Smithson Investment Trust

Interim Report

for the six months ended 30 June 2025

Smithson Investment Trust plc

Small &
Mid Cap
Investments
That
Have
Superior
Operating
Numbers

Fundsmith
Buy good companies
Don't overpay
Do nothing

Contents

Financial Calendar

Financial Year End	31 December 2025
Final Results Announced	February 2026
Annual General Meeting	April 2026

Investment Objective

The Company's investment objective is to provide shareholders with long term growth in value through exposure to a diversified portfolio of shares issued by listed or traded companies.

Investment Approach

1. Buy good companies

The Investment Manager focuses on investing in those companies it believes can compound in value over many years. It seeks to achieve this by selecting companies that have an established track record of success, such as having already established a dominant market share in their niche product or service or having brands or patents which others would find difficult, if not impossible, to replicate. The Investment Manager believes such SMID sized companies tend to out-perform large companies and that there is also an investment opportunity to take advantage of greater discrepancies between the share price and valuation of SMID sized companies, in part due to lighter research coverage and less information being available on them. SMID sized companies tend to have higher expected returns but also higher expected risk, defined as price volatility (a measure of how much a company's price moves over time), when compared to larger companies. However, adding a small and mid cap portfolio to a large cap portfolio can raise expected returns without increasing risk, due to the different risk and return characteristics that SMID sized companies provide.

2. Don't overpay

The Investment Manager seeks to invest in SMID sized companies that exhibit strong profitability that is sustainable over time and generate substantial cash flow that can be reinvested back into the business. Its strategy is not to overpay when buying the shares of such companies and then do as little dealing as possible in order to minimise the expenses of the Company, allowing the investee companies' returns to compound for shareholders with minimum interference.

3. Do nothing

The Investment Manager looks to avoid companies that are heavily leveraged or forced to rely upon debt in order to provide an adequate return, as well as sectors and industries that innovate very quickly and are rapidly changing. It instead focuses on companies that have exhibited an ability to continue outperforming competitors and will look for companies that rely heavily on intangible assets in industries such as information technology, health care and consumer goods. The Company's investments will be long-term and the Investment Manager will not be forced to act when market prices are unattractive. This will then facilitate the compounding of the Company's investments over time as the companies continue to reinvest their cash flows.

Company Policies

- **Long term capital growth**

The Company is focused on long term capital growth and overall return rather than seeking any particular level of dividend. The Company will only declare dividends to the extent required to maintain the Company's tax status as an investment trust.

- **No hedging**

The Company will not use derivatives for currency hedging or for any other purpose.

- **No gearing**

The Company will not employ leverage save that it is permitted to use short term banking facilities to raise funds for liquidity purposes or for discount management purposes including the purchase of its own shares. Any such borrowing will be limited to 15 per cent. of the Company's net asset value.

Performance Highlights

	At 30 June 2025	At 30 June 2024	At 31 December 2024
Net assets	**£1,914,539,000**	**£2,274,421,000**	**£2,129,897,000**
Net asset value ("NAV") per ordinary share ("share")	**1,670.0p**	**1,569.5p**	**1,631.8p**
Share price	**1,498.0p**	**1,378.0p**	**1,484.0p**
Share price discount to NAV[1]	**10.3%**	**12.2%**	**9.1%**

	Six months ended 30 June 2025 **% Change**	Six months ended 30 June 2024 **% Change**	For the period from Company's listing on 19 October 2018 to 30 June 2025 **% Change**
NAV total return per share[1]	**2.4%**	**-1.8%**	**67.1%**
Share price total return[1]	**1.0%**	**-2.6%**	**49.9%**
Comparator index total return[2]	**-0.3%**	**3.4%**	**63.6%**
Ongoing charges ratio[1]	**0.9%**	**0.9%**	**1.0%**

Source: Bloomberg.

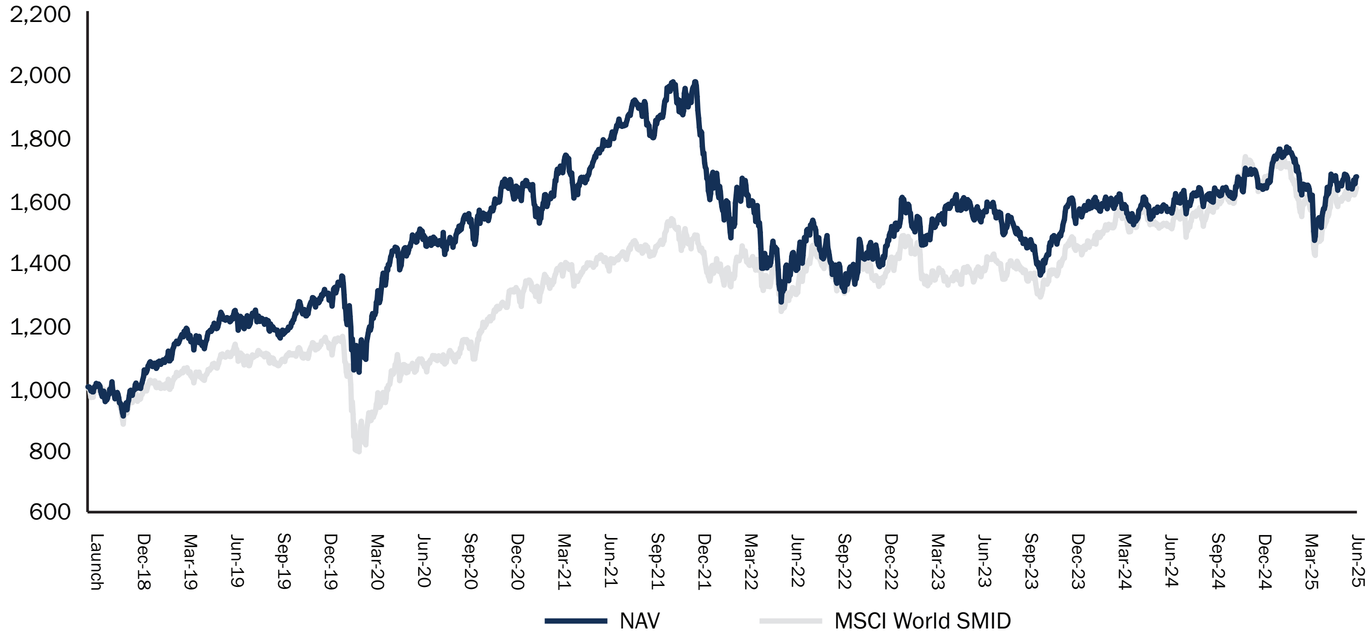
This report contains terminology that may be unfamiliar to some readers. The Glossary section gives definitions for frequently used terms.

1 These are Alternative Performance Measures ("APMs"). Definitions of these, together with how these measures have been calculated, are disclosed on pages 26 and 27 where it is made clear how these APMs relate to figures disclosed and calculated under IFRS.
2 MSCI World SMID Cap Index, £Net Source: www.msci.com.

Smithson Investment Trust

Performance Highlights

NAV total return performance against reference index for the period from the Company's listing on 19 October 2018 to 30 June 2025



Share price total return performance against reference index for the period from the Company's listing on 19 October 2018 to 30 June 2025

Notes:

1 Source: Bloomberg.

2 Figures rebased to 1000 as at date of Company's listing.

Introduction

I am pleased to present this Interim Report of Smithson Investment Trust plc (the "Company") for the six months ended 30 June 2025.

Investment Performance

The Company's net asset value (NAV) per share total return for the period was +2.4% compared with the -0.3% return from the MSCI World SMID Index. Equity markets have been volatile this year and it is encouraging that during this period our investment manager has delivered a positive performance which is ahead of the comparator index.

The investment manager's review goes into more detail on the changes made to the Company's portfolio and the factors driving performance of the portfolio.

There is no doubt that good returns can be delivered by investing in an actively managed portfolio investing in global small and mid-cap stocks. The Company aims to deliver long-term value growth for shareholders. Since inception to the end of June 2025, the Company's NAV per share has grown at an annualised rate of +8.0%, outperforming the MSCI World SMID Index by 0.4 percentage points.

The Company's shares continue to trade at a discount to NAV, and despite the positive performance of the portfolio and the Board's efforts to try to reduce the discount through its buyback programme, the share price performance has lagged the NAV per share in the period, with the share price total return being +1.0% for the first half.

Discount and Share Buybacks

The share price discount to NAV was 10.3% at the end of the period. The Board believes that investors are best served when the Company's share price trades close to the Company's NAV per share. The Board has sought to mitigate the discount through a share buyback programme that commenced in April 2022. Up to the end of December 2024 the Company had bought back 46.6 million shares, representing 26% of the issued share capital. The buybacks have continued in 2025 and a further 15.9 million shares (12% of the number in issue at the start of the year) bought back in the first half of the year. The Company has therefore now bought back 35% of the total shares in issue before the buyback programme began.

While the buyback programme has not yet materially reduced the Company's discount to single digits — which is the Board's objective — the Board remains confident this can be achieved over the medium term. Although buybacks gradually reduce the size of the Company, with a market capitalisation of approximately £1.7 billion, this is not expected to impact share liquidity. The Company continues to be one of the largest and most liquid in its investment trust sector. The Board intends to maintain the buyback programme while the discount persists at current levels. Shareholders have expressed support for the approach, which also enhances NAV per share.

Results and Dividends

The Company's revenue earnings per share for the half year was 4.46p. The income the Company receives from its investments tends to be higher in the first half of the year than in the second half, whereas its expenses are more evenly split between the half years, and, as in previous years, it is expected that in the second half of the year revenue profit will be lower than in the first half. In line with prior interim periods, the Board is not proposing a dividend at this stage.

AGM and Shareholder Engagement

The Company held its Annual General Meeting on 23 April 2025. It was encouraging to see so many shareholders attend in person and to hear directly from Simon Barnard, our portfolio manager, and his team. Simon's presentation is available on the Company's website.

An ordinary resolution proposing the continuation of the Company was included in the AGM Notice, and the resolution was passed with 96% of the votes cast in favour. The Board has committed to put such a vote to shareholders at each AGM if the average discount in the preceding calendar year is over 10%.

A General Meeting was held on 15 May 2025 at which shareholders approved the resolution to give the Directors the ability to reduce the Company's share premium account by £500 million. This reduction increases the Company's distributable reserves and supports the continuation of the share buyback programme. The capital reduction was confirmed by the High Court on 10 June 2025 and registered by Companies House on 13 June 2025.

Governance and Board Composition

Diana Dyer Bartlett, who joined the Board as a non-executive director at the launch of the Company in October 2018, and who served as Chair of the Audit Committee until February 2022 and then as Chair of Board until January 2025, did not seek re-election at the AGM in April. The Board extends its sincere thanks to Diana for her considerable contribution and dedicated service to the Company and its shareholders.

On 3 July 2025, the Board announced the appointment of Sarika Patel as a non-executive director and Chair of the Audit Committee. Sarika is an experienced business leader, and she brings extensive experience in investment trusts and the wider financial services sector, having served as Chair and Audit & Risk Committee Chair across several boards. Her expertise and insight will be a valuable addition to the Smithson Board. The Board intends to appoint a fifth director before the end of the year.

Outlook

The Company's investment manager remains focused on the matters within its control, continuing to apply a disciplined and systematic approach to identifying high-quality, long-term investment opportunities.

The Board retains strong confidence in the investment manager's ability to execute this strategy successfully. The Board believes the Company offers investors a compelling opportunity to access a carefully curated portfolio of some of the world's most dynamic and innovative small and mid-cap growth companies, with the potential to deliver attractive returns over the long term.

Mike Balfour
Chairman

5 August 2025

Investment Manager's Review

Dear Fellow Shareholder,

The performance of Smithson Investment Trust ('Smithson', 'Trust', or 'Fund'), along with comparators, is laid out below. For the first half of 2025 the Net Asset Value per share (NAV) of the Company increased by 2.4% and the share price increased by 1.0%. Over the same period, the MSCI World Small and Mid Cap Index ('SMID'), our reference index, decreased by 0.3%. We also provide the performance of UK bonds and cash for comparison.

The first half of this year has generated satisfactory relative performance, especially given that the MSCI World SMID index was down slightly during the period.

	Total Return 01.01.25 to 30.06.25 %	Inception to 30.06.25 Cumulative %	Inception to 30.06.25 Annualised %
Smithson NAV[1]	+2.4	+67.1	+8.0
Smithson Share Price	+1.0	+49.9	+6.2
SMID Equities[2]	-0.3	+63.6	+7.6
UK Bonds[3]	+3.8	-3.5	-0.5
Cash[4]	+2.2	+15.4	+2.2

[1] Source: Northern Trust, starting NAV 1000, net of fees.

[2] MSCI World SMID Index, £ Net, source: www.msci.com.

[3] Bloomberg Series-E UK Govt 5-10 yr Bond Index, source: Bloomberg.

[4] £ Interest Rate, source: Bloomberg.

While there have been some recent improvements in the macroeconomic environment for our strategy, our performance so far this year has been boosted by some exciting developments in the portfolio – more on which later.

One benefit to performance has been the headwind of increasing interest rates abating during the last six months, with the United States 10 year bond yield down 34 basis points over the period to 4.23%.

It is also worth noting that the significant underperformance of small and mid cap equities relative to large cap equities since the Trust's inception in 2018 appears to have stabilised over the last year, as can be seen in the chart below of the MSCI World SMID index divided by the MSCI World Large cap index.

Source: MSCI, Fundsmith

It is perhaps worth commenting on what our companies are telling us about the current tariff regime which has been preoccupying investors since President Trump's so called 'Liberation Day' announcement. As it stands at the time of writing – which is a large caveat – the import tariffs levied on other countries by the US have been easily accommodated by our portfolio companies. Most tell us that they have already passed through the associated cost to their customers by applying a one-off "surcharge" to their prices. The good news, of course, is that everyone in the world already knows that tariffs are being applied, so charging for them has met with little resistance. This is also helped by our companies, with desirable products and strong, defensible competitive positions, having the power to enact such price increases on customers while losing little business. One indicator of this is their gross margins, or the difference between the selling price of their products and what it cost to make them, which is 62% on average for our portfolio companies compared to 30% for the average company in the MSCI SMID index. This gives us the confidence that whatever happens next in terms of tariff policy, our companies will be able to handle it far better than the average company in the index.

What would be more concerning to our companies would be a recession in the US brought about by reduced consumer spending due to the higher prices caused by tariffs, or lower investment spending from businesses due to the uncertain policy environment. At this point, while there are some signs of stress and reduced spending from the lowest income consumers in the US, it appears overall that current tariff rates are not high enough to push the whole US economy into recession. Of course, if tariffs increased substantially from this point, then the probability of a US recession will rise with them.

Portfolio turnover adjusted for share buybacks was 25% in the six months ending 30 June 2025, a little higher than the 20% for the same period last year. Annualised costs were similar to last year, however, with an Ongoing Charges Figure of 0.88% of NAV (including the annualised Management Fee). Costs of dealing, including taxes, amounted to just 0.03% of NAV in the period, similar to that incurred over the same period last year, which meant that the annualised Total Cost of Investment was 0.91%.

The first six months of the year provided a number of buying opportunities due to the continued price weakness for high quality small and mid cap companies. We added five new companies to the portfolio and funded these by selling out of five existing positions, all of which I describe below. To provide context, it is perhaps worth making the point that in a closed end vehicle such as an investment trust, capital has to be generated first by selling part or all of an existing position to enable a new position to be acquired. In this way, a new holding of say 2% of the portfolio actually creates 4% portfolio turnover, as 2% of another position has to be sold before it can be redeployed.

The first acquisition was **Doximity**, a US based online professional network for medical practitioners, (essentially a "LinkedIn for doctors"). It is the largest of its kind, with over 80% of US medical practitioners enrolled. Doctors provide their medical accreditation to sign up, which gives Doximity all of their professional data including areas of specialty and published research. This data allows Doximity to sell targeted advertising campaigns to pharmaceutical companies and is the main source of Doximity's revenue. As only one advert per advertiser is shown to each doctor per month, there is still an enormous amount of advertising 'inventory' for Doximity to use, which we expect will drive strong growth for at least the next few years. The outlook for this company has recently been further improved as politicians in the US are becoming increasingly hostile towards direct to consumer prescription drug advertisements on TV (the US is one of only two countries in the world – the other being New Zealand - where this is permitted). Should this advertising channel be constrained or banned, it would make Doximity's ability to advertise prescription drugs directly to doctors even more attractive to its pharmaceutical clients.

This position was funded by selling **Addtech**, a Swedish industrial company that makes frequent small acquisitions, continually bolstering its organic growth with acquired revenue. The company had performed extremely well during our ownership, up over 110% in three years, recently reaching a valuation that we could no longer justify.

The second acquisition was **Catalyst Pharmaceuticals**, a US producer of prescription drugs for rare diseases including autoimmune neuromuscular disorders. While the existing business is demonstrating strong growth and profitability, the greater potential for the company comes from management acquiring and commercialising new compounds. With $1 billion of balance sheet capacity to invest into new deals, we are optimistic regarding this avenue of future growth.

This position was funded by selling **IDEX**, the US industrial company that also relies on acquisitions to supplement its organic growth, but over the last couple of years the organic growth of the group became increasingly lacklustre, which was not offset by further deals.

Manhattan Associates was the third new acquisition in the period. This US provider of logistics and supply chain software is a company that we have followed and admired for over seven years but never had the chance to buy at a reasonable valuation. However, during the six months leading up to our acquisition the share price halved, primarily due to lower short term growth guidance provided by management. We felt this was likely to be a short lived blip as new trade tariffs around the world should prompt companies to acquire more sophisticated supply chain software to help manage the shift of their supply chains to new locations.

This acquisition was funded by selling **Geberit**, the Swiss toilet systems manufacturer, which had achieved very little revenue growth over the last five years, yet had recently attained a high rating from the boost in share price it received from the recent German government's intention to set up a €500 billion fund to spend on public infrastructure over the next few years.

Vertiv Holdings was the fourth acquisition. This US company is the clear leader in liquid cooling technology for data centre servers, which is becoming increasingly important as high powered, and more heat producing, GPU semiconductor chips used for AI are deployed. The company has an exciting opportunity ahead as the pipeline of data centres in the US continues to expand rapidly, while other regions such as Europe and the Middle East are starting to contribute to this growth. It is quite possible that as AI demand develops, governments around the world will start to consider the sovereignty of the data within their countries and come to realise the risks associated with relying on data centres located in the US and China, leading to further international expansion opportunities. We were able to buy the shares at an attractive rating because they had declined by 60% in the three months following the revelation of the powerful, yet low cost AI reasoning model from Deepseek in China.

The capital for this position was generated by selling **Equifax**, the US credit bureau. Another successful investment for us over the last few years, it was finally sold because of its high rating, as well as indications that growth had slowed, particularly in its mortgage credit checking business, which we believe is unlikely to pick up again until US interest rates are materially lower than they are now.

Finally, we bought **Napco Security Technologies**, a producer of access control products including panels, locks and alarms. Napco is the smallest company we have ever acquired and while access control products are typically not the most dynamic market, this business has two aspects that are allowing it to grow much faster than the industry, and one of these has nothing to do with locks.

Back in 2019, the US Federal Communications Commission (FCC) reached a decision to allow telecom companies to stop maintaining the copper phone lines running to all buildings in the US. While this didn't have an immediate effect, over time these lines have degraded and become unreliable. One unintended consequence is that the fire alarms in commercial buildings which rely on copper lines to get the alarm signal out to fire departments are starting to fail, requiring them to be replaced with radio alarms which instead use mobile network signals. Napco has one of the best commercial radio fire alarms on the market, and selling them comes with a new added benefit for the business in the form of a monthly fee to maintain the wireless communication service. Thus, Napco's revenue base has been transformed over the last few years, from 100% product revenue at a 25% gross margin, to now 50% recurring subscription revenue at a 90% gross margin. The effect on group profitability has been dramatic, with group operating margin improving from 9% in 2018 to 28% in 2024, and it is set to continue given the low penetration of radio alarms. Second, while we are all aware of violent events in American schools, few realise the true number of occurrences each year, which has been steadily increasing and hit a high of 83 in 2024. For this reason, schools in the US have been given a federal budget for improving security which is benefitting Napco's advanced remote locking and control products, and which hopefully means you will hear less about teachers having to barricade classroom doors with desks and chairs in the future.

We also sold out of **Fevertree Drinks** in January. The company had been underperforming for some time due to logistics issues in the US, its largest and fastest growing market. Getting bottling plants in the US up to productive capacity had been a struggle for them during and after the pandemic, and so much of the product required to serve this market was coming from Europe, which was clearly inefficient and meant profit margins in this large market were non-existent. We continued to hold the position through this period with the expectation that once the logistical issues were resolved, the US market would generate strong profits and vastly improve the margin profile of the group from the current low levels. However, in January 2025 Fevertree entered an exclusive licensing deal with Molson Coors whereby Molson Coors takes over the running of the Fevertree US business, including production and distribution, and pays a royalty fee equal to 50% of the US profits to Fevertree, some of which is guaranteed to 2030. While this clearly removes a lot of operational risk in the US market for Fevertree management, it also gives away 50% of the future profits. Any improvement in profitability has also been delayed for another two years as the companies jointly agreed to increase investment into the US business.

The top five contributors to first half performance are shown below.

Security	Country	Contribution %
Oddity	US	1.8%
Verisign	US	1.2%
Diploma	UK	1.0%
Nemetschek	Germany	0.9%
Halma	UK	0.6%

Source: Northern Trust

Oddity was our best performing stock in the first half of the year, up 76%. This holding had been somewhat of a conundrum up to now, as despite profits in the last 12 months being twice as much as the 12 months before its IPO in 2023, the share price had been resolutely flat. It then increased dramatically in April and May 2025 after another strong earnings report. This provides yet another example of stock market performance arriving like ketchup out of a glass bottle: first not very much, and then, all at once.

Verisign was also a strong performer, but for very different reasons. This is a company we have held since inception due to its very consistent growth and extremely high margins. As the registry operator for the .com internet domain, its business is reliant on a management contract from the Internet Corporation for Assigned Names and Numbers (ICANN), the non-profit organisation that coordinates internet domains and addresses. This contract is typically 6 years in length and has a presumptive right of renewal, which means it will automatically renew unless Verisign materially breaches the agreement by allowing an internet outage or becoming insolvent. The first situation hasn't happened in all 30 years of its operation and, I will go out on a limb here, and say with the level of cash kept in the business, the second situation is virtually impossible. I provide this detail only to explain that the contract was practically guaranteed to be ratified when it came up for renewal in November 2024, but when it was duly extended for another 6 years the shares went on a +60% run. While I am tempted to say this is another blow to the efficient market hypothesis, I could be more generous and suggest that other contributing factors to this positive reaction could include the price increases allowable by the prior contract being maintained and also that a significant number of shares in the company were recently acquired by none other than Berkshire Hathaway.

Diploma has been a consistently strong performer for us over the last seven years and has now become our largest holding, having compounded at 24% per annum over that time. Its performance was improved further when the company released results in May that showed organic revenue growth accelerating to 9%, with total revenue growth of 14% including acquisitions, sending the share price up 15% in one day.

Nemetschek also delivered strong results, with revenue growing by 26% in Q1, including acquisitions. As the company is a German provider of software for construction companies, sentiment has been further boosted by the aforementioned intention for government infrastructure spending.

Halma also continued its run of good results, the latest report showing organic growth remaining at over 9%. Halma shares thus achieved a new all time high in June 2025.

The largest detractors of first half performance are shown below.

Security	Country	Contribution %
Clorox	US	-1.2%
Choice Hotels	US	-0.8%
Sabre	US	-0.7%
Exponent	US	-0.7%
Spirax Group	UK	-0.5%

Source: Northern Trust

It may be surprising that **Clorox** is the leading detractor, as the steady nature of demand for its household staple products typically lends it a more stable share price. However, the company confirmed it has suffered from a weakening in US consumer sentiment over the last six months due to the macroeconomic and geopolitical uncertainties mentioned earlier, which led to a 2% decline in revenue, as well as a potential $100 million (or 9.6% of operating profit) increase in costs due to tariffs. I suspect the weakness in consumer spending has been exacerbated by the excess personal savings created in the US during the pandemic starting to deplete. Since 2022, the US personal savings rate has been running at around half the long term average, suggesting consumers have been more stretched, or at least dipping into these savings, for some time.

In contrast, **Sabre** has the most volatile share price in the portfolio on account of it being the only company with any meaningful financial leverage. For instance, the shares were up 22% on the day the full year results were released in February. However, the share price for the travel technology company is down year to date due to weakness in demand for airline tickets as well as the uncertainty regarding international travel to the US since 'Liberation Day'. It is also the case that new wars, such as those in the Middle East, while not good news for anyone, are typically bad for the travel sector.

Choice Hotels, having been a strong performer for us last year, has been caught between the intersection of both of the prior issues, namely a less certain US consumer and a weaker travel sector. Choice has a range of branded hotels from Rodeway Inn for its most basic accommodation up to the more luxurious Radisson brand. However, we have seen both ends of the spectrum suffer recently, with RevPAR (revenue per available room) expectations from management declining, clearly not a positive sign, and something we are worried about.

Exponent and **Spirax Group**, while very different businesses with one being a consultancy and the other an industrial products manufacturer, both suffered from weaker than expected results in the period due to a lack of spending by their corporate clients owing to the macroeconomic uncertainty. We believe both businesses have a strong competitive position in their respective markets and should stand to gain from improved demand once customer confidence returns.

The positioning of the Fund is described below, with a breakdown of the portfolio in terms of sector and geography at the end of the period. The median year of foundation of the companies in the portfolio was 1969.

As at 30 Jun 2025 by NAV - GICS® Categories	%
Industrials	33.7
Information Technology	25.1
Health Care	17.5
Consumer Discretionary	10.6
Consumer Staples	6.9
Financials	3.7
Materials	1.8
Cash◊	0.7

As at 28 Jun 2024 by NAV - GICS® Categories	%
Industrials	40.8
Information Technology	25.7
Health Care	10.7
Consumer Discretionary	9.4
Consumer Staples	8.3
Financials	2.8
Materials	2.1
Cash+	0.1

Source: Northern Trust

Our largest sector weight, Industrials, declined significantly with the sales of **Addtech**, **IDEX**, **Geberit** and **Equifax**, while Health Care increased with the acquisitions of **Doximity** and **Catalyst Pharmaceuticals**. The other sectors remained relatively stable.

As at 30 Jun 2025 by Listing	%
USA	51.3
UK	14.5
Italy	11.5
Germany	7.6
Denmark	3.2
New Zealand	3.1
Sweden	2.5
Japan	2.4
Switzerland	1.8
Belgium	1.6
Cash◊	0.7

As at 28 Jun 2024 by Listing	%
USA	47.7
UK	16.3
Italy	8.7
Germany	6.3
Switzerland	5.0
Sweden	4.9
New Zealand	3.9
Denmark	3.6
Australia	2.6
Belgium	1.0
Cash+	0.1

Source: Northern Trust

Regarding geographic exposure, I have been asked often in the last few weeks whether I will be allocating capital away from the US in response to the unpredictable policy making in the country, potential economic weakness and recent declines in the value of the US dollar. The simple fact is that the US is still the largest single market in the world and one of the most attractive places to do business and has the largest number of small, fast growing, high quality companies to invest in. This is because small and mid size companies tend to be more domestically focused than large international conglomerates, and so the home market is more important. There are currently many questions surrounding the US, its leadership status in the world and the potential end of so-called "US exceptionalism". Is erratic policymaking reducing US credibility? Will the new US tariffs cause declining trade and geopolitical conflict? Will the dollar lose its reserve currency status to the Euro, Yuan or even a digital currency?

We don't have a crystal ball with which to answer these, and despite increasingly popular opinions, no one can be sure that any of this will actually occur. Instead, we simply try to take advantage of such uncertainty by acquiring high quality growing businesses that are likely to weather most storms at the lower valuations now offered to us. For this reason, our allocation to the US actually went up and not down over the last 12 months.

Source of Revenue	30 Jun 2025 (%)	30 Jun 2024 (%)
North America	54	44
Europe	24	32
Asia Pacific	16	19
Eurasia, Middle East, Africa	4	3
Latin America	2	2

Source: Fundsmith

In terms of the location where our companies generate their sales, the changes to the portfolio outlined above mean that North America has increased as a source of revenue, while Europe has declined. This is because several of the new acquisitions have almost all their revenue coming from the US.

In closing, we can assure you that despite the current macroeconomic and geopolitical issues we continue to remain steadfast in our focus on the fundamentals of our high quality companies and are confident that this will ultimately drive our performance. We greatly appreciate your continued support of Smithson and, as always, hope you will be well rewarded for it over time.

Simon Barnard
Fundsmith LLP
Investment Manager

5 August 2025

Smithson Investment Trust

Investment Portfolio

Investments held as at 30 June 2025

Security	Country of incorporation	Fair value £'000	% of investments
Diploma	UK	113,186	5.9
Moncler	Italy	86,010	4.5
Rational	Germany	85,333	4.5
Recordati	Italy	82,694	4.3
Oddity	Israel	77,975	4.1
Qualys	USA	74,873	3.9
MSCI	USA	70,040	3.7
Paycom Software	USA	69,802	3.7
Choice Hotels	USA	67,929	3.6
Vertiv	USA	67,887	3.6
Top 10 Investments		**795,729**	**41.8**
Spirax-Sarco Engineering	UK	65,965	3.5
Halma	UK	62,931	3.3
Rollins	USA	60,867	3.2
Doximity	USA	60,665	3.2
Ambu	Denmark	60,664	3.2
Nemetschek	Germany	59,294	3.1
Fisher & Paykel Healthcare	New Zealand	59,067	3.1
Verisign	USA	57,036	3.0
Graco	USA	56,464	3.0
Clorox	USA	53,750	2.8
Top 20 Investments		**1,392,432**	**73.2**
Reply Spa	Italy	51,340	2.7
Sabre	USA	49,420	2.6
HMS Networks AB	Sweden	47,793	2.5
Monotaro	Japan	45,700	2.4
Catalyst Pharmaceuticals	USA	42,880	2.3
Manhattan Associates	USA	41,539	2.2
Exponent	USA	40,699	2.1
Verisk Analytics	USA	40,034	2.1
Croda	UK	35,184	1.9
Inficon	Switzerland	34,149	1.8
Melexis	Belgium	30,451	1.6
Medpace	USA	29,170	1.5
Napco Security Technologies	USA	20,661	1.1
Total Investments		**1,901,452**	**100.0**

Investment Objective

The Company's investment objective is to provide shareholders with long term growth in value through exposure to a diversified portfolio of shares issued by listed or traded companies.

Investment Policy

The Company's investment policy is to invest in shares issued by small and mid-sized listed companies globally that (at the time of initial investment) have a market capitalisation within the range of the constituents of the MSCI World SMID Index. The Company's approach is to be a long-term investor in its chosen shares. It will not adopt short-term trading strategies. Accordingly, it will pursue its investment policy by investing in approximately 25 to 40 companies as follows:

(a) the Company can invest up to 10 per cent. in value of its gross assets (as at the time of investment) in shares issued by any single body;

(b) not more than 20 per cent. in value of its gross assets (as at the time of investment) can be in deposits held with a single body. This limit will apply to all uninvested cash (except cash representing distributable income or credited to a distribution account that the depositary holds);

(c) not more than 20 per cent. in value of its gross assets (as at the time of investment) can consist of shares issued by the same group. When applying the limit set out in (a) this provision would allow the Company to invest up to 10 per cent. in the shares of two group member companies (as at the time of investment);

(d) the Company's holdings in any combination of shares or deposits issued by a single body must not exceed 20 per cent. in value of its gross assets (as at the time of investment);

(e) the Company must not acquire shares issued by a body corporate and carrying rights to vote at a general meeting of that body corporate if the Company has the power to influence significantly the conduct of business of that body corporate (or would be able to do so after the acquisition of the shares). The Company is to be taken to have power to influence significantly if it exercises or controls the exercise of 20 per cent. or more of the voting rights of that body corporate; and

(f) the Company must not acquire shares which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them and represent more than 10 per cent. of the shares issued by that body corporate.

The Company may also invest cash held for working capital purposes and awaiting investment in cash deposits and money market funds.

For the purposes of the investment policy, certificates representing certain shares (for example, depositary interests) will be deemed to be shares.

Hedging Policy

The Company will not use portfolio management techniques such as interest rate hedging and credit default swaps.

The Company will not use derivatives for purposes of currency hedging or for any other purpose.

Borrowing Policy

The Company has the power to borrow using short-term banking facilities to raise funds for short-term liquidity purposes or for discount management purposes including the purchase of its own shares, provided that the maximum gearing represented by such borrowings shall be limited to 15 per cent. of the net asset value at the time of drawdown of such borrowings. The Company may not otherwise employ leverage.

Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the FCA's Disclosure Guidance and Transparency Rules. The Directors consider that the Chairman's Statement and the Investment Manager's Review on pages 5 to 6 and 7 to 13 of the Interim Report respectively, provide details of the important events which have occurred during the period and their impact on the condensed set of financial statements. The following statements on principal risks and uncertainties, related party transactions and the Directors' responsibility statement below, together constitute the Interim Management Report for the Company for the period from 1 January 2025 to 30 June 2025.

Principal Risks and Uncertainties

The Board considers that the principal risks and uncertainties faced by the Company can be summarised as (i) investment objective and policy risk, (ii) market risks, (iii) outsourcing risks, (iv) key individuals' risk and (v) regulatory risks. A detailed explanation of risks and uncertainties can be found on pages 19 to 22 of the Company's most recent Report and Accounts for the year ended 31 December 2024. The Board also considers the risks associated with the macroeconomic backdrop such as uncertainty over inflation, higher interest rates, possibility of a recession, the continuing wars in Ukraine and the Middle East. The Board monitors the potential risks to the Company and its portfolio and receives regular updates and assurance from the Investment Manager and other key service providers on operational resilience and portfolio exposure and impact.

Related Party Transactions

The Company's Investment Manager, Fundsmith LLP, is considered a related party in accordance with the Listing Rules. There have been no changes to the nature of the Company's related party transactions since the Company's most recent Report and Accounts for the period ended 31 December 2024 were released. Details of the amounts paid to the Company's Investment Manager and the Directors during the period are detailed in the notes to the financial statements.

Directors' Responsibility Statement

The Directors confirm to the best of their knowledge that:

- the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months, their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the year); and

- the Interim Financial Statements includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board of Directors

Mike Balfour
Chairman

5 August 2025

Condensed Statement of Comprehensive Income (Unaudited)

	Notes	Unaudited Six months ended 30 June 2025 Revenue £'000	Capital £'000	Total £'000	Unaudited Six months ended 30 June 2024 Revenue £'000	Capital £'000	Total £'000	Audited Year ended 31 December 2024 Revenue £'000	Capital £'000	Total £'000
Income from investments held at fair value through profit or loss	4	17,026	–	17,026	19,422	–	19,422	28,699	–	28,699
Gains/(losses) on investments held at fair value through profit or loss	3	–	15,341	15,341	–	(76,434)	(76,434)	–	(11,179)	(11,179)
Foreign exchange losses		(32)	(128)	(160)	–	(546)	(546)	(72)	(668)	(740)
Investment management fees		(8,190)	–	(8,190)	(9,472)	–	(9,472)	(18,505)	–	(18,505)
Other expenses and transaction costs		(758)	(254)	(1,012)	(733)	(309)	(1,042)	(1,546)	(636)	(2,182)
Profit/(loss) before tax		**8,046**	**14,959**	**23,005**	**9,217**	**(77,289)**	**(68,072)**	**8,576**	**(12,483)**	**(3,907)**
Irrecoverable Overseas Tax		(2,534)	–	(2,534)	(3,059)	–	(3,059)	(4,205)	–	(4,205)
Profit/(loss) for the period/year	**5**	**5,512**	**14,959**	**20,471**	**6,158**	**(77,289)**	**(71,131)**	**4,371**	**(12,483)**	**(8,112)**
Return/(loss) per share (basic and diluted) (p)	**5**	**4.46**	**12.10**	**16.56**	**4.00**	**(50.20)**	**(46.20)**	**3.00**	**(8.57)**	**(5.57)**

The "Total" column of this statement represents the Company's Income Statement, prepared in accordance with International Financial Reporting Standards ("IFRS"). The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies ("AIC").

All items in the above statement derive from continuing operations.

The accompanying notes on pages 21 to 25 are an integral part of these financial statements.

Smithson
Investment Trust

Condensed Statement of Financial Position (Unaudited)

	Notes	Unaudited As at 30 June 2025 £'000	Unaudited As at 30 June 2024 £'000	Audited As at 31 December 2024 £'000
Non-current assets				
Investments held at fair value through profit or loss	3	1,901,452	2,271,338	2,127,041
Current assets				
Trade and other receivables		12,144	12,303	5,080
Cash and cash equivalents		4,428	3,814	3,036
		16,572	16,117	8,116
Total assets		**1,918,024**	**2,287,455**	**2,135,157**
Current liabilities				
Trade and other payables		(3,485)	(13,034)	(5,260)
Total assets less current liabilities		**1,914,539**	**2,274,421**	**2,129,897**
Equity attributable to equity shareholders				
Share capital	7	1,771	1,771	1,771
Share premium		1,219,487	1,719,487	1,719,487
Capital reserve		687,739	550,630	407,893
Revenue reserve		5,542	2,533	746
Total equity		**1,914,539**	**2,274,421**	**2,129,897**
Net asset value per share (p)	**6**	**1,670.0**	**1,569.5**	**1,631.8**

The accompanying notes on pages 21 to 25 are an integral part of these financial statements.

Condensed Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2025 (Unaudited)

	Share Capital £'000	Share Premium £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
Balance at 1 January 2025	1,771	1,719,487	407,893	746	2,129,897
Ordinary shares bought back and held in treasury	–	–	(233,978)	–	(233,978)
Costs on buybacks	–	–	(1,087)	–	(1,087)
Transfer of share premium#	–	(500,000)	500,000	–	–
Expenses in relation to share premium transfer	–	–	(48)	–	(48)
Equity dividends paid	–	–	–	(716)	(716)
Profit for the period	–	–	14,959	5,512	20,471
Balance at 30 June 2025	**1,771**	**1,219,487**	**687,739**	**5,542**	**1,914,539**

On 13 June 2025, High Court approval was obtained to reduce the Company's share premium by £500 million. The capital reduction, resulted in a corresponding increase in the Company's distributable reserves.

For the six months ended 30 June 2024 (Unaudited)

	Share Capital £'000	Share Premium £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
Balance at 1 January 2024	1,771	1,719,487	834,305	(3,625)	2,551,938
Ordinary shares bought back and held in treasury	–	–	(205,333)	–	(205,333)
Costs on buybacks	–	–	(1,053)	–	(1,053)
(Loss)/profit for the period	–	–	(77,289)	6,158	(71,131)
Balance at 30 June 2024	**1,771**	**1,719,487**	**550,630**	**2,533**	**2,274,421**

For the year ended 31 December 2024 (Audited)

	Share Capital £'000	Share Premium £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
Balance at 1 January 2024	1,771	1,719,487	834,305	(3,625)	2,551,938
Ordinary shares bought back and held in treasury	–	–	(411,747)	–	(411,747)
Costs on buybacks	–	–	(2,182)	–	(2,182)
(Loss)/profit for the year	–	–	(12,483)	4,371	(8,112)
Balance at 31 December 2024	**1,771**	**1,719,487**	**407,893**	**746**	**2,129,897**

The accompanying notes on pages 21 to 25 are an integral part of these financial statements.

Smithson
Investment Trust

Condensed Statement of Cash Flows (Unaudited)

	Notes	Unaudited Six months ended 30 June 2025 £'000	Unaudited Six months ended 30 June 2024 £'000	Audited Year ended 31 December 2024 £'000
Operating activities				
Profit/(loss) before tax		23,005	(68,072)	(3,907)
Adjustments for:				
(Gains)/losses on investments held at fair value through profit or loss	3	(15,341)	76,434	11,179
Increase in receivables		(223)	(669)	(242)
Decrease in payables		(139)	(270)	(230)
Irrecoverable overseas taxation		(2,534)	(3,059)	(4,205)
Net cash generated from operating activities		**4,768**	**4,364**	**2,595**
Investing activities				
Purchase of investments	3	(255,285)	(244,667)	(423,193)
Sale of investments	3	489,374	430,545	819,465
Net cash generated from investing activities		**234,089**	**185,878**	**396,272**
Financing activities				
Purchase of shares held in treasury		(235,614)	(199,837)	(410,228)
Costs relating to buy backs		(1,087)	(3,170)	(2,182)
Expenses in relation to share premium transfer		(48)	–	–
Equity dividends paid		(716)	–	–
Net cash used in financing activities		**(237,465)**	**(203,007)**	**(412,410)**
Net increase/(decrease) in cash and cash equivalents		**1,392**	**(12,765)**	**(13,543)**
Cash and cash equivalents at start of the period/year		3,036	16,579	16,579
Cash and cash equivalents at end of the period/year		**4,428**	**3,814**	**3,036**
Comprised of:				
Cash at bank		**4,428**	**3,814**	**3,036**

The accompanying notes on pages 21 to 25 are an integral part of these financial statements.

1. General information

Smithson Investment Trust plc is a company incorporated on 14 August 2018 in the United Kingdom under the Companies Act 2006.

The condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("DTRs") of the UK's Listing Authority.

Principal activity

The principal activity of the Company is that of an investment company within the meaning of Section 833 of the Companies Act 2006.

The Company commenced activities on admission to the London Stock Exchange on 19 October 2018.

Going concern

The Directors have adopted the going concern basis in preparing the Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2025. The following is a summary of the Directors' assessment of the going concern status of the Company, which included consideration of macroeconomic conditions such as uncertainty over inflation, higher interest rates, a possible recession and the continuing wars in Ukraine and the Middle East.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. At the date of approval of this report, the Company has substantial operating expenses cover and a suitably liquid portfolio with which to continue share buybacks.

2. Significant accounting policies

The Company's accounting policies are set out below:

Accounting convention

The financial statements have been prepared under the historical cost convention (modified to include investments at fair value through profit or loss) on a going concern basis and in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the International Accounting Standards Board ("IASB") and with the Statement of Recommended Practice ("SORP") 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies ("AIC") in November 2014 (and updated in July 2022). They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The Directors believe that it is appropriate to continue to adopt the going concern basis for preparing the financial statements for the reasons stated above. The Company is a UK listed company with a predominantly UK shareholder base. The results and the financial position of the Company are expressed in sterling, which is the functional and presentational currency of the Company. The accounting policies in this Interim Report are consistent with those applied in the Annual Report for the year ended 31 December 2024 and have been disclosed consistently and in line with Companies Act 2006.

Critical accounting judgements and sources of estimation uncertainty

The Board confirms that no significant accounting judgements or estimates have been applied to the financial statements and therefore there is not a significant risk of a material adjustment to the carrying amounts of assets and liabilities.

3. Investments held at fair value through profit or loss

	Unaudited Six months ended 30 June 2025 £'000	Unaudited Six months ended 30 June 2024 £'000	Audited Year ended 31 December 2024 £'000
Opening book cost	1,941,263	2,232,394	2,232,394
Opening investment holding gains	185,778	306,559	306,559
Opening fair value at start of the period/year	2,127,041	2,538,953	2,538,953
Purchases at cost	255,285	249,147	421,719
Sales – proceeds	(496,215)	(440,328)	(822,452)
Gains/(losses) on investments	15,341	(76,434)	(11,179)
Closing fair value at end of the period/year	1,901,452	2,271,338	2,127,041
Closing book cost at end of the period/year	1,790,413	1,999,024	1,941,263
Closing unrealised gain at end of the period/year	111,039	272,314	185,778
Valuation at end of the period/year	**1,901,452**	**2,271,338**	**2,127,041**

The Company received £496,215,000 excluding transaction costs from investments sold in the period (30 June 2024: £440,328,000, 31 December 2024: £822,452,000). The book cost of the investments when they were purchased was £406,389,000 (30 June 2024: £482,687,000, 31 December 2024: £713,486,000). These investments have been revalued over time until they were sold and unrealised gains/losses were included in the fair value of the investments.

All investments are listed.

4. Dividend income

	Unaudited Six months ended 30 June 2025 £'000	Unaudited Six months ended 30 June 2024 £'000	Audited Year ended 31 December 2024 £'000
UK dividends	3,645	3,880	5,865
Overseas dividends	13,225	15,245	22,165
Overseas dividends – special	70	–	75
Bank interest	76	297	594
Total	**17,026**	**19,422**	**28,699**

5. Return/(loss) per share

Return/(loss) per ordinary share is as follows:

	Unaudited Six months ended 30 June 2025			Unaudited Six months ended 30 June 2024			Audited Year ended 31 December 2024		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Profit/(loss) for the period/year (£'000)	5,512	14,959	20,471	6,158	(77,289)	(71,131)	4,371	(12,483)	(8,112)
Return/(loss) per ordinary share (p)	**4.46**	**12.10**	**16.56**	**4.00**	**(50.20)**	**(46.20)**	**3.00**	**(8.57)**	**(5.57)**

Return per share is calculated based on returns for the period and the weighted average number of 123,610,243 shares in issue (excluding treasury shares) in the six months ended 30 June 2025 (30 June 2024: 153,957,461; 31 December 2024: 145,572,236).

6. Net asset value per share

	Unaudited 30 June 2025	Unaudited 30 June 2024	Audited 31 December 2024
Net asset value	£1,914,539,000	£2,274,421,000	£2,129,897,000
Shares in issue	114,645,417	144,917,958	130,527,069
Net asset value per share	**1,670.0p**	**1,569.5p**	**1,631.8p**

7. Share capital

	Unaudited 30 June 2025			
Issued, allotted and fully paid (ordinary)	Ordinary Shares Number	Treasury Shares Number	Total Shares Number	Nominal Value £'000
Ordinary shares in issue at 1 January	130,527,069	46,580,889	177,107,958	1,771
Ordinary shares bought back and held in treasury	(15,881,652)	15,881,652	–	–
	114,645,417	**62,462,541**	**177,107,958**	**1,771**

7. Share capital (continued)

Issued, allotted and fully paid (ordinary)	Unaudited 30 June 2024 Ordinary Shares Number	Treasury Shares Number	Total Shares Number	Nominal Value £'000
Ordinary shares in issue at 1 January	159,692,958	17,415,000	177,107,958	1,771
Ordinary shares bought back and held in treasury	(14,775,000)	14,775,000	–	–
	144,917,958	**32,190,000**	**177,107,958**	**1,771**

Issued, allotted and fully paid (ordinary)	Audited 31 December 2024 Ordinary Shares Number	Treasury Shares Number	Total Shares Number	Nominal Value £'000
Ordinary shares in issue at 1 January	159,692,958	17,415,000	177,107,958	1,771
Ordinary shares bought back and held in treasury	(29,165,889)	29,165,889	–	–
	130,527,069	**46,580,889**	**177,107,958**	**1,771**

During the six months ended 30 June 2025, the Company issued no ordinary shares (30 June 2024: nil, 31 December 2024: nil).

During the six months ended 30 June 2025, the Company bought back to hold in treasury 15,881,652 shares (30 June 2024: 14,775,000, 31 December 2024: 29,165,889) at a total cost of £235,065,000 (30 June 2024: £206,386,000, 31 December 2024: £413,929,000). At the period end, the Company held 62,462,541 (30 June 2024: 32,190,000, 31 December 2024: 46,580,889) shares in treasury.

Since 30 June 2025 and up to 18 July 2025, a further 1,122,192 ordinary shares have been bought back to hold in treasury at a total cost of £17,176,649.

8. Related party transactions

Fees payable to the Investment Manager are shown in the Condensed Statement of Comprehensive Income. As at 30 June 2025, the fee outstanding to the Investment Manager was £1,286,000 (30 June 2024: £1,331,000, 31 December 2024: £1,430,000).

Fees are payable at an annual rate of £60,000 to the Chair of the Board, £46,000 to the Chair of the Audit Committee, £40,000 to the Chair of the Management Engagement Committee and £36,000 to directors. Diana Dyer Bartlett resigned on 23 April 2025 and Sarika Patel was appointed as a non-executive Director and Chair of the Audit Committee with effect from 3 July 2025. The remuneration for the Chair of the Audit Committee has been set at £50,000 with effect from that date.

8. Related party transactions (continued)

The Directors had the following shareholdings in the Company.

Director	As at 30 June 2025	As at 30 June 2024	As at 31 December 2024
Mike Balfour	7,000	–	–
Jeremy Attard-Manche	2,500	2,500	2,500
Denise Hadgill	2,578	2,578	2,578

As at 30 June 2025, Terry Smith and other founder partners and key employees of the Investment Manager directly or indirectly and in aggregate, held 2.18% of the issued share capital of the Company (30 June 2024: 1.91%, 31 December 2024: 2.30%).

9. Events after the reporting period

There were no post-period events requiring disclosure other than those included in these interim financial statements.

10. Status of this report

These interim financial statements are not the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006. They are unaudited. The Interim Report will be made available to the public at the registered office of the Company. The report will also be available in electronic format on the Company's website, http://www.smithson.co.uk.

The financial information for the year ended 31 December 2024 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The auditors' report on those accounts was not qualified and did not contain statements under sections 498 (2) or (3) of the Companies Act 2006.

The Interim Report was approved by the Board of Directors on 5 August 2025.

Alternative Performance Measures (“APMs”)

APMs are often used to describe the performance of investment companies although they are not specifically defined under IFRS. APM calculations for the Company are shown 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 between reporting periods and against its peer group.

Discount

The amount, expressed as a percentage, by which the share price is less than the NAV per ordinary share.

		As at 30 June 2025	As at 30 June 2024	As at 31 December 2024
NAV per ordinary share	a	1,670.0p	1,569.5p	1,631.8p
Share price	b	1,498.0p	1,378.0p	1,484.0p
Discount	**(b-a)÷a**	**10.3%**	**12.2%**	**9.1%**

Total return

A measure of performance that includes both income and capital returns. In the case of share price total return, this takes into account share price appreciation and dividends paid by the Company. In the case of NAV total return, this takes into account NAV appreciation (net of expenses) and dividends paid by the Company.

Six months ended 30 June 2025		**Share price**	**NAV**
Opening at 1 January 2025	a	1,484.0p	1,631.8p
Closing at 30 June 2025	b	1,498.0p	1,670.0p
Increase		0.9%	2.3%
Impact of reinvested dividends		0.1%	0.1%
Total return	**(b÷a)-1**	**1.0%**	**2.4%**

Six months ended 30 June 2024		**Share price**	**NAV**
Opening at 1 January 2024	a	1,415.0p	1,598.0p
Closing at 30 June 2024	b	1,378.0p	1,569.5p
Total return	**(b÷a)-1**	**(2.6)%**	**(1.8)%**

Period from Company’s listing on 19 October 2018 to 30 June 2025		**Share price**	**NAV**
Opening at 19 October 2018	a	1,000.0p	1,000.0p
Closing at 30 June 2025	b	1,498.0p	1,670.0p
Total return	**(b÷a)-1**	**49.9%**	**67.1%**
Annualised total return		**6.2%**	**8.0%**

Annualised total return

The annualised total return for a period is the average return earned on an investment in the Company’s shares for each year in that period, expressed by reference to either share price or NAV.

Ongoing charges ratio and total cost of investment

A measure, expressed as a percentage of average NAV, of the regular, recurring annual costs of running an investment company. The Total Cost of Investment measures cost to investors incurred through the Company's portfolio transaction costs and the recurring annual costs of running the Company.

		Six months ended 30 June 2025	Six months ended 30 June 2024	Period from Company's listing on 19 October 2018 to 30 June 2025
Average NAV (£'000)	a	2,044,677	2,420,069	2,146,228
Annualised expenses (£'000)	b	18,047	20,750	19,874
Ongoing charges ratio	**(b÷a)**	**0.88%**	**0.86%**	**0.93%**
Annualised investment transaction costs (£'000)	c	511	628	693
Annualised investment transaction costs ratio	(c÷a)	0.03%	0.03%	0.03%
Total Cost of Investment ratio		**0.91%**	**0.89%**	**0.96%**

Glossary of Terms

AIC

Association of Investment Companies

Alternative Investment Fund or AIF

An investment vehicle under AIFMD. Under AIFMD (see below) the Company is classified as an AIF.

Alternative Investment Fund Managers Directive or AIFMD

A European Union directive which came into force on 22 July 2013 and has been implemented in the UK.

Annual General Meeting or AGM

A meeting held once a year which shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask directors questions about the company in which they are invested.

Cash Conversion

Ratio of a company's cash flows to its net profit.

Custodian

An entity that is appointed to safeguard a company's assets.

Discount

The amount, expressed as a percentage, by which the share price is less than the net asset value per share.

Depositary

Certain AIFs must appoint depositaries under the requirements of AIFMD. A depositary's duties include, inter alia, safekeeping of the Company's assets and cash monitoring. Under AIFMD the depositary is appointed under a strict liability regime.

Dividend

Income receivable from an investment in shares.

Ex-dividend date

The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to shareholders.

Financial Conduct Authority or FCA

The independent body that regulates the financial services industry in the UK.

Gearing

A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.

Gross assets

The Company's total assets before the deduction of any liabilities.

Glossary of Terms

Gross margin

The amount of money a company has left after subtracting all direct costs of producing or purchasing the goods or services it sells.

Index

A basket of stocks which is considered to replicate a particular stock market or sector.

Investment company

A company formed to invest in a diversified portfolio of assets.

Investment trust

An investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust.

Leverage

An alternative word for “Gearing”.

Under AIFMD, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions.

Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). 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.

Liquidity

The extent to which investments can be sold at short notice.

Net assets

An investment company’s assets less its liabilities

Net asset value (NAV) per ordinary share

Net assets divided by the number of ordinary shares in issue (excluding any shares held in treasury)

Ongoing charges ratio

A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company.

Operating profit margin

The ratio of operating income to net sales. It measures profitability on a per-pound basis, after accounting for the variable costs of production but does not include interest or tax expense.

Portfolio

A collection of different investments held in order to deliver returns to shareholders and to spread risk.

Premium to NAV

The amount, expressed as a percentage, by which the share price is more than the net asset value per share.

ROCE

Return On Capital Employed is a measure of the efficiency of a company at deploying capital to generate profits calculated as Earnings Before Interest and Tax / Capital Employed.

Ordinary share

The Company's ordinary shares of 1p each.

Share buyback

A purchase of a company's own shares. Shares can either be bought back for cancellation or held in treasury.

Share price

The price of a share as determined by a relevant stock market.

Total return

A measure of performance that takes into account both income and capital returns. This may take into account capital gains, dividends, interest and other realised variables over a given period of time.

Treasury shares

A company's own shares which are available to be sold by a company to raise funds.

Volatility

A measure of how much a share moves up and down in price over a period of time.

Company Information

Directors

Mike Balfour *(Chairman)*
Jeremy Attard-Manche
Denise Hadgill
Diana Dyer-Bartlett (Resigned on 23 April 2025)
Sarika Patel (appointed on 3 July 2025)

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