explanation of the assessment of the Company's going concern status and how the Board oversees the risk management and internal control framework and the procedures under which risk is managed. The Committee also considers the Company's long-term viability and the nature and extent of the risks the Company is willing to take in order to achieve its long-term strategic objectives as well as identifying emerging risks. The rationale for the Company not having established its own internal audit function is explained on page 65, while further information on the Company's risk management and internal control framework can be found on pages 64 to 65.

The report of the Audit Committee provides an overview of how the Board satisfies itself on the integrity of the financial statements and how the independence and effectiveness of the external auditor is assessed. An explanation is also given on the process under which the Board satisfied itself that the Annual Report and Accounts, taken as a whole, presents a fair, balanced and understandable assessment of the Company's position and prospects.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### **RELATIONS WITH STAKEHOLDERS AND SHAREHOLDERS**

Information on the Company's engagement with its key stakeholders and shareholders is set out on pages 39 and 40.

### **DIRECTORS' REMUNERATION AND THE MANAGEMENT FEE**

The Directors' remuneration policy is explained on page 69. As non-executive Directors, fees are set at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the contribution towards the delivery of the investment objective.

While there are no executive directors and no employees, shareholders should expect that the fees paid to the Manager are aligned with the Company's purpose, values and the successful delivery of its long-term strategy. This is achieved by charging the management fee on the Company's market capitalisation, on a tiered basis. Having a tiered fee structure assists in bringing down the Company's cost ratio as it grows, with the benefits of scale being passed on to shareholders.

**By order of the Board**  
**Columbia Threadneedle Investment Business Limited**  
**Company Secretary**  
**13 March 2026**

# REPORT OF THE MANAGEMENT ENGAGEMENT COMMITTEE

## ROLE OF THE COMMITTEE

The primary role of the Management Engagement Committee is to evaluate the performance of the Manager for the investment, company secretarial, financial, administration, marketing and support services that it provides under the investment management agreement. It also reviews the terms of that agreement, including the level and structure of fees payable, the length of the notice period and best practice provisions generally. The Committee is also responsible for the review of the Company's third-party service providers. All of the Committee's responsibilities have been carried out over the course of 2025 and 2026 to date.

## MANAGER EVALUATION PROCESS

The Committee met once during the year under review and again in January 2026 for the purpose of the annual evaluation of all aspects of the Manager's performance. Its performance is considered at every Board meeting, with a formal evaluation by the Committee each year. For the purposes of its ongoing monitoring, the Board receives detailed reports and views from the Fund Manager on investment policy, asset allocation, stock selection, gearing and risk, together with quarterly reports on the Columbia Threadneedle managed portfolio strategies. Quarterly updates are also received from the sub-managers. The Board receives comprehensive performance data from the Manager and also from Morningstar UK Limited and Refinitiv Eikon, which are leading data suppliers. These enable it to assess: the success or failure of the management of the total portfolio against the performance objectives set by the Board; the sources of positive and negative contribution to portfolio returns in terms of asset allocation, sector and stock selection and gearing; and the performance of each investment portfolio against its local index, where applicable, and the risk/return characteristics. Portfolio performance information, which is relevant in monitoring the Manager, the sub-managers and the Private Equity funds of funds managers, is set out on pages 9 to 18.

## MANAGER REAPPOINTMENT

The annual evaluation that took place in January 2026 included presentations from the Fund Manager and the Manager's Head of Investment Trusts. This focused primarily on the objectives set by the Board and the Manager's contribution towards achieving those objectives, particularly with regard to investment strategy and marketing. With regard to performance, over the twenty

years to 31 December 2025, the Company's net asset value total return was 567.8%, equivalent to 10.0% per annum. Our capital-only return (i.e. without dividends reinvested) over that period was +384.3% (+8.2% per annum) and our shareholder return was +619.1% (+10.4% per annum). Dividends paid to shareholders have risen by 5.6% per annum over the past decade, thus meeting the Company's objective of delivering long-term growth in capital and income. The Committee met in closed session following the presentations and concluded that, in its opinion, the continuing appointment of the Manager on the terms agreed was in the interests of shareholders as a whole. The Board ratified this recommendation.

## THIRD-PARTY SERVICE PROVIDERS

During the year, the Committee also reviewed the performance of all the Company's third-party service providers, including the share registrar Computershare, Columbia Threadneedle Investments acting as Company Secretary, JPMorgan whose various entities act as broker, custodian and depositary, and PwC who act as tax advisors. The Manager provides updates on the performance of the Company's third-party service providers during the year as necessary. The Committee confirmed that it was satisfied with the level of services delivered by each third party provider.

## THE MANAGER'S FEE

An important responsibility of the Committee is the regular review of the Manager's fee. The management fee is reviewed by the Committee every three years and was reviewed in January 2025. The fee was revised with effect from 1 January 2025 and charged at the rate of 0.3% on the first £3.5bn of the market value of the Company (down from £4bn previously) and at 0.25% on the value of the Company between £3.5bn and £6.0bn. A new tier was introduced, with a fee of 0.2% on the market value above £6.0bn applying. From 1 January 2026 the level at which the 0.25% fee applies has fallen further, to £3.0bn. The fee is calculated and paid monthly in arrears and is subject to a reimbursement for amounts earned from investments in other investment vehicles managed by the Manager. As part of the fee arrangement, the Manager will make an annual contribution to the Company's budget for marketing activities in each of the three years to and including 2027.

## REPORT OF THE MANAGEMENT ENGAGEMENT COMMITTEE (CONTINUED)

In the year under review, the total management fee paid directly to the manager was £15.6m, an increase from the total fee of £14.8m paid in 2024. Note 4 to the Accounts provides detailed information in relation to the management fee.

During the year, the Manager delegated the management of the US portfolios to Barrow, Hanley, Mewhinney & Strauss and JPMorgan Asset Management and, from March 2025 onwards, the emerging markets portfolio to Invesco Asset Management Limited, for which it incurs fees. The Company reimburses the Manager for these fees, which are reviewed by the Committee and which in 2025 amounted to £4.8m (2024: £3.7m) (see note 4 to the Accounts).

### PRIVATE EQUITY MANAGEMENT FEES

No additional fees (beyond the fee detailed above) are paid to the Manager for any future commitments made to Private Equity that fall within its remit. The Manager and certain individuals employed by the Manager are, however, entitled to participate in a performance fee arrangement in the form of carried interest over secondary or co-investments made within the Private Equity programme.

The fees paid to the Private Equity managers in respect of the Private Equity funds amounted to £2.0m for 2025 (2024: £2.0m) (see note 4 to the Accounts) all of which were incurred indirectly through the funds. Some of the funds have arrangements whereby the Private Equity managers share in the profits once certain "hurdle" rates of return to investors have been achieved. These arrangements are varied and complex but are on normal commercial terms within the Private Equity funds of funds industry. Fees payable by the underlying funds are negotiated by each manager. The arrangements also vary from fund to fund, but management fees of 2% per annum and a 20% carried interest, once an agreed hurdle rate of return for investors has been achieved, are normal.

PE Investment Holdings 2018 LP pays an annual fee of £1,000 to the General Partner. This is not directly incurred by the Company but is reflected in the underlying value of the investment. The investment in Inflexion Strategic Partners is a direct investment in that business and therefore no fees are incurred in relation to it.

**Beatrice Hollond**  
**Chairman, Management Engagement Committee**  
**13 March 2026**

# REPORT OF THE AUDIT COMMITTEE

## ROLE OF THE COMMITTEE

The primary responsibilities of the Audit Committee are to ensure the integrity of the financial reporting and statements of the Company, to oversee the preparation and audit of the annual accounts, the preparation of the half year accounts and the risk management and internal control processes. The Committee met three times during the year with the Manager's Investment Trust Accountant, Head of Investment Trusts and the Fund Manager in attendance. EY, the Company's independent auditor, attended on two occasions and have met in private session with the Committee. The Board Chairman was invited to, and regularly attended, Committee meetings.

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

- The financial statements, including advice to the Board as to whether the annual report and accounts taken as a whole is fair, balanced and understandable;
- The accounting policies of the Company;
- A report setting out a review of the appropriateness of continuing to adopt the going concern basis in preparing the Company's accounts;
- The assumptions and results of the scenario testing of the long-term viability of the Company and the basis of the Long-Term Viability statement;
- The principal and emerging risks faced by the Company and the effectiveness of the Company's system of risk management and internal control environment;
- How the Company has applied the principles and complied with the provisions of the AIC Code;
- The effectiveness of the external audit process and the current independence and objectivity of the auditor, EY;
- The appointment, remuneration and terms of engagement of EY;
- The policy on the engagement of the external auditor to supply non-audit services and approval of any such services;
- Whether to change the Company's current policy by establishing its own Internal Audit function;
- The ISAE/AAF and SSAE16 reports or their equivalent from the Manager, the Custodian, the Depository, the Private Equity managers and the sub-managers and a due diligence report from the Company's Share Registrar;

- The Company's trademarks and intellectual property rights;
- The operational performance of the Manager; and
- The Committee's terms of reference for approval by the Board.

Comprehensive papers relating to each of these matters were prepared for discussion. These were debated by the Committee and any recommendations were fully considered if there was a judgement to be applied in arriving at conclusions. Recommendations were then made to the Board as appropriate. The Committee has received confirmation from the Manager that the systems of risk management and internal control operated effectively throughout the year under review and thereafter to the date of this report.

The Board retains ultimate responsibility for all aspects relating to external financial statements and other significant published financial information, as noted in the Statement of Directors' Responsibilities on page 73. On broader control policy issues, the Committee has reviewed, and is satisfied with, the Code of Conduct and the Anti-Corruption Policy and Guidelines to which the Manager's employees are subject. The Board is responsible for ensuring appropriate procedures and processes are in place to enable issues of concern to be raised. Mindful of this, the Committee has reviewed the Manager's Whistleblowing Policy, under which its staff may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Committee Chairman followed this up with a meeting with Columbia Threadneedle Investments' Head of Compliance. The Committee has received assurances that the necessary arrangements are in place for communication by the Manager to the Committee where matters might impact the Company, with appropriate follow-up action. In 2025 there were no such concerns raised with the Committee.

## COMPOSITION OF THE COMMITTEE

The Board recognises the requirement for at least one member of the Committee to have recent and relevant financial experience and for the Committee as a whole to have competence relevant to the sector in which the Company operates. The Committee comprises five independent non-executive Directors. Julie Tankard is Chairman of the Committee and a fellow of the Chartered Institute of Management Accountants. Until 2023, she was

## REPORT OF THE AUDIT COMMITTEE (CONTINUED)

Chief Financial Officer of the Port of London Authority and was also responsible for risk. The other members of the Committee have a combination of financial, investment and business experience through the senior posts held throughout their careers. Details of the Committee members can be found on pages 49 and 50. Richard Robinson was appointed to the Committee with effect from 1 July 2025, replacing Edward Knapp who retired from the Board on 31 July 2025. The Committee's terms of reference can be found on the Company's website at [fandc.com](https://www.fandc.com).

### MANAGEMENT OF RISK

The Manager's Operational Risk Department provides regular control reports to the Committee covering risk and compliance, while the Company's investment management agreement requires that any significant issues of direct relevance to the Company are reported to the Committee and to the Board without delay. There were no such reports during the year under review and up to the date of this report.

For the management of risk, a key risk summary is produced by the Manager in consultation with the Board to identify the risks to which the Company is exposed, the controls that are in place and the actions being taken to mitigate them. The Board considers the resulting risk control assessment at regular meetings and reviews the significance of the risks and the reasons for any changes. The Company's Principal and Emerging Risks are set out on pages 43 to 47, with additional information given in note 25 to the Accounts. Included within these disclosures is information detailing the reverse stress test that has again been carried out as part of the Board's assessment of the Company's long-term viability. Those tests consider the combination and magnitude of plausible events that could potentially force the Company to discontinue its operations or impact its resilience and its ability to meet its liabilities over the coming ten years.

The Board, through the Committee, carried out a robust review and assessment of the principal risks and identification of emerging risks to the Company. The integration of the risks identified into the analyses underpinning the Long-Term Viability statement on page 47 was considered fully and the Committee concluded that the Board's statement was soundly based. The period of ten years was also agreed as remaining appropriate for the reasons given in the statement, whilst recognising that it remains longer than that used by many other companies.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Company's system of risk management and internal control, for reviewing its effectiveness and ensuring that risk management and internal control processes are embedded in the Manager's day-to-day operations. The Committee has reviewed and reported to the Board on those controls, which aim to ensure that the assets of the Company are safeguarded, proper accounting records are maintained and the financial information used within the business and for publication is reliable. Control of the risks identified, covering financial, operational, compliance and overall risk management, is exercised by the Committee through regular reports provided by the Manager. The reports cover investment performance, performance attribution, compliance with agreed and regulatory investment restrictions, financial analyses, revenue estimates, performance of the third-party administrators of Columbia Threadneedle's Savings Plans and on other relevant management issues. In addition, the Committee receives an annual presentation from the Manager's Chief Information Security Officer to gain assurance on its cyber security policies, testing and controls.

The system of risk management and internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss or fraud. Further to the review by the Committee, the Board has assessed the effectiveness of the Company's internal controls. The assessment included a review of the Manager's risk management infrastructure and the report on its policies and procedures in operation and tests for the year to 30 September 2025 and subsequent confirmation from the Manager that there had been no material changes to the control environment in the period to 11 March 2026. The report on the Manager's control policies and procedures with respect to the management of clients' investments and maintenance of their financial records is prepared in accordance with the International Standard on Assurance Engagement (ISAE) No. 3402 and to the standards of the Institute of Chartered Accountants in England and Wales Technical Release AAF (01/06) (the 'ISAE/AAF Report') and is reviewed and reported on by independent reporting accountants KPMG. The effectiveness of the controls is monitored by the Manager's Audit and Risk Committee which, for the year to 30 September 2025, received regular reports from its internal audit department. Procedures are also in place to

capture and evaluate any failings and weaknesses within the Manager's control environment and those extending to any outsourced service providers to ensure that action would be taken to remedy any significant issues.

Any errors or breaches relating to the Company are reported at each Committee and Board meeting by the Manager, including those relating to the administration of its Savings Plans and related complaint levels. Material issues would be reported earlier to the Chairman. No failings or weaknesses that were material to the overall control environment or financial statements were identified in the year under review. The Committee also reviewed the control reports of the Custodian, the Depository, Barrow, Hanley, Mewhinney & Strauss, JPMorgan Asset Management, Invesco Asset Management Limited, the Private Equity managers and the Share Registrars' due diligence report and was satisfied that there were no material exceptions.

Through the reviews noted above and by direct enquiry of the Manager and other relevant parties, the Committee and the Board are satisfied that there were no material control failures or exceptions affecting the Company's operations during the year under review or in 2026 to the date of this report.

Based on the processes and controls in place within the management company, the Committee has concluded, and the Board has concurred, that there is no current need for the Company to have a separate internal audit function.

#### **EXTERNAL AUDIT PROCESS AND SIGNIFICANT ISSUES CONSIDERED BY THE COMMITTEE**

In carrying out its responsibilities, the Committee has considered the planning arrangements, scope, materiality levels and conclusions of the external audit for the year ended 31 December 2025. The table on page 66 describes the significant judgements and issues considered by the Committee in relation to the financial statements for the year and how these issues were addressed. Specifically, the most significant judgement for the year concerned the private equity investment, Inflexion Strategic Partners, which was revalued upwards. The Committee also included in its review the areas of judgements, estimates and assumptions referred to in note 2(c)(xiii) to the Accounts. Likewise, it reviewed the disclosure and description of the Alternative Performance Measures provided on pages 117 to 119 and is satisfied that the disclosure is fair and relevant.

Given the complexity of the Private Equity investments, the Committee continues to scrutinise and challenge the valuation of those investments. It questioned Columbia Threadneedle and Pantheon on their processes in meetings during the year. The year end valuation is an estimate based on the September valuations extrapolated to the year end by adjusting for cash flows and any known events (as described in notes 2(c)(ii) and 25(d) to the Accounts). The Committee back-tested the validity of this estimation process by comparing variances in the estimated value with the actual audited values as at 31 December 2024 (which become known in May/June of the following year). The overall percentage change between the Company's year end valuations and those shown in the audited accounts of the underlying holdings was immaterial. In testing and challenging underlying adjustments made by the Private Equity managers, the Committee ensures that the highest levels of oversight and scrutiny are applied. The process for determining the direct Private Equity valuations was reviewed and confirmed by the Committee as being appropriate. The Committee has adopted a formal valuation policy for the Company's private equity investments which is reviewed annually.

The Committee met in February 2026 to discuss the Annual Report and Accounts, with representatives of EY and the Manager in attendance. EY submitted its year end report and indicated that at that stage it would have no reason not to issue an unqualified audit opinion in respect of the Annual Report and Accounts. The Committee established that there were no material issues or findings arising which needed to be brought to the attention of the Board.

The Committee recognises the importance of continually improving non-financial reporting and the increased focus on the Strategic Report by investors and regulators. Therefore, the Committee has carefully considered the disclosures made in the Annual Report and Accounts particularly in relation to those made under section 172(1) of the Act, including how wider stakeholder interests have been taken into account by the Directors while performing their duties and related disclosures with regard to responsible investment issues. The Committee has had regard to the non-financial reporting requirements in the Act, which is an area of reporting that continues to evolve.

## REPORT OF THE AUDIT COMMITTEE (CONTINUED)

### Significant Judgements and Issues considered by the Committee

Matter	Action
<b>Investment Portfolio Valuation</b>	
The Company's portfolio of investments comprises large cap, liquid securities quoted on recognised stock exchanges, together with illiquid Private Equity funds of funds and one direct investment. The Private Equity vehicles, which are subject to signed agreements covering long-term commitments and funding, hold a diversity of unquoted investments whose values are subjective. Incorrect valuations could have a material impact on the Company's NAV.	The Committee reviewed annual audited internal control reports from the Manager, the sub-managers and Private Equity funds of funds managers. These reports indicated that the relevant systems and controls surrounding daily pricing, cash and holdings reconciliations, security valuation and Private Equity funding had operated satisfactorily. In addition, with regard to Private Equity vehicles, the Committee discussed controls directly with the managers; reviewed the managers' estimated valuations in detail at six monthly intervals; and performed a thorough review and comparison of each Private Equity fund's 31 December 2024 or most recent audited value versus the managers' estimated valuation adopted by the Company in its own reporting. The review indicated that the Private Equity managers' estimated valuations could continue to be relied upon as being at fair value in accordance with the Company's accounting policy. The process for revaluing Inflexion Strategic Partners was reviewed and agreed by the Committee.
<b>Misappropriation of Assets</b>	
Misappropriation of the Company's investments or cash balances could have a material impact on its NAV.	The Committee reviewed the annual audited internal control reports of the Manager and the Custodian. Neither of these reports indicated any failures of controls over the existence and safe custody of the Company's investments and cash balances. The Committee reviews regularly the list of banks which the Manager and sub-managers are authorised to place cash and deposits with. The Company's Depository reported quarterly on the safe custody of the Company's investments and the operation of controls over the movement of cash in settlement of investment transactions. Through these reports the Committee is satisfied that the assets remained protected throughout the year.
<b>Income Recognition</b>	
Incomplete controls over, or inaccurate recognition of, income could result in the Company misstating its revenue receipts and associated tax, with consequences for overall performance, payment of dividends to shareholders and compliance with taxation rules.	The Committee's review of the Manager's annual audited controls report indicated that there were no control failures in the year. The Committee satisfied itself that special dividends had been correctly treated in accordance with the Company's accounting policy. Investment income was tested and reported on by the Manager and agreed by the Committee.

The Committee also noted that an independent, experienced and objective third-party consultant was engaged to review the Annual Report and Accounts and comment on its fairness, balance and comprehension. The Committee recommended to the Board that the Annual Report and Accounts was in its view, fair, balanced and understandable in accordance with accounting standards, regulatory requirements and best practice.

The Independent Auditor's Report which sets out the unqualified audit opinion, the scope of the audit and the areas of focus, in compliance with applicable auditing standards, can be found on pages 74 to 81.

### GOING CONCERN

The Directors confirm their reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. This confirmation is based on a review of assumptions that took into account the outlook for global stock markets and economies; the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments; and the ability of the Company to meet all of its liabilities and ongoing expenses. The Directors also took account of the results of illustrative stress tests, which were based on assumptions that they considered to be the most

relevant, covering the period to 31 March 2027 that enabled them to assess the impact of varying degrees of:

- falls in the value of the publicly listed investments;
- increased share buyback volumes;
- illiquidity and early calls on private equity commitments;
- adverse fluctuations in exchange rates; and
- falls in annual revenue.

In addition to the stress tests, a reverse stress test was carried out to establish the extent to which markets and revenue would need to fall and exchange rates move such that the Company would breach its most onerous financial loan covenants. These covenants stipulate that the net assets of the Company must not fall below £750m and that gearing must not exceed 35% of the adjusted portfolio value<sup>(1)</sup>. The results of the test illustrated that there would need to be a 62% fall in the values of the public and private equity portfolios together with a 62% fall in revenue and adverse exchange rate movements of 20% to breach the maximum gearing covenant of 35%. The test was illustrative only and undertaken without any assumptions of intervention that would mitigate their effect. Such an event is therefore highly unlikely. Under any scenario of prolonged severe market falls that could threaten the Company's ability to continue as a going concern, the Board would work with the Manager to take mitigating action that could include portfolio restructuring, reduced dividend payments and share buybacks and cost cutting.

At present, the Company does not have any revolving credit facilities in place and currently its gearing is provided entirely by a perpetual debenture and unsecured, fixed rate senior notes, with various rates of interest and maturities. Should the Board wish to take out a short term loan facility, based on past experience it does not believe that it would have difficulty in obtaining such a facility.

Based on their assessment of the magnitude of the events that would cause the Company to fail to meet its liabilities as they fall due, and their knowledge and experience of the Company's portfolio and stock markets, the Directors continue to adopt the going concern basis in preparing the accounts for the year ended 31 December 2025. See also note 24 to the Accounts.

(1) See Glossary of Terms on page 120 for an explanation of adjusted portfolio value.

## AUDITOR ASSESSMENT AND INDEPENDENCE

The Committee reviews the reappointment of the auditor every year. It has been satisfied with the effectiveness of EY's performance but this year it held a tender for audit services (see page 68). The audit partner rotates at least every five years, in accordance with professional guidelines. James Beszant is the senior statutory auditor and this is his fifth year as audit partner. The Committee is satisfied that EY are independent of the Company and have complied with relevant auditing standards. In evaluating EY, the Committee has taken into consideration the standing, skills and experience of the firm and of the audit team. The Committee is satisfied that EY provided effective independent challenge in carrying out its responsibilities.

The FRC's Ethical Standard continues to press for ever higher quality auditing standards which means that audit firms are incurring substantial costs. It also expects audit firms to demonstrate that they are economically sustainable. This upward pressure on costs has been reflected in increases in the audit fee in recent years. The audit fee for 2025, excluding VAT, was £161,500 (2024: £156,000). More details can be found in note 5 to the Accounts. The Committee has a duty to consider carefully the audit for value and effectiveness and, as part of its annual review, the need for putting the audit out to tender for reasons of quality, independence or value.

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

## NON-AUDIT SERVICES

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

- the provision of the services would contravene any regulation or ethical standard;
- the auditors are not considered to be expert providers

## REPORT OF THE AUDIT COMMITTEE (CONTINUED)

of the non-audit services;

- the provision of such services by the auditor creates a conflict of interest for either the Board or the Manager; or
- the services are considered to be likely to inhibit the auditor's independence or objectivity as auditors.

In particular, the Committee has a policy that the accumulated costs of all non-audit services sought from the auditor in any one year should not exceed 30% of the likely audit fees for that year and not exceed 70% cumulatively over three years. Any individual service likely to exceed £5,000 is agreed by the Committee prior to the commencement of the service. There were no non-audit services for the year ended 31 December 2025 (2024: nil).

### AUDIT TENDER

As a Public Interest Entity, the Company is required to put its audit out to tender every ten years and to rotate auditors every twenty years. EY was appointed the Company's independent auditor following the last tender undertaken in 2016 and therefore the next audit tender was due to be conducted before the 2026 financial year end. In order to allow the various audit firms sufficient time to clear any potential conflicts of interest, the Committee carried out the tender in July 2025. Initial enquiries were made of the so-called "Big Four" audit firms and one "challenger" firm. Following receipt of formal tender proposals the Committee received presentations from, and held discussions with, four audit firms. EY did not participate for commercial reasons that might risk its future independence. After fair and objective consideration, the Committee recommended to the Board its first and second audit firm choices.

The Board agreed that KPMG LLP be appointed as the Company's independent auditor to replace EY with effect from the conclusion of the forthcoming AGM. In reaching its decision to appoint KPMG, the Committee took account of the quality of the written proposals, presentations and discussions, the technical competence of the individuals comprising the proposed audit team and a review of the evaluation of each firm's audit performance through the Audit Quality Inspection Report for 2024/25 published by the Financial Reporting Council (the 'FRC'). The Committee confirms that the tender process complied with the FRC's "Audit Committees and the External Audit: Minimum Standard". We thank EY for their service over the past ten years and we look forward to working with KPMG.

### REGULATION

The Committee seeks to maintain a forward-looking view of forthcoming regulatory, legislative and governance requirements to ensure that it is fully prepared to meet and, where appropriate, exceed requirements, given its firm commitment that sound governance adds value and mitigates risk.

The Committee has noted that, under the revised AIC Code that was published in 2024, the Board will be responsible for not only establishing but also for maintaining the effectiveness of the risk management and internal control framework and making a declaration concerning the effectiveness of its material internal controls. The new declaration will be required in respect of financial years commencing on or after 1 January 2026. In readiness for this new requirement, in 2025 the Committee identified the Company's material controls (including financial, operational, reporting and compliance controls) encompassing all key risk areas and how they are monitored. This formalised a process that was already in place and enabled the Committee to ensure that the Company was on course to meet the new requirement under the AIC Code. In compliance with the new requirement, the annual report to be published in 2027 will include a declaration of the effectiveness of the material controls as at the balance sheet date and a description of any material controls which have not operated effectively, the action taken or proposed to improve them and any action to address previously reported issues.

**Julie Tankard**  
**Chairman, Audit Committee**  
**13 March 2026**

# DIRECTORS' REMUNERATION REPORT

## DIRECTORS' REMUNERATION POLICY

The Board's policy is to set Directors' remuneration at a level to recruit and retain individuals with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the Company's objectives. The time committed to the Company's business and the specific responsibilities of the Chairman, Senior Independent Director, Directors and the chairmen and members of the various committees of the Board are taken into account. The policy aims to be fair and reasonable in relation to comparable investment trust companies and other similar sized financial companies. This includes provision for the Company's reimbursement of all reasonable travel and associated expenses incurred by the Directors in attending Board and committee meetings, including those treated by HMRC as a benefit in kind subject to tax and national insurance.

This policy was last approved by shareholders in April 2023: of the votes cast, 93.1% were in favour, with 6.9% against. Of the total proxy votes received, 4.6% were withheld from this resolution (a vote withheld is not a vote in law and is not counted in the calculation of the votes for and against a resolution). The Board has not subsequently received any views from shareholders in respect of the levels of Directors' remuneration. It is a requirement that shareholder approval is sought at least every three years and therefore shareholders will be asked to approve the Directors' remuneration policy (**Resolution 2**) at the forthcoming AGM to be held on 29 April 2026.

The Company's Articles of Association limit the aggregate fees payable to the Board to a total of £750,000 per annum. Within that limit, it is the responsibility of the Board as a whole to determine and approve the Directors' fees, following a recommendation from the Nomination Committee. The fees are fixed and are payable in cash, quarterly in arrears. Directors are not eligible for bonuses, pension benefits, share options or long-term incentive schemes. The Board considers the level of Directors' fees annually. In January 2026, the Board agreed the recommendation of the Nomination Committee that, commencing 1 January 2026, all fees should be increased by 3.4%, in line with inflation, to the levels shown in the table opposite.

## Annual fees for Board Responsibilities

	Fees for services to the Company	
	2026 £	2025 £
<b>Board</b>		
Chairman	92,230	89,200
Senior Independent Director	53,800	52,040
Director	46,120	44,600
<b>Additional fees payable for committee membership:</b>		
<b>Audit Committee</b>		
Chairman	16,550	16,010
Members	6,500	6,290
<b>Nomination Committee</b>		
Chairman	3,840	3,715
Members	3,840	3,715
<b>Customer Strategy Committee<sup>(1)</sup></b>		
Chairman	6,000	n/a
Members	3,840	n/a

(1) Customer Strategy Committee established in January 2026 (see page 58).

No additional fees are payable for membership of the Management Engagement Committee.

The Board is composed solely of non-executive Directors, none of whom has a service contract with the Company and therefore the Board has not established a separate remuneration committee. Each Director has signed a terms of appointment letter with the Company, in each case including one month's notice of termination by either party. There is no provision for compensation for loss of office. The letters of appointment are available for inspection by emailing the Company Secretary at [FCITCoSec@columbiathreadneedle.com](mailto:FCITCoSec@columbiathreadneedle.com) and will be available for 15 minutes before, and during, the forthcoming AGM. The dates on which each Director was appointed to the Board are set out in their biographies on pages 49 and 50.

## DIRECTORS' REMUNERATION REPORT (CONTINUED)

### DIRECTORS' SHAREHOLDINGS

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

Directors' share interests (audited)		
At 31 December	2025	2024
Beatrice Hollond	10,406	9,371
Josh Bottomley <sup>(1)</sup>	36,247	n/a
Anuradha Chugh	2,084	2,084
Rain Newton-Smith	1,736	1,013
Quintin Price	15,765	15,335
Richard Robinson	5,201	5,201
Stephen Russell	28,360	28,360
Julie Tankard	2,851	2,242

(1) Appointed to the Board on 1 September 2025.

The Company's register of Directors' interests contains full details of Directors' shareholdings.

Since the year end, and up to 11 March 2026 (being the latest practicable date before the publication of this Annual Report and Accounts), the following Directors have acquired ordinary shares in the Company: Beatrice Hollond 259; Rain Newton-Smith 239; Stephen Russell 1,176 and Julie Tankard 8. There have been no changes in any of the other Directors' shareholdings detailed above. No Director held any interests in the issued stock or shares of the Company other than as stated above.

As at 11 March 2026 Paul Niven, the Company's Fund Manager, held 228,871 ordinary shares in the Company.

### POLICY IMPLEMENTATION

The Directors' Remuneration Report (excluding the Directors' remuneration policy) is subject to an annual advisory vote and therefore an ordinary resolution for its approval will be put to shareholders at the forthcoming AGM (**Resolution 3**). At the 2025 AGM, shareholders approved the Remuneration Report in respect of the year ended 31 December 2024: of the total votes cast, 94.5% were cast in favour of the resolution, with 5.5% against. Of the total proxy votes received, 3.1% were withheld from this resolution.

### SINGLE TOTAL FIGURE OF REMUNERATION

The single total figure of remuneration for the Board as a whole for the year ended 31 December 2025 was £461,700 (excluding taxable benefits). The single total figure of remuneration for each Director is detailed overleaf, together with the prior year comparative. The amounts paid by the Company to the Directors were for services as non-executive Directors.

## Single total figure table

Director	Fees £'000s		Taxable Benefits <sup>(1)</sup> £'000s		Total £'000s	
	2025	2024	2025	2024	2025	2024
Josh Bottomley <sup>(2)</sup>	14.8	n/a	-	n/a	14.8	n/a
Anuradha Chugh <sup>(3)</sup>	50.9	48.9	3.8	2.4	54.7	51.3
Beatrice Hollond <sup>(4)</sup>	92.9	90.2	0.5	0.7	93.4	90.9
Tom Joy <sup>(5)</sup>	n/a	11.7	n/a	0.4	n/a	12.1
Edward Knapp <sup>(6)</sup>	29.8	49.4	0.4	0.7	30.2	50.1
Rain Newton-Smith	48.3	46.9	-	0.6	48.3	47.5
Quintin Price	62.1	60.2	0.5	0.3	62.6	60.5
Richard Robinson <sup>(7)</sup>	47.7	28.6	0.6	0.4	48.3	29.0
Stephen Russell	50.9	49.4	0.5	0.6	51.4	50.0
Julie Tankard	64.3	62.5	0.5	0.8	64.8	63.3
<b>Total</b>	<b>461.7</b>	<b>447.8</b>	<b>6.8</b>	<b>6.9</b>	<b>468.5</b>	<b>454.7</b>

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

(2) Appointed to the Board on 1 September 2025.

(3) Appointed to the Audit Committee on 1 February 2024.

(4) Highest paid Director.

(5) Retired from the Board on 31 March 2024.

(6) Retired from the Board on 31 July 2025.

(7) Appointed to the Board on 3 May 2024 and to the Audit Committee on 1 July 2025.

The following table sets out the annual percentage change in Directors' fees for the years to 31 December 2021, 2022, 2023, 2024 and 2025 (where Directors have served for a full year in each of the two years and therefore fees can be compared on a like-for-like basis):

## Annual Percentage Change in Directors' fees

	% change from 2024 to 2025	% change from 2023 to 2024	% change from 2022 to 2023	% change from 2021 to 2022
Josh Bottomley <sup>(1)</sup>	n/a	n/a	n/a	n/a
Anuradha Chugh <sup>(2)</sup>	4.1	n/a	n/a	n/a
Francesca Ecsery <sup>(3)</sup>	n/a	n/a	n/a	4.4
Beatrice Hollond	3.0	6.0	4.7	4.2
Tom Joy <sup>(4)</sup>	n/a	n/a	4.7	5.8
Edward Knapp <sup>(5)</sup>	n/a	6.0	4.7	4.0
Rain Newton-Smith <sup>(6)</sup>	3.0	5.9	7.0	n/a
Quintin Price <sup>(7)</sup>	3.2	12.7	4.7	9.2
Richard Robinson <sup>(8)</sup>	n/a	n/a	n/a	n/a
Stephen Russell <sup>(9)</sup>	3.0	6.0	n/a	n/a
Julie Tankard <sup>(10)</sup>	2.9	12.6	n/a	n/a

(1) Appointed to the Board on 1 September 2025.

(2) Appointed to the Board on 1 July 2023 and to the Audit Committee on 1 February 2024.

(3) Retired from the Board immediately following the AGM on 27 April 2023.

(4) Retired from the Board on 31 March 2024.

(5) Retired from the Board on 31 July 2025.

(6) Appointed to the Board on 11 May 2021 and to the Nomination Committee on 8 February 2022.

(7) Appointed to the Board on 10 March 2020, the Audit Committee on 7 May 2020, became Senior Independent Director on 11 May 2021 and appointed to the Nomination Committee on 1 January 2024.

(8) Appointed to the Board on 3 May 2024 and to the Audit Committee on 1 July 2025.

(9) Appointed to the Board and Audit Committee on 1 February 2022.

(10) Appointed to the Board and as Chairman of the Audit Committee on 1 August 2022 and appointed to the Nomination Committee on 1 January 2024.

## DIRECTORS' REMUNERATION REPORT (CONTINUED)

The following table shows the total remuneration, excluding taxable benefits, for the Chairman over the five years ended 31 December 2025:

Remuneration for the Chairman over the five years ended 31 December 2025	
Year ended 31 December	Fees £'000s
2025	93
2024	90
2023	85
2022	81
2021	78

The table below is shown to enable shareholders to assess the relative importance of the expenditure on remuneration. It compares the remuneration, excluding taxable benefits, against the shareholder distributions of dividends and share buybacks.

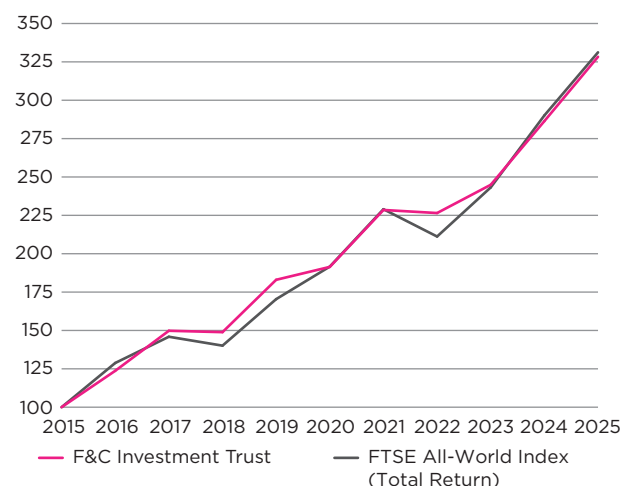
Actual expenditure			
	2025 £'000s	2024 £'000s	% Change
Aggregate Directors' remuneration	461.7	447.8	3.1
Aggregate dividends paid to shareholders	76,949	75,604	1.8
Aggregate cost of ordinary shares repurchased	95,388	280,120	-65.9

### COMPANY PERFORMANCE

An explanation of the performance of the Company for the year ended 31 December 2025 is given in the Chairman's Statement and Fund Manager's Review.

A comparison of the Company's performance over the last ten years is set out on the graph below. This shows the total return (assuming all dividends are reinvested) to ordinary shareholders compared with that of the Company's benchmark, the FTSE All-World Index (Total Return). The Board believes that this index is the most appropriate for performance comparison purposes as it reflects the Fund Manager's investment universe.

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



Rebased to 100 at 31 December 2015

Source: Columbia Threadneedle Investments & Refinitiv Eikon

### ANNUAL STATEMENT

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) regulations 2013, it is confirmed that the above Remuneration Report summarises, as applicable, for the year to 31 December 2025:

- The major decisions on Directors' remuneration;
- Any substantial changes relating to Directors' remuneration made during the year; and
- The context in which the changes occurred and decisions have been taken.

### On behalf of the Board

**Beatrice Hollond**

**Chairman**

**13 March 2026**

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. Further details can be found in notes 2 and 24 to the Accounts.

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

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

The Annual Report and Accounts is published on the [fandc.com](https://www.fandc.com) website, which is maintained by the Manager. The maintenance and integrity of the website is, so far as it relates to the Company, the responsibility of the Manager. The Directors are responsible for the maintenance and integrity of the corporate and financial information that is published on the website. The work undertaken by the auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors listed on pages 49 and 50 confirms to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and

The Directors consider that the Annual Report and Accounts, 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.

## On behalf of the Board

**Beatrice Hollond**

**Chairman**

**13 March 2026**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF F&C INVESTMENT TRUST PLC

## OPINION

We have audited the financial statements of F&C Investment Trust plc (the 'Company') for the year ended 31 December 2025 which comprise the Income Statement, Statement of Changes in Equity, Balance Sheet, Statement of Cash Flows and the related notes 1 to 27, 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 31 December 2025 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 and making enquiries of the Directors and Columbia Threadneedle Investment Business Limited ('CTIB' or the 'Manager') to determine if the key factors that we have become aware of during our audit were considered in their assessment. We considered whether the factors taken account of in the Directors' assessment addressed those matters which we considered important.
- Inspection of board minutes to identify any risks, events or contrary evidence that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern.
- Inspection of the Directors' assessment of going concern, including the revenue forecast, the stress and reverse stress tests, and liquidity assessment, for the period to 31 March 2027. We considered the appropriateness of the methods used in calculating the revenue forecast and 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. We also considered the likelihood of the occurrence of the reverse stress test scenario and any mitigating controls that are in place.
- In relation to the Company's borrowing arrangements, we inspected the Company's assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants in the scenarios assessed by the Directors in order to identify what factors would lead to the Company breaching the covenants.
- Review of the Director's assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity and comparing them to our understanding of the Company's risks.
- Review of the Company's going concern disclosures included in the annual report in order to assess whether the disclosures are consistent with the financial statements and our understanding of the Company and in conformity with the reporting standards.

## OVERVIEW OF OUR AUDIT APPROACH

<b>KEY AUDIT MATTERS</b>	<ul style="list-style-type: none"> <li>• Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement.</li> <li>• Incorrect valuation or ownership of the unquoted investment portfolio and the resulting impact on the Income Statement.</li> <li>• Incorrect valuation or ownership of the quoted investment portfolio.</li> </ul>
<b>MATERIALITY</b>	<ul style="list-style-type: none"> <li>• Overall materiality of £61.7m which represents 1% of net assets.</li> </ul>

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 to 31 March 2027.

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.

### 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.

#### Climate change

The Company has determined that the most significant future impacts from climate change on its operations will be on the valuation of its investment portfolio. This is explained in Note 2 on page 90 of this annual report. The Board has also explained the Company's climate commitments on page 20 of this annual report. 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, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Company's business and any consequential material impact on its financial statements. The Company has explained in Note 2 (c)(xiii) how they have reflected the impact of climate change in their financial statements. Significant judgements and estimates relating to climate change are included in Note 2 (c)(xiii).

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, their climate commitments, the effects of climate risks disclosed on pages 20 and 90 and the significant judgements and estimates disclosed in Note 2 (c)(xiii) and whether these have been appropriately reflected in the valuation of unquoted investments.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

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.

**Incorrect valuation or ownership of the unquoted investment portfolio and the resulting impact on the Income Statement (2025: £717.6m, 2024: £636.6m)**

Refer to the Audit Committee Report (page 66); Accounting policies (page 87); and Note 10 of the Financial Statements (page 95)

The Company invests in a number of unquoted private equity ('PE') holdings, either through investments in funds or through co-investments managed by the Company's specialist private equity managers (the 'PE Managers'). The PE Managers responsible for managing the majority of the Company's unquoted portfolio are CTIB, HarbourVest Partners LLC and Pantheon Ventures (UK) LLP (the 'primary PE Managers'). Primary PE fund investments are held through the Company while secondary or co-investment opportunities are held through PE Investment Holdings 2018 LP ('PE LP'), an investment vehicle in which the Company is the sole Limited Partner. The Company also holds a direct investment in Inflexion Strategic Partners ('Inflexion'), a Private Equity Investment Management business.

**Valuation**

The Company's approach to the valuation of these investments is as follows;

- **Funds and co-investments** – valuations of investments in funds and co-investments are recorded based on valuations provided by the PE Managers as at 30 September, rolled forward for any calls and distributions in the three-month period to 31 December. The Company also takes into account foreign exchange movements and any significant events which have occurred in the three-month period to 31 December in the final valuation.
- **Direct investment in Inflexion** – the investment is valued by CTIB using a weighted-average earnings multiple method, incorporating material judgements, as at 31 December.

There is the risk that inaccurate judgements and estimates made in the assessment of fair value could materially misstate the value of the investment portfolio in the Balance Sheet, and the unrealised gains/(losses) in the Income Statement. There is also incentive and opportunity for the Manager to inflate valuations to meet shareholders' expectations.

**Ownership**

There is a risk that holdings in investments are incorrectly recorded and a risk of failure to maintain proper legal title of the unquoted investments held by the Company which could have a significant impact on the portfolio valuation and the return generated for shareholders.

**Valuation procedures**

- We obtained an understanding of the Manager's and primary PE Managers' processes and controls for the valuation of the unquoted investments by performing walkthrough procedures and reviewing the primary PE Managers' internal control reports to evaluate the design and implementation of controls.
- We obtained an understanding of the governance of unquoted valuations through discussions with the Manager and assessing the oversight of the unquoted valuation process by the Board through reading minutes of Board meetings throughout the year.
- We recalculated the valuation of all unquoted investments in foreign currencies using exchange rates from third party sources to gain assurance over the reasonableness of currency rates used.
- We recalculated the unrealised gains/(losses) on the revaluation of all unquoted investments and tied these to the financial statements.
- We compared the Company's valuation methodology to the requirements of the International Private Equity and Venture Capital Valuation Guidelines.
- To address the risk of management override, we tested a sample of manual journal entries posted in relation to unquoted investments during the year.

**Fund and co-investments**

- For a sample of fund and co-investments, we performed back-testing to assess the historical accuracy of valuations in the 31 December 2024 financial statements. We compared the valuations per the Company's 2024 audited financial statements, which were estimates at the time, to the investment valuations subsequently reported by the respective PE Manager in the audited financial statements of the fund as at 31 December 2024. For this sample, we also assessed whether the PE Managers are following fair value accounting principles by reviewing the valuation policies disclosed in the latest audited accounts or quarterly valuation reports of the funds.

For all fund and co-investments, we

- agreed management's calculation of the valuation to the 30 September 2025 NAV statements provided directly by the respective PE Managers or PE fund administrators, whether held directly by the Company or indirectly through PE LP;
- agreed adjustments made by the Manager for cash flows, foreign exchange movements and any other significant adjustments to supporting documentation; and
- where available before the date of approval of the financial statements, compared the 31 December 2025 NAV statements received from the PE managers or PE fund administrators to the valuation at 31 December 2025.
- We made enquiries of the private equity teams of the primary PE Managers to understand:
  - the annual performance of the investment funds during the year to 31 December 2025 and the valuation approaches adopted;
  - the reasons for any material variances noted between estimated and actual NAVs for the year ended 31 December 2024; and
  - whether any post balance sheet information is available that would require adjustments to be made to the estimated 31 December 2025 NAVs.

**Direct investment in Inflexion Strategic Partners**

- With the assistance of our specialist valuation team, we performed the following procedures:
  - updated our understanding of the performance of the Inflexion Strategic Partners investment through enquiries of the CTIB private equity team;
  - reviewed the CTIB valuation model and assessed its appropriateness against FRS 102 and the International Private Equity and Venture Capital Valuation Guidelines;
  - challenged the Manager's judgements and assumptions, including: their choice of valuation model, the choice of comparable quoted companies and the liquidity discount applied compared to comparable quoted company multiples; and
  - performed an independent valuation analysis to derive a reasonable valuation range.
- The audit team compared the inputs to the model to third party data and recalculated the valuation to test the mathematical accuracy of the calculation.

**Ownership procedures**

- We obtained an understanding of the Manager's processes and controls for the ownership of the unquoted investments by performing walkthrough procedures.
- For all investments, we compared independently obtained confirmations from the underlying PE Managers or PE fund administrators to the Company's records to confirm the total committed capital and the amount drawn down at the year end.

**Key observations communicated to the Audit Committee**

The results of our procedures identified no material misstatement in relation to the incorrect valuation or ownership of unquoted investments. Based on the work performed, we had no matters to report to the Audit Committee.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Risk	Our response to the risk
<p><b>Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement (Special dividends - 2025: £2.8m 2024: £3.6m; Other revenue - 2025: £110.4m, 2024: £108.2m).</b></p> <p><i>Refer to the Audit Committee Report (page 66); Accounting policies (page 88); Note 3 of the Financial Statements (page 90); and Note 18 of the Financial Statements (page 99);</i></p> <p>The investment income received by the Company during the year directly affects the Company's revenue return. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or failure to apply appropriate accounting treatment.</p> <p>Special dividends represent dividends paid by investee companies that are additional to the normal or expected dividend cycle for those companies. In accordance with the AIC SORP, special dividends can be included within either the revenue or capital columns of the Income Statement, depending on the commercial circumstances behind the payments. The Directors may be required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital'.</p> <p>There were 19 special dividends received by the Company during the year (2024: 26). 14 special dividends, amounting to £2.8m (2024: 25, £3.6m), were classified as revenue and five special dividends, amounting to £0.3m (2024: one, £0.2m), were classified as capital.</p> <p>There is a risk that an incorrect classification of special dividends could result in an under distribution of revenue and put the Company's investment trust status at risk. There is also a risk that the revenue column is overstated to increase the dividend paid to shareholders.</p>	<ul style="list-style-type: none"> <li>• We obtained an understanding of the Manager's and the Administrator's processes and controls surrounding revenue recognition and identification and classification of special dividends by performing walkthrough procedures and reviewing their internal controls reports to evaluate the design and implementation of controls.</li> <li>• For all dividends, 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 agreed a sample of dividend receipts to bank statements and, where applicable, we also agreed the exchange rates to an external source.</li> <li>• For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the dividend obligation arose prior to 31 December 2025. We agreed the dividend rate to corresponding announcements made by the investee company, recalculated the dividend amount receivable and confirmed this was consistent with cash received as shown on post year end bank statements.</li> <li>• To test completeness of recorded dividend income, we verified that expected dividends for each investee company held during the year have been recorded as revenue with reference to investee company announcements obtained from an independent data vendor.</li> <li>• For 100% of investments during the year, we reviewed the type of dividends received and accrued with reference to an independent external data vendor to identify those which are special.</li> <li>• For a sample of special dividends, we assessed the appropriateness of the Director's classification as either revenue or capital by verifying the underlying rationale for the distribution through inspection of publicly available information regarding the circumstances of each special dividend.</li> </ul>
<p><b>Key observations communicated to the Audit Committee</b></p> <p>The results of our procedures identified no material misstatement in relation to the incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement.</p> <p>Based on the work performed, we had no matters to report to the Audit Committee.</p>	
<p><b>Incorrect valuation or ownership of the quoted investment portfolio (2025: £5,944.7m; 2024: £5,527.9m)</b></p> <p><i>Refer to the Audit Committee Report (page 66); Accounting policies (page 87); and Note 10 of the Financial Statements (page 95)</i></p> <p>The Company holds a portfolio of quoted investments both in the UK and overseas. The quoted portfolio is managed by the Manager who in turn delegates the role of investment management for a proportion of the portfolio to Barrow, Hanley, Mewhinney and Strauss LLC, JPMorgan Asset Management (UK) &amp; Invesco Asset Management (together the 'Sub-Managers').</p> <p>Certificates of investment ownership are held by JPMorgan Chase Bank (the 'Custodian') and not directly by the Company. JPMorgan Europe Limited (the 'Depository') has a regulatory obligation to oversee the investment holdings stated by the Administrator and the Custodian.</p> <p>The incorrect valuation of the investment portfolio, including incorrect application of exchange rates, could have a significant impact on the financial statements. In addition, there is a risk of failure to maintain proper legal title of the quoted investments held by the Company which could have a significant impact on the portfolio valuation and the return generated for shareholders.</p>	<p><b>Valuation Procedures</b></p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Manager's and the Administrator's processes and controls surrounding investment pricing by performing our walkthrough procedures and reviewing the Manager's and the Administrator's internal control reports.</li> <li>• For 100% of quoted investments in the portfolio, we verified the market prices and exchange rates to an independent pricing vendor and recalculated the investment valuations as at the year-end.</li> <li>• We inspected the stale pricing report produced by the Administrator as at 31 December 2025 to identify prices that have not changed around the year-end and assessed whether the Administrator's price is a fair value through review of trading activity.</li> </ul> <p><b>Ownership procedures</b></p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Administrator's and the Custodian's processes and controls related to legal title of quoted investments by inspecting their internal control reports and performing walkthrough procedures.</li> <li>• We compared the Company's listed investment holdings as at 31 December 2025 to independent confirmations received directly from the Company's Custodian and Depository.</li> </ul>
<p><b>Key observations communicated to the Audit Committee</b></p> <p>The results of our procedures identified no material misstatement in relation to the incorrect valuation or ownership of the quoted investment portfolio.</p> <p>Based on the work performed, we had no matters to report to the Audit Committee.</p>	

## 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 £61.7 million (2024: £56.8 million), which is 1% (2024: 1%) of net assets. We believe that net assets provides us with the most appropriate measure as it is the primary measure that investors use to assess the performance of the Company.

During the course of our audit, we reassessed initial materiality and made no changes to the basis of calculation from our original assessment at the planning stage.

### 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% (2024: 75%) of our planning materiality, namely £46.2m (2024: £42.6m). We have set performance materiality at this percentage based on our understanding of the control environment that indicates a lower risk of material misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for investment trusts, we have also applied a separate testing threshold for the revenue column of the Income Statement of £5.0m (2024: £4.9m), being 5% of the net revenue return on ordinary activities before taxation.

## Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £3.1m (2024: £2.8m), 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 Directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 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' Reports 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 STATEMENT

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review 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 Statement is materially consistent

with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 66 and 67;
- Directors' explanation as to their assessment of the Company's long-term viability, the period this assessment covers and why the period is appropriate set out on pages 47 and 48;
- Director's statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 66;
- Directors' statement on fair, balanced and understandable set out on page 73;
- Board's confirmation that it has carried out a robust assessment of the principal and emerging risks set out on page 43;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 64 and 65; and
- The section describing the work of the Audit Committee set out on page 63.

### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 73, 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 Generally Accepted Accounting Practice, Companies Act 2006, the FCA UK Listing Rules, the UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice, 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 Committee and Company Secretary and review of Board minutes and the Company's documented policies and procedures.
- 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. We identified fraud risks with respect to the incorrect valuation of the unquoted investment portfolio and resulting

impact on the Income Statement, and the incomplete or inaccurate revenue recognition through incorrect classification of special dividends between revenue and capital. Further discussion of our approach is set out in the section on key audit matters above.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, a review of the Company Secretary's reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to confirm compliance with the reporting requirements of the Company.

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 Committee, we were appointed by the Company on 26 April 2016 to audit the financial statements for the year ending 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 10 years, covering the years ending 31 December 2016 to 31 December 2025.
- The audit opinion is consistent with the additional report to the Audit 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.

**James Beszant (Senior statutory auditor)**  
**For and on behalf of Ernst & Young LLP, Statutory Auditor**  
**London**  
**13 March 2026**

# INCOME STATEMENT

for the year ended 31 December

Notes	Revenue £'000s	Capital £'000s	2025 Total £'000s	Revenue £'000s	Capital £'000s	2024 Total £'000s
10 Gains on investments	-	618,318	618,318	-	935,609	935,609
18,21 Exchange movements on foreign currency loans, cash balances and derivatives	(190)	(13,747)	(13,937)	(779)	5,003	4,224
3 Income	113,205	-	113,205	111,806	-	111,806
4 Management fees	(5,098)	(15,295)	(20,393)	(4,603)	(13,811)	(18,414)
5 Other expenses	(4,603)	(70)	(4,673)	(5,739)	(79)	(5,818)
Net return before finance costs and taxation	103,314	589,206	692,520	100,685	926,722	1,027,407
6 Finance costs	(3,459)	(10,377)	(13,836)	(3,433)	(10,298)	(13,731)
Net return before taxation	99,855	578,829	678,684	97,252	916,424	1,013,676
7 Taxation	(13,649)	(175)	(13,824)	(12,695)	(1,222)	(13,917)
8 <b>Net return attributable to shareholders</b>	<b>86,206</b>	<b>578,654</b>	<b>664,860</b>	84,557	915,202	999,759
8 <b>Net return per share - (pence)</b>	<b>17.97</b>	<b>120.59</b>	<b>138.56</b>	17.01	184.10	201.11

The total column of this statement is the profit and loss account of the Company.  
All revenue and capital items in the above statement derive from continuing operations.  
The net return attributable to shareholders is also the total comprehensive income.  
The notes on pages 86 to 107 form an integral part of the financial statements.

# STATEMENT OF CHANGES IN EQUITY

## for the year ended 31 December 2025

Notes	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
Balance brought forward 31 December 2024	140,455	122,307	5,299,520	116,240	5,678,522
9 Dividends paid	-	-	-	(76,949)	(76,949)
16 Shares repurchased by the Company and held in treasury	-	-	(95,388)	-	(95,388)
Net return attributable to shareholders	-	-	578,654	86,206	664,860
<b>Balance carried forward 31 December 2025</b>	<b>140,455</b>	<b>122,307</b>	<b>5,782,786</b>	<b>125,497</b>	<b>6,171,045</b>

## for the year ended 31 December 2024

Notes	Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
Balance brought forward 31 December 2023	140,455	122,307	4,664,438	107,287	5,034,487
9 Dividends paid	-	-	-	(75,604)	(75,604)
16 Shares repurchased by the Company and held in treasury	-	-	(280,120)	-	(280,120)
Net return attributable to shareholders	-	-	915,202	84,557	999,759
<b>Balance carried forward 31 December 2024</b>	<b>140,455</b>	<b>122,307</b>	<b>5,299,520</b>	<b>116,240</b>	<b>5,678,522</b>

The notes on pages 86 to 107 form an integral part of the financial statements.



# STATEMENT OF CASH FLOWS

for the year ended 31 December		
Notes	2025 £'000s	2024 £'000s
20 <b>Cash flows from operating activities before dividends received and interest paid</b>	<b>(38,009)</b>	(36,166)
Dividends received	<b>110,868</b>	108,543
Interest paid	<b>(13,836)</b>	(13,731)
<b>Cash flows from operating activities</b>	<b>59,023</b>	58,646
<b>Investing activities</b>		
Purchases of investments	<b>(4,333,580)</b>	(3,604,576)
Sales of investments	<b>4,453,721</b>	3,904,506
Other capital charges and credits	<b>(72)</b>	(78)
<b>Cash flows from investing activities</b>	<b>120,069</b>	299,852
<b>Cash flows before financing activities</b>	<b>179,092</b>	358,498
<b>Financing activities</b>		
9 Dividends paid	<b>(76,949)</b>	(75,604)
Cash paid on share buybacks into treasury	<b>(96,228)</b>	(281,473)
<b>Cash flows from financing activities</b>	<b>(173,177)</b>	(357,077)
21 Net increase in cash and cash equivalents	<b>5,915</b>	1,421
21 Cash and cash equivalents at the beginning of the year	<b>91,147</b>	87,170
21 Effect of movement in foreign exchange	<b>(12,468)</b>	2,556
<b>Cash and cash equivalents at the end of the year</b>	<b>84,594</b>	91,147
Represented by:		
Cash at bank	<b>68,425</b>	73,488
Short-term deposits	<b>16,169</b>	17,659
<b>Cash and cash equivalents at the end of the year</b>	<b>84,594</b>	91,147

The notes on pages 86 to 107 form an integral part of the financial statements.

# NOTES TO THE ACCOUNTS

## 1. GENERAL INFORMATION

F&C Investment Trust plc is an Investment Company, incorporated in the United Kingdom which is listed on the London Stock Exchange. The Company Registration number is 12901 and the Registered office is Cannon Place, 78 Cannon Street, London EC4N 6AG, England. The Company has conducted its affairs so as to qualify as an Investment Trust under the provisions of Section 1158 of the Corporation Tax Act 2010. Approval of the Company under Section 1158 has been received. The Company intends to conduct its affairs so as to enable it to continue to comply with the requirements of Section 1158. Such approval exempts the Company from UK Corporation Tax on gains realised in the relevant year on its portfolio of fixed asset investments and derivatives.

There have been no significant changes to the Company's accounting policies during the year ended 31 December 2025, as set out in note 2 below.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Going concern

As referred to in note 24 and the Report of the Audit Committee on page 66, the Directors believe that it is appropriate for the accounts to be prepared on a going concern basis.

### (b) Basis of accounting

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

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

All of the Company's operations are of a continuing nature.

The Company had no operating subsidiaries at any time during the years ended 31 December 2025 and 31 December 2024. Consequently, consolidated accounts have not been prepared.

The Directors are of the opinion that the Company's activities comprise a single operating segment, which is investing internationally in equities to secure long-term growth in income and capital.

In accordance with the SORP, the Income Statement has been analysed between a Revenue Account (dealing with items of a revenue nature) and a Capital Account (relating to items of a capital nature). Revenue returns include, but are not limited to, dividend income and operating expenses and tax (insofar as the expenses and tax are not allocated to capital, as described in notes 2(c)(vii) and 2(c)(viii)). Net revenue returns are allocated via the Revenue Account to the Revenue Reserve, out of which interim and final dividend payments are made. The amounts paid by way of dividend are shown in the Statement of Changes in Equity. Capital returns include, but are not limited to, realised and unrealised profits and losses on fixed asset investments and derivatives and currency profits and losses on cash and borrowings. The Company may distribute net capital returns by way of dividend. It is the Board's current stated intention to continue paying dividends to equity shareholders out of the Revenue Reserve.

### (c) Principal accounting policies

The policies set out below have been applied consistently throughout the year ended 31 December 2025 and the prior year.

#### (i) Financial instruments

Financial instruments include fixed asset investments, derivative assets and liabilities, short and long-term debt instruments, cash and short-term deposits, debtors and creditors. FRS 102 recognises a hierarchy of fair value measurements, for financial instruments measured at fair value in the Balance Sheet, which gives the highest priority to unadjusted quoted prices in active markets for

identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of financial instruments depends on the lowest significant applicable input, as follows:

Level 1 - Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Included within this category are investments listed on any recognised stock exchange or quoted on the AIM Market in the UK.

Level 2 - Quoted prices for similar assets or liabilities or other directly or indirectly observable inputs which exist for the duration of the period of investment. Examples of such instruments would be forward exchange contracts and certain other derivative instruments.

Level 3 - Where no active market exists and recent transactions for identical instruments do not provide a good estimate of fair value, the value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instruments. Included within this category are investments in private companies or securities, whether invested in directly or through pooled Private Equity vehicles, (see notes 10 and 25(d) for further information).

#### **(ii) Investments**

As an investment trust company, the Company measures its fixed asset investments at fair value through profit or loss and treats all transactions on the realisation and revaluation of investments held as fixed assets, as transactions on the Capital Account. Purchases are recognised on the relevant trade date, including expenses which are incidental to the acquisition of the investments. Sales are also recognised on the trade date, after deducting expenses incidental to the sales. Quoted investments are valued at bid value at the close of business on the relevant date on the exchange on which the investment is quoted. Within investments, short-dated gilts are classified as current investments in the balance sheet given their short maturity of six months or less. Investments which are not quoted or which are not frequently traded are stated at Directors' best estimate of fair value. In arriving at their estimate, the Directors make use of recognised valuation techniques and may take account of recent arm's length transactions in the same or similar investment instruments. Where no reliable fair value can be estimated, investments are carried at cost less any provision for impairment.

With respect specifically to investments in Private Equity, whether through funds or partnerships, where year end valuations are not available the Directors establish an estimate of the value at 31 December using unaudited valuations of the underlying unlisted investments as at 30 September as supplied by the investment advisers or managers of those funds or partnerships and roll forward for any calls and distributions in the subsequent quarter and any foreign exchange movements plus significant events which have occurred in the subsequent quarter. The advisers' or managers' unlisted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV'). The Directors regularly review the principles applied by the managers to those valuations to ensure they are in compliance with the above policies. Distributions from Private Equity funds are recognised when the right to distributions is established. Direct investments are fair valued on initial recognition and are revalued at the balance sheet date at fair value with reference to a price earnings model. Changes in fair value are recognised in the Income Statement.

#### **(iii) Derivative Instruments**

Derivatives including forward exchange contracts, futures and options are classified as fair value through profit or loss and accounted for as financial assets or liabilities. Where it can be demonstrated that the derivative is connected to the maintenance of the Company's investments, the change in fair value is recognised as capital and shown in the Capital column of the Income Statement. Where an option is written in the expectation that it will not be exercised, or that any losses on exercise will be outweighed by the value of the premiums received, the premiums are recognised in the Revenue column of the Income Statement. The value of the premium is usually the option's initial fair value and is recognised evenly over the life of the option. Subsequent changes to fair value are adjusted in the Capital column of the Income Statement such that the total amounts recognised within Revenue and Capital represent the change in fair value of the option.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (iv) Debt Instruments

The Company's debt instruments include the 4.25% perpetual debenture stock included in the Balance Sheet at proceeds received, net of issue costs, as well as unsecured loan notes, bank borrowings and overdrafts. These are all initially measured at the amount of cash received less direct issue costs and subsequently measured at amortised cost using the effective interest rate method.

The fair market value of the Company's borrowings are set out in notes 14 and 15. Finance charges, including interest, are accrued using the effective interest rate method. See 2(c)(vii) below for allocation of finance charges within the Income Statement.

#### (v) Foreign currency

Foreign currency monetary assets and liabilities are expressed in sterling at rates of exchange ruling at the Balance Sheet date. Purchases and sales of investment securities, dividend income, interest income and expenses are translated at the rates of exchange prevailing at the respective dates of such transactions. Exchange profits and losses on fixed assets investments are included within the changes in fair value in the Capital Account. Exchange profits and losses on other currency balances are separately credited or charged to the Capital Account except where they relate to revenue items.

#### (vi) Income

Income from equity shares is brought into the Revenue Account (except where, in the opinion of the Directors, its nature indicates it should be recognised within the Capital Account) on the ex-dividend date or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the investment. Dividends are accounted for on the basis of income actually receivable, without adjustment for any tax credit attaching to the dividends. Dividends from overseas companies are shown gross of withholding tax. Where the Company has elected to receive its dividends in the form of additional shares rather than in cash (scrip dividends), the amount of the cash dividend foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in the Capital Account.

#### (vii) Expenses, including finance charges

Expenses inclusive of associated irrecoverable value added tax (VAT) are charged to the Revenue Account of the Income Statement, except as noted below:

- expenses incidental to the acquisition or disposal of fixed assets investments are charged to Capital Reserves via the Capital Account;
- costs of professional advice relating to the capital structure of the Company are charged to Capital Reserves (see note 2(c)(xi)); and
- 75% of other management fees and finance costs are allocated to Capital Reserves via the Capital Account, in accordance with the Board's long-term expected split of returns from the investment portfolio of the Company. The Board reviews this allocation every three years.

All expenses are accounted for on an accruals basis.

#### (viii) Taxation

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

Deferred tax is provided for in accordance with FRS 102 on all timing differences that have been enacted by the Balance Sheet date and are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with the recommendations of the SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the "marginal" basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the Revenue Account, then no tax relief is transferred to the Capital Account.

**(ix) Dividends payable**

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

**(x) Capital Redemption Reserve**

This is a non-distributable reserve. The nominal value of ordinary share capital cancelled is transferred out of Share Capital and into the Capital Redemption Reserve, on a trade date basis. Where shares are repurchased into treasury, the transfer of nominal value to the Capital Redemption Reserve is made if and when the shares are cancelled.

**(xi) Capital Reserves**

These are distributable reserves which may be utilised for the repurchase of share capital and for distributions to shareholders by way of dividend.

**Capital reserve – arising on investments sold**

The following are accounted for in this reserve:

- gains and losses on the disposal of fixed asset investments and derivatives;
- realised exchange differences of a capital nature;
- costs of professional advice, including related irrecoverable VAT, relating to the capital structure of the Company;
- other capital charges and credits charged or credited to this account in accordance with the above policies; and
- costs of repurchasing ordinary share capital into treasury or for cancellation, including related stamp duty, are recognised on a trade date basis.

**Capital reserve – arising on investments held**

The following are accounted for in this reserve:

- increases and decreases in the valuation of fixed asset investments and derivatives held at the year end; and
- unrealised exchange differences of a capital nature.

**(xii) Revenue reserve**

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

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

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

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are: accounting for the value of unquoted investments and recognising and classifying special dividends received as either revenue or capital in nature.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The policy for the valuation of unquoted securities is set out in note 2(c)(ii) and further information on Board procedures is contained in the Report of the Audit Committee and note 25(d). The choice to use the September quarter end valuations and apply a roll forward process to incorporate any known transactions and material events is a judgement made each year for the indirect investments. The valuations as at 31 December are not generally available before approval of the financial statements. Material judgments were applied to the valuation of the Company's direct investment, Inflexion Strategic Partners. This investment was valued using an earnings method incorporating an average of European listed comparable companies multiple (where the judgement of which comparable companies to select and what discounts to apply are subjective) adjusted for a call and put option. The fair value of unquoted (Level 3) investments, as disclosed in note 10 to the accounts, represented 10.8% of total investments at 31 December 2025. In the opinion of the Directors, under foreseeable market conditions the collective value of such investments may rise or fall in the short term by more than 10%. A fall of 10% in the value of the unlisted (Level 3) portfolio at the year-end would equate to £72m or 1.2% of net assets and a similar percentage rise would equate to a similar increase in net assets.

We have considered the impact of climate change on the value of both the listed and private equity investments included in the financial statements. The listed investments should already include the impact of climate change in their prices as quoted on the relevant exchange. Climate risk is indirectly factored into the valuation of the indirect and direct private equity investments, by General Partners and the Manager respectively, through consideration and use of market comparable data where climate risk is factored into the quoted prices. Specific ESG risks are covered, as applicable, as part of the Manager's investment process. For further detail on the private equity investment process, refer to page 20.

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

### 3. INCOME

	2025 £'000s	2024 £'000s
Income from investments:		
UK dividends	8,601	6,867
UK gilt income	-	1,205
Overseas dividends	103,643	102,050
	<b>112,244</b>	110,122
Other Income:		
Interest on cash and short-term deposits	961	1,684
	<b>961</b>	1,684
Total income	<b>113,205</b>	111,806

Included within income from investments is £2,845,000 (2024: £3,556,000) of special dividends classified as revenue in nature in accordance with note 2(c)(xiii).

#### 4. MANAGEMENT FEES

		2025 £'000s	2024 £'000s
Payable directly to Columbia Threadneedle Investments:			
- in respect of management services provided by the Manager	(i)	15,643	14,756
- reimbursement in respect of services provided by sub-managers	(i)	4,750	3,658
Total directly incurred management fees		20,393	18,414
Incurred indirectly within funds managed by Private Equity managers	(ii)	1,972	2,008
Total direct and indirect management fees		22,365	20,422

(i) 75% of these fees allocated to Capital Reserve-arising on investments sold. See note 2(c)(vii).

(ii) Indirectly incurred fees are included within the value of the respective funds and therefore arise in the Income Statement in gains/(losses) on investments. The fees are disclosed here for completeness and transparency.

Directly incurred fees are analysed as follows:

	2025 £'000s	2024 £'000s
<b>Management fees</b>		
- payable directly to Columbia Threadneedle Investments	20,393	18,414
Less: allocated to capital reserves (see note 18)	(15,295)	(13,811)
Allocated to revenue account	5,098	4,603

##### (a) Management fees payable to Columbia Threadneedle Investments

The Manager provides investment management, company secretarial, financial, marketing and general administrative services to the Company under the terms of an agreement which may be terminated upon six months' notice given by either party. In the event of a change of control of the Manager, the Company may give three months' notice of termination.

In the year under review, the management fee was charged at the rate of 0.30% per annum of the market capitalisation of the Company up to £3.5 billion, 0.25% on the value of the Company between £3.5 billion and £6.0 billion, 0.20% above £6.0 billion calculated at each month end on a pro rata basis; the fee is adjusted for fees earned by the Manager in respect of investment holdings managed or advised by the Manager or other members of the Columbia Threadneedle Investments Group. Variable fees payable in respect of third-party sub-managers are also reimbursed.

##### (b) Management fees payable to the Private Equity funds of funds managers

At 31 December 2025 the Company had outstanding commitments in 33 Private Equity funds (2024: 32) (see note 22). Fees in respect of Private Equity funds are based on total capital commitments and are charged quarterly against the underlying investments in those funds. The fees are not directly incurred by the Company and are disclosed for information purposes only. The fee rates applying during 2025 varied from 0.00% per annum to 2.50% per annum (2024: 0.00% to 2.50%).

PE Investment Holdings 2018 LP pays an annual fee of £1,000 to the General Partner. This is not directly incurred by the Company but included in the underlying value of the investment.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 5. OTHER EXPENSES

	2025 £'000s	2024 £'000s
Other revenue expenses		
Auditor's remuneration:		
for audit and audit-related assurance services <sup>(1)</sup>	163	159
Custody fees	549	545
Depository fees	223	214
Directors' emoluments (see Remuneration Report on pages 69 to 72):		
Fees for services to the Company	462	448
Subscriptions	24	21
Directors' and officers' liability insurance	55	66
Marketing	2,079	3,328
Registrars fees	149	165
Professional charges	116	97
Printing and postage	195	186
Sundry	588	510
Total other revenue expenses	4,603	5,739
Other capital expenses	70	79
Total other expenses	4,673	5,818

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

(1) Total auditor's remuneration for audit services, exclusive of VAT, amounted to £161,500, (2024: £156,000 exclusive of VAT). Irrecoverable VAT of £1,500 (2024: £3,000) is included within the table above. There were no non-audit services paid to EY in the year (2024: none).

### 6. FINANCE COSTS

	2025 £'000s	2024 £'000s
Debenture stock	24	24
Loans	13,628	13,615
Overdrafts	184	92
	13,836	13,731
Less: allocated to capital reserves (see note 2(c)(vii) and note 18)	(10,377)	(10,298)
Allocated to revenue account	3,459	3,433
The interest on the debenture stock, loans and overdrafts is further analysed as follows:		
Loans and overdrafts repayable within one year, not by instalments (see note 13)	521	92
Debenture and loans repayable after more than one year, not by instalments (see notes 14 and 15)	13,315	13,639
	13,836	13,731

## 7. TAXATION ON ORDINARY ACTIVITIES

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

	Revenue £'000s	Capital £'000s	2025 Total £'000s	Revenue £'000s	Capital £'000s	2024 Total £'000s
Overseas taxation	13,649	-	13,649	12,695	-	12,695
Indian tax on capital gains	-	175	175	-	1,222	1,222
Total taxation (see note 7(b))	13,649	175	13,824	12,695	1,222	13,917

The tax assessed for the year is lower (2024: lower) than the standard rate of Corporation Tax in the UK.

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

	Revenue £'000s	Capital £'000s	2025 Total £'000s	Revenue £'000s	Capital £'000s	2024 Total £'000s
Net return on ordinary activities before taxation	99,855	578,829	678,684	97,252	916,424	1,013,676
Net return on ordinary activities multiplied by the standard rate of corporation tax of 25% (2024: 25%)	24,964	144,707	169,671	24,313	229,106	253,419
Effects of:						
Dividends <sup>(1)</sup>	(28,061)	-	(28,061)	(27,229)	-	(27,229)
Exchange losses <sup>(1)</sup>	48	-	48	195	-	195
Capital returns <sup>(1)</sup>	-	(151,143)	(151,143)	-	(235,153)	-235,153
Expenses not deductible for tax purposes	260	17	277	406	20	426
Expenses not utilised in the year	2,789	6,419	9,208	2,315	6,027	8,342
Overseas tax in excess of double taxation relief	13,649	-	13,649	12,695	-	12,695
Indian tax on capital gains <sup>(2)</sup>	-	175	175	-	1,222	1,222
Total taxation (see note 7(a))	13,649	175	13,824	12,695	1,222	13,917

(1) These items are not subject to Corporation Tax within an investment trust company.

(2) The Company is liable to Indian capital gains tax under section 115 AD of the Indian Income Tax Act 1961. A tax provision on Indian capital gains is calculated based on the long term (securities held more than one year) or short term (securities held less than one year) nature of the Investments and the applicable tax rate at the year end. The short-term rate is 20% (2024:15%) and the long-term rate is 12.5% (2024:10%). The tax is allocated to Capital Reserve as it relates to capital transactions.

The Company has an unrecognised deferred tax asset of £143.8 million (2024: £134.3 million) in respect of unutilised expenses at 31 December 2025 which has not been recognised in the financial statements as it is unlikely to be utilised in the foreseeable future. Of this amount £48.6 million (2024: £45.8 million) relates to revenue expenses and £95.2 million (2024: £88.5 million) to capital expenses.

## 8. NET RETURN PER SHARE

	2025 pence	2025 £'000s	2024 pence	2024 £'000s
Total return	138.56	664,860	201.11	999,759
Revenue return	17.97	86,206	17.01	84,557
Capital return	120.59	578,654	184.10	915,202
Weighted average ordinary shares in issue, excluding shares held in treasury – number		479,847,623		497,113,190

## NOTES TO THE ACCOUNTS (CONTINUED)

### 9. DIVIDENDS

Dividends on ordinary shares	Record date	Payment date	2025 £'000s	2024 £'000s
2023 Third interim of 3.40p	5-Jan-2024	1-Feb-2024	-	17,325
2023 Final of 4.50p	12-Apr-2024	9-May-2024	-	22,682
2024 First interim of 3.60p	28-Jun-2024	1-Aug-2024	-	18,003
2024 Second interim of 3.60p	4-Oct-2024	1-Nov-2024	-	17,594
2024 Third interim of 3.60p	3-Jan-2025	3-Feb-2025	17,371	-
2024 Final of 4.80p	11-Apr-2025	7-May-2025	23,137	-
2025 First interim of 3.80p	4-Jul-2025	1-Aug-2025	18,283	-
2025 Second interim of 3.80p	3-Oct-2025	3-Nov-2025	18,158	-
			<b>76,949</b>	75,604

A third interim dividend of 3.80p was paid on 2 February 2026 to all shareholders recorded on the register on 5 January 2026.

The Directors have proposed a final dividend in respect of the year ended 31 December 2025 of 5.20p payable on 6 May 2026 to all shareholders recorded on the register at close of business on 10 April 2026. The total dividends paid and payable in respect of the financial year for the purposes of the income retention test for Section 1159 of the Corporation Tax Act 2010 are set out below.

	2025 £'000s	2024 £'000s
Revenue available for distribution by way of dividends for the year	86,206	84,557
First interim dividend for the year ended 31 December 2025 - 3.80p per share (2024: 3.60p)	(18,283)	(18,003)
Second interim dividend for the year ended 31 December 2025 - 3.80p per share (2024: 3.60p)	(18,158)	(17,594)
Third interim dividend for the year ended 31 December 2025 - 3.80p per share (2024: 3.60p)	(18,030)	(17,371)
Proposed final dividend for the year ended 31 December 2025 - 5.20p per share (2024: 4.80p) (estimated cost based on 473,251,531 shares in issue at 11 March 2026, excluding shares held in treasury)	(24,609)	(23,137)
Estimated amount transferred to revenue reserve for Section 1159 purposes <sup>(1)</sup>	7,126	8,452

All dividends are paid from revenue.

(1) Represents 6% of total income as stated in note 3 (2024: 8%)

The table below reflects the revenue reserve after adjusting for the third interim and final dividends for the years to 31 December 2025 and 31 December 2024.

	2025 £'000s	2024 £'000s
Revenue reserve at 31 December (per Balance Sheet)	125,497	116,240
Third interim dividend for the year ended 31 December 2025 - 3.80p per share (2024: 3.60p)	(18,030)	(17,371)
Proposed final dividend for the year ended 31 December 2025 - 5.20p per share (2024: 4.80p)	(24,609)	(23,137)
Revenue reserve after adjusting for the third interim and final dividends	82,858	75,732

## 10. INVESTMENTS

Investments	2025			2024		
	Level 1 <sup>(1)</sup> £'000s	Level 3 <sup>(1)</sup> £'000s	Total £'000s	Level 1 <sup>(1)</sup> £'000s	Level 3 <sup>(1)</sup> £'000s	Total £'000s
Cost at 1 January	4,490,601	569,647	5,060,248	4,308,857	520,264	4,829,121
Unrealised gains at 1 January	1,037,333	66,944	1,104,277	627,711	74,046	701,757
Fair value of investments at 1 January	5,527,934	636,591	6,164,525	4,936,568	594,310	5,530,878
Purchases at cost	4,231,116	97,399	4,328,515	3,518,466	88,107	3,606,573
Sales proceeds	(4,396,022)	(53,034)	(4,449,056)	(3,816,828)	(91,707)	(3,908,535)
Gains on investments sold	498,665	17,349	516,014	480,106	52,983	533,089
Gains/(losses) on investments held	82,981	19,323	102,304	409,622	(7,102)	402,520
Fair value of investments at 31 December	5,944,674	717,628	6,662,302	5,527,934	636,591	6,164,525
Analysed at 31 December						
Cost	4,824,360	631,361	5,455,721	4,490,601	569,647	5,060,248
Unrealised gains	1,120,314	86,267	1,206,581	1,037,333	66,944	1,104,277
Fair value of investments at 31 December	5,944,674	717,628	6,662,302	5,527,934	636,591	6,164,525

Gains on investments held at fair value	2025 £'000s	2024 £'000s
Gains on investments sold during the year	516,014	533,089
Gains on investments held at year end	102,304	402,520
Total gains on investments	618,318	935,609

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

(1) The hierarchy of investments and derivative instruments is described in note 2(c)(i) and below.

No investments held in 2025 or 2024 were valued in accordance with Level 2.

Level 1 includes investments listed on any recognised stock exchange or quoted on the AIM market in the UK and quoted open-ended funds.

Level 3 includes investments in private companies or securities, whether invested in directly or through pooled Private Equity vehicles, for which observable market data is not specifically available.

### Investments managed or advised by Columbia Threadneedle Investments

The portfolio of investments, excluding unquoted investments, did not include at any time during the year any funds or investments managed or advised by Columbia Threadneedle Investments (2024: none). Under the terms of the Company's Management Agreement with the Manager as set out in note 4, the management fee is adjusted for fees earned by the Manager on all such holdings.

### Unquoted investments

Unquoted investments include £717.6 million (2024: £636.6 million) of investments described as Private Equity, the underlying portfolios of which principally comprise unlisted investments. These are valued in accordance with the policies set out in note 2(c)(ii).

It is in the nature of Private Equity and similar unquoted investments that they may be loss making, with no certainty of survival, and that they may prove difficult to realise. The concept of "fair value" as applied to such investments is not precise and their ultimate realisation may be at a value materially different from that reflected in the accounts. Further details on the valuation process in respect of Private Equity investments can be found in notes 2(c)(xiii) and 25(d).

## NOTES TO THE ACCOUNTS (CONTINUED)

### 11. SUBSTANTIAL INTERESTS

At 31 December 2025 the Company held more than 3% of one class of the capital of the following undertakings held as investments, none of which, in the opinion of the Directors, provide the Company with significant influence.

Investment	Country of registration, incorporation and operation	Holding <sup>(1)</sup> %
<b>Private Equity Funds</b>		
HIPEP V – Direct Fund LP	USA	15.66
HIPEP VI – Emerging Markets Fund	USA	12.06
HIPEP VI – Asia Pacific Fund LP	USA	4.93
Pantheon Europe Fund III LP	USA	44.41
Pantheon Europe Fund V LP	Scotland	9.29
Pantheon Asia Fund IV LP	Channel Islands	8.40
Pantheon Asia Fund V LP	Channel Islands	6.19
Pantheon Global Secondary Fund III LP	Scotland	3.50
Maison Capital	China	4.84
MVM	USA/Europe	4.10
PE Investment Holdings 2018 LP*	Scotland	100.00

<sup>(1)</sup> The Company neither has a controlling interest nor significant influence in the management of any of these undertakings. The Board has no participation in the investment decision making process as this lies solely with the General Partner. The percentage holdings have not changed since the prior year.

The valuation of those holdings greater than 10% are: HIPEP V – Direct Fund LP: Nil; HIPEP VI – Emerging Markets Fund: £5,519,000; Pantheon Europe Fund III LP: £2,236,000; PE Investment Holdings 2018 LP: £273,785,000.

Under FRS 102, as interests are held as part of an investment portfolio, consolidation is not required.

\*In 2018 the Company signed a Limited Partnership agreement in which it holds 100% of the Limited Partner share in PE Investment Holdings 2018 LP and Columbia Threadneedle Investments holds the General Partner interest. The Partnership was set up to partake in Private Equity investments. The Board has no participation in the investment decision making process as this lies solely with the General Partner and therefore no consolidated financial statements are prepared. The registered address of PE Investment Holdings 2018 LP is 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG.

The loss for the year ended 31 December 2025 in the LP was £1.6m and its Capital and Reserves was £273.8m.

The outstanding commitments are shown in note 22.

**12. DEBTORS**

	2025 £'000s	2024 £'000s
Investment debtors	542	5,207
Forward exchange contracts*	478	-
Prepayments and accrued income	5,919	4,564
Overseas taxation recoverable	6,107	5,289
	<b>13,046</b>	15,060

\*Forward exchange contracts with a net unrealised capital gain of £478,000 (2024: nil) were valued in accordance with level 2. See notes 2(c)(i) and 25(c).

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Other	2025 £'000s	2024 £'000s
Investment creditors	601	5,667
Management fees payable to the Manager	3,674	2,647
Provision for Capital Gains Taxation on Indian Investments	603	727
Cost of ordinary shares repurchased	508	1,348
Other accrued expenses	2,263	2,520
	<b>7,649</b>	12,909

**Loans****Non-instalment debt payable within one year**

0.93% Loan notes €42 million repayable June 2026	36,673	-
--	--------	---

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Loans Non-instalment debt payable after more than one year	2025 £'000s	2024 £'000s
2.80% Loan notes £25 million repayable June 2028	25,000	25,000
3.16% Loan notes £50 million repayable June 2031	50,000	50,000
2.92% Loan notes £75 million repayable May 2048	75,000	75,000
0.93% Loan notes €42 million repayable June 2026	-	34,726
2.59% Loan notes £57 million repayable June 2042	57,000	57,000
2.69% Loan notes £37 million repayable June 2049	37,000	37,000
2.72% Loan notes £20 million repayable June 2059	20,000	20,000
2.09% Loan notes £50 million repayable June 2036	50,000	50,000
2.15% Loan notes £50 million repayable June 2038	50,000	50,000
2.33% Loan notes £40 million repayable June 2056	40,000	40,000
2.06% Loan notes £50 million repayable March 2037	50,000	50,000
1.96% Loan notes £45 million repayable March 2056	45,000	45,000
1.87% Loan notes £45 million repayable March 2061	45,000	45,000
	<b>544,000</b>	578,726

In June 2016 the Company issued unsecured, fixed rate senior notes in tranches of £25 million and £50 million expiring in June 2028 and June 2031 respectively. In May 2018 the Company issued unsecured, fixed rate senior notes of £75 million expiring in May 2048. In June 2019 the Company issued unsecured, fixed rate senior notes in tranches of EUR42 million, £57 million, £37 million and

## NOTES TO THE ACCOUNTS (CONTINUED)

£20 million expiring in June 2026, June 2042, June 2049 and June 2059 respectively. In June 2021 the Company issued unsecured, fixed rate senior notes in tranches of £50 million, £50 million and £40 million expiring in June 2036, June 2038 and June 2056 respectively. In March 2022 the Company issued unsecured, fixed rate senior notes in tranches of £50 million, £45 million and £45 million expiring in March 2037, March 2056 and March 2061 respectively. Interest rates applying to the notes are commercially competitive and fixed until the expiry dates.

The market value of the short and long-term loans at 31 December 2025 was £377,992,000 based on the equivalent benchmark gilts or relevant commercially available current debt (2024: £372,235,000).

At 11 March 2026, short and long-term borrowings comprised £544 million loan notes and €42 million loan notes.

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

<b>Debenture</b>	<b>2025</b> <b>£'000s</b>	<b>2024</b> <b>£'000s</b>
4.25% perpetual debenture stock – secured	<b>575</b>	575

The 4.25% perpetual debenture stock, which was issued in 1960, is listed on the London Stock Exchange and secured by floating charges over the assets of the Company. The market value of the debenture stock at 31 December 2025 was £429,000 (2024: £429,000).

### 16. SHARE CAPITAL

<b>2025</b>	<b>Shares held in treasury Number</b>	<b>Shares entitled to dividend Number</b>	<b>Total shares in issue Number</b>	<b>Issued and fully paid nominal £'000s</b>
Ordinary shares of 25p each				
Balance brought forward	<b>79,286,468</b>	<b>482,532,548</b>	<b>561,819,016</b>	<b>140,455</b>
Shares repurchased by the Company and held in treasury	<b>8,064,027</b>	<b>(8,064,027)</b>	-	-
Balance carried forward	<b>87,350,495</b>	<b>474,468,521</b>	<b>561,819,016</b>	<b>140,455</b>
<b>2024</b>	<b>Shares held in treasury Number</b>	<b>Shares entitled to dividend Number</b>	<b>Total shares in issue Number</b>	<b>Issued and fully paid Nominal £'000s</b>
Ordinary shares of 25p each				
Balance brought forward	52,025,962	509,793,054	561,819,016	140,455
Shares repurchased by the Company and held in treasury	27,260,506	(27,260,506)	-	-
Balance carried forward	79,286,468	482,532,548	561,819,016	140,455

During the year the Company repurchased 8,064,027 ordinary shares at a total cost of £95,388,000, all of which were placed in treasury.

Since the year end, and up to 11 March 2026, 1,216,990 ordinary shares each have been repurchased and held in treasury.

**17. CAPITAL REDEMPTION RESERVE**

	2025 £'000s	2024 £'000s
Balance brought forward and carried forward	<b>122,307</b>	122,307

**18. OTHER RESERVES**

	Capital reserve arising on investments sold £'000s	Capital reserve arising on investments held £'000s	Capital reserves - total £'000s	Revenue reserve £'000s
Gains and losses transferred in current year:				
Gains on investments and derivatives sold (see note 10)	<b>516,014</b>	-	<b>516,014</b>	-
Gains on investments held at year end (see note 10)	-	<b>102,304</b>	<b>102,304</b>	-
Exchange movements on foreign currency loans, cash balances and derivatives	<b>6,368</b>	<b>(20,115)</b>	<b>(13,747)</b>	-
Management fees (see note 4)	<b>(15,295)</b>	-	<b>(15,295)</b>	-
Finance costs (see note 6)	<b>(10,377)</b>	-	<b>(10,377)</b>	-
Other capital expenses (see note 5)	<b>(70)</b>	-	<b>(70)</b>	-
Indian capital gains tax (see note 7)	<b>(175)</b>	-	<b>(175)</b>	-
Net revenue return attributable to shareholders	-	-	-	<b>86,206</b>
Total gains and losses transferred in current year	<b>496,465</b>	<b>82,189</b>	<b>578,654</b>	<b>86,206</b>
Cost of ordinary shares repurchased in year (see note 16)	<b>(95,388)</b>	-	<b>(95,388)</b>	-
Dividends paid in year (see note 9)	-	-	-	<b>(76,949)</b>
Balance brought forward	<b>4,194,972</b>	<b>1,104,548</b>	<b>5,299,520</b>	<b>116,240</b>
Balance carried forward	<b>4,596,049</b>	<b>1,186,737</b>	<b>5,782,786</b>	<b>125,497</b>

Included within the capital reserve movement for the year is £258,000 (2024: £196,000) of dividend receipts recognised as capital in nature in accordance with note 2(c)(xiii). £2,446,000 of transaction costs on purchases of investments are included within the capital reserve movements disclosed above (2024: £2,029,000). £1,751,000 of transaction costs on sales of investments are similarly included (2024: £1,420,000).

**19. NET ASSET VALUE PER ORDINARY SHARE**

	2025	2024
Net asset value per share - pence	<b>1,300.62</b>	1,176.82
Net assets attributable at end of period - £'000s	<b>6,171,045</b>	5,678,522
Ordinary shares of 25p in issue at end of year, excluding shares held in treasury - number	<b>474,468,521</b>	482,532,548

Net asset value per share (with the debenture stock and short and long-term loans at market value - see notes 14 and 15) was 1,343.37p (2024: 1,219.64p).

## NOTES TO THE ACCOUNTS (CONTINUED)

### 20. RECONCILIATION OF NET RETURN BEFORE TAXATION TO CASH FLOWS FROM OPERATING ACTIVITIES

	2025 £'000s	2024 £'000s
Net return before taxation	678,684	1,013,676
Adjusted for non-cash flow items, dividend income and interest expense:		
Gains on investments	(618,318)	(935,609)
Exchange losses/(gains)	13,937	(4,224)
Non-operating expenses of a capital nature	70	79
(Increase)/decrease in debtors	(51)	169
Increase/(decrease) in creditors	770	(40)
Dividends receivable	(112,243)	(108,917)
Interest payable	13,836	13,731
Tax on overseas income	(14,694)	(15,031)
	<b>(716,693)</b>	<b>(1,049,842)</b>
Cash flows from operating activities before dividends received and interest paid	<b>(38,009)</b>	<b>(36,166)</b>

### 21. ANALYSIS OF CHANGES IN NET DEBT

2025	Cash £'000s	Short and long-term loans £'000s	Debenture £'000s	Forward exchange contracts £'000s	Total £'000s
<b>Opening net debt as at 31 December 2024</b>	<b>91,147</b>	<b>(578,726)</b>	<b>(575)</b>	<b>-</b>	<b>(488,154)</b>
<b>Cash-flows:</b>					
Net movement in cash and cash equivalents	5,915	-	-	-	5,915
<b>Non-cash:</b>					
Effect of Foreign Exchange movements	(12,468)	(1,947)	-	478	(13,937)
<b>Closing net debt as at 31 December 2025</b>	<b>84,594</b>	<b>(580,673)</b>	<b>(575)</b>	<b>478</b>	<b>(496,176)</b>

## 22. CAPITAL COMMITMENTS

The Company had the following capital commitments at the year end:

	2025 Currency	2024 Currency	2025 £'000s	2024 £'000s
<b>Managed by Harbourvest:</b>				
HarbourVest Partners VII:				
- Venture Partnership Fund LP	US\$0.5m	US\$0.5m	390	419
Dover Street VII LP	US\$3.2m	US\$3.2m	2,370	2,545
HarbourVest Partners VIII:				
- Buyout Partnership Fund LP	US\$1.8m	US\$1.8m	1,338	1,437
- Venture Partnership Fund LP	US\$0.8m	US\$0.8m	595	639
HIPEP V – Direct Fund LP	€2.1m	€2.1m	1,801	1,705
HIPEP VI – Asia Pacific Fund LP	US\$1.3m	US\$1.3m	929	998
<b>Managed by Pantheon:</b>				
Pantheon Europe Fund III LP	€5.4m	€5.4m	4,680	4,432
Pantheon Europe Fund V LP	€4.5m	€4.5m	3,929	3,721
Pantheon Asia Fund IV LP	US\$2.7m	US\$2.7m	1,970	2,116
Pantheon Asia Fund V LP	US\$3.5m	US\$3.5m	2,584	2,775
Pantheon Global Secondary Fund III LP	US\$2.4m	US\$2.4m	1,821	1,956
Pantheon Access SICAV (the two "Future Growth" programmes)	US\$123.0m	US\$176.1m	91,469	140,634
<b>Selected by Columbia Threadneedle Investments:</b>				
Astorg VI <sup>(1)</sup>	€1.1m	€1.1m	978	926
August Equity IV <sup>(1)</sup>	£0.0m	£0.2m	-	151
Procuritas VI <sup>(1)</sup>	€0.4m	€0.5m	364	393
Stellex Capital <sup>(1)</sup>	US\$1.6m	US\$1.6m	1,158	1,317
Centana <sup>(1)</sup>	US\$0.2m	US\$0.2m	122	148
Graycliff <sup>(1)</sup>	US\$1.1m	US\$1.3m	800	1,023
Maison Capital <sup>(1)</sup>	US\$0.1m	US\$0.1m	41	44
Inflexion Partnership Capital II <sup>(1)</sup>	£0.2m	£0.5m	162	490
PE Investment Holdings 2018 LP <sup>(1)</sup>	£99.1m	£134.1m	99,118	134,118
Verdane Edda <sup>(1)</sup>	SEK 9.7m	SEK 9.7m	782	701
Inflexion Supplemental V <sup>(1)</sup>	£0.8m	£1.5m	830	1,454
Graycliff IV <sup>(1)</sup>	US\$1.9m	US\$2.8m	1,442	2,220
Centana II <sup>(1)</sup>	US\$0.8m	US\$1.3m	625	1,038
MED Platform <sup>(1)</sup>	€1.6m	€2.2m	1,416	1,788
Inflexion Buyout Fund VI <sup>(1)</sup>	£5.3m	£7.6m	5,270	7,552
Hg Saturn 3 <sup>(1)</sup>	US\$4.0m	US\$4.0m	2,942	3,179
Inflexion Partnership Capital III <sup>(1)</sup>	£12.1m	£14.1m	12,107	14,135
Graycliff V <sup>(1)</sup>	US\$11.9m	US\$15.0m	8,876	11,977
Inflexion Enterprise Fund VI <sup>(1)</sup>	£9.1m	£10.0m	9,073	10,000
August Equity VI <sup>(1)</sup>	£8.2m	£9.7m	8,160	9,700
Castle Mount Impact Partners LP <sup>(1)</sup>	€10.1m	-	8,774	-
Hg Saturn 3 <sup>(1)</sup>	US\$15.0m	-	11,124	-
			<b>288,040</b>	<b>365,731</b>

(1) Columbia Threadneedle Investments is responsible for the selection and oversight of these funds, within the terms of its management agreement with the Company. These commitments will be called upon over a number of years.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 23. TRANSACTIONS WITH THE MANAGER AND RELATED PARTIES

The Board of Directors is defined as a related party. Under the FCA Listing Rules, the Manager is also defined as a related party. However, under the Investment Trust SORP issued by the AIC, in accordance with which these financial statements are prepared, the Manager is not considered to be a related party for accounting purposes.

There are no transactions with the Board other than aggregated remuneration for services as Directors as disclosed in the Remuneration Report on page 71 and as set out in note 5. There were no outstanding balances with the Board at the year end. There were no transactions with the Ameriprise group other than those detailed: in note 4 on management fees; in note 10, where investments managed or advised by Columbia Threadneedle Investments are disclosed; in note 13 in relation to fees owed to the Manager at the Balance Sheet date; and in the Report of the Management Engagement Committee on page 62 regarding the Management agreement in respect of Private Equity fees.

### 24. GOING CONCERN

In assessing the going concern basis of accounting, being the period at least 12 months from the date the financial statements are issued, the Directors have had regard to the guidance issued by the Financial Reporting Council. They have also considered the Company's objective, strategy and investment policy, the current cash position of the Company, the availability of borrowings and compliance with covenants and the operational resilience of the Company and its service providers. More information on the Directors' assessment is provided on page 66.

### 25. FINANCIAL RISK MANAGEMENT

The Company is an investment company, listed on the London Stock Exchange, and conducts its affairs so as to qualify in the UK as an investment trust under the provisions of Section 1158 of the Corporation Tax Act 2010. In so qualifying, the Company is exempted in the UK from corporation tax on capital gains on its portfolio of investments.

The Company's objective is to secure long-term growth in capital and income through a policy of investing primarily in an internationally diversified portfolio of publicly listed equities, as well as unlisted securities and Private Equity, with the use of gearing. In pursuing the objective, the Company is exposed to financial risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit. The Board of Directors, together with the Manager, is responsible for the Company's risk management. The Directors' policies and processes for managing the financial risks are set out in (a), (b) and (c) on the following pages.

The significant accounting policies which govern the reported Balance Sheet carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are set out in note 2 to the accounts. The policies are in compliance with FRS 102 and best practice, and include the valuation of financial assets and liabilities at fair value except as noted in (d) on page 107 and in notes 14 and 15 in respect of loans and the perpetual debenture stock. The Company does not make use of hedge accounting rules.

#### (a) Market risks

The fair value of equity and other financial securities, including any derivatives, held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies, interest rates and other macroeconomic, market and financial issues, including the market perception of future risks. The Board's policies for managing these risks within the Company's objective are set out on page 34. The Board meets regularly to review full, timely and relevant information on investment performance and financial results. The Manager assesses exposure to market risks when making each investment decision and monitors ongoing market risk within the portfolio.

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's other assets and liabilities may be denominated in currencies other than sterling and may also be exposed to interest rate risks. The Manager and the Board regularly monitor these risks. Foreign currency borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Company's exposure to future changes in foreign exchange rates. The debenture deed and loan contracts are agreed and signed by the Board and compliance with the agreements is monitored by the Board at each meeting. Gearing may be short or long-term in sterling and foreign currencies, and enables the Company to take a long-term view of the countries and markets in which it is invested without having to be concerned about short-term volatility.

### Currency Exposure

The carrying value of the Company's assets and liabilities at 31 December, by currency, are shown below:

	Short-term debtors £'000s	Cash and deposits £'000s	Debentures £'000s	Unsecured loans £'000s	Short-term creditors £'000s	Net monetary assets/ (liabilities) £'000s	Investments £'000s	Net exposure £'000s
<b>2025</b>								
Sterling	1,415	16,723	(575)	(544,000)	(5,079)	(531,516)	615,481	83,965
US Dollar	3,234	61,822	-	-	(1,903)	63,153	4,291,524	4,354,677
Euro	2,835	1,877	-	(36,673)	(5)	(31,966)	626,705	594,739
Yen	380	1,152	-	-	-	1,532	368,785	370,317
Other	5,182	3,020	-	-	(662)	7,540	759,807	767,347
<b>Total</b>	<b>13,046</b>	<b>84,594</b>	<b>(575)</b>	<b>(580,673)</b>	<b>(7,649)</b>	<b>(491,257)</b>	<b>6,662,302</b>	<b>6,171,045</b>

	Short-term debtors £'000s	Cash and deposits £'000s	Debentures £'000s	Unsecured loans £'000s	Short-term creditors £'000s	Net monetary assets/ (liabilities) £'000s	Investments £'000s	Net exposure £'000s
<b>2024</b>								
Sterling	790	6,464	(575)	(544,000)	(5,166)	(542,487)	628,056	85,569
US Dollar	6,617	80,097	-	-	(5,900)	80,814	4,093,352	4,174,166
Euro	2,892	3,094	-	(34,726)	(4)	(28,744)	473,117	444,373
Yen	1,512	1,433	-	-	(1,112)	1,833	352,655	354,488
Other	3,249	59	-	-	(727)	2,581	617,345	619,926
<b>Total</b>	<b>15,060</b>	<b>91,147</b>	<b>(575)</b>	<b>(578,726)</b>	<b>(12,909)</b>	<b>(486,003)</b>	<b>6,164,525</b>	<b>5,678,522</b>

The principal currencies to which the Company was exposed were the US Dollar, Euro and Yen. The exchange rates applying against sterling at 31 December, and the average rates during the year, were as follows:

	2025	Average	2024
US Dollar	1.3450	1.3157	1.2524
Euro	1.1453	1.1709	1.2095
Yen	210.8298	197.8003	196.8272

## NOTES TO THE ACCOUNTS (CONTINUED)

Based on the financial assets and liabilities held, adjusted for the underlying gross exposure value of the forward exchange contracts against USD, and exchange rates applying at each Balance Sheet date, a weakening or strengthening of sterling against each of these currencies by 10% would have had the following approximate effect on annualised income after tax and on NAV per share:

	US\$ £'000s	€ £'000s	2025 ¥ £'000s	US\$ £'000s	€ £'000s	2024 ¥ £'000s
<b>Weakening of sterling</b>						
Income Statement Return after tax						
Revenue return	3,778	1,843	826	3,750	1,874	813
Capital return	440,621	59,474	37,032	417,428	44,389	35,449
Total return	444,399	61,317	37,858	421,178	46,263	36,262
NAV per share – pence	93.66	12.92	7.98	87.28	9.59	7.51

	US\$ £'000s	€ £'000s	2025 ¥ £'000s	US\$ £'000s	€ £'000s	2024 ¥ £'000s
<b>Strengthening of sterling</b>						
Income statement return after tax						
Revenue return	(3,778)	(1,843)	(826)	(3,750)	(1,874)	(813)
Capital return	(440,621)	(59,474)	(37,032)	(417,428)	(44,389)	(35,449)
Total return	(444,399)	(61,317)	(37,858)	(421,178)	(46,263)	(36,262)
NAV per share – pence	(93.66)	(12.92)	(7.98)	(87.28)	(9.59)	(7.51)

These analyses are broadly representative of the Company's activities during the current and prior years as a whole, although the level of the Company's exposure to currencies fluctuates in accordance with the investment and risk management processes.

### Interest rate exposure

The exposure of the financial assets and liabilities to interest rate risks at 31 December is shown below:

	Within one year £'000s	More than one year £'000s	2025 Total £'000s	Within one year £'000s	More than one year £'000s	2024 Total £'000s
Exposure to floating rates						
Cash	68,425	-	68,425	73,488	-	73,488
Exposure to fixed rates						
Deposits	16,169	-	16,169	17,659	-	17,659
Debentures	-	(575)	(575)	-	(575)	(575)
Other borrowings	(36,673)	(544,000)	(580,673)	-	(578,726)	(578,726)
Net exposure at year end	47,921	(544,575)	(496,654)	91,147	(579,301)	(488,154)

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

Interest received on cash balances, or paid on bank overdrafts and borrowings, is at ruling market rates. The interest rate applying on the loans and the debenture stock is set out in notes 13, 14 and 15.

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's total returns and net assets are sensitive to changes in interest rates on cash and borrowings, except in respect of the debenture and loans (see notes 13, 14 and 15), on which the interest rates are fixed.

Based on the financial assets and liabilities held, and the interest rates pertaining, at each Balance Sheet date, a decrease or increase in interest rates by 2% would have the following approximate effects on the Income Statement revenue and capital returns after tax and on the NAV:

	Increase in rate £'000s	2025 Decrease in rate £'000s	Increase in rate £'000s	2024 Decrease in rate £'000s
Revenue return	1,369	(1,369)	1,470	(1,470)
Capital return	-	-	-	-
Total return	1,369	(1,369)	1,470	(1,470)
NAV per share – pence	0.29	(0.29)	0.30	(0.30)

### Other market risk exposures

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

	Increase in value £'000s	2025 Decrease in value £'000s	Increase in value £'000s	2024 Decrease in value £'000s
Income statement capital return	1,332,460	(1,332,460)	1,232,905	(1,232,905)
NAV per share – pence	280.83	(280.83)	255.51	(255.51)

### (b) Liquidity risk exposure

The Company requires funds to meet commitments associated with financial instruments, Private Equity investments, dividends and share buybacks. These commitments may be met by the utilisation of existing cash balances, through the realisation of assets or through increased borrowing. The risk of the Company not having sufficient liquidity at any time is not considered by the Board to be significant, given: the large proportion of listed investments held in the Company's portfolio (89.2% at 31 December 2025); the liquid nature of the portfolio of investments; the industrial and geographical diversity of the portfolio and the ability to meet short term settlements through our custody account and the availability of loan facilities. Cash balances are held with approved banks, usually on overnight deposit. The Manager reviews liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each of its meetings.

The Company has total borrowings of £581.2 million as set out in notes 13, 14 and 15. Their terms limit the amount which the Company may borrow at any one time as a proportion of the relevant portfolio of investments and cash. The most onerous financial covenant limits total borrowings to 35% of the Company's adjusted portfolio value, which at 31 December 2025 was £2,110 million. Actual borrowings at par value at 31 December 2025 were £580.7 million in loans (market value: £378.0 million) (see notes 13 and 14) and £0.6 million (market value: £0.4 million) in a debenture (see note 15).

At 31 December 2025 the Company had £288.0 million of outstanding commitments to Private Equity investments (see note 22).

## NOTES TO THE ACCOUNTS (CONTINUED)

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

	Three months or less £'000s	More than three months but less than one year £'000s	More than one year £'000s	Total £'000s
<b>2025</b>				
Other creditors	7,649	-	-	7,649
Short and long-term liabilities <sup>(1)</sup> (including interest)	1,372	48,775	782,959	833,106
	<b>9,021</b>	<b>48,775</b>	<b>782,959</b>	<b>840,755</b>
	Three months or less £'000s	More than three months but less than one year £'000s	More than one year £'000s	Total £'000s
<b>2024</b>				
Other creditors	12,909	-	-	12,909
Long-term liabilities <sup>(1)</sup> (including interest)	1,372	12,257	831,316	844,945
	<b>14,281</b>	<b>12,257</b>	<b>831,316</b>	<b>857,854</b>

(1) See notes 13, 14 and 15 for maturity dates

### (c) Credit risk and counterparty exposure

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

A list of pre-approved counterparties is maintained by the Manager. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. The rate of default in the past has been negligible. Payments in respect of Private Equity investments are made only to counterparties with whom a contracted commitment exists. Cash and deposits are held with approved banks.

The Company has an ongoing contract with the Custodian for the provision of custody services. The contract was executed in 2014 and custody fees last revised in 2017. Details of securities held in custody on behalf of the Company are received and reconciled monthly. The Depositary has regulatory responsibilities relating to segregation and safe keeping of the Company's financial assets, amongst other duties, as set out in the Directors' Report. The Board has direct access to the Depositary and receives regular reports from it via the Manager.

To the extent that the Manager carries out management and administrative duties (or causes similar duties to be carried out by third parties) on the Company's behalf, the Company is exposed to counterparty risk. The Board assesses this risk through regular meetings with the management of Columbia Threadneedle Investments (including the Fund Manager) and with its Risk Management function. In reaching its conclusions the Board, through the Audit Committee, also reviews the annual ISAE/AAF Report on the Manager's internal control policies and procedures.

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

During the year the Company took out a forward exchange contract of approximately £100m in sterling against the US dollar, which was subsequently reduced to £52m. Prior to year end, instruction was given to close it out in February 2026. At 31 December 2025 there was a net unrealised capital gain of £478,000 (2024: nil).

The maximum exposure to credit risk on cash and debtors equates to their carrying amounts as per the balance sheet.

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

The assets and liabilities of the Company are, in the opinion of the Directors, reflected in the balance sheet at fair value, or at a reasonable approximation thereof, except for the short and long-term loans which are carried at amortised cost and the debenture which is carried at proceeds less costs, in accordance with Accounting Standards.

The fair values of the short and long-term loans and debenture at 31 December 2025 are set out in notes 14 and 15. Borrowings under overdraft and short-term loan facilities do not have a value materially different from their capital repayment amount. Borrowings in foreign currencies are converted into sterling at exchange rates ruling at each valuation date.

The fair value of investments quoted on active markets is determined directly by reference to published price quotations in these markets.

Forward currency contracts are valued on the basis of exchange rates for a similar contract for the same residual duration, as provided by the counterparty.

Unquoted investments, including Private Equity investments, are valued based on professional advice and assumptions that are not wholly supported by prices from current market transactions or by observable market data. The Directors make use of recognised valuation techniques including reference to: net assets; industry benchmarks; cost of investment; roll forward of calls and redemptions; and recent arm's length transactions in the same or similar investments. With respect specifically to investments in Private Equity funds or partnerships, the underlying investment advisers and managers provide regular estimated valuations to the Directors, based on the latest information available. The Directors review these valuations for consistency with the Company's own accounting policies and with fair value principles. The investment advisers' and managers' estimated valuations relating to the Private Equity funds' period ends are compared annually by the Directors to the final audited annual valuations of those funds to ensure that their valuation techniques gave rise to valid estimates. The Directors were satisfied with the results of this annual review, which took place most recently in June 2025, indicating that the Company can, all things being equal, continue to place reliance on the Private Equity advisers' and managers' estimates and valuation techniques. The Company's direct investment in Inflexion Strategic Partners is valued with reference to an earnings multiple (see further information in note 2(c)(xiii)).

### (e) Capital risk management

The objective of the Company is stated as being to secure long-term growth in capital and income. In pursuing this long-term objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to:

- issue and buy back share capital within limits set by shareholders in general meeting;
- borrow monies in the short and long terms; and
- pay dividends to shareholders out of current year revenue earnings as well as out of brought forward revenue and capital reserves.

Changes to ordinary share capital are set out in note 16. Dividend payments are set out in note 9. The Directors have no current intention to pay dividends out of capital reserves. Borrowings are set out in notes 13, 14 and 15.

## 26. SECURITIES FINANCING TRANSACTIONS ('SFT')

The Company has not, in the year to 31 December 2025 (2024: same), participated in any: repurchase transactions; securities lending or borrowing; buy-sell back transactions; margin lending transactions; or total return swap transactions (collectively called SFT). As such, it has no disclosure to make in satisfaction of the UK regulations on transparency of SFT, issued in November 2015.

## 27. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Directors have reviewed the period following the year end and have not identified any subsequent events requiring disclosure.

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the one hundred and forty-seventh Annual General Meeting of the Company will be held at Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB on Wednesday 29 April 2026 at 12.00 noon for the following purposes:

## ORDINARY RESOLUTIONS

1. To receive and adopt the Directors' report and the audited accounts for the year ended 31 December 2025.
2. To approve the Directors' remuneration policy.
3. To approve the Directors' Remuneration Report (excluding the Directors' remuneration policy) for the year ended 31 December 2025.
4. To declare a final dividend for the year ended 31 December 2025 of 5.2 pence per ordinary share.
5. To re-elect Josh Bottomley as a Director.
6. To re-elect Anuradha Chugh as a Director.
7. To re-elect Beatrice Hollond as a Director.
8. To re-elect Rain Newton-Smith as a Director.
9. To re-elect Quintin Price as a Director.
10. To re-elect Richard Robinson as a Director.
11. To re-elect Stephen Russell as a Director.
12. To re-elect Julie Tankard as a Director.
13. THAT KPMG LLP be appointed as Auditors of the Company in place of the retiring Auditors to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
14. To authorise the Audit Committee to determine the remuneration of the auditors.
15. Authority to allot shares.

THAT, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors be and they are hereby generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or convert any security into, shares in the Company (together being 'relevant securities') up to an aggregate nominal amount of £11,831,288 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the annual general meeting of the Company to be held in 2027 or on 30 June 2027, whichever is earlier, unless previously revoked, varied or extended by the Company in a general meeting (the 'relevant period') save that the Company may, at any time prior to the expiry of this authority, make offers or enter into agreements which would or might require relevant securities to be allotted after the expiry of the relevant period and

notwithstanding such expiry the Directors may allot relevant securities in pursuance of such offers or agreements.

## SPECIAL RESOLUTION

16. Disapplication of pre-emption rights

THAT, subject to the passing of resolution 15 above and in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors be and they are hereby authorised, pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act'), to allot equity securities (within the meaning of section 560 of the Act) either pursuant to the authority conferred by Resolution 15 for cash or by way of a sale of treasury shares as if section 561(1) of the Act did not apply to any such allotment or sale, provided this authority shall be limited to:

- (a) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities:
  - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter; and
- (b) the allotment (otherwise than under paragraph (a) of this Resolution 16) of equity securities up to an aggregate nominal amount of £11,831,288, such authority to expire upon the expiry of the general authority conferred by Resolution 15 above save that the Company may at any time prior to the expiry of this authority make offers or enter into agreements which would or might require equity securities to be allotted (and treasury shares to be sold) after the expiry of the relevant period and notwithstanding such expiry the Directors may allot equity securities (and sell treasury shares) in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.

## ORDINARY RESOLUTION

### 17. Share Split

That each of the issued ordinary shares of 25 pence each in the capital of the Company be and is hereby sub-divided into four ordinary shares of 6.25 pence each (the 'New Ordinary Shares') having the rights and being subject to the restrictions and obligations set out in the articles of association of the Company, provided that such sub-division shall be conditional on, and shall take effect on, the New Ordinary Shares being admitted to the Official List of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange, which is expected to occur at 8.00 a.m. on 11 May 2026 (or such other time and/or date as the Directors may in their absolute discretion determine).

## SPECIAL RESOLUTION

### 18. Share Buyback Authority

THAT, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Companies Act 2006 (the 'Act'), to make market purchases (within the meaning of section 693(4) of the Act) of fully paid ordinary shares 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 hereby authorised to be purchased shall be 70,940,404 (or 283,761,617 provided that Resolution 17 is passed) or, if less, 14.99% of the number of ordinary shares in issue (excluding treasury shares) as at the date of the passing of this resolution;
- (b) the minimum price (exclusive of expenses) which may be paid for an ordinary share shall be 25 pence (or 6.25 pence provided that Resolution 17 is passed);
- (c) the maximum price (exclusive of expenses) which may be paid for an ordinary share is the higher of:
  - (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased, and
  - (ii) an amount equal to the higher of the price of the last independent trade for an ordinary

share and the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out;

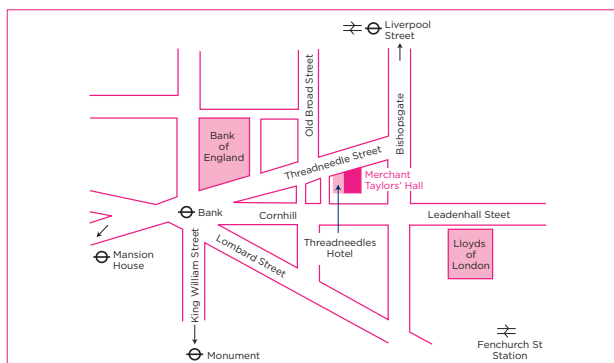
- (d) the authority hereby conferred shall expire on 30 June 2027 unless the authority is renewed before that time at the Company's annual general meeting to be held in 2027 or unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting by special resolution; and
- (e) the Company may at any time prior to the expiry of such authority enter into a contract or contracts to purchase ordinary shares under such authority which will or may be completed or executed wholly or partly after the expiration of such authority and the Company may purchase ordinary shares pursuant to any such contract or contracts as if the authority conferred by this resolution had not expired.

**By Order of the Board**  
**Columbia Threadneedle**  
**Investment Business Limited,**  
**Company Secretary**  
**13 March 2026**

**Registered office:**  
**Cannon Place**  
**78 Cannon Street**  
**London EC4N 6AG**  
**Registered number: 12901**

**The AGM will be a "hybrid" meeting, with shareholders and savings plan holders being able to attend the meeting in person or online. This allows many more of our shareholders the opportunity to view the AGM and to participate by asking questions and voting online. Full details of how to do so are set out in your Form of Proxy or Form of Direction. Please read these carefully as failure to complete your form correctly will result in you not being able to vote at the meeting.**

### Meeting Location



## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### Notes:

- A member is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.

Please contact Computershare Investor Services PLC by email on [corporate-representatives@computershare.co.uk](mailto:corporate-representatives@computershare.co.uk) or alternatively call 0370 707 1529, providing details of your proxy appointment including their email address so that unique credentials can be issued to allow the proxy to access the electronic meeting. Access credentials will be emailed to the appointee one working day prior to the meeting. Lines are open 8.30am to 5.30pm Monday to Friday (excluding public holidays).
- If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that she has a notifiable obligation under the Disclosure Guidance and Transparency Rules ('DTRs'), the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority ('FCA'). As a result, any person 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 the FCA.
- Any such person holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman as their proxy will need to ensure that both they and such person complies with their respective disclosure obligations under the DTRs.
- A Form of Proxy is provided with this notice for members. If a member wishes to appoint more than one proxy and so requires additional Forms of Proxy, the member should contact Computershare Investor Services PLC on 0370 707 1529. To be valid, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be received by post or (during normal business hours only) by hand at the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, no later than 12.00 noon on Monday 27 April 2026 or two business days before the time of any adjournment. Completion and return of a Form of Proxy will not preclude members from attending and voting at the meeting should they wish to do so. Amended instructions must also be received by the Company's registrars by the deadline for receipt of Forms of Proxy.
- Alternatively, members may register the appointment of a proxy for the meeting electronically, by accessing the website [eproxyappointment.com](http://eproxyappointment.com) where full instructions for the procedure are given. The Control Number, Shareholder Reference Number and PIN as printed on the Form of Proxy will be required in order to use the electronic proxy appointment system. This website is operated by Computershare Investor Services PLC. The proxy appointment and any power of attorney or other authority under which the proxy appointment is made must be received by Computershare Investor Services PLC no later than 12.00 noon on Monday 27 April 2026 or two business days before any adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. If you wish to appoint more than one proxy electronically please contact Computershare Investor Services PLC on 0370 707 1529.
- Investors holding shares in the Company through the Columbia Threadneedle ISA, Junior ISA, Child Trust Fund, General Investment Account, Lifetime ISA and/or Junior Investment Account should ensure that Forms of Direction are returned to Computershare Investor Services PLC not later than 12.00 noon on Tuesday 21 April 2026. Alternatively, voting directions can be submitted electronically at [eproxyappointment.com](http://eproxyappointment.com) by entering the Control Number, Shareholder Reference Number and PIN as printed on the Form of Direction. Voting directions must be submitted electronically no later than 12.00 noon on Tuesday 21 April 2026.
- Any person receiving a copy of this notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (the 'Act') (a 'Nominated Person') should note that the provisions in notes 1, 4 and 5 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
- Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps, the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of section 360B of the Act, the Company has specified that only those members registered on the register of members of the Company at close of business on Monday 27 April 2026 (the 'Specified Time') (or, if the meeting is adjourned to a time more than 48 hours after the Specified Time, by close of business on the day which is two business days prior to the time of the adjourned meeting) shall be entitled to attend and vote at the

meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than two business days after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [proxymity.io](https://proxymity.io). Your proxy must be lodged by 12.00 noon on Monday 27 April 2026 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via [euroclear.com/CREST](https://euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number 3RA50) by the latest time(s) for receipt of proxy appointments specified in notes 4 and 5 above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by

means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings ([euroclear.com/CREST](https://euroclear.com/CREST)).

13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001 (as amended).
14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares.  
  
Please contact Computershare Investor Services PLC by emailing [corporate-representatives@computershare.co.uk](mailto:corporate-representatives@computershare.co.uk) providing details of your appointment including their email address, confirmation of the meeting they wish to attend and a copy of the Letter of Representation, so that unique credentials can be issued to allow the corporate representative to access the electronic meeting. Access credentials will be emailed to the appointee one working day prior to the meeting. If documentation supporting the appointment of the corporate representative is supplied later than the deadline for appointment of a proxy (48 hours prior to the meeting), issuance of unique credentials to access the meeting will be issued on a best endeavours basis.
15. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
  - (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or
  - (b) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act.

The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
16. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting. However, members should note that no answer need be given in the following circumstances:
  - (a) if to do so would interfere unduly with the preparation of the meeting or would involve a disclosure of confidential information;

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

- (b) if the answer has already been given on a website in the form of an answer to a question; or
  - (c) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
17. As at 11 March 2026, being the latest practicable date prior to the printing of this notice, the Company's issued capital (i.e. excluding those shares held in treasury) consisted of 473,251,531 ordinary shares of 25 pence each carrying one vote each. Therefore, the total voting rights in the Company as at 11 March 2026 are 473,251,531.
  18. This notice, together with information about the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 11 March 2026, being the latest practicable date prior to the printing of this notice, and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice, will be available at [fandc.com](http://fandc.com).
  19. Any electronic address provided either in this notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.
  20. Copies of the letters of appointment between the Company and its Directors; a copy of the Articles of Association of the Company; the register of Directors' holdings; and a deed poll relating to Directors' indemnities will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Public Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 15 minutes prior to the commencement of the meeting to the conclusion thereof.
  21. No Director has a service contract with the Company.
  22. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your shareholder Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrar) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise. A copy of the Company's privacy policy can be found online at [fandc.com](http://fandc.com).

# MANAGEMENT AND ADVISERS

## THE MANAGEMENT COMPANY

F&C Investment Trust plc is managed by Columbia Threadneedle Investment Business Limited (the 'Manager'), a wholly-owned subsidiary of Columbia Threadneedle AM (Holdings) PLC, which is ultimately owned by Ameriprise Financial, Inc. The Manager is appointed under an investment management agreement with the Company, which sets out its responsibilities for investment management, administration and marketing. The Manager is authorised and regulated by the Financial Conduct Authority.

The Manager also acts as the Alternative Investment Fund Manager and Company Secretary.

**Paul Niven** is the Company's Fund Manager and Columbia Threadneedle Investments' Head of Multi-Asset Solutions (EMEA). He has extensive experience in managing large, diversified investment funds and has managed the Company's assets since July 2014. He joined the management company in 1996.

**Jonathan Latter** represents the Manager as Company Secretary and is responsible for the Company's statutory compliance. He joined the management company in 2021.

**Marrack Tonkin** is Head of Investment Trusts at the Manager, with responsibility for its relationship with the Company. He joined the management company in 1989.

## US SUB-MANAGERS

Barrow, Hanley, Mewhinney & Strauss, LLC (North America) - appointed 2005

JPMorgan Asset Management (UK) Limited - appointed 2023

## EMERGING MARKETS SUB-MANAGER

Invesco Asset Management Limited - appointed 2025

## PRIVATE EQUITY MANAGERS

HarbourVest Partners LLC - appointed 2003

Pantheon Ventures Limited - appointed 2003

## COMPANY SECRETARY AND REGISTERED OFFICE

Columbia Threadneedle Investment Business Limited  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

Telephone: 020 7464 5000

Website: [fandc.com](http://fandc.com)

Email: [invest@columbiathreadneedle.com](mailto:invest@columbiathreadneedle.com)

## INDEPENDENT AUDITOR

Ernst & Young LLP  
25 Churchill Place  
London E14 5EY

## CUSTODIAN

JPMorgan Chase Bank  
25 Bank Street  
Canary Wharf  
London E14 5JP

## DEPOSITARY

JPMorgan Europe Limited  
25 Bank Street  
Canary Wharf  
London E14 5JP

## NEW ZEALAND SHARE REGISTRARS

Computershare Investor Services Limited Private Bag 92119  
Auckland 1142  
Level 2  
159 Hurstmere Road  
Takapuna  
Auckland 0622  
New Zealand

Telephone: +64 9 488 8700

Facsimile: +64 9 488 8787

## SHARE REGISTRARS

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ

Telephone: 0370 707 1529

Authorised and regulated in the UK by the Financial Conduct Authority.

## SOLICITORS

Norton Rose Fulbright LLP  
3 More London Riverside  
London SE1 2AQ

## STOCKBROKER

JPMorgan Cazenove  
25 Bank Street  
Canary Wharf  
London E14 5JP

# ADDITIONAL INFORMATION FOR SHAREHOLDERS (UNAUDITED)

## ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE

The Company is an 'alternative investment fund' ('AIF') for the purposes of the AIFMD and has appointed its Manager, Columbia Threadneedle Investment Business Limited, to act as its Alternative Investment Fund Manager (the 'AIFM'). The Manager is authorised and regulated by the FCA as a 'full scope UK AIFM'.

The Company is required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within the Investor Disclosure Document ('IDD') which can be found on the Company's website at [fandc.com](http://fandc.com). There have not been any material changes to the disclosures contained within the IDD since it was last updated in March 2025.

In accordance with the AIFMD, information in relation to the Company's leverage and the remuneration of the Company's AIFM are required to be made available to investors. Detailed regulatory disclosures including those on the AIFM's remuneration policy and costs are available on the Company's website or from Columbia Threadneedle Investments on request.

## LEVERAGE

The Company's maximum and actual leverage levels at 31 December 2025 are shown below:

Leverage exposure	Gross method	Commitment method
Maximum permitted limit	200%	200%
Actual	109%	109%

The leverage limits are set by the AIFM and approved by the Board and are in line with the maximum leverage levels permitted in the Company's Articles of Association. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

The Company and the AIFM also wish to make the following disclosures to investors:

- the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report. A list of the twenty largest listed equity holdings is included on pages 29

and 30; none of the Company's assets is subject to special arrangements arising from their illiquid nature;

- the Strategic Report and note 25 to the accounts set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the year under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures that it employs;
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code in respect of the AIFM's remuneration. The relevant disclosures required are within the IDD; and
- information in relation to the Company's leverage is contained within the IDD.

Following completion of an assessment of the application of the proportionality principle to the FCA's AIFM Remuneration Code, the AIFM has disapplied the pay-out process rules with respect to it and any of its delegates. This is because the AIFM considers that it carries out non-complex activities and is operating on a small scale.

## KEY INFORMATION DOCUMENT ('KID')

In September 2024 the FCA announced that, for the time being, investment companies are not required to comply with the PRIIPs regulations and therefore do not need to make a KID available for investors. However, the Board has chosen to continue to produce a KID, which is available on the Company's website at [fandc.com](http://fandc.com). The costs disclosure has been revised to include the Company's Ongoing Charges figure, consistent with the annual report. In December 2025 the FCA announced that, under the rules for Consumer Composite Investments which are due to take effect on 6 April 2026 (with a transitional period for compliance until June 2027), investment companies will be required to highlight the Ongoing Costs Figure as the key pre-sale cost disclosure. Other costs, such as gearing and transaction costs, will be disclosed separately and will no longer be required to be amalgamated into one costs figure.

### NET ASSET VALUE AND SHARE PRICE

The Company's net asset value is released daily, on the working day following the calculation date, to the London and New Zealand Stock Exchanges. The current share price of the Company is shown in the investment trust section of the stock market page in several leading newspapers. Investors in New Zealand can obtain share prices from leading newspapers in that country.

### UK CAPITAL GAINS TAX ('CGT')

An approved investment trust does not pay tax on its capital gains. UK resident individuals may realise net capital gains of up to £3,000 in the tax year ending 5 April 2027 without incurring any tax liability.

A rate of CGT of 18% will apply where taxable income and gains do not exceed the income tax higher rate threshold. A higher rate of 24% will apply to those whose income and gains exceed this figure.

### INCOME TAX

The final dividend of 5.2 pence per share is payable on 6 May 2026. From 6 April 2026, the annual tax-free allowance to UK residents on dividend income is £500. Dividend income received in excess of this amount will be taxed at rates of 10.75% (basic rate taxpayers), 35.75% (higher rate taxpayers) or 39.35% (additional rate taxpayers). Dividend income on shares held within an Individual Savings Account is not subject to tax.

# HOW TO INVEST

One of the most convenient ways to invest in F&C Investment Trust plc is through one of the Savings Plans run by Columbia Threadneedle Investments.

## Our adult products

We offer three different products for those over 18 to suit your needs. The minimum opening investment amount for an adult product is £2,000 and you can then invest from £25 a month or make additional one-off investments from £100.

### CT Individual Savings Account (ISA)

You can use your ISA allowance to make an annual tax efficient investment of up to £20,000 for the current tax year. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

### CT Lifetime Individual Savings Account (LISA)

For those aged 18-39, a LISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year.

### CT General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts with no maximum contributions.

## Our child products

We also offer three different products for children. The minimum opening investment amount for these is £1,000 and you can then invest from £25 a month or make additional one-off investments from £100.

### CT Junior Individual Savings Account (JISA)\*

A tax efficient way to invest up to £9,000 per tax year for a child. JISAs with other providers can be transferred to Columbia Threadneedle Investments.

### CT Junior Investment Account (JIA)

This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment.

### CT Child Trust Fund (CTF)\*

If your child already has a CTF, you can invest up to £9,000 per birthday year. CTFs with other providers can be transferred to Columbia Threadneedle Investments.

\*The CTF and JISA accounts are opened in the child's name and they can have access to the account at age 18.

\*\*Calls may be recorded or monitored for training and quality purposes.

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **AJ Bell, Barclays Stockbrokers, EQi, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank and The Share Centre.**

To find out more, visit [ctinvest.co.uk](http://ctinvest.co.uk)

**0345 600 3030**, 9.00am – 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.

Capital at risk. The material relates to an investment trust and its Ordinary Shares that are traded on the main market of the London Stock Exchange. The Investor Disclosure Document, Key Information Document (KID), latest annual or half year reports and the applicable terms & conditions are available from Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London EC4N 6AG, your financial advisor and/or on our website [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com). Please read the Investor Disclosure Document before taking any investment decision. This material should not be considered as an offer, solicitation, advice or an investment recommendation. This communication is valid at the date of publication and may be subject to change without notice. Information from external sources is considered reliable but there is no guarantee as to its accuracy or completeness. In the UK: Issued by Columbia Threadneedle Management Limited, No. 517895, registered in England and Wales and authorised and regulated in the UK by the Financial Conduct Authority. © 2026 Columbia Threadneedle Investments.

## Annual account charge

ISA/LISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits).

## Charges

Annual management charges and other charges apply according to the type of Savings Plan, these can be found on the relevant product Presales Cost & Charges disclosure on our website [www.ctinvest.co.uk](http://www.ctinvest.co.uk).

## Dealing charges

£12 per fund (reduced to £0 for deals placed through the online Columbia Threadneedle Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF. Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

**The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing.**

For regulatory purposes, please ensure you have read the Pre-sales Cost & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to invest in, these can be found at [www.ctinvest.co.uk/documents](http://www.ctinvest.co.uk/documents).

## How to Invest

To open a new Columbia Threadneedle Savings Plan, apply online at [www.ctinvest.co.uk](http://www.ctinvest.co.uk). Online applications are not available if you are transferring an existing Savings Plan with another provider to Columbia Threadneedle Investments, or if you are applying for a new Savings Plan in more than one name but paper applications are available at [www.ctinvest.co.uk/documents](http://www.ctinvest.co.uk/documents) or by contacting Columbia Threadneedle Investments.

## New Customers:

Call: **0345 600 3030\*\***  
(9:00am – 5:00pm, weekdays)

Email: [invest@columbiathreadneedle.com](mailto:invest@columbiathreadneedle.com)

## Existing Savings Plan Holders:

Call: **0345 600 3030\*\***  
(9:00am – 5:00pm, weekdays)

Email: [investor.enquiries@columbiathreadneedle.com](mailto:investor.enquiries@columbiathreadneedle.com)  
Post: **Columbia Threadneedle Management Limited,**  
PO Box 11114, Chelmsford CM99 2DG



# ALTERNATIVE PERFORMANCE MEASURES

The Company uses the following Alternative Performance Measures ('APMs') throughout the annual report, financial statements and notes to the financial statements. The APMs are reconciled to the financial statements through the narrative detailed below. The Board believes that each of the APMs, which are typically used within the investment trust sector, provide additional useful information to shareholders in order to assess the Company's performance and against its peer group.

**Discount or Premium** – the share price of an investment trust company is derived from buyers and sellers trading their shares on the stock market. This price is not identical to the NAV per share of the underlying assets less liabilities of the Company. If the share price is lower than the NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers of shares than buyers. Shares trading at a price above NAV per share are said to be at a premium, in which case there tend to be more buyers than sellers. The Board's policy is set out on page 36.

		31 December 2025 pence	31 December 2024 pence
Net Asset Value per share (with debt at market value)	(a)	1,343.37	1,219.64
Share price per share	(b)	1,252.00	1,108.00
(Discount)/Premium (c= (b-a)/a)	(c)	(6.8)%	(9.2)%

**Dividend growth** – the amount by which the Company's annual dividend has increased compared to the previous year, expressed as a percentage of the previous annual dividend.

		31 December 2025 pence	31 December 2024 pence
Total dividend paid/payable for the prior year	(a)	15.60	14.70
Total dividend paid/payable for the current year	(b)	16.60	15.60
Dividend growth (c= (b-a)/a)	(c)	6.4%	6.1%

**Gearing** – this is the ratio of the borrowings of the Company to its net assets. Borrowings have a "prior charge" over the assets of a company, ranking before ordinary shareholders in their entitlement to capital and/or income. They may include: preference shares; debentures; overdrafts and short and long-term loans from banks; and derivative contracts. If the Company has cash assets, these may be assumed either to net off against borrowings, giving a "net" or "effective" gearing percentage, or to be used to buy investments, giving a "gross" or "fully invested" gearing figure. Where cash assets exceed borrowings, the Company is described as having "net cash". The Company's maximum permitted level of gearing is set by the Board and is described within the Strategic Report and Directors' Report.

		31 December 2025 £'000	31 December 2024 £'000
Loans		580,673	578,726
Debenture		575	575
	(a)	581,248	579,301
Less Cash and cash equivalents		(84,594)	(91,147)
Less Investment debtors		(542)	(5,207)
Add Investment creditors		601	5,667
Total	(b)	496,713	488,614
Net Asset Value	(c)	6,171,045	5,678,522
Effective gearing (d= b/c)	(d)	8.0%	8.6%
Fully invested gearing (e= a/c)	(e)	9.4%	10.2%

## ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

**Net Asset Value (NAV)** – the assets less liabilities of the Company, as set out in the Balance Sheet, all valued in accordance with the Company’s Accounting Policies (see note 2 to the accounts) and UK Accounting Standards. The net assets correspond to Total Shareholders’ Funds, which comprise the share capital account, capital redemption reserve and capital and revenue reserves.

	<b>31 December 2025</b>	31 December 2024
Net assets at year end - £'000s	<b>6,171,045</b>	5,678,522
Number of ordinary shares in issue at year end	<b>474,468,521</b>	482,532,548
Net asset value (with debt at par) at year end - pence	<b>1,300.62</b>	1,176.82

**Net Asset Value (NAV) with Debt at Market Value** – the Company’s debt (debenture and loans) is valued in the Balance Sheet (on page 84) at amortised cost, which is materially equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as “debt at par”. The current replacement or market value of the debt, which assumes it is repaid and renegotiated under current market conditions, is often referred to as the “Debt at Market Value” or “Debt at Fair Value”. The market value of the debt is shown in notes 14 and 15 to the Accounts.

	<b>31 December 2025</b>	31 December 2024
Net assets at year end - £'000s	<b>6,171,045</b>	5,678,522
Add back: Debt at par - £'000s	<b>581,248</b>	579,301
Deduct: Debt at market value - £'000s	<b>(378,421)</b>	(372,664)
	<b>6,373,872</b>	5,885,159
Number of ordinary shares in issue at year end	<b>474,468,521</b>	482,532,548
Net asset value (with debt at market value) at year end - pence	<b>1,343.37</b>	1,219.64

**Ongoing Charges** – all operating costs expected to be regularly incurred and that are payable by the Company or suffered within underlying investee fund, expressed as a proportion of the average net assets of the Company over the reporting year. The costs of buying and selling investments and derivatives are excluded as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing ordinary shares.

	<b>31 December 2025</b>	31 December 2024
<b>Ongoing Charges calculation</b>	<b>£'000</b>	<b>£'000</b>
Management fees	<b>20,393</b>	18,414
Other expenses	<b>4,603</b>	5,739
Ad hoc non-recurring expenses*	<b>(250)</b>	(1,039)
Underlying costs of Private Equity Funds and Collectives	<b>1,972</b>	2,008
Total	<b>(a) 26,718</b>	25,122
Average daily net assets	<b>(b) 5,986,352</b>	5,601,379
Ongoing charges (c= a/b)	<b>(c) 0.45%</b>	0.45%

\* These expenses relate to changes to the management fee arrangements and a reduced marketing budget from 1 January 2025 onwards.

**Total Expense Ratio (TER)** – an alternative measure of expenses to Ongoing Charges. It comprises all operating costs incurred in the reporting period by the Company (see notes 4 and 5 to the Accounts), calculated as a percentage of the average net assets in that year. Operating costs exclude costs suffered within underlying investee funds, costs of buying and selling investments and derivatives, interest costs, taxation and the costs of buying back or issuing ordinary shares.

<b>TER calculation</b>		<b>31 December 2025</b> <b>£'000</b>	31 December 2024 £'000
Management fees		<b>20,393</b>	18,414
Other expenses		<b>4,603</b>	5,739
Total	(a)	<b>24,996</b>	24,153
Average daily net assets	(b)	<b>5,986,352</b>	5,601,379
TER (c= a/b)	(c)	<b>0.42%</b>	0.43%

**Total Return** – the theoretical return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV in the period. The dividends are assumed to have been re-invested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex-dividend.

	<b>Net Asset Value<sup>(1)</sup></b>	<b>Share price</b>
NAV/Share Price per share at 31 December 2024 (pence)	<b>1,219.64</b>	<b>1,108.00</b>
NAV/Share Price per share at 31 December 2025 (pence)	<b>1,343.37</b>	<b>1,252.00</b>
Change in the year	<b>10.1%</b>	<b>13.0%</b>
Impact of dividend reinvestments	<b>1.5%</b>	<b>1.6%</b>
Total return for the year to 31 December 2025	<b>11.6%</b>	<b>14.6%</b>

	<b>Net Asset Value<sup>(1)</sup></b>	<b>Share price</b>
NAV/Share Price per share at 31 December 2023 (pence)	1,022.07	962.00
NAV/Share Price per share at 31 December 2024 (pence)	1,219.64	1,108.00
Change in the year	19.3%	15.2%
Impact of dividend reinvestments	1.7%	1.7%
Total return for the year to 31 December 2024	11.3%	8.1%

(1) With debt at market value.

# GLOSSARY OF TERMS

**AAF Report** - report prepared in accordance with Audit and Assurance Faculty guidance issued by the Institute of Chartered Accountants in England and Wales.

**Adjusted portfolio value** - this is as defined within our loan covenant tests and comprises the gross assets less the value of all unquoted and private equity investments.

**Administrator** - the administrator is State Street Bank and Trust Company to which Columbia Threadneedle has outsourced trade processing, valuation and middle office tasks and systems.

**AGM** - annual general meeting of the Company.

**AIC** - Association of Investment Companies, the trade body for closed-end Investment Companies.

**AIC Code** - the AIC Code of Corporate Governance, published in 2024, which addresses the principles and provisions set out in the UK Code, as they apply to investment trust companies.

**AIFMD** - the Alternative Investment Fund Managers Directive that requires investment vehicles to appoint a Depositary and an Alternative Investment Fund Manager.

**AIFM** - the Alternative Investment Fund Manager appointed by the Board of Directors in accordance with the AIFMD is the Company's Manager, as defined below.

**Ameriprise Financial, Inc.** - the ultimate owner of Columbia Threadneedle Investments, a diversified financial services and bank holding company incorporated in Delaware, USA.

**Benchmark** - the FTSE All-World (Total Return) Index is the benchmark against which the Company's performance is measured. The Index averages the performance of a defined selection of companies listed in stock markets around the world and gives an indication of how those markets have performed in any period. Divergence between the performance of the Company and the Index is to be expected as: the investments within this Index are not identical to those held by the Company; the Index does not take account of operating costs; and the Company's strategy does not include replicating ("tracking") this Index.

"FTSE®" is a trademark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

**Carbon footprint** - total carbon emissions for a portfolio normalised by the market value of the portfolio, expressed in tonnes CO2/\$M invested.

**Closed-end company** - a company, including an Investment Company, with a fixed issued ordinary share capital, the shares of which are traded on an exchange at a price not necessarily related to the net asset value of the company and which can only be issued or bought back by the company in certain circumstances.

**Columbia Threadneedle** - the asset management business of Ameriprise Financial, Inc.

**Columbia Threadneedle Savings Plans** – these comprise the CT General Investment Account, CT Junior Investment Account, CT Lifetime ISA, CT ISA, CT Junior ISA and CT Child Trust Fund operated by Columbia Threadneedle Management Limited, a company authorised by the Financial Conduct Authority.

**Consumer Duty** – a set of FCA rules which requires asset management firms to put their customers' needs first.

**Cum-dividend** – shares are classified as cum-dividend when the buyer of a security is entitled to receive a dividend that has been declared but not paid. Shares which are not cum-dividend are described as ex-dividend.

**Custodian** – the Company's Custodian is JPMorgan Chase Bank. The custodian is a financial institution responsible for safeguarding, worldwide, the listed securities and certain cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services.

**Depository** – the Company's Depository is JPMorgan Europe Limited. Under AIFMD rules the Company must appoint a depository whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. Under the AIFMD rules, the Depository has strict liability for the loss of the Company's financial assets in respect of which it has safekeeping duties. The Depository's oversight duties include but are not limited to oversight of share issues/buybacks, dividend payments and adherence to investment restrictions and guidelines.

**Derivative** – a contract between two or more parties, the value of which fluctuates in accordance with the value of an underlying security. The contract is usually short-term (for less than one year). Examples of derivatives are Put and Call Options, Swap contracts, Futures and Contracts for Difference. A derivative can be an asset or a liability and is a form of gearing because the fluctuations in its value are usually greater than the fluctuations in the underlying security's value.

**Digital Operational Resilience Act ('DORA')** – a regulation, implemented in January 2025, which requires financial entities to improve their digital operational resilience.

**Distributable Reserves** – reserves distributable by way of dividend or for the purpose of buying back ordinary share capital (see notes 2(c)(x), 2(c)(xi), 16, 17 and 18 to the Accounts). Company Law requires that Share Capital and the Capital Redemption Reserve may not be distributed. The Company's Articles of Association allow distributions by way of dividend out of Capital Reserves. Dividend payments are currently made out of Revenue Reserve. The cost of all share buybacks is deducted from Capital Reserves.

**Dividend Dates** – reference is made in announcements of dividends to three dates. The "record" date is the date after which buyers of the shares will not be recorded on the register of shareholders as qualifying for the pending dividend payment. The "payment" date is the date that dividends are credited to shareholders' bank accounts. The "ex-dividend" date is normally the business day prior to the record date (most ex-dividend dates are on a Thursday).

**DTRs** – the Disclosure Guidance and Transparency Rules issued by the FCA.

**EY** – the Company's auditor, Ernst & Young LLP.

**FCA** – Financial Conduct Authority, the conduct regulator for financial services firms and financial markets in the UK.

**F&C** – F&C Investment Trust plc or the '**Company**'.

**FRC** – Financial Reporting Council which regulates auditors, accountants and actuaries in the UK and sets the UK's Corporate Governance and Stewardship Codes.

## GLOSSARY OF TERMS (CONTINUED)

**FTSE Women Leaders Review** – an independent body that aims to increase the number of women on boards and leadership teams which sets out target recommendations for FTSE 350 companies.

**Fund Manager** – Paul Niven, an employee of the Manager with overall management responsibility for the Company's total portfolio.

**GAAP** – Generally Accepted Accounting Practice. This includes UK Financial Reporting Standards ('FRS') and International GAAP (IFRS or International Financial Reporting Standards applicable in the UK).

**Investment Company (Section 833 CA 2006)** – An Investment Company is defined as investing its funds in shares, land or other assets with the aim of spreading investment risk.

**Investment portfolios** – sometimes referred to as strategies, the separate regional, global and Private Equity portfolios that together make up the total investment portfolio of the Company.

**Investment Trust taxation status (Section 1158 Corporation Tax Act 2010)** – UK Corporation Tax law exempts an Investment Company (referred to in Tax law as an Investment Trust) from tax on its profits realised on investment transactions, provided it complies with certain rules. The rules are similar to the provisions that apply to Investment Companies but also require that the Company must be listed on a regulated stock exchange and that it cannot retain more than 15% of income received. The Directors' Report contains confirmation of the Company's compliance with this law and its consequent exemption from taxation on capital gains.

**ISAE Report** – report prepared in accordance with the International Standard on Assurance Engagements.

**Leverage** – as defined under AIFMD rules, leverage is any method by which the exposure of an alternative investment fund (as defined under the AIFMD) is increased through borrowing of cash or securities or leverage embedded in derivative positions. Leverage is broadly equivalent to gearing but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowings). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

**Manager (or AIFM)** – Columbia Threadneedle Investment Business Limited, which is a subsidiary of Ameriprise Financial, Inc. Its responsibilities and the management fee are set out in the Business Model, Report of the Management Engagement Committee and note 4 to the Accounts.

**Market capitalisation** – the sum of the Company's share price multiplied by the number of shares in issue, excluding any shares held in treasury. If the Company's shares trade at a discount to NAV, the market capitalisation will be lower than the NAV. Conversely, if the shares trade at a premium, it will be higher than the NAV.

**Net Zero Asset Managers initiative ('NZAM')** – launched in 2020, NZAM aims to support the asset management industry to commit to a goal of net zero carbon emissions in order to mitigate financial risk and to maximise the long-term value of assets.

**Non-executive Director** – a Director who is part time and who does not have a contract of employment with the Company. The Company's board of directors comprises entirely of non-executive Directors.

**Non-Financial and Sustainability Information Statement (NFSIS)** – under sections 414CA and 414CB of the Act, certain large companies are subject to an additional level of narrative reporting originally introduced under the EU Non-Financial Reporting Directive (EU/2014/95) and implemented by amending the strategic report requirements in the Companies Act 2006 by the Companies, Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016 and by the Companies (Strategic Report)(Climate-related Financial Disclosure) Regulations 2022. The regulations require those companies to disclose, to the extent necessary, an understanding of its development, performance, position and the impact of its activity, information relating to environmental, employee, social, respect for human rights, anti-corruption and anti-bribery matters. Although the Company does not fall within the scope of these requirements, the Board has opted to comply and has integrated the disclosures into the Strategic Report. The Company’s Non-Financial Reporting disclosures that have been made in relation to the requirements are referenced in the following table to indicate in which part of the Strategic Report they appear.

<b>Non-financial information</b>	<b>Section</b>	<b>Page</b>
Business model	Business Review	33
Key performance Indicators	Key Performance Indicators	41
Principal Risks	Principal and Emerging Risks	43
Policies	Principal Policies	35

**Open-ended Fund** – a collective investment scheme which issues shares or units directly to investors, and redeems directly from investors, at a price that is linked to the net asset value of the fund.

**Peer group** – investment trust companies and funds investing in Global markets on behalf of investors, in competition with the Company and included within either the AIC Global Sector or the Investment Association (IA) Global Sector in the UK.

**Portfolio Return** – the gross return on assets generated by the Company’s portfolio of investments.

**PRIPs** – Packaged Retail and Insurance-based Investment Products regulations that require generic pre-sale disclosure of investment “product” costs, risks and indicative future return scenarios. In September 2024 the FCA announced that, for the time being, investment companies are not required to comply with the PRIPs regulations.

**Private Equity** – an asset consisting of shares and debt in operating companies that are not publicly traded on a stock exchange. The holdings in such companies may be held in a fund which operates as a limited partnership, with partners contributing capital to the fund over a period of years and receiving proportional repayments when the investments are sold.

**Public Documents** – financial statements, reports, circulars, press releases, analyst presentations and other documents to be issued publicly.

**Science-based Targets Initiative (SBTi)** – this is a partnership between Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBTi drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets.

**Scope 1, 2 and 3 emissions** – the building blocks used to measure the carbon emissions and carbon intensity of a company. Under an international framework called the Greenhouse Gas Protocol these are divided into scope 1, 2 and 3 emissions. Scope 1 emissions are generated directly by the business (e.g. its facilities and vehicles). Scope 2 covers emissions caused by something a company uses (e.g. electricity). Scope 3 is the most difficult to measure: it covers other indirect emissions generated by the products it produces (e.g. from people driving the cars that a company manufactures).

## GLOSSARY OF TERMS (CONTINUED)

**Section 172(1)** - Section 172(1) of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, to be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to matters specified in that section. The Directors are required to report on this in the Strategic Report section of the annual report and accounts each year.

**SSAE** - Statement on Standards for Attestation Engagements issued by the American Institute of Certified Public Accountants.

**SORP** - Statement of Recommended Practice. The accounts of the Company are drawn up in accordance with the Investment Trust SORP, issued by the AIC, as described in note 2 to the Accounts.

**Special Dividends** - dividends received from investee companies which have been paid out of capital reconstructions or reorganisations of the investees are sometimes referred to as Special Dividends and may be allocated to Capital Reserves in accordance with the Company's accounting policies and the SORP. Dividends which are unusually large in terms of the investee companies' annual earnings or normal payment pattern are also sometimes referred to as special but are treated as revenue in nature unless evidenced otherwise.

**The Act or CA 2006** - the Companies Act 2006.

**The Task Force on Climate-related Financial Disclosures (the 'TCFD')** - this was set up in 2015 by the Financial Stability Board to develop voluntary, consistent climate-related financial risk disclosures for use by companies, banks and investors in providing information to stakeholders. Columbia Threadneedle reports in line with TCFD recommendations. The TCFD was disbanded in December 2023, after its recommendations were incorporated into the standards of the International Sustainability Standards Board (ISSB). However, companies continue to utilise its climate reporting framework.

**Treasury shares** - ordinary shares in issue that have been bought back from shareholders on the open market and kept in treasury by the Company. Such shares may, at a later date, be reissued on the open market or cancelled if demand is insufficient. Treasury shares carry no rights to dividends and have no voting rights and hence are not included within the calculations of earnings per share or net asset value per share.

**UK Code** - the UK Code of Corporate Governance, published in 2024, which sets out the standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders that all companies with an Equity Shares (Commercial Companies) category listing on the London Stock Exchange are required to report on in their annual report and accounts. As an investment trust company, the Company adheres to the AIC Code.

**UK Listing Rules** - the FCA's UK Listing Rules set out mandatory standards for any company wishing to list its shares or securities for sale to the public.

**The United Nations-supported Principles for Responsible Investment (UNPRI)** - the six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. In implementing them, signatories contribute to developing a more sustainable global financial system.

**Warning to Shareholders – Beware of Share Fraud.**

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell to you shares that turn out to be worthless or non-existent, or to buy your shares at an inflated price in return for an upfront payment following which the proceeds are never received.


If you receive unsolicited investment advice or requests:


- Check the Financial Services Register from [fca.org.uk](https://www.fca.org.uk) to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority ('FCA') on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at [fca.org.uk/scams](https://www.fca.org.uk/scams)
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at [fca.org.uk/scams](https://www.fca.org.uk/scams) where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Report Fraud on **0300 123 2040** or online at [www.reportfraud.police.uk](https://www.reportfraud.police.uk).

Registered office:

Cannon Place  
78 Cannon Street  
London EC4N 6AG


 020 7464 5000

 [invest@columbiathreadneedle.com](mailto:invest@columbiathreadneedle.com)


 [fandc.com](http://fandc.com)

Share Registrars:

Computershare Investor Services PLC  
The Pavilions, Bridgwater Road  
Bristol BS99 6ZZ

 0370 707 1529

 [web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk)

 [computershare.com](http://computershare.com)



**INVESTMENT TRUST**  
**SINCE 1868**

Proudly managed by

