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Smithson Investment Trust PLC
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SMITHSON INVESTMENT TRUST PLC

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INTERIM RESULTS ANNOUNCEMENT

Results for the twelve months ended 31 December 2025

Performance Highlights

Net Asset Value

	At 31 December 2025	At 31 December 2024
Net assets	**£1,720,475,000**	**£2,129,897,000**
Net asset value ("NAV") per ordinary share ("share")	**1,601.5p**	**1,631.8p**
Share price	**1,566.0p**	**1,484.0p**
Share price discount to NAV[1]	**2.2%**	**9.1%**

	Twelve months ended 31 December 2025 **% Change**	Twelve months ended 31 December 2024 **% Change**	For the period from Company's listing on 19 October 2018 to 31 December 2025 **% Change**
NAV total return per share[1]	**(1.8)%**	**2.1%**	**60.2%**
Share price total return[1]	**5.6%**	**4.9%**	**56.6%**
Comparator index total return[2]	**10.2%**	**11.5%**	**80.9%**
Ongoing charges ratio[1]	**0.9%**	**0.9%**	**0.9%**

Source: Bloomberg.

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

[1] These are Alternative Performance Measures ("APMs"). Definitions of these, together with how these measures have been calculated, are disclosed later where it is made clear how these APMs relate to figures disclosed and calculated under IFRS.

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

Chairman's Statement

I am pleased to present this Interim Report of the Smithson Investment Trust plc (the "Company") for the twelve months ended 31 December 2025. Subject to shareholder approval of the Board's recommended restructuring in February, the past year will have marked a period of profound change for the Company.

The Board is recommending that the Company be converted into an open-ended investment company, or 'OEIC', which will allow shareholders to participate in the same investment strategy with the same management team, or, should they prefer, realise their investment at close to NAV, thus effectively eliminating the persistent discount at which the shares have traded in recent years.

Proposed restructuring of the Company

Despite the Board's efforts to reduce the discount to net asset value by buying back 39.3% of the shares in issue since April 2022, the shares continued to trade at a significant discount throughout 2025. In the absence of any signs of imminent improvement in prevailing underlying equity market dynamics, the Board began actively to explore a range of options to address the discount and to optimise shareholder value.

Following careful consideration of a number of alternatives, the Board announced, on 12 November 2025, that the Company had entered into an agreement with its manager Fundsmith for the proposed rollover of the Company's assets into an open-ended investment company, Smithson Equity Fund.

On 22 January 2026 a circular setting out the details of the Company's conversion into an open ended fund was published, and the Board recommends this Scheme to shareholders and urges them to vote in favour of the resolutions at the two general meetings required to approve and implement the Scheme. Details of the Scheme are contained on the Company's website at www.smithson.co.uk/restructure-proposal.

Inevitably at some point in the future the prevailing market cycle will change, and smaller and medium sized companies will once again outperform large companies globally. In addition, Fundsmith's established investment style and philosophy will doubtless produce attractive relative and absolute returns once more. The Scheme therefore offers shareholders the opportunity to rollover into the new Smithson Equity Fund which will follow the Company's current investment strategy and be managed by Fundsmith. With the OEIC structure, shareholders will be able to buy and sell at net asset value daily. Shareholders who prefer to realise their investment can elect for the cash exit option and effectively sell at a level that no longer has a discount attached.

Throughout the process the Board has sought to minimise the costs of the restructuring and we are grateful for the contribution which Fundsmith has agreed to make to those costs. The Board believes that the Scheme offers the most flexible and competitive outcome for shareholders.

Change of accounting reference date

In light of the proposed restructuring, the Board resolved to change the Company's accounting reference date from 31 December 2025 to 30 June 2026 and announced that this interim report would be published.

Investment Performance

The Company's net asset value (NAV) per share total return for the period was -1.8% compared with the +10.2% return from the MSCI World SMID Index.

The investment manager's review below details the factors driving the performance of the portfolio, and the changes made to the Company's portfolio over the year.

The Company's objective is to provide shareholders with long term growth in value, and the Company's annualised NAV per share performance in the period since inception to the end of December 2025 is +6.8% pa, compared with the +8.6% pa return from the MSCI World SMID Index. The Company's investment performance since inception in 2018 can broadly be split into two distinct periods: strong performance from IPO until 2021, and then underperformance since early 2022. This period of poor relative performance was a major contributor to the persistent share price discount to net asset value.

Discount and Share Buybacks

The share price discount to NAV was 9.1% at the end of 2024, and despite the continuation of the share buyback programme during 2025, averaged 10.3% during the year up to 11 November 2025, the day prior to the announcement of the proposed restructuring.

During 2025 the Board repurchased 23.1 million shares, bringing total repurchases since April 2022 to 69.7 million, representing almost 40% of the total shares in issue before the buyback programme began. This represents one of the most proactive buy back campaigns in the investment trust sector in recent years in both absolute and relative terms.

Since the announcement of the proposed restructuring of the Company, the Board has ceased buybacks and the shares have traded at an average discount of 3.2%.

Results and Dividends

The Company's total loss after tax for the twelve months was £62.8 million comprising a capital loss of £67.4 million and a revenue profit of £4.6 million.

The Company is required to pay a dividend in order to retain investment trust tax status, and accordingly the Board announced, on 13 January 2026, an interim dividend of 2.1 pence per share in respect of the 18-month period to 30 June 2026. The dividend will be paid on 20 February 2026 to shareholders on the register on the record date of 23 January 2026.

Shareholder Engagement

The Company held its Annual General Meeting on 23 April 2025.

A General Meeting was held on 15 May 2025 at which shareholders approved the resolution to give the Directors the ability to reduce the Company's share premium account by £500 million to increase the Company's distributable reserves that can be used to continue with the Company's share buyback programme. The High Court confirmed the capital reduction on 10 June 2025, with registration by Companies House on 13 June 2025.

A further General Meeting was held on 3 December 2025 at which shareholders approved a new authority, replacing the prior authority, to repurchase up to 16,178,759 shares. This authority was granted after the announcement of the proposed restructuring of the Company on 12 November and has not been utilised.

Two General Meetings of the Company will be held on 10 February 2026 and 27 February 2026 at which shareholders will be asked to approve and implement the Scheme. The Board unanimously recommends voting in favour of the resolutions to be proposed.

Changes to Board Composition during 2025

I joined the Board on 28 January, taking over from Diana Dyer Bartlett as Chair. Diana, who joined the Board as a non-executive director at the launch of the Company in October 2018, and who served as Chair of the Audit Committee until February 2022, and then as Chair of the Board until January 2025, did not seek re-election at the AGM in April 2025.

Sarika Patel was also appointed to the Board as a non-executive director and Chair of the Audit Committee on 3 July 2025.

Outlook

I am a firm believer in the value of investment trusts as savings vehicles and, in general, they serve investors well, so the proposed conversion into an OEIC is bittersweet. However, the Board's overriding responsibility is to act in the best interests of shareholders, and we believe the proposed restructuring represents the best available outcome for this Company. The existing Smithson strategy is easily replicated in an open-ended fund, which allows shareholders to buy and sell at NAV and thus eliminating the discount, without materially altering the current investment approach.

Shareholders are encouraged to read the circular setting out the details of the scheme of reconstruction and the documents relating to Smithson Equity Fund before deciding what action you should take with respect to the options to roll over into the Smithson Equity Fund or to receive cash for your shareholding at net asset value less costs.

If the resolutions relating to the Scheme are approved by shareholders all Directors will stand down on 27 February 2026, and a liquidator will be appointed. My fellow directors and I would like to thank shareholders for their support for

2026, and a liquidator will be appointed. My fellow directors and I would like to thank shareholders for their support for the Company and the Board

Mike Balfour
Chairman

2 February 2026

Investment Manager's Review

Dear Fellow Shareholder,

The performance of Smithson Investment Trust ('Smithson'), along with comparators, is laid out below. In 2025, the Net Asset Value per share (NAV) of the Company decreased by 1.8% and the share price increased by 5.6%. Over the same period, the MSCI World Small and Mid Cap Index ('SMID'), our reference index, increased by 10.2%. We also provide the performance of UK bonds and cash for comparison.

	Total Return 01.01.25 to 31.12.25 %	Inception to 31.12.25 Cumulative %	Inception to 31.12.25 Annualised %
Smithson NAV[1]	-1.8	+60.2	+6.8
Smithson Share Price	+5.6	+56.7	+6.4
SMID Equities[2]	+10.2	+80.9	+8.6
UK Bonds[3]	+6.1	-1.3	-0.2
Cash[4]	+4.2	+17.7	+2.3

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

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

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

[4] £ Interest Rate, source: Bloomberg. Inception 19.10.18

It was certainly a year of two halves for Smithson, with the NAV outperforming the reference index in the first half of the year, followed by significant underperformance in the second half, dipping into negative territory in December. It was extremely disappointing to observe the NAV drifting for six months while the Index shot off like a rocket, causing NAV performance to fall behind the Index since inception. The Smithson share price was up for the year owing to a reduction in the share price discount to NAV, particularly following the announcement to restructure the Company.

Impatient to understand the opportunities we had missed, we dissected the market performance and discovered, to our unhappy bemusement, that according to Bloomberg the median performance of the stocks in the Index of equal or better quality to those in our portfolio (measured by returns on invested capital, gross margin and free cash flow yield) was -4.1% in the second half of the year. This compares to the median performance of the rest of the stocks in the Index of +7.3%. We also discovered that performance became more negative as the quality increased, and more positive as the companies became less profitable. The share prices of loss-making companies were up by 18% on average!

This suggests that the strategy of buying high quality small and mid-capitalisation companies did not work this year. But while disappointing in the short term, being so different from the market could prove to be useful diversification for shareholders when this particular environment changes.

It is difficult to attribute the current market behaviour to any global macroeconomic factor, with inflation, growth expectations and long-term interest rates remaining relatively steady throughout the year. We therefore have to assume that if the fundamentals aren't currently making sense, there might be a degree of positive sentiment or speculation in specific areas of the market that is affecting Index performance. This risk-taking mood isn't pervasive throughout all markets, as weak cryptocurrency prices in the period can attest, but instead appears concentrated in certain pockets, especially those related to Artificial Intelligence (AI).

Looking at this area of the market we can see that the average price gain for the top 100 AI exposed companies in the Index, (imperfectly determined by taking the 100 companies which declined in price the most on the day in January 2025 that the Large Language Model produced by the Chinese company DeepSeek was unveiled), in the second half of the year, was 44%!

Having pored over this list for investment ideas earlier in the year, it appeared that only three of them would currently meet the most basic fundamental requirements for portfolio inclusion and the one we decided to acquire, **Vertiv Holdings**, turned out to be the best performing of these, and a strong contributor to the portfolio.

Vertiv, listed in the US, is a provider of customised liquid cooling and power equipment for data centres and its shares were up 71% since we acquired it in May. But Vertiv is not our only exposure to AI, or more specifically, capital expenditures (capex) on AI data centres, as both Halma and Diploma also generate revenue from this area. We also own an Italian IT consultancy business called Reply, which is increasingly employed by large corporates to integrate AI applications into their technology systems. All told, we estimate that the portfolio has around a 5% weighting to AI-exposed companies, while taking *only* the top 100 companies mentioned above would account for over 6% of the reference index. It is therefore safe to assume that the portfolio is still 'underweight' the AI theme.

Is this the correct position to have?

There are many signs that speculative activity is forming in this area, from the share price performance of unprofitable companies, to AI start-ups suddenly worth billions of dollars, to the circular financing arrangements of some companies lending money to their AI customers to enable the further purchases of their own products (because the AI companies are still loss-making), to comments from leading protagonists including the CEOs of OpenAI, Alphabet, and Palantir regarding observed speculative behaviour. To give a sense of scale to AI capex, and pertinent to general and Palantir regarding observed speculative behaviour. To give a sense of scale to AI capex, and pertinent to general fears that AI will one day replace white collar workers, here's something to ponder: it is expected that next year in the US, data centre construction will be greater in value than office building construction for the first time.

So, is there a bubble here? Of course! It is almost certain that such fast growing, potentially world changing technology investment will attract excessively speculative behaviour. But at least it is a useful bubble - or what Jeff Bezos, the founder of Amazon, calls an 'industrial bubble' - like the Dotcom Bubble (2000) and Railway Mania (1840s), in that whatever happens next to asset prices, at least we will be left with a useful technology to benefit mankind. This contrasts with purely 'financial bubbles' such as those for Dutch tulip bulbs (1630s), the South Sea Bubble (1720) or mortgage derivatives before the 2008 Financial Crisis, which were simply speculating on asset prices and otherwise useless.

The issue for most professional money managers is that these events can continue for quite some time, typically fuelled by excitement regarding technological promise and facilitated by loosening credit conditions, which are now present. In fact, if the AI capex boom were to track the timeline of the Dotcom Bubble (spoiler alert: it almost certainly won't), then we are only in 1998, with at least two more years to go.

The key must be, therefore, to have some exposure, but only *if* we can own companies that fit within our strategy, i.e. fulfilling all of our strict quality criteria while benefiting from the structural growth that's being driven by AI development or deployment, *and* being just as strict on valuation. For example, when we acquired Vertiv Holdings, it had grown revenue by 29% over the prior 12 months, yet it was trading on just 21x forward PE after the share price had fallen owing to the US tariff announcements in April. But it does mean that if share prices and valuations continue to increase at the current rate, it is likely that our exposure to this theme will decrease over the coming year, rather than increase.

Part of this risk control includes maintaining holdings of distinctly 'non-AI' companies. At one end of this range is **Clorox**, a US consumer staples company selling branded household goods from bleach to salad dressings. Its shares typically perform well when the market suddenly decides that things aren't so rosy anymore and it is now trading at a low valuation last seen briefly in the aftermath of the Financial Crisis.

At the other end of the spectrum is our basket of holdings in software companies, which the market currently fears will be negatively affected by the general deployment of AI. This is because it is believed that they will have to develop their own AI applications to avoid being replaced by an AI start up, requiring both increased R&D spend up front as well as additional ongoing computing costs to serve the customer use of these applications, with limited opportunity for offsetting revenue generation.

Our current thinking is that these fears of displacement are likely overblown, with our companies producing software that has high regulatory compliance requirements or are automating critical workflows for their customers - from distributing computing workload across cloud systems to payroll processing - with integrated customer data increasing the barriers to replacement. The costs of their AI product deployment are also likely overestimated due to potential efficiency gains from the use of AI in their own operations, as well as the fact that if people keep asking their software the same questions (which they typically do), it doesn't require any computing power at all to spit out the same previously composed answers. But hopefully we only need to be roughly right, because most of these software companies are now trading at all-time lows compared to historical valuations.

Our simple investment strategy, of buying good companies, not overpaying and holding for as long as possible to allow our investments to compound in value, has not changed. To demonstrate the quality of the companies held in the portfolio, the table below outlining their average operating metrics shows that they remain far superior to the average company in the Index. Changes to the portfolio combined with improving operating metrics meant that Return on Invested Capital increased to 31% from 26% in 2024.

LTM figures	**Smithson Investment Trust**	**MSCI SMID**
ROIC	31%#	6%
Gross Margin	64%	30%
Operating Profit Margin	25%	6%
Cash Conversion	99%	74%
Interest Cover	54x	6x

Source: Fundsmith

Data for the MSCI World SMID Cap Index is shown ex-financials, with weightings as at 31.12.25

Data for MSCI World SMID Cap Index is on a weighted average basis, using last available reported figures as at 31.12.25

Data for Smithson portfolio is on a weighted average basis, ex-cash, using last available reported figures as at 31.12.25

Interest cover (EBIT ÷ net interest) data for Smithson and MSCI SMID is done on a median average basis.

Return On Invested Capital for Smithson excludes Verisign which now has a negative balance of invested capital after share buybacks

In terms of valuation, the average neutral free cash flow yield (the free cash flow excluding growth capital expenditure divided by the market capitalisation) of the portfolio has increased to 3.7% from 3.3% in 2024. This is close to the high recorded in December 2018 of 3.9% while, I would argue, we have a higher quality and faster growing portfolio today. Even more interesting is the fact that the cash flow yield for the SMID Index ended the year at 3.3%, which marks the first time in our history that our portfolio of high quality companies is cheaper than the Index. Over the last twelve months, the growth in free cash flow for our companies was 10.4% on a weighted average basis. This was lower than is typical due to large capital projects at some of our companies. On a median basis, the growth was 20.3%, close to the 22% median growth in 2024.

Trading activity, including new additions to the portfolio and exiting positions, meant that discretionary portfolio turnover (excluding sales to facilitate share buybacks) was 49% compared to 36% in 2024, a reflection of the opportunities presented to us during the year. Worth noting then that the share prices of companies we acquired during the year were up by 18% on average from their respective entry points to year-end, while those companies sold were down by 9% on average post their respective exit points. Without taking these actions, things could have been worse.

Turnover remains below the average for actively managed equity funds, which is above 60% according to Morningstar, while in a closed-end vehicle such as an investment trust, it's worth remembering that capital has to be generated first by selling part or all of an existing position to enable a new position to be acquired, both of which count towards first by selling part or all of an existing position to enable a new position to be acquired, both of which count towards turnover. 49% turnover means that around one quarter of the portfolio was changed (24.5% of the portfolio was sold to acquire 24.5% of new holdings), indicating an average holding period of 4 years. Over one third of the portfolio is still held in companies owned since the inception of Smithson in 2018.

Importantly, costs of all dealing, including taxes, amounted to just 0.02% (2 basis points) of NAV in the period, lower than the 0.03% incurred in 2024. The Ongoing Charge Figure was 0.90% of NAV, compared with 0.86% in 2024. This includes the Management Fee of 0.9%, applied to the market capitalisation of the Trust, which was lower than the NAV during the year. Combined, this means the Total Cost of Investment in the Trust was 0.92% of NAV (2024: 0.89%).

Regarding portfolio changes, having explained the purchases during the first six months of Doximity, Catalyst Pharmaceuticals, Vertiv Holdings, Manhattan Associates and Napco Technologies and the sales of Addtech, Fevertree Drinks, IDEX, Geberit and Equifax in the interim report, I shall focus my comments here on those changes that were made in the second half of 2025.

Two further companies were acquired after the interim report, both in December, which again highlights that very little activity can take place for months at a time, with sporadic bouts of trading when opportunities present themselves. **Adma Biologics** is a US-based healthcare company focusing on primary immunodeficiency disease, a rare disease caused by a genetic mutation that leads to deficiencies in the patient's immune system and affects around 250,000 people in the US. Adma produces treatments in the form of human plasma-derived immunoglobulin products which are typically administered intravenously and effectively replace the missing antibodies for the patient for a limited period. As some patients are particularly susceptible to respiratory diseases, the company has developed a plasma treatment with concentrated doses of specific antibodies to combat these viruses. This is unique in the market, as demonstrated by the potential treatment price for a single patient of over 50,000 per *month*. The market is interesting in other ways, notably the high barriers to entry for human plasma collection. A single batch of plasma could require up to 10,000 donors, for which Adma has seven plasma collection centres across the US, all of which have to be licensed by the FDA, a process that can take 5-8 years. On top of this, the extensive testing which is required for each batch means that the total time for collection, manufacturing and testing of a single batch of immunoglobulin product can be up to 12 months. Despite this difficult process, Adma's operating margin last year was 33% with net profit growth of 27% and return on invested capital of over 40%.

Nutanix is a US company that sells software which lets companies run applications on servers in their own data centres as well as in public and private clouds, all managed under one operating system. Despite the obvious need for companies to seamlessly manage modern information technology infrastructure across these different technology environments, the market for this software is very concentrated, with Nutanix the number two player behind the much larger VMware. The important point to understand here is that VMware was recently acquired by Broadcom, which has a strategy of shedding smaller clients from its newly acquired businesses to focus on only the largest and highest value accounts. Nutanix management has identified around 100,000 VMware customers likely to be neglected, a potentially significant uplift to its current customer base of around 30,000, and a growth tailwind likely to last several years. Even without this, we would expect growth for Nutanix of 10% a year with an improving operating margin and returns on invested capital above 40%.

Three companies were sold during the second half of the year. Having mentioned in past reports the successful strategy of **Verisk Analytics** in divesting its unprofitable non-core holdings to focus on its main insurance data business, this appeared to take an abrupt U-turn when management announced the 2.35 billion acquisition of a company that provides management software for residential property contractors. As this coincided with a FCF yield of 2.5% for Verisk, close to its historical peak levels, we sold out of our entire position the day after the announcement. From that day to the end of the year, the shares were down 19%, which demonstrates that - as counterintuitive as it sounds for a long-term investment strategy - value can still be added through swift and correct action. Verisk is one company that we had held since inception seven years ago, over which time the shares were up 151% to the point of sale, a compound annualised return of 14.5%.

Exponent and Choice Hotels were both sold because of dissatisfaction with business progress in combination with management discussions. **Exponent** is a consulting business that focuses on scientific investigations into product faults, typically for litigation defence. Revenue growth had been increasingly lacklustre over recent years, decelerating from 16% in 2021 to 4% in 2024. However, our greater concern was the long-term potential impact of AI on their business, which is essentially billable per hour of consultant work. To our dismay, the management team appeared somewhat blasé about such a threat, which, in combination with a valuation below 3% FCF yield, prompted us to sell.

Choice Hotels has also been struggling, given that a large proportion of its hotels cater to low end US consumers which are suffering from a cost-of-living-crisis. While we don't know how long this may last, and it could be years, the further issue for us was the degree of obfuscation with which management presented its underwhelming results. So, despite the shares not being particularly expensive, we felt the capital would be better used elsewhere. Indeed, Choice Hotel shares are down a further 22% since our exit.

To discuss the fund performance in more detail, let's start with the top five detractors, which are shown below.

Security	Country	Contribution %
Sabre	US	-2.2%
Clorox	US	-1.6%
Paycom Software	US	-1.3%
Doximity	US	-0.9%
Choice Hotels	US	-0.9%

Source: Northern Trust

The worst performing stock in the portfolio was **Sabre**, the US travel software company, which links travel buyers, such as online consumers and travel agents, to travel sellers, such as airlines and hotels. This underperformance is despite the industry increasingly becoming a duopoly as the third largest player, Travelport, has struggled since its acquisition by private equity just before Covid, which stopped almost all travel for a year. Sabre did not emerge from that period unscathed, now being the only company in the portfolio with meaningful levels of debt, but recent underperformance has likely been caused by concerns regarding future industry bookings being conducted by AI agents and not travel agents. It still appears that Sabre and Amadeus, the largest players in the industry, will be required to provide the IT infrastructure to enable these AI bookings and they have already launched AI booking agents of their own to facilitate this. Adding to market concerns was a reduction in travel volumes due to the US government shutdown in 2025, as US government employees account for around 4% of Sabre's air distribution volumes.

At the other end of the scale, normally our least volatile stock, **Clorox**, was this time one of our worst performers. This is for two reasons: first, that sales of their consumer staples products have struggled due to the woes of the low-end US consumer mentioned above, and second, the company has been burdened with around 75m of additional costs related to the new US tariffs. Given that the valuation of the shares is now approaching the lows seen in the financial crisis, and I suspect they will perform well if the stock market loses its speculative mood, I remain happy with its position in our portfolio.

Choice Hotels was another victim of subdued low-end US consumer spending, but in this case we decided to exit the position, as outlined earlier.

Paycom is a US payroll software company and is likely another one of the sufferers of AI deployment fears outlined above, although the shares have come under further pressure because of weak US employment data, as their software is charged on a per-employee basis. The company has already released an AI interface for its software, allowing users to interact with it using natural language as they would with ChatGPT, while all underlying data remains proprietary to the customer. The management claims this is already transforming the use of its software, and the fact that they own their own data centre means that additional running costs for these AI applications are reasonable.

Having started the year with extremely strong performance, shares in **Doximity**, the professional network for US doctors (similar in concept to LinkedIn), sold off in the last couple of months due to cautious guidance for revenue growth given by management. This is somewhat frustrating, as management guided to only 10% revenue growth, similar to their guidance over the last two years, while the business has consistently produced mid-teens growth or better over the same timeframe. We shall have to wait for the New Year to see the final result for 2025, but at least the market is now only expecting what it has been spoon-fed and, combined with a FCF yield approaching 4%, we estimate that the risk of further downside is limited.The top five contributors to performance are shown below.

Security	Country	Contribution %
Vertiv	US	1.6%
Diploma	UK	1.5%
Medpace	US	1.1%
Halma	UK	1.0%
Verisign	US	0.7%

Source: Northern Trust

Vertiv was our best performing stock despite only owning it for a little over six months. The shares performed poorly at the start of the year after the DeepSeek announcement in January and the US tariff announcements in April. After our acquisition in May, the shares rebounded strongly as several companies continued to announce plans to build more data centres.

Diploma also performed well due to continued strong organic growth throughout the year, in part supported by the exposure of some of its subsidiaries to AI data centre construction.

Medpace is a US company which provides research and development as well as drug trial services to small biotech companies. Share price performance had been lacklustre since we acquired it roughly a year ago, as biotech funding was still under pressure after the excesses experienced during Covid. However, indications that orders were returning in its Q2 results announcement in July sent the shares up 55% in one day, and they have increased further since.

Halma was another beneficiary of data centre construction, in this case because of one customer - likely to be one of the so-called Magnificent Seven - demanding 40% more of its photonics products this year for data centre operations. This is a situation we are following closely, given the obvious risk of decline in future orders from this customer.

Verisign is a company we have held since our inception due to the consistent growth and extremely high margins afforded to its unique competitive position. As the exclusive registry operator for the .com internet domain, its business is reliant on a management contract from the Internet Corporation for Assigned Names and Numbers (ICANN), the non-profit organisation that coordinates internet domains and addresses. This contract is typically 6 years in length and has a presumptive right of renewal, which means it will automatically renew unless Verisign materially breaches the agreement by allowing an internet outage or becoming insolvent. The first situation hasn't happened in all 30 years of its operation and with the level of cash kept in the business, the second situation is virtually impossible. I provide this detail only to explain that the contract was practically guaranteed to be ratified when it came up for renewal in November 2024, yet when it was duly extended for another 6 years, the shares went on a +60% run.

The current positioning of the fund is shown below, with a breakdown of the portfolio in terms of sector and geography at the end of the period. The median year of foundation of the companies in the portfolio at the year-end was 1981.

Sector	31 December 2025 (%)	31 December 2024 (%)
Information Technology	30	20
Industrials	29	42
Health Care	21	13
Consumer Discretionary	7	11
Consumer Staples	6	8
Financials	4	4
Materials	2	2
Cash	1	0

Source: Northern Trust

The weighting to the Industrials sector has decreased over the course of the year due to the sale of IDEX, Geberit, Equifax, Verisk and Exponent, while Information Technology primarily increased due to the acquisition of Manhattan Associates and Nutanix. Healthcare also ended with a higher weighting with the new positions in Catalyst Pharmaceuticals and Adma Biologics. The sale of Choice Hotels accounted for most of the decrease in the

Consumer Discretionary weighting.

Region	31 December 2025 (%)	31 December 2024 (%)
USA	49	50
Italy	13	9
UK	13	16
Germany	7	7
Japan	3	2
Sweden	3	3
Denmark	3	3
New Zealand	3	4
Switzerland	2	5
Belgium	2	1
Cash - Uninvested	1	0

Source: Northern Trust

The USA is the largest country weighting and is little changed during the year, remaining some way below the Index weighting of 60%. The exposure to the UK has decreased after reducing the weighting of some of our biggest winners of the year - Diploma and Halma - after those positions grew outsized relative to potential upside. The positions in our Italy domiciled names, predominantly Moncler and Recordati, increased through a combination of outperformance and *not* being reduced to fund the Company's share buybacks.

The geographical weighting that we pay most attention to though is the economic exposure of our companies, measured by the origin of revenue (below).

Source Of Revenue	31 December 2025 (%)	31 December 2024 (%)
North America	53	51
Europe	24	27
Asia Pacific	17	17
Eurasia, Middle East, Africa	4	3
Latin America	2	2

Source: Fundsmith

Here, not much has changed, with the revenue coming from North America increasing slightly at the expense of revenue from Europe, which can be accounted for by the trades described earlier.

In summary, we still own great companies while the portfolio is now the cheapest it has ever been relative to the market. We continue to work relentlessly to uncover attractively valued, high quality growing companies that will one day become much larger, and potentially higher rated, than they are today. The only silver lining of the recent performance is that this is becoming easier by the day. Thank you once more for your patient support.

Simon Barnard
Fundsmith LLP
Investment Manager

2 February 2026

Investment Portfolio

Investments held as at 31 December 2025

Security	Country of incorporation	Fair value £'000	% of investments
Moncler	Italy	99,469	5.8
Rational	Germany	80,249	4.7
Recordati	Italy	76,589	4.5
Spirax-Sarco Engineering	UK	75,491	4.4
MSCI	USA	71,097	4.2
Diploma	UK	68,521	4.0
Rollins	USA	65,970	3.9
Qualys	USA	63,950	3.8
Paycom Software	USA	61,985	3.7
Oddity	Israel	61,914	3.6
Top 10 Investments		**725,235**	**42.6**
Catalyst Pharmaceuticals	USA	58,320	3.4
Napco Security Technologies	USA	55,193	3.3
Doximity	USA	54,307	3.2
Monotaro	Japan	54,283	3.2
Nutanix	USA	52,924	3.1
Reply Spa	Italy	52,275	3.1
HMS Networks AB	Sweden	50,825	3.0
Halma	UK	50,713	3.0
Ambu	Denmark	50,210	3.0
Fisher & Paykel Healthcare	New Zealand	49,552	2.9
Top 20 Investments		**1,253,837**	**73.8**
Vertiv	USA	49,473	2.9
Verisign	USA	48,869	2.9
Clorox	USA	45,995	2.7
Nemetschek	Germany	45,601	2.7
Manhattan Associates	USA	37,122	2.2
Graco	USA	35,291	2.1

Medpace	USA	34,461	2.0
Inficon	Switzerland	32,487	1.9
Croda	UK	32,417	1.9
Melexis	Belgium	32,180	1.9
ADMA Biologics	USA	28,506	1.7
Sabre	USA	21,738	1.3
Total Investments		**1,697,977**	**100.0**

Investment Objective and Policy

Investment Objective

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

Investment Policy

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

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

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

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

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

(e) the Company must not acquire shares issued by a body corporate and carrying rights to vote at a general meeting of that body corporate if the Company has the power to influence significantly the conduct of business of that body corporate (or would be able to do so after the acquisition of the shares).

The Company is to be taken to have power to influence significantly if it exercises or controls the exercise of 20 per cent. or more of the voting rights of that body corporate; and

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

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

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

Hedging Policy

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

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

Borrowing Policy

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

Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the FCA's Disclosure Guidance and Transparency Rules. The Directors consider that the Chairman's Statement and the Investment Manager's Review of the Interim Report respectively, provide details of the important events which have occurred during the period and their impact on the condensed set of financial statements. The following statements on principal risks and uncertainties, related party transactions and the Directors' responsibility statement below, together constitute the Interim Management Report for the Company for the period from 1 January 2025 to 31 December 2025.

Principal Risks and Uncertainties

The Board considers that the principal risks and uncertainties faced by the Company can be summarised as (i) investment objective and policy risk, (ii) market risks, (iii) outsourcing risks, (iv) key individuals' risk, (v) regulatory risks and (vi) the failure or delay of the Scheme of Reconstruction. A detailed explanation of risks and uncertainties of (i) through (v) can be found on pages 19 to 22 of the Company's most recent Report and Accounts for the year ended 31 December 2024. With regard to the failure or delay of the Scheme of Reconstruction the Board note that FCA approval of the open ended investment company has been received and that, therefore, the risk is that the Scheme does not receive the approval of shareholders. The Board believe that it is likely, if the Scheme is not approved by shareholders, that the share price discount to net asset value would increase and that share liquidity would likely also be reduced. The Board also considers the risks associated with the macroeconomic backdrop such as uncertainty over inflation, higher interest rates, possibility of a recession and the continuing war in Ukraine. The Board monitors the potential risks to the Company and its portfolio and receives regular updates and assurance from the Investment Manager and other key service providers on operational resilience and portfolio exposure and impact.

A review of the period and the outlook can be found in the Chairman's Statement and in the Investment Manager's Review.

Related Party Transactions

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

Directors' Responsibility Statement

The Directors confirm to the best of their knowledge that:

- the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first twelve months, their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the Interim Financial Statements includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board of Directors

Mike Balfour
Chairman

2 February 2026

Condensed Statement of Comprehensive Income (Unaudited)

		Unaudited Twelve months ended 31 December 2025			Audited Year ended 31 December 2024		
	Notes	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Income from investments held at fair value through profit or loss	4	24,716	-	24,716	28,699	-	28,699
Losses on investments held at fair value through profit or loss	3	-	(66,877)	(66,877)	-	(11,179)	(11,179)
Foreign exchange losses		(30)	(179)	(209)	(72)	(668)	(740)
Investment management fees		(15,859)	-	(15,859)	(18,505)	-	(18,505)
Other expenses and transaction costs		(1,529)	(418)	(1,947)	(1,546)	(636)	(2,182)
Profit/(loss) before tax		**7,298**	**(67,474)**	**(60,176)**	**8,576**	**(12,483)**	**(3,907)**
Tax		(2,663)	-	(2,663)	(4,205)	-	(4,205)
Profit/(loss) for the period	**5**	**4,635**	**(67,474)**	**(62,839)**	**4,371**	**(12,483)**	**(8,112)**
Profit/(loss) per share (basic and diluted) (p)	**5**	**3.97**	**(57.77)**	**(53.80)**	**3.00**	**(8.57)**	**(5.57)**

The Company does not have any income or expenses which are not included in the profit for the period.

All of the profit and total comprehensive income for the period is attributable to the owners of the Company.

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

All items in the above statement derive from continuing operations.

The accompanying notes are an integral part of these financial statements.

Condensed Statement of Financial Position (Unaudited)

	Notes	**Unaudited As at 31 December 2025 £'000**	**Audited As at 31 December 2024 £'000**
Non-current assets			
Investments held at fair value through profit or loss	3	1,697,977	2,127,041
Current assets			
Trade and other receivables		720	5,080
Cash and cash equivalents		23,406	3,036
		24,126	8,116
Total assets		**1,722,103**	**2,135,157**
Current liabilities			
Trade and other payables		(1,628)	(5,260)

Trade and other payables		(1,628)	(5,260)
Total assets less current liabilities		**1,720,475**	**2,129,897**
Equity attributable to equity shareholders			
Share capital	7	1,771	1,771
Share premium		1,219,487	1,719,487
Capital reserve		494,522	407,893
Revenue reserve		4,665	746
Total equity		**1,720,475**	**2,129,897**
Net asset value per share (p)	6	**1,601.5**	**1,631.8**

The accompanying notes are an integral part of these financial statements.

Condensed Statement of Changes in Equity (Unaudited)

For the twelve months ended 31 December 2025

	Share Capital £'000	Share Premium £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
Balance at 1 January 2025	1,771	1,719,487	407,893	746	2,129,897
Ordinary shares bought back into treasury	-	-	(343,892)	-	(343,892)
Costs on buybacks	-	-	(1,927)	-	(1,927)
Transfer of share premium#	-	(500,000)	500,000	-	-
Expenses in relation to share premium transfer	-	-	(48)	-	(48)
Equity dividends paid	-	-	-	(716)	(716)
(Loss)/profit for the period	-	-	(67,474)	4,635	(62,839)
Balance at 31 December 2025	**1,771**	**1,219,487**	**494,522**	**4,665**	**1,720,475**

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

For the year ended 31 December 2024 (Audited)

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

The accompanying notes are an integral part of these financial statements.

Condensed Statement of Cash Flows (Unaudited)

	Notes	Unaudited Twelve months ended 31 December 2025 £'000	Audited Year ended 31 December 2024 £'000
Operating activities			
Loss before tax		(60,176)	(3,907)
Adjustments for:			
Losses on investments held at fair value through profit or loss	3	66,877	11,179
Increase in receivables		(106)	(242)
Increase/decrease in payables		4	(230)
Overseas taxation		(2,663)	(4,205)
Net cash generated from operating activities		**3,936**	**2,595**
Investing activities			
Purchase of investments	3	(467,859)	(423,193)
Sale of investments	3	834,512	819,465
Net cash generated from investing activities		**366,653**	**396,272**
Financing activities			
Purchase of shares held in treasury		(347,528)	(410,228)
Costs relating to buy backs		(1,927)	(2,182)

Expenses in relation to share premium transfer	(48)	-
Equity dividends paid	(716)	-
Net cash used in financing activities	**(350,219)**	**(412,410)**
Net increase/(decrease) in cash and cash equivalents	**20,370**	**(13,543)**
Cash and cash equivalents at start of the period/year	3,036	16,579
Cash and cash equivalents at end of the period/year	**23,406**	**3,036**
Comprised of:		
Cash at bank	**23,406**	**3,036**

The accompanying notes are an integral part of these financial statements.

Notes to the Condensed Financial Statements (Unaudited)

1. General information

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

The condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("DTRs") of the UK's Listing Authority. On 3 December 2025 the Company released an announcement confirming the decision to amend its accounting reference date to 30 June. In accordance with this change this report is the second interim report required by the Listing Rules due to the Company's year-end being extended to 30 June 2026.

Principal activity

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

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

Going concern

Shareholders will be aware of the Board's proposal to restructure the Company into an open-ended vehicle and provide a cash exit to shareholders, as desired, first detailed in the proposal dated 12 November 2025, again in the circular dated 22 January 2026 and elsewhere in this Interim Report.

Given the progress made towards executing this proposal and the support of significant shareholders, the Board considers it likely that the proposal will be approved by shareholders at the General Meeting on 10 February 2026. As such it is the Board's expectation that the Company will be placed into voluntary liquidation in February 2026.

Accordingly, the Board has considered carefully the basis of preparation of these interim financial statements. In view of the anticipated restructuring and consequent division of net assets between rollover and exiting shareholders it has concluded that the most appropriate and relevant preparation basis is a liquidation basis as this matches the requirements of the anticipated restructuring proposal.

The Board applied the liquidation basis by considering what changes, if any, would be required to the financial statements that were prepared initially on a going concern basis. This exercise consisted of examining the recoverability and valuation of each asset recorded on the Balance Sheet as well as the valuation and payment schedule of liabilities. The results showed that the changes required to adjust from a going concern basis to a liquidation basis are wholly insignificant valuation adjustments.

Furthermore, as no assets or liabilities required reclassification, these very minor valuation changes have not been reflected in this report.

In the unlikely event that the restructuring proposal does not receive sufficient shareholder support, the Company invests in liquid assets and is able to meet its ongoing financial commitments as they fall due.

2. Significant accounting policies

The Company's accounting policies are set out below:

Accounting convention

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

The accounting policies in this Interim Report are consistent with those applied in the Annual Report for the year ended 31 December 2024 and have been disclosed consistently and in line with the Companies Act 2006.

Critical accounting judgements and sources of estimation uncertainty

The Board confirms that no significant accounting judgements or estimates have been applied to the financial statements other than the basis of preparation which is discussed above. Therefore there is not a significant risk of a material adjustment to the carrying amounts of assets and liabilities arising from estimations or judgements.

3. Investments held at fair value through profit or loss

	Unaudited Twelve months ended	Audited Year ended

	31 December 2025	31 December 2024
	£'000	£'000
Opening book cost	1,941,263	2,232,394
Opening investment holding gains	185,778	306,559
Opening fair value at start of the period/year	2,127,041	2,538,953
Purchases at cost	467,859	421,719
Sales - proceeds	(830,046)	(822,452)
Losses on investments	(66,877)	(11,179)
Closing fair value at end of the period/year	1,697,977	2,127,041
Closing book cost at end of the period/year	1,738,672	1,941,263
Closing unrealised gain at end of the period/year	(40,695)	185,778
Valuation at end of the period/year	**1,697,977**	**2,127,041**

The Company received £830,046,000 excluding transaction costs from investments sold in the period (31 December 2024: £822,452,000). The book cost of the investments when they were purchased was £670,868,000 (31 December 2024: £713,486,000). These investments have been revalued over time until they were sold and unrealised gains/losses were included in the fair value of the investments.

All investments are listed.

4. Dividend income

	Unaudited Twelve months ended 31 December 2025 £'000	Audited Year ended 31 December 2024 £'000
UK dividends	5,180	5,865
Overseas dividends	19,270	22,165
Overseas dividends - special	121	75
Bank interest	145	594
Total	**24,716**	**28,699**

5. Loss per share

Loss per ordinary share is as follows:

	Unaudited Twelve months ended 31 December 2025			Audited Year ended 31 December 2024		
	Revenue	Capital	Total	Revenue	Capital	Total
Profit/(loss) for the period/year (£'000)	4,635	(67,474)	(62,839)	4,371	(12,483)	(8,112)
Profit/(loss) per ordinary share (p)	**3.97**	**(57.77)**	**(53.80)**	**3.00**	**(8.57)**	**(5.57)**

Return per share is calculated based on returns for the period and the weighted average number of 116,798,035 shares in issue (excluding treasury shares) in the twelve months ended 31 December 2025 (31 December 2024: 145,572,236).

6. Net asset value per share

	Unaudited 31 December 2025	Audited 31 December 2024
Net asset value	£1,720,475,000	£2,129,897,000
Shares in issue	107,427,483	130,527,069
Net asset value per share	**1,601.5p**	**1,631.8p**

7. Share capital

	Unaudited 31 December 2025			
Issued, allotted and fully paid (ordinary)	Ordinary Shares Number	Treasury Shares Number	Total Shares Number	Nominal Value £'000
Ordinary shares in issue at 1 January	130,527,069	46,580,889	177,107,958	1,771
Ordinary shares bought back and held in treasury	(23,099,586)	23,099,586	-	-
	107,427,483	**69,680,475**	**177,107,958**	**1,771**

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

During the twelve months ended 31 December 2025, the Company issued no ordinary shares of £0.01 each (31 December 2024: nil).

During the twelve months ended 31 December 2025, the Company bought back to hold in treasury 23,099,586 shares (31 December 2024: 29,165,889) at a total cost of £345,819,000 (31 December 2024: £413,929,000). At the period end, the Company held 69,680,475 (31 December 2024: 46,580,889) shares in treasury.

end, the Company held [illegible] (31 December 2024: [illegible]) shares in treasury.

Since 31 December 2025 there have been no shares bought back.

8. Related party transactions

Fees payable to the Investment Manager are shown in the Condensed Statement of Comprehensive Income. As at 31 December 2025 the fee outstanding to the Investment Manager was £1,294,000 (31 December 2024: £1,430,000).

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

In line with the Directors Remuneration policy and the comparative reference information utilised by the Board of Directors, the annual fees payable to the Directors with effect from 1 January 2026 have been set at £66,000 to the Chair, £55,000 to the Chair of the Audit Committee, £44,000 to the Chair of the Management Engagement Committee and £39,360 to other Directors.

The Directors had the following shareholdings in the Company.

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

As at 31 December 2025, Terry Smith and other partners and key employees of the Investment Manager directly or indirectly and in aggregate, held 3.04% of the issued share capital of the Company (31 December 2024: 2.30%).

9. Events after the reporting period

The Company is required to pay a dividend in order to retain investment trust tax status, and accordingly the Board announced, on 13 January 2026, an interim dividend of 2.1 pence per share in respect of the 18-month period to 30 June 2026. The dividend will be paid on 20 February 2026 to shareholders on the register on the record date of 23 January 2026.

On 22 January 2026 a circular was published notifying shareholders of two general meetings to be held on 10 February 2026 and 27 February 2026. The circular set out the details of the Company's conversion into an open-ended investment company ("OEIC") and the proposals to be put to shareholders at these general meetings in order to implement a Scheme of Reconstruction. Details of the Scheme are contained on the Company's website at www.smithson.co.uk/restructure-proposal.

Since the date of this report, FCA approval for the open ended investment company and its prospectus has been received.

10. Status of this report

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

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

The Interim Report was approved by the Board of Directors on 30 January 2026.

Alternative Performance Measures ("APMs")

APMs are often used to describe the performance of investment companies although they are not specifically defined under IFRS. APM calculations for the Company are shown below. The Board believes that each of the APMs, which are typically used within the investment trust sector, provide additional useful information to shareholders in order to assess the Company's performance between reporting periods and against its peer group.

Discount

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

		As at 31 December 2025	As at 31 December 2024
NAV per ordinary share	a	1,601.5p	1,631.8p
Share price	b	1,566.0p	1,484.0p
Discount	**(b-a)÷a**	**2.2%**	**9.1%**

Total return

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

Twelve months ended 31 December 2025		Share price	NAV
Opening at 1 January 2025	a	1,484.0p	1,631.8p
Closing at 31 December 2025	b	1,566.0p	1,601.5p
Increase		5.5%	(1.9)%

*

Impact of reinvested dividends		0.1%	0.1%
Total return	**(b÷a)-1**	**5.6%**	**(1.8)%**

Twelve months ended 31 December 2024		**Share price**	**NAV**
Opening at 1 January 2024	a	1,415.0p	1,598.0p
Closing at 31 December 2024	b	1,484.0p	1,631.8p
Total return	**(b÷a)-1**	**4.9%**	**2.1%**

Ongoing charges ratio and total cost of investment

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

		Twelve months ended 31 December 2025	**Twelve months ended 31 December 2024**	**Period from Company's listing on 19 October 2018 to 31 December 2025**
Average NAV (£'000)	a	1,938,149	2,319,112	2,123,687
Annualised expenses (£'000)	b	17,388	20,051	19,655
Ongoing charges ratio	**(b÷a)**	**0.90%**	**0.86%**	**0.93%**
Annualised investment transaction costs (£'000)	c	418	636	667
Annualised investment transaction costs ratio	(c÷a)	0.02%	0.03%	0.03%
Total Cost of Investment ratio		**0.92%**	**0.89%**	**0.96%**

Company Secretary & Registered Office

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For further information please contact the company secretary at:-

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