F&C®

INVESTMENT TRUST

SINCE 1868

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

CONTENTS

Strategic Report

Company Overview	2
Financial Highlights	3
Chairman's Statement	4
Fund Manager's Review	9
Our Approach to Responsible Investment	18
Twenty Largest Listed Equity Holdings	27
Ten Year Record	29
Business Review	31
Purpose, Values and Investment Objective	31
Principal Policies	33
Section 172 Statement	36
Key Stakeholder and Shareholder Engagement	37
Key Performance Indicators	39
Principal and Emerging Risks	41
Long-Term Viability	45

Governance Report

Board of Directors	47
Directors' Report	49
Corporate Governance Report	54
Report of the Management Engagement Committee	57
Report of the Audit Committee	59
Directors' Remuneration Report	65
Statement of Directors' Responsibilities	69

Independent Auditor's Report 70

Financial Report

Income Statement	78
Statement of Changes in Equity	79
Balance Sheet	80
Statement of Cash Flows	81
Notes to the Accounts	82

Notice of Annual General Meeting 104

Other Information

Management and Advisers	109
Additional Information for Shareholders	110
How to Invest	112
Alternative Performance Measures	113
Glossary of Terms	116

2025-26 Financial Calendar	
Annual General Meeting	30 April 2025
Final dividend for 2024 payable	7 May 2025
Interim Results for 2025 announced	end July 2025
First interim dividend for 2025 payable	August 2025
Second interim dividend for 2025 payable	November 2025
Third interim dividend for 2025 payable	February 2026
Final Results for 2025 announced	March 2026
Final dividend for 2025 payable	May 2026

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.

F&C®

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 growth 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**

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

aic DIVIDEND HERO

MORNINGSTAR Bronze

UK STEWARDSHIP CODE

RSMR INVESTMENT TRUST

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

+16.9%

+16.9% share price total return[1]

+21.0%

Net Asset Value total return[1] (with debt at market value) of +21.0%, ahead of the return from our benchmark[3], the FTSE All-World Index, of +19.3%

54th

Annual dividend[2] per share up by 6.1% to 15.6p, our 54th consecutive annual increase

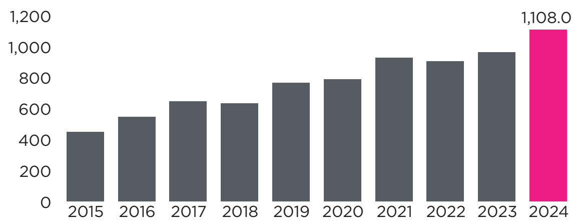
9.2%

The discount[1] to NAV moved from 5.9% at the start of the year, to end the year at 9.2%

DELIVERING LONG-TERM GROWTH IN CAPITAL AND INCOME

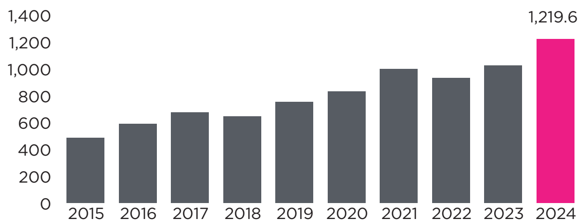
In the last ten years the Company has grown a £1,000 investment, with dividends reinvested, to £3,122.

Mid-market price per share at 31 December – pence



Source: Columbia Threadneedle Investments

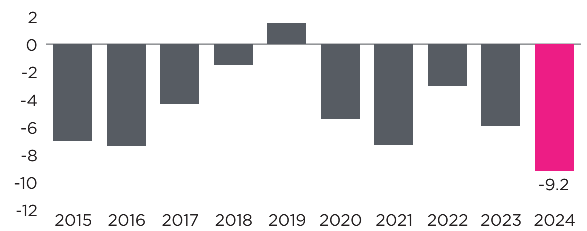
Net asset value[1] per share with debt at market value at 31 December – pence



Source: Columbia Threadneedle Investments

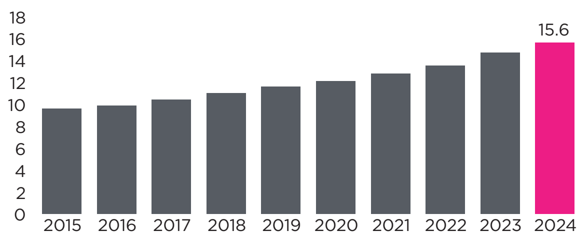
A dividend has been paid every year since inception and has increased every year for the past 54 years. Over the last ten years it has increased by 67.7% (5.3% compound per annum), compared with inflation of 35.4% (3.1% compound per annum).

Share price discount/premium[1] to net asset value[1] at 31 December – %



Source: Columbia Threadneedle Investments

Total dividends[2] 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 113.
(2) The final dividend for 2024 is subject to shareholder approval at the forthcoming Annual General Meeting.
(3) See Glossary of Terms on page 116.

CHAIRMAN'S STATEMENT

"F&C'S NAV TOTAL RETURN HAS BEATEN THE BENCHMARK AND ITS GLOBAL PEER GROUP OVER ONE, THREE, FIVE AND TEN YEARS. OVER TWENTY YEARS OUR RETURN IS EQUIVALENT TO 10.4% PER ANNUM. THE GROWTH IN OUR DIVIDENDS OVER THE PAST DECADE IS SIGNIFICANTLY HIGHER THAN UK INFLATION."

Dear Shareholder,

2024 was another strong year for global equity markets with US equities rising by more than 25%. This was the first time since the late 1990s that US investors have enjoyed successive annual gains of greater than 20%. As was the case in 2023, the US outperformed both analysts' expectations and other major equity markets. The so-called 'Magnificent Seven' US mega-cap technology stocks delivered returns well in excess of the broader market. Indeed, this collection of exceptional companies, which include Nvidia, Microsoft and Amazon, delivered a 67% dollar-based gain on the year, pushing the market weight of these companies in the US index to new highs.

US equity market performance was driven by better-than-expected economic data and, as the year progressed, initial fears of recession gave way to robust US growth, while inflation fell to levels which enabled central banks to begin cutting interest rates. While the scale of resultant interest rate cuts was below initial expectations, the combination of strong earnings growth in the US, declining inflation and interest rates, alongside ongoing optimism over the impact of Artificial Intelligence ('AI') propelled equity markets to new record highs. Furthermore, despite uncertainty over policy, the election of Donald Trump as US President for a second term, with promises of corporate tax cuts and deregulation, gave further impetus to investor risk appetite in the final part of the year.

The picture was more mixed outside of the US. While the global economy avoided a recession over the year, there was reasonable dispersion across regions. Sluggish economic data, along with lower inflation in Europe and the UK, led to an easing of interest rate policy by the European Central Bank and the Bank of England.

Our Net Asset Value ('NAV') total return, taking debt at market value, of +21.0% outperformed the return from our benchmark index of +19.3%. Our share price and our NAV total returns exceeded those delivered from our closed-end peers in 2024. Indeed, both our returns exceed that of our open and closed-end peers over one, three, five and ten years. This outperformance, over all these periods is unique in our sector. As a diversified global investment trust, designed to provide consistency in terms of performance outcome, it is pleasing to report these strong and consistent returns for shareholders. Furthermore, as our NAV total return has also exceeded that of our market benchmark over one, three, five and ten years, we believe that this is a strong proof statement on the effectiveness of our investment approach.

Although our share price and NAV reached new record highs, in common with many of our peers in the investment trust sector we saw a widening in our share price discount to NAV in 2024. Our discount moved from 5.9% at the start of the year, to end the year at 9.2%. This detracted from shareholder returns, resulting in a share price total return of +16.9%, lower than our NAV total return of +21.0%. Our NAV, with debt at market value, rose from 1,022.1p to 1,219.6p per share and our share price rose from 962p to 1,108p. We bought back 5.3% of our issued share capital, a total of 27.3m shares. 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.

Performance from our underlying listed strategies was strong over the year, with each component of our portfolio delivering a gain in absolute terms. Performance was particularly strong in North America, Japan and from our Global Focus strategy, which has exposure to quality growth stocks. While we were relatively underweight compared to the benchmark index to some of the Magnificent Seven stocks, overall our listed portfolio modestly outperformed its benchmark index. The decision by our Fund Manager to reduce our allocations to emerging markets and Europe in the first half of 2024 served us well as both regions underperformed the broader benchmark over the year. While our private equity portfolio produced respectable absolute returns over the year, performance lagged that of the listed global equity benchmark.

As our investment portfolio has significant investments in US assets the modest decline in sterling (of -1.8%) against the US dollar was beneficial to returns. In a year where markets rose strongly, our gearing added value over the year.

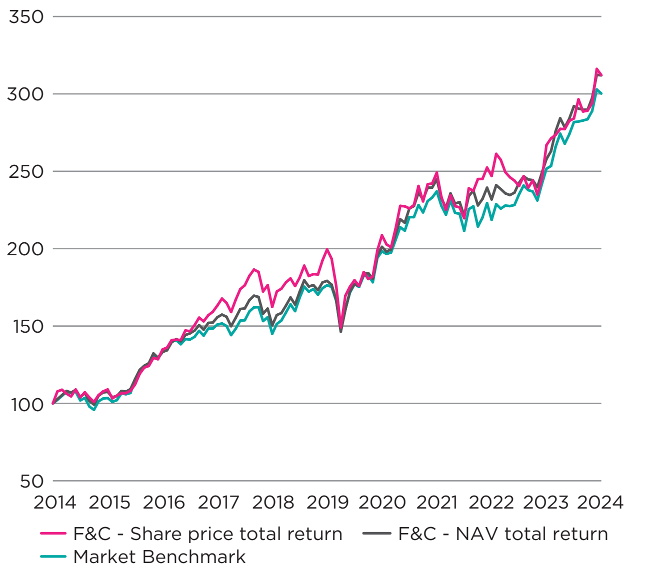
Following our re-admission to the FTSE100 index in 2022, I am pleased to report that we not only maintained this position, but we actually rose within the index, cementing our position as one of the UK's leading listed companies. As noted in our 2023 Annual Report, we have previously been a FTSE100 constituent, but this current period is the longest that we have remained in the index.

LONG-TERM RESULTS

We remain resolutely focused on our investment objective of securing growth in both capital and income for shareholders over the long term. Over the ten years to the end of 2024 your Company delivered a total shareholder return of +212.2%, equivalent to +12.1% per annum. Returns have remained remarkably consistent, with limited losses on an annual basis over the past decade.

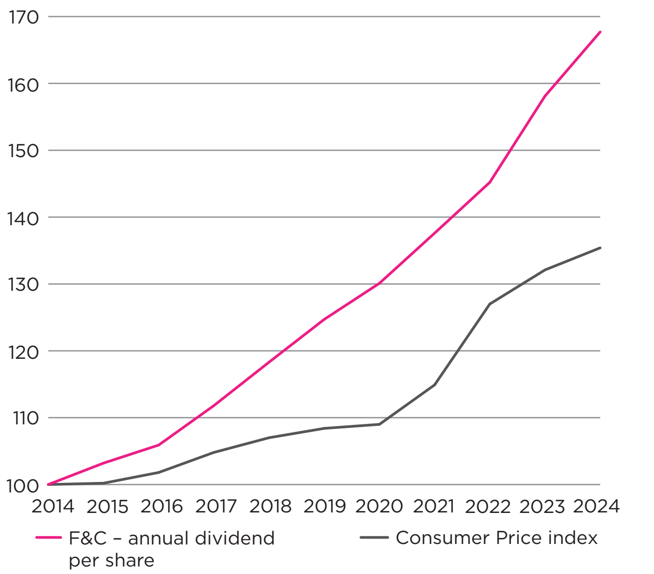
Over the twenty year period to 31 December 2024 the Company's NAV return was +627.3%, equivalent to 10.4% per annum. Our capital-only return (i.e. without dividends reinvested) over the past twenty years was +469.7% (9.1% per annum) and our shareholder total return was +751.6% (11.3% per annum). Dividends paid to shareholders have risen by 5.3% per annum over the past decade and by 6.8% over the past twenty years. Such results continue to demonstrate the importance of compounding income and capital gains over the long term, in the process of value creation for shareholders.

F&C NAV and share price performance vs Benchmark[1] over 10 years



Rebased to 100 at 31 December 2014
Source: Columbia Threadneedle Investments & Refinitiv Eikon

F&C annual dividend growth[2] vs Consumer Price Index over 10 years



Rebased to 100 at 31 December 2014
Source: Columbia Threadneedle Investments & Refinitiv Eikon

(1) See Glossary of Terms on page 116 for explanation of "benchmark".
(2) See Alternative Performance Measures on page 113.

FIFTY FOURTH CONSECUTIVE ANNUAL DIVIDEND INCREASE

Our gross and net income generated in 2024 represented a new record high. Gross income rose by 4.9% to £111.8m and our net revenue rose by 3.5% to £84.6m. Special dividends fell slightly to £3.6m (2023: £4.4m). The impact of currency movements reduced our income by £3.4m (2023: -£0.6m). Our Net Revenue Return per share rose by 7.5% on the year to 17.01 pence, from 15.83 pence.

The UK rate of inflation (as measured by CPI) declined during the year, falling from 4% to 2.5%. This represents a significant reduction in inflation from that seen during the inflationary spike post the Covid pandemic and the invasion of Ukraine, but inflation remains above the target of the Bank of England and slightly higher than levels seen in the years before Covid.

It remains the ambition of the Board to deliver real rises in dividends for shareholders over the long term that are 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 4.8 pence per share on 7 May 2025, bringing the total dividend for 2024 to 15.6 pence: an increase of 6.1% over that of 2023. The increase compares to the 2.5% rise in 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 67.7%, is almost double that of UK inflation over the equivalent period (35.4%). Furthermore, our full year 2024 dividend, as well as being our fifty fourth consecutive rise in annual dividends, is our one hundred and fifty seventh annual dividend payment for shareholders.

We continue to benefit from a strong financial position with respect to both our revenue reserves (£116.2m), which represent approximately one year of dividend payments, and our capital reserves which stood at £5.3bn 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

I am pleased to report that our 2024 Ongoing Charges figure fell to 0.45%, down from 0.49% in 2023. This reduction in charges was driven, in part, by the benefits of scale applying to our fee arrangement with our Manager and by greater efficiency in terms of our expenses, relative to an increased asset base.

The Board remains focused 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 their clients. Following constructive discussions with the Manager, I am pleased to advise that, from 1 January 2025, the Company's management fee will be paid at the rate of 0.3% on the first £3.5bn of the market value of the Company (down from £4bn at present) and at 0.25% on the value of the Company between £3.5bn and £6bn. A new tier has been 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 will fall further, to £3bn. These revised fee arrangements will ensure that your Company remains extremely competitively positioned relative to peers and the Board believes that, along with our delivered investment performance, this should position the Company to both attract and retain new shareholders over time.

BORROWINGS

We did not add to our total borrowings of £578.7m over the course of the year. Our cash and cash equivalents including short-dated Government bonds were reduced from £166.5m to £91.1m. There was no Government bond exposure at the year end. Our effective gearing level (with debt at par and considering Government bonds as part of our investment portfolio) fell to 8.6% from 9.9% 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 prospective rates which we would pay for short and long-dated loans.

REDUCING CARBON INTENSITY

The Board remains committed to transitioning the Company's portfolio to net zero carbon emissions by 2050 (**'Net Zero'**). The Manager's approach to Responsible Investment is set out on pages 18 to 26 and shareholders will note that the portfolio's carbon intensity has increased in the last two years as a result of changes within the portfolio. It is important to be aware that progress towards Net Zero will not be in the form of a straight-line trajectory and that there are several reasons for this. 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

Richard Robinson was appointed to the Board on 3 May 2024, replacing Tom Joy who stepped down from the Board on 31 March 2024. Richard has been the Investment Director of the Paul Hamlyn Foundation since 2009 and has considerable investment management experience.

Edward Knapp will have served as a Director for nine years in July this year. He will seek re-election at the forthcoming AGM but will step down from the Board in the second half of this year. We shall miss Edward's outstanding combination of investment, operational and general management experience. His contributions to the Board's discussions on strategy and risk have been particularly valuable. We will commence the process to recruit his successor shortly and an announcement will be made in due course.

F&C LECTURE

In June 2024, we held our biennial lecture. As well as wanting to engage with our existing shareholders, we continue our efforts to attract young investors and the event was branded "F&C Live", with the theme "Smart choices: Navigating an Age of Social Change". We had some thought-provoking speakers who covered areas such as artificial intelligence, demographics, disruptive technology and geopolitics. It was very well received by those who attended and you can view a recording of the event, and interviews with the speakers, on our website at fandc.com.

ANNUAL GENERAL MEETING

This year's 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. Following the AGM, the Fund Manager's presentation will be available on the Company's website at fandc.com.

OUTLOOK

2024 saw a continuation of many of the market themes from 2023. Performance from the Magnificent Seven sent US equities to record highs and to record levels of market concentration. It is noteworthy that recent equity market gains have been fuelled by such a small number of companies. However, there are expectations for a broadening out of returns across equity markets over the coming year.

The forecast for economic growth remains mixed for 2025. In the US, inflation is now expected to remain above target for longer, with jobs and underlying activity still showing strong readings. This is likely to leave only limited room for the Federal Reserve to cut interest rates from current levels. In Europe and the UK, signs of slowing economic growth means central banks are expected to cut rates over the coming year.

Equity markets, particularly the US, appear to be valued with little room for disappointment. Whilst there is investor enthusiasm for an expansionary policy mix that includes tax cuts and extra fiscal spending from the new US administration, investors continue to be concerned over potential tariffs and the route the new US administration will pursue regarding foreign policy. These could act as headwinds for global growth and investor sentiment in 2025. Furthermore, the current dominance of a small cohort of leading companies may face challenges from a number of areas including increased competition or regulatory challenges.

Our robust corporate structure and long-term perspective on investment opportunities is one of our great strengths. Our long-dated senior notes provide fixed, low-cost borrowings from which we can fund investments. Our dividend, rising for a fifty fourth consecutive year, is fully covered. We continue to hold significant revenue reserves, which should help us to continue to meet our objective of delivering above inflation increases in the dividend over the coming years. Our Private Equity portfolio, mainly focused on mid-market opportunities, remains well positioned, after a relatively fallow period, to benefit from future growth. Realisations in our portfolio managed by Columbia Threadneedle Investments increased in 2024 and we hope to see that continue into 2025. Our recent Growth and Venture Capital investments remain in the early stages of their investment programmes, but we remain optimistic over longer-term prospects there. There are many reasons for caution and indeed recent events relating to potential lower cost advances in AI illustrate the potential for both market volatility and shocks but, equally, the backdrop for financial markets does appear positive for the coming years. Regardless of potential short-term volatility, we remain resolutely focused on long-term opportunities.

Beatrice Hollond
14 March 2025

FUND MANAGER'S REVIEW

"DESPITE A VOLATILE AND RAPIDLY CHANGING MARKET BACKDROP, OUR CONSISTENT APPROACH HAS SERVED SHAREHOLDERS VERY WELL OVER THE LONG-TERM."

MARKET BACKDROP

Equity markets generally performed well in 2024. Initial concerns over a US recession receded and gave way to optimism as inflation levels eased and economic data remained resilient. Global equity indices posted strong annual gains, albeit with significant divergence across regions and sectors. Indeed, our market benchmark (the FTSE All World Index of listed equities) returned +19.3% in sterling terms, with US equities once again leading the way in performance terms. Sentiment towards US stocks was supported by encouraging economic data and generally positive corporate earnings releases. The 'Magnificent Seven', technology, and other high-growth stocks, drove the rally for much of the year, boosted by ongoing excitement around the prospects for companies with exposure to the Artificial Intelligence ('AI') theme. The US stock market rose in the latter months of 2024, following the US presidential election with the Republican Party gaining control of both the Senate and House of Representatives. Expected tax cuts and deregulation provided a boost to the outlook for US corporate earnings which has since been tempered by the impact of tariffs and greater policy uncertainty.

Returns from other major equity markets outside of the US were less strong but still positive. European markets were hindered by a sluggish Eurozone economy and by political uncertainty after far-right populist parties performed strongly in EU elections in the summer. There was further instability towards the year end as the coalition government in Germany broke apart following disagreements over national debt levels and French Prime Minister Michel Barnier was ousted following a no-confidence vote in early December. Separately, the threat of fresh trade tariffs in the US eroded sentiment towards European exporters.

UK equities also appreciated, despite suggestions that the Bank of England could ease monetary policy more slowly than central banks in other major regions. Changes outlined in the new Labour Government's Budget in late October also concerned investors and led to a decline in sterling as the year progressed.

Japanese shares performed well in the first half of the year but were little changed in the second half. The market sold off sharply in early August after the Bank of Japan unexpectedly raised interest rates, although

F&C share price 2024 (pence per share)

Source: Refinitiv Eikon

the lost ground was quickly recovered. Elsewhere, emerging markets fared relatively well in aggregate, despite meaningful divergence in regional returns. Latin American markets performed poorly, but this was more than offset by stronger returns in Asia. Chinese shares overcame concerns about the country's weak economy and potential US tariffs. Beijing implemented interest-rate cuts and a range of other policy initiatives to support economic activity levels.

The persistence of inflationary pressures and some hawkish commentary from US Federal Reserve officials saw investors revise their forward-looking interest rate forecasts in the US. At the beginning of the year, as many as six rate cuts were anticipated in 2024, but by year end consensus forecasts indicated the Federal Funds rate would be lowered only once or twice more in the year ahead, or by no more than 0.5% in total. This shift exerted upward pressure on US Treasury yields; with the yield on benchmark 10-year securities rising meaningfully over the year, which weighed on returns from US and global government bond indices. UK gilt yields rose even more meaningfully, again as investors wound back their expectations for interest rate cuts in the UK and became concerned about the amount of borrowing planned by the Labour government. While inflationary pressures persisted, consumer price index inflation moderated over the year and was close to targets in most key developed economies by December.

As anticipated, the European Central Bank (the 'ECB') was the first of the major central banks to lower interest rates, cutting in June as inflation eased and growth remained sluggish. At that time, the Federal Reserve and Bank of England called for patience, citing concerns about services inflation and wage growth. As inflation continued to ease, however, both central banks subsequently announced rate cuts, and the ECB continued its easing cycle. By year end, key interest rates had been lowered by 1.35%, 1.0% and 0.5% in the Eurozone, US and UK respectively. Figures published in August showed a rise in US unemployment which triggered recession concerns and prompted a 0.5% rate cut by the Federal Reserve. The fear proved baseless and the pace of rate cuts slowed.

It was a different picture in Japan, where the Bank of Japan (the 'BoJ') finally abandoned its ultra-loose policy stance. In March, the BoJ scrapped its yield curve control policy and raised its key rate for the first time since 2007. It then announced in June that it would scale back its monthly bond purchases, before raising interest rates again in July, to 0.25%. The second hike was somewhat unexpected and triggered a sudden unwinding of the yen 'carry trade' (where investors had borrowed yen at low interest rates to invest in assets in other currencies offering higher potential returns), which contributed to a brief bout of global volatility.

INVESTMENT PERFORMANCE

Our investment strategy remains one of managing the Company's assets across a range of diversified investment portfolios, each adopting its own individual investment approach. Each 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 part of our US 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 securing growth in both capital and income over the long term.

Contributors to total returns in 2024 (%)	
Portfolio return(1)	19.1
Management fees	(0.3)
Interest and other expenses	(0.5)
Share buybacks	0.5
Change of value of debt	0.6
Gearing/other	1.6
NAV total return	**21.0**
Change in share price discount	(4.1)
Share price total return	**16.9**
FTSE All-World total return	19.3

Source: Columbia Threadneedle Investments

(1) See Glossary of terms on page 116 for explanation of "Portfolio return".

Year-end sector allocations and underlying geographic exposures are shown in the tables overleaf.

LISTED EQUITIES

Amongst our regional strategies it was North America which delivered the most positive return, with a gain of 27.7%. Japan (+14.9%) and Europe (+11.3%) also delivered strong returns while emerging markets (+7.9%) again lagged developed market returns.

Weighting, stock selection and performance over one year in each investment portfolio strategy and underlying geographic exposure versus Index at 31 December 2024					
Investment Portfolio Strategy	**Our portfolio strategy weighting %**	**Underlying geographic exposure(1) %**	**Benchmark weighting %**	**Our strategy performance in sterling %**	**Net index performance in sterling %**
North America	41.7	64.5	67.2	27.7	26.3
Europe inc UK	8.3	20.0	13.7	11.3	4.2
Japan	4.1	5.7	5.7	14.9	9.7
Emerging Markets	4.9	7.7	9.9	7.9	9.4
Developed Pacific		2.1	3.5		(3.9)
Global Strategies(2)	30.1			17.6	19.3
Private Equity(3)	10.9			9.7	

(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 Value, Global Focus and Global Enhanced.
(3) Includes the holdings in Schiehallion and Syncona.
Source: Columbia Threadneedle Investments

Underlying Classification of Listed Investment Portfolio as at 31 December 2024 (%)	
Technology	29.4
Consumer Discretionary	17.1
Financials	14.3
Industrials	13.4
Healthcare	8.1
Energy	4.7
Utilities	3.2
Basic Materials	2.6
Real Estate	2.6
Consumer Staples	2.5
Telecommunications	2.1

Source: Columbia Threadneedle Investments

It was another year of extraordinary gains from leading US stocks, with Nvidia (+176.5%), rising to become our largest listed holding by year end. While a significant contributor to our absolute returns, we were slightly underweight on this stock relative to our benchmark index, as we were with several other of the Magnificent Seven names. While our light exposure in Apple (+33.3%) and Tesla (+65.7%) detracted from our relative returns, these positions, along with Alphabet (+38.7%), Amazon (47.2%), and Meta (+69.3%) contributed to strong levels of absolute performance from our portfolio. Amongst this group of stocks only Microsoft (+15.1%), our second largest holding at year end, lagged broader US market returns.

While we may regard underexposure to the Magnificent Seven as an opportunity cost for our returns, a number of our other holdings delivered similar, or better returns. Among these names, Broadcom (+114.5%) and Taiwan Semiconductor Manufacturing Company ('TSMC') (+75.2%) both benefitted from enthusiasm over the AI theme while Vertiv (+141.4%), a top performing stock in 2023, delivered another strong year, buoyed by improving demand for their cooling services for data centres. Vistra (+268.4%) was another strong performer, with AI demand for energy driving strong returns.

Marked outperformance from index heavyweights in the US led to another year of outperformance for highly valued growth stocks. Lower rated value stocks, while delivering respectable returns in the US, lagged once again. The dominance of the mega-cap technology names, and strong returns relative to the market, pushed market concentration even higher. Consequently, the US equity market ended 2024 representing around two thirds of global (including emerging markets) equity market capitalisation, while the group of seven leading stocks, with Nvidia and its four largest customers (Amazon, Meta, Microsoft and Alphabet), Apple and Tesla, accounted for around a third of US stock market value. Rarely have we seen such levels of market concentration and the 12% excess return of the market capitalisation index of the S&P relative to an equal weighted measure was again amongst the highest seen since the “dot com” boom of the late 1990s. During the year, Nvidia and Microsoft joined Apple as the only companies globally to have reached a market value above $3trn. Indeed, Nvidia, up ninefold over two years, added $2trn of market value in a little over a year, a feat which took Microsoft almost five years, while Apple managed this impressive feat in under four.

North America

Our North American returns (+27.7%) were ahead of the benchmark (+26.3%). It was an excellent year for our large cap growth strategy, managed by JPMorgan Asset Management. This component of the portfolio delivered a gain of 37.2%, exceeding that of the Russell 1000 Growth Index and it was the highest return of any of our strategies in 2024. It was also a strong year for the US value portfolio, managed by Barrow Hanley. While lagging broader US market returns, its return of +22.0% exceeded its comparator index (the Russell 1000 Value Index) by more than 5%. Our slightly smaller allocation to US value stocks, managed by Columbia Threadneedle Investments, fared less well. It delivered a return of +14.4%, which lagged the +16.6% return from the index over the year. Finally, our allocation to North American core holdings, also managed by Columbia Threadneedle Investments, produced an impressive +28.3% return on the year, exceeding comparator benchmark returns.

Netflix (+86.6%) was a notable contributor to the performance of JPMorgan's large cap growth strategy as the company significantly exceeded earnings expectations in the latter part of the year, leading to strong returns on an absolute and relative basis. Increased forecasts for future revenue growth boosted investor confidence for Netflix as its subscriber count climbed towards record highs.

The holding in Meta was also a meaningfully positive contributor to returns. Having trimmed headcount by over 20% in 2023, Meta announced a $50bn share buyback programme and a first ever dividend as part of its first quarter earnings. This, combined with growth in digital advertising, cheered investors. A relative underweight stance in Microsoft was also helpful. It lost its position as the world's largest company and disappointed with a lower than expected growth outlook for its cloud business, Azure. Outside of these familiar names, Spotify (+142.7%) delivered strong user growth and improving financial returns.

On a relative basis, detractors from performance included D.R. Horton (-5.4%), a constructor and seller of single-family homes, due to concerns of a challenging supply and demand environment and margin pressures. Regeneron Pharmaceuticals (-17.3%) was also a relative detractor from returns. For two successive quarters in the year, sales of its eye drug Eylea were weaker than expected. The drug is viewed as a key ingredient to Regeneron's growth story. For this strategy, and for the portfolio as a whole, limited exposure to Tesla, which delivered a return of +65.7% on the year, also detracted from relative returns. Almost the entirety of gains in Tesla were delivered in the last two months of the year, with the election of President Trump fuelling optimism over prospects for that business and that of its leader, Elon Musk.

The US value strategy managed by Barrow Hanley also produced good returns in 2024, with Vertiv the top relative performer. For Carnival (+37.0%), an owner-operator of cruise ships, resilient consumer demand led to an increase in revenues of more than 15% over the year. Advance bookings moved to all-time highs in terms of both price and occupancy. Carnival has ordered new ships and is planning new destinations to keep up with current demand. The sector, and stock, continues to recover strongly from the depths of the Covid pandemic.

While the overall picture for performance from Barrow Hanley was positive, the holding in Aptiv (-31.3%) , a designer, developer and manufacturer of hardware and software solutions for advanced safety features in automotive equipment manufacturers, dropped significantly following poor third quarter results. Another detractor from returns was Halliburton (-21.7%). It provides energy, engineering and construction services, as well as manufacturing products for the energy industry. The company posted lower than expected revenues in the first half of the year, notably in North America, leading to poor stock performance. Halliburton also faced challenges from weather disruptions and a significant cyber attack.

Our US value portfolio, managed by Columbia Threadneedle (+14.4%), modestly underperformed the Russell 1000 Value benchmark. There were strong contributions from Corning (+63.8%), a producer of optical fibre, cable, and photonic components for the telecommunications industry and from Williams Companies (+65.5%), an energy infrastructure company that connects hydrocarbon resources to markets for natural gas, natural gas liquids and olefins.

Our position in Corning was a beneficiary of the broader AI theme. Its strong performance was driven by increasing adoption of new optical connectivity products for Generative AI, which are primarily used within data centres. Additionally, Corning outlined plans to add more than $3 billion in annualised sales with incremental profit and cash flow by the end of 2026. As investor confidence for AI remained strong, there was robust demand for the infrastructure needed to continue to facilitate growth.

The largest detractor from relative returns was AES (-29.0%), an electric power distribution company which acquires, develops, owns and operates renewable energy power plants. The portfolio held a significant overweight position throughout the year. The stock, however, fell 11% after the company posted its third quarter results, which indicated lower profit expectations over the remainder of the year due to adverse weather and reduced margins. AES also suffered, following the election of President Trump, around concerns regarding rollback of the Inflation Reduction Act and broader commitment to renewable energy.

The final, and smallest, component of our North America exposure was that of our core strategy, managed by Columbia Threadneedle Investments. Holdings in Vistra, Booking Holdings (+44.1%), Broadcom and financials Morgan Stanley (+42.4%) and Wells Fargo (+49.3%) were all positive contributors to return.

Europe

Our European portfolio (+11.3%) substantially exceeded the benchmark return (+4.2%) for the year, driven by stock selection decisions. Outperformance came from several areas, with the holding in financials, NatWest (+95.6%), which almost doubled over the year, and Intesa Sanpaolo (+52.2%), notable contributors alongside SAP (+63.9%) and Cairn Homes (+76.6%).

NatWest was the most significant contributor to relative returns in our European strategy during the year, despite the weak UK economic backdrop, as sentiment recovered following the CEO's departure. This event had left a bank with a depressed valuation and investors rerated the stock as profits continued to beat expectations. It was also pleasing that longstanding holding Cairn Homes delivered a strong return, as the Irish housebuilder delivered more houses into a domestic market that remains short of housing stock and where economic growth is strong. This helped to support average selling prices. Government support for housing has been strong with Cairn in some instances selling stock direct to the state, increasingly before completion, helping to drive higher returns on capital and cashflow. After a strong 2023, CRH (+38.6%) continued to deliver strong results as it benefitted from its exposure to the US market and due to the movement of its primary listing to the US which highlighted a very attractive valuation relative to its peers there.

While overall results within our European portfolio were excellent, there were some weak spots. Heineken (-27.5%) delivered sales that continued to be weaker than expected and, with growing evidence that the propensity to consume alcohol is falling in younger age groups, we sold the shares during the year. Our holding in TGS (-17.9%), the Norwegian oil services company, also detracted from returns. Demand remains weaker than previous cycles due to less new oil exploration, but the industry has consolidated, a theme continued by TGS' takeover of its domestic rival PGS. While this radically changes the shape of the company, the benefits have yet to come through and the ongoing business has been weak. We continue to hold the shares as there are signs of exploration activity increasing and the potential benefits from the acquisition are substantial.

Japan

Our Japanese strategy (+14.9%) delivered strong levels of excess return against its benchmark index (+9.7%). Performance was primarily driven from stock selection and a focus on investment in quality businesses with a keen eye on intrinsic valuations. Sanwa (+93.5%), a shutter manufacturer, delivered the best returns from our Japanese portfolio while Itochu (+26.9%), an international trading company, also performed strongly.

Our theme of identifying companies that are showing an improvement in balance sheet efficiency was also profitable during the year. Sankyo (+23.8%), which is involved in gaming, produced strong returns since our purchase, while the insurance company Tokio Marine (+52.2%) also performed well. We also held exposure to companies which are well placed to benefit from the ongoing, but gradual, normalisation in monetary policy of the Bank of Japan. Financial holdings Mitsubishi UFJ (+43.2%) and regional bank Nishi Nippon (+17.3%) both performed well in an environment where the central bank began to raise interest rates above zero.

Emerging Markets
Our emerging markets strategy returned +7.9% in 2024, slightly lagging the benchmark return of +9.4%. Key contributors at the stock level included FPT Corp (+79.6%), Max Healthcare (+63.3%), Trip.com (+99.4%) and the underweight position in Samsung Electronics (-38.5%). FTP reported strong revenue growth, driven by IT services while Max Healthcare continues to execute its strategy effectively and recent acquisitions are adding further growth visibility. Samsung is struggling with technological catch up with key peers, both in memory and in chips (relative to TSMC) and in white goods and phones against rising Chinese competition globally.

Key detractors at the stock level included Wizz Air (-35.7%), Jeronimo Martins (-22.6%) and AIA (-12.8%). Wizz Air's fleet has been experiencing engine issues and supply constraints which have been impacting its cost structure, dampening profit expectations and impairing capacity expansion. The demand outlook for budget airlines looks healthy and it has the orders in place to improve average seat revenues with deliveries of Airbus A321neo aircraft pending. However, near term results are likely to be volatile due to the constraints mentioned and the position was exited during the year. Jeronimo Martins is coming off a high base of 20% growth last year. However, the market was concerned over rising costs and deflation worries. The company remains in a positive net cash position and there may be a positive impact from the potential new store rollout in Colombia, as well as market share gains which will be supportive for growth in the long term. Furthermore, it is currently the largest private sector employer in Poland with a strong focus on growing the business sustainably. AIA's results have been solid, with business volumes at all-time highs, however, the business mix has shifted towards lower margin sectors, which is to be expected in this consumer environment. The stock has suffered from pessimism towards China.

Global
The combined return from our Global strategies of +17.6%, lagged that of the index (+19.3%). We started the year with exposure to Global Income, Global Focus, Global Enhanced and Global Value. While our exposure to Global Focus (+25.4%) significantly outperformed global benchmarks, the other exposures did not.

Our Global Income allocation, which targets a diversified exposure to stocks that provide a higher dividend yield than the market, returned +14.7%. This was ahead of high yield index comparators but was behind the broad global equity benchmark. This strategy remains helpful for management of our overall revenue and has, over a period of more than a decade, delivered results which have matched broad index returns, while providing a higher income for the Company. The underperformance of this strategy was wholly explained by under-exposure to the lowly yielding Magnificent Seven stocks. Booking Holdings, Vistra and Morgan Stanley were all positive contributors to relative returns.

Private Equity portfolio

		Commitment outstanding 31 December 2024 £'000s	Value of holding 31 December 2024 £'000s
Total Private Equity portfolio(1)	Brought forward	423,381	594,051
Committed in 2024(2)		31,767	–
Commitments written off as funds liquidated		(4,788)	–
Cash drawn in 2024(2)		(88,107)	88,107
Cash returned in 2024(2)		–	(91,538)
Valuation movements(3)		–	43,837
Exchange movements(3)		3,478	2,135
Total Private Equity portfolio(3)	Carried forward	365,731	636,592(4)

(1) Exchange rates ruling at 31 December 2023
(2) At actual exchange rates in 2024
(3) Exchange rates ruling at 31 December 2024
(4) Total does not include investments in Syncona and Schiehallion, which are classified as Level 1 investments.
Source: Columbia Threadneedle Investments

During the year, we divested entirely from the global value strategy managed by Pyrford International (an investment boutique that operates independently within Columbia Threadneedle Investments). The strategy again lagged global index returns, with the underweight stance on the highly performing US market and overweight position on Asian equities both being detrimental to returns. A zero weight in stocks including Nvidia, Microsoft, Apple, Amazon and Meta drove a substantial portion of the underperformance.

Our Global Enhanced strategy, managed by Columbia Threadneedle Investments manages the exposure to style and risk factors, such as country risk, and targets an excess return. In 2024, however, the strategy returned +15.8%, underperforming its global benchmark.

Top performers in this strategy were holdings in Booking Holdings and Vistra. Booking Holdings surged towards the end of the year, after earnings showed robust performance across business segments. An underweight position in Amazon, Nvidia, and Tesla did, however, drag on relative returns for the strategy over the year.

Over 2024, our Global Focus strategy that we funded towards the end of 2023, generated a +25.4% return, placing it well ahead of the global benchmark. At a stock level, key contributors were Howmet Aerospace (+106.7%), Nvidia and TSMC. Howmet Aerospace, the leading aerospace equipment provider, was the single largest contributor to performance last year. The company reported strong results that consistently beat expectations. The results have been supported by the robust demand for air travel, which is now exceeding pre-pandemic levels. TSMC, as the leading and largest semiconductor manufacturer, benefitted from the strength in the wider technology sector.

Insulet (+22.7%) was another key contributor. The US Food & Drug Administration provided approval and clearance that its wearable insulin device (Omnipod 5) could be used for people with Type 2 diabetes, as well as Type 1. This approval came in earlier than expected and allows Insulet to formally market its new product to around six million people living with Type 2 diabetes in the US.
Key detractors included Elevance Health (-19.2%) and Keyence (-4.7%). Our position in Elevance Health detracted after the company cut its forecasts and reported weaker than expected profits, citing unprecedented challenges in its Medicaid business. We have now exited the stock. Holding Keyence also detracted this year. Even though the company has continued to deliver on its results, the shares have been impacted by the challenges in the wider automation industry.

PRIVATE EQUITY

After a relatively subdued period for our Private Equity portfolio, we enjoyed a robust return from our private market exposure, with a total return of 9.7%.

2024 showed an improvement across both deal flow and exit values in private markets. Our programme managed by Columbia Threadneedle Investments delivered a return of +7.9% and over the year we received a net distribution of £27.5m from our investments (distributions of £72.6m less calls of £45.1m). Our exposure with this programme tends to be focused on mid-market businesses where valuations are attractive and where these businesses have high levels of cashflow generation. Indeed, we exited several positions over 2024, including our co-investment in pet supply retailer, Jollyes, (for £29.9m) which delivered a 3.7x return on investment and 27% Internal Rate of Return (IRR), and Coretrax (for £23.1m), the provider of oil and gas wellbore clean-up and abandonment services (at 1.7x cost and 11% IRR). We also exited secondary fund investment, NEM Impresse (for £5.5m and at 1.3x return at 7% IRR). We also enjoyed an uplift (+28.5%) in the value of Inflexion Strategic Partners, the investment in leading UK mid-market private equity firm Inflexion, reflecting the strong growth in assets under management and continued strong financial performance.

Over recent years we have looked to access leading global growth and venture private equity managers through our bespoke Pantheon Future Growth programmes. These programmes had $360m of total commitments, across two vintages. Investments in these programmes 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, with our exposure showing positive progress in its holding valuation over the year.

Syncona (-14.4%), a backer of healthcare companies, had poor returns for a second consecutive year. However, our position in Schiehallion (+50.2%) had a 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 10% of its portfolio, following the recent valuation of SpaceX at $350bn.

Older fund investments which we largely hold with Harbourvest and Pantheon returned £10.7m 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 0.5% of total portfolio value as at end of 2024.

Overall, our private equity holdings were a drag on returns over the year but have been a good contributor over the long run and we are well placed in terms of prospective growth.

PORTFOLIO ACTIVITY

We made several changes to our portfolio allocations during the year and were net sellers of equity holdings, in part to fund a rise in share buyback activity. We reduced exposure to UK, European and emerging markets equities in the early part of the year and all these regions underperformed in 2024.

As already mentioned, we divested in entirety from the value strategy managed by Pyrford International. The proceeds were reallocated to our Global Focus and Global Enhanced strategies. Both strategies were originally funded in 2023 and provide exposure to diversifying portfolios which, respectively, focus on high quality businesses with faster than market growth prospects, and companies with attractive growth prospects at reasonable prices.

Finally, in our private equity exposure we continued to make selective commitments to our programmes managed by Columbia Threadneedle Investments and Pantheon.

REVENUE RETURNS

It was another strong year for our gross income and our net return per share, both of which reached new highs, rising by 4.8% and 7.5% respectively. Net revenue return per share climbed to 17.01p on the year, from 15.83p in 2023. Special dividends added £3.6m to our income (£4.4m in 2023), whilst the impact of the change in the value of sterling detracted £3.4m from our revenue over the year, compared with a £0.6m negative impact in 2023.

It is pleasing to report a rise in our revenue which exceeded inflation and, as our planned dividend payment of 15.6p for the full year is less than our annual revenue, we will modestly increase the level of our revenue reserves, which ended the year at £116.2m. Subject to the approval of shareholders of the final dividend at the forthcoming AGM, we will deliver our fifty fourth consecutive annual dividend increase for shareholders.

GEARING/BORROWINGS

Our gearing stood at 8.6% at the end of the year, below our starting year level of 9.9%. Gearing added 1.6% to our NAV total return on the year, whilst the effect of another rise in Government bond yields was to reduce the fair value of our debt, which added 0.6%.

At year end, our total borrowings were £578.9m in aggregate and we held £91.1m in cash. The blended average interest rate on our outstanding loans was 2.4%, which remains exceptionally low by historic standards. Over the long run, we expect the returns from the investments made from these borrowings to exceed the cost of our debt and therefore to be accretive to NAV returns.

CURRENT MARKET PERSPECTIVE

Despite extended valuations and a volatile background under the new US administration, global equity markets generally remain well supported by fundamentals. The US continues to demonstrate resilience in terms of both economic and earnings growth and, while inflation remains modestly above the target of the central bank, it does remain low enough to allow for further cuts in interest rates as the year progresses. Impending cuts in both federal spending and employment have added uncertainty to the economic outlook. A rapid fiscal withdrawal will impact on growth. Outside of the US, in developed economies, progress has been more muted but, in Europe, the prospect of a material loosening in fiscal policy, particularly in Germany, should boost growth prospects there.

While a combination of robust earnings growth alongside an easing in monetary policy presents a relatively positive backdrop for equity markets, President Trump has already signalled a willingness to use tariffs, and other means, to re-order existing local and global relationships. Higher tariffs and uncertainty over the regime for global trade may well hamper growth and raise inflation at the margin, with both corporates and consumers impacted negatively. Indeed, though still early in President Trump's second term, there are already signs that his approach may unnerve investors and weaken both consumer and business confidence.

While the policy of 'America First', and tariffs, may hinder its own growth prospects (while raising inflation), the US appears well positioned relative to other regions to deliver superior growth. Europe and emerging markets, especially China, however, face significant risks in coming quarters and much will depend on how much of the rhetoric translates into concrete and substantial action. We remain vigilant to these risks.

In addition to the threat of tariffs there are signs that government bond markets are reluctant to digest more issuance of debt to fund the spending plans of new political leaders. The UK Government has already felt the acute, albeit short term, pressure which can be exacted when the market determines that long term interest rates must rise to compensate for plans for increased issuance. In 2025, with major developed economies running large fiscal deficits, there remains a risk that the bond market will temper excessively expansionary policy, which may act as a brake on growth.

As well as challenges emanating from trade and geopolitics, the US equity market faces risks from current market leaders. With historically high valuations and record levels of market concentration, where a narrow group of stock market leaders constitute a high portion of overall market value, the perceived dominance of their respective market positions may well be tested in coming years. Already, with the announcement that a small Chinese technology company could produce impressive AI models at a fraction of the cost of the current leaders, there are fundamental questions over what this means for those companies that have deployed substantial sums in capital expenditure for equivalent results. If AI can be produced and deployed more cheaply on a large scale, this could not only pull forward productivity benefits but also redistribute prospective gains across and within the market. Recent developments can certainly be regarded positively, with a potential boost to productivity enhancing corporate earnings, though companies reliant on capital and infrastructure spending in the AI goldrush may well face further tests ahead.

While AI presents an opportunity for widespread benefits, which should be positive for equities, optimism over perceived 'winners' from this theme has pushed equity valuations towards elevated levels. It has also exacerbated the valuation gap between those which are directly exposed to this, and related technological themes, and those which are not. Our expectation is that returns within the equity market will likely continue to broaden, reflecting slowing (but still superior) earnings growth from current market leaders. Our investment portfolio continues to be diversified and we believe that a balanced approach remains appropriate for our shareholders.

Technological change is continuing to exert significant influence on both the winners and losers within the equity market but we remain resolutely positive on the long-term impact of technology in driving future productivity improvements, corporate earnings and equity returns. Opportunity, however, extends beyond the technology sector and beyond those companies who currently lead the market, in terms of scale and in terms of recent returns. We continue to focus on long-term opportunities, adopting a diversified approach, looking to identify high quality businesses which are attractively valued with the ability to deliver superior growth. Despite a volatile and rapidly changing market backdrop, our consistent approach has served shareholders very well over the long term.

Paul Niven
Fund Manager
14 March 2025

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'**)[(1)].

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 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. The case studies at the end of this section demonstrate some of the engagement that the Manager has undertaken on these themes during 2024.

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 final status report was issued. However, companies continue to utilise its climate reporting framework.

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. 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. Whilst obtaining consistent data and metrics from private equity managers is a challenge at present, our Manager believes that there are approaches that can be effective in identifying responsible investment risks and opportunities. The Manager regularly engages with the underlying private equity managers to understand their current ESG approaches and their plans to develop these in the future.

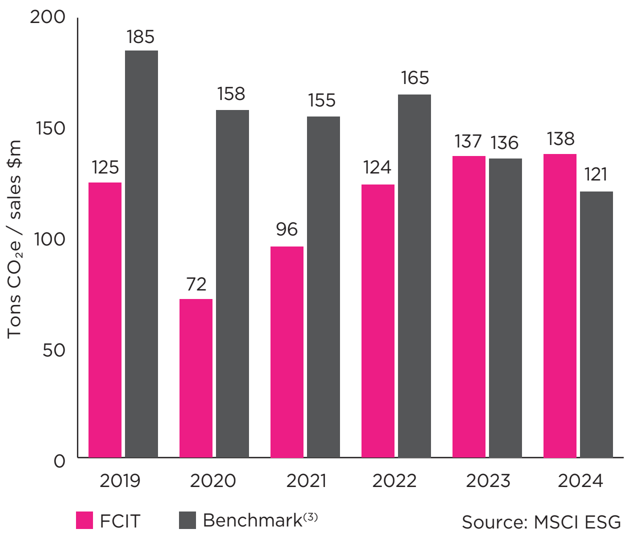
CLIMATE CHANGE AND OUR NET ZERO COMMITMENT

The Manager recognises the importance of managing climate-related risks and opportunities effectively to protect long-term investment returns. In June 2024, 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 2024, in accordance with the deadline for complying 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[1] (**'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[3] (Scope 1 +2) (tCO2e/$m revenue)[2]



The Company aims to have at least 70% of portfolio emissions in companies that are either aligned to a Net Zero pathway (i.e. the investee company meets expectations in all relevant categories) or under engagement. In 2024,

(1) See www.parisalignedinvestment.org for further details.
(2) 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.
(3) See Glossary of terms on page 116.

this figure was 78%, thus achieving this target. We hope to achieve portfolio carbon emissions reductions through the actions of our investee companies as they adopt emissions targets and transition plans. However, the Company may ultimately choose to divest from companies that are unresponsive and/or fail to meet its expectations.

PERFORMANCE IN 2024

As shown in the above chart, the carbon intensity of the portfolio is broadly unchanged from the previous year end. The single largest contributor to the portfolio's carbon intensity was US electric utility Vistra. Our Manager has engaged with Vistra since 2018, when it was at a very early stage in developing its overall sustainability strategy. Since then, it has made significant progress in developing its decarbonisation approach. In 2020 it announced a strategy to retire fossil fuel assets and grow its zero-carbon generation portfolio. The company now runs 7.8GW of zero-carbon generation in total. So far, this has resulted in a 50% fall in emissions from the firm's 2010 baseline year, showing good progress toward its 2030 target. With over 4.5GW of fossil fuel-fired power plants scheduled for retirement by 2027, we expect the company's emissions to fall further. Since the beginning of the new financial year, for investment reasons the Company has sold its holding in Vistra.

Our Manager has provided further information on how to interpret climate data[1] 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[2] for equities and corporate credit. Our methodology has three main components:

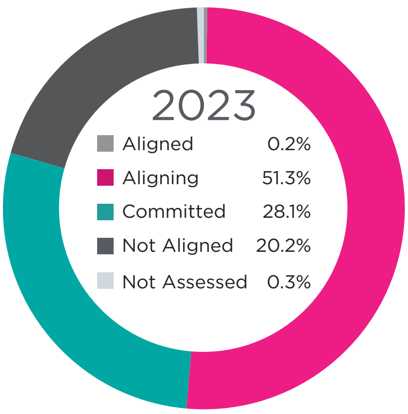
1. **Company level assessment.** Using a range of data sources, our Manager has created a framework to assess companies' performance on a number of criteria relating to their emissions management and strategy. This framework is used to assign an alignment rating:
    - Aligned – meets expectations in 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

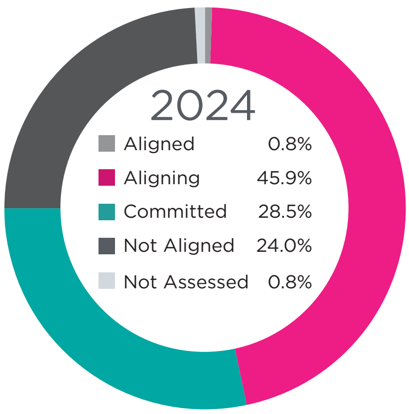
2. **Net Zero stewardship.** Consistent with client expectations, our Manager engages with issuers in companies and sectors where they believe climate risk may be financially material, with a focus on heavy greenhouse gas emitters and those with high exposure through their value chain and product mix.

3. **Portfolio-level financed emissions target setting.** As well as issuer-level analysis, our Manager also aims to compare portfolio-level financed emissions 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.

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

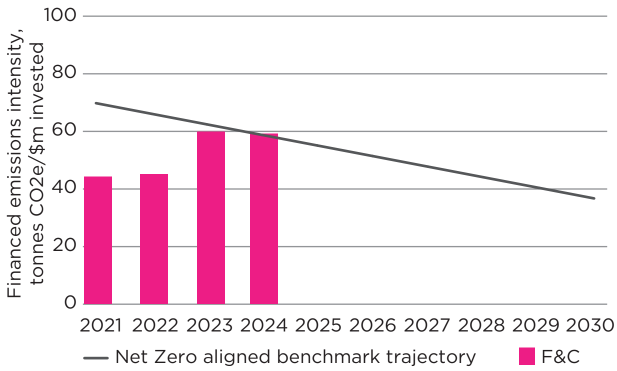
Company-level alignment status, as a % of total portfolio financed emissions[3]





(1) https://docs.columbiathreadneedle.com/documents/ESG Viewpoint_Challenges of realising zero-carbon cement.pdf?inline=true
(2) https://docs.columbiathreadneedle.com/documents/Net Zero Investing - Columbia Threadneedle Investments Approach.pdf?inline=true
(3) Sum of the GHG emissions of each portfolio company, weighted by the proportion of each company that the portfolio holds

Financed emissions intensity†



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 CO_2/$m invested.

Source: Columbia Threadneedle Investments & Refinitiv Eikon
† 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.

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 four financial years.

Our aim is, at a minimum, 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 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 (see below).

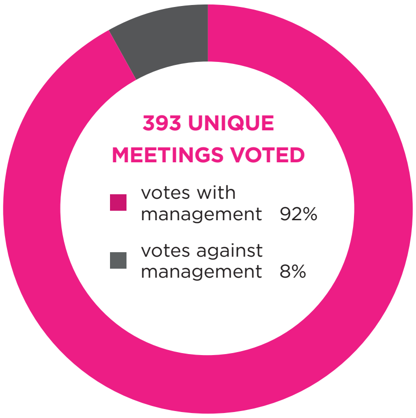
(1) See Glossary of Terms on page 116.

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 74% tracking some or all their portfolio, up from 62% in 2023. Of this total of 74%, 67% also report their emissions, compared with 58% in 2023, a marked improvement.

The number of GPs with a Net Zero target in place increased from 17% in 2023 to 23% in 2024, with a further 5% expected to implement a target in the next 12 months. One of our European mid-market private equity investors set a Net Zero target in line with the Net Zero Investment Framework to ensure 50% of its portfolio of investments has a Net Zero target by 2030 and 100% by 2050. Most of the GPs use the Science Based Targets Initiative (**'SBTi'**)(1), the Net Zero Asset Managers initiative (**'NZAM'**)(1) 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 2024, it voted against management on 8% of proposals. This compared to 13.2% in 2023 and 21% in 2022. There are several reasons for the decrease in the number of votes cast against management, including increased access to management and boards, where the Manager can have direct discussions on potential improvements that encourage alignment with its voting policy; a tightening of the regulatory environment that requires companies across sectors and markets to adhere to global best practice; and the annual update to its voting policy that takes into account new market trends, local market best practices and other factors.

The highest number of votes against management related to compensation and director elections. The Manager did not support 14% (2023: 24%) 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 overall quantum and grants through vehicles such as an annual bonus scheme or long-term incentive plan should be designed to promote sustainable, long-term shareholder value creation and reflect the executives' work and contribution to the company.

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.

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.

ENGAGEMENT

During 2024, the Manager engaged with 139 listed companies in the Company's portfolio 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 2024, the Manager's stewardship activities were further integrated with the firm's fundamental investment research process. This led to enhanced analysis on individual engagement activities and greater collaboration with fundamental research analysts and portfolio managers, resulting in more in-depth engagement dialogues on a more focused set of issues.

Corporate governance continued to be a key topic for engagement, accounting for 27% of issues raised with companies. Well-governed companies are better positioned to manage risks, identify opportunities and deliver sustainable growth and returns. Within this theme, remuneration, board effectiveness and board diversity were among the topics discussed.

Climate change was also a significant area of engagement within the portfolio during 2024. Our Manager continued to engage companies on their Net Zero strategy as well as energy transition. This included a discussion with Ryanair's sustainability team on the airline's climate strategy; speaking to Exxon Mobil to understand better its investments into low carbon solutions; and meeting with Shell to discuss its updated energy transition strategy.

An example of biodiversity-related engagement during 2024 (which is included within the environmental stewardship statistics shown below) included Smurfit Westrock's forestry assets and pulp mill in Colombia. The Manager aimed to assess the company's sustainable forestry practices and the environmental impact of its operations, amongst other things. Overall, the Manager was impressed by its practices and particularly pleased to see the improvements it has made on its management of operational impacts on biodiversity, which has been a focus of its engagement for the past two years.

With regard to the Company's priority theme of Social Media and Responsible AI, engagements were made during the year with various technology companies including Apple and Meta, which are included in the human rights engagement statistics shown below.

Climate Change	24%
Environmental Stewardship	12%
Business Conduct	4%
Human Rights	10%
Labour Standards	18%
Public Health	7%
Corporate Governance	25%

Climate Change	28%
Environmental Stewardship	15%
Business Conduct	5%
Human Rights	10%
Labour Standards	13%
Public Health	2%
Corporate Governance	27%

ENGAGEMENT CASE STUDIES provided by our Manager

AMAZON.COM INC
(2.1% OF THE COMPANY'S PORTFOLIO)
THEMES: CLIMATE CHANGE, HUMAN RIGHTS, ENVIRONMENTAL STEWARDSHIP, LABOUR STANDARDS
SUBTHEMES: ENERGY MANAGEMENT, WATER STEWARDSHIP, HUMAN CAPITAL MANAGEMENT

Background

Amazon is a leading online retailer and web service provider that offers a range of products and services to customers from electronic devices, media content and on-demand technology services. As a leading e-commerce and cloud computing company, Amazon faces various environmental and social risks across its operations and supply chain. We met with Amazon's ESG engagement specialists to discuss their views on the impact of potential trade policies, their human capital strategy, and their water and energy strategy for Amazon Web Services (**'AWS'**) data centres.

Action

Regarding potential import tariffs on Chinese goods in the US, Amazon believes that compliance would primarily lie with third-party sellers in their supply chain, potentially affecting supply chain resilience to some extent. On human capital management, Amazon has implemented several feedback channels and robotics to improve working conditions in fulfilment centres. However, we encouraged the company to identify and disclose metrics to assess the effectiveness of these measures, such as tracking and resolving material grievances. In relation to AWS data centres, Amazon considers siting decisions aligned with customer expectations and resource availability. On energy management, the company works on the principle of additionality. It offsets its energy usage by investing in renewable energy projects where it deems these to be most impactful and cost-effective, rather than adopting a 24/7 carbon-free energy matching approach. Amazon has also built a water risk dashboard based on assessments in order to prioritise regions for greater water saving and recycling intervention.

Verdict

We are encouraged by Amazon's long-term Net Zero and water-positive goals, as well as its efforts to improve working conditions and human capital management. However, we believe these commitments should be validated by interim, publicly disclosed targets in order to assess progress more effectively. Amazon's approach to energy and water management for AWS data centres is commendable. We intend to continue our engagements in order to drive further transparency and accountability on material ESG issues across the company's operations and supply chain.

COSTCO
(0.6% OF THE COMPANY'S PORTFOLIO)
THEMES: HUMAN RIGHTS, ENVIRONMENTAL STEWARDSHIP, CORPORATE GOVERNANCE
SUBTHEMES: CLIMATE CHANGE, DEFORESTATION, LABOUR STANDARDS, BOARD OVERSIGHT

Background
Costco is an American multinational corporation operating in over 800 locations. As a major retailer with a global supply chain it faces various environmental and social risks, including climate change, biodiversity loss via deforestation and labour rights issues. We engaged with the company to understand its strategies for mitigating these risks and ensuring responsible business practices.

Action
We spoke with Costco's investor relations directors about how the company manages social and environmental risks in its operations and supply chain. The discussion covered topics such as climate risk assessment, supply chain monitoring and board oversight of sustainability issues. Costco highlighted its comprehensive supply chain risk assessment and monitoring processes, which involve internal teams and third-party auditors taking a risk-based approach. The company is involved in initiatives addressing modern slavery in various industries and has implemented additional age verification measures following recent cases of child labour in the US market. Finally, we also discussed Costco's efforts to integrate sustainability aspects into purchasing practices, such as collecting greenhouse gas data from suppliers, addressing deforestation and human rights issues and improving traceability in commodity supply chains.

Verdict
Costco's sustainability program appears well-tailored to the risks it faces, with a holistic approach to managing environmental and social issues across its operations and supply chain. However, we encouraged the company to provide additional reporting on the relative investments and contribution of energy efficiency measures in its climate transition plan. While the board receives briefings from the sustainability director, we suggested exploring further ways to strengthen board oversight and exposure to sustainability issues. Overall, we believe that the company is responding well to risks but we would encourage further integration into purchasing practices and a focus on identifying nature-specific metrics.

ENGAGEMENT CASE STUDIES (CONTINUED)

provided by our Manager

SMURFIT WESTROCK PLC
(0.5% OF THE COMPANY'S PORTFOLIO)
THEMES: ENVIRONMENTAL STEWARDSHIP, CLIMATE CHANGE, HUMAN RIGHTS, BIODIVERSITY
SUBTHEMES: NATURAL RESOURCES; ENERGY TRANSITION; COMMUNITY RELATIONS

Background

Smurfit Westrock is an Irish-American supplier of paper-based packaging. The company is vertically integrated, spanning forestry assets (mainly in Colombia), mills and plants and is one of the largest paper and board producers in the world. We reviewed Smurfit Westrock's forestry assets and pulp mill in Colombia with the company's Chief Sustainability Officer. We aimed to assess its sustainable forestry practices, community engagement efforts and the environmental and social impacts of its operations.

Action

We reviewed Smurfit Westrock's forest research unit, forestry plantations, the Cali pulp plant and its scientific rigour and collaborations with universities in forestry research. The plantations are established on degraded cattle pastures; there is evidence of heavy soil erosion on similar cattle assets, indicating the positive impact of afforestation in controlling erosion. Additionally, we reviewed the new biomass boiler under construction at the Cali plant, which will replace coal. We encouraged the company to ensure that any third-party sourced biomass is certified. From a social perspective, working with local communities, two primary and secondary schools are funded by Smurfit Westrock in the local area. Alumni from these schools are often recruited into Smurfit Westrock roles, providing employment opportunities in impoverished regions of Colombia.

Verdict

We were impressed by Smurfit Westrock's sustainable forestry practices, community engagement efforts and the scope of the mill improvement in Cali. In particular, we were pleased with the improvements that Smurfit has made on its management of operational impacts on biodiversity, which has been a focus of our engagement for the past two years. The company has taken on board our recommendations and is appraising some of the environmental DNA[1] providers we suggested they assess. In future we will focus our engagement on ensuring that it sources sustainable feedstocks for the biomass boiler and continues to maintain productive relationships with local indigenous communities.

(1) Environmental DNA, or eDNA, is genetic material present in the environment, such as in water, soil, or air.

TWENTY LARGEST LISTED EQUITY HOLDINGS

1. NVIDIA (6)
US listed designer and manufacturer of graphic processing units.

4.03% TOTAL INVESTMENTS
£248.3M VALUE

2. MICROSOFT (1)
US listed technology company focused on software products and cloud computing. The company also designs and sells hardware devices.

2.73% TOTAL INVESTMENTS
£168.1M VALUE

3. APPLE (4)
US listed technology company predominantly involved in design, development and sale of consumer electronics and software worldwide.

2.66% TOTAL INVESTMENTS
£164.1M VALUE

4. ALPHABET (2)
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.

2.42% TOTAL INVESTMENTS
£149.0M VALUE

5. AMAZON.COM (5)
US listed e-commerce and cloud computing company. Largest listed internet retailer in the world based on market capitalisation.

2.12% TOTAL INVESTMENTS
£130.9M VALUE

6. META PLATFORMS (9)
US listed operator of social media sites and social networking services.

1.71% TOTAL INVESTMENTS
£105.4M VALUE

7. MASTERCARD (7)
US listed financial services company providing financial transaction procession services worldwide as well as offering credit and debit cards and internet payment systems.

1.56% TOTAL INVESTMENTS
£96.0M VALUE

8. TAIWAN SEMICONDUCTOR MANUFACTURING (TSMC) (11)
Taiwanese listed manufacturer and designer of semiconductors.

1.07% TOTAL INVESTMENTS
£66.0M VALUE

9. BROADCOM (3)
US designer and supplier of semiconductor and infrastructure software solutions.

0.99% TOTAL INVESTMENTS
£61.1M VALUE

10. BOOKING HOLDINGS (–)
US listed platform for travel and accommodation reservations, rental cars, airline tickets and vacation packages.

0.85% TOTAL INVESTMENTS
£52.1M VALUE

TWENTY LARGEST LISTED EQUITY HOLDINGS (CONTINUED)

11. AMERICAN TOWER (328)
US listed real estate investment trust. Owns, operates, and develops wireless communications and broadcast towers.

0.73% TOTAL INVESTMENTS
£45.3M VALUE

12. MARATHON PETROLEUM (31)
US listed downstream energy company that refines, supplies, markets, and transports petroleum products.

0.71% TOTAL INVESTMENTS
£43.8M VALUE

13. SALESFORCE (79)
US listed software company. Develops customer relationship management software and applications, serving customers worldwide.

0.69% TOTAL INVESTMENTS
£42.4M VALUE

14. MORGAN STANLEY (15)
US listed bank providing diversified financial services spanning investment banking, wealth management and investment management.

0.68% TOTAL INVESTMENTS
£41.7M VALUE

15. CRH (29)
US and UK listed international group of diversified building materials businesses. Manufactures and supplies a range of products for the construction industry.

0.67% TOTAL INVESTMENTS
£41.5M VALUE

16. BANK OF AMERICA (118)
US listed multinational investment bank and financial services holding company. One of the world's largest financial institutions.

0.67% TOTAL INVESTMENTS
£41.4M VALUE

17. TESLA (53)
US listed automative and clean energy company. Designs and manufactures electric vehicles, battery energy storage, solar panels, and solar roof tiles.

0.67% TOTAL INVESTMENTS
£41.3M VALUE

18. NETFLIX (47)
US listed subscription streaming service and product company that delivers content to customers worldwide.

0.64% TOTAL INVESTMENTS
£39.6M VALUE

19. COSTCO (255)
US listed operator of warehouse club retail stores. The world's third largest listed retailer.

0.63% TOTAL INVESTMENTS
£38.7M VALUE

20. KEYENCE (30)
Japanese listed company that develops, manufactures, and sells measuring instruments for factory automation.

0.62% TOTAL INVESTMENTS
£38.4M VALUE

The value of the twenty largest listed equity holdings represents 26.85% (2023: 21.41%) 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 2024 (2023: nil). There were no fixed interest gilts included in the investments as at 31 December 2024 (2023: £80m).
These are the largest listed equity holdings excluding collective investment schemes. If the whole portfolio was considered then PE Investment Holdings 2018 LP (£247.1m), Pantheon Access SICAV (£156.5m) and Inflexion Strategic Partners (£77.1m) 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.

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Total assets less current liabilities (excl loans)	2,838	3,001	3,461	3,960	3,817	4,545	4,919	5,831	5,232	5,615	**6,258**
Loans and debentures	261	299	248	292	325	436	407	550	582	581	**579**
Available for ordinary shares	2,577	2,702	3,213	3,668	3,492	4,109	4,512	5,281	4,650	5,034	**5,679**
Number of ordinary shares (million)[1]	562	559	547	542	542	543	537	527	518	510	**483**

Net Asset Value (NAV) at 31 December											
pence	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
NAV per share – with debt at par[4]	458.4	483.4	587.9	676.5	643.9	757.3	840.7	1002.5	896.9	987.6	**1,176.8**
NAV per share – with debt at market value[4]	458.4	483.4	587.2	675.8	642.9	753.9	831.8	998.7	932.1	1,022.1	**1,219.6**
NAV total return % – 5 years[2]											**74.1**
NAV total return % – 10 years[2]											**212.0**

Share price at 31 December											
pence	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Middle market price per share	421.2	449.2	544.0	647.0	633.0	765.0	787.0	926.0	904.0	962.0	**1,108.0**
(Discount)/premium to NAV with debt at market value %[4]	(8.1)	(7.0)	(7.4)	(4.3)	(1.5)	1.5	(5.4)	(7.3)	(3.0)	(5.9)	**(9.2)**
Share price High	425.9	465.0	544.0	649.0	741.0	778.0	807.0	941.0	946.0	992.0	**1,144.0**
Share price Low	363.0	401.6	391.2	542.0	612.0	636.0	478.0	750.0	770.0	830.0	**931.0**
Share price total return % – 5 years[2]											**56.5**
Share price total return % – 10 years[2]											**212.2**

TEN YEAR RECORD (UNAUDITED) (CONTINUED)

Revenue for the year ended 31 December	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Available for ordinary shareholders – £'000s(3)	37,857	47,262	58,393	63,486	69,438	70,937	52,480	58,500	72,595	81,660	**84,557**
Net revenue return per share – pence	6.69	8.42	10.57	11.67	12.81	13.06	9.71	10.99	13.92	15.83	**17.01**
Dividends per share – pence	9.30	9.60	9.85	10.40	11.00	11.60	12.10	12.80	13.50	14.70	**15.60**

Cost of running the Company %	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Expressed as a percentage of average net assets:											
Total Expense Ratio(4)	0.53	0.53	0.53	0.52	0.56	0.53	0.51	0.47	0.48	0.45	**0.43**
Ongoing Charges(4)	0.87	0.80	0.79	0.79	0.65	0.63	0.59	0.54	0.54	0.49	**0.45**

Gearing(4) at 31 December %	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Net gearing	8.9	8.6	6.9	7.2	6.6	9.9	8.0	9.4	7.3	9.9	**8.6**

(1) Shares entitled to dividends.
(2) Source: Morningstar UK Limited.
(3) Management fees and finance costs allocated 25% to revenue account from 2015 onwards (previously 50%).
(4) See Alternative Performance Measures on page 113 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'** 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 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 54 to 56.

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, including the Covid-19 pandemic.

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 continues to perform well in the 2024 UNPRI assessment and compared to peers for key areas of its responsible investment approach and active ownership in listed equities. 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 18.

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[(1)], 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. This evaluation is an essential element of strong governance and mitigation of risk, as outlined under the Principal and Emerging Risks identified on page 41. 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 57. 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 39 and 40. On pages 42 to 45 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 116.

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 17. 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 45 to 46 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 portfolio management teams, who are responsible and accountable to him and ultimately to the Board for their investment performance.

MARKETING

Reflecting changes in the market in more 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, as shown in the Key Performance Indicators on page 40. 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 through 2025.

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. 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.

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 17 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 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 at each Board meeting.

The Company has issued various unsecured, fixed rate senior notes (the **'Notes'**). The Company also has a perpetual debenture stock. At present it does not have any revolving credit facilities. Further information is given in notes 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 income stream 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 7.5% on 2023 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 41. 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. We have sufficient liquid resources to fund envisaged levels of dividend payment. Information on the dividend for 2024 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 and, by way of this policy statement, we confirm that there is not and will not be any discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or disabilities.

The overriding aim of the policy is to ensure that the Board is composed of the best combination of people 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 by the end of 2025. As at 31 December 2024, 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 2024(1)

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

(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 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 2024(1)

	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(2)
Mixed/Multiple Ethnic Groups	1(3)	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 through questionnaires completed by 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 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 31 and 32. 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 2024 approximately 10% of its engagement issues across the companies in which the Manager invests for its clients was focused on human rights and 13% 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.

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 Act (Transparency and Enforcement) 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 2024 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 STAKEHOLDER AND SHAREHOLDER ENGAGEMENT

Stakeholders	Engagement and Outcomes in 2024
The Manager	
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.	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 18 to 26. 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. With Columbia Threadneedle we are well placed to encourage awareness and dialogue on responsible investment issues amongst the wider community. As in 2018, 2020 and 2022, the Company sponsored an event, "F&C Live", in London in June 2024. Last year, the theme was "Smart choices: Navigating an Age of Social Change". A recording of the event and interviews with the speakers are available on the Company's website at fandc.com.
Lenders	
Our lenders are key stakeholders as we use borrowings to enhance returns to shareholders over the longer-term.	We keep our lenders informed through monthly covenant compliance reporting. The Company has total borrowings of £579m, 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.
Child Trust Fund, Junior ISA and other young investors	
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.	Now that many Child Trust Fund accounts have reached maturity, our focus is 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. Our financial education programme continues. The programme is designed to help people understand better the opportunities and significance of not just of saving, but how their savings can work much harder through investment over the long-term.

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 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 holders 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 and 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 pages 118 and 119, 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 performance 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 run, 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. 2024 marks the fifty-fourth consecutive increased annual dividend and the one hundred and fifty-seventh 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(1) and the Company's Ongoing Charges ratio has shown a downward trend in recent years. In 2024 it was 0.45% and remains highly competitive within the investment trust sector. Our Ten Year Record on page 29 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 continued on an upward trend in 2024.

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 18 to 26.

(1) See Alternative Performance Measures on page 113 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.

Performance: Total returns to 31 December 2024 (Cumulative)	1 Year %	3 Years %	5 Years %	10 Years %	We aim to secure long-term growth in capital and income
Share price[1]	16.9	25.3	56.5	212.2	This compares the Company's share price and NAV total return against those produced by the constituents of the benchmark and our peer group, and against inflation.
NAV (with debt at market value)[1]	21.0	27.4	74.1	212.0	
Benchmark[2]	19.3	26.7	70.2	200.2	
AIC Global Sector Median share price (investment companies)[3]	14.7	(1.9)	47.0	201.3	
AIC Global Sector Median NAV (investment companies)[3]	11.3	6.8	58.2	192.9	
IA Global Sector Median (open-ended funds)[3]	13.1	13.1	50.3	151.9	
Consumer Price Index	2.5	17.8	24.9	35.4	

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

Dividend: Dividend Growth[1] per annum to 31 December 2024 (Annualised)	1 Year %	3 Years %	5 Years %	10 Years %	We aim to deliver a rising dividend stream in real terms over the longer-term
Dividend	6.1	6.8	6.1	5.3	This shows the Company's compound annual dividend growth rate and compares it to the Consumer Price Index.
Consumer Price Index	2.5	5.6	4.5	3.1	

Source: Columbia Threadneedle Investments and Refinitiv Eikon

(Discount)/premium: Share price (discount)/premium to NAV	2020 %	2021 %	2022 %	2023 %	2024 %	We aspire to seeing the Company's shares trading at or close to NAV per share
(Discount) at 31 December[1]	(5.4)	(7.3)	(3.0)	(5.9)	(9.2)	This is the difference between the share price and the NAV per share. 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	(6.1)	(7.2)	(7.5)	(6.6)	(9.2)	

Source: Columbia Threadneedle Investments

Efficiency: Costs Year to 31 December:	2020 %	2021 %	2022 %	2023 %	2024 %	Our policy is to control the costs of running the Company
Ongoing charges[1]	0.59	0.54	0.54	0.49	0.45	This data measures the running costs as a percentage of the average net assets in the year.

Source: Columbia Threadneedle Investments

Marketing: Platforms As at 31 December:	2020 %	2021 %	2022 %	2023 %	2024 %	We promote access to F&C's shares through all available distribution channels with the aspiration of being on as many platforms as possible.
Platforms	64.9	65.5	67.1	67.5	69.1	This shows how the percentage of shares held through platforms, including the Columbia Threadneedle Investment Savings Plans, has been increasing.
Other individuals, advisers and institutions	35.1	34.5	32.9	32.5	30.9	

Source: Columbia Threadneedle Investments

(1) See Alternative Performance Measures on page 113 for explanation.
(2) See Glossary of terms on page 116 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 carried out a thorough review of the risks that could impact the sustainable success of the Company. The purpose of the exercise was to reassess the principal and emerging risks and identify any new, emerging risks and to take any necessary action to mitigate their potential impact. The Risk Control Assessment was then revised in line with the conclusions that were reached. As a result of this review, some risks have been reclassified as Principal Risks and two new Emerging Risks have been identified.

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.

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.

PRINCIPAL RISKS

Risk Description	Risk Mitigation/Controls	Status
Unsatisfactory Investment Performance		
Sub-optimal implementation of the investment strategy, for example poor asset allocation, sector and stock selection, concentration risk, excessive diversification, inadequate inhouse private equity capability, currency exposure and use of gearing and derivatives may give rise to under-performance against the Company's benchmark index and companies within its peer group. It may also impact the Company's dividend paying capacity.	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. 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.	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. Consequently, the Board considers that this risk has reduced.
Geopolitical Actions		
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. 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.	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. The Manager has systems, staff and controls in place to enable ongoing monitoring of, and quick reaction to, financial crises. 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.	The Board considers that this risk has increased.

Risk Description	Risk Mitigation/Controls	Status
Service Delivery Failure		
Service providers are unable to provide expected services. Delivery failure may be due to various factors including systems failure, data breach, material error and fraud. 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, for example the Custodian, Registrar and Depositary.	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. 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. The Company's Depositary is liable in the event of a loss of assets. The performance of the Manager and the third party service providers are evaluated formally by the Management Engagement Committee on an annual basis.	The Board considers that this risk is unchanged.
Discount		
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.	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. 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.	Despite a significant increase in the volume of shares bought back during the year, the discount widened. Therefore, the Board considers that this risk has increased.

Risk Description	Risk Mitigation/Controls	Status
Cybercrime		
Disruption to the Manager's systems as a result of cybercrime 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 Company or client assets.	The Audit Committee receives an annual update from the Manager's Chief Information Security Officer and the organisation is ensuring that it is compliant with the Digital Operational Resilience Act (**'DORA'**)[(1)], 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.	Whilst the risk of loss remains high, Board and management vigilance also remains heightened and therefore this risk is categorised as unchanged.
Loss of Key Person		
A key individual or team could depart from the Manager causing disruption to the management of the Company's assets and under-performance. The person posing 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.	The Board meets with members of the wider Columbia Threadneedle investment 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. 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.	The Board meets with members of the Manager's team frequently and therefore considers that this risk has reduced.
Failure to Transition to Net Zero		
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.	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.	Increased geopolitical uncertainty and policy changes in the near term may lead to increases in carbon intensity globally. Therefore, the Board considers that this risk has increased.

(1) See Glossary of terms on page 116.

EMERGING RISKS

Risk Description	Risk Mitigation/Controls
Disruptive Technology	
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.	The Company's Fund Manager is supported by a team of experienced investment professionals who provide research, supplemented by third party firms. 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.
Responsible Investment Disclosure	
Rapidly evolving and increasing ESG regulations present the dual risks of the failure to comply with ESG disclosure requirements and that inaccurate tracking and collection of data in a relatively immature field will result in inaccurate reporting to stakeholders.	The Manager's Responsible Investment team specialises in ESG matters and is supported by its Legal team and the Company Secretary. Advice is also received from external legal advisers, the AIC and the Company's auditors on changes to legislation and their impact on the Company's reporting requirements. The disclosures within the Company's annual report are reviewed by the Auditor and require Board approval.

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 Directors carried out scenario testing in order to consider the Company's long-term viability over a period of ten years to 31 December 2034. The tests commenced with a base case scenario that covered a range of assumptions that they considered 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 Directors was based on what they 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 2025; followed by a 20% index fall in 2026 impacting equities, 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 2025. 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 £2.6 billion by 31 December 2034. 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 £11.0 billion at 31 December 2034. 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 £20.6 billion by 31 December 2034.

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.

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 2034.

On behalf of the Board
Beatrice Hollond
Chairman
14 March 2025

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, 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 set a target to transition our portfolio to net zero carbon emissions by 2050.

BOARD OF DIRECTORS

BEATRICE HOLLOND[2]
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: Beatrice is a member of the board of Brown Advisory in the United States and chairs its international advisory board. She is also a non-executive director at Telecom Plus PLC, where she is Senior Independent Director.

ANURADHA CHUGH[1]
Appointed to the Board on 1 July 2023.
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.

EDWARD KNAPP[1]
Appointed to the Board on 25 July 2016.
Experience and skills: Edward brings a combination of investment, operational and general management experience worldwide, with expertise in the digital transformation of large-scale organisations, portfolio management, risk, strategy and technology. Edward was previously Chief Operating Officer and Global Head of Business Management within the Technology function at HSBC and prior to that he was a global Chief Operating Officer at Barclays Bank. Until 2012 he was at McKinsey & Company, providing board and advisory services to clients worldwide, focusing on growth strategy, technology, risk and transformation, including across asset management, banking and technology organisations. He is a former Senior Advisor to Revolut Limited, the global Financial Technology company.
Other public company appointments: Edward is Chairman of Gateley plc and a non-executive director and Chairman of the Board Audit and Risk Committee of Ten Group PLC.

RAIN NEWTON-SMITH[2]
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[1][2]
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
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[1]
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. He is Investment Director and a member of the multi asset investment committee at Ruffer LLP, where he helps direct its investment strategy. He joined Ruffer in 2003 and has 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[1][2]
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
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 2024. The Business Review, Corporate Governance statement, 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 10.80 pence per share, together with the final dividend of 4.80 pence per share which, subject to approval at the forthcoming Annual General Meeting (**'AGM'**) (**Resolution 3**), will be paid on 7 May 2025 to shareholders registered on 11 April 2025, will bring the total dividend for the year to 15.60 pence per share. This represents an increase of 6.1% over the comparable 14.70 pence per share paid in respect of the previous year.

ACCOUNTING

The Financial Statements, starting on page 78, 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 70. 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.

REAPPOINTMENT OF AUDITOR

EY have indicated their willingness to continue in office as auditor to the Company and resolutions proposing its reappointment and authorising the Audit Committee to determine its remuneration for the ensuing year will be put to shareholders at the AGM (**Resolutions 12 and 13**). Further information in relation to their reappointment can be found on page 63.

CAPITAL STRUCTURE

As at 31 December 2024 there were 561,819,016 ordinary shares of 25 pence each (**'ordinary shares'**) in issue, of which 79,286,468 were held in treasury. The total number of voting rights in the Company as at 11 March 2025 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 Company may only adopt new Articles of Association by special resolution passed by shareholders at a general meeting.

REPURCHASE AND ISSUE OF SHARES

At the annual general meeting held on 2 May 2024, 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 27,260,506 ordinary shares were repurchased during the year, all of which were placed in treasury. The shares repurchased represented 5.3% of the shares in issue (calculated exclusive of any shares held in treasury) as at 31 December 2023. The repurchases were made at prices ranging between 931.0 pence and 1,137.0 pence per share and the aggregate consideration paid for the shares, including stamp duty and commissions, was £280.1m. A total of 514,047 ordinary shares have been repurchased into treasury between 31 December 2024 and 11 March 2025.

NOTIFIABLE INTERESTS IN THE COMPANY'S VOTING RIGHTS

As at 31 December 2024 and since that date no notifications of significant voting rights have been received under the DTRs.

PROPORTIONAL VOTING

Approximately 43% 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 511,000 shares that any one individual investor can vote, being approximately 5% of the minimum threshold, also applies. Any shares voted by an investor in excess of the maximum limit remain valid, but do not form part of the proportional voting basis. Planholders have the right to exclude their shares from the proportional voting arrangement.

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 47 and 48. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are also set out there. Tom Joy stood down from the Board on 31 March 2024. With the exception of Richard Robinson, who was appointed on 3 May 2024, 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 4 to 11**). Edward Knapp will have served as a Director for nine years in July this year. He will seek re-election at the AGM but will step down from the Board in the second half of 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.

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 authorisation and review 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 in January 2025. 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 57.

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 30 April 2025 at 12.00 noon. The Notice of Meeting is set out on pages 104 to 108 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. The Fund Manager's presentation will be available to view on the Company's website at 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. 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 after the meeting.

AUTHORITY TO ALLOT SHARES AND SELL SHARES FROM TREASURY (RESOLUTIONS 14 AND 15)

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 14 gives the Directors the necessary authority to allot securities up to an aggregate nominal amount of £12,050,463 (48,201,852 ordinary shares), 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 2025, being the latest practicable date before the publication of the notice of the AGM.

Resolution 15 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 £12,050,463 (representing approximately 10% of the issued ordinary share capital of the Company at 11 March 2025, 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 the policies set out on page 34 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.

AUTHORITY FOR THE COMPANY TO REPURCHASE ITS OWN SHARES (RESOLUTION 16)

At the annual general meeting held in 2024 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 2024 was 55,578,952 shares or 11.5% of the issued share capital, exclusive of the number of shares held in treasury. **Resolution 16** will authorise the renewal of such authority, enabling the Company to repurchase in the market up to a maximum of 72,254,573 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.

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 15, 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 28 April 2025.

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 23 April 2025, 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
14 March 2025

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 2019 (the **'AIC Code'**), which addresses the principles and provisions set out in the UK Corporate Governance Code (the **'UK Code'**) published in 2018, as they apply to investment trust companies. For the 2025 financial year the 2024 versions of both codes will apply. 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, 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 61.

Copies of the AIC Code and UK Code and can be found on the following websites: theaic.co.uk and frc.org.uk.

GOVERNANCE OVERVIEW

The Board has established an Audit Committee, Management Engagement Committee and Nomination 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 65 to 68 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 37 and in the Report of the Audit Committee in respect of risk management and internal control on pages 60 to 61. 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 31 and 32.

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.

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. 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 2024.

COMPOSITION OF BOARD COMMITTEES

Committee membership is noted in each Director's biography on pages 47 and 48, while the respective terms of reference can be found on the Company's website at fandc.com.

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.

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.

DIVERSITY

The Board's policy on diversity is set out on page 35.

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 Richard Robinson in May 2024 to succeed Tom Joy, who stepped down from the Board on 31 March 2024 due to other commitments. A wide range of candidates with diverse backgrounds, skills and experience were considered. Nurole Limited does not provide any other services to the Company and has no other connection with the Company or individual Directors.

The process to recruit a successor to Edward Knapp, who will retire from the Board in the second half of this year, will commence shortly.

BOARD EVALUATION AND EFFECTIVENESS

As part of the three year cycle, the 2024 annual evaluation of the Board, its committees and the individual Directors was carried out internally. The process included the completion by each Director of a questionnaire, which was followed by a confidential, unattributable one-to-one interview with the Chairman. Progress in achieving the priorities agreed for 2024 was reviewed as part of the process, as was feedback on maintaining the culture and values of the Board. The appraisal of the Chairman was covered as part of the process and, as noted above, was led separately by the Senior Independent Director. The evaluation concluded that the Board oversees the management of the Company effectively and continues to have the skills and expertise necessary to safeguard stakeholders' interests. All Directors demonstrate commitment to their roles and, drawing on diverse but complementary skills and experience, provide constructive challenge to the Fund Manager. All Directors provide valuable contributions to the deliberations of the Board commensurate with their experience and responsibilities, so contributing to the Company's long-term success.

The activities of the Nomination, Management Engagement and Audit Committees were considered as part of the Board evaluation process. The conclusion from this process was that the Committees continued to operate effectively, with an appropriate balance of membership, experience and skills.

BOARD AND COMMITTEE MEETINGS

The table below sets out the Directors' meeting attendance record in 2024. The Board also held a separate meeting in September 2024 to consider strategic issues. In addition to its scheduled annual meeting, the Nomination Committee met on several other occasions as part of the process to recruit a new Director.

Directors' attendance in 2024

	Board	Audit Committee	Nomination Committee	Management Engagement Committee
No. of meetings	**6**	**3**	**1**	**1**
Beatrice Hollond(1)	6	3	1	1
Anuradha Chugh	6	3	n/a	1
Tom Joy(2)	2	n/a	1	1
Edward Knapp	6	3	n/a	1
Rain Newton-Smith(3)	5	n/a	1	1
Quintin Price	6	3	1	1
Richard Robinson(1,4)	3	1	n/a	n/a
Stephen Russell	6	3	n/a	1
Julie Tankard	6	3	1	1

(1) Attended but was not a member of the Audit Committee.
(2) Stepped down from the Board on 31 March 2024.
(3) Unable to attend one Board meeting due to another commitment.
(4) Appointed to the Board on 3 May 2024.

AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL

The Board has a well established and effective Audit Committee, whose report is set out on pages 59 to 64. 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 61, while further information on the Company's risk management and internal control framework can be found on pages 60 to 61.

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.

RELATIONS WITH SHAREHOLDERS AND STAKEHOLDERS

Information on the Company's engagement with its key stakeholders is set out on pages 37 and 38.

DIRECTORS' REMUNERATION AND THE MANAGEMENT FEE

The Directors' remuneration policy is explained on page 65. 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
14 March 2025

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 2024 and 2025 to date.

MANAGER EVALUATION PROCESS

The Committee met once during the year and again in January 2025 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 17.

MANAGER REAPPOINTMENT

The annual evaluation that took place in January 2025 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, the Company's net asset value total return has outperformed the benchmark index over one, three, five and ten years to 31 December 2024, 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.

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 has been revised with effect from 1 January 2025 and it is now 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 £6bn. A new tier has been introduced, with a fee of 0.2% on the market value above £6bn applying. From 1 January 2026 the level at which the 0.25% fee will apply will fall further, to £3bn. 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.

In the year under review, the total management fee paid was £14.8m, an increase from the total fee of £13.6m paid in 2023. 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 for which it incurs fees. The Company reimburses the Manager for these fees, which in 2024 amounted to £3.7m (2023: £3.0m) (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 2024 (2023: £1.9m) (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.

USE OF THE "F&C" NAME

The Company was previously named Foreign & Colonial Investment Trust PLC and continues to own the name "Foreign & Colonial" while the Manager owns the name "F&C". The terms under which the Company can use the "F&C" name are set out in a separate trade mark licence agreement with the Manager dated 1 March 2018. The licence agreement is royalty free subject to there being no material change to the Company's management arrangements with the Manager within the next 8 years.

Beatrice Hollond
Chairman, Management Engagement Committee
14 March 2025

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, Risk Managers and the Fund Manager in attendance. EY 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 undertaken by the Manager;
- The principal and emerging risks faced by the Company and the effectiveness of the Company's system of risk management and internal control environment;
- 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;
- 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 Depositary, 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 69. 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 directors and 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 2024 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

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 47 and 48. Richard Robinson has attended a Committee meeting and will join the Committee with effect from 1 July 2025, replacing Edward Knapp who will retire from the Board in the second half of 2025. The Committee's terms of reference can be found on the Company's website at 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 has a robust process for considering 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 41 to 45, 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 45 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 1 October 2024 and subsequent confirmation from the Manager that there had been no material changes to the control environment in the period to 11 March 2025. 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 1 October 2024, 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 their 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 Depositary, Barrow, Hanley, Mewhinney & Strauss, JPMorgan Asset Management, 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 2025 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 2024. The table on page 62 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 113 to 115 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 2023 (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 2025 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.

Significant Judgements and Issues considered by the Committee	
Matter	**Action**
Investment Portfolio Valuation	
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 2023 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 valuing the direct private equity valuations, including the revaluation of Inflexion Strategic Partners, was reviewed and agreed by the Committee.
Misappropriation of Assets	
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 Depositary reported quarterly on the safe custody of the Company's investments and the operation of controls over the movement of cash in settlement of investment transactions. Through these reports the Committee is satisfied that the assets remained protected throughout the year.
Income Recognition	
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 70 to 77.

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 2026 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[1]. The results of the test illustrated that there would need to be a 65% 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 2024. See also note 24 to the Accounts.

AUDITOR ASSESSMENT, INDEPENDENCE AND APPOINTMENT

The Committee reviews the reappointment of the auditor every year and has been satisfied with the effectiveness of EY's performance. 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 fourth 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. From direct observation and indirect enquiry of management, the Committee is satisfied that EY will continue to provide effective independent challenge in carrying out their responsibilities.

The Committee also considered the evaluation of EY's audit performance through the Audit Quality Inspection Report for 2023/24 published by the Financial Reporting Council (the 'FRC'). Of EY's audits that were reviewed by the FRC, 76% were graded as requiring no more than limited improvements, a similar level to the prior year. The Committee discussed the findings with EY's audit partner, who confirmed that EY would continue to strive for improvements.

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 significant increases in the audit fee in recent years. The audit fee for 2024, excluding VAT, was £156,000 (2023: £151,400). 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. In view of the substantial increases in the fee over recent years and the potential for further increases in future years, the Committee continues to monitor developments and take market soundings on audit quality and fees as appropriate.

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 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 2024 (2023: nil).

AUDIT TENDER

The Company is required to carry out a tender every ten years with the next 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 has agreed to carry out the tender this year and the process will commence shortly.

REGULATION

The Board, through the Audit 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 UK Corporate Governance Code that was published in January 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 providing a declaration concerning the effectiveness of material internal controls. The new declaration will be required in respect of financial years commencing on or after 1 January 2026 and the Board has commenced work to ensure that it is in a position to make the declaration.

Julie Tankard
Chairman, Audit Committee
14 March 2025

(1) See Glossary of Terms on page 116 for an explanation of adjusted portfolio value.

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 it is expected that shareholders will be asked to approve the Directors' remuneration policy at the AGM to be held in 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 Chairman and, in the case of the Chairman's fee, from the Senior Independent Director. The fees are fixed and are payable in cash, quarterly in arrears. Directors are not eligible for bonuses, pension benefits, share options or long-term incentive schemes. The Board considers the level of Directors' fees annually. In January 2025, the Board agreed the recommendation of the Nomination Committee that, commencing 1 January 2025, all fees should be increased by 3% to the levels shown in the table opposite.

Annual fees for Board Responsibilities

	Fees for services to the Company	
	2025 £	**2024 £**
Board		
Chairman	89,200	86,600
Senior Independent Director	52,040	50,520
Director	44,600	43,300
Additional fees payable for committee membership:		
Audit Committee		
Chairman	16,010	15,545
Members	6,290	6,105
Nomination Committee		
Chairman	3,715	3,605
Members	3,715	3,605

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 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 47 and 48.

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	2024	2023 or as at date of appointment if later
Beatrice Hollond	9,247	8,020
Anuradha Chugh	2,084	–
Edward Knapp	8,909	8,753
Rain Newton-Smith	1,013	165
Quintin Price	15,335	12,461
Richard Robinson(1)	5,201	5,201
Stephen Russell	28,360	3,360
Julie Tankard	2,242	332

(1) Appointed to the Board on 3 May 2024.

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

Since the year end, and up to 11 March 2025 (being the latest practicable date before the publication of the Annual Report and Accounts), the following Directors have acquired ordinary shares in the Company: Beatrice Hollond 275; Edward Knapp 38; Quintin Price 430 and Julie Tankard 6. 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 2025 the Fund Manager held 213,482 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 2**). At the 2024 AGM, shareholders approved the Remuneration Report in respect of the year ended 31 December 2023: of the total votes cast, 91.7% were cast in favour of the resolution, with 8.3% against. Of the total proxy votes received, 3.0% 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 2024 was £447,800 (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

	Fees £'000s		Taxable Benefits[1] £'000s		Total £'000s	
Director	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Anuradha Chugh[2]	48.9	20.4	2.4	0.6	51.3	21.0
Francesca Ecsery[3]	n/a	14.3	n/a	0.1	n/a	14.4
Beatrice Hollond[4]	90.2	85.1	0.7	0.4	90.9	85.5
Tom Joy[5]	11.7	44.3	0.4	0.4	12.1	44.7
Edward Knapp	49.4	46.6	0.7	0.4	50.1	47.0
Rain Newton-Smith	46.9	44.3	0.6	0.4	47.5	44.7
Quintin Price[6]	60.2	53.4	0.3	0.4	60.5	53.8
Richard Robinson[7]	28.6	n/a	0.4	n/a	29.0	n/a
Stephen Russell	49.4	46.6	0.6	0.3	50.0	46.9
Julie Tankard	62.5	55.5	0.8	0.4	63.3	55.9
Total	**447.8**	**410.5**	**6.9**	**3.4**	**454.7**	**413.9**

(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 July 2023. Appointed to the Audit Committee on 1 February 2024.
(3) Retired from the Board immediately following the AGM on 27 April 2023.
(4) Highest paid Director.
(5) Retired from the Board on 31 March 2024.
(6) Appointed to the Nomination Committee on 1 January 2024.
(7) Appointed to the Board on 3 May 2024.

The following table sets out the annual percentage change in Directors' fees for the years to 31 December 2021, 2022, 2023 and 2024 (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 2023 to 2024	% change from 2022 to 2023	% change from 2021 to 2022	% change from 2020 to 2021
Sarah Arkle[1]	n/a	n/a	n/a	0.0
Anuradha Chugh[2]	n/a	n/a	n/a	n/a
Francesca Ecsery[3]	n/a	n/a	4.4	0.0
Jeffrey Hewitt[4]	n/a	n/a	n/a	0.0
Beatrice Hollond	6.0	4.7	4.2	0.0
Tom Joy[5]	n/a	4.7	5.8	n/a
Edward Knapp	6.0	4.7	4.0	0.0
Rain Newton-Smith[6]	5.9	7.0	n/a	n/a
Quintin Price[7]	12.7	4.7	9.2	n/a
Richard Robinson [8]	n/a	n/a	n/a	n/a
Stephen Russell[9]	6.0	n/a	n/a	n/a
Julie Tankard[10]	12.6	n/a	n/a	n/a

(1) Retired from the Board on 31 January 2022.
(2) Appointed to the Board on 1 July 2023.
(3) Retired from the Board immediately following the AGM on 27 April 2023.
(4) Retired from the Board immediately following the AGM on 3 May 2022.
(5) Retired from the Board on 31 March 2024.
(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.
(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.

The following table shows the total remuneration, excluding taxable benefits, for the Chairman over the five years ended 31 December 2024:

Remuneration for the Chairman over the five years ended 31 December 2024	
Year ended 31 December	**Fees £'000s**
2024	90
2023	85
2022	81
2021	78
2020	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.

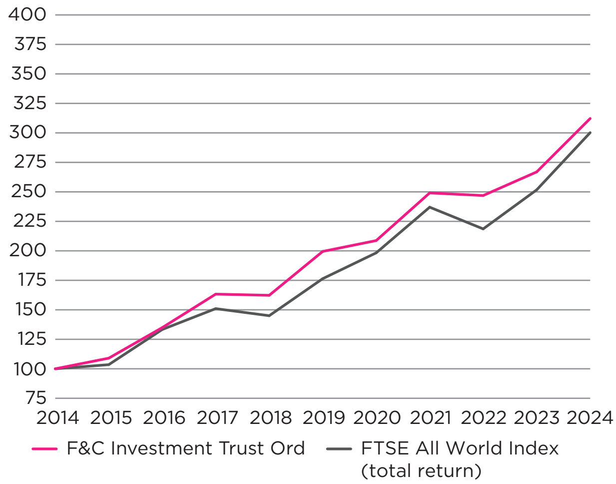
Actual expenditure			
	2024 £'000s	**2023 £'000s**	**% Change**
Aggregate Directors' remuneration	447.8	410.5	9.1
Aggregate dividends paid to shareholders	75,604	71,837	5.2
Aggregate cost of ordinary shares repurchased	280,120	76,345	266.9

COMPANY PERFORMANCE

An explanation of the performance of the Company for the year ended 31 December 2024 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 2014
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 2024:

- 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
14 March 2025

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

Each of the Directors listed on pages 47 and 48 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
14 March 2025

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 2024 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 2024 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.
- Inspecting 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.
- Inspecting the Directors' assessment of going concern and reviewing the factors and assumptions as applied to the revenue forecast for the period to 31 March 2026, the stress and reverse stress tests and the liquidity assessment of the investments held by the Company. We considered the appropriateness of the methods used in the assessment of liquidity and in calculating the revenue forecast 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 available mitigating actions that could be taken.
- 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.
- Reviewing the Directors' 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.
- Reviewing the Company's going concern disclosures included in the annual report in order to assess whether the disclosures are appropriate and in conformity with the reporting standards.

OVERVIEW OF OUR AUDIT APPROACH

KEY AUDIT MATTERS	• Incorrect valuation or ownership of the unquoted investment portfolio and the resulting impact on the Income Statement. • Incorrect valuation or ownership of the quoted investment portfolio. • Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement.
MATERIALITY	• Overall materiality of £56.8m which represents 1% of net assets.

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 2026.

In relation to the Board's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether they 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. These are explained on page 44 in the Principal and Emerging Risks section of the annual report. The Board has also explained its climate commitment on page 19 of the 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 climate change has been reflected in the financial statements. Significant judgements and estimates relating to climate change are also 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, physical and transition, its climate commitment, the effects of the climate risks disclosed on pages 19 and 44 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.

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 judgment, 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.

Risk	Our response to the risk
Incorrect valuation or ownership of the unquoted investment portfolio and the resulting impact on the Income Statement (2024: £636.6m, 2023: £594.3m) *Refer to the Audit Committee Report (page 62); Accounting policies (page 83); and Note 10 to the Accounts (page 91)* The Company invests in a number of unquoted private equity holdings, either through fund investments or through co-investments managed by the Company's specialist private equity managers ('PE Managers'). The PE Managers responsible for managing the majority of the Company's unquoted portfolio are CTIB, HarbourVest Partners LLP and Pantheon Ventures (UK) LLP. 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. • **Direct investment in Inflexion** – as at 31 December 2024, the investment is valued by CTIB. There is a 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 the incorrect holdings in investments are recorded, particularly where trades are initiated or settled close to the Balance Sheet date. In addition, there is 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. • To address the risk of management override, we tested a sample of manual journal entries posted in relation to unquoted investments during 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. **Fund and co-investments** • For a sample of fund and co-investments, we performed a back-testing exercise to assess the historical accuracy of valuations in the 31 December 2023 financial statements. We compared the valuations per the Company's 2023 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 2023. For this sample, we also confirmed that 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 2024 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 management 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 2024 NAV statements received from the PE managers or PE fund administrators to the valuation at 31 December 2024. • We made enquiries of the private equity teams of HarbourVest Partners LLC, Pantheon Ventures (UK) LLP and CTIB to understand: – the annual performance of the investment funds during the year to 31 December 2024 and the valuation approaches adopted; – the reasons for any material variances noted between estimated and actual NAVs for the year ended 31 December 2023; and – whether any post balance sheet information is available that would require adjustments to be made to the estimated 31 December 2024 valuations. • For a sample of fund and co-investments, we recalculated the realised gains/(losses) and agreed the call and distribution notices received from the relevant PE Manager to the bank statements. **Direct investment in Inflexion** • 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 discussions with 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 management's judgements and assumptions, including: their choice of valuation model, the choice of comparable quoted companies and the 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 general partners 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.

Risk	Our response to the risk
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement (Special dividends - 2024: £3.8m, 2023: £4.5m; Other revenue - 2024: £108.3m, 2023: £102.2m) *Refer to the Report of the Audit Committee (page 62); Accounting policies (page 84); and Note 3 to the Accounts (page 86) and Note 18 to the Accounts (page 95)* 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. 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'. There were 26 special dividends received by the Company during 2024. 24 special dividends, amounting to £3.6m (2023: £4.4m), were classified as revenue and two special dividends, amounting to £0.2m (2023: £0.1m), were classified as capital. 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.	• We obtained an understanding of the Manager's and State Street Bank and Trust's (the 'Administrator') processes and controls surrounding revenue recognition and identification and classification of special dividends by reviewing their internal controls reports and performing our walkthrough procedures. • For 100% of dividends received and accrued, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which we agreed to an independent data vendor. We agreed a sample of dividend receipts to bank statements. • Where dividends were received or accrued in a foreign currency, we translated the amount into the reporting currency of the Company using exchange rates sourced from an independent data vendor. • 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. • For 100% of dividends received and accrued during the year, we reviewed the type of dividends paid with reference to an independent external data vendor to identify those which are special. • For a sample of special dividends we assessed the appropriateness of the Directors' classification as either revenue or capital by inspecting publicly available information regarding the circumstances of each dividend.
Key observations communicated to the Audit Committee 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. Based on the work performed, we had no matters to report to the Audit Committee.	
Incorrect valuation or ownership of the quoted investment portfolio (2024: £5,527.9m, 2023: £4,936.6m) *Refer to the Audit Committee Report (page 62); Accounting policies (page 83); and Note 10 to the Accounts (page 91)* 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 sub-delegates the role of investment management for a proportion of the portfolio to Barrow, Hanley, Mewhinney and Strauss LLC, and JPMorgan Asset Management (together the 'Sub-Managers'). Certificates of investment ownership are held by JPMorgan Chase (the 'Custodian') and not directly by the Company. JPMorgan Europe Limited (the 'Depositary') has a regulatory obligation to oversee the investment holdings stated by the Administrator and the Custodian. 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.	**Valuation Procedures** • 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. • 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. • We inspected the stale pricing report produced by the Administrator as at 31 December 2024 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. **Ownership procedures** • 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. • We compared the Company's listed investment holdings as at 31 December 2024 to independent confirmations received directly from the Company's Custodian and Depositary.
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 the quoted investment portfolio. Based on the work performed, we had no matters to report to the Audit Committee.	

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 £56.8 million (2023: £50.3 million), which is 1% (2023: 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% (2023: 75%) of our planning materiality, namely £42.6m (2023: £37.8m). 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 trust companies, we have also applied a separate testing threshold for the revenue column of the Income Statement of £4.9m (2023: £4.6m), 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 it all uncorrected audit differences in excess of £2.8m (2023: £2.5m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

OTHER INFORMATION

The other information comprises the information included in the annual report and accounts set out on pages 104 to 120, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report and accounts.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

CORPORATE GOVERNANCE STATEMENT

We have reviewed the Directors' statement in relation to going concern, long-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 FCA 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 62 and 63;
- 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 45 to 46;
- Directors' 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 62;
- Directors' statement on fair, balanced and understandable set out on page 69;
- Board's confirmation that it has carried out a robust assessment of the principal and emerging risks set out on pages 41 to 45;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 60 and 61; and;
- The section describing the work of the Audit Committee set out on page 59.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 69, 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 AIC Corporate Governance Code, the AIC 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 incomplete or inaccurate revenue recognition through incorrect classification of special dividends between revenue and capital and the incorrect valuation of the unquoted investment portfolio and resulting impact on the Income Statement. 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 nine years, covering the years ending 31 December 2016 to 31 December 2024.
- 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
14 March 2025

INCOME STATEMENT

Notes	for the year ended 31 December	Revenue £'000s	Capital £'000s	2024 Total £'000s	Revenue £'000s	Capital £'000s	2023 Total £'000s
10	Gains on investments	–	935,609	935,609	–	477,671	477,671
18,21	Exchange movements on foreign currency loans, cash balances and derivatives	(779)	5,003	4,224	(561)	(482)	(1,043)
3	Income	111,806	–	111,806	106,621	–	106,621
4	Management fees	(4,603)	(13,811)	(18,414)	(4,146)	(12,438)	(16,584)
5	Other expenses	(5,739)	(79)	(5,818)	(5,727)	(68)	(5,795)
	Net return before finance costs and taxation	100,685	926,722	1,027,407	96,187	464,683	560,870
6	Finance costs	(3,433)	(10,298)	(13,731)	(3,460)	(10,381)	(13,841)
	Net return on ordinary activities before taxation	97,252	916,424	1,013,676	92,727	454,302	547,029
7	Taxation on ordinary activities	(12,695)	(1,222)	(13,917)	(11,067)	(3,118)	(14,185)
8	**Net return attributable to shareholders**	84,557	915,202	999,759	81,660	451,184	532,844
8	**Net return per share – basic (pence)**	17.01	184.10	201.11	15.83	87.46	103.29

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 82 to 103 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

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**
	Balance carried forward 31 December 2024	**140,455**	**122,307**	**5,299,520**	**116,240**	**5,678,522**

for the year ended 31 December 2023

Notes		Share capital £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance brought forward 31 December 2022	140,455	122,307	4,289,599	97,464	4,649,825
9	Dividends paid	–	–	–	(71,837)	(71,837)
	Shares repurchased by the Company and held in treasury	–	–	(76,345)	–	(76,345)
	Net return attributable to shareholders	–	–	451,184	81,660	532,844
	Balance carried forward 31 December 2023	140,455	122,307	4,664,438	107,287	5,034,487

The notes on pages 82 to 103 form an integral part of the financial statements.

BALANCE SHEET

Notes	at 31 December	£'000s	2024 £'000s	£'000s	2023 £'000s
	Fixed assets				
10	Investments		**6,164,525**		5,451,521
	Current assets				
10	Investments	**-**		79,357	
12	Debtors	**15,060**		11,244	
21	Cash and cash equivalents	**91,147**		87,170	
		106,207		177,771	
	Creditors: amounts falling due within one year				
13	Other	**(12,909)**		(13,836)	
		(12,909)		(13,836)	
	Net current assets		**93,298**		163,935
	Total assets less current liabilities		**6,257,823**		5,615,456
	Creditors: amounts falling due after more than one year				
14,21	Loans	**(578,726)**		(580,394)	
15,21	Debenture	**(575)**		(575)	
			(579,301)		(580,969)
	Net assets		**5,678,522**		5,034,487
	Capital and reserves				
16	Share capital		**140,455**		140,455
17	Capital redemption reserve		**122,307**		122,307
18	Capital reserves		**5,299,520**		4,664,438
18	Revenue reserve		**116,240**		107,287
	Total shareholders' funds		**5,678,522**		5,034,487
19	**Net asset value per share – prior charges at nominal value (pence)**		**1,176.82**		987.56

The notes on pages 82 to 103 form an integral part of the financial statements.

The Financial Statements were approved by the Board on 14 March 2025 and signed on its behalf by

Beatrice Hollond, Chairman

STATEMENT OF CASH FLOWS

Notes	for the year ended 31 December	2024 £'000s	2023 £'000s
20	**Cash flows from operating activities before dividends received and interest paid**	**(36,166)**	(25,774)
	Dividends received	**108,543**	98,937
	Interest paid	**(13,731)**	(13,842)
	Cash flows from operating activities	**58,646**	59,321
	Investing activities		
	Purchases of investments	**(3,604,576)**	(4,224,563)
	Sales of investments	**3,904,506**	4,155,297
	Other capital charges and credits	**(78)**	(63)
	Cash flows from investing activities	**299,852**	(69,329)
	Cash flows before financing activities	**358,498**	(10,008)
	Financing activities		
9	Equity dividends paid	**(75,604)**	(71,837)
	Cash flows from share buybacks into treasury	**(281,473)**	(73,645)
	Cash flows from financing activities	**(357,077)**	(145,482)
21	Net increase/(decrease) in cash and cash equivalents	**1,421**	(155,490)
21	Cash and cash equivalents at the beginning of the year	**87,170**	243,836
21	Effect of movement in foreign exchange	**2,556**	(1,176)
	Cash and cash equivalents at the end of the year	**91,147**	87,170
	Represented by:		
	Cash at bank	**73,488**	39,827
	Short-term deposits	**17,659**	47,343
	Cash and cash equivalents at the end of the year	**91,147**	87,170

The notes on pages 82 to 103 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 2024, 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 63, 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 Act, 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 2024 and 31 December 2023. 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 2024 and the prior year.

(i) Financial instruments

Financial instruments include fixed asset investments, derivative assets and liabilities, 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.

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. No debt instruments held during the year required hierarchical classification.

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));
- 100% of management fees, invoiced to the Company in respect of certain Private Equity investments, are allocated to Capital Reserves, via the Capital Account, in accordance with the Board's long-term expected split of returns from those investments;
- 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 (excluding Private Equity investments) of the Company.

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, 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 unusual or special dividends received as either revenue or capital in nature.

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 multiplied by 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 10.3% of total investments at 31 December 2024. 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 £64m or 1.1% 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 GPs 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 19.

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

	2024 £'000s	2023 £'000s
Income from investments:		
UK dividends	**6,867**	6,660
UK gilt income	**1,205**	3,070
Overseas dividends	**102,050**	91,864
	110,122	101,594
Other Income:		
Interest on cash and short-term deposits	**1,684**	5,027
	1,684	5,027
Total income	**111,806**	106,621

Included within income from investments is £3,556,000 (2023: £4,382,000) of special dividends classified as revenue in nature in accordance with note 2(c)(xiii).

4. MANAGEMENT FEES

		2024 £'000s	2023 £'000s
Payable directly to Columbia Threadneedle Investments:			
– in respect of management services provided by the Manager	(i)	**14,756**	13,582
– reimbursement in respect of services provided by sub-managers	(i)	**3,658**	3,002
Total directly incurred management fees		**18,414**	16,584
Incurred indirectly within funds managed by Private Equity managers	(ii)	**2,008**	1,860
Total direct and indirect management fees		**20,422**	18,444

(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:

Management fees	2024 £'000s	2023 £'000s
– payable directly to Columbia Threadneedle Investments	**18,414**	16,584
Less: allocated to capital reserves (see note 18)	**(13,811)**	(12,438)
Allocated to revenue account	**4,603**	4,146

(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 £4.0 billion and 0.25% above £4.0 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 2024 the Company had outstanding commitments in 32 Private Equity funds (2023: 36) (see note 22). Fees in respect of Private Equity funds are based on 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 2024 varied from 0.00% per annum to 2.50% per annum (2023: 0.10% 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.

5. OTHER EXPENSES

	2024 £'000s	2023 £'000s
Other revenue expenses		
Auditor's remuneration:		
for audit and audit-related assurance services[1]	**159**	154
Custody fees	**545**	486
Depositary fees	**214**	197
Directors' emoluments (see Remuneration Report on pages 65 to 68):		
Fees for services to the Company	**448**	410
Subscriptions	**21**	21
Directors' and officers' liability insurance	**66**	73
Marketing	**3,328**	3,418
Registrars fees	**165**	168
Professional charges	**97**	117
Printing and postage	**186**	199
Sundry	**510**	484
Total other revenue expenses	**5,739**	5,727
Other capital expenses	**79**	68
Total other expenses	**5,818**	5,795

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

(1) Total auditor's remuneration for audit services, exclusive of VAT, amounted to £156,000, (2023: £151,000 exclusive of VAT). Irrecoverable VAT of £3,000 (2023: £3,000) is included within the table above. There were no non-audit services paid to EY in the year (2023: none).

6. FINANCE COSTS

	2024 £'000s	2023 £'000s
Debenture stock	**24**	24
Loans	**13,615**	13,628
Overdrafts	**92**	189
	13,731	13,841
Less: allocated to capital reserves (see note 2(c)(vii) and note 18)	**(10,298)**	(10,381)
Allocated to revenue account	**3,433**	3,460

The interest on the debenture stock, loans and overdrafts is further analysed as follows:		
Loans and overdrafts repayable within one year, not by instalments	**92**	189
Debenture and loans repayable after more than one year, not by instalments (see notes 14 and 15)	**13,639**	13,652
	13,731	13,841

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of tax charge for the year

	Revenue £'000s	Capital £'000s	2024 Total £'000s	Revenue £'000s	Capital £'000s	2023 Total £'000s
Overseas taxation	**12,695**	**–**	**12,695**	11,067	–	11,067
Indian tax on capital gains	**–**	**1,222**	**1,222**	–	3,118	3,118
Total taxation (see note 7(b))	**12,695**	**1,222**	**13,917**	11,067	3,118	14,185

The tax assessed for the year is lower (2023: 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	2024 Total £'000s	Revenue £'000s	Capital £'000s	2023 Total £'000s
Net return on ordinary activities before taxation	**97,252**	**916,424**	**1,013,676**	92,727	454,302	547,029
Net return on ordinary activities multiplied by the standard rate of corporation tax of 25.0% (2023: 23.5%[1])	**24,313**	**229,106**	**253,419**	21,791	106,761	128,552
Effects of:						
Dividends[2]	**(27,229)**	**–**	**(27,229)**	(23,153)	–	(23,153)
Exchange losses[2]	**195**	**–**	**195**	132	–	132
Capital returns[2]	**–**	**(235,153)**	**(235,153)**	–	(112,139)	(112,139)
Expenses not deductible for tax purposes	**406**	**20**	**426**	395	16	411
Expenses not utilised in the year	**2,315**	**6,027**	**8,342**	835	5,362	6,197
Overseas tax in excess of double taxation relief	**12,695**	**–**	**12,695**	11,067	–	11,067
Indian tax on capital gains[3]	**–**	**1,222**	**1,222**	–	3,118	3,118
Total taxation (see note 7(a))	**12,695**	**1,222**	**13,917**	11,067	3,118	14,185

(1) Nine months at the new rate of 25% and three months at the previous rate of 19%.

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

(3) The Company is liable to taxation in India on gains realised on the sale of securities. The tax is allocated to Capital Reserve as it relates to capital transactions.

The Company has an unrecognised deferred tax asset of £134.3 million (2023: £118.3 million) in respect of unutilised expenses at 31 December 2024 which has not been recognised in the financial statements as it is unlikely to be utilised in the foreseeable future. Of this amount £45.8 million (2023: £40.9 million) relates to revenue expenses and £88.5 million (2023: £77.4 million) to capital expenses.

8. NET RETURN PER SHARE

	2024 pence	2024 £'000s	2023 pence	2023 £'000s
Total return	**201.11**	**999,759**	103.29	532,844
Revenue return	**17.01**	**84,557**	15.83	81,660
Capital return	**184.10**	**915,202**	87.46	451,184
Weighted average ordinary shares in issue, excluding shares held in treasury – number		**497,113,190**		515,891,788

Financial Report

9. DIVIDENDS

Dividends on ordinary shares	Record date	Payment date	2024 £'000s	2023 £'000s
2022 Third interim of 3.20p	6-Jan-2023	1-Feb-2023	–	16,589
2022 Final of 3.90p	11-Apr-2023	11-May-2023	–	20,214
2023 First interim of 3.40p	30-Jun-2023	1-Aug-2023	–	17,581
2023 Second interim of 3.40p	6-Oct-2023	1-Nov-2023	–	17,453
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**	–
			75,604	71,837

A third interim dividend of 3.60p was paid on 3 February 2025 to all shareholders recorded on the register on 3 January 2025.

The Directors have proposed a final dividend in respect of the year ended 31 December 2024 of 4.80p payable on 7 May 2025 to all shareholders recorded on the register at close of business on 11 April 2025. 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.

	2024 £'000s	2023 £'000s
Revenue available for distribution by way of dividends for the year	**84,557**	81,660
First interim dividend for the year ended 31 December 2024 – 3.60p per share (2023: 3.40p)	**(18,003)**	(17,581)
Second interim dividend for the year ended 31 December 2024 – 3.60p per share (2023: 3.40p)	**(17,594)**	(17,453)
Third interim dividend for the year ended 31 December 2024 – 3.60p per share (2023: 3.40p)	**(17,371)**	(17,325)
Proposed final dividend for the year ended 31 December 2024 – 4.80p per share (2023: 4.50p)	**(23,137)**	(22,820)
(estimated cost based on 482,018,501 shares in issue at 11 March 2025, excluding shares held in treasury)		
Estimated amount transferred to revenue reserve for Section 1159 purposes(1)	**8,452**	6,481

All dividends are paid from revenue.

(1) Represents 8% of total income as stated in note 3 (2023: 6%)

The table below reflects the revenue reserve after adjusting for the third interim and final dividends for the years to 31 December 2024 and 31 December 2023.

	2024 £'000s	2023 £'000s
Revenue reserve at 31 December (per Balance Sheet)	**116,240**	107,287
Third interim dividend for the year ended 31 December 2024 – 3.60p per share (2023: 3.40p)	**(17,371)**	(17,325)
Proposed final dividend for the year ended 31 December 2024 – 4.80p per share (2023: 4.50p)	**(23,137)**	(22,820)
Revenue reserve after adjusting for the third interim and final dividends	**75,732**	67,142

10. INVESTMENTS

Investments	Level 1(1) £'000s	Level 3(1) £'000s	2024 Total £'000s	Level 1(1) £'000s	Level 3(1) £'000s	2023 Total £'000s
Cost at 1 January	**4,308,857**	**520,264**	**4,829,121**	3,844,474	479,678	4,324,152
Unrealised gains at 1 January	**627,711**	**74,046**	**701,757**	564,318	95,487	659,805
Fair value of investments at 1 January	**4,936,568**	**594,310**	**5,530,878**	4,408,792	575,165	4,983,957
Purchases at cost	**3,518,466**	**88,107**	**3,606,573**	4,163,790	61,511	4,225,301
Sales proceeds	**(3,816,828)**	**(91,707)**	**(3,908,535)**	(4,116,288)	(39,763)	(4,156,051)
Gains on investments sold	**480,106**	**52,983**	**533,089**	416,881	18,838	435,719
Gains/(losses) on investments held	**409,622**	**(7,102)**	**402,520**	63,393	(21,441)	41,952
Fair value of investments at 31 December	**5,527,934**	**636,591**	**6,164,525**	4,936,568	594,310	5,530,878
Analysed at 31 December						
Cost	**4,490,601**	**569,647**	**5,060,248**	4,308,857	520,264	4,829,121
Unrealised gains	**1,037,333**	**66,944**	**1,104,277**	627,711	74,046	701,757
Fair value of investments at 31 December	**5,527,934**	**636,591**	**6,164,525**	4,936,568	594,310	5,530,878

Gains on investments held at fair value	2024 £'000s	2023 £'000s
Gains on investments sold during the year	**533,089**	435,719
Gains on investments held at year end	**402,520**	41,952
Total gains on investments	**935,609**	477,671

Investments sold during the year have been revalued over time since their original purchase. 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 2024 or 2023 were valued in accordance with Level 2.

Level 1 includes investments and derivatives listed on any recognised stock exchange or quoted on the AIM market in the UK and quoted open-ended funds. These also include Gilts of £nil (2023: £80m).

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 (2023: none). Under the terms of the Company's Management Agreement with the Manager 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 £636.6 million (2023: £594.0 million) of investments described as Private Equity, together with £nil million (2023: £0.3 million) of other partnerships, 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).

11. SUBSTANTIAL INTERESTS

At 31 December 2024 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[1] %
Private Equity Funds		
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
Graycliff	USA	4.78
Maison Capital	China	4.84
MVM	USA/Europe	4.10
August VI	UK	3.98
PE Investment Holdings 2018 LP*	Scotland	100.00

[1] 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: Dover Street VI LP: £nil; HIPEP V – Direct Fund LP: £nil; HIPEP VI – Emerging Markets Fund: £8,841,000; Pantheon Europe Fund III LP: £2,601,000; PE Investment Holdings 2018 LP: £247,068,000.

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 profit for the year ended 31 December 2024 in the LP was £8.4m and its Capital and Reserves was £247.1m.

The outstanding commitment is shown in note 22.

12. DEBTORS

	2024 £'000s	2023 £'000s
Investment debtors	**5,207**	1,178
Prepayments and accrued income	**4,564**	4,499
Overseas taxation recoverable	**5,289**	5,567
	15,060	11,244

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Other	2024 £'000s	2023 £'000s
Investment creditors	**5,667**	3,670
Management fees payable to the Manager	**2,647**	2,625
Provision for Capital Gains Taxation on Indian Investments	**727**	2,258
Cost of ordinary shares repurchased	**1,348**	2,700
Other accrued expenses	**2,520**	2,583
	12,909	13,836

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

Loans Non-instalment debt payable after more than one year	2024 £'000s	2023 £'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**	36,394
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
	578,726	580,394

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 £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 long-term loans at 31 December 2024 was £372,235,000 based on the equivalent benchmark gilts or relevant commercially available current debt (2023: £404,572,000).

At 11 March 2025, long-term borrowings comprised £544 million loan notes and €42 million loan notes.

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

Debenture	2024 £'000s	2023 £'000s
4.25% perpetual debenture stock – secured	**575**	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 2024 was £429,000 (2023: £429,000).

16. SHARE CAPITAL

2024	Shares held in treasury Number	Shares entitled to dividend Number	Total shares in issue Number	Issued and fully paid nominal £'000s
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**

2023	Shares held in treasury Number	Shares entitled to dividend Number	Total shares in issue Number	Issued and fully paid Nominal £'000s
Ordinary shares of 25p each				
Balance brought forward	43,407,160	518,411,856	561,819,016	140,455
Shares repurchased by the Company and held in treasury	8,618,802	(8,618,802)	–	–
Balance carried forward	52,025,962	509,793,054	561,819,016	140,455

During the year the Company repurchased 27,260,506 ordinary shares at a total cost of £280,120,000, all of which were placed in treasury.

Since the year end, and up to 11 March 2025, 514,047 ordinary shares each have been repurchased and held in treasury.

17. CAPITAL REDEMPTION RESERVE

	2024 £'000s	2023 £'000s
Balance brought forward and carried forward	**122,307**	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)	**533,089**	**–**	**533,089**	**–**
Gains on investments held at year end (see note 10)	**–**	**402,520**	**402,520**	**–**
Exchange movements on foreign currency loans, cash balances and derivatives	**15,450**	**(10,447)**	**5,003**	**–**
Management fees (see note 4)	**(13,811)**	**–**	**(13,811)**	**–**
Finance costs (see note 6)	**(10,298)**	**–**	**(10,298)**	**–**
Other capital expenses (see note 5)	**(79)**	**–**	**(79)**	**–**
Indian capital gains tax (see note 7)	**(1,222)**	**–**	**(1,222)**	**–**
Net revenue return attributable to shareholders	**–**	**–**	**–**	**84,557**
Total gains and losses transferred in current year	**523,129**	**392,073**	**915,202**	**84,557**
Cost of ordinary shares repurchased in year (see note 16)	**(280,120)**	**–**	**(280,120)**	**–**
Dividends paid in year (see note 9)	**–**	**–**	**–**	**(75,604)**
Balance brought forward	**3,951,963**	**712,475**	**4,664,438**	**107,287**
Balance carried forward	**4,194,972**	**1,104,548**	**5,299,520**	**116,240**

Included within the capital reserve movement for the year is £196,000 (2023: £73,000) of dividend receipts recognised as capital in nature in accordance with note 2(c)(xiii). £2,029,000 of transaction costs on purchases of investments are included within the capital reserve movements disclosed above (2023: £2,043,000). £1,420,000 of transaction costs on sales of investments are similarly included (2023: £1,069,000).

19. NET ASSET VALUE PER ORDINARY SHARE

	2024	2023
Net asset value per share – pence	**1,176.82**	987.56
Net assets attributable at end of period – £'000s	**5,678,522**	5,034,487
Ordinary shares of 25p in issue at end of year, excluding shares held in treasury – number	**482,532,548**	509,793,054

Net asset value per share (with the debenture stock and long-term loans at market value – see notes 14 and 15) was 1,219.64p (2023: 1,022.07p).

Financial Report

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

	2024 £'000s	2023 £'000s
Net return on ordinary activities before taxation	**1,013,676**	547,029
Adjust for non-cash flow items, dividend income and interest expense:		
Gains on investments	**(935,609)**	(477,671)
Exchange (gains)/losses	**(4,224)**	1,043
Non-operating expenses of a capital nature	**79**	68
Decrease in debtors	**169**	81
(Decrease)/increase in creditors	**(40)**	964
Dividends receivable	**(108,917)**	(98,524)
Interest payable	**13,731**	13,841
Tax on overseas income	**(15,031)**	(12,605)
	(1,049,842)	(572,803)
Cash flows from operating activities (before dividends received and interest paid)	**(36,166)**	(25,774)

21. ANALYSIS OF CHANGES IN NET DEBT

2024	Cash £'000s	Long-term loans £'000s	Debenture £'000s	Forward exchange £'000s	Total £'000s
Opening net debt as at 31 December 2023	**87,170**	**(580,394)**	**(575)**	**–**	**(493,799)**
Cash-flows:					
Net movement in cash and cash equivalents	**1,421**	**–**	**–**	**–**	**1,421**
Non-cash:					
Effect of Foreign Exchange movements	**2,556**	**1,668**	**–**	**–**	**4,224**
Closing net debt as at 31 December 2024	**91,147**	**(578,726)**	**(575)**	**–**	**(488,154)**

2023	Cash £'000s	Long-term loans £'000s	Debenture £'000s	Forward exchange £'000s	Total £'000s
Opening net debt as at 31 December 2022	243,836	(581,264)	(575)	737	(337,266)
Cash-flows:					
Net movement in cash and cash equivalents	(155,490)	–	–	–	(155,490)
Non-cash:					
Effect of Foreign Exchange movements	(1,176)	870	–	(737)	(1,043)
Closing net debt as at 31 December 2023	87,170	(580,394)	(575)	–	(493,799)

22. CAPITAL COMMITMENTS

The Company had the following capital commitments outstanding, which are all in relation to its private equity investments at the year end:

	2024 Currency	2023 Currency	2024 £'000s	2023 £'000s
Managed by Harbourvest:				
HarbourVest Partners VII:				
– Buyout Partnership Fund LP	US$0.0m	US$4.3m	–	3,365
– Venture Partnership Fund LP	US$0.5m	US$0.5m	419	412
– Mezzanine Fund LP	US$0.0m	US$0.7m	–	565
Dover Street VI LP	US$0.0m	US$3.1m	–	2,437
Dover Street VII LP	US$3.2m	US$3.2m	2,545	2,500
HarbourVest Partners V – Asia Pacific and Rest of World LP	US$0.0m	US$1.5m	–	1,177
HarbourVest Partners VIII:				
– Buyout Partnership Fund LP	US$1.8m	US$1.8m	1,437	1,412
– Venture Partnership Fund LP	US$0.8m	US$0.8m	639	628
HIPEP V – Direct Fund LP	€2.1m	€2.1m	1,705	1,787
HIPEP VI – Asia Pacific Fund LP	US$1.3m	US$1.3m	998	981
Managed by Pantheon:				
Pantheon Europe Fund III LP	€5.4m	€5.4m	4,432	4,645
Pantheon Europe Fund V LP	€4.5m	€4.5m	3,721	3,899
Pantheon Asia Fund IV LP	US$2.7m	US$2.7m	2,116	2,079
Pantheon Asia Fund V LP	US$3.5m	US$3.5m	2,775	2,726
Pantheon Global Secondary Fund III LP	US$2.4m	US$2.4m	1,956	1,922
Pantheon Access SICAV	US$176.1m	US$230.7m	140,634	180,946
Selected by Columbia Threadneedle Investments:				
Esprit Capital Fund I LP	£0.0m	£0.27m	–	265
Astorg VI(1)	€1.1m	€1.1m	926	970
August Equity IV(1)	£0.2m	£0.2m	151	197
Procuritas VI(1)	€0.5m	€0.6m	393	543
Stellex Capital(1)	US$1.6m	US$0.0m	1,317	9
Centana(1)	US$0.2m	US$0.2m	148	166
Graycliff(1)	US$1.3m	US$1.3m	1,023	1,005
Volpi Capital(1)	€0.0m	€0.0m	–	27
Maison Capital(1)	US$0.1m	US$0.1m	44	44
Inflexion Partnership Capital II(1)	£0.5m	£0.5m	490	452
PE Investment Holdings 2018 LP(1)	£134.1m	£167.1m	134,118	167,118
Verdane Edda(1)	SEK 9.7m	SEK 15.1m	701	1,175
MVM(1)	US$0.0m	US$0.5m	–	366
Inflexion Supplemental V(1)	£1.5m	£2.9m	1,454	2,898
Graycliff IV(1)	US$2.8m	US$3.7m	2,220	2,900
Centana II(1)	US$1.3m	US$2.0m	1,038	1,585
MED Platform(1)	€2.2m	€1.0m	1,788	900
Inflexion Buyout Fund VI(1)	£7.6m	£11.1m	7,552	11,084
Hg Saturn 3(1)	US$4.0m	US$7.0m	3,179	5,461
Inflexion Partnership Capital III(1)	£14.1m	£15.0m	14,135	15,000
Graycliff V(1)	US$15.0m	–	11,977	–
Inflexion Enterprise Fund VI(1)	£10.0m	–	10,000	–
August Equity VI(1)	£9.7m	–	9,700	–
			365,731	423,646

(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.

Financial Report

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 65 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 57 regarding the Management agreement in respect of Private Equity fees and a trademark licence agreement in respect of the "F&C" name.

24. GOING CONCERN

In assessing the going concern basis of accounting 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 62.

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 103 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 32. 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:

2024	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
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
Total	15,060	91,147	(575)	(578,726)	(12,909)	(486,003)	6,164,525	5,678,522

2023	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
Sterling	1,544	36,833	(575)	(544,000)	(7,666)	(513,864)	690,033	176,169
US Dollar	2,687	33,234	–	–	(1,414)	34,507	3,291,645	3,326,152
Euro	3,339	13,113	–	(36,394)	(5)	(19,947)	439,017	419,070
Yen	1,104	4,139	–	–	(2,493)	2,750	350,012	352,762
Other	2,570	(149)	–	–	(2,258)	163	760,171	760,334
Total	11,244	87,170	(575)	(580,394)	(13,836)	(496,391)	5,530,878	5,034,487

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:

	2024	Average	2023
US Dollar	1.2524	1.2781	1.2748
Euro	1.2095	1.1817	1.1540
Yen	196.8272	192.8375	179.7213

Based on the financial assets and liabilities held 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:

Weakening of sterling	US$ £'000s	€ £'000s	2024 ¥ £'000s	US$ £'000s	€ £'000s	2023 ¥ £'000s
Income Statement Return after tax						
Revenue return	3,750	1,874	813	3,637	1,639	708
Capital return	417,428	44,389	35,449	332,615	41,907	35,276
Total return	421,178	46,263	36,262	336,252	43,546	35,984
NAV per share – pence	87.28	9.59	7.51	65.96	8.54	7.06

Strengthening of sterling	US$ £'000s	€ £'000s	2024 ¥ £'000s	US$ £'000s	€ £'000s	2023 ¥ £'000s
Income statement return after tax						
Revenue return	(3,750)	(1,874)	(813)	(3,637)	(1,639)	(708)
Capital return	(417,428)	(44,389)	(35,449)	(332,615)	(41,907)	(35,276)
Total return	(421,178)	(46,263)	(36,262)	(336,252)	(43,546)	(35,984)
NAV per share – pence	(87.28)	(9.59)	(7.51)	(65.96)	(8.54)	(7.06)

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	2024 Total £'000s	Within one year £'000s	More than one year £'000s	2023 Total £'000s
Exposure to floating rates						
Cash	73,488	–	73,488	39,827	–	39,827
Exposure to fixed rates						
Deposits	17,659	–	17,659	47,343	–	47,343
Gilts	–	–	–	79,357	–	79,357
Debentures	–	(575)	(575)	–	(575)	(575)
Other borrowings	–	(578,726)	(578,726)	–	(580,394)	(580,394)
Net exposure at year end	91,147	(579,301)	(488,154)	166,527	(580,969)	(414,442)

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 14 and 15. There were no gilts at the year end (31 December 2023: £80m).

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, loans and gilts (see notes 10, 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:

	2024 Increase in rate £'000s	2024 Decrease in rate £'000s	2023 Increase in rate £'000s	2023 Decrease in rate £'000s
Revenue return	**1,470**	**(1,470)**	797	(797)
Capital return	**–**	**–**	–	–
Total return	**1,470**	**(1,470)**	797	(797)
NAV per share – pence	**0.30**	**(0.30)**	0.16	(0.16)

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:

	2024 Increase in value £'000s	2024 Decrease in value £'000s	2023 Increase in value £'000s	2023 Decrease in value £'000s
Income statement capital return	**1,232,905**	**(1,232,905)**	1,106,176	(1,106,176)
NAV per share – pence	**255.51**	**(255.51)**	216.99	(216.99)

(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 value of the listed investments held in the Company's portfolio (89.7% at 31 December 2024); 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 £579.3 million as set out in notes 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 2024 was £5,619 million. Actual borrowings at par value at 31 December 2024 were £578.7 million in loans (market value: £372.2 million) (see note 14) and £0.6 million (market value: £0.4 million) in a debenture (see note 15).

At 31 December 2024 the Company had £365.7 million of outstanding commitments to Private Equity investments (see note 22).

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:

2024	Three months or less £'000s	More than three months but less than one year £'000s	More than one year £'000s	Total £'000s
Other creditors	**12,909**	**–**	**–**	**12,909**
Long-term liabilities[1] (including interest)	**1,372**	**12,257**	**831,316**	**844,945**
	14,281	**12,257**	**831,316**	**857,854**

2023	Three months or less £'000s	More than three months but less than one year £'000s	More than one year £'000s	Total £'000s
Other creditors	13,836	–	–	13,836
Long-term liabilities[1] (including interest)	1,372	12,272	846,839	860,483
	15,208	12,272	846,839	874,319

(1) See notes 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.

The Company held no UK Gilts in its portfolio at the year end (2023: £80m). None of the Company's financial assets are past their due date or impaired.

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 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 long-term loans and debenture at 31 December 2024 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 2024, 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.

(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 14 and 15.

26. SECURITIES FINANCING TRANSACTIONS ('SFT')

The Company has not, in the year to 31 December 2024 (2023: 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

There were no material events after the end of the reporting period.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the one hundred and forty-sixth Annual General Meeting of the Company will be held at Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB on Wednesday 30 April 2025 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 2024.
2. To approve the Directors' Remuneration Report (excluding the Directors' remuneration policy) for the year ended 31 December 2024.
3. To declare a final dividend for the year ended 31 December 2024 of 4.80 pence per ordinary share.
4. To re-elect Anuradha Chugh as a Director.
5. To re-elect Beatrice Hollond as a Director.
6. To re-elect Edward Knapp as a Director.
7. To re-elect Rain Newton-Smith as a Director.
8. To re-elect Quintin Price as a Director.
9. To re-elect Richard Robinson as a Director.
10. To re-elect Stephen Russell as a Director.
11. To re-elect Julie Tankard as a Director.
12. To re-appoint Ernst & Young LLP as auditors to the Company.
13. To authorise the Audit Committee to determine the remuneration of the auditors.
14. 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 £12,050,463 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 2026 or on 30 June 2026, 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 RESOLUTIONS

15. Disapplication of pre-emption rights

THAT, subject to the passing of resolution 14 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 14 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 15) of equity securities up to an aggregate nominal amount of £12,050,463, such authority to expire upon the expiry of the general authority conferred by Resolution 14 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.

16. 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 of 25 pence each in the capital of the Company ('ordinary shares') 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 72,254,573 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;

(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 2026 unless the authority is renewed before that time at the Company's annual general meeting to be held in 2026 or unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting by special resolution; and

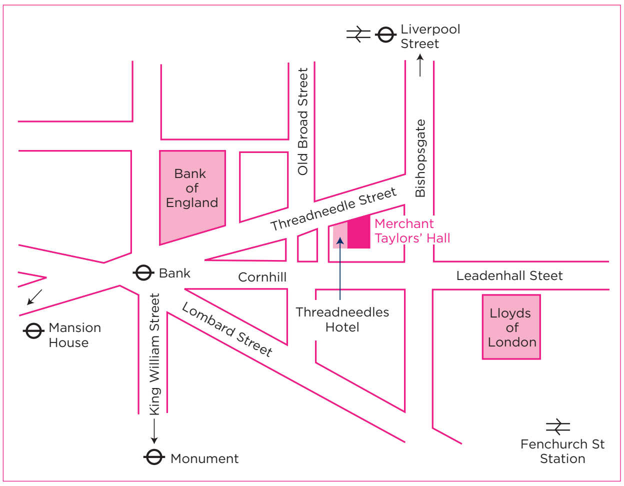
(e) the Company may at any time prior to the expiry of such authority enter into a contract or contracts to purchase ordinary shares under such authority which will or may be completed or executed wholly or partly after the expiration of such authority and the Company may purchase ordinary shares pursuant 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
14 March 2025

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



Notes:

1. A member is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.

   Please contact Computershare Investor Services PLC by email on 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 bank holidays).

2. 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.

3. 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.

4. 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 28 April 2025 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.

5. Alternatively, members may register the appointment of a proxy for the meeting electronically, by accessing the website 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 28 April 2025 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.

6. 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 22 April 2025. Alternatively, voting directions can be submitted electronically at 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 22 April 2025.

7. 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.

8. 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.

9. 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 28 April 2025 (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. Your proxy must be lodged by 12.00 noon on Monday 28 April 2025 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). 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).

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 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;

(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 2025, 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 482,018,501 ordinary shares of 25 pence each carrying one vote each. Therefore, the total voting rights in the Company as at 11 March 2025 are 482,018,501.

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 2025, 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.

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 agreement 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.

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

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
Email: 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. There have not been any material changes to the disclosures contained within the IDD since it was last updated in November 2024.

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 2024 are shown below:

Leverage exposure	Gross method	Commitment method
Maximum permitted limit	200%	200%
Actual	110%	110%

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 27 and 28; 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. The costs disclosure has been revised to include the Company's Ongoing Charges figure, consistent with the annual report.

NET ASSET VALUE AND SHARE PRICE

The Company's net asset value is released daily, on the working day following the calculation date, to the London 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 2026 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 4.80 pence per share is payable on 7 May 2025. From 6 April 2024, 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 8.75% (basic rate taxpayers), 33.75% (higher rate taxpayers) or 39.35% (additional rate taxpayers). Dividend income on shares 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.

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 with a lump sum from £100 or regular savings from £25 a month. You can also transfer any existing ISAs to Columbia Threadneedle Investments whilst maintaining the tax benefits.

CT Junior Individual Savings Account (JISA)*
A tax efficient way to invest up to £9,000 per tax year for a child. Contributions start from £100 lump sum or regular savings from £25 a month. JISAs with other providers can be transferred to Columbia Threadneedle Investments.

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. Invest with a lump sum from £100 or regular savings from £25 a month.

CT General Investment Account (GIA)
This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £100 lump sum or regular savings from £25 a month.

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. Investments can be made from £100 lump sum or regular savings from £25 a month per account.

CT Child Trust Fund (CTF)*
If your child already has a CTF, you can invest up to £9,000 per birthday year, from £100 lump sum or regular savings from £25 a month. CTFs with other providers can be transferred to Columbia Threadneedle Investments.

You can also invest in the Company through online dealing platforms for private investors that offer share dealing and ISAs. These include: **Barclays Stockbrokers, EQi, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, The Share Centre**

*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.

Charges
Details of the annual account charge along with other charges that apply can be found on our website www.ctinvest.co.uk.

Annual account charge
ISA/LISA: £60+VAT
GIA: £40+VAT
JISA/JIA/CTF: £25+VAT
You can pay the annual charge from your account, or by Direct Debit (in addition to any annual subscription limits).

Dealing charges
£12 per fund (reduced to £0 for deals placed through the online Columbia Threadneedle Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF.
Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares.
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 **ctinvest.co.uk/documents**.

How to Invest
To open a new Columbia Threadneedle Savings Plan, apply online at **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 or by contacting Columbia Threadneedle Investments.

New Customers:
Call: 0345 600 3030**
(9.00am – 5.00pm, weekdays)
Email: invest@columbiathreadneedle.com

Existing Savings Plan Holders:
Call: 0345 600 3030**
(9:00am – 5:00pm, weekdays)
Email: investor.enquiries@columbiathreadneedle.com
Post: Columbia Threadneedle Management Limited, PO Box 11114, Chelmsford CM99 2DG

To find out more, visit **ctinvest.co.uk**
or call **0345 600 3030,** 9.00am – 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.

COLUMBIA THREADNEEDLE INVESTMENTS

Capital at risk.

This 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 interim 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. 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.

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 company sector, provide additional useful information to the shareholders in order to assess the Company's performance between reporting periods and against its peer group.

Discount or Premium – the share price of an investment trust company is derived from buyers and sellers trading their shares on the stock market. This price is not identical to the NAV per share based on 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 34.

		31 December 2024 pence	31 December 2023 pence
Net Asset Value per share (with debt at market value)	(a)	**1,219.64**	1,022.07
Share price per share	(b)	**1,108.00**	962.00
(Discount)/Premium (c= (b-a)/a)	(c)	**(9.2)%**	(5.9)%

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 2024 pence	31 December 2023 pence
Total dividend paid/payable for the prior year	(a)	**14.70**	13.50
Total dividend paid/payable for the current year	(b)	**15.60**	14.70
Dividend growth (c= (b-a)/a)	(c)	**6.1%**	8.9%

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 2024 £'000	31 December 2023 £'000
Loans		**578,726**	580,394
Debenture		**575**	575
	(a)	**579,301**	580,969
Less Cash and cash equivalents		**(91,147)**	(87,170)
Less Investment debtors		**(5,207)**	(1,178)
Add Investment creditors		**5,667**	3,670
Total	(b)	**488,614**	496,291
Net Asset Value	(c)	**5,678,522**	5,034,487
Effective gearing (d= b/c)	(d)	**8.6%**	9.9%
Fully invested gearing (e= a/c)	(e)	**10.2%**	11.5%

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.

	31 December 2024	31 December 2023
Net assets at year end - £'000s	**5,678,522**	5,034,487
Number of ordinary shares in issue at year end	**482,532,548**	509,793,054
Net asset value (with debt at par) at year end - pence	**1,176.82**	987.56

Net Asset Value (NAV) with Debt at Market Value – the Company's debt (debenture and loans) is valued in the Balance Sheet (on page 80) 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.

	31 December 2024	31 December 2023
Net assets at year end - £'000s	**5,678,522**	5,034,487
Add back: Debt at par - £'000s	**579,301**	580,969
Deduct: Debt at market value - £'000s	**(372,664)**	(405,001)
	5,885,159	5,210,455
Number of ordinary shares in issue at year end	**482,532,548**	509,793,054
Net asset value (with debt at market value) at year end - pence	**1,219.64**	1,022.07

Ongoing Charges – all operating costs expected to be regularly incurred and that are payable by the Company or suffered within underlying investee funds, expressed as a proportion of the average net assets of the Company over the reporting year. 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.

Ongoing Charges calculation		31 December 2024 £'000	31 December 2023 £'000
Management fees		**18,414**	16,584
Other expenses		**5,739**	5,727
Ad hoc non-recurring expenses*		**(1,039)**	–
Underlying costs of Private Equity Funds and Collectives		**2,008**	1,860
Total	(a)	**25,122**	24,171
Average daily net assets	(b)	**5,601,379**	4,969,791
Ongoing charges (c= a/b)	(c)	**0.45%**	0.49%

* 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 the Ongoing Charges calculation. 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.

TER calculation		31 December 2024 £'000	31 December 2023 £'000
Management fees		**18,414**	16,584
Other expenses		**5,739**	5,727
Total	(a)	**24,153**	22,311
Average daily net assets	(b)	**5,601,379**	4,969,791
TER (c= a/b)	(c)	**0.43%**	0.45%

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 reinvested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex-dividend.

	Net Asset Value	Share price
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	**21.0%**	**16.9%**

	Net Asset Value	Share price
NAV/Share Price per share at 31 December 2022 (pence)	932.10	904.00
NAV/Share Price per share at 31 December 2023 (pence)	1,022.07	962.00
Change in the year	9.7%	6.4%
Impact of dividend reinvestments	1.6%	1.7%
Total return for the year to 31 December 2023	11.3%	8.1%

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 2019, 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.

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

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.

Depositary – the Company's Depositary is JPMorgan Europe Limited. Under AIFMD rules the Company must appoint a depositary 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 Depositary has strict liability for the loss of the Company's financial assets in respect of which it has safe-keeping duties. The Depositary's oversight duties will include but are not limited to oversight of share issues/buybacks, dividend payments and adherence to investment limits.

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.

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 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) – UK Company Law allows an Investment Company to make dividend distributions out of realised distributable reserves, even in circumstances where it has made Capital losses, provided the Company's assets remaining after payment of the dividend exceed 150% of its liabilities. 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) – UK Corporation Tax law allows an Investment Company (referred to in Tax law as an Investment Trust) to be exempted from tax on its profits realised on investment transactions, provided it complies with certain rules. These are similar to the provisions that apply to investment companies as set out above but further require that the Company must be listed on a regulated stock exchange and that it cannot retain more than 15% of income received. The Directors' Report contains confirmation of the Company's compliance with this law and its consequent exemption from taxation on capital gains.

ISAE Report – report prepared in accordance with the International Standard on Assurance Engagements.

Leverage – as defined under AIFMD rules, leverage is any method by which the exposure of an AIF (being an investment vehicle under the AIFMD) is increased through borrowing of cash or securities or leverage embedded in derivative positions. Leverage is broadly equivalent to gearing but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowings). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Manager (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 stock market quoted price of the Company's shares 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 does not have any executive Directors.

Non-Financial and Sustainability Information Statement (NFSIS) – under sections 414CA and 414CB of the Companies Act 2006, 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.

Non-financial information	Section	Page
Business model	Business Review	31
Key performance Indicators	Key Performance Indicators	39
Principal Risks	Principal and Emerging Risks	42
Policies	Principal Policies	33

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.

PRIIPs – 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 PRIIPs 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 collected 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.

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.

GLOSSARY OF TERMS (CONTINUED)

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 – 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 Investments reports in line with TCFD recommendations. The TCFD itself was disbanded in December 2023, following the publication of its final status report.

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 2018, 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.

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** 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**
- 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** where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040** or online at **www.actionfraud.police.uk**.

Registered office:

Cannon Place
78 Cannon Street
London EC4N 6AG

020 7464 5000

invest@columbiathreadneedle.com

fandc.com

Registrars:

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ

0370 707 1529

web.queries@computershare.co.uk

computershare.com

INVESTMENT TRUST
SINCE 1868

Proudly managed by