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Performance at month end with net income reinvested

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	One Month	Three Months	One Year	Three Years	Five Years	Since 1 April 2012
Sterling	Â	Â	Â	Â	Â	Â
Share price	2.3%	7.8%	15.8%	29.2%	55.4%	171.5%
Net asset value	2.5%	6.0%	16.2%	36.7%	56.7%	176.8%
FTSE All-Share Total Return	2.2%	6.4%	24.0%	46.5%	73.9%	191.9%
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Source: BlackRock	Â	Â	Â	Â	Â	Â

Â BlackRock took over the investment management of the Company with effect from 1 April 2012.

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At month end

Sterling:

Net asset value - capital only:	244.90p
Net asset value - cum income*:	250.73p
Share price:	220.00p
Total assets (including income):	Â£53.4m
Discount to cum-income NAV:	12.3%
Gearing:	4.6%
Net yield**:	3.5%
Ordinary shares in issue***:	18,918,794
Gearing range (as a % of net assets):	0-20%
Ongoing charges****:	1.15%

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* Includes net revenue of 5.83 pence per share

** The Company's yield based on dividends announced in the last 12 months as at the date of the release of this announcement is 3.5% and includes the 2024 final dividend of 4.90p per share declared on 07 January 2025 with pay date 14 March 2025 and the Interim Dividend of 2.70p per share declared on 19 June 2025 with pay date 02 September 2025.

*** excludes 10,081,532 shares held in treasury.

**** The Company's ongoing charges are calculated as a percentage of average daily net assets and using management fee and all other operating expenses excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items for the year ended 31 October 2024.Â In addition, the Company's Manager has also agreed to cap ongoing charges by rebating a portion of the management fee to the extent that the Company's ongoing charges exceed 1.15% of average net assets.

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Sector Analysis

Total assets (%)

Banks	13.0
Pharmaceuticals & Biotechnology	7.7
Nonequity Investment Instruments	6.9
Aerospace & Defense	5.6
Oil & Gas Producers	4.9
Mining	4.9
Financial Services	4.6
General Retailers	4.5
Nonlife Insurance	4.4
Software & Computer Services	4.3
Household Goods & Home Construction	4.1
Real Estate Investment Trusts	3.6
Personal Goods	3.4
Support Services	3.3
Electronic & Electrical Equipment	3.0
Life Insurance	2.8
Travel & Leisure	2.6
Tobacco	2.5

Commenting on the markets, representing the Investment Manager noted:

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Market Summary: December wrapped up a strong albeit volatile year for global equities, with many indexes finishing at or near record highs - a sharp contrast to the sluggish close of December 2024. The MSCI All Countries World Index advanced +1.1% in the month, marking its third straight year of double-digit gains.

In the UK, the Bank of England delivered a 25bps rate cut mid-month to the lowest level in 3 years, supporting equity markets. Inflation cooled more than expected, though wage growth and sticky food prices kept policymakers cautious about further easing. The FTSE All-Share gained +2.2%, driven by financials and materials. Across Europe, the STOXX 600 surged to all-time highs, up +3.1% in USD terms for December and an eye-catching +37% for

In the US, things were choppier. Despite an optimistic start, AI funding jitters sparked a tech wobble mid-month (NDX -1.8% on December 17). Still, sentiment improved after the Fed's rate cut and a softer CPI print. The Nasdaq ended December down -0.67%, and the S&P 500 eked out +0.1% for the month.

Looking at 2025, global equities have had another stellar run. Europe stole the spotlight (in USD terms) with +37% for the year with the total return for UK All Share also up strongly, +24% in GBP or +33% in USD. US stocks lagged the MSCI ACWI ex-US index by the widest margin since 2009*, despite continued tech dominance. AI was the megatrend of the year, driving hyperscaler capex, despite bouts of tech jitters. Elsewhere, commodities

were equally dramatic.

Stock comments
The biggest contributor to performance for the month was Standard Chartered, which rallied in step with the broader financials sector as investors rotated into cyclicals given policy easing and softening inflation signals. Phoenix Group also contributed as the shares did well following relief from the Autumn Budget when the bond market remained stable, and also given rotation into UK financials through the month. The underweight in Diageo contributed as the shares fell due to ongoing concerns over weak volume growth. Sentiment was further pressured by UBS's early-December downgrade, citing persistent softness in the US spirits market. Rio Tinto contributed in December, benefitting from strong trends in commodity prices.

Detractors this month were a function of underweight positions. HSBC (underweight) and Barclays (not owned) both rallied sharply as investors rotated into cyclicals with financials in particular performing well following the November Budget and associated bond market stability, as well as a broader shift toward value stocks in Europe. UK banks building on their strong year-to-date gains (+68%). Glencore (not owned) also detracted after copper prices reached new all-time highs early in the month, driven by structural supply deficits. The company also performed well on raised copper production numbers ahead of their capital markets day at the start of the month. Nestlé detracted during the month as digital strategy concerns

numbers are

Changes
We were focused mainly on ensuring the fund was in a good place for the start of 2026, re-underwriting investment cases and pruning areas where conviction was lower and allocating to those names where we see most opportunity. There were no major purchases or disposals in the month. During the period, we reduced BP and Shell following strong runs despite weak energy prices and weak earnings. We also added to Rolls-Royce given the strong outlook for civil aerospace, defence and data centre expenditure.

Outlook

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The outlook for investment markets continues to be driven by a complex interplay of elevated geopolitical uncertainty, easing monetary policy and strong thematic winds in AI, Defence and Financials sectors. The first half of 2025 saw global markets fall sharply as tariffs were threatened only to be followed by an impressive recovery as proposed tariff levels were lowered and their implementation delayed. However, tariffs remain a key source of market volatility with the potential for outsized impacts on specific industries and companies. Expectations of Fed rate cuts have consistently been pushed out this year. US President Trump's unpredictability, whether tariff related or more generally, suggests volatility in both equity and bond markets is likely to remain elevated. These factors have also driven weakness in the US Dollar impacting companies with USD earnings. Our response is to focus on those companies that have strong and sustainable competitive advantages alongside sufficient pricing power to navigate these uncertain times while seeking opportunities that may result from elevated volatility in markets.

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The outlook for Europe is buoyed by a combination of rate cuts by the ECB (from 3.0% to 2.0%) and significant fiscal expansion from Germany with an emphasis on defence and infrastructure spending. This has already led to the significant outperformance of European defence exposed companies though the question is whether this spend stimulates economic activity more broadly in Germany and then Europe as a whole. In our conversations with corporates, those exposed to highlighted industries, such as defence, are very optimistic, yet the outlook more generally suggests stabilisation rather than anything more for now. Meanwhile, China continues to fight weak domestic demand and deflationary pressures with a broad range of fiscal and monetary tools with limited success to date; the uncertainty created by US tariff announcements clearly hampering their efforts.

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The UK index continues to be relatively immune to the political challenges of the UK government and economy, as the strong performance during 2025. However, for the domestic exposed companies which represent c.20% of the index, the challenges of politics have been notable for investor confidence. The hope of 'certainty' delivered by a large majority in 2024, has given way to an elevated equity risk premium as both equity, and indeed gilt markets, continue to suffer from the fractures within this majority. Whilst fiscal consolidation is welcomed as the sensible path for a highly indebted nation, there remains little confidence in either its delivery or its architects surviving a potential leadership challenge. The UK saver remains robust, with high savings rates and real wages continue to grow highlighting the potential for UK economic recovery when consumer and business confidence improves. While economic data has shown signs of stability, uncertainty around the growth outlook and future policy direction has constrained investor confidence.

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The UK stock market remains very depressed in valuation terms relative to other developed markets offering double-digit discounts across a range of valuation metrics. This valuation anomaly saw further reactions from UK corporates who continue to use excess cashflows to fund buybacks. Combining this with a dividend yield of 3.2% (FTSE All Share Index yield as at end of October 2025; source: FT), the cash return of the UK market is attractive in absolute terms and higher than other developed markets. This valuation anomaly has also been evidenced by the continuation of inbound M&A for UK listed companies. Although we anticipate further volatility ahead, we believe that risk appetite will return and opportunities are emerging.

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We continue to focus the portfolio on cash generative businesses that we believe offer durable, competitive advantages as we believe these companies are best placed to drive superior returns over the long term. Whilst we anticipate economic and market volatility will persist throughout the year ahead, we expect that this will create opportunities; by seeking to identify the companies that strengthen their long-term prospects as well as attractive turnaround situations.

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*Source: The Financial Times as at 29th December 2025Â <https://www.ft.com/content/10a8a099-5719-42ce-a2eb-edc3045a632f>

*Source: As at 31st December 2025 Record Gold Price Ends 2025 Up 65%, Silver Jumps 144% | Gold News

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23 January 2026

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